

Amended and approved in a new wording  
by the Supervisory Board of Latvenergo AS  
on 24 April 2019

## **Regulations of the Human Resources Committee of the Supervisory Board of Latvenergo AS**

### **1. General provisions**

- 1.1. The Human Resources Committee (hereinafter "Committee") of the Supervisory Board of Latvenergo AS (hereinafter "Company") was established with the aim of ensuring the supervisory functions of the Supervisory Board within the scope of human resources management of the Company and facilitating consideration of matters related to human resources management that are within the competence of the Supervisory Board.
- 1.2. The Regulations of the Committee enter into force on the day of their approval by the Supervisory Board of the Company and are binding on all Members of the Committee, the Supervisory Board of the Company, the Management Board of the Company and in the Internal Audit Unit of the Company.
- 1.3. The Regulations of the Committee lay down the procedure and principles for the operation of the Committee, its objectives and tasks and the adoption of its decisions.
- 1.4. Resources required for the Committee's operation are provided by the Company.

### **2. Composition of the Committee**

- 2.1. The Committee is composed of three Members of the Committee who are elected from among the Members of the Supervisory Board and may be recalled by the Supervisory Board. Upon approval of the composition of the Committee, the Supervisory Board of the Company also elects the Chairman of the Committee.
- 2.2. The operation of the Committee is managed by the Chairman of the Committee, who is entitled to temporarily delegate his or her duties to another Member of the Committee in his or her absence.

### **3. Tasks of the Committee**

- 3.1. In matters related to the decisions of the Supervisory Board of the Company in regard to the Management Board of the Company:
  - 3.1.1. to ensure the selection process of the Management Board of the Company, including preparation of descriptions of competences and responsibilities for the positions of the Members of the Management Board of the Company for approval in the Supervisory Board, and, if necessary, to inform the Supervisory Board of the Company about changes in the existing descriptions of competences and responsibilities for the Members of the Management Board,
  - 3.1.2. to prepare the provisions of the contracts for the Members of the Management Board of the Company,
  - 3.1.3. to evaluate the performance of the Members of the Management Board of the Company and submit proposals and justifications for such evaluations to the Supervisory Board of the Company,
  - 3.1.4. to supervise the provisions for receiving remuneration and other benefits of the Management Board of the Company and make recommendations to the Supervisory

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Board of the Company regarding the remuneration of the Management Board of the Company,

- 3.1.5. to evaluate the organisational structure of the Management Board of the Company, including the number of Members and their composition and operational efficiency, and to inform the Supervisory Board and the Management Board of the Company about the results of the evaluation,
  - 3.1.6. to evaluate the individual and collective knowledge, skills and experience of the Management Board of the Company and present the results to the Supervisory Board of the Company,
  - 3.1.7. to evaluate applications of the Members of the Management Board of the Company in which they request permission to combine positions, submitting any proposals to the Supervisory Board of the Company,
  - 3.1.8. to prepare proposals for the Supervisory Board of the Company regarding the establishment of a nominating committee.
- 3.2. In matters related to the provision of the supervisory functions of the Supervisory Board of the Company in regard to the Company as a whole:
- 3.2.1. to receive from the Audit Committee the selection criteria of the Internal Audit Director of the Company and the qualification criteria for the position, to select candidates for the position of the Internal Audit Director of the Company and to nominate candidates for the position,
  - 3.2.2. in cooperation with the Audit Committee, to determine the employment conditions of the Internal Audit Director:
    - 3.2.2.1. to evaluate the qualification criteria, salary and job duties set for the Internal Audit Director that are recommended by the Audit Committee,
    - 3.2.2.2. to secure approval of the combining of positions of the Internal Audit Director,
  - 3.2.3. to evaluate the personnel and remuneration policies of the Company and make recommendations to the Supervisory Board of the Company,
  - 3.2.4. to evaluate the selection criteria for the Members of the Audit Committee and to nominate candidates and recommend them for approval if such a request has been made by a representative of the holder of capital shares of the Company,
  - 3.2.5. to make recommendations to the Supervisory Board of the Company on matters under the responsibility of the Committee.

### **4. Operation of the Committee**

- 4.1. Meetings of the Committee are convened and presided over by the Chairman of the Committee or, in his or her absence, by a deputy delegated by him or her.
- 4.2. Meetings of the Committee are convened according to necessity, but at least four times per year. Members of the Committee, the Supervisory Board of the Company and the Management Board of the Company are also entitled to initiate the convening of a meeting or request additions to the agenda of a meeting.
- 4.3. The party convening a meeting of the Committee drafts the agenda for that meeting.
- 4.4. The chair of the meeting of the Committee may invite Members of the Company's Supervisory Board or Management Board, or other employees of the Company, to participate in that meeting.
- 4.5. Based on a separate decision of the Supervisory Board of the Company, the Committee, while observing the regulatory documents regulating procurement that are in force at the Company, is also entitled to invite external experts and consultants to ensure the fulfilment of its objectives and tasks.

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- 4.6. The Committee is entitled to request that the Management Board of the Company prepare, check and submit all information which is necessary to ensure the operation of the Committee and decision-making and which is at the disposal of the Management Board of the Company.
- 4.7. Meetings of the Committee usually take place at the registered address of the Company. The Committee is also entitled to decide to hold a meeting at a different location.
- 4.8. Meetings of the Committee may take place in person, by means of telecommunications or by means of correspondence (electronic mail).
- 4.9. Meetings of the Committee are recorded in minutes and it is provided by the Company. The minutes of the meeting of the Committee shall be signed by the Chairman of the Committee or, in his or her absence, by the delegated chair of the meeting of the Committee and the minute-taker.
- 4.10. The Company (minute-taker) ensures storage of the minutes of the meetings of the Committee and preparatory materials for the meetings of the Committee until their delivery to the archive in compliance with the procedure defined by the legislation.

### **5. Adopting the decisions of the Committee**

- 5.1. The Committee may adopt decisions if not less than half of the Members of the Committee participate in the meeting.
- 5.2. Each Member of the Committee has one vote at the meetings of the Committee. The decisions of the Committee are adopted if at least two Members of the Committee have voted for them.

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