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## WAIVER AND MODIFICATION NOTICE

<b>To</b>	ACWA Power Reinsurance Co Limited
<b>Address</b>	The Gate Precinct Building 2, Level 5, Office 1B, DIFC, P.O. Box 506770, Dubai, UAE
<b>DFSA Firm Reference No.</b>	F001352
<b>Notice No.</b>	W112/2011

### THE DFSA HEREBY GIVES NOTICE THAT:

1. The Rules specified in Table A herein do not apply to the above mentioned Person.

### AND

2. The Rules specified in the left hand column of Table B herein do not apply to the above mentioned Person in the form appearing in the Rulebook but instead apply as modified in the right hand column of the table.

### RULES WAIVED

TABLE A	
Rulebook Module	Rule
PIN Appendix 4	Rule A4.8 (Concentration Risk component)
PIN Appendix 4	Rule A4.9 (Size factor component)

### RULES MODIFIED

The Rules specified in the left hand column are modified to the extent shown in the right hand column of the table below. In this table, underlining indicates new text and striking through indicates deleted text, otherwise the Rule remains unaltered. Where a significant number of the paragraphs of the Rule remain un-altered the entire Rule may not be reproduced in the table. In such circumstances the un-altered parts of the Rule will be referred to by the relevant identifying paragraph number or letter, as the case may be.

**TABLE B**

<b>Rule</b>	<b>Modified Text</b>																				
PIN 7.2.3	<p>(1) <u>Subject to (2), Every Insurer must provide to the DFSA as at each reporting date a written report relating to its General Insurance Business, prepared by an Actuary who has the qualifications set out in section 7.5.</u></p> <p>(2) <u>An Insurer which is a Class 1 Captive Insurer shall not be required to provide to the DFSA the written report referred to in (1) above in its first two years of operation as an Authorised Firm.</u></p>																				
PIN A4.5.1	<p>Subject to Rule A4.5.2, an Insurer must calculate its investment volatility risk component as the sum of the amounts obtained by multiplying the value of each Invested Asset with the relevant percentage applicable to that asset as set out in the following table.</p> <table border="1" data-bbox="409 926 1235 1339"> <thead> <tr> <th><b>Asset</b></th> <th><b>%</b></th> </tr> </thead> <tbody> <tr> <td>(a) All bonds up to 1 year to maturity</td> <td>1.0</td> </tr> <tr> <td>(b) Bonds between 1 and 2 years to maturity</td> <td>2.0</td> </tr> <tr> <td>(c) Bonds between 2 and 5 years to maturity</td> <td>4.0</td> </tr> <tr> <td>(d) Bonds between 5 and 10 years to maturity</td> <td>6.0</td> </tr> <tr> <td>(e) All other bonds</td> <td>8.0</td> </tr> <tr> <td>(f) Equity investments*</td> <td>15.0</td> </tr> <tr> <td>(g) Preference shares</td> <td>6.0</td> </tr> <tr> <td>(h) Land and buildings</td> <td>18.0</td> </tr> <tr> <td>(i) <u>Qualifying intra-group loans</u></td> <td><u>1.0</u></td> </tr> </tbody> </table> <p>*Note: Item (f) includes equity shares, participations in collective investment schemes (whether or not the underlying investments are themselves equity investments), participations in joint ventures, and certificates of Mudaraba and Musharaka.</p>	<b>Asset</b>	<b>%</b>	(a) All bonds up to 1 year to maturity	1.0	(b) Bonds between 1 and 2 years to maturity	2.0	(c) Bonds between 2 and 5 years to maturity	4.0	(d) Bonds between 5 and 10 years to maturity	6.0	(e) All other bonds	8.0	(f) Equity investments*	15.0	(g) Preference shares	6.0	(h) Land and buildings	18.0	(i) <u>Qualifying intra-group loans</u>	<u>1.0</u>
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PIN A4.4.1	<p>(1) An Insurer must calculate its default risk component as the sum of the amounts obtained by multiplying the value of each asset of the Insurer with the percentage applicable to that asset, as set out in the tables contained in this Rule and subject to the provisions of Rules A4.4.2, A4.4.5, A4.4.6 and A4.4.7.</p>																																	
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## CONDITIONS

None

## EFFECTIVE PERIOD

This notice comes into effect on the date of issue of this notice and remains in force for a maximum period of two years or at such a time the firm decides to hold any risk.

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## **INTERPRETATION**

The provisions in this notice are to be construed in accordance with GEN section 6.2 as if these provisions are provisions of the Rulebook.

Defined terms are identified in this notice by the capitalisation of the initial letter of a word or of each word in a phrase and are defined in the Glossary (GLO). Unless the context otherwise requires, where capitalisation of the initial letter is not used, an expression has its natural meaning.

### **THIS NOTICE IS ISSUED UNDER ARTICLE 25 OF THE REGULATORY LAW 2004 BY:**

Name : **Paul M. Koster**

Position : **Chief Executive**

**DATE OF ISSUE** : **6 June 2011**