

**“APPROVED” By Resolution  
No. \_\_\_\_ of \_\_\_\_ \_\_\_\_\_ 2024  
of the Sole Shareholder of all  
voting ordinary shares of  
“Regional Electric Networks” JSC**

**REGULATION ON THE PROCEDURE FOR REMUNERATION  
OF MEMBERS OF THE SUPERVISORY BOARD  
OF “REGIONAL ELECTRIC NETWORKS” JOINT-STOCK COMPANY**

**Tashkent – 2024**

## TABLE OF CONTENTS

<b>I.</b>	<b>GENERAL PROVISIONS .....</b>	<b>3</b>
<b>II.</b>	<b>TERMS AND DEFINITIONS .....</b>	<b>3</b>
<b>III.</b>	<b>CRITERIA FOR REMUNERATION OF MEMBERS OF THE SUPERVISORY BOARD .....</b>	<b>4</b>
<b>IV.</b>	<b>SOURCES OF REMUNERATION OF MEMBERS OF THE SUPERVISORY BOARD .....</b>	<b>4</b>
<b>V.</b>	<b>PROCEDURE AND AMOUNT OF REMUNERATION OF MEMBERS OF THE SUPERVISORY BOARD .....</b>	<b>4</b>
<b>VI.</b>	<b>TAXATION OF REMUNERATION PAYMENTS TO MEMBERS OF THE SUPERVISORY BOARD .....</b>	<b>6</b>
<b>VII.</b>	<b>FINAL PROVISIONS .....</b>	<b>6</b>

## I. GENERAL PROVISIONS

1.1. This Regulation “On the Procedure for Remuneration of Members of the Supervisory Board of “Regional Electric Networks” JSC” (hereinafter referred to as the Regulation) has been developed in accordance with the Civil and Labor Codes of the Republic of Uzbekistan, the Law of the Republic of Uzbekistan “On Joint-Stock Companies and Protection of the Rights of Shareholders”, the Decree of the President of the Republic of Uzbekistan No. PF-3202 dated January 24, 2003 “On Measures to Radically Increase the Share and Significance of the Private Sector in the Economy of Uzbekistan”, Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 464 dated July 31, 2024 “On Measures to Increase the Operational Efficiency of Enterprises with State Participation and Commercial Banks”, and the Charter of “Regional Electric Networks” JSC (hereinafter referred to as the Company), and establishes the procedure for remuneration of members of the Supervisory Board of the Company.

1.2. This Regulation is approved by the decision of the General Meeting of Shareholders of the Company (the Sole Shareholder of all voting ordinary shares), and all amendments and additions to it are made on the basis of decisions of the General Meeting of Shareholders of the Company (the Sole Shareholder of all voting ordinary shares).

## II. TERMS AND DEFINITIONS

2. The following terms and definitions are used in this regulation:

**Supervisory Board** - is the body that exercises overall management of the Company’s activities, with the exception of resolving issues within the competence of the General Meeting of Shareholders (the Sole Shareholder of all voting ordinary shares) in accordance with the Law of the Republic of Uzbekistan “On Joint-Stock Companies and Protection of the Rights of Shareholders” and the Charter of the Company.

**Members of the Supervisory Board** - are persons elected for a term of three years by the General Meeting of Shareholders (the Sole Shareholder of all voting ordinary shares) in accordance with the procedure provided for in the Law of the Republic of Uzbekistan “On Joint-Stock Companies and Protection of the Rights of Shareholders” and the Charter of the Company.

**Members of the Supervisory Board appointed (elected) for the state share** - are persons who are civil servants of the Republic of Uzbekistan and representatives of enterprises with state participation, elected for the state share in the authorized capital of the Company in accordance with the procedure provided for in the Law of the Republic of Uzbekistan “On Joint-Stock Companies and Protection of the Rights of Shareholders” and the Charter of the Company.

**Independent member of the Supervisory Board** - are persons elected (appointed) to the Supervisory Board of the Company in accordance with the procedure and rules provided for in Article 761 of the Law of the Republic of Uzbekistan “On Joint-Stock Companies and Protection of the Rights of Shareholders”.

**Remuneration paid to members of the Supervisory Board** - are payments to members of the Supervisory Board for the period during which they perform their duties and (or) to reimburse expenses related to the performance of the duties of a member of the supervisory board.

**Minimum wage** - the minimum wage established in the Republic of Uzbekistan.

### **III. CRITERIA FOR REMUNERATION OF MEMBERS OF THE SUPERVISORY BOARD**

3.1. The criteria for remuneration of members of the Supervisory Board are as follows:

- Personal attendance at meetings of the Supervisory Board;
- According to the results of the assessment of the corporate governance system conducted by an independent organization at the end of the year;
- Fulfillment of the main indicators of the Company’s annual Business Plan.

3.2. Additional criteria may also be established by a decision of the General Meeting of Shareholders of the Company (the Sole Shareholder of all voting ordinary shares) when making a decision on paying bonuses to members of the Supervisory Board of the Company.

### **IV. SOURCES OF REMUNERATION OF MEMBERS OF THE SUPERVISORY BOARD**

4.1. The sources of remuneration for members of the Supervisory Board of the Company are the Company’s own funds.

4.2. The amount of the annual bonus for independent members appointed to the Supervisory Board of the Company shall be paid to each of them in the amount equivalent to 100 thousand US dollars.

4.3. Information on the remuneration paid to independent members of the Supervisory Board in accordance with this Regulation shall be disclosed by the Company in the manner prescribed by applicable law.

### **V. PROCEDURE AND AMOUNT OF REMUNERATION OF MEMBERS OF THE SUPERVISORY BOARD**

5.1. The amount of remuneration established in paragraph 4.2 of this Regulation may be reduced (including to a zero amount) or not paid in relation to certain independent members of the Supervisory Board on the following grounds:

- If the member attended more than 50 percent but not all (100 percent) of the Supervisory Board meetings held during the quarter, the bonus amount is reduced by 25 percent;

- If the member did not attend more than 50 percent of the Supervisory Board meetings held during the quarter, the bonus is not paid;

At the same time, meetings of the Supervisory Board may be held either by personal attendance or by absentee meetings, as well as by videoconference and telephone communication.

5.2. It is established that expenses related to the participation of independent members of the Supervisory Board in meetings and work of the Supervisory Board, including airline tickets and accommodation (hotel), shall be reimbursed by the Company in accordance with the procedure established in the contract concluded with the independent member of the Supervisory Board and in applicable law.

5.3. If the powers of the members of the Supervisory Board are terminated early and a new composition of the Supervisory Board is elected, each independent member of the Supervisory Board shall be paid remuneration in proportion to the period during which they performed their duties, based on their participation in meetings of the Supervisory Board.

5.4. The amount of remuneration established in paragraph 4.2 of this Regulation may also be reduced (including non-payment) by a decision of the General Meeting of Shareholders of the Company (the Sole Shareholder of all voting ordinary shares) due to other reasons leading to a deterioration in the Company's financial situation or if cases of violation of legislation occur through the fault of certain independent members of the Supervisory Board.

5.5. Remuneration to independent members of the Supervisory Board of the Company shall be carried out in the following procedure:

- The independent member of the Supervisory Board shall submit invoices to the Company once every three months, but no later than fifteen (15) days after the end of each three-month period;

- The Company shall pay the invoices mentioned in paragraph 5.4 of this Regulation and other necessary documents within 15 (fifteen) days from the date of submission by the independent member of the Supervisory Board;

5.6. Remuneration to independent members of the Supervisory Board of the Company shall be carried out by transferring the relevant funds to their personal accounts or plastic cards opened in banks serving them, taking into account taxation in the amount and procedure established by applicable law.

5.7. The details of the independent members of the Supervisory Board are determined according to the contract concluded with them.

5.8. The relevant structural unit of the Company keeps records of the participation of independent members of the Supervisory Board in meetings, and the Central Accounting and Finance Department of the Company provides data for the payment of remuneration to independent members of the Supervisory Board.

5.9. At the same time, by a decision of the General Meeting of Shareholders of the Company (the Sole Shareholder of all voting ordinary shares):

Independent members of the Supervisory Board may be paid an additional bonus in the amount of 10 percent of the annual bonus amount specified in the contract for the activities they perform as the chairman or member of the Supervisory Board committee.

5.10. Members of the Supervisory Board appointed (elected) for the state share (persons who are civil servants of the Republic of Uzbekistan and representatives of state-owned enterprises) are not paid for their activities on the Supervisory Boards.

In this case, if the Government cancels the restrictions on payments to civil servants and representatives of state-owned enterprises appointed (elected) to the Supervisory Board for the state share by the relevant decision of the Government, payments may be made to members of the Supervisory Board.

5.11. Members of the Supervisory Board, including independent members, may refuse to receive the bonus provided for in this Regulation in full or in part by submitting an application to the Chairman of the Supervisory Board or the Head of the Executive Body of the Company to refuse to receive the bonus.

## **VI. TAXATION OF REMUNERATION PAYMENTS TO MEMBERS OF THE SUPERVISORY BOARD**

6.1. Remuneration paid to members of the Supervisory Board of the Company is taxed in the manner prescribed by the tax legislation of the Republic of Uzbekistan.

## **VII. FINAL PROVISIONS**

7.1. This Regulation shall enter into force from the date of its approval by the General Meeting of Shareholders of the Company (the Sole Shareholder of all voting ordinary shares) and shall remain in force until it is repealed.

7.2. The rules not provided for in this Regulation shall be governed by the current legislation.

7.3. If some of the provisions of this Regulation contradict the legislation of the Republic of Uzbekistan and (or) the Charter of the Company, they shall lose their force, and in these cases the current legislation of the Republic of Uzbekistan and (or) the Charter of the Company shall apply.