

Directors' Remuneration Policy – Bank of Georgia Group PLC

This Remuneration Policy took effect on 20 June 2022 when approved at the AGM, and has become formally effective for three years following that date.

It is a provision of this Policy that the Group will honour all pre-existing obligations and commitments that were entered into prior to this Policy taking effect. The terms of those pre-existing obligations and commitments may differ from the terms of the Policy and may include (without limitation) obligations and commitments under service agreements (as detailed in the information below), deferred share remuneration schemes and pension and benefit plans. The service contract of the Group's sole Executive Director and CEO, Archil Gachechiladze, will be amended and reinstated to incorporate the terms of the Policy. To comply with NBG requirements the amendments will be effective from 1 January 2022. Discretionary deferred remuneration awarded for work year 2021 is governed by the 2019 Policy.

The Remuneration Committee retains its discretion under the Policy to make minor amendments to the Policy for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation without obtaining prior shareholder approval.

The Policy is UK Corporate Governance Code 2018 compliant, noting that the deferred share salary is neither a typical remuneration scheme nor a typical salary, and the discretionary deferred shares are released later than a typical cash bonus.

Executive Directors' Remuneration Policy

The Policy provides for an Executive Director's remuneration package to be comprised of the elements set forth below. For the avoidance of doubt, all references to Executive Directors refer to the Executive Directors of Bank of Georgia Group PLC, to cover the present Executive Director Archil Gachechiladze and any future Executive Directors of BOGG PLC while this Policy is in force. The compensation structure of senior management (most of whom serve on the Management Board of the Bank but who are not Executive Directors of BOGG PLC) is set by the Remuneration Committee and is modelled on the Policy but is not bound by it. The Remuneration Committee can set different vesting or other terms and conditions for some or all of senior management as the Remuneration Committee thinks appropriate.

Salary in the form of cash and long-term deferred shares

Purpose and link to strategy	Operation	Opportunity
<ul style="list-style-type: none"> To closely align the Executive Directors' and shareholders' interests. To promote long-term value creation and share price growth. To reflect the role and required duties, skills, experience and individual contribution to the Group. To encourage commitment to the Group and to recruit and retain high-calibre talent. 	<ul style="list-style-type: none"> The level of base salary for an Executive Director is fixed in his or her service agreements. The level of salary is reviewed by the Remuneration Committee when a service agreement is up for renewal or if there is a significant change in circumstances and the Executive Director and Remuneration Committee agree to consequent changes in their agreements, for example the implementation of a new Remuneration Policy. Salary is comprised principally of long-term deferred shares ("deferred share salary"), plus a cash salary. Deferred share salary is fixed in monetary value in the contract, and awarded in the form of nil-cost options annually in respect of the work year, and is usually expected to be awarded towards the beginning of the work year. It is noted that none of the deferred share salary vests during the work year; and also it is subject to pro rata lapse in the event an incomplete year is worked. Deferred share salary awarded in respect of a work year will be released over five years from the start of the year in which the salary is earned as follows: 100% of the deferred share salary vests on the first anniversary of the start of the work year and is subject to holding periods so that 40% is released on the second anniversary, and 20% is released on each of the third, fourth and fifth anniversaries of the start of the work year. Upon vesting the Executive Director also receives cash payments equal to the dividends paid on the underlying shares between the date the award was made and the vesting date. Lapse provisions (natural malus) for an incomplete year are built into the deferred share salary as set out in the notes to this Policy table. Extended malus and clawback provisions do not apply to the deferred share salary as the awards attach to salary already earned. Instead the Remuneration Committee considers the discretionary deferred salary as a sufficiently large pool from which to apply the extended malus and clawback provisions if necessary in the circumstances to do so. 	<ul style="list-style-type: none"> The level of cash salary and number of deferred salary shares are set in the Executive Directors' service agreements, and will be no more than the Remuneration Committee considers reasonable based on his or her duties, skills and experience. In the event that another Executive Director is appointed, the value of his or her total salary and his or her bonus opportunity (i.e. the discretionary deferred shares) is not expected to exceed that of the CEO at the time. The Remuneration Committee has the discretion to change the split of total salary between the cash salary and the deferred share salary. <p>Cash salary</p> <ul style="list-style-type: none"> The total amount payable to the current CEO and Executive Director, Mr Gachechiladze, is US\$ 370,000 per annum. <p>Deferred share salary</p> <ul style="list-style-type: none"> The value of deferred share salary for Mr Gachechiladze is fixed at the equivalent of US\$ 2,200,000 per annum, to be awarded in deferred shares. The number of shares shall normally be calculated using the average price of the shares over five working days prior to 25 December of the year immediately preceding the year of award.

Performance-based remuneration – discretionary deferred shares

Purpose and link to strategy	Operation	Opportunity
<ul style="list-style-type: none"> In the context of overall Group performance, to motivate and reward an Executive Director in relation to his or her contribution to the achievement of the KPIs set for him or her by the Remuneration Committee towards the beginning of the year. Performance-based remuneration solely in the form of deferred shares (no cash): <ul style="list-style-type: none"> Closely aligns the interests of an Executive Director with shareholders. Avoids inappropriate risk taking for short-term gain. Encourages long-term commitment to the Group. 	<ul style="list-style-type: none"> Performance-based remuneration is awarded annually entirely in the form of nil-cost options over shares which are subject to vesting (“discretionary deferred shares”). BOGG does not award cash bonuses to Executive Directors. The Remuneration Committee will determine annually the number of shares to be awarded based on the Executive Director’s achievement of his/her KPIs set for the work year and the performance of the Group during that year. If appropriate, where a strategic change or change in business circumstances has made one or more of the KPIs an inaccurate gauge of the Executive Director’s performance, the Remuneration Committee may decide to base its assessment on alternative measures. The Remuneration Committee also has the discretion to consider the performance of the individual and the Group as a whole. The outcome of the Executive Director’s performance and the Remuneration Committee’s determination will be reported in the Directors’ Remuneration Report for the work year in consideration. Any discretionary deferred shares will normally be granted following the end of the work year, although the Remuneration Committee retains the discretion to determine the timing of the awards. Any discretionary deferred shares will vest as follows: 40% vests immediately, and 15% will vest on each of the third, fourth, fifth and sixth anniversaries of the start of the work year. Each tranche will be subject to a further holding period of two years as per the notes to this Policy table (effectively discretionary deferred shares are released over eight years from the beginning of the work year). Upon vesting, the Executive Director also receives cash payments equal to the dividends paid on the underlying shares between the date the award was made and the vesting date. KPIs for the Executive Director are set near the start of each work year and reflect the Executive Director’s targeted contribution to the Group’s overall key strategic and financial objectives for the work year. KPIs may also include non-tangible factors such as self-development, mentoring and social responsibility. There is no contractual right to discretionary deferred shares and the Remuneration Committee reserves the right to award no discretionary deferred share remuneration if the Group’s performance is unsatisfactory. Extended malus and clawback, in addition to lapse provisions (natural malus) apply as set out in the notes to this Policy table. 	<ul style="list-style-type: none"> The maximum number of discretionary deferred shares that may be awarded in respect of the previous work year is capped at 100% of total salary (i.e. cash and deferred share salary), calculated as set out in the notes to this Policy table.

Pension

Purpose and link to strategy	Operation	Opportunity
<ul style="list-style-type: none"> The Group is required to comply with pension requirements set by the Georgian Government. Pension provision is the same for all employees in the Group in Georgia. 	<ul style="list-style-type: none"> Pension provision will be in line with Georgian pension legislation, which may change from time to time. There is no provision for the recovery or withholding of pension payments. 	<ul style="list-style-type: none"> In line with current Georgian legislation, the Executive Director and the Bank each contribute 0-2% of total remuneration from the Bank, and the Georgian Government may contribute a further small amount (0-2% depending on income levels). Pension contributions will only increase above this level if mandated by Georgian legislation or if mandated by any other applicable legislation. The same arrangement applies to employees across the Group in Georgia.

Benefits

Purpose and link to strategy	Operation	Opportunity
<ul style="list-style-type: none"> Non-cash benefits are in line with Georgian market practice and are designed to be sufficient to attract and retain high-calibre talent. 	<ul style="list-style-type: none"> Benefits consist of: life insurance; health insurance; incapacity/disability insurance; directors' and officers' liability insurance; physical examinations; tax gross-ups and tax equalisation payments; company car and driver; mobile phone costs; personal security arrangements (if requested by the Executive Director); assistance with completing tax returns (where required); relocation costs for Executive Director and close family and legal costs. Other benefits may be provided from time to time if considered reasonable and appropriate. There is no provision for the recovery or withholding of benefits. 	<ul style="list-style-type: none"> There is no prescribed maximum on the value of benefits payable to an Executive Director. The maximum amount payable depends on the cost of providing such benefits to an employee in the location at which the Executive Director is based. If the Executive Director's personal circumstances do not change and the Group is able to obtain benefits on substantially the same terms as at the date of this Policy, the aggregate cost of benefits for an Executive Director during the Policy's life is not expected to change materially.

Other Executive Director policies – shareholding guidelines

Purpose and link to strategy	Operation	Opportunity
<ul style="list-style-type: none">• To ensure Executive Directors build and hold a significant shareholding in the Group over the long term.• To align Executive Directors' interests with those of shareholders.• To ensure departing Executive Directors make long-term decisions and maintain an interest in the ongoing success of the Group post-employment.	<ul style="list-style-type: none">• Executive Directors are required to build and then maintain a shareholding with an 200% equivalent of total salary (i.e. cash and deferred share salary), such amount to be built up within a five-year period from appointment as an Executive Director (the "Required Shareholding").• All beneficially owned shares, as well as unvested (net of tax) and vested deferred share salary and discretionary deferred shares will count towards the Required Shareholding (as such awards are not subject to any performance conditions after grant).• Meeting and maintaining the Required Shareholding is likely to happen naturally over the course of the Executive Director's employment.• Executive Directors are to retain the lower of the Required Shareholding or the Executive Director's actual shareholding at the time employment ceases, for a period of two years from the date on which employment ceases unless the Remuneration Committee determines otherwise. It is noted that a good leaver may hold substantially higher than this in unvested shares alone.• In very exceptional circumstances, for example in the event of a serious conflict of interest, the Remuneration Committee has the discretion to vary or waive the Required Shareholding, but must explain any exercise of its discretion in the Group's next Remuneration Report. It should be emphasised that there is no present intention to use this discretion.	<ul style="list-style-type: none">• Not applicable.

Notes to the Policy table

Cash salary

The Remuneration Committee has the discretion under the Policy to change the currency in which cash salary is paid and also has the discretion to determine the appropriate exchange rates for determining the cash salary to be paid.

Deferred share salary

Deferred share salary is the most important element of the Executive Director's fixed annual remuneration and is commensurate with his or her role within the Group. By weighting salary towards a deferred share salary that vests and is released over five years rather than cash, the Executive Director's day-to-day actions are geared towards achievement of the Group's strategic goals and sustained Group performance over the long term.

Deferred share salary is granted towards the beginning of the work year and vests/is held for over five years from the start of the work year as follows: 100% vests on first anniversary of the start of the work year and is then subject to holding periods, with 40% released on the second anniversary, and 20% released on each of the third, fourth and fifth anniversaries of the start of the work year.

The deferred share salary is neither a bonus nor an LTIP: it is salary fixed as a monetary value in an Executive Director's service agreement(s) and is therefore not subject to performance targets or measures. Nil cost options for deferred share salary will be awarded towards the beginning of the work year rather than at the end (although they lapse pro rata for any incomplete years worked). The Executive Director's service agreement will reflect these provisions.

As noted above, the value of the deferred share salary is fixed as a monetary value in the Executive Director's service agreement(s). The number of shares shall normally be calculated using the average price of the shares over five working days prior to 25 December of the year immediately preceding the year of award.

In compliance with NBG requirements, for 2022 deferred share salary will be awarded after the Policy is approved at the AGM, but will be effective from 1 January 2022 and vesting and holding periods will be adjusted as if it had been awarded in January 2022; and so 100% will vest in January 2023 with 40% released from holding in January 2024, and 20% released in each of January 2025, January 2026 and January 2027.

Performance-based (discretionary deferred share) remuneration

No cash bonuses are paid to Executive Directors. Further the Group does not operate an LTIP because it believes there is sufficient long-term incentive built into its deferred share salary.

Instead, an Executive Director's individual and Group performance is rewarded through an annual award of discretionary deferred shares which will be subject to vesting or holding periods as follows: 40% vests immediately but is subject to a two-year holding period whereupon it is released on the third anniversary of the start of the work year; and 15% will vest each of the third, fourth, fifth and sixth anniversaries of the start of the work year and are subject to a further two-year holding period and so are released on the fifth, sixth, seventh and eighth anniversaries of the start of the work year. For work year 2022, performance based remuneration will be awarded on the basis of this Policy. The performance-based remuneration will be subject to the above holding and vesting periods so that 40% would vest upon grant in 2023 but subject to a further two-year holding period and so released from holding on January 2025, and the remainder would vest in 15% tranches and be released after a further two-year holding period so that 15% is release from holding in each of January 2027, January 2028, January 2029 and January 2030 (and so the shares are released over eight years from the beginning of the work year).

The Remuneration Committee will determine the aggregate number of shares (if any) that will be awarded to an Executive Director and as in the table above, the maximum opportunity that Mr Gachechiladze, the current CEO, may be awarded in a given year is equivalent to 100% of total salary (i.e. cash salary and deferred share salary) converted into a number of shares (normally calculated using the last closing share price before the Remuneration Committee meeting at which the discretionary deferred share award is determined or over an appropriate date range).

The Remuneration Committee will make the determination on the number of shares to be awarded annually in respect of the Executive Directors and senior management and will consider the defined maximum opportunity, the Group's performance and the individual's KPIs when making a determination.

Performance measures and relative targets are chosen to reflect strategic priorities for the Group and will be chosen by the Remuneration Committee annually towards the beginning of the performance year. The aggregate pool of shares available each year for awards of discretionary deferred share compensation for the Executive Directors and senior management as a whole is determined annually by the Remuneration Committee in its absolute discretion, based on a number of factors usually including:

- financial results;
- strategic objectives; and
- people and culture objectives.

The Remuneration Committee retains flexibility to adjust the amount to be awarded, for example if strategic objectives evolve or if business circumstances change during the year. The Remuneration Committee believes that this flexibility ensures that the Board can work with an Executive Director so that he or she does not take excessive risk to achieve KPIs. Even in a "good" year for an Executive Director (e.g. achievement of most of his or her KPIs), if this coincides with a "bad" year for the Group (e.g. markets have turned), the Remuneration Committee has the discretion to award little or no discretionary remuneration to the Executive Director if it considers it appropriate to do so. The precise measures will be determined by the Remuneration Committee and disclosed retrospectively in the Remuneration Report following the year of the Remuneration Committee's determination.

Malus and clawback and shareholding guidelines

Discretionary deferred shares are subject to malus and clawback in the following circumstances:

- misconduct in the performance or substantial failure to perform duties by the Executive or material breach of applicable regulations and/or the Bank's internal policies;
- significant financial losses, serious failure of risk management or serious damage to the reputation of BOGG or the Bank caused by misconduct or gross negligence (including inaction) of the Executive;
- material misstatement or material errors in the financial statements that relate to the area of responsibility of the Executive or can be attributed to action or inaction of the Executive's performance of their duties;
- deliberately misleading BOGG or the Bank in relation to financial performance;
- failure to continue to meet the fitness and properness criteria for an Executive of the Bank;
- material increase with respect to the required regulatory capital of the Bank that can be attributed to the action or inaction of the Executive;
- misconduct that contributed to the imposition of material regulatory or other similar sanctions;
- payments based on erroneous or misleading data, for which malus and clawback apply to discretionary deferred remuneration for awarded for the year in question; and
- significant increases in the Bank's regulatory capital requirements (for clawback to apply such failures/problems are to have been caused by or attributable to the actions or inactions of the Executive)

The Remuneration Committee further has the right to withhold the release of already-awarded discretionary deferred share remuneration if such is mandated by the needs of preservation of the Bank's regulatory capital.

The above provisions will form part of Mr Gachechiladze's service contract which shall be amended and restated following the approval of the Policy at the AGM. Further, the Group has also amended the Executive Equity Compensation plan to allow shares to be lapsed, including to zero, or clawed back in accordance with the provisions in the Executive's contracts.

Clawback is for up to two years from vesting and for the Group's current Executive Director and CEO, Mr Gachechiladze, the Group also has unusually strong malus provisions where unvested discretionary deferred shares lapse when the service contract is terminated under certain circumstances, including for "Cause" such as gross misconduct, failure to perform duties, material breach of obligations and unethical behaviour. This may be several years of discretionary deferred shares. See the Termination of the JSC Bank of Georgia service agreement table on page 225 below.

The Shareholding Guidelines, to build and then maintain a shareholding with a 200% equivalent of total salary and then to maintain such for two years post-employment, are set as express provisions in Mr Gachechiladze's contract.

Discretion

The Remuneration Committee retains a substantial degree of discretion in relation to discretionary share remuneration. This includes:

- the determination of the award, if any;
- selection of KPIs, which may vary from year to year in order to align with strategy and financial objectives;
- any adjustments required to an Executive Director's KPIs during the work year when, for example, there has been a change in strategy or business circumstances which results in one or more KPIs becoming an inaccurate gauge of performance; and
- the discretion to override any formulaic outcomes when it considers it reasonable in the circumstances to do so prior to or upon vesting of discretionary deferred shares.

For the avoidance of doubt the Group shall not award (or shall reduce the amount of the award accordingly) to the extent that such award would cause a breach of the NBG's capital adequacy requirements and other regulatory ratios.

Consideration of employment conditions elsewhere in the Group

Remuneration packages for all Group employees comprise both fixed and variable elements. In accordance with prevailing commercial practice, the Remuneration Committee does not formally consult with employees in preparing the Remuneration Policy but in determining an Executive Director's remuneration, the Remuneration Committee considers:

- (i) pay and employment conditions of senior management;
- (ii) pay and employment conditions across the Group as a whole;
- (iii) whether employees across the Group are personally satisfied with the way they are remunerated; and
- (iv) feedback received from Human Resources and other employees in the executive remuneration structure.

Our employees' remuneration packages are comprised of cash salary, bonus opportunity and benefits. For senior management, the remuneration package is heavily weighted towards deferred shares in the form of nil-cost options which align remuneration of senior management with shareholder interests. All employees receive a competitive benefit package in line with Georgian market practice.

All Georgian employees are entitled to participate in the national pension scheme on the same terms as applicable to Executive Directors.

Other factors taken into consideration are competition in the market place, individual performance and competencies. Usually, exceptional personal performance is recognised through variable pay. The Company also operates an Employee Equity Compensation Plan on a discretionary basis.

For a company of our size and depth, our Executive Directors and senior management must have the skills, experience, work ethic and attitude required to successfully execute our strategy, meet our objectives and create value for shareholders over the long term. In order to recruit and retain this talent, we benchmark the value of remuneration against FTSE 250 and FTSE small cap companies in financial services and against relevant peer financial services companies in emerging markets (which may include Russia, other former Soviet republics and South Africa) and all UK-listed companies based in Georgia.

The remuneration of employees in the Group, other than Executive Director(s) and senior management, is benchmarked against the Georgian Labour Market as this is the most relevant comparator. The Remuneration Committee is regularly informed by Human Resources of remuneration developments across the Group.

The compensation structure of the senior management is set by the Remuneration Committee and is modelled on the Policy but the Remuneration Committee is not bound by it when setting the senior management's remuneration. The Remuneration Committee generally awards members of the senior management discretionary deferred shares as a bonus to ensure maximum alignment with shareholders and to help set the tone from the top.

Equity Compensation Trusts and dilution limits

The Bank of Georgia Group operates two employee benefit trusts (EBT), one for senior executives, and the other for employees below the executive level (the "ESOPs"), which hold ordinary shares on trust for the benefit of employees and former employees of the Group, and their dependents, and which is used in conjunction with the Group's employee share schemes.

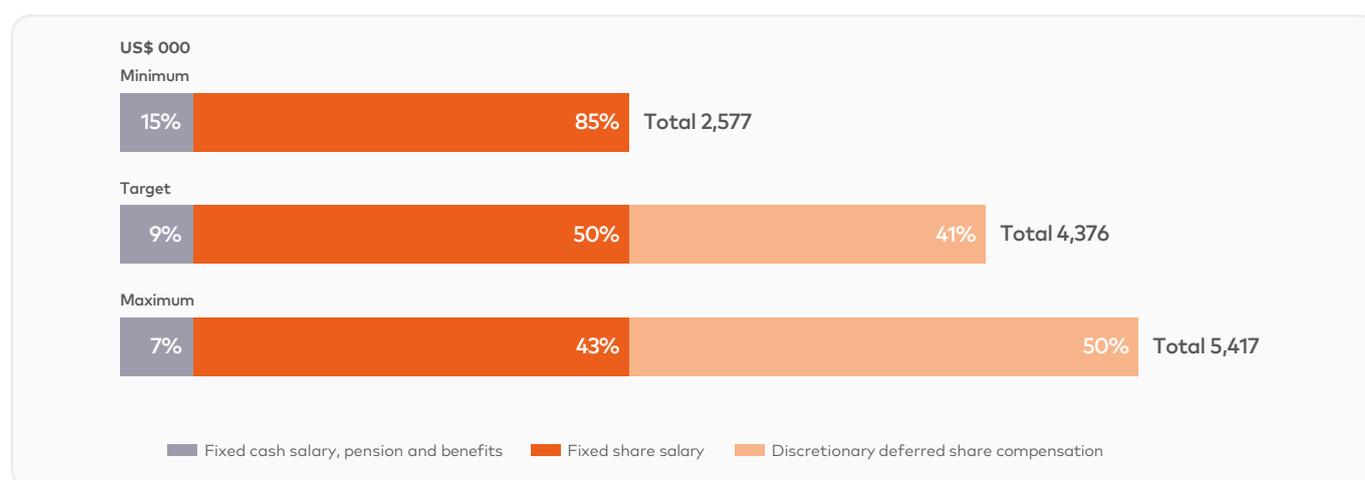
The Bank of Georgia Group has committed that new shares issued in satisfaction of share compensation from the time of the Company's listing on the premium segment of the LSE will not exceed 10% of Bank of Georgia Group's ordinary share capital over any ten-year period.

Business expenses

Executive Directors are reimbursed for reasonable business expenses incurred in the course of carrying out duties under their service contract, on provision of valid receipts.

Illustration of application of Remuneration Policy

The chart below shows an estimate of the remuneration that could be received by Mr Gachechiladze, our sole Executive Director and CEO, in respect of 2022 under the Policy at three different performance levels. The chart represents a full year's remuneration for illustration purposes.



The Group voluntarily discloses that there is no effect or share growth or decline on the value of awards at the time of award because the awards are calculated using a fixed cash value as required by per the NBG regulations of 2021.

(For long-term incentive awards which have performance targets or measures relating to more than one financial years, disclosure of the value of the award in the event of a 50% share price appreciation is required by the Companies (Miscellaneous Reporting) Regulations 2018; however the Group is not subject to such disclosure requirements as performance measures for the discretionary deferred share award are limited to one year. Such disclosure is also not required for salary compensation in the form of shares.)

Notes:

- Salary is comprised of cash and deferred salary shares. Mr Gachechiladze's total cash salary in 2022 in respect of his service agreement with the Group would be US\$ 370,000. The value of the deferred share salary is US\$ 2,200,000, and for 2022 it will vest in January 2023, with 40% released from holding in January 2024, and 20% released in each of January 2025, January 2026 and January 2027.
- The means of determining the number of shares underlying the discretionary deferred share remuneration and terms and conditions applicable to this remuneration are described in the Policy table. Discretionary deferred shares in respect of 2022 will be formally granted in 2023 and 40% will vest immediately but is subject to a two-year holding period and so released from holding in January 2023, and 15% will vest in each of January 2025, January 2026, January 2027 and January 2028 but be subject to a further two-year holding period and so released January 2027, January 2028, January 2029 and January 2030.
- Minimum opportunity reflects a scenario whereby Mr Gachechiladze receives only fixed remuneration which is salary (cash and deferred share salary), pension contributions and benefits and the Remuneration Committee considers that the Group's and/or Mr Gachechiladze's performance in 2022 does not warrant any award of discretionary deferred shares.
- On-target opportunity reflects a scenario whereby Mr Gachechiladze receives fixed remuneration (as described in 3. above) and discretionary deferred shares with a value of US\$ 1,799,000, being 70% of the maximum opportunity (as described in 5. below). In this scenario, the Remuneration Committee considers that the Group's and Mr Gachechiladze's performance in 2022 are in line with the Group's expectations.
- Maximum opportunity reflects a scenario whereby Mr Gachechiladze receives fixed remuneration (as described in 3. above) and discretionary deferred shares with a value of US\$ 2,570,000 being 100% of total salary (i.e. cash and deferred share salary). In this scenario, the Remuneration Committee considers that the Group's and Mr Gachechiladze's performance in 2022 warrant the highest possible level of discretionary deferred share remuneration.

Policy on the appointment of external hires and internal appointments

Any new Executive Director appointed to the Board would be paid no more than the Remuneration Committee considers reasonably necessary to attract a candidate with the relevant skills and experience. His or her maximum remuneration package would comprise the components described in the Policy table above. The Remuneration Committee may, at its sole discretion and taking into account the role assumed by the new Executive Director, vary the amount of any component in the package up to the limits set out in the Policy table above in relation to new Executive Directors. This discretion will only be exercised to the extent required to facilitate the recruitment of the particular individual. In addition, the terms and conditions attaching to any component of the remuneration might be varied insofar as the Remuneration Committee considers it necessary or desirable to do so in all the circumstances.

In addition to the components and outside of the limits set out in the Policy table, the Remuneration Committee may also decide to provide to an incoming Executive Director:

- Relocation support, tax support and legal fees depending on the individual's circumstances, including, where relevant, to his or her family. The Group has not set a maximum aggregate amount that may be paid in respect of any individual's relocation support, but it will aim to provide support of an appropriate level and quality on the best terms that can reasonably be obtained.
- Upon the recommendation of the Remuneration Committee, a "buy out" incentive award intended to compensate the incoming Executive Director for any awards which were granted to an incoming Executive Director by a previous employer and which have been foregone as a result of an individual's employment with the Group. In these circumstances, the Group's approach will be to match the estimated current value of the foregone awards by granting awards of deferred share compensation which vest over a similar period to the awards being bought out. The application of performance conditions and/or clawback provisions may also be considered, where appropriate. Such new awards may be granted in addition to any deferred share salary and discretionary deferred share compensation.

Non-Executive Directors' Remuneration Policy

The table below sets out our Policy for the operation of Non-Executive Directors' fees and benefits at the Company. Each Non-Executive Director also serves as a member of the Supervisory Board of the Bank. It is proposed that the Non-Executive Director fees stated below will apply in each year that the Policy operates from the date of approval of the Policy.

Purpose and link to strategy	Operation	Opportunity
<ul style="list-style-type: none"> • To attract and retain high-performing Non-Executive Directors with the requisite skills, knowledge, experience, independence and other attributes to add value to the Group. • To reflect the responsibilities of time commitment dedicated by Non-Executive Directors. 	<ul style="list-style-type: none"> • All fees are paid in cash on a quarterly basis. • Fees may be reviewed from time to time by the Board (but not necessarily changed), taking into account the time commitment, responsibilities and the technical skills required to make a valuable contribution to the Board, and by reference to comparators, benchmarking, results of the annual review and other guidance. The fees may also be amended and varied if there are genuinely unforeseen and exceptional circumstances which necessitate such review and in such circumstances any significant increase shall be the minimum reasonably required. The Board reserves the right to structure the Non-Executive Directors' fee differently in its absolute discretion. • Non-Executive Directors receive a base fee. Additional Committee fees are payable to compensate for time spent discharging Bank duties and Committee duties. • There is no remuneration in the form of deferred share salary or discretionary deferred shares, pension contributions, benefits or any variable or performance-linked remuneration or incentives. • Non-Executive Directors are reimbursed for reasonable business expenses, including travel and accommodation, which are incurred in the course of carrying out duties under their letters of appointment, on provision of valid receipts. 	<ul style="list-style-type: none"> • The maximum aggregate BOGG PLC fees for all Non-Executive Directors which may be paid under BOGG PLC's Articles of Association is GBP 750,000. • A specific maximum has not been set for the individual base cash fee. • The Senior Independent Non-Executive Director receives a higher base fee which reflects the extra time commitment and responsibility. • The Chairman receives a fee which reflects the extra time commitment and responsibility. The Chairman does not receive Committee fees. • The fees paid to each Non-Executive Director will be disclosed in the relevant reporting year's Annual Report.

Service agreements and policy on payments for loss of office for our Directors

At the date of this Annual Report, Mr Gachechiladze is the sole Executive Director of the Company. Mr Gachechiladze has a service agreement with an effective date of 28 January 2019 with BOGG for an indefinite term (subject to annual re-election at the AGM) which is terminable by either party on four months' notice unless for cause where notice served by BOGG shall have immediate effect.

Mr Gachechiladze also has a service agreement with JSC Bank of Georgia with an effective date of 28 January 2019 for an employment term of five years which is terminable by the Company with immediate effect and by the Executive on not less than four months' notice.

Both documents are available for inspection by shareholders at BOGG's registered office.

Both agreements of Mr. Gachechiladze will be amended and restated to incorporate the terms of the Policy. To comply with NBG requirements the amendments will be effective as of 1 January 2022.

The Group's policy towards exit payments allows for a variety of circumstances whereby an Executive Director may leave the business. The Remuneration Committee reserves the right to determine exit payments other than those set out below, where appropriate and reasonable in the circumstances to do so, including where an Executive Director leaves by mutual agreement. The Remuneration Committee may decide to pay some or all of the Executive Director's legal fees in relation to the termination. In all circumstances, the Remuneration Committee does not intend to reward failure and will make decisions based on the individual circumstances. The Remuneration Committee's objective is that any such agreements are determined on an individual basis and are in the best interests of the Company and shareholders at the time.

The provisions in section (1) and (2) below summarise the termination and payments for loss of office provisions pursuant to Mr Gachechiladze's service agreement with BOGG and the Bank respectively. The Remuneration Committee retains the discretion to apply different notice, termination and payment for loss of office provisions to incoming Executive Directors.

(1) Termination of BOGG PLC service agreement

Where the service agreement is to be terminated on notice, BOGG may put Mr Gachechiladze on garden leave and continue to pay his cash salary under the BOGG service contract provided that any accrued and unused holiday entitlement shall be deemed to be taken during the garden leave period. BOGG may terminate Mr Gachechiladze's employment early with immediate effect and without notice or pay in lieu of notice in the case of, among other circumstances, his dishonesty, gross misconduct, gross incompetence, conviction of an offence (other than traffic-related where a non-custodial penalty is imposed) or becoming of unsound mind. BOGG may also terminate the agreement with immediate effect by payment in lieu of notice, in which case the payment in lieu of notice shall be of his basic salary only.

(2) Termination of Bank service agreement

Termination reason	Separation payments	Vesting and lapse of awards
Termination by the Bank for cause.	Accrued but not yet paid: salary, dividends (or equivalent amounts), benefits and expenses.	Any unvested awarded discretionary deferred shares as at the date when the Executive Director ceases to be an Executive Director shall lapse (unless the Remuneration Committee determines otherwise).
Termination by the Bank without cause.	As above but with a leaving allowance and severance payment constituting the immediate monetary value of no less than four months' salary.	Any unvested awarded discretionary deferred shares as at the date when the Executive Director ceases to be an Executive Director shall continue to vest in the normal way during the respective vesting period(s).
Termination by the Chief Executive Officer for good reason.	As per termination of the Bank without Cause.	Any unvested awarded discretionary deferred shares shall vest immediately.
Termination by the Chief Executive Officer without good reason.	Upon serving four months written notice, as per termination of the Company for Cause.	Any unvested awarded discretionary deferred shares as at the date when the Executive ceases to be an Executive Director shall lapse (unless the Remuneration Committee determines otherwise).

Deferred share salary continues to vest in the normal way during the respective vesting period(s). In the event an incomplete calendar year is worked, deferred share salary for the relevant performance year is subject to pro rata lapse for the incomplete portion of the year.

In the event of termination for cause, in accordance with the Malus and Clawback section above the Bank may also look to clawback vested discretionary deferred shares.

In addition to the vesting and lapse provisions above, in certain circumstances, including if the Executive Director terminates by reason of death or there is a change of control, unvested discretionary deferred shares shall vest immediately (subject to NBG requirements otherwise). If the Executive Director is not offered a new service contract upon substantially the same terms or continued Board membership at the end of his or her service contract or the Executive Director terminates due to injury, disability, redundancy or retirement, discretionary deferred shares will continue to vest in the normal way during the respective vesting period(s).

There are also garden leave provisions and non-compete provisions which may apply up to six months after termination of the service agreement and during which the Executive Director would be paid salary (including cash salary and deferred share salary) but not bonuses (i.e. discretionary deferred shares).

(3) Termination of Non-Executive Directors' appointments

Each Non-Executive Director is required to submit himself or herself for annual re-election at the AGM. The letters of appointment for Non-Executive Directors provide for a one-month notice period although the Group may terminate the appointment with immediate effect without notice or pay in lieu of notice if the Non-Executive Director has committed any serious breach or non-observance of his or her obligations to the Group, is guilty of fraud or dishonesty, brings the Company or him/herself into disrepute or is disqualified as acting as a Non-Executive Director, among other circumstances. Upon termination, the only remuneration a Non-Executive Director is entitled to is accrued fees as at the date of termination together with reimbursement of properly incurred expenses incurred prior to the termination date.

Consideration of shareholder views

The Remuneration Committee is committed to an open and transparent dialogue with its shareholders on all aspects of remuneration. The Remuneration Committee seeks to regularly and actively engage with shareholders and shareholder representative bodies, seeking views which will be considered when making decisions about the remuneration framework. The Remuneration Committee consulted its major shareholders on the proposed Policy with letters, follow-up-calls and the offer of individual meetings in late 2021 and early 2022. The Remuneration Committee is grateful for the feedback and the time taken to consider the Remuneration Committee's proposals. Input was also sought from management, while ensuring conflicts of interest were suitably mitigated.

Investor feedback is explained in more detail in the Chair's letter to the Remuneration Report of the Annual Report 2021, but most notably in response to investor feedback the Remuneration Committee extended the holding period on the