

## Directors' Remuneration Policy – Georgia Capital PLC

This Policy took effect from the date of the 2019 AGM on 22 May 2019 when it was approved by shareholders, became formally effective for the three years following that date. As Georgia Capital PLC is a newly-listed company (May 2018) a summary of changes to the previous Remuneration Policy is not applicable. However, please see the comments from the Chairman of the Remuneration Committee in his letter in the 2018 Annual Report on the main changes between this policy and the BGEO Group PLC policy that applied before the demerger.

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, deferred share remuneration schemes and pension and benefit plans. After the Policy becomes effective after the 2019 AGM, Georgia Capital PLC will amend the existing terms of the service contracts of its Executive Director, Irakli Gilauri, to incorporate the terms of the new Policy.

The Remuneration Committee retains its discretion under the new 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.

### 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 Georgia Capital PLC to cover the present Executive Director Irakli Gilauri and any future Executive Directors of Georgia Capital PLC while this Policy is in force. The compensation structure of executive management (who serve on the Management Board of JSC Georgia Capital, but who are not Executive Directors of Georgia Capital PLC) is set by the Remuneration Committee and is modelled on this Policy (except that they may receive a part of their salary in cash) but the Remuneration Committee is not bound by the Policy when setting their remuneration packages. The Remuneration Committee can set different vesting terms and conditions for the Executive Management Team as the Remuneration Committee thinks appropriate.

#### SALARY IN THE FORM OF LONG-TERM DEFERRED SHARES

PURPOSE AND LINK TO STRATEGY	OPERATION	OPPORTUNITY
<ul style="list-style-type: none"> <li>To reflect the role and required duties, skills, experience and individual contribution to the Group whilst promoting long-term value creation and share price growth.</li> </ul>	<ul style="list-style-type: none"> <li>The level of base salary for an Executive Director is fixed in his or her service agreement(s). The level of salary is reviewed by the Remuneration Committee when a service agreement is up for renewal.</li> <li>No cash salary. Salary is comprised entirely of long-term deferred shares ("deferred share salary") in the form of nil-cost options annually in respect of the work year, and is usually expected to be awarded within one month of the end of the work year, although the Remuneration Committee retains the discretion to determine the timing of the</li> </ul>	<ul style="list-style-type: none"> <li>The maximum number of deferred share salary shares is 200,000 per annum for Irakli Gilauri, of which 20,000 shares per annum are for his work as the CEO of Georgia Capital PLC and 180,000 shares per annum are for his work as a CEO of JSC Georgia Capital and its subsidiaries.</li> <li>The number of deferred share salary is fixed for the duration of the employment contracts with Georgia Capital PLC and JSC Georgia Capital.</li> <li>The maximum number of deferred share salary set for an Executive Director will be no more than the Remuneration</li> </ul>

	<p>award.</p> <ul style="list-style-type: none"> <li>Deferred share salary in respect of a work year will vest over five years with 20% vesting in each of the second, third, fourth, fifth and sixth years following the end of the work year. At vesting, the Executive Director will receive (in addition to the deferred share salary) cash payments equal to the dividends paid on the underlying shares between the beginning of the year immediately following the work year and the vesting date.</li> <li>Lapse provisions (natural malus) are built into the deferred share salary as set out in the "Service Agreements" and "Policy for Loss of Office" sections below. Extended malus and clawback provisions do not apply to base salary as the Remuneration Committee considers that the discretionary deferred shares provide a sufficiently large pool from which to draw extended malus or clawback repayments, if necessary in the circumstances to do so.</li> </ul>	<p>Committee considers reasonable based on his/her duties, skills and experience, at the time when his/her salary is set, which will normally be at the time at which his/ her service agreement(s) are entered into.</p>
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**PERFORMANCE-BASED REMUNERATION – DISCRETIONARY DEFERRED SHARES**

<b>PURPOSE AND LINK TO STRATEGY</b>	<b>OPERATION</b>	<b>OPPORTUNITY</b>
<ul style="list-style-type: none"> <li>To motivate and reward an Executive Director that meets or exceeds the KPIs set for him or her by the Remuneration Committee for the relevant period.</li> <li>Performance-based remuneration solely in the form of discretionary deferred shares (no cash bonus) in order to: <ul style="list-style-type: none"> <li>Closely align the interests of an Executive Director with shareholders.</li> <li>Minimise risk taking for short-term gain.</li> <li>Encourage long-term commitment to the Group.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Performance-based remuneration is awarded annually entirely in the form of nil-cost options over the Group shares subject to vesting ("discretionary deferred shares"). The Group does not award cash bonuses to Executive Directors of Georgia Capital PLC.</li> <li>The Remuneration Committee will determine annually whether an award is merited based on an Executive Director's achievement of the KPIs set for the work year and the performance of the Group during the work year. If</li> </ul>	<ul style="list-style-type: none"> <li>For Mr Gilauri, the maximum number of discretionary deferred shares that may be awarded is capped at 200,000 shares (i.e. 100% of deferred share salary).</li> <li>For an Executive Director (other than Mr Gilauri), the maximum opportunity in respect of the previous work year is 100% of total salary.</li> </ul>

	<p>appropriate, where a strategic change or change in business circumstances has made one or more of the KPIs an inaccurate gauge of an Executive Director's performance, the Remuneration Committee may decide to base its assessment on alternative measures. The outcome of an Executive Director's performance and the Remuneration Committee's determination will be reported in the Directors' Remuneration Report for the work year in consideration.</p> <ul style="list-style-type: none"><li>• Any discretionary deferred shares are expected to be granted following the end of the work year and vest 25% in each of the second, third, fourth and fifth years following the end of the work year, although the Remuneration Committee retains the discretion to determine the timing of the award.</li><li>• Each tranche of vested discretionary deferred shares must then be held for a further one year.</li><li>• At vesting, an Executive Director receives cash payments equal to the dividends paid on the underlying shares between beginning of the year immediately following the work year and the vesting date.</li><li>• KPIs for an Executive Director are set towards the beginning of each work year and reflect each Executive Director's targeted contribution to the Group's overall key strategic and financial objectives for the coming work year. KPIs may also include non-tangible factors such as self-development, mentoring and social responsibility.</li><li>• There is no contractual right to discretionary deferred shares and the Remuneration</li></ul>	
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	<p>Committee reserves the right to award no discretionary deferred share remuneration if the Group's performance is unsatisfactory.</p> <ul style="list-style-type: none"> <li>Lapse provisions (natural malus) and extended clawback and malus applies under the circumstances as set out in the notes to this Policy table.</li> </ul>	
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**PENSION**

<b>PURPOSE AND LINK TO STRATEGY</b>	<b>OPERATION</b>	<b>OPPORTUNITY</b>
<ul style="list-style-type: none"> <li>The Group is required to comply with pension requirements set by the Georgian Government.</li> <li>Pension provision is the same for all employees in the Group in Georgia.</li> </ul>	<ul style="list-style-type: none"> <li>Pension provision will be in line with Georgian pension legislation, which may change from time to time.</li> <li>The most recent pension legislation that JSC Georgia Capital must comply with has been in effect since January 2019.</li> <li>There is no provision for the recovery or withholding of pension payments.</li> </ul>	<ul style="list-style-type: none"> <li>The same arrangement applies to employees across the Group in Georgia.</li> <li>In line with current Georgian legislation, an Executive Director and the Group each contribute 2% of total remuneration from JSC Georgia Capital and the Georgian Government contributes a further small amount currently 0-2% depending on income levels. However, Irakli Gilauri has agreed for pension contributions to be waived.</li> <li>Pension contributors will only increase above the level if mandated by Georgian legislation or if mandated by any other applicable legislation in any jurisdiction.</li> </ul>

**BENEFITS**

<b>PURPOSE AND LINK TO STRATEGY</b>	<b>OPERATION</b>	<b>OPPORTUNITY</b>
<ul style="list-style-type: none"> <li>Non-cash benefits are in line with Georgian market practice and are designed to be sufficient to attract and retain high-calibre talent.</li> </ul>	<ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>There is no prescribed maximum amount payable. 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.</li> <li>Shareholders should note that the cost of providing comparable benefits in different jurisdictions may vary widely.</li> </ul>

	Director and close family; and legal costs.	<ul style="list-style-type: none"> <li>Disclosure of amounts paid will be provided in the implementation report and will be explained where the cost of benefit is significant.</li> </ul>
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#### OTHER EXECUTIVE DIRECTOR POLICIES – SHAREHOLDING REQUIREMENTS

PURPOSE AND LINK TO STRATEGY	OPERATION
<ul style="list-style-type: none"> <li>To further align Executive Directors' interests with shareholders.</li> <li>To ensure Executive Directors build and then maintain a significant shareholding over the long term.</li> <li>To ensure departing Executive Directors make long-term decisions and maintain an interest in the ongoing success of the Group post-employment</li> </ul>	<ul style="list-style-type: none"> <li>Executive Directors are required to build and then maintain a shareholding equivalent to 200% of salary. Such amount to be built up within a five-year period from appointment as an Executive Director (the "Required Shareholding").</li> <li>For these purposes 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).</li> <li>Executive Directors are to retain the lower of (i) the Required Shareholding or (ii) the 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.</li> <li>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 the discretion in the Group's next Remuneration Report. It should be emphasised that there is no present intention to use the discretion.</li> </ul>

#### Notes to the Policy Table – Executive Directors

##### Deferred Share Salary

At present there is no cash salary. The Remuneration Committee may determine that some cash salary is appropriate for an incoming Director (see "Approach to Recruitment Remuneration").

The deferred share salary comprises the most important element of the Executive Director's fixed annual remuneration and is commensurate with the Executive Director's role within the Group. Paying salary solely as deferred share compensation rather than as cash means that an Executive Director's day-to-day actions are geared towards sustained Group performance over the long term. The deferred share salary component is neither a bonus nor an LTIP, it is salary fixed at the outset of each Executive Director's service contract and is therefore not subject to performance targets or measures. The salary increases or declines in value depending on Group performance aligning an Executive Director's interests directly and naturally with those of the Group's shareholders.

While it is not the current intention, the Remuneration Committee has the discretion under the Policy to increase the amount of deferred share salary for incoming Executive Directors (i.e. not for the current CEO) by 10%.

##### Performance-Based Remuneration

Performance is measured entirely through the discretionary deferred share compensation plan (see Discretionary

Deferred Remuneration, below), which measures performance over the financial year. The vast majority of remuneration is inherently linked to performance and shareholder value as the vast majority of remuneration is in the form of deferred share salary and discretionary deferred shares. The Group does not operate an LTIP because it believes that there is sufficient long-term incentive built into its deferred share salary and discretionary deferred share remuneration.

### **Discretionary Deferred Remuneration**

Performance is measured over the course of the financial year, and is paid in nil-cost options, which are granted following the financial year and vest 25% in each of the second, third, fourth and fifth years following the end of the work year. A further one year holding period from the date of vesting applies to the vested discretionary deferred shares. For example, any discretionary deferred remuneration in respect of 2019 will be granted in 2020 and the vesting schedule will be 25% in each of January 2021, January 2022, January 2023 and January 2024, and are subject to a further holding period of one year on each tranche. Therefore, the total maximum vesting and holding period is five years from the end of the work year.

Performance measures are chosen to reflect strategic priorities for the Group and are chosen by the Remuneration Committee annually towards the start of the relevant performance year. The aggregate pool of shares available for each year for awards of discretionary deferred shares for the Executive Directors and the executive management team as a whole is determined annually by the Remuneration Committee in its absolute discretion, based on a number of factors including:

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

The Remuneration Committee does not utilise strict weighting of performance measures to ensure that flexibility is encouraged if, for example, strategic objectives evolve as the Group does or 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/she does not take excessive risk to achieve KPIs when, for example, markets have turned. The Remuneration Committee has the discretion to reduce awards, including to zero, when performance outcomes do not align to the shareholder experience. 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.

As mentioned in the Policy table above, the maximum value of discretionary deferred shares that the current CEO, Mr Gilauri, may be awarded in a given year for the remainder of his service contract with the Group is capped at the same number of shares as his total deferred share salary. In the event that it does introduce cash salary for a new Executive Director, the Remuneration Committee retains the discretion to determine how total salary is measured for the purposes of the cap in the Policy table.

### **Clawback and Malus**

Discretionary deferred shares are subject to malus, and clawback for up to two years from vesting, in the following circumstances:

- misconduct in the performance or substantial failure to perform duties;
- significant financial losses, serious failure of risk management or serious damage to the reputation of Georgia Capital PLC or JSC Georgia Capital, caused by misconduct or gross negligence (including inaction in performance of his/her duties by the Executive Director);
- material misstatement or material errors in the Financial Statements that relates to the area of responsibility of the Executive Director or can be attributed to their action (or inaction in performance of his/her duties);
- deliberately misleading Georgia Capital PLC or JSC Georgia Capital in relation to financial performance; and
- an award being made on the basis of erroneous or misleading data, provided that for payments based on erroneous or misleading data (other than where such error has been caused by fraud, wilful misconduct, deliberate action/inaction and/or gross negligence of the Executive Director), malus and clawback apply to discretionary deferred remuneration awarded for the year in question.

Provided that the Policy is approved by shareholders at the AGM 2019, the above provisions will form part of Mr Gilauri's service contract. The Group also intends to amend the Executive Equity Compensation Plan if and as required to reflect the above.

For the Group's current Executive Director, Mr Gilauri, the Group also has unusually strong malus provisions where all unvested shares (deferred share salary and discretionary deferred shares) lapse when the service contract is terminated under certain circumstances, including for cause such as gross misconduct, substantial and repeated failure to perform duties, fraud or conviction of a felony. This may be several years of salary deferred shares and discretionary deferred shares. Please see the "Termination of the JSC Georgia Capital service agreement" in the table below for more information.

### Discretion

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

- the determination of discretionary deferred shares, if any;
- selection of KPIs that will determine the discretionary deferred remuneration, 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 of 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.

### Equity Compensation Trust and Dilution Limits

An equity compensation trust ("Trust"), was established for the purposes of satisfying deferred share salary and discretionary deferred share compensation in the form of nil-cost options awarded to Executive Directors and eligible members of the Executive Management Team. The Trust was established in 2018.

### 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 Gilauri, the Group's sole Executive Director and CEO, in respect of 2019 under the proposed Policy at five different performance levels.

*The 50% share price appreciation disclosure is made voluntarily by the Group (as performance measures are limited to one year) for investor information.*



#### Notes:

1. Salary is comprised of deferred share salary and benefits. Mr Gilauri does not receive a cash salary and has waived all pension contributions. For illustration purposes, the value of then deferred share salary payable to Mr Gilauri is US\$2,730,000, calculated by reference to the share price of US\$13.65 on 12 July 2018, being the date of the Remuneration Committee meeting (the official share price of GBP 10.324 converted into Dollars using an exchange rate of 1.3223, being the official exchange rate published by the Bank of England on the same date).
2. For the purpose of calculating the value of discretionary deferred shares for illustration in this chart a share price of US\$14.42 per share was used. The actual value of the discretionary deferred share award in respect of the performance of the 2019 work year will be reported in the 2019 Annual Report and Accounts as at latest closing share price before the Remuneration Committee meeting at which the award is decided.
3. Minimum opportunity reflects a scenario whereby Mr Gilauri receives only fixed remuneration which is deferred share salary and benefits. No share price growth assumptions have been made.
4. On-target opportunity reflects a scenario whereby Mr Gilauri receives fixed remuneration (as described in 1 above) and 140,000 discretionary deferred shares, being 70%

- of the maximum opportunity. No share price growth assumptions have been made.
5. Maximum opportunity reflects a scenario whereby Mr Gilauri receives fixed remuneration (as described in 1 above) and discretionary deferred shares compensation award of 100% being the number of shares granted under the deferred share salary. No share price growth assumptions have been made.
  6. Maximum plus 50% share price growth reflects a scenario whereby Mr Gilauri receives fixed remuneration (as described in 1 above) and discretionary deferred shares compensation award of 100% of the maximum opportunity and share price grows by 50%.
  7. Target with 50% share price depreciation reflects a scenario whereby Mr Gilauri receives fixed remuneration (as described in 1 above) and discretionary deferred shares compensation award of 70% of the maximum opportunity and share price depreciates by 50%.
  8. For long-term incentive awards, 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. Such disclosure is not required for short-term incentive awards, such as those made by the Group, where performance measures are limited to one year, nor is it required for salary compensation in the form of shares. The reason for this is that an increase in the value of the deferred shares resulting from share price appreciation in the period through to the vesting date is not considered to constitute remuneration for the purposes of the regulations. However, the Group has decided to voluntarily disclose information showing the value of a 50%

## **Approach to Recruitment Remuneration**

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 for new Executive Directors. In particular, the Remuneration Committee may determine it is appropriate to also pay a cash salary to a newly-appointed Director. Should the Remuneration Committee elect to pay some salary in cash, a commensurate reduction will be made to the fixed share salary. These discretions will only be exercised to the extent required to facilitate the recruitment of the particular individual.

In addition to the components and outside 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 granted to an incoming Executive Director by a previous employer and which have been foregone as a result of the 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 or longer. 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.

## **Service Agreements and Policy on Payments for Loss of Office for our Directors**

The Group's policy towards exit payments allows for a variety of circumstances whereby an Executive Director may leave the Group. 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 Group and shareholders at the time.

The following sections (1) and (2) summarise the termination and payments for loss of office provisions pursuant to Mr Gilauri's service agreement with Georgia Capital PLC and JSC Georgia Capital, respectively. The Remuneration Committee retains the discretion to apply different notice, termination and payment for loss of office provisions to incoming Executive Directors. The termination provisions of Non-Executive Director letters of appointment are described in section (3). The Executive Directors' service agreements and letters of appointment are kept for inspection by shareholders at the Group's registered office.

## **Notice Periods**

At the date of this Annual Report, Mr Gilauri is the sole Executive Director of the Group. Mr Gilauri has a service contract effective from 29 May 2018 with the Georgia Capital PLC for an indefinite term (subject to annual re-election at the AGM) which is terminable by either party on not less than four months' notice unless for cause where notice

served by the Group shall have immediate effect.

Mr Gilauri also has a service agreement with JSC Georgia Capital effective from 29 May 2018 for an employment term of five years which is terminable by either party on not less than three months' notice unless for cause where notice served by the Group shall have immediate effect.

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

**(1) Termination of Georgia Capital PLC Service Agreement**

In the event that an Executive Director's service agreement is terminated on notice, Georgia Capital PLC may put Mr Gilauri on garden leave for some or all of the notice period during or after which period he will receive a pro-rata portion of the deferred salary.

Georgia Capital PLC may terminate Mr Gilauri's employment early with immediate effect without notice or pay in lieu of notice in the case of, among other circumstances, his dishonesty, gross misconduct, conviction of an offence (other than traffic-related where a non-custodial penalty is imposed) or becoming of unsound mind.

The Company may also terminate the service agreement with immediate effect by payment in lieu of notice, in which case the payment in lieu of notice shall be solely in respect of deferred share salary payable for the unworked portion of the notice period.

The vesting and lapse provisions of the deferred share salary under the service agreement with the Company follow the provisions in the service agreement with the JSC set out in the third column of the table below.

**(2) Termination of JSC Georgia Capital (the "JSC") Service Agreement**

This table sets out the default vesting and lapse provisions, but the Remuneration Committee retains the discretion to determine different treatment upon agreement with the Executive Director.

Termination Reason	Separation Payments	Vesting and Lapse of Awards
<ul style="list-style-type: none"> <li>Termination by the JSC for cause (e.g. gross misconduct, substantial and repeated failure to perform duties, fraud or conviction of a felony).</li> </ul>	<ul style="list-style-type: none"> <li>Vested deferred share salary (including dividend equivalents) to termination date and holiday pay, unpaid business expenses and benefits.</li> </ul>	<ul style="list-style-type: none"> <li>Any unvested awarded deferred share salary and discretionary deferred share compensation as at the date when the Executive Director ceases to be an Executive Director shall lapse</li> </ul>
<ul style="list-style-type: none"> <li>Termination by the JSC without cause.</li> </ul>	<ul style="list-style-type: none"> <li>Six month's deferred share salary plus deferred share salary to termination date and any awarded but unpaid discretionary deferred securities (all awards including dividend equivalents), holiday pay, unpaid business expenses and benefits</li> </ul>	<ul style="list-style-type: none"> <li>Any unvested awarded deferred share salary and discretionary deferred share compensation shall vest immediately.</li> </ul>
<ul style="list-style-type: none"> <li>Termination by the Chief Executive Officer for good reason.</li> </ul>	<ul style="list-style-type: none"> <li>As above for Termination by the JSC without cause.</li> </ul>	<ul style="list-style-type: none"> <li>As above.</li> </ul>
<ul style="list-style-type: none"> <li>Termination by the Chief Executive Officer, without good reason.</li> </ul>	<ul style="list-style-type: none"> <li>Vested deferred share salary (including dividend equivalents) to termination date and any awarded holiday pay, unpaid business expenses and benefits</li> </ul>	<ul style="list-style-type: none"> <li>Any unvested awarded deferred share salary and discretionary deferred share compensation as at the date when the Executive Director ceases to be an</li> </ul>

		Executive Director shall lapse.
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In addition to the vesting and lapse provisions above, in certain other circumstances including if the Executive Director terminates by reason of death, disability, redundancy or retirement, there is a change of control or, at the end of the term of the service agreement, the Executive Director is not offered a new service contract upon substantially similar terms or continued Board membership, unvested awarded deferred share salary and discretionary deferred shares will vest immediately.

The service contract also permits the JSC to put the Executive Director on Garden Leave for a period of up to four months from termination, during such time the Executive Director will receive a pro-rata portion of deferred share salary, but will not be entitled to any other benefits, bonuses, discretionary deferred shares or reimbursement expenses. The Executive Director is also subject to non-compete provisions for up to six months after the termination of his/her employment, which period might be extended to two years in certain circumstances.

### (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 material breach or non-observance of his or her obligations to the Group is guilty of fraud or dishonesty, brings the Group or him/herself into disrepute or is disqualified as acting as a Director, among other circumstances. Upon termination, the only remuneration a Non-Executive Director is entitled to accrued fees as at the date of termination together with reimbursement of properly incurred expenses incurred prior to the termination date.

### Consideration of Employment Conditions Elsewhere in the Group

The Remuneration Committee does not formally consult employees when drawing up Directors' Remuneration Policy but in determining an Executive Director's remuneration, the Remuneration Committee considers:

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

### Differences in The Remuneration Policy for Executives Relative to the Broader Employee Population

For a FTSE All-Share company of our size and depth making a meaningful impact on the Georgian economy, our Executive Directors must have the skills, experience, work ethic and attitude required to successfully execute our strategy, manage evolving public policy demands, meet our objectives and create value for shareholders over the long term. In order to recruit and retain this talent, we assess the value of remuneration against other FTSE companies of similar size and sector listed in the UK. Executive Directors are not currently paid cash and therefore remuneration in the form of deferred shares forms all their compensation and totally aligns them to the shareholder experience.

The principles of remuneration for the Executive Directors and the executive management are aligned; remuneration is designed to align remuneration with the performance of the Group and shareholder experience. In particular the remuneration structure of the Deputy CEO is close to that of the Executive Directors' (although the vesting pattern among other matters may vary). Further, the majority of compensation delivered to executive management is also in shares or phantom shares, however, most are also entitled to a modest cash salary.

The compensation of employees in the Group, other than Executive Directors and executive management is benchmarked against the Georgian labour market, as this is the most relevant comparator. Our employees are offered competitive remuneration packages, which include benefits.

**Non-Executive Directors' Remuneration Policy**

The table below sets out our Policy for the operation of Non-Executive Directors' fees and benefits of Georgia Capital PLC. Each Non-Executive Director also serves as a member of the Supervisory Board of JSC Georgia Capital. The fees for Non-Executive Directors are currently the same as those disclosed in the prospectus of the Group. It is proposed that, if the Policy is approved, the Non-Executive Director fees stated below will apply in each year that the Policy operates from the date of approval of the Policy.

COMPONENT	PURPOSE AND LINK TO STRATEGY	OPERATION	OPPORTUNITY
<ul style="list-style-type: none"> <li>• Base Cash Fee</li> </ul>	<ul style="list-style-type: none"> <li>• Attract and retain high-performing Non-Executive Directors with the requisite skills, knowledge, experience, independence and other attributes to add value to the Group.</li> </ul>	<ul style="list-style-type: none"> <li>• Cash payment on a quarterly basis.</li> <li>• The fee of the Chairman will be determined by the Board.</li> <li>• The amount of remuneration may be reviewed from time to time by the above, which may take 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 Board also reserves the right, in their discretion, to amend and vary the fees 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.</li> <li>• Non-Executive Directors are reimbursed for reasonable business expenses, including travel and accommodation, which are incurred in the course of carrying out duties.</li> </ul>	<ul style="list-style-type: none"> <li>• The maximum aggregate Georgia Capital PLC fees for all Non-Executive Directors which can be paid under Georgia Capital PLC's Articles of Association is GBP £750,000.</li> <li>• A specific maximum has not been set for the individual base cash fee.</li> <li>• The Senior Independent Non-Executive Director receives a higher base fee which reflects the extra time, commitment and responsibility.</li> <li>• The Chairman receives a fee which reflects the extra time commitment and responsibility. However, no Chairman's fee is received when the Chairman and CEO roles are combined.</li> <li>• The fees paid to each Non-Executive Director will be disclosed in the relevant reporting year's Annual Report.</li> </ul>
<ul style="list-style-type: none"> <li>• Committee Fees</li> </ul>	<ul style="list-style-type: none"> <li>• Compensate for additional time spent discharging Committee duties.</li> </ul>	<ul style="list-style-type: none"> <li>• Cash payment on a quarterly basis.</li> <li>• The amount of remuneration for Committee membership is reviewed as above.</li> </ul>	<ul style="list-style-type: none"> <li>• The Chairman does not receive Committee fees.</li> </ul>

**Consideration of Shareholder Views**

A formal shareholder consultation process was undertaken in early 2019 to gather investor feedback on the proposed Remuneration Policy. The Remuneration Committee members and the Senior Independent Director engaged extensively with our investors through letters to shareholders, as well as where possible calls and face-to-face meetings with them on the new Policy in the United Kingdom, Europe and the USA. Shareholders were generally supportive of the proposals and their feedback has been taken into account during the development of the new Remuneration Policy set out here.