



**Bakhvi HPP**

**CAUCASUS CLEAN ENERGY HOLDING (CCEH) HYDRO VI LLC  
BOARD DIVERSITY POLICY**

**This Board Diversity Policy is Approved by the Supervisory Board**

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### Acronyms

<b>Acronyms</b>	<b>Explanation</b>
CCEH HYDRO VI LLC	The Company
CCEH	Caucasus Clean Energy Holding
ILAG	Austrian Investment Fund
ESG	Environmental, Social, and Governance
HPP	Hydropower Plant
MW	Megawatt
SB	Supervisory Board

## CCEH HYDRO VI LLC BOARD DIVERSITY POLICY

### Introduction

CCEH Hydro VI LLC (the “Company”) is a company developing the Bakhvi 1 hydro power plant in Guria, region of Georgia. Bakhvi 1 HPP involves the construction and operation of a 10.9 MW run-of-the river hydroelectric power plant on the Bakhvistskali River, located within the Ozurgeti Municipality. Investors of the company include Caucasus Clean Energy Holding (CCEH), Austrian Investment Fund ILAG, and other field-specific investors from Austria and Georgia. CCEH’s investors comprise well-known financial institutions from America and European countries (including European Investment Bank [EIB], Dutch Development Bank [FMO], Austrian Development Bank [OeEB], etc.). ILAG holds diverse business interests across several Western countries.

Bakhvi 1 HPP is under construction on a section of the Bakhvistskali River spanning elevations between 1,735 meters and 1,383 meters above sea level. The headworks will be situated approximately 250 meters downstream from the confluence of the Bakhvistskali and Baisura Rivers. The flood intake structure will be located at an elevation of 1,731.70 meters, and the HPP building will be positioned at an elevation of 1,383.0 meters.

Bakhvi 1 HPP consists of a headworks structure, a pressure pipeline system, and an above-ground power plant building that will house the necessary mechanical and electrical equipment for electricity generation. The installed capacity of the power plant is 10.9 MW, with a design flow rate of 4.0 m<sup>3</sup>/s.

CCEH Hydro VI LLC conducts its operations in compliance with the environmental and social management standards set by international financial institutions, including the IFC and EIB.s

At CCEH Hydro VI LLC, we recognize the importance of diversity in our boardroom. Diversity not only enriches our decision-making processes but also reflects our commitment to inclusivity and equal opportunities. This Board Diversity Policy outlines our firm dedication to fostering a diverse and inclusive board composition, ensuring that our board reflects a broad spectrum of backgrounds, perspectives, and experiences.

### Definitions of Key Terms

**Supervisory Board (SB):** The governing body responsible for overseeing the strategic direction, corporate governance, and major decision-making processes of CCEH Hydro VI LLC. The Supervisory Board is elected by the Partners at a General Meeting and ensures compliance with corporate governance principles while supporting the long-term success of the Company.

**Management:** The executive team responsible for the day-to-day operations of CCEH Hydro VI LLC, including the implementation of board-approved policies, execution of business strategies, and overall operational performance. Management ensures effective decision-making and adherence to the Company's strategic objectives.

**Partners:** Entities or individuals holding ownership stakes in CCEH Hydro VI LLC who participate in high-level strategic decision-making. Partners have the authority to nominate and appoint Supervisory Board members and influence key corporate governance matters, ensuring alignment with the Company's long-term goals.

**Shareholders:** The individuals or entities that hold shares in CCEH Hydro VI LLC and have specific rights and responsibilities within the Company's governance framework. Shareholders may include institutional investors, private equity firms, or other financial stakeholders who contribute to the Company's strategic direction and financial stability.

## **Purpose**

The purpose of this policy is to establish clear guidelines and requirements for promoting diversity within the composition of our Supervisory Board. We aim to create a board that encompasses a variety of perspectives, skills, and attributes to enhance the effectiveness and governance of our company.

## **Supervisory Board (“SB”)**

### *Election and Term Length of Supervisory Board Members:*

The Supervisory Board of CCEH Hydro VI LLC shall consist of no more than five (5) members. Supervisory board members are elected by the Partners at a General Meeting for the term of three (3) years. Upon the expiration of the term of any member of the Supervisory Board, their term of office shall be extended until a new member is elected, ensuring continuity in governance. The partners are authorized to dismiss members of the Supervisory Board prior to the expiration of their term at a General Meeting. In the event of a withdrawal or resignation, the relevant partners are authorized to nominate another individual as a replacement. The holders of the Company’s Class “A” shares are obliged to ensure that the nominated candidate is appointed to the Supervisory Board in a timely manner.

The nomination process for board candidates shall adhere to the following principles and diversity factors:

### *Transparency*

All board nominations will be conducted transparently, with clear criteria and qualifications communicated to potential candidates.

### *Merit-Based Selection*

Candidates will be evaluated based on their qualifications, experience, and alignment with the strategic objectives of the company, with diversity factors being integral to the selection process.

### *Inclusive Search*

The board shall actively seek out candidates from diverse backgrounds through a comprehensive and inclusive search process, including outreach to diverse professional networks and organizations.

### *Evaluation and Reporting*

The board's nominating committee shall regularly assess the effectiveness of this policy in promoting diversity within the boardroom and provide reports to shareholders outlining the progress made and areas for improvement.

### *Diversity Factors*

In selecting candidates for the Supervisory Board, the following diversity factors shall be taken into consideration:

- *Professional Background and Expertise:*
  - Diversity of professional backgrounds, including but not limited to finance, legal, technology, ESG, marketing, operations, and human resources.
  - Expertise in various industries relevant to company's operations.
- *Gender Diversity:*
  - Ensuring a balanced representation of genders to eliminate gender bias and promote gender equality within the boardroom.
- *Ethnicity and Cultural Diversity:*
  - Encouraging representation from diverse ethnic and cultural backgrounds to reflect the global nature of our business and customer base.
- *Geographic Diversity:*
  - Striving for geographic diversity to capture regional perspectives and insights that align with our diverse markets and stakeholders.

### **Conclusion**

At CCEH Hydro VI LLC, we are committed to fostering a Supervisory Board that reflects the diversity of the communities we serve and the stakeholders we represent. By embracing diversity in all its forms, we strengthen our ability to navigate challenges, seize opportunities, and drive sustainable long-term value for our shareholders and society as a whole.

### **Board Diversity Policy Annual Revision Process**

Aligned with internationally recognized corporate governance practices, the Board undertakes an annual review of the Board Diversity policy to ensure its continued alignment with the Company's values, strategic priorities, and regulatory requirements. This review process allows for assessing current diversity metrics, inclusion strategies, and governance frameworks. If any modifications are proposed during the review, the Board carefully evaluates and discusses them. Changes are then subject to formal approval by the majority of Board members, reinforcing our commitment to transparency, inclusivity, and best governance practices.

Once approved, the updated version of the Board Diversity Document is made publicly available on the Company's website, while the previous version remains accessible in the archive for reference.