

## **THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

This document gives Notice of the Annual General Meeting of Georgia Capital PLC and sets out resolutions to be voted on at the meeting. If you are in any doubt as to any aspect of the proposals referred to in this document or the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other appropriate independent professional adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares in Georgia Capital PLC, please pass this document together with the accompanying documents at once to the purchaser or transferee, or to the person who arranged the sale or transfer so that they can pass these documents to the person who now holds the ordinary shares.



**Georgia Capital PLC**

**Notice of the Annual General Meeting**

**To be held on 4 June 2020**

## **Georgia Capital PLC**

84 Brook Street  
London W1K 5EH  
United Kingdom

Registered in England and Wales  
No: 10852406

23 April 2020

### **LETTER FROM THE CHAIRMAN**

Dear Shareholder,

I am delighted to be writing to you, on behalf of the Board of Directors (the **Board**), with details of the second Annual General Meeting (the **AGM**) of Georgia Capital PLC (the **Company**) which will be held at Baker & McKenzie LLP, 100 New Bridge Street, London EC4V 6JA on 4 June 2020 at 11am (London time). The doors will open at 10.30am (London time).

The formal notice of the AGM is set out on pages 4 to 7 of this document. Explanatory notes on the business of this year's AGM and notes to the notice appear on pages 8 to 17 of this document.

The Board appreciates that the AGM is one of the key ways we communicate with you, our shareholders. It is an important opportunity for you to express your views by raising questions and voting and ordinarily attending. Whilst the Board encourages shareholders to vote at the AGM, in light of the developing situation with COVID-19 it requests that shareholders do not attend the AGM in person. The Board will explore alternative means of maintaining shareholder engagement. Further details on our position on the developing COVID-19 situation are set out below.

#### **Voting at the AGM**

In order to vote by proxy you may complete the Form of Proxy and return it in the envelope provided to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible. Alternatively, you can vote online at [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) using the Control Number, your unique PIN and Shareholder Reference Number (SRN) printed on your Form of Proxy. The return of the Form of Proxy by post or registering your vote online will not prevent you from attending the AGM and voting in person should you so wish (although see *COVID-19 Update*, below).

To be valid, the Form of Proxy or online voting instruction must be received by Computershare no later than 11.00am (London time) on 2 June 2020. CREST members may choose to use the CREST electronic proxy appointment service in accordance with the procedures set out in note 5 on pages 15 and 16.

The results of the poll vote at the AGM will be released to the market via the Regulatory News Service of the London Stock Exchange and published on the Company's website as soon as practicable after the conclusion of the AGM.

## COVID-19 Update

We are closely monitoring the impact of COVID-19 (coronavirus). It is currently the intention of the Company to hold the meeting as planned. However, the Board notes the guidance issued by the UK government restricting social gatherings in view of the COVID-19 pandemic, and the fact that if such guidance remains in place on the date of the AGM, shareholders will be prohibited from attending the AGM.

Given the current guidance and the general uncertainty on what additional and/or alternative measures may be put in place, the Board requests that shareholders do not attend the AGM but instead appoint a proxy and provide voting instructions in advance of the AGM, in accordance with the instructions explained above under the heading *Voting at the AGM*.

If the Board believes that it becomes necessary or appropriate to make alternative arrangements for the holding of the AGM due to COVID-19, we will ensure that shareholders are given as much notice as possible. Further information will be made available through an announcement to the London Stock Exchange and through an upload to <https://georgiacapital.ge/ir/shareholder-meetings>.

## Recommendation

The Board believes that all of the proposals set out in this Notice of AGM are in the best interests of the Company and shareholders as a whole and unanimously recommends that you vote in favour of all the resolutions, as the Directors intend to do in respect of their own beneficial holdings of ordinary shares in the Company of £0.01 each (each an **Ordinary Share**).

Yours faithfully,

Irakli Gilauri  
Chairman and Chief Executive  
Georgia Capital PLC  
23 April 2020

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Georgia Capital PLC will be held at the offices of Baker McKenzie LLP, 100 New Bridge Street, London EC4V 6JA on Tuesday 4 June 2020 at 11am (London time) for the purposes of considering and if thought fit, passing the resolutions below.

Resolutions 1 to 13 will be proposed as ordinary resolutions and resolutions 14 to 17 will be proposed as special resolutions. Resolutions 12 to 17 are proposed as special business.

### Ordinary Resolutions

#### 1. Annual Report and Accounts

To receive the Directors' Report, the Strategic Report, the Directors' Remuneration Report and the financial statements together with the Auditors' Report for the financial year ended 31 December 2019.

#### 2. Directors' Remuneration Report

To approve the Directors' Remuneration Report, as set out on pages 145 to 160 (excluding the summary of the Remuneration Policy on pages 156 to 160) of the Annual Report and Accounts for the financial year ended 31 December 2019.

### Appointment and Re-appointment of Directors

3. To re-appoint Irakli Gilauri, as a director of the Company.

4. To re-appoint Kim Bradley, as a director of the Company.

5. To re-appoint Caroline Brown, as a director of the Company.

6. To appoint Maria Chatti-Gautier, as a director of the Company.

7. To re-appoint Massimo Gesua' sive Salvadori, as a director of the Company.

8. To re-appoint David Morrison, as a director of the Company.

9. To re-appoint Jyrki Talvitie, as a director of the Company.

#### 10. Auditor Re-appointment

To re-appoint Ernst & Young LLP as Auditor of the Company (the **Auditor**) until the end of the next general meeting at which accounts are laid before the Company.

#### 11. Auditor Remuneration

To authorise the Audit Committee to determine the remuneration of the Auditor.

#### 12. Political Donations

THAT, in accordance with sections 366 and 367 of the Companies Act 2006 (the **Act**), the Company and any subsidiary of the Company, during the period beginning with the date of the passing of this resolution and expiring at the conclusion of the Company's AGM in 2021 (unless this authority has been renewed, revoked or varied by the Company in a general meeting), be authorised to:

- a) make donations to political parties or independent election candidates, not exceeding £100,000 in total;
- b) make donations to political organisations other than political parties, not exceeding £100,000 in total; and
- c) incur political expenditure, not exceeding £50,000 in total.

The above amounts may be comprised of one or more amounts in different currencies, as the Board may determine. Any terms used in this resolution that are defined in Part 14 of the Act shall bear the same meaning for the purposes of this resolution 12.

### **13. Authority to Allot Shares**

THAT, in substitution of all existing authorities, the Board be generally and unconditionally authorised for the purposes of section 551 of the Act to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company (**Rights**):

- a) up to an aggregate nominal value of £133,899.25 (representing 13,389,925 Ordinary Shares, which represents approximately one-third of the Company's issued ordinary share capital as at 7 April 2020 being the latest practicable date prior to publication of this notice of AGM); and
- b) in addition to the amount referred to in paragraph (a) above, up to a further aggregate nominal value of £133,899.25 (representing 13,389,925 Ordinary Shares, which represents approximately one-third of the Company's issued ordinary share capital as at 7 April 2020 being the latest practicable date prior to publication of this notice of AGM) in relation to an allotment of equity securities (as defined in section 560(1) of the Act) in connection with an offer by way of a rights issue:
  - i. to holders of shares in proportion (as nearly as may be practicable) to their existing holdings; and
  - ii. to holders of other equity securities as required by the rights of those securities or as the Board consider it necessary, as permitted by the rights of those securities,

subject to the Board having a right to make such exclusions or other arrangements as they may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,

such authorities to apply (unless previously renewed, varied or revoked by the Company in general meeting) until the conclusion of the Company's AGM in 2021 or, if earlier, at the close of business on 4 September 2021 (being 15 months after the date of the forthcoming AGM) save that the Company may, before the authority expires, make offers and/or enter into agreements which would, or might, require equity securities to be allotted, or rights to be granted, after the authority expires and the Board may allot shares or grant rights to subscribe for or to convert any security into shares under any such offer or agreement as if the authority conferred by this resolution 13 had not expired.

### **Special Resolutions**

#### **14. Disapplication of Pre-emption Rights**

THAT, subject to the passing of resolution 13, the Board be and are generally empowered pursuant to sections 570 and 573 of the Act to allot equity securities (as defined in section 560(1) of the Act) for cash pursuant to the authority granted by resolution 13 and/or to sell Ordinary Shares held by the Company as treasury shares as if section 561 of the Act did not apply to any such allotment or sale, provided that such authority be limited:

- a) to the allotment of equity securities for cash and/or sale of treasury shares in connection with an offer of, or invitation to apply for, equity securities:
  - i. to ordinary shareholders in proportion (as nearly as practicable to their respective existing holdings of Ordinary Shares held by them on the record date); and
  - ii. to holders of other equity securities, as required by the rights attaching to those securities, or if the Board otherwise considers it necessary, as permitted by the rights attaching to those securities,

but subject to the Board having the right to impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter whatsoever; and

- b) to the allotment of equity securities for cash and/or sale of treasury shares (otherwise than pursuant to paragraph (a) above) having, in the case of Ordinary Shares, a nominal amount or, in the case of other equity securities, giving the right to subscribe for or convert into Ordinary Shares having a nominal amount not exceeding, an aggregate amount of £20,084.89 (being 2,008,489 Ordinary Shares, which represents approximately 5% of the Company's issued ordinary share capital as at 7 April 2020, being the latest practicable date prior to publication of this notice of AGM),

provided that the authority conferred by this resolution 14 shall expire at the conclusion of the Company's next AGM in 2021 or, if earlier, at the close of business on 4 September 2021, (being 15 months after the date of the forthcoming AGM), save that in each case, prior to its expiry, the Company may make offers, and/or enter into agreements, which would, or might, require equity securities to be allotted (and/or treasury shares to be sold) after this authority expires and the Board may allot equity securities (and/or sell treasury shares) under any such offer or agreement as if the authority given by this resolution had not expired.

**15. Specific Authority to Dis-apply Pre-emption Rights in Connection with an Acquisition or Specified Capital Investment**

That, subject to the passing of resolution 13, the Board be and are generally empowered pursuant to sections 570 and 573 of the Act (in addition to the authority given by resolution 14) to allot equity securities (as defined in section 560(1) of the Act) for cash pursuant to the authority given by resolution 13 and/ or to sell Ordinary Shares held by the Company as treasury shares as if section 561 of the Act did not apply to any such allotment or sale, provided that such authority be:

- a) limited to the allotment of equity securities and/or sale of treasury shares, up to a nominal amount of £20,084.89 (being 2,008,489 Ordinary Shares, representing approximately 5% of the Company's issued ordinary share capital as at 7 April 2020, being the latest practicable date prior to the publication of this notice of AGM); and
- b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board of the Company determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice of AGM,

provided that such authority conferred by this resolution 15 shall expire at the conclusion of the Company's AGM in 2021 or, if earlier, at the close of business on 4 September 2021 (being 15 months after the date of the forthcoming AGM), save that, in each case, prior to its expiry, the Company may make offers, and/or enter into agreements, which would, or might, require equity securities to be allotted (and/or treasury shares to be sold) after this authority expires and the Board may allot equity securities (and/or sell treasury shares) under any such offer or agreement as if the authority given by this resolution had not expired.

**16. Authority to Purchase Ordinary Shares (On-Market)**

THAT the Company be generally and unconditionally authorised for the purpose of section 701 of the Act to make market purchases (as defined in section 693 of the Act) of Ordinary Shares, on such terms and in such manner as the Board may from time to time determine, provided that:

- a) the maximum aggregate number of Ordinary Shares which may be purchased is 6,021,449 (representing approximately 14.99% of the Company's issued ordinary share capital excluding treasury shares as at 7 April 2020, being the latest practicable date prior to the publication of this notice of AGM);
- b) the minimum price (exclusive of expenses) which may be paid for each Ordinary Share is £0.01; and
- c) the maximum price (exclusive of expenses) which may be paid for each Ordinary Share is the higher of:
  - i. 105% of the average of the middle-market price of an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such Ordinary Share is contracted to be purchased; and
  - ii. an amount equal to the higher of the price of the last independent trade of an Ordinary Share and the highest current independent purchase bid for an Ordinary Share as derived from the London Stock Exchange Trading System at the time the purchase is carried out,

provided that the authority conferred by this resolution 16 shall expire at the conclusion of the Company's AGM in 2021 or, if earlier, at the close of business on 4 July 2021, being 13 months after the date of the forthcoming AGM (except in relation to any purchase of Ordinary Shares for which the contract was concluded before such date and which would or might be executed wholly or partly after such date).

#### **17. Authority to Purchase Ordinary Shares (Off-Market)**

THAT, the terms of the form of contract produced to the meeting and initialled by the Chairman to be entered into between the Company and certain financial intermediaries named in the form of contract (each a **Dealer**) (the **Contract**), for the purchase by the Company of up to a maximum aggregate 6,021,449 Ordinary Shares (any such purchase being in addition to any purchase made pursuant to the authority granted by resolution 16):

- a) be and hereby is approved for the purposes of section 694 of the Act; and
- b) the Board of the Company, be and are hereby authorised to enter into Contract(s) with the Dealer(s) and to acquire such Ordinary Shares.

The authority conferred by this resolution 17 shall, unless varied, revoked or renewed prior to such time, expire no later than the conclusion of the Company's AGM in 2021, or, if earlier, the close of business on 4 July 2021, being 13 months after the date of the forthcoming AGM (except in relation to any purchase of Ordinary Shares for which the Contract was concluded before such date and which would or might be executed wholly or partly after such date).

By Order of the Board

Link Company Matters Limited  
Company Secretary  
23 April 2020

Registered Office:  
84 Brook Street  
London W1K 5EH  
United Kingdom

Registered in England and Wales No: 10852406

## EXPLANATORY NOTES TO THE BUSINESS OF THE AGM

The notes on the following pages are given as explanations of the proposed resolutions.

Resolutions 1 to 13 are proposed as ordinary resolutions. This means that, for each of those resolutions to be passed, a simple majority of votes cast must be in favour of the resolutions.

Resolutions 14, 15, 16 and 17 are proposed as special resolutions. This means that, for each of those resolutions to be passed, not less than 75% of the votes cast must be in favour of the resolution.

Please note that a “vote withheld” (as it appears in the Form of Proxy) is not a vote in law and will not be counted in the calculation of the proportion of votes “for” or “against” a resolution.

### **Resolution 1: Annual Report and Accounts**

The 2019 Annual Report and Accounts for the year ended 31 December 2019 are available on our website (<https://georgiacapital.ge>) and have been sent to shareholders, as requested. Further copies will be available at the AGM.

### **Resolution 2: Directors' Remuneration Report**

Resolution 2 seeks approval for the Directors' Remuneration Report for the year ended 31 December 2019, excluding the part of the report which sets out the summary of the Directors' Remuneration Policy. This resolution is advisory in nature and, as such, it does not affect the actual remuneration paid to any director. The Directors' Remuneration Report is set out on pages 145 to 160 (excluding the summary of the Directors' Remuneration Policy on pages 156 to 160) of the 2019 Annual Report and Accounts.

Shareholders are not required to vote on the Directors' Remuneration Policy this year. The Directors' Remuneration Policy was approved by shareholders at our 2019 Annual General Meeting and is available on the Company's website. A remuneration policy will be put to shareholders again no later than the date of the Company's Annual General Meeting in 2022.

### **Resolutions 3 to 9: Appointment and Re-appointment of Directors**

In accordance with the provisions of the UK Corporate Governance Code, the Board has decided that all Directors should retire at the AGM and offer themselves for re-appointment.

The Nomination Committee identifies, evaluates and recommends candidates for appointment or re-appointment as Directors. The Nomination Committee and the Board keeps the balance of skills, experience, knowledge and independence of the Board under regular review and seeks to ensure an orderly succession of Directors.

The Nomination Committee has considered the complementary skills, expertise and other contributions individuals may make (including diversity considerations), brought by each Director now standing for appointment to the Board and believes that they each continue to be effective and demonstrate commitment to their roles, including commitment of time for the Board and Committee meetings and any other duties. The Board as a whole is content that each Non-Executive Director standing for appointment is independent in character and judgment in accordance with the criteria set out in the UK Corporate Governance Code and that there are no relationships or circumstances likely to affect that independence.

Accordingly, the Board recommends the re-appointment of each of the Directors.

Biographical details of each of the Directors standing for re-appointment are as follows:

#### **Irakli Gilauri**

##### **Chairman and Chief Executive Officer**

Irakli Gilauri was appointed CEO and Chairman on 24 February 2018. He also serves as a member on the Nomination and Investment Committees and on the Supervisory Board of JSC Georgia Capital.

##### Skills and Experience

Mr Gilauri has up to 20 years of experience in the banking, investment and finance. Mr Gilauri is a Non-Executive Director of Georgia Healthcare Group PLC and a member of the Supervisory Board of JSC Georgia Healthcare Group.

Mr Gilauri brings significant insight of local and international strategic and commercial issues to the Board and has a distinguished career in corporate banking. Over the last decade, Mr Gilauri's leadership has been instrumental in creating major players in a number of Georgian industries, including banking, healthcare, utilities and energy, real estate, insurance and beverages. Mr Gilauri's local expertise and business experience, in working with both Georgia Healthcare Group PLC and previously BGEO Group PLC, alongside his strong understanding of the Georgian political, economic and cultural context is invaluable to the Board. He was previously CEO of BGEO Group PLC, prior to which he served as CEO of the Bank of Georgia. He has also worked as an EBRD (European Bank for Reconstruction and Development) banker.

**Kim Bradley**  
**Independent Non-Executive Director**

Kim Bradley was appointed as an Independent Non-Executive Director of the Company on 24 February 2018. He also serves as Chairman of the Investment Committee and as a member of the Remuneration and Nomination Committees. He is also a member of the Supervisory Board of JSC Georgia Capital.

Skills and Experience:

Mr Bradley has extensive experience in investment industry, following 15 years as a professional in the Real Estate Principal Investments and Realty Management divisions at Goldman Sachs, where he focused on investment in both European real estate and distressed debt. In addition to his investment activities, Mr Bradley led Goldman Sachs' asset management affiliates in France, Italy and Germany, where he was involved in financial and tax auditors as well as the management of internal audit activities. Mr Bradley's extensive experience and strong understanding of these areas makes him well suited to his role as Chairman of the Investment Committee and enables him to make an effective contribution to the oversight and improvement of corporate value of the Group. Mr Bradley was previously Independent Non-Executive Director of BGEO Group PLC and has also served as Chairman of its Risk Committee and as a member of Audit and Nomination Committees. He has previously held senior executive positions at Manufacturers Hanover Trust (now part of JP Morgan) and Dollar Dry Dock Bank, as well as President of Societa Gestione Crediti.

**Caroline Brown**  
**Independent Non-Executive Director**

Caroline Brown was appointed as an Independent Non-Executive Director of the Company on 24 February 2018. She also serves as a member of the Investment and Audit and Valuation Committees and is a member of the Supervisory Board of JSC Georgia Capital.

Skills and Experience:

Ms Brown brings a strong understanding of corporate finance and accounting practices and is an experienced chair of audit committees of UK listed companies having over 20 years' experience sitting on the boards of listed companies, and has chaired audit committees of listed companies for the past 15 years. This significant and direct experience, alongside her accountancy experience and qualifications, is a valued addition to the Board and the Audit and Valuation Committee. Dr Brown has also managed divisions of FTSE100 groups and AIM businesses with international industrial and technology operations and has worked as a corporate finance adviser to governments and corporations with Merrill Lynch, UBS and HSBC.

**Maria Chatti-Gautier**  
**Independent Non-Executive Director**

Maria Chatti-Gautier was appointed as an Independent Non-Executive Director of the Company on 19 March 2020. She also serves as a member of the Company's Investment, Remuneration and Nomination Committees and is a member of the Supervisory Board of JSC Georgia Capital.

Skills and Experience:

Ms Chatti-Gautier has extensive experience in all types of private equity transactions with a hands on approach and leadership role in investment execution, build-up and exit strategies. She is a Senior Investment manager with over 25 years' experience in private equity in prominent financial institutions and has sat on the Board of Directors of over 30 Companies. Ms Chatti-Gautier currently serves as Partner of Trail Management, and through her own consulting firm, Ms Chatti-Gautier has also advised various investment and fund raising programmes in Europe, Lebanon and the MENA region. She has previously worked at Natixis Private Equity (15 years), before moving to Oddo Private Equity and Drake Star Partners (previously known as LDA Jupiter). Her activities included sourcing, analyzing, managing and monitoring a large number of investments and exits. Ms Chatti-Gautier's

background in private equity and understanding of investment strategies, alongside her board experience makes her well suited to her role on the Board and a valuable asset.

**Massimo Gesua' sive Salvadori**  
**Independent Non-Executive Director**

Massimo Gesua' sive Salvadori was appointed as an Independent Non- Executive Director of the Company on 24 February 2018. He also serves as a member of the Company's Investment and Audit and Valuation Committees and is a member of the Supervisory Board of JSC Georgia Capital.

Skills and Experience:

Massimo Gesua' sive Salvadori's background in investment and his experience with international markets and strategy brings a breadth of knowledge to the Investment and Audit and Valuation Committees, of which he is a member, and is an asset to the Board. Dr Gesua' sive Salvadori is a bank analyst covering banking and other financial stocks globally, and is responsible for generating investment ideas and understanding broad trends. He has previously worked for McKinsey and Co, specialising in financial services and served clients across different geographies in developed and emerging markets as part of the banking strategy practice.

**David Morrison**  
**Senior Non-Executive Director**

David Morrison was appointed as the Senior Independent Non-Executive Director of the Company on 24 February 2018. He also serves as the Chairman of the Company's Audit and Valuation Committee and as a member of the Company's Investment committee. He is also a member of the Supervisory Board of JSC Georgia Capital.

Skills and Experience:

With his background as a corporate finance and securities lawyer advising dozens of clients, including a large number of publicly held companies, David Morrison brings to the Board vast experience in corporate governance and compliance as well as a strong understanding of legal and regulatory issues. As an experienced Chairman of Audit Committees of premium listed companies, Mr. Morrison has significant, direct experience of ensuring integrity in financial reporting and adequate risk management and internal control procedures. His work since 2008 has given him extensive regional experience, which includes in depth knowledge of ESG matters in Georgia. In 2008, Mr Morrison turned his attention to conservation finance as the Founding CEO of the Caucasus Nature Fund (CNF), a charitable trust dedicated to wilderness protection in Georgia, Armenia and Azerbaijan. He now acts as Chair of CNF's supervisory board, and also serves on the boards of two other conservation trusts he helped to create. Mr Morrison is also a Non-Executive Director of Georgia Healthcare Group PLC and a member of the Supervisory Board of JSC Georgia Healthcare Group. He previously served as the Senior Independent Non-Executive Director of BGEO Group PLC.

**Jyrki Talvitie**  
**Independent Non-Executive Director**

Jyrki Talvitie was appointed as an Independent Non-Executive Director of the Company on 24 February 2018. He also serves as the Chairman of the Nomination Committee and the Remuneration Committee and as a member of the Investment Committee. He is also a member of the Supervisory Board of JSC Georgia Capital.

Skills and Experience:

Mr Talvitie has spent his career in the financial industries of the region including Georgia, and has a considerable breadth and variety of experience including on various boards of companies and corporate governance in the region. Mr Talvitie has a deep understanding of regional and international strategic issues which, complemented with his extensive board experience, is a valued asset to the Board. Mr Talvitie has worked in the financial industry for nearly 30 years in banks as well as on both the buy and sell side of the markets. Prior to joining the Board, Mr Talvitie worked in Moscow for 14 years, his latest position being in charge of Strategic Partners and Investors at Sberbank, the largest bank in Russia and top 15 in the world. Prior to moving to Russia in 2003, Mr Talvitie worked for BNP Paribas in Paris, Bank of New York in London and Moscow as well as several Nordic banks both in Helsinki and Moscow. Mr Talvitie has extensive board experience, having served on over 10 boards of both public and private companies in Georgia, Finland, Russia, Kazakhstan and Ukraine.

**The biographies on pages 8 to 10 set out the skills and experience each Director brings to the Board for the long term sustainable success of the Company. Based upon the review undertaken, the Board has satisfied itself that each of the Directors is fully able to discharge his**

**or her duties to the Company and that they each have sufficient capacity to meet their commitments to the Company.**

#### **Resolutions 10 and 11: Re-appointment of Auditor and setting of Auditor's fees**

At each general meeting at which accounts are presented, the Company is required to appoint an auditor to hold office until the conclusion of the Company's next AGM, which is in 2021, as well as fix the remuneration of the auditor. The performance and effectiveness of the Auditor, which included an assessment of the Auditor's independence and objectivity, and a review of the non-audit services provided by the Auditor, has been evaluated by the Company's Audit Committee, which has recommended to the Board that Ernst & Young LLP be re-appointed. Ernst & Young LLP has also indicated that it is willing to continue as the Company's auditor. Resolution 10 seeks authorisation for the re-appointment of Ernst & Young LLP as Auditor and following normal practice, resolution 11 seeks authorisation for the Audit Committee to set the auditor's fees.

#### **Resolution 12: Authority to make political donations**

Any political donations or expenditure regulated by the Act requires shareholder approval. It is not the Company's policy to make donations to political parties, independent election candidates or political organisations or to incur political expenditure. However, the scope of the definitions of political parties, independent election candidates, political organisations and political expenditure used within the Act are very wide. In particular, the definition of political organisations may extend to bodies such as those concerned with policy review, law reform, the representation of the business community and special interest groups such as those concerned with the environment, which the company and its subsidiaries might wish to support. As a result, the definitions may cover legitimate business activities which are not, in the ordinary sense, considered to be political donations or political expenditure. Such activities are not designed to support any political party or independent election candidate or to influence public support for any political party or independent election candidate.

The authority which the Board is requesting is a precautionary measure to ensure that the Company and its subsidiaries do not inadvertently commit a technical breach of the Act.

This authority will cover the period from the date resolution 12 is passed until the conclusion of the AGM in 2021, unless previously renewed, revoked or varied by the Company in a general meeting. Any expenditure which may be incurred under authority of this resolution in excess of £2,000 per expenditure will be disclosed in next year's annual report.

The Company and its subsidiaries made no political donations and incurred no political expenditure during 2019.

#### **Resolution 13: Directors' authority to allot shares**

Paragraph a) of resolution 13 would give the Board the authority to allot shares and grant rights to subscribe for or convert any security into shares up to a nominal value of £133,899.25. This represents 13,389,925 Ordinary Shares, which is approximately one-third of the Company's current issued ordinary share capital as at 7 April 2020, being the latest practicable date prior to the publication of this notice of AGM.

The Investment Association's Share Capital Management Guidelines 2016 state that the Investment Association will regard as a routine request to authorise the allotment of a further one-third of a company's issued share capital in connection with a rights issue. In light of this, paragraph b) of this resolution 13 proposes that, in addition to the authority in paragraph a), the Board be granted the authority to allot further equity securities up to a nominal amount of £133,899.25. This represents 13,389,925 Ordinary Shares, which is approximately one-third of the Company's current issued ordinary share capital as at 7 April 2020, being the latest practicable date prior to the publication of this notice of AGM.

The Board has no current plans to make use of this authority but wishes to ensure that the Company has maximum flexibility in managing the Company's capital resources. The authority set out in this resolution will remain in force until the conclusion of the Company's AGM in 2021 or, if earlier, at the close of business on 4 September 2021 (being 15 months after the date of the forthcoming AGM) save that in each case the Company may, before the authority expires, make an offer or agreement which would or might require equity securities to be allotted, or rights to be granted, after this authority expires and the Directors may allot shares or grant rights to subscribe for or to convert any security into shares under any such offer or agreement as if the authority had not expired.

Resolution 13 reflects that, as a company with a primary premium listing on the London Stock Exchange, the Board considers it appropriate to seek authorities in line with the UK Investment Association's Share Capital Management Guidelines, which provide the Company with greater flexibility to respond to market developments and business opportunities as they arise.

The Company did not hold any shares in treasury within the meaning of the Act as at 7 April 2020, being the latest practicable date prior to the publication of this notice of AGM.

**Resolution 14 and 15: Disapplication of Pre-emption rights (special resolutions)**

Resolutions 14 and 15 would give the Board the authority to allot equity securities (or sell any equity securities which the Company holds in treasury) for cash without first offering them to existing shareholders in proportion to their existing holdings.

The authority set out in resolution 14 is limited to: a) allotments or sales in connection with pre-emptive offers and offers to holders of equity securities if required by the rights of those securities or as the Board otherwise considers necessary, or b) otherwise up to a maximum nominal amount of £20,084.89, representing 2,008,489 Ordinary Shares, which is approximately 5% of the Company's issued ordinary share capital as at 7 April 2020, being the latest practicable date prior to the publication of this notice of AGM.

Resolution 15 is intended to give the Company flexibility to make non-pre-emptive issues of Ordinary Shares in connection with an acquisition or specified capital investment up to a maximum nominal amount of £20,084.89, representing 2,008,489 Ordinary Shares, which is approximately 5% of the Company's issued ordinary share capital as at 7 April 2020, being the latest practicable date prior to the publication of this notice of AGM.

These disapplication authorities are in line with the guidance issued by the Investment Association (and the Pre-emption Group's Statement of Principles) (the **Statement of Principles**). The Statement of Principles allows the authority for an issue of shares otherwise than in connection with a pre-emptive offer to be increased from 5% to 10% of the Company's issued Ordinary Share capital, provided that the Company confirms that it intends to use the additional 5% authority only in connection with an acquisition or specified capital investment. The Pre-emption Group also recommends that this additional 5% authority be sought in a separate resolution, which is the approach that the Company has taken.

In further compliance with the Statement of Principles, the Board confirms that it will not allot equity securities for cash, and/or sell treasury shares, on a non-pre-emptive basis pursuant to the authority in resolution 14 other than in connection with an acquisition or specified capital investment which is announced contemporaneously with the issue or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

In addition, the Board also confirms that in accordance with the Statement of Principles, it does not intend to allot equity securities for cash, and/or sell treasury shares, representing more than 7.5% of the Company's issued ordinary share capital in any rolling three-year period other than to existing shareholders, save as permitted in connection with an acquisition or specified capital investment as described above, unless shareholders have been notified and consulted in advance.

The authorities sought under resolutions 14 and 15 will expire at the conclusion of the Company's AGM in 2021 or if earlier, at the close of business on 4 September 2021, being 15 months after the date of the forthcoming AGM, but, in each case, prior to its expiry, the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and/or treasury shares to be sold) after the authority expires and the Board may allot equity securities (and/or sell treasury shares) under any such offer or agreement as if the authority had not expired.

The Board has no present intention to exercise the authority conferred by these resolutions.

The authority sought by the Board in relation to resolutions 14 and 15 is aligned with the Statement of Principles and the Investment Association's share capital guidelines which represent practice for companies with a premium listing on the London Stock Exchange.

**Resolution 16: Authority to purchase Ordinary Shares (On-Market - special resolution)**

Resolution 16 authorises the Company to make market purchases of up to 6,021,449 of its own Ordinary Shares, representing approximately 14.99% of the Company's issued ordinary share capital excluding treasury shares as at 7 April 2020, being the latest practicable date prior to the publication of

this notice of AGM. The resolution specifies the minimum and maximum prices at which the Ordinary Shares may be bought under this authority. The effect of this resolution is to renew and update the authority currently held by the Board to purchase up to 14.99% of the Company's issued ordinary share capital.

The authority set out in resolution 16 will remain in force until the conclusion of the Company's AGM in 2021 or if earlier, at the close of business on 4 July 2021, being 13 months after the date of the forthcoming AGM (except in relation to any purchase of Ordinary Shares for which the contract was concluded before such date and which would or might be executed wholly or partly after such date). The Company is entitled to hold the Ordinary Shares as treasury shares, sell them for cash, cancel them or transfer them pursuant to an employee share plan.

If this authority was exercised the Directors would give careful consideration to gearing levels of the Company and its general financial position. Any purchases of Ordinary Shares would be by means of market purchases through the London Stock Exchange.

#### **Resolution 17: Authority to purchase Ordinary Shares (Off-Market - special resolution)**

The Company is seeking authority to enter into a contract(s) with certain financial intermediaries (**Dealers**) named in the form of contract (which will be made available for inspection: (i) at the Company's registered office for not less than 15 days ending with the date of the Annual General Meeting, and (ii) at the Annual General Meeting) (the **Contract**), for the purchase of up to an aggregate maximum amount of 6,021,449 Ordinary Shares (representing approximately 14.99% of the Company's ordinary share capital excluding treasury shares as at 7 April 2020, being the latest practicable date prior to the publication of this notice of AGM). Any Ordinary Shares purchased from any of the Dealers under the terms of the Contract will constitute "off-market" purchases for the purposes of the Act.

Under the Companies Act 2006, the Company is only permitted to buy back its Ordinary Shares where it repurchases them for cash. This resolution 17, if approved, will give the Company flexibility to enter into a Contract, together with certain related back to back arrangements, with a Dealer, the net effect of which is that the Company will be able to buy back its Ordinary Shares from shareholders with non-cash consideration. Should the Company decide to enter into a Contract with any Dealer(s), it will, at the same time, enter into a separate but related agreement with the relevant Dealer for the sale by the Company to the Dealer of certain Group assets for cash. The Dealer will then transfer the assets to the selling shareholders in exchange for the Company's shares, and, the Company will then buy back those Ordinary Shares from the Dealer under the Contract for cash.

In the context of the potential impact of COVID-19 on the Georgian economy, and the related pressures on cash usage companies are expected to face, the Company is proposing this resolution to provide it with maximum flexibility to implement its aim to return 10x value over a 10 year period to shareholders, to provide an additional exit option for the realisation of its investments thereby providing the Board a further opportunity to return value to shareholders whilst preserving cash and obtaining an attractive price for the assets disposed of.

The Directors have no present intention of exercising the authority granted by resolution 17, but the authority does provide the flexibility to allow them to do so in the future. The authority would be exercised only if, after taking into account the value attributed to its assets and the share price of the Company, the Directors believe that to do so would be likely to promote the success of the Company for the benefit of its shareholders as a whole. The Directors would not seek to repurchase any of the Company's Ordinary Shares where to do so would be at a premium to the net asset value attributed to its Ordinary Shares.

The proposed form of Contract will provide that the Dealer(s) will purchase shares upon receipt of an instruction from the Company (the **Instruction**) which will set forth, amongst other things, the maximum number of Ordinary Shares to be purchased and, subject to the maximum and minimum price per share referred to below, the formula used to calculate the price payable per Ordinary Share bought back (with such price being calculated by reference to the exchange ratio determined by the Company in respect of the assets that selling shareholders will receive from the Dealer(s) in exchange for their Ordinary Shares) (**Price per Share**).

In addition, the form of Contract will provide that the maximum Price per Share which the Company would pay to any Dealer for the buy-back of its Ordinary Shares will be equal to 105% of the average of the middle-market price of an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such Ordinary Share is contracted to be purchased, and, the minimum Price per Share will be £0.01. It will also provide that

the Dealer will purchase the Ordinary Shares from the Company's shareholders as principal and sell them to the Company at the Price per Share plus an agreed market rate of commission.

Shareholders should note that even if this resolution 17 is approved, there is no requirement or assurance that the Company or any Dealer(s) will enter into a Contract or that the Company will acquire any Ordinary Shares if one or more Contracts are entered into. There are no assurances that any number of Ordinary Shares will be repurchased or of the prices at which they might be repurchased. Any such repurchases could be made over the term of the authority granted by this resolution 17, and it is not necessary that all of the Ordinary Shares to which the authority relates are repurchased at one time, or at all. Any repurchases would be subject to the requirements of the Companies Act 2006 and the other laws and regulations with which the Company complies.

The Company is entitled to hold any Ordinary Shares repurchased under resolution 17 as treasury shares, sell them for cash, cancel them or transfer them pursuant to an employee share plan.

The authority granted by this resolution 17 will be in addition to the authority to make market purchases of Ordinary Shares under resolution 16 and therefore in aggregate under both resolutions the Company will be authorised to purchase up to 12,042,898 Ordinary Shares, representing 29.98% of the Company's issued ordinary share capital excluding treasury shares as at 7 April 2020, being the latest practicable date prior to the publication of this notice of AGM. However, during the period of the shareholder authority granted by resolutions 16 and 17 the Company does not intend to make purchases exceeding 14.99% of its issued share capital (excluding treasury shares, and when calculated by aggregating any purchases made under each of resolutions 16 and 17). The Company acknowledges that should it make purchases exceeding the 14.99% threshold then it would need to make a tender offer to shareholders in accordance with FCA Listing Rule 12.4.

The authority conferred by this resolution 17 shall, unless varied, revoked or renewed prior to such time, expire no later than the conclusion of the Company's AGM in 2021, or, if earlier, the close of business on 4 July 2021, being 13 months after the date of the forthcoming AGM (except in relation to any purchase of Ordinary Shares for which the Contract was concluded before such date and which would or might be executed wholly or partly after such date).

## **RECOMMENDATION**

The Directors consider that all of the resolutions being proposed at this year's AGM will promote the success of the Company and are in the best interests of shareholders as a whole and the Company. The Directors therefore unanimously recommend that you vote in favour of all the resolutions, as the Directors intend to do in respect of their own beneficial holdings of Ordinary Shares in the Company.

## NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

### 1. Entitlement to Attend and Vote

Shareholders registered in the Register of Members of the Company as at 6:00pm (London time) on 2 June 2020 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting excluding non-working days) shall be entitled to attend or vote at the AGM in respect of the Ordinary Shares registered in their name at that time.

Changes to entries on the Register of Members after 6:00pm (London time) on 2 June 2020 will be disregarded in determining the rights of any person to attend or vote at the AGM.

### 2. Proxies

Members are entitled to appoint a proxy (who need not be a member of the Company) to exercise all or any of their rights to attend, speak and vote on their behalf at the AGM. Given the current guidance around COVID-19 and the general uncertainty on what additional and/or alternative measures may be put in place, the Board requests that shareholders do not attend the AGM but instead appoint a proxy and provide voting instructions in advance of the AGM.

A member may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to different Ordinary Shares held by that member. Members who wish to appoint more than one proxy in respect of their holding may obtain additional Forms of Proxy by contacting the Company's Registrars, Computershare on +44 (0370) 702 0176 or may photocopy the Form of Proxy provided with this document indicating on each copy the name of the proxy appointed and the number of Ordinary Shares in respect of which that proxy is appointed. All Forms of Proxy should be returned together in the same envelope.

Completion of the Form of Proxy will not prevent a member from subsequently attending and voting at the AGM in person if they so wish. The Form of Proxy, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must be received by post or (during normal business hours only) by hand at the offices of the Company's Registrars, Computershare Investor Services PLC (**Computershare**) at The Pavilions, Bridgwater Road, Bristol BS99 6ZY, United Kingdom no later than 11am (London time) on 2 June 2020, being 48 hours before the time appointed for the holding of the AGM excluding non-working days.

Members may submit their proxies electronically at [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) using the Control Number, your unique PIN and Shareholder Reference Number (**SRN**) printed on your Form of Proxy.

### 3. Information Rights and Nominated Persons

Persons who have been nominated under section 146 of Act (a **Nominated Person**) to enjoy information rights do not have a right to vote or appoint a proxy at the AGM and the statements of the rights of members in relation to the appointment of proxies in note 2 above does not apply to Nominated Persons. The rights described in that note can only be exercised by members of the Company.

However, a Nominated Person may have the right (under an agreement with the member by whom they were nominated) to be appointed, or to have someone else appointed, as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise that right, they may have a right to give voting instructions to the registered shareholder under any such agreement.

### 4. Corporate Representatives

A corporate shareholder may appoint a person or persons to act as its representative(s) at the AGM. Each such representative may exercise (on behalf of the corporate shareholder) the same powers as the corporate shareholder could exercise if they were an individual shareholder in the Company, provided that they do not do so in relation to the same Ordinary Shares.

### 5. CREST Proxy Instructions

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM to be held on 4 June 2020 and any adjournment thereof by following the procedures described in the CREST Manual. CREST Personal Members or other CREST Sponsored Members, and those CREST members who have

appointed a voting service provider, should refer to their CREST sponsor or voting service provider who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a **CREST Proxy Instruction**) must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID Number 3RA50) no later than 11am (London time) on 2 June 2020. No message received through the CREST network after this time will be accepted. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The CREST Manual is available at [www.euroclear.com/CREST](http://www.euroclear.com/CREST).

CREST members and, where applicable, their CREST sponsors or voting service provider should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST Personal Member or Sponsored Member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company will treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

#### **6. Issued Share Capital and Total Voting Rights**

Holders of Ordinary Shares are entitled to attend and vote at general meetings of the Company. Each Ordinary Share entitles the holder to one vote on a poll. As at 7 April 2020, being the last practicable date prior to the publication of this Notice, the Company's issued share capital consisted of 40,169,775 Ordinary Shares. The Company does not hold any Ordinary Shares in treasury within the meaning of the Act. Therefore, the total voting rights in the Company as at 7 April 2020 are 40,169,775.

#### **7. Voting at the AGM**

Each of the resolutions to be put to the AGM will be voted on by way of a poll and not by a show of hands. In this way, the voting preferences of all shareholders are taken into account not only those who are able to physically attend the AGM. The results of the poll will be notified to the market in the usual way and published on the Company's website after the meeting.

#### **8. Publication of Audit Concerns**

Under section 527 of the Act, the Company may be required by members meeting the threshold set out in that section to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act which they intend to raise at the AGM. The Company may not require the members requesting any such website publication to pay its costs in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Act to publish on a website.

#### **9. Questions**

Any member attending the AGM has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the AGM but no such answer need be given if (a) to do so would interfere unduly with the preparation for the

meeting or would involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the AGM that the question be answered.

**10. Display Documents**

Copies of the service contract for the Executive Director, the letters of appointment for the Non-Executive Directors and the Company's Articles of Association are available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) and also at the place of the AGM from 10:30am (London time) on the day of the AGM until the conclusion thereof.

**11. Information available on the website**

A copy of this Notice and other information required by section 311A of the Act can be found at <https://georgiacapital.ge>.

**12. Electronic address**

Please note that shareholders may not use any electronic address provided in this Notice or any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.