

ROLES AND RESPONSIBILITIES OF OUR CHAIRMAN, CEO, SENIOR INDEPENDENT DIRECTOR AND OTHER NON-EXECUTIVE DIRECTORS

Each of our Chairman, CEO, Senior Independent Director and other Non-Executive Directors have defined roles and responsibilities within our Board structure as described below.

The UK Corporate Governance Code 2016 (the **Code**) sets out as a main principle that there should be a “clear division of responsibilities at the head of the company between the running of the board and the executive responsibility for the running of the company’s business”. Code provision A.2.1 states that the division of responsibilities between the Chairman and the Chief Executive Officer (the **CEO**) should be clearly established, set out in writing and agreed by the Board of Directors (the **Board**) of Bank of Georgia Group PLC (the **Company**). **Group** refers to the Company and its subsidiary undertakings.

In addition, Code provision A.4.1 states that the Board should appoint one of the independent Non-Executive Directors to be the Senior Independent Director. The primary responsibilities of the Senior Independent Director are set out in Section B and the roles and responsibilities of Non-Executive Directors, generally, are set out in Section C herein.

A. Statement of Division of Responsibilities between the Chairman and the CEO

1. Reporting Lines			
Chairman		CEO	
1.1	The Chairman reports to Board of the Company.	1.1	The CEO reports to the Chairman (acting on behalf of the Board) and to the Board directly.
1.2	The Chairman is not responsible for executive matters regarding the Group’s business. Other than the CEO and the Company Secretary, no executive has a direct reporting line to the Chairman, other than through the Board.	1.2	The CEO is responsible for all executive management matters affecting the Group. All members of executive management report, either directly or indirectly, to him.
2. Key Responsibilities			
Chairman		CEO	
2.1	The Chairman’s principal responsibility is the effective running of the Board.	2.1	The CEO’s principal responsibility is running the Group’s business.
2.2	The Chairman is responsible for ensuring that the Board as a whole plays a full and constructive part in the development and determination of the Group’s strategy and overall commercial objectives.	2.2	The CEO is responsible for proposing, developing and supervising the Group’s strategy and overall commercial objectives, which he does in close consultation with the Chairman and the Board.



2.3	The Chairman is the guardian of the Board's decision-making processes.	2.3	The CEO is responsible, with the executive team, for implementing the decisions of the Board and its Committees.
3. Other Responsibilities			
Chairman		CEO	
3.1	Running the Board and setting its agenda.	3.1	Providing input to the Board's agenda, both from himself and the executive team.
3.2	Ensuring that Board agendas take full account of the important issues facing the Group and the concerns of all Board members. There should be an emphasis on strategic, rather than routine, issues.	3.2	Ensuring that a dialogue is maintained with the Chairman on the important and strategic issues facing the Group, and proposing Board agendas to the Chairman which reflect these.
3.3	Ensuring that the Board receives accurate, timely and clear information on: <ul style="list-style-type: none"> a) the Group's performance; b) the issues, challenges and opportunities facing the Group; and c) matters reserved to it for decision. 	3.3	Ensuring that the executive team gives appropriate priority to providing reports to the Board which contains accurate, timely and clear information. Explain in a balanced way any divergence of views of the executive team from the Board's views to help the Board reach a decision. Making certain that the Board is aware, when appropriate, of the views of employees on issues of relevance to the business.
3.4	Ensuring, with the advice of the Company Secretary where appropriate, compliance with the Board's approved procedures, including the Schedule of Matters Reserved for the Board each Committee's Terms of Reference.	3.4	Ensuring, in consultation with the Chairman and the Company Secretary as appropriate, that he and the executive team comply with the Board's approved procedures, including the Schedule of Matters Reserved for the Board and each Committee's Terms of Reference.
3.5	Arranging informal meetings of the Directors, including meetings of the Non-Executive Directors at which the Executive Director(s) are not present, as required to ensure that sufficient time and consideration is given to complex, contentious or sensitive issues.	3.5	Ensuring that the Chairman is alerted to forthcoming complex, contentious or sensitive issues affecting the Group of which he might not otherwise be aware.



<p>3.6 Proposing to the Board, in consultation with the CEO, Company Secretary and Committee Chairmen as appropriate:</p> <ul style="list-style-type: none">a) a Schedule of Matters Reserved for the Board for its decision;b) Terms of Reference for each Board Committee; andc) other Board policies and procedures.	<p>3.6 Providing input to the Chairman and Company Secretary on appropriate changes to the Schedule of Matters Reserved for the Board and Committee Terms of Reference.</p>
<p>3.7 Chairing the Nomination Committee, and, in that role, initiating change and succession planning in Board appointments to retain and build an effective and complementary Board, and to facilitate the appointment of effective and suitable members and chairmen of Board Committees.</p>	<p>3.7 Providing information and advice on succession planning, to the Chairman, the Nomination Committee, and other members of the Board, particularly in respect of Executive Directors and the executive team.</p>
<p>3.8 Proposing, in conjunction with the Nomination Committee, the membership of Board Committees and their Committee Chairmen.</p>	<p>3.8 If so appointed by the Board, serving on the Nomination Committee.</p>
<p>3.9 Ensuring that there is effective communication by the Group with its shareholders, including by the CEO, Chief Financial Officer and other executive management, and ensuring that members of the Board develop an understanding of the views of the major investors in the Group.</p>	<p>3.9 Leading the communication programme with shareholders.</p>
<p>3.10 Taking the lead in providing a properly constructed induction programme for new Directors, facilitated by the Company Secretary.</p>	<p>3.10 Commenting on induction programmes for new Directors and ensuring that appropriate management time is made available for the process.</p>
<p>3.11 Taking the lead in identifying and seeking to meet the development needs both of individual Directors and of the Board as a whole, assisted by the Company Secretary.</p>	<p>3.11 Ensuring that the development needs of the Executive Directors, and other executive management reporting to him, are identified and met.</p>

3.12	Ensuring that the performance of the Board as a whole, its Committees, and individual Directors is formally and rigorously evaluated at least once a year.	3.12	Ensuring that performance reviews are carried out at least once a year for each of the Executive Directors and executive management. Providing input to the wider Board evaluation process.
3.13	Promoting the highest standards of integrity, probity and corporate governance throughout the Group and particularly at Board level.	3.13	Promoting, and conducting the affairs of the Group with the highest standards of integrity, probity and corporate governance
3.14	Ensuring that the Chairmen of Board Committees are available to answer shareholder questions at the AGM.	3.14	Recommending to the Board the annual budget and a three year annual financial plan, and supervising their achievement following Board approval.
3.15	Providing support, advice and a sounding board for the CEO while respecting executive responsibility.	3.15	Identifying and executing new business opportunities outside the current core activities, in line with strategic plans.
3.16	Performing such other duties and exercising such other powers as from time to time may be assigned to him by the Board.	3.16	Performing such other duties and exercising such other powers as from time to time may be assigned to him by the Board.
4. Status of this Statement			
4.1	Any amendment to this statement is a matter reserved to the Board.		
4.2	This statement is to be annexed to the CEO's job description. In the event of any conflict between this statement and the CEO's job description, in so far as they may relate to his role as Group CEO, this statement shall take precedence.		

B. The Role of the Senior Independent Director

The primary responsibilities of the Senior Independent Director of the Company are:

- To provide a sounding board for the Chairman and to serve as an intermediary for the other Directors where necessary;
- To be available to shareholders if they have concerns which contact through the normal channels of Chairman, CEO or Chief Financial Officer has failed to resolve, or for which such contact would be inappropriate;
- To act as chairman of the Nomination Committee when it is considering succession to the role of the Chairman of the Board; and
- To meet with the other Non-Executive Directors at least once a year to appraise the Chairman's performance and on such other occasions as are deemed appropriate.



C. The Role of Non-Executive Directors

Non-Executive Directors bring an independent and external dimension to the Board's activities and play their part in relation to strategy, performance, risk and people. Within the spirit of partnership and mutual respect on the unitary Board, the Non-Executive Directors support as well as constructively challenge and monitor the executive team. The Non-Executive Directors also meet regularly in the absence of the CEO.