

GEORGIAN STATE ELECTROSYSTEM JSC

DISCLOSURE POLICY

1. OBJECTIVE

1.1. **Georgian State Electrosystem JSC** (“**GSE**” or the “**Company**”) is committed to providing timely, factual and accurate disclosure of all material information about the Company. The objectives of this Disclosure Policy (the “**Policy**”) are to ensure that material information about GSE is disclosed in a timely, consistent and appropriate manner, in accordance with applicable law and to protect and prevent the improper use or disclosure of such material information.

2. APPLICATION

2.1. This Policy extends to all members of the Supervisory Board and the Board of Directors, the General Director and employees of the Company including those individuals authorized to speak on behalf of GSE. It applies to all methods of communication to the public, including written, oral and electronic communications.

3. PRIMARY PRINCIPLES OF DISCLOSURE POLICY

3.1. Material information will be publicly disclosed promptly by news-wire release, if required, or through other broadly disseminated disclosure document. The only exceptions occur in restricted circumstances where regulation allows for the maintenance of confidentiality for a period of time and regulatory filings on a confidential basis.

3.2. Disclosure must include any information the omission of which would make the rest of the disclosure misleading. Unfavourable information will be disclosed as promptly as favourable information.

3.3. Employees will work to ensure that confidential information is kept confidential until released.

3.4. If GSE subsequently learns that a disclosure document contained a material error, the information will be promptly corrected by news-wire release or other appropriate corrective action.

3.5. The Company website will be used to enhance dissemination of information, by posting information contemporaneously with the issuance of news-wire releases, regulatory or financial statements or other disclosure documents, and presentations by officers.

3.6. Disclosure of Material Information will be consistent among all audiences, including the investment community, the media, customers and employees.

3.7. It is the duty of all members of the Board of Directors, and employees of GSE to inform the General Director or head of the Public Relations Unit or other member of the Audit Committee of material developments. Audit Committee members will also monitor material developments in the Company’s businesses and affairs.

3.8. The only permitted disclosure of non-public material information will be to parties with a signed confidentiality agreement with GSE or parties subject to professional conduct obligations of confidentiality such as lawyers, accountants, rating agencies and regulators.

4. DEFINITIONS

- 4.1. **“Audit Committee”** means the Audit Committee of the Supervisory Board GSE.
- 4.2. **“Supervisory Board”** means the Supervisory Board of GSE.
- 4.3. **“General Director”** means the General Director of GSE.
- 4.4. **“Financial Director”** means the Financial Director of GSE.
- 4.5. **“Public Relations Unit”** means the Company's Public Relations Unit.
- 4.6. **“GSE Personnel”** means all members of the Board of Directors, the General Director, employees and representatives of GSE.
- 4.7. **“Material Information”** has the meaning defined in section 5.1.

5. DETERMINATION OF MATERIALITY

5.1. **“Material information”** means information relating to the business and affairs of GSE that results in, or would reasonably be expected to result in, a significant change in the market price or value of any of the Company's securities if traded on a public exchange, as applicable. Examples of such information include:

- (a) annual or quarterly financial results;
- (b) significant shifts in operating or financial circumstances such as major write-offs, changes in earnings projections, the entering into of a significant new or loss of a significant contract;
- (c) significant changes in management;
- (d) significant litigation;
- (e) a major labour dispute or a dispute with a major contractor or supplier;
- (f) a significant change in capital investment plans or corporate objectives;
- (g) any significant regulatory developments;
- (h) a change in capital structure, including the public or private sale of securities of the Company, or change in the corporate structure that affects control of the Company;
- (i) borrowing of a significant amount of funds;
- (j) a major corporate acquisition or disposition; and
- (k) an event of default under a financing or other agreement.

This list is not intended to be exhaustive. Other information may also constitute material information of the Company.

5.2. It is important that the Audit Committee be informed about events and developments that may be material. GSE Personnel who become aware of information that may constitute material information should promptly contact the head of the Public Relations Unit who will liaise with members of the Audit Committee as appropriate.

5.3. Developments within GSE that constitute material information are generally required to be publicly disclosed in accordance with law. The disclosure of Material Information may be delayed in circumstances in which the early release of the Material Information would be unduly detrimental to the interests of the Company.

5.4. Determinations regarding materiality and public disclosure will be made by the General Director or head of the Public Relations Unit or designate. In situations where such determinations are not clear, the General Director, or head of the Public Relations Unit or designate will discuss the matter with as many members of the Audit Committee as is deemed practical and advisable in the circumstances and guidance may also be sought from the Company's external legal and financial advisors. In the event that a development is determined to be material, the General Director or head of the Public Relations Unit with at least one other member will ensure that the information is publicly released in accordance with this Policy.

5.5. In making materiality judgments, GSE will consider the nature of the information itself. These factors will be reviewed and considered with other applicable factors as required on a case-by-case basis.

6. ROLE OF AUDIT COMMITTEE

6.1. Audit Committee shall provide guidance to the General Director in (i) determining whether information is material information, (ii) determining whether material information may constitute a material change, and (iii) ensuring the timely disclosure of material information as required under laws, regulations and rules applicable to GSE; and (iv) overseeing the establishment and maintenance of effective systems of internal control over financial reporting and disclosure controls and procedures as required under laws, regulations and rules applicable to GSE.

7. NEWS RELEASES

7.1. Material information will be disclosed in a news release. Should material information inadvertently be made in a selective forum, GSE will promptly issue a news release in order to fully publicly disclose that information.

7.2. Financial results will be reviewed by the Financial Director and Audit Committee prior to issuance and will be publicly released as soon as practicable following Financial Director and Audit Committee and (in respect of annual statements) Board approval.

7.3. News releases will be disseminated through an approved news wire service that provides simultaneous national and/or international distribution. News releases will be posted on the Company's website immediately after release over the news wire.

8. PUBLIC DISCLOSURE DOCUMENTS

8.1. When GSE offers securities/bonds to the public, it must issue a prospectus. A prospectus must contain complete and accurate information expressed in language of the material facts relating to the securities/bonds issued by GSE. This means that the prospectus does not contain any untrue statement of a material fact nor does it omit to state a material fact required to be stated or that is necessary to be stated to make a statement not misleading in light of the circumstances in which it was made.

8.2. The General Director and the head of the Public Relations Unit are ultimately accountable for the Company's public disclosure. They have supervised the design of disclosure controls and procedures in connection with creation of that disclosure. The Audit Committee shall oversee the implementation of these controls and procedures.

9. AUTHORISED SPOKESPERSONS

9.1. The General Director and head of the Public Relations Unit shall be designated the official spokespersons for GSE. Individuals holding these offices may, from time to time, designate others to speak on behalf of GSE as back-ups or to respond to specific inquiries.

9.2. The Chair of the Supervisory Board shall speak on behalf of the Supervisory Board within and without the Company when requested to do so.

9.3. GSE Personnel and directors who are not authorized spokespersons must not respond under any circumstances to inquiries from the media or others, unless specifically asked to do so by an authorized spokesperson. All such inquiries shall be referred to the Manager of the Public Relations Unit.

10. EXTERNAL SPEECHES AND PRESENTATIONS

10.1. Invitations to give external speeches or other presentations relating to the Company's business or operations at conferences or other public venues at which stakeholders, industry

counterparts, government representatives or media may be present, or which are expected to become available to any of the above, must be pre-approved by an authorized spokesperson before acceptance and the content of any such speeches or presentations must be reviewed and approved by an authorized spokesperson or his or her designee.

11. RESPONSE TO RUMOURS

11.1. Generally, the Company's policy is to neither confirm nor deny rumours when asked to comment. The Company's authorised spokespersons will respond by stating that it is the Company's policy not to comment on rumours. However, when authorised by the General Director, head of the Public Relations Unit or the Audit Committee or an appropriate subset thereof, authorised spokespersons may make exceptions, and respond to certain rumours that are deemed harmful to the Company's interests if not rebutted.

12. FORWARD-LOOKING INFORMATION

12.1. GSE may from time to time provide certain forward-looking information in news releases, orally and in other disclosure materials to regulators or other stakeholders to better evaluate the Company and its prospects. GSE shall have a reasonable basis for providing the forward-looking information. Any such information will be clearly identified as forward looking and will be accompanied by appropriate cautionary language. All new public disclosures of material forward looking information must be approved by one or more of the following: the General Director, head of the Public Relations Unit, or the Audit Committee.

13. DISCLOSURE RECORD

13.1 For a period of at least 7 years or longer as may be required by applicable law, the Company shall maintain a file containing public information about GSE including continuous disclosure documents, media releases, analysts' reports, notes from meetings and telephone conversations with analysts and investors, debriefing notes and newspaper articles.

14. ELECTRONIC COMMUNICATIONS AND SOCIAL MEDIA

14.1. In order to ensure that no Material Information is inadvertently disclosed, GSE Personnel, other than those persons authorised pursuant to Section 9, are prohibited from participating in online communications, including social media sites, Internet chat rooms or newsgroup discussions, or otherwise utilize various social media on matters pertaining to GSE. GSE Personnel are also strongly discouraged from participating in social media sites, Internet chat rooms or newsgroup discussions on matters related to the Company's competitors or the utility industry.

15. MAINTAINING CONFIDENTIALITY

15.1. Any GSE Personnel privy to confidential information (regardless of whether such information is also material information) is prohibited from disclosing such information to anyone other than authorised GSE personnel or authorised GSE representatives who have a legitimate need to know such information in connection with their duties and who have been advised of the confidential nature of such information. No one in possession of confidential information should disclose that information to any outside party, except to the extent it is necessary to do so in the course of business.

15.2. For purposes of this Policy, the term "confidential information" means all information which is non-public, confidential or proprietary in nature, in any format (including in written, oral, visual, electronic or otherwise) disclosed to you by GSE or as a result of your relationship with GSE, including without limitation:

- (a) all information pertaining to the Company's business relationships or GSE Personnel;
- (b) all business plans, strategies, financial data, costs, sales information, financial results, legal and contractual matters; and
- (c) all price lists, marketing and sales plans, operational processes, training and knowledge base materials, internal reports and analyses.

15.3. Confidential information does not include information that is or becomes generally available to the public, other than as a result of an unauthorized disclosure, or is or becomes available to you from a source other than GSE (provided that the source of such information was not prohibited from disclosing such information to you). If an employee is unsure whether information is confidential, no disclosure should be made without consulting with their manager, the General Director, head of the Public Relations Unit, or a member of the Audit Committee.

15.4. Outside parties privy to undisclosed Material Information concerning GSE shall be told that they must not divulge such Material Information to anyone else other than in the necessary course of business.

15.5. In order to prevent the misuse or inadvertent disclosure of Material Information, the following procedures should be observed at all times:

- (a) Documents and files containing confidential information should be kept in safe locations accessible only to designated individuals.
- (b) Confidential matters should not be discussed in public places where conversations may be overheard, e.g., elevators, hallways, restaurants, airplanes, and taxis.
- (c) Confidential matters should not be discussed on non-secure wireless telephones or other non-secure wireless devices.
- (d) Confidential documents should not be read or displayed in public places and should not be discarded where others can retrieve them.
- (e) GSE Personnel must ensure they maintain the confidentiality of information in their possession outside of the office as well as inside the office.
- (f) Transmission of documents by electronic means, such as by fax or by e-mail, should be made only where it is reasonable to believe the transmission can be made and received under secure conditions.
- (g) Access to confidential electronic data should be restricted through the use of passwords.
- (h) Unnecessary copying of confidential documents should be avoided and documents containing confidential information should be promptly removed from conference rooms and work areas after meetings have concluded. Extra copies of confidential documents should be shredded or otherwise destroyed.

16. GUIDANCE FOR DISCLOSURES BY SUBSIDIARIES

16.1. Any media release by a subsidiary must be pre-approved by the General Director or head of the Public Relations Unit.

17. PERSONAL RESPONSIBILITY AND ENFORCEMENT

17.1. All GSE Personnel shall be provided with a copy of this Policy and shall be informed about its importance.

17.2. It is the responsibility of the General Director and the Board of Directors to ensure that all employees of GSE understand and comply with this Policy. Adherence to and respect for the rules and procedures outlined in this Policy is fundamental to the reputation and continued success of GSE.

17.3. Any GSE Personnel or other person who wishes to report allegations of suspected improper conduct and/or wrongdoing under, and/or violation of, this Policy should refer to the GSE Whistle-Blower Policy for the procedures to be followed.

17.4. Any GSE Personnel who violate this Policy may face disciplinary action up to and including termination of his or her employment with GSE. Violation of this Policy may also violate certain laws. If it appears that employee GSE Personnel has violated such laws, GSE may refer the matter to the appropriate regulatory authorities which could lead to penalties, fines and/or imprisonment.

18. ANNUAL CERTIFICATION

18.1. GSE Personnel shall complete an annual certification that they (i) have read, understand, and undertake to comply with the Policy, (ii) are not aware of any violations of the Policy, and (iii) undertake to immediately report any actual or reasonably suspected violations to the Human Resources Department.

18.2. The Human Resources Department shall work with other departments within the Company as required to coordinate the annual certification process.

19. EFFECTIVE DATE

This policy was approved by the Supervisory Board on 27 July, 2021 and effective on that date.

20. POLICY REVIEW

This Policy will be reviewed on an annual basis and disseminated to GSE Personnel following any modifications to the Policy.

Policy Review Administered by: Audit Committee, Governance and Nomination Committee and the Supervisory Board of GSE.

Division Responsible: Public Relations Unit.