

RISK MANAGEMENT COMMITTEE STATUTE
of
THE SUPERVISORY BOARD of
GEORGIAN STATE ELECTROSYSTEM JSC

Authority and Purpose

The Risk Management 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 of the Supervisory Board dated 27 July 2021.

The primary purpose of the Committee is to assist with the Supervisory Board’s oversight of (1) the principal business, financial and operational risks, and other material risks and exposures, of the Company, and (2) the actions, activities and initiatives of the Company to mitigate such risks and exposures, in each case to the extent such oversight is not otherwise the duty or responsibility of other committees of 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 any risk related item or activity 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 Risk Management Committee Statute (the “Statute”), it is not the duty or responsibility of the Committee to conduct audits or to determine whether the Company’s risk management policies and procedures are adequate or complete, which is the responsibility of members of the Company’s Board of Directors headed by the General Director (“**Board of Directors**”). It is also the responsibility of the General Director and the Board of Directors (and not the Committee) to assure the Company’s compliance with applicable laws, regulations and corporate policies. Identifying and reviewing risks that are expressly delineated in the statutes of other committees of the Supervisory Board are the duties and responsibilities of such committees.

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, as well as sufficient knowledge of the risk mitigation and risk shifting approaches, including the hedging techniques and insurance portfolios.

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. Review and evaluate the General Director and the Board of Directors’ identification of the major risks to the Company’s business and the actions taken by the Company to mitigate such risks, with special attention to the top risks identified in the group-wide risk assessment, as prepared by the General Director and the Board of Directors.
2. Review the principal financial risks, exposures and liabilities undertaken or assumed by the Company, including, but not limited to, changes in oil and natural gas prices, interest rates, debt and equity markets, and physical and financial positions in commodities.
3. Review a quarterly summary report (prepared by the General Director and the Board of Directors) of the Company’s risk management activities, and, if desirable, recommend changes to such risk management activities to the Supervisory Board.
4. Annually review the Company’s insurance programs and policies, including coverage for property damage, business interruption, Supervisory Board members, directors and officers and other appropriate liabilities and exposures.
5. Review other material risk exposures as directed by the Supervisory Board and, in consultation with the General Director and the Board of Directors, report to the Supervisory Board with respect to these risks.
6. 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.
7. 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; as well as to the Company's Risk Management Policy.

8. Assess and evaluate the rules and procedures of risk management existing at the Company and recommend to the Supervisory Board any changes or improvements to such processes.
9. To facilitate review of Committee activities, duties, responsibilities and this Statute, the Committee shall:
 - a. Complete a self-assessment process annually, including if appropriate, surveying the Supervisory Board, the General Director and the Board of Directors on the role of the Committee in order to identify possible changes, and review the results with the Supervisory Board. This Statute should be re-evaluated in light of assessment results.
 - b. Review and reassess the adequacy of this Statute on no less than an annual basis.

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.

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 and other members of the Board of Directors present.

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.