

**“APPROVED” By Resolution
of the Supervisory Board
of “Regional Electric Networks” JSC
dated “ _____ ” _____ 2024**

**REGULATION ON REMUNERATION OF MEMBERS OF THE
MANAGEMENT BOARD OF “REGIONAL ELECTRIC NETWORKS” JSC**

Tashkent – 2024

Regulation on Remuneration of Members of the Management Board of “Regional Electric Networks” JSC

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I. General Provisions

1.1. This Regulation has been developed in accordance with the Labor Code of the Republic of Uzbekistan, the Law of the Republic of Uzbekistan “On Joint-Stock Companies and Protection of the Rights of Shareholders”, Decree of the President of the Republic of Uzbekistan No. UP-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. 463 dated July 31, 2024 “On Measures to Organize the Assessment of the Activities of Heads and their Deputies of Republican and Local Executive Authorities and Economic Associations Based on the Most Important Indicators”, 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 and Commercial Banks with State Participation”, the Charter of “Regional Electric Networks” JSC and defines the procedure and conditions for remuneration of members of the Management Board of “Regional Electric Networks” JSC (hereinafter referred to as the Company).

1.2. This Regulation is introduced to ensure proper remuneration and material interest of members of the Management Board in achieving high financial and economic results by the Company.

1.3. Labor costs for members of the Management Board are included in the estimated cost part of the Company’s annual business plan.

II. Procedure and Amount of Remuneration of Members of the Management Board

2.1. Remuneration of members of the Management Board includes the following payments:

salary;

remuneration (incentive payments) based on the results of assessing the effectiveness of the Management Board’s activities;

seniority bonuses and premiums not related to work results;

payments for time not worked;

compensatory payments (compensation);

allowances for high achievements in labor. In this case, certain payments are set in multiples of the minimum wage (hereinafter MMW) established in the Republic of Uzbekistan.

2.2. Members of the Management Board are assigned a salary corresponding to the position held - the tariff category of the Unified Tariff Scale of “Regional Electric Networks” JSC, increased to a multiplying factor of 2.5.

2.3. The tariff categories for members of the Management Board of the Company are established in the following order:

Chairman of the Management Board - from 9 to 18 category of the Unified Tariff Scale of “Regional Electric Networks” JSC;

First Deputy Chairman of the Management Board - 17 category of the Unified Tariff Scale of “Regional Electric Networks” JSC;

Deputy Chairmen of the Management Board - 16 category of the Unified Tariff Scale of “Regional Electric Networks” JSC;

Chief Accountant - 10% lower than the tariff category of the Chairman of the Management Board.

2.4. The amount of material incentives for remuneration based on the results of assessing the effectiveness of the Management Board’s activities is made monthly based on the results of the previous month in the amount specified in the Regulation on the procedure for awarding bonuses to the Chairman of the Management Board and his deputies of “Regional Electric Networks” JSC based on the results of determining the criteria for assessing their activities (KPI).

2.5. Payment of remuneration based on the results of assessing the effectiveness of the Management Board’s activities is carried out if key performance indicators approved by the relevant resolution of the Cabinet of Ministers of the Republic of Uzbekistan are met, after assessing the effectiveness of the activities of members of the Management Board and the compliance of the results of their work with the following criteria: insufficient, average, sufficient and high.

The procedure for assessing the effectiveness of the activities of members of the Management Board is carried out in accordance with the regulation approved by Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 463 dated July 31, 2024 “On Measures to Organize the Assessment of the Activities of Heads

and their Deputies of Republican and Local Executive Authorities and Economic Associations Based on the Most Important Indicators”.

The amount of remuneration based on the results of assessing the effectiveness of the Management Board’s activities is determined by multiplying the amount of material incentives by the integral efficiency coefficient for the previous period.

Payment of remuneration based on the results of assessing the effectiveness of the Management Board’s activities is carried out monthly.

If, based on the results of the Company’s financial and economic activities for the year, the integral efficiency coefficient of the Management Board and the percentage of fulfillment of at least half of all key performance indicators exceeds the forecast (target value), then the members of the Management Board may receive remuneration in double the amount established in accordance with the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 464 dated July 31, 2024.

The total amount of remuneration for work performed by each manager in the reporting period is determined based on the maximum amount of monthly salary (including income tax from individuals and all types of remuneration) paid to members of the Management Board in accordance with Resolution of the Cabinet of Ministers No. 464 of July 31, 2024.

If, during the year, members of the Management Board of the Company were elected in a new composition or one or more of its members were elected, then remuneration based on the results of assessing the effectiveness of the Management Board’s activities is paid in proportion to the time worked.

2.6. Seniority bonuses and premiums not related to work results are paid regardless of the results and assessment of the effectiveness of the Management Board’s activities in the following amounts:

- a) Premiums for public holidays - up to one salary;
- b) Seniority bonus:

Length of service in the industry	Amount of monthly seniority bonus as a percentage of salary
from 1 year to 3 years	10%
from 3 to 5 years	20%
from 5 to 7 years	30%
from 7 to 10 years	40%

from 10 to 15 years	50%
from 15 to 20 years	60%
from 20 to 30 years	70%
over 30 years	80%

Payment of the seniority bonus is carried out in the manner established by the Regulation on the procedure for paying seniority to employees of the joint-stock company “Regional Electric Networks”.

2.7. Payments for time not worked are carried out in the established amounts in accordance with the legislation:

- Annual basic (basic extended) leave, as well as monetary compensation for its non-use, including upon termination of the employment contract;
- Additional leave for employees of certain industries for work in unfavorable and special working conditions;
- Leave in connection with training;
- Forced leave with partial preservation of the basic salary;
- Remuneration for the performance of state or public duties in accordance with the Labor Code of the Republic of Uzbekistan;
- Wages at the main place of work for employees of legal entities during their full-time training in the system of retraining and advanced training of personnel;
- Surcharge in case of temporary disability.

2.8. Compensatory payments are carried out in the established manner in accordance with the legislation:

- Surcharges to salaries for work at night (in one and a half times the amount), overtime work on weekends and holidays (non-working) days (in double the amount, or a day off is provided);
- Daily allowance during business trips within the republic in the amount of 10% of the BCA.

2.9. Remuneration and compensation are paid by the company in cash.

III. Final Provisions

3.1. This Regulation shall enter into force from the moment of its approval by the protocol of the general meeting of shareholders of the company.

3.2. Disputes related to the implementation of payments of remuneration established by this regulation are considered by the Supervisory Board.

3.3. In case of impossibility of resolving disputes in the corporate management bodies of the company, a person who believes that his legal rights and interests have been violated has the right to apply to the judicial authorities in the manner established by the legislation of the Republic of Uzbekistan.

3.4. Additions and changes may be made to this regulation in accordance with the decision of the general meeting of shareholders.

3.5. If, as a result of changes in the legislation of the Republic of Uzbekistan, individual provisions of this Procedure contradict them, these points lose their force and, until amendments are made to the procedure, the company is guided by the requirements of the legislation of the Republic of Uzbekistan.

If individual provisions of this Procedure contradict the current legislation of the Republic of Uzbekistan and/or the Charter of the company, these points lose their force and, in the part of the issues regulated by these articles, one should be guided by the norms of the current legislation of the Republic of Uzbekistan and/or the Charter of the company until the corresponding changes are made to this regulation.

3.6. Persons guilty of violating the requirements of this regulation are liable in the manner prescribed by law.