

**“APPROVED” By Resolution No. 3  
of the Sole Shareholder of all voting ordinary shares  
of “Regional Electric Networks” JSC  
dated May 29, 2023**

**REGULATIONS ON THE EXECUTIVE BODY OF  
“REGIONAL ELECTRIC NETWORKS” JOINT-STOCK COMPANY**

**Tashkent – 2023**

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## **I. GENERAL PROVISIONS**

1.1. This Regulation (hereinafter referred to as the Regulation) defines the status of the executive body of “Regional Electric Networks” Joint-Stock Company (hereinafter referred to as the Company) and regulates its work.

1.2. The management of the Company’s current activities is carried out by a collegial executive body - the Management Board, whose competence is defined in the Company’s Charter and in this Regulation.

1.3. 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, and the Corporate Governance Code approved by the Minutes of Meeting No. 9 of the Commission on Improving Efficiency of Joint-Stock Companies and Improving the Corporate Governance System dated December 31, 2015.

## **II. PROCEDURE FOR ELECTION (APPOINTMENT) AND TERMINATION OF POWERS OF THE EXECUTIVE BODY**

2.1. The Management Board of the Company consists of 6 (six) members elected for a term of three years by the decision of the General Meeting of Shareholders.

2.2. The Chairman and members of the Management Board of the Company are appointed to the position by the decision of the Supervisory Board of the Company.

2.3. Candidates for the position of Chairman and members of the Management Board are required to inform the Supervisory Board of the Company about the facts of bringing them to criminal liability.

2.4. When submitting a candidate for the position of Chairman or member of the Management Board, the Chairman of the Supervisory Board provides information about the terms of the contract, the amount of salary, the amount of bonuses and compensation for the activities of the Management Board, and the candidate’s consent to conclude the contract, confirmed by a personal application.

2.5. The decision on the election of the Chairman and members of the Management Board of the Company is made by the General Meeting of Shareholders.

2.6. Candidates for the position of Chairman and members of the Management Board of the Company may participate when their candidacies are considered by the Supervisory Board and the General Meeting of Shareholders.

After the candidate for the position of Chairman and member of the Management Board is elected (appointed), the Supervisory Board concludes a contract with him for a term of three years to perform his duties and makes a decision on the possibility of extending or terminating the contract annually based on the results of his activities. The contract on behalf of the Company is signed by the Chairman of the Supervisory Board or a person authorized by the Supervisory Board of the Company. The contract concluded with the Chairman and member of the Management Board

must provide for their obligations to improve the efficiency of the Company's activities, as well as the periodicity of reporting by the Chairman of the Management Board to the General Meeting of Shareholders and the Supervisory Board on the implementation of the Company's annual business plan.

2.7. A person appointed to the position of Chairman of the Management Board may not be the head of the Company's executive body for more than two consecutive terms.

2.8. The General Meeting of Shareholders has the right to terminate the contract with the Chairman or member of the Management Board of the Company if he violates the terms of the contract.

2.9. The General Meeting of Shareholders or the Supervisory Board of the Company has the right to terminate (terminate) the contract with the Chairman or member of the Management Board of the Company before the deadline if the Chairman or member of the Management Board of the Company grossly violates the Company's Charter or causes damage to the Company by his actions (inaction).

2.10. The decision on termination (termination) of the contract concluded with the Chairman or member of the Management Board of the Company, including early termination (termination), is made by the General Meeting of Shareholders of the Company.

2.11. If the General Meeting of Shareholders makes a decision to terminate the powers of the Chairman or member of the Management Board of the Company, the issue of transferring the powers of the Chairman or member of the Management Board of the Company to another person may be considered at the same meeting or postponed until the next meeting, indicating a person as acting temporarily.

### **III. POWERS OF THE EXECUTIVE BODY**

3.1. The competence of the Management Board includes all matters related to the management of the Company's day-to-day activities, except for matters that fall within the exclusive competence of the General Meeting of Shareholders or the Supervisory Board.

3.2. The Management Board operates within the scope of the powers established by the legislation, the Company's Charter, this Regulation, the terms of the employment contract concluded with each of them, the decisions of the General Meeting of Shareholders, and the Supervisory Board of the Company.

The Management Board organizes the execution of the decisions of the General Meeting of Shareholders and the Supervisory Board of the Company.

3.3. The Chairman and members of the Management Board have the following rights:

- To act on behalf of the company without a power of attorney, to represent the interests of the Company in state institutions, all organizations, and enterprises, regardless of the form of ownership;

- To open settlement, currency, and other accounts in banks with the right to the first signature on bank and other financial documents of the company;

- To conclude transactions and sign contracts (agreements) with the Company's clients, as well as with other organizations and enterprises;
- To sign documents on behalf of the Company;
- To dispose of the Company's property and funds within the scope of their powers;
- To determine and approve the staffing table of employees;
- To hire employees, conclude and terminate employment contracts with them, apply disciplinary measures to them, and ensure compliance with labor and performance discipline;
- To determine remuneration for the Company's employees (all types of bonuses, allowances, surcharges, and labor engagement coefficients) in accordance with the labor legislation and regulatory documents of the Republic of Uzbekistan;
- To approve the regulations of the Company's structural divisions and the job descriptions of the Company's employees;
- To issue a power of attorney on behalf of the Company;
- To determine the position of the Company's representatives in voting on behalf of the Company in the management bodies of enterprises included in the Company;
- To insure the Company's business risks and the liability of the management members;
- To issue assignments, orders, and instructions binding on all employees of the Company;
- To approve the Company's internal regulatory documents, except for internal regulatory documents that fall within the competence of the General Meeting of Shareholders or the Supervisory Board;
- Other rights that are consistent with the legislation, the company's charter, and the employment contract.

#### 3.4. Obligations of the Executive Body:

- To manage the Company's day-to-day activities and ensure its effective and stable operation, except for matters that fall within the competence of the General Meeting of Shareholders and the Supervisory Board;
- To protect the interests of the company in state institutions and all organizations and enterprises, regardless of the form of ownership;

- To organize the ensuring of the execution of decisions of the General Meeting of Shareholders and the Supervisory Board of the Company;
- To ensure effective cooperation of the Company's structural divisions;
- To ensure the fulfillment of the Company's contractual obligations;
- To ensure the receipt of profit in the amount necessary for the development of production and the social sphere;
- To manage the development of the Company's development programs and business plans, to organize and control their implementation;
- To ensure compliance with legal requirements in the Company's activities;
- To ensure the organization, proper maintenance, and reliability of accounting and reporting in the Company, to provide timely information on annual reports and other financial statements to relevant authorities, as well as to shareholders, creditors, and other information recipients;
- To report quarterly to the Supervisory Board on the implementation of the annual business plan;
- To provide unrestricted access to documents related to the Company's financial and economic activities at the request of the Company's Supervisory Board, Audit Commission, or Auditor;
- To ensure the full and timely submission of state statistical reports to the relevant authorities;
- To maintain the Company's trade secret information, unless the transfer of such information to third parties is included in the scope of its functions. The list of information constituting a trade secret of the Company is determined by the Supervisory Board;
- To ensure the preservation of information constituting official or trade secrets by the Company's employees;
- To provide the Company with qualified personnel and to take measures to make efficient use of the knowledge, skills, experience, and abilities of the Company's employees;
- To ensure that labor discipline is maintained;
- To ensure social guarantees and labor protection for the Company's employees;
- To ensure the improvement of qualifications of the Company's officials through participation in training courses, seminars, and other events;

- To participate in collective agreements, to act as an employer in the conclusion of collective agreements and agreements, and to fulfill obligations under the collective agreement;
- To submit reports on the state of affairs within the scope of their powers to the General Meeting of Shareholders and the Supervisory Board of the Company within the established timeframes;
- To obtain information as provided for in current legislation on the General Meeting of Shareholders, to make decisions within the scope of their powers, and to ensure compliance with all rights in calculating and paying dividends;
- To notify the Company's Supervisory Board if affiliated with the transaction concluded by the Company;
- To comply with the requirements of the current legislation, the Company's charter, and other internal documents of the Company.

3.5. The specific rights and obligations of members of the Company's Management Board are provided for in the contract concluded with them.

3.6. Holding the positions of Chairman and members of the Company's Management Board concurrently with a position in the management bodies of other organizations is allowed only with the consent of the Company's Supervisory Board.

#### **IV. RESPONSIBILITY OF THE EXECUTIVE BODY**

4.1. Members of the Company's Management Board, in exercising their rights and fulfilling their obligations, must act in the interests of the Company and be liable in accordance with the established procedure.

4.2. Members of the Company's Management Board do not have the right to establish or participate in the establishment of enterprises that create difficulties in the sale of products or the provision of the Company's services during their tenure. When appointed to a position in the Company, members of the Management Board must suspend their participation in other similar enterprises and notify the Company's Supervisory Board of such suspension.

4.3. The Chairman and members of the Company's Management Board may alienate property, determine the form and mechanism of its sale, and enter into agreements on the investment of third parties in the Company's authorized capital only after agreeing with the Company's Supervisory Board.

4.4. The members of the Company's Management Board are responsible for compensating the Company for the damage caused by their failure to perform or improper performance of their duties in full in accordance with the current legislation of the Republic of Uzbekistan and the Company's Charter.

4.5. The shareholders or the Supervisory Board of the Company have the right to apply to the court with a claim against the members of the Company's Management Board to compensate for the damages caused to the Company.

## **V. PROCEDURE FOR REMUNERATION OF THE EXECUTIVE BODY**

5. The amount of remuneration and material incentives paid to the Chairman and members of the Company's Management Board is directly related to the effectiveness of the Company's activities and is determined in the labor contract concluded with them in connection with the main indicators of efficiency established by the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated July 28, 2015 No. 207 "On the Introduction of Criteria for Assessing the Efficiency of Activities of Joint-Stock Companies and Other Business Entities with a State Share."

## **VI. FINAL PROVISIONS**

6.1. This Regulation, as well as amendments and additions to it, is approved by the decision of the General Meeting of Shareholders.

6.2. Amendments and additions to this Regulation are made at the proposal of members of the Company's Supervisory Board or the Chairman of the Company's Management Board.

6.3. If certain articles of this Regulation are contrary to the current legislation of the Republic of Uzbekistan and/or the Company's Charter, these articles shall be canceled, and the issues regulated by these articles shall be regulated by the norms of the current legislation of the Republic of Uzbekistan and/or the Company's Charter until the relevant amendments are made to this Regulation.