

**“APPROVED” By the decision
of the General Meeting of Shareholders
of “Regional Electric Networks” JSC
No. ____ dated June 27, 2023**

**REGULATION ON THE DIVIDEND POLICY
OF “REGIONAL ELECTRIC NETWORKS” JOINT-STOCK COMPANY**

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I. GENERAL PROVISIONS

1. This Regulation has been developed in accordance with the Law of the Republic of Uzbekistan “On Joint-Stock Companies and Protection of the Rights of Shareholders”, the Charter of “Regional Electric Networks” JSC (hereinafter referred to as the Company) and the Corporate Governance Code approved by the minutes of the meeting No. 9 of the Commission on Improving the Efficiency of Joint-Stock Companies and Improving the Corporate Governance System dated December 31, 2015. This Regulation sets out the issues that should be reflected and disclosed in the Company’s dividend policy.
2. The Company’s dividend policy is aimed at increasing the welfare of shareholders and the level of capitalization of the Company.

This Regulation is aimed at informing shareholders and other interested parties about the Company’s dividend policy and is intended to determine the approach of the Company’s Supervisory Board to developing recommendations on the amount of dividends on shares and the procedure for their payment.

If issues related to the payment of dividends to shareholders of the Company are not regulated by the Laws and normative legal acts of the Republic of Uzbekistan, the Charter of the Company and the norms of this Regulation, then these issues should be resolved based on the need to ensure the rights and interests of shareholders.

3. This dividend policy has been developed for the period 2023-2026, and during this period the Company allocates funds for the payment of dividends in an amount not exceeding the amount recommended by the Supervisory Board.
4. The Company considers increasing the level of its capitalization as the main way to satisfy the property interests of shareholders in obtaining income from shares.

The main goal of the dividend policy is to optimize the ratio between the consumable and capitalized parts of the profit received by the Company in order to increase the market value of the Company’s shares.

5. The Company’s dividend policy is based on the following main principles:

The principle of transparency, which means establishing and disclosing information about the obligations and responsibilities of the parties involved in the implementation of the dividend policy, including the procedure and conditions for making decisions on the payment and amount of dividends;

The principle of timeliness, which involves setting deadlines for the payment of dividends;

The principle of justification, which indicates that the decision on the payment and amount of dividends can be made only based on the Company's real financial situation and on the condition of achieving a positive financial result, taking into account development plans and investment programs;

The principle of fairness, which involves ensuring equal rights for shareholders to receive information about decisions made on the amount of dividends and the procedure for their payment;

The principle of consistency, which involves strict implementation of the procedures and principles of the dividend policy;

The principle of development, which involves continuously improving the dividend policy within the framework of improving corporate governance procedures and revising its rules in connection with changes in the Company's strategic goals;

The principle of stability, which expresses the Company's desire to ensure a stable level of dividend payments.

6. Making a decision (declaration) on the payment of dividends on the Company's placed shares is the right of the general meeting of shareholders. The general meeting of shareholders has the right to decide whether to pay or not to pay dividends on shares.
7. Payment of declared dividends is the Company's obligation.

Expenses related to the payment of dividends (including calculation and withholding of taxes, transfer of dividends) cannot be imposed on the dividend-receiving shareholder. The Company is liable to the shareholder for failure to fulfill this obligation in accordance with the current legislation of the Republic of Uzbekistan.

8. Dividends are not calculated and paid on the following shares:
 - on unplaced shares;
 - on shares repurchased by the Company itself;
 - in other cases provided for by the legislation of the Republic of Uzbekistan.
9. The Company does not have the right to make a decision on the payment of dividends on shares in cases provided for in the first part of Article 54 of the Law of the Republic of Uzbekistan "On Joint-Stock Companies and Protection of the Rights of Shareholders".

II. PROCEDURE FOR DETERMINING AND CALCULATING THE AMOUNT OF DIVIDENDS

10. The Company has the right to make a decision (to declare) on the payment of dividends on shares based on the results of the first quarter, six months, nine months of the financial year and the results of the financial year (with the exception of the cases specified in paragraph 8 of this regulation).

The decision to pay (declare) dividends on shares based on the results of the first quarter, six months, nine months of the financial year and the results of the financial year can be made within three months after the end of the corresponding period.

Dividends are paid from the Company's net profit and (or) undistributed profits of previous years remaining at the disposal of the Company. At the same time, in order to prevent timely payment of dividends and deterioration of the Company's financial situation due to the withdrawal of funds from circulation, a reserve for bad debts may be formed from the Company's profit.

11. The General Meeting of Shareholders of the Company makes a decision on the payment (declaration) of dividends on shares of each category. The Supervisory Board of the Company makes recommendations to the General Meeting of Shareholders on the amount of dividends on shares and the procedure for their payment. The amount of dividends cannot exceed that recommended by the Supervisory Board.
12. The decision of the General Meeting of Shareholders on the payment (declaration) of dividends must specify:

Category (type) of shares on which dividends are paid (declared);

the amount of dividend for each share of a certain type;

the term, procedure and frequency of payment of dividends.

In this case, the Company does not have the right to make a decision on calculating (paying) dividends in cases established by law and also in cases where it is not possible to fully pay dividends on shares within the terms established by law.

13. The amount of dividends recommended to the General Meeting of Shareholders is determined by the Supervisory Board based on the following factors:

from the amount of net profit in the financial statements, the reliability of which is confirmed by the audit report;

from the Company's financial and economic plans for subsequent periods;

from the composition of the Company's working capital at the end of the relevant period;

from the amount of the Company's debt burden at the end of the relevant period.

14. When determining the recommended amount of dividends, the Supervisory Board must take into account the Company's financial and economic plans for subsequent periods, as well as the current and future state of the Company's working capital and liabilities. In this case, the payment of dividends recommended by the Supervisory Board to the General Meeting of Shareholders of the Company should not lead to the Company attracting additional debt funds or other expenses not provided for in the financial and economic plan approved for subsequent periods.

III. TERMS AND PROCEDURE FOR PAYMENT OF DIVIDENDS

15. The Company pays dividends in cash or other legal means of payment or with the Company's securities.
16. The procedure and terms for payment of dividends are determined by the decision of the General Meeting of Shareholders of the Company, but the payment period must not exceed 60 days from the date of the decision of the General Meeting of Shareholders.
17. If dividends are not paid by the Company within the terms established by the decision of the General Meeting of Shareholders due to the fault of the Company, the shareholder may recover a penalty based on the refinancing rate set by the Central Bank. The amount of the penalty for unpaid dividends should not exceed 50 percent of the amount of these unpaid dividends.
18. The structural unit of the Company performing the functions of organizing and conducting work with shareholders, together with the Company's accounting department, carries out measures to organize the payment of dividends provided for in this Regulation by the Company.
19. Shareholders have the right to contact the Company with a request to provide information on the amount of dividends on shares, the procedure for calculating and taxing dividends, and the terms of payment of dividends.
20. Each shareholder of the Company has the right to receive dividends on the shares belonging to him.
21. If the shareholder incorrectly indicates his bank details or the address for transferring dividends or does not inform the Company about these details or does not report them in a timely manner, the Company is not responsible for the damage caused to the shareholder or for the failure to pay dividends. If the amounts of dividends transferred to incorrect details or addresses due to the

reasons specified in this paragraph due to the fault of the shareholder are returned to the Company, the expenses related to their return and re-sending are deducted when re-transferring the dividends to the shareholder according to the corrected details.

22. The Company is a tax agent when paying income on shares belonging to the shareholder and pays the calculated dividends, deducting the taxes established in the current legislation. A shareholder to whom standard tax rates should not be applied submits to the Company supporting documents established in the current legislation of the Republic of Uzbekistan.

IV. RESPONSIBILITY FOR THE PAYMENT OF DECLARED DIVIDENDS

23. The Company is obliged to pay declared dividends on each type of share.
24. None of the shareholders has a preference in terms of payment terms when paying dividends.
25. The executive body of the Company is responsible for the full and timely payment of dividends to the shareholders of the Company. The Supervisory Board of the Company, together with the Audit Commission of the Company, oversees the efforts of the executive body to fully and timely pay dividends.
26. In order to ensure the payment of calculated dividends, the Supervisory Board considers the issue of the dividend payment process at its meetings. If dividends are not paid in full or on time due to the fault of the executive body of the Company, the Supervisory Board determines the responsibility of the guilty parties and applies appropriate penalties to them.
27. If the Company fails to fulfill its obligations, shareholders have the right to demand the payment of declared dividends on each type of share in court.
28. The Company is liable in accordance with the legislation of the Republic of Uzbekistan for the failure or improper performance of the obligations imposed on the Company as a tax agent to withhold and transfer tax amounts on dividends.

V. PROCEDURE FOR DISCLOSURE OF INFORMATION

29. This Regulation, as well as amendments and additions to it, is published on the Company's official website within ten days after the signing of the minutes of the relevant general meeting of shareholders of the Company.
30. When the General Meeting of Shareholders makes a decision on the payment of dividends, the Company discloses information in the form of a notification about significant facts within the terms established by law.

VI. FINAL PROVISIONS

31. This Regulation and amendments and additions to it are approved by the decision of the General Meeting of Shareholders. Amendments and additions to this Regulation are made on the proposal of the Supervisory Board, Audit Commission and Executive Body of the Company.
32. If some of the provisions of this Regulation contradict the current legislation of the Republic of Uzbekistan and/or the Charter of the Company, these articles lose their force and the issues regulated by these articles are regulated by the norms of the current legislation of the Republic of Uzbekistan and/or the Charter of the Company until relevant amendments are made to this Regulation.