



Board Diversity Policy




Target audience:	TBC Bank Group PLC Board of Directors
Policy Owner (Responsible for the document)	Company Secretary
Units engaged in the implementation:	Supervisory Board Support Department of JSC TBC Bank
Reviewed by:	JSC TBC Bank Legal Department
Approved by:	TBC Bank Group PLC Board of Directors  Arne Berggren Chairman of the TBC Bank Group PLC Board of Directors
Effective Date:	12.12.2023
Replaces	N/A
In the event of any discrepancies between the English version of this policy and a translated version, the English version shall prevail.	
Version	Date
Previous version	1 st 8.12.2022
Current version	2 nd 12.12.2023
Revision frequency	Annual/Ad hoc
Accessibility	Public
Application and alteration	This Policy applies to TBC Bank Group PLC Board of Directors
Implementation	In order to implement this Policy, the Management may adopt the relevant procedures/guidelines that should be established following the rules outlined by Subsidiary Governance Procedure.
Definitions	Terms written in bold capital letters that have not been defined in this policy will carry the same meanings as stated in the Glossary approved by TBC Bank Group PLC Board of Directors.

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1. PURPOSE AND SCOPE

1.1 The Board Diversity Policy (“the **Policy**”) sets out the approach to diversity on the **Board**. The **Policy** applies to the **Board**. It is supported by **TBC PLC** policy on diversity as contained in its Code of Conduct and Ethics, but it does not itself apply to diversity in relation to the Employees of **TBC PLC** and its **Group Companies**.

2. POLICY STATEMENT

2.1 The **Board** consists of independent and non-independent directors who, since **TBC PLC**’s listing in 2016, have developed a collegiate approach to overseeing the development of the **Group** in the interests of both its shareholders and other stakeholders. The collective experience of the team is of equal importance to the individual experience and perspectives that different directors bring.

2.2 All **Board** appointments are made on merit, in the context of the skills and experience the **Board** as a whole requires for it to be effective. This is the fundamental principle upon which the **Board** appointments will be made. In support of this, the **Board** recognizes and embraces the benefits of having a diverse board; particularly the value that different perspectives and experience bring to the quality of board debate and decision-making. This will be taken into account when determining the optimum composition of the **Board**.

2.3 Since the **Board** has decided to have a mirror Board structure and in view of **TBC Bank**’s status as Georgia’s leading retail bank, the relevant internal rules of **TBC PLC** should also comply with the **NBG** Corporate Governance Code and other applicable Georgian guidelines. There are certain “diversity emphases” which need to be incorporated into the composition of the **Board** and which will, if the right balance is achieved, ensure that the **Board** is a diverse **Board**. These emphases are summarized in Table 1 below:

Table 1. Diversity emphases

Diversity	Balance Required
Background and experience	As a financial services company, there needs to be sufficient experience of financial services on the Board . There also needs to be experience of the markets, politics and commercial environment in Georgia and its regional neighbors. However, as a UK listed company, there also needs to be international experience of capital markets, accounting and regulation represented on the Board .
Age	As TBC PLC takes a long-term perspective, the age profile of the Board needs to recognize the value that older directors bring through their experience and knowledge accumulated over the years; and the value that younger directors bring through their understanding of new ideas and energy for change which encourages innovation.
Gender	The Board recognizes the high number of female employees within the Group , and the need to ensure that this representation is reflected both in the Group ’s senior and middle management as well as at the Board level.

Ethnic	Although TBC PLC 's operations are in jurisdictions with low levels of ethnic diversity, as a UK listed company the Board accepts the need to ensure that ethnic diversity is reflected in the Board membership.
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2.4 The **Board** is aware of the targets currently in place for board member diversity (Hampton-Alexander review, setting female representation at 33% by 2020; Parker Review setting an ethnic diversity target of 1 board member by 2024). The **Board** does not see these targets as objectives in their own right but notes that the **Board** will be aware of this guidance when implementing the Policy in line with its objective a diverse board as stated above.

3. THE ROLE OF THE CORPORATE GOVERNANCE AND NOMINATIONS COMMITTEE

3.1 The Corporate Governance and Nomination Committee (“the **CGN Committee**”) reviews and assesses the **Board** composition on behalf of the **Board** and recommends the appointment of new directors.

3.2 In reviewing the **Board** composition, the **CGN Committee** will consider the benefits of all aspects of diversity including, but not limited to those described above, in order to maintain an appropriate range and balance of skills, experience and background on the **Board**.

3.3 In identifying suitable candidates for appointment to the **Board**, the **CGN Committee** will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the **Board** as set out above.

4. MEASURABLE OBJECTIVES

4.1 The **Board** considers that whilst this **Policy** establishes important principles which must underpin the composition of the **Board**, it believes that setting targets for the number of people from a particular background is not the most effective approach to take. The **Board** will therefore look to follow the principles of this **Policy** rather than specified quotas or targets.

5. MONITORING AND REPORTING

5.1 The **Board**, through the **CGN Committee**, will monitor its own composition by reference to this **Policy** at least once a year and, where the **CGN Committee** believes that the composition of the **Board** is not aligned with this **Policy**, it will make recommendations to the **Board** in order to rectify that situation.

5.2 The **CGN Committee** will report annually in the Annual Report on the outcome of the **Board** evaluation, the composition and structure of the **Board** as well as any issues and challenges the **Board** is facing when considering the diverse make-up of **TBC PLC**. It will also report on the process it has used in relation to any **Board** appointments.

6. REVIEW OF THE POLICY

6.1 The **CGN Committee** will review the **Policy** annually and recommend any revisions that may be required to the **Board** for approval.