

COMPENSATION COMMITTEE STATUTE
Of
THE SUPERVISORY BOARD of
GEORGIAN STATE ELECTROSYSTEM JSC

Authority and Purpose

The Compensation Committee (the “**Committee**”) of the Supervisory Board (the “**Supervisory Board**”) of **Georgian State Electrosystem JSC**, a joint stock company registered and existing under the laws of Georgia (the “**Company**”), is established pursuant to the resolution Supervisory Board dated 27 July 2021.

The primary purpose of the Committee is to assist with the Supervisory Board’s oversight of the compensation of the members of the Company’s Supervisory Board, the General Director and the Board of Directors, publishing in the annual report on executive compensation, and compliance with the compensation reporting requirements of government agencies, and any other applicable rules and regulations. The primary responsibility of the Compensation Committee is to develop and recommend to the Supervisory Board the compensation policies that are appropriate for the Company taking into consideration the circumstances of the Company, its business strategy, long-term sustainability, risk appetite, and its role as a critical infrastructure operator, while supporting long-term value creation, in each case to the extent such oversight is not otherwise the duty or responsibility of other committees of the Supervisory Board. The Committee oversees compensation philosophy, structure, and key decisions, while management remains responsible for implementation and administration of compensation programs approved by the Supervisory Board.

Pursuant to, and in accordance with, the Committee’s purpose as set forth above, and duties and responsibilities as set forth below, the Committee is granted the authority to oversee compensation matters of the Company and all employees are directed to cooperate as requested by the members of the Committee. The Committee shall have the authority to retain, at the Company’s expense, and approve the fees and other retention terms of, special legal, accounting or other consultants or experts, as it deems necessary in the performance of its duties and responsibilities. The Company shall also provide appropriate funding, as determined by the Committee, for the payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties and responsibilities.

Limitations

While the Committee has the duties and responsibilities set forth in this Compensation Committee Statute (the “**Statute**”), it is not the duty or responsibility of the Committee to assure the Company’s compliance with applicable laws, regulations and corporate policies, which is the responsibility of members of the Company’s Board of Directors headed by the General Director (“**Board of Directors**”).

Composition

The Committee shall be comprised of at least three members of the Supervisory Board, all of whom shall be independent as provided under the Corporate Governance Code of the Company.

The Supervisory Board shall appoint members of the Committee, including the Chairperson of the Committee (the “**Chairperson**”), which members shall serve until their respective successors are duly elected and qualified, or until such member’s earlier resignation or removal. The Supervisory Board shall have the power to remove any member of the Committee, with or without cause. In order to properly and effectively discharge their duties and responsibilities, Committee members should have or obtain sufficient knowledge of the Company’s business, including the risks and exposures inherent in, and/or associated with, such business.

Duties and Responsibilities

The Committee shall be empowered, in accordance with its judgment and pursuant to its authority and purpose, with the following duties and responsibilities (which, unless otherwise specifically noted, shall be performed continuously, periodically, intermittently and/or as otherwise directed or determined by the Chairperson or applicable law or regulation):

1. **Compensation Philosophy.** Review and recommend the Company’s overall compensation philosophy, ensuring alignment with long-term strategy, financial sustainability, risk management, safety, reliability, and compliance obligations. The Committee shall review and approve periodically the Company’s overall compensation philosophy for the General Director and (i) members of the Board of Directors who report directly to the General Director; (ii) any other officer or employee of the Company or any of its subsidiaries who, due to the nature of his or her role or responsibilities, the Committee deems appropriate to include within its purview ((i) and (ii), collectively, the “**Executive Officers**”).
2. **Performance Metrics and KPIs.** The Committee shall review and approve, at least annually, the key performance indicators (KPIs) used for executive compensation, including financial, operational, reliability, safety, compliance, and strategic objectives, and shall ensure that incentive outcomes are meaningfully linked to performance.
3. **Goals and Objectives; Compensation of the General Director.** The Committee shall review and approve periodically, but no less frequently than annually, the Company’s goals and objectives relevant to compensation of the General Director (including base and incentive compensation), including the balance between short-term compensation and long-term incentives. The Committee shall evaluate the performance of the General Director in light of these goals and objectives and shall determine and approve the compensation level of the General Director based on such evaluation. The General Director shall not be present during any voting or deliberations by the Committee regarding the General Director’s compensation. The Committee Chairperson shall be responsible for communicating to the General Director the evaluation of his or her performance and the level of compensation approved for the General Director.
4. **Compensation Levels – Executive Officers.** The Committee shall evaluate the performance of the Executive Officers and shall determine and approve the compensation level (including base and incentive compensation) and direct and indirect benefits of the Executive Officers (other than those direct and indirect benefits offered on a similar basis to other employees of the Company generally) based on such evaluations. In evaluating and determining Executive Officer compensation, the Committee shall consider the recommendations of the General Director (other than with respect to General Director compensation), and the Company’s compensation philosophy.
5. **Incentive Compensation.** In determining incentive compensation for the General Director and the other Executive Officers of the Company, the Committee shall consider, among other factors it deems appropriate from time to time, the Company’s performance and relative shareholder return (or other criteria) during such periods as the Committee may deem

appropriate, the value of similar incentive awards to persons holding comparable positions at comparable companies and the awards given to the General Director and the other Executive Officers in prior years. The Committee shall review and approve the establishment and terms of any incentive-compensation and equity-based plans and shall administer such plans, including determining any awards to be granted to the General Director and the other Executive Officers under any such plan.

6. **Malus and Clawback:** The Committee shall review and recommend policies allowing for the reduction, adjustment, or recovery of variable compensation in cases of material misstatement, misconduct, breach of duty, or significant failure of risk management or compliance.
7. **Employment; Severance and Post-Employment Arrangements.** The Committee shall evaluate and approve (i) the entering into or amendment or extension of any executive contract, employment contract or similar arrangement; and (ii) any post-work (including severance and supplemental retirement benefits) arrangements and benefits, in each case, in respect of the General Director and the other Executive Officers.
8. **Evaluation of Compensation Program.** The Committee shall review on a periodic basis the operation of the Company's compensation program, including executive compensation arrangements, to evaluate their competitiveness and coordination. In discharging this responsibility, the Committee shall take into account factors it deems appropriate from time to time, including applicable law, the Company's business strategy and risks to the Company and its business implied by the compensation program. The Committee shall periodically review external market benchmarks and peer comparisons to assess competitiveness and fairness of executive compensation, taking into account the Company's public-interest mandate.
9. **Other Policies and Benefits.** The Committee shall establish and review periodically policies with respect to perquisites for the General Director and the other Executive Officers. The Committee shall periodically review the compensation and/or benefits matters as from time to time directed by the Supervisory Board.
10. **Supervisory Board and Committee Compensation:** The Committee shall periodically review and recommend compensation and benefits for members of the Supervisory Board and its committees, ensuring independence, proportionality, and alignment with market and public-sector governance practices.
11. **Review of Compensation Disclosure.** The Committee shall furnish for inclusion in such Annual Report and government filings the annual Compensation Committee Report as required by applicable law and the Company policy.
12. **Compensation Risk Oversight.** The Committee shall oversee compensation-related risks and confirm that incentive structures do not encourage excessive risk-taking or behavior that could undermine internal controls, cybersecurity, safety, compliance, or long-term system reliability.
13. **Reports.** Report to the Supervisory Board its activities, findings and recommendations after each Committee meeting, and apprise the Supervisory Board, through minutes and special presentations, as necessary, of significant developments in the course of performing the Committee's duties and responsibilities.

14. **Statute Review.** Review (as applicable) and recommend to the Supervisory Board for approval, as applicable, any appropriate supplements to, or changes in, the activities, duties and responsibilities of the Committee or to this Statute.
15. **Self-Assessment.** To facilitate review of Committee activities, duties, responsibilities and this Statute, the Committee shall:
 - a. Review and reassess the adequacy of this Statute on no less than an annual basis.
 - b. The Committee shall conduct an annual self-assessment of its effectiveness, composition, quality of information received, and interaction with management, and shall identify and document improvement actions.

Meetings

The Committee is to meet as many times as it deems necessary, but at a minimum, four times per year. Fifty percent (50%) or more of the members present at a meeting of the Committee shall constitute a quorum.

It is the responsibility of the Chairperson to schedule all meetings of the Committee and to provide the members of the Committee with a written agenda prior to each meeting.

The Committee shall adopt an annual work plan setting out key activities, including performance evaluation, compensation review, Statute review, and self-assessment.

Attendance

The Committee may request any officer or employee of the Company, the Company's external auditor, the Company's insurance broker and/or the Company's counsel to attend a meeting of the Committee or to otherwise meet with any member of, or consultants to, the Committee. The Committee shall meet with the General Director and other members of the Board of Directors in separate executive sessions at least annually to discuss any matters that the Committee, the General Director or other members the Board of Directors desires to discuss in private. The Committee may, in its discretion, conduct discussions with consultants or experts without the General Director or other members of the Board of Directors present.

Information Requirements

Materials for Committee consideration shall be provided sufficiently in advance to allow informed review. The Committee may defer discussion or decisions where information is incomplete or untimely.

Minutes

The Company's corporate secretary/administrative assistant, or a person designated by the Chairperson to act as secretary for purposes of a meeting, will prepare the minutes of each meeting and provide a copy of the minutes to the Committee members and members of the Supervisory Board who are not members of the Committee.