

## **BANK OF GEORGIA GROUP PLC NOMINATION COMMITTEE TERMS OF REFERENCE**

These terms of reference identify and formalise the roles, tasks and responsibilities of the Nomination Committee (the **Committee**) of Bank of Georgia Group PLC (the **Company**) and the authority delegated to the Committee by the board of directors of the Company (the **Board**) to oversee appointments to and the succession planning of the Board. References to the **Group** shall mean the Company and its subsidiaries.

### **1. MEMBERSHIP**

- 1.1 The Committee shall be appointed by the Board and shall consist of a minimum of three members. A majority of the members of the Committee shall be independent non-executive directors. The chairman of the Board may also serve on the Committee.
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the CEO, the Head of Human Resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary, but in the event of a vote, such persons shall not be entitled to vote.
- 1.3 Appointments to the Committee shall be for a period of up to three years, which may be extended for further periods of up to three years, provided that the director continues to meet the criteria for membership of the Committee.
- 1.4 The Board shall appoint the chairman of the Committee, (who shall be either the chairman of the Board or an independent non-executive director (the **Committee Chairman**)). The chairman of the Board shall not act as Committee Chairman when it is dealing with the matter of succession to the chairmanship of the Board. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting.
- 1.5 If a regular member is unable to act due to absence, illness or any other cause, the member or, failing him, the Committee Chairman may appoint another director of the Company to serve as an alternate member having due regard to maintaining the required balance of executive and independent non-executive members.

### **2. SECRETARY**

The Company Secretary or his or her nominee shall act as the secretary of the Committee (the **Secretary**).

### **3. QUORUM**

The quorum necessary for the transaction of business shall be two members each of whom shall be an independent non-executive director. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

#### **4. FREQUENCY OF MEETINGS**

The Committee shall meet not less than twice a year and at such other times as the Board or the Committee Chairman shall require.

#### **5. NOTICE OF MEETINGS**

5.1 Meetings of the Committee shall be summoned by the Secretary at the request of the Committee Chairman or by any other Committee member.

5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and, any other person required to attend not less than five working days prior to the date of the meeting. Supporting papers shall be sent to members of the Committee, and to other attendees as appropriate, at the same time.

#### **6. MINUTES OF MEETINGS**

6.1 The Secretary shall prepare minutes of the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance.

6.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Unless a conflict of interest exists, all other members of the Board may request copies of minutes of Committee meetings from the Committee Chairman or the Group Company Secretary.

#### **7. ANNUAL GENERAL MEETING**

The Committee Chairman shall attend the annual general meetings of the Company and shall be prepared to respond to any questions from shareholders concerning the Committee's activities.

#### **8. DUTIES**

8.1 The Committee shall:

- (a) regularly review the structure, size and composition (including diversity of skills, social and ethnic background, nationality, experience, cognitive and personal strengths, knowledge, outlook, approach and gender) of the Board (with particular regard to the balance of executive and non-executive directors, including independent non-executives) and make recommendations to the Board with regard to any changes;
- (b) give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future;
- (c) be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- (d) as part of the process for nominating candidates for appointment, obtain details of and review any interests the candidate may have which conflict or may conflict with the

interests of the Company. The Committee shall consider whether, despite any such conflict or potential conflict, there are nevertheless grounds for recommending the candidate for appointment and for the Board to authorise the relevant conflict. The Committee shall, as part of any proposal to the Board for appointment of the relevant candidate, explain these grounds and make recommendations as to the terms and conditions on which any authorisation of the conflict should be given by the Board. The Committee should ensure that the proposed appointee be required to report any future interests that could result in a conflict of interest and should keep these under review;

- (e) before recommending an appointment, evaluate the balance of skills, knowledge, experience, independence and diversity (race and gender) on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:
  - (i) use open advertising or the services of external advisers to facilitate the search if deemed necessary;
  - (ii) consider candidates from a wide range of backgrounds; and
  - (iii) consider candidates on merit and against objective criteria, and with due regard for the benefits of diversity on the Board, and appointees having enough time available to devote to the position;
- (f) for the appointment of a chairman, prepare a job specification, including the time commitment expected. A proposed chairman's other significant commitments should be disclosed to the Board before appointment and any changes to the chairman's commitments should be reported to the Board as they arise;
- (g) keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace;
- (h) keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- (i) review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties;
- (j) ensure that, on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, Committee service and involvement outside Board meetings;
- (k) review the results of the Board performance evaluation process that relate to the composition of the Board;
- (l) make available its terms of reference explaining clearly its role and the authority delegated to it by the Board; and
- (m) work and liaise as necessary with all other Board committees.

- 8.2 The Committee shall also make recommendations to the Board concerning:
- (a) formulating plans for succession for both executive and non-executive directors and in particular for the key roles of chairman and CEO;
  - (b) suitable candidates for the role of senior independent director;
  - (c) membership of the audit, remuneration and risk committees, and any other Board committees as appropriate, in consultation with the chairmen of those committees;
  - (d) the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and their independence;
  - (e) the re-election by shareholders of directors under the annual re-election provisions of the UK Corporate Governance Code or the retirement by rotation provisions in the Company's articles of association, having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and their independence, bearing in mind the need for progressive refreshing of the Board (particularly in relation to directors being re-elected for a term beyond six years);
  - (f) any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Company, subject to the provisions of the law and their service contract; and
  - (g) the appointment of any director to executive or other office.
- 8.3 The Committee shall carry out the duties in 8.1 and 8.2 above for the Company, major subsidiary undertakings and the Group as a whole, as appropriate.

## **9. REPORTING RESPONSIBILITIES**

- 9.1 The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3 The Committee shall produce a report to be included in the Company's annual report about its activities and the process used to make appointments and shall explain if an external consultancy or open advertising has not been used, and if not then why they were not so used. Where an external search consultancy has been used, it should be identified and a statement made as to whether it has any connection with the Company.
- 9.4 The report referred to in 9.3 above should also include a description of the Board's policy on diversity, including gender and race, any measurable objectives that it has set for implementing the policy and progress on achieving those objectives.

## **10. OTHER MATTERS**

The Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the Group Company Secretary for assistance as required;
- (b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members and for the Board as a whole;
- (c) give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing Rules, Prospectus and Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate; and
- (d) arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

## **11. AUTHORITY**

- 11.1 The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties.
- 11.2 The Committee is authorised by the Board to obtain, at the Company's expense, any outside legal or other professional advice on any matters within its terms of reference.
- 11.3 The Committee may sub-delegate any or all of its powers and authority and may establish sub-committees which are to report back to the Committee.

## **12. PUBLICATION OF TERMS OF REFERENCE**

- 12.1 These Terms of Reference shall be made available on the Company's website.

**Adopted on 24 February 2018**