

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

This document gives Notice of the Annual General Meeting of BGEO Group 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 BGEO Group 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.



**BGEO GROUP PLC**

**NOTICE OF THE ANNUAL GENERAL MEETING**

**TO BE HELD ON 1 JUNE 2017**

**BGEO Group PLC**  
84 Brook Street  
London W1K 5EH  
United Kingdom

Registered in England and Wales  
No: 07811410

2 May 2017

## LETTER FROM THE CHAIRMAN



Dear Shareholder,

I am pleased to be writing to you, on behalf of the Board of Directors, with details of the Annual General Meeting (**AGM**) of BGEO Group PLC (the **Company**) which will be held at Baker & McKenzie LLP, 100 New Bridge Street, London EC4V 6JA on Thursday, 1 June 2017 at 12:00 noon (London time). The doors will open at 11:30 am (London time) and light refreshments will be served before the meeting.

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 the notice appear on pages 8 to 18 of this document.

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 attending, raising questions and voting at the AGM, and the Board of Directors (the **Board**) encourages you to do so.

At this AGM, the Board is seeking approval of the new Directors' Remuneration Policy, which can be found in full in the Company's Annual Report and Accounts on pages 100 to 106.

### Voting at the AGM

If you will not be attending, 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.

To be valid, the Form of Proxy or online voting instruction must be received by Computershare no later than 12:00 noon (London time) on 30 May 2017. CREST members may choose to use the CREST electronic proxy appointment service in accordance with the procedures set out in note 5 on page 17.

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.

### **Recommendation**

The Board believes that all of the proposals set out in this Notice of AGM are in the best interests of shareholders as a whole and the Company 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,

Neil Janin  
Non-Executive Chairman  
BGEO Group PLC  
2 May 2017

## **NOTICE OF ANNUAL GENERAL MEETING**

This year's AGM will be held at the offices of Baker & McKenzie LLP, 100 New Bridge Street, London EC4V 6JA on Thursday, 1 June 2017 at 12:00 noon (London time). You will be asked to consider, and if thought fit, pass the resolutions below. Resolutions 1 to 15 are proposed as ordinary resolutions and resolutions 16, 17 and 18 are proposed as special resolutions. Resolutions 4, and 14 to 18, are proposed as special business.

### **Ordinary Resolutions**

#### **1. Annual Report and Accounts**

To receive and adopt the Company's Annual Report and Accounts, which include the Directors' Report and Auditors' Report, for the financial year ended 31 December 2016.

#### **2. Dividend**

To declare a final dividend as recommended by the Board of the Company for the financial year ended 31 December 2016 of GEL 2.6 per Ordinary Share payable on 7 July 2017 to those shareholders on the register at the close of business on 23 June 2017.

#### **3. Directors Remuneration Report**

To receive and approve the Directors' Remuneration Report, as set out on pages 98 to 113 (excluding the Remuneration Policy on pages 100 to 106) of the Annual Report and Accounts for the financial year ended 31 December 2016.

#### **4. Directors Remuneration Policy**

To approve the Director's Remuneration Policy in the form set out on pages 100 to 106 of the Annual Report and Accounts for the financial year ended 31 December 2016, to take effect from the conclusion of this AGM.

#### **Re-election of Directors**

5. To re-elect Neil Janin, as a Non-Executive Director of the Company.

6. To re-elect Irakli Gilauri, as an Executive Director of the Company.

7. To re-elect David Morrison, as a Non-Executive Director of the Company.

8. To re-elect Alasdair Breach, as a Non-Executive Director of the Company.

9. To re-elect Kim Bradley, as a Non-Executive Director of the Company.

10. To re-elect Tamaz Georgadze, as a Non-Executive Director of the Company.

11. To re-elect Hanna Loikkanen, as a Non-Executive Director of the Company.

#### **12. Auditor Re-appointment**

To re-appoint Ernst & Young LLP as Auditor to the Company (the **Auditor**) from the date of the passing of this resolution and expiring at the conclusion of the Company's AGM in 2018.

#### **13. Auditor Remuneration**

To authorise the Board to set the remuneration of the Auditor.

#### **14. Political Donations**

THAT, in accordance with section 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 2018 (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.

Any terms used in this resolution which are defined in Part 14 of the Act shall bear the same meaning for the purposes of this resolution 14.

#### **15. Authority to Allot Shares**

THAT, 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:

- a) up to a nominal value of £131,564.40; in addition to
- b) equity securities (as defined in section 560(1) of the Act) up to a further nominal value of £131,564.40 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

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 2018 or, if earlier, at the close of business on 1 September 2018 (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 had not expired.

### **Special Resolutions**

#### **16. General Power to Dis-apply Pre-emption Rights**

THAT, if resolution 15 is passed, the Board be generally empowered pursuant to sections 570 and 573 of the Act to allot equity securities (as defined in section 560 of the Act) for cash under the authority granted by that resolution 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, such authority to 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 so long as the Board may 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 under paragraph a) above) up to a nominal amount of £19,734.66 (being 1,973,466 Ordinary Shares, which represents approximately 5% of the Company's issued ordinary share capital as at 1 May 2017, being the latest practicable date prior to publication of this notice of AGM),

such authority to expire at the conclusion of the Company's next AGM in 2018 or, if earlier, at the close of business on 1 September 2018, 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.

#### **17. Specific Power to Dis-apply Pre-emption Rights in Connection with an Acquisition or Specified Capital Investment**

That if resolution 15 is passed, the Board be generally empowered pursuant to sections 570 and 573 of the Act (in addition to the authority given by resolution 16) to allot equity securities (as defined in section 560 of the Act) for cash under the authority given by that resolution 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, such authority to be:

- a) limited to the allotment of equity securities and/or sale of treasury shares, up to a nominal amount of £19,734.66 (being 1,973,466 Ordinary Shares, representing approximately 5% of the Company's issued ordinary share capital as at 1 May 2017, 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,

such authority to expire at the conclusion of the Company's AGM in 2018 or, if earlier, at the close of business on 1 September 2018, 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.

## 18. Authority to Purchase Ordinary Shares

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, and where such Ordinary Shares are held as treasury shares, the Company may use them for the purposes of its employee share schemes, provided that:

- a) the maximum number of Ordinary Shares which may be purchased is 3,946,932 (representing approximately 10% of the Company's issued ordinary share capital as at 1 May 2017, 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 per cent. 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,

such authority to expire at the conclusion of the Company's AGM in 2018 or, if earlier, at the close of business on 1 July 2018, 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

Kathryn Bennett Rea, on behalf of Sirius Compliance Solutions Ltd.

Company Secretary

2 May 2017

Registered Office:

84 Brook Street

London W1K 5EH

United Kingdom

Registered in England and Wales No: 07811410

## 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 15 are proposed as ordinary resolutions. This means that, for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolutions.

Resolutions 16, 17 and 18 are proposed as special resolutions. This means that, for each of those resolutions to be passed, at least three-quarters 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 2016 Annual Report and Accounts for the year ended 31 December 2016 are available on our website ([www.bgeo.com](http://www.bgeo.com)) and have been sent to shareholders, as requested. Further copies will be available at the AGM.

### Resolution 2: Declaration of a Final Dividend

Final dividends must be approved by shareholders of the Company but cannot be more than the amount recommended by Directors.

If shareholders approve resolution 2, the final dividend of GEL 2.6 per Ordinary Share will be paid in British Sterling on 7 July 2017 to those shareholders on the UK register of members at the close of business on 23 June 2017.

The proposed dividend timetable is as follows:

Ex-Dividend Date:	22 June 2017
Record Date:	23 June 2017
Currency Conversion Date:	26 June 2017
Payment Date:	7 July 2017

### Resolution 3: Directors' Remuneration Report

Resolution 3 seeks approval for the Directors' Remuneration Report for the year ended 31 December 2016, excluding the part of the report which sets out the Directors' Remuneration Policy. As in previous years, 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 98 to 113 (excluding the Remuneration Policy on pages 100 to 106) of the 2016 Annual Report and Accounts.

### Resolution 4: Directors' Remuneration Policy

Resolution 4 seeks approval for the Directors' Remuneration Policy set out on pages 100 to 106 of the 2016 Annual Report and Accounts. This resolution is binding in nature.

The Directors' Remuneration Policy, if approved, will take effect from 1 June 2017 and will apply until the Company's AGM in 2020, unless replaced by a new or amended policy, in which case, the Company will propose a new resolution to approve any amended or revised policy. The Board is only permitted to make remuneration payments in accordance with the latest policy approved by shareholders.

### Resolutions 5 to 11: Re-election of Directors

In accordance with the provisions of the UK Corporate Governance Code, the Board has decided that, as has been the case since the Company listed, all Directors should retire at the AGM and offer themselves for re-election.

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 reviewed the performance of each Director now standing for re-election, and, having considered the complementary skills and expertise brought by each to the Board, the Nomination Committee 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 re-election is independent in character and judgment and that there are no relationships or circumstances likely to affect that independence.

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

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

#### **Neil Janin, Non-Executive Chairman**

Neil Janin was appointed Non-Executive Chairman on 24 October 2011 and has been re-elected by shareholders at each AGM thereafter. Mr Janin serves as Chairman of BGEO's Nomination Committee as well as a member of BGEO's Remuneration Committee. Mr Janin also serves as a member of the Supervisory Board of JSC Bank of Georgia (the **Bank**), having stepped down as Chairman in July 2015, a position he had held since 2010. Mr Janin continues to serve as a member of the Bank's Remuneration Committee, a position he has held since 2010.

Mr Janin also serves as a Non-Executive Director of Georgia Healthcare Group PLC and a member of the Supervisory Board of JSC Georgia Healthcare Group.

#### *Skills and experience*

Mr Janin serves as counsel to CEOs of both for-profit and non-profit organisations and continues to provide consulting services to McKinsey & Company. Prior to joining the Bank in 2010, Mr Janin was a Director of McKinsey & Company, based in its Paris office, for over 27 years, from 1982 until his retirement. At McKinsey & Company, he conducted engagements in the retail, asset management and corporate banking sectors, and was actively involved in every aspect of organisational practice, including design, leadership, governance, performance enhancement and transformation. In 2009, while serving as a member of the French Institute of Directors, Mr Janin authored a position paper on the responsibilities of the board of directors with regard to the design and implementation of a company's strategy. Before joining McKinsey & Company, Mr Janin worked for Chase Manhattan Bank (now JP Morgan Chase) in New York and Paris, and Procter & Gamble in Toronto. Mr Janin has practiced in Europe, Asia and North America. Mr Janin is also a Director of Neil Janin Limited, a company through which he provides consulting services.

#### *Education*

Mr Janin holds an MBA from York University, Toronto, and a joint honours degree in Economics and Accounting from McGill University, Montreal.

Mr Janin will be 62 years old at the date of the AGM.

#### **Irakli Gilauri, Chief Executive Officer**

Irakli Gilauri was appointed as an Executive Director of BGEO on 24 October 2011 and has been re-elected by shareholders at each AGM thereafter. Mr Gilauri has served as CEO of BGEO since his appointment in 2011, and was appointed Chairman of the Bank in September 2015, having previously served as CEO of the Bank since May 2006. Mr Gilauri also serves as CEO of JSC BGEO Group, JSC BGEO Investment Group and JSC BG Financial Group. He is currently Chairman of the Board of Georgia Healthcare Group PLC and Chairman of the Supervisory Board for the following subsidiaries: JSC Georgia Healthcare Group, m2 Real Estate, Georgian

Renewable Power Company and Teliani Valley. He is also a member of the Supervisory Board of Georgia Global Utilities and Agron Group.

#### *Skills and experience*

Before his employment with the Bank, Mr Gilauri was a banker at the EBRD's Tbilisi and London offices for five years, where he worked on transactions involving debt and private equity investments in Georgian companies.

#### *Education*

Mr Gilauri received his undergraduate degree in Business Studies, Economics and Finance from the University of Limerick, Ireland, in 1998. He was later awarded the Chevening Scholarship, granted by the British Council, to study at the Cass Business School of City University, London, where he obtained his MSc in Banking and International Finance.

Mr Gilauri will be 41 years old at the time of the AGM.

#### **David Morrison, Senior Independent Non-Executive Director**

David Morrison was appointed as the Senior Independent Non-Executive Director of BGEO on 24 October 2011 and has been re-elected by shareholders at each AGM thereafter. Mr Morrison assumed the role of Chairman of BGEO's Audit Committee in December 2013, prior to which he served as a member of the Committee.

Mr Morrison is also a member of BGEO's Remuneration and Nomination Committees, and serves on the Bank's Supervisory Board and as a member of the Bank's Audit and Remuneration Committees, positions he has held since 2010. Mr Morrison is a Non-Executive Director of Georgia Healthcare Group PLC and a member of the Supervisory Board of JSC Georgia Healthcare Group.

#### *Skills and experience*

Mr Morrison is a member of the New York bar and worked for 28 years at Sullivan & Cromwell LLP until he withdrew from the firm in 2007 to pursue other interests. At Sullivan & Cromwell, he served as Managing Partner of the firm's Continental European offices. His practice focused on advising public companies in a transactional context, including capital raisings, IPOs and mergers and acquisitions. Key clients included investment banks and a wide range of commercial and industrial companies. He advised on a number of the largest privatisations in Europe, and was advisor to Germany's development bank, Kreditanstalt für Wiederaufbau (**KfW**) for over 20 years (serving on the Board of Directors of KfW's finance subsidiary). Mr Morrison is the author of several publications on securities law-related topics, and has been recognised as a leading lawyer in Germany and France.

In 2008, Mr Morrison turned his attention to nature protection financing. He became the Founding CEO of the Caucasus Nature Fund (**CNF**), a charitable trust fund dedicated to nature conservation in Georgia, Armenia and Azerbaijan. He resigned as CEO in March 2016 and now serves on the Board of Directors of CNF as well as on the boards of two new conservation trusts he helped to create in 2015 and 2016.

#### *Education*

Mr Morrison received his undergraduate degree from Yale College, received his law degree from the University of California, Los Angeles, and was a Fulbright scholar at the University of Frankfurt.

Mr Morrison will be 64 years old at the time of the AGM.

#### **Alasdair (Al) Breach, Independent Non-Executive Director**

Al Breach was appointed as an Independent Non-Executive Director of BGEO on 24 October 2011 and has been re-elected by shareholders at each AGM thereafter. Mr Breach serves as Chairman of BGEO's Remuneration Committee and serves as a member of BGEO's Risk and Nomination Committees. Mr Breach also serves as a member of the Bank's Supervisory Board and Chairman of the Bank's Remuneration

Committee, positions he has held since 2010, and has also been a member of the Bank's Risk Committee since December 2014.

#### *Skills and experience*

In 2013, Mr Breach co-founded Gemsstock Limited, a UK FCA-regulated fund manager, where he also serves as an Executive Director. In 2010, Mr Breach founded Furka Advisors AG, a Swiss-based asset management firm, and served as an Executive Director until founding Gemsstock Limited, which manages the Gemsstock Fund, which was previously called the Gemsstock Growth Fund and managed by Mr Breach at Furka Advisors AG. His previous career was in research in investment banks, principally in Russia. In January 2003, Mr Breach joined Brunswick UBS (later UBS Russia) as Chief Economist, and later was appointed Head of Research and Managing Director until October 2007. From 1998 to 2002, Mr Breach was a Russia and Former Soviet Union (FSU) economist at Goldman Sachs, based in Moscow. Mr Breach is also the co-founder of The Browser.com, a web-based curator of current affairs writing, established in 2008.

Mr Breach serves as a Director of Gemsstock Limited, the Gemsstock Fund, The Browser and Furka Holdings AG, all of which are private entities. He is also an advisor to East Capital.

#### *Education*

Mr Breach obtained an MSc in Economics from the London School of Economics and an undergraduate degree in Mathematics and Philosophy from Edinburgh University.

Mr Breach will be 46 years old at the time of the AGM.

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

Kim Bradley was appointed as an Independent Non-Executive Director of BGEO on 19 December 2013 and has been re-elected by shareholders at each AGM thereafter. Mr Bradley serves as Chairman of the BGEO Risk Committee and a member of BGEO's Audit and Nomination Committees. Mr Bradley was also appointed to the Bank's Supervisory Board in December 2013 and serves as Chairman of the Bank's Risk Committee and as a member the Bank's Audit Committee.

#### *Skills and experience*

In addition to his investment activities, Mr Bradley led Goldman's asset management affiliates in France, Italy and Germany, where he was involved in financial and tax audits as well as management of internal audit activities. He has also served as President of Societa Gestione Crediti, a member of the Board of Directors of Capitalia Service Joint Venture in Italy and Chairman of the Shareholders Board at Archon Capital Bank Deutschland in Germany. Prior to Goldman Sachs, he served as a Senior Executive at GE Capital for seven years in both the United States and Europe, where his activities included real estate workouts and restructuring, as well as acquisitions. Prior to GE Capital, Mr Bradley held senior executive positions at Manufacturers Hanover Trust (now part of JP Morgan) and Dollar Dry Dock Bank. He has also served as a Peace Corps volunteer and as a consultant with the US Agency for International Development in Cameroon. Mr Bradley serves as a director of a mental health charity.

#### *Education*

Mr Bradley holds an MA in International Affairs from the Columbia University School of International Affairs and an undergraduate degree in English Literature from the University of Arizona.

Mr Bradley will be 62 years old at the time of the AGM.

#### **Tamaz Georgadze, Independent Non-Executive Director**

Tamaz Georgadze was appointed as an Independent Non-Executive Director of BGEO Group on 19 December 2013 and has been re-elected by shareholders at each AGM thereafter. Mr Georgadze serves as a member of BGEO's Risk and Nomination Committees and was appointed as a member of BGEO's Audit Committee in

September 2016. Mr Georgadze was also appointed to the Bank's Supervisory Board in December 2013 and serves as a member of the Bank's Risk Committee and Audit Committee.

#### *Skills and experience*

In 2013, Mr Georgadze founded Raisin GmbH (formerly SavingGlobal GmbH) a company which launched the first global deposit intermediation in Europe and he continues to serve as its Executive Director. Prior to founding this company, Mr Georgadze had a ten-year career at McKinsey & Company in Berlin, where he served as a Partner from 2009 to 2013. At McKinsey & Company, he conducted engagements with banks in Germany, Switzerland, Russia, Georgia and Vietnam, focusing on strategy, risk identification and management, deposit and investment products, operations and sales. Prior to joining McKinsey & Company, Mr Georgadze worked as an aide to the President of Georgia in the Foreign Relations Department from 1994 to 1995. Save for his role at SavingGlobal GmbH, Mr Georgadze does not hold any other directorships.

#### *Education*

Mr Georgadze holds two PhDs, one in Economics from Tbilisi State University and the other in Agricultural Economics from Justus-Liebig University Gießen, Germany. Mr Georgadze also studied Law at Justus-Liebig Universität Gießen and graduated with honours.

Mr Georgadze will be 38 years old at the time of the AGM.

#### **Hanna Loikkanen, Independent Non-Executive Director**

Hanna Loikkanen was appointed as an Independent Non-Executive Director of BGEO by the Board in June 2015 and was elected by shareholders at the 2016 AGM. Ms Loikkanen is also a member of BGEO's Nomination Committee as well as the Risk Committee, and was appointed to BGEO's Audit Committee in March 2016. Ms Loikkanen was also appointed to the Bank's Supervisory Board in August 2015.

Ms Loikkanen previously served as a Non-Executive Director of BGEO from 2011 until 2013 and as a member of the Bank's Supervisory Board from 2010 until 2013.

#### *Skills and experience*

Ms Loikkanen has over 20 years of experience working with financial institutions in Russia and Eastern Europe. She currently serves as an advisor to East Capital Private Equity AB. Until June 2016, she also served as a Non-Executive Director of AKI Bank in Tatarstan. Prior to this, she served from 2010 until 2012 as the Chief Representative and Head of the Private Equity team at East Capital, a Swedish asset management company in Moscow, with a special focus on financial institutions. Prior to joining East Capital, Ms Loikkanen held the position of Country Manager and Chief Executive Officer at FIM Group in Russia, a Finnish investment bank, where she was responsible for setting up and running FIM Group's brokerage and corporate finance operations in Russia. During her tenure at FIM Group, the company advised several large foreign companies in their M&A activities in Russia. Earlier in her career, Ms Loikkanen worked for Nordea Finance in various management positions in Poland, the Baltic States and Scandinavia with a focus on business development, strategy and business integration; for SEB in Moscow where she was responsible for the restructuring of SEB's debt capital market operations in Russia; and for MeritaNordbanken in St Petersburg where she focused on trade finance and correspondent banking.

In addition to her directorships at BGEO Group and the Bank, Ms Loikkanen serves as a Non-Executive Director and a member of the Audit and Risk Committee of Locko Bank, an SME-focused Russian bank and as a Non-Executive Director of Locko Invest, Locko Bank's investment banking subsidiary. Since 2014, she has acted as Non-Executive Chairman of the Board of T&B Capital, an independent regulated wealth management company based in Helsinki.

#### *Education*

Ms Loikkanen holds a Master's degree in Economics and Business Administration from the Helsinki School of Economics, and was a Helsinki School of Economics scholar at the University of New South Wales.

Ms Loikannen will be 48 years old at the time of the AGM.

### **Resolutions 12 and 13: 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 2018, 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 12 seeks authorisation for the re-appointment of Ernst & Young LLP as auditor and following normal practice, resolution 13 seeks authorisation for the Board to set the auditor's fees.

### **Resolution 14: 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 14 is passed until the conclusion of the AGM in 2018, 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.

No payments have been made under previous authorities given in this regard.

### **Resolution 15: Director's authority to allot shares**

Paragraph a) of resolution 15 would give the Board power to allot shares and grant rights to subscribe for or convert any security into shares up to a nominal value of £131,564.40. This represents 13,156,440 Ordinary Shares, which is approximately one-third of the Company's current issued ordinary share capital as at 1 May 2017, 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 15 proposes that, in addition to the authority in paragraph a), the Board be granted the power to allot further equity securities up to a nominal amount of £131,564.40. This represents 13,156,440 Ordinary Shares, which is approximately one-third of the Company's current issued ordinary share capital as at 1 May 2017, 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 2018 or, if earlier, at the close of business on 1 September 2018 (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.

The Company did not hold any shares in treasury within the meaning of the Act as at 1 May 2017, being the latest practicable date prior to the publication of this notice of AGM.

### **Resolutions 16 and 17: Disapplication of Pre-emption rights (special resolutions)**

Resolutions 16 and 17 would give the Board power 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 power set out in resolution 16, is limited to: a) allotments or sales in connection 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 £19,734.66, representing 1,973,466 Ordinary Shares, which is approximately 5% of the Company's issued ordinary share capital as at 1 May 2017, being the latest practicable date prior to the publication of this notice of AGM.

Resolution 17 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 £19,734.66, representing 1,973,466 Ordinary Shares, which is approximately 5% of the Company's issued ordinary share capital as at 1 May 2017, 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 (as updated in July 2016) and the Pre-Emption Group's Statement of Principles (as updated in March 2015) (the **Statement of Principles**). The Statement of Principles were revised in 2015 to allow 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. In May 2016, the Pre-emption Group recommended that this additional 5% authority be sought in a separate resolution, which is the approach that the Company has taken this year.

In 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 17 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 16 and 17 will expire at the conclusion of the Company's AGM in 2018 or if earlier, at the close of business on 1 September 2018, 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 this resolution.

### **Resolution 18: Authority to purchase Ordinary Shares (special resolution)**

Resolution 18 authorises the Company to make market purchases of up to 3,946,932 of its own Ordinary Shares, representing approximately 10% of the Company's issued ordinary share capital as at 1 May 2017, 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 the authority currently held by the Board to purchase up to 10% of the Company's issued ordinary share capital. The authority set out in resolution 18 will remain in force until the conclusion of the Company's AGM in 2018 or if earlier, at the close of business on 1 July 2018, 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.

As announced on 10 March 2017, as a result of the Group's very strong capital position, excess levels of liquidity and high level of internal capital generation, the Board believed it was: (a) likely to promote the success of the Company; (b) for the benefit the shareholders as a whole; and (c) would result in an increase in the earnings per share, for the Company to commence a purchase for cancellation programme of BGEO Ordinary Shares of £0.01 each up to a maximum consideration of US\$50 million over a two-year period (the **Buyback**). Any shares repurchased pursuant to the Buyback will be immediately cancelled. The Buyback is currently being implemented under the existing authority to make market purchases obtained at the 2016 AGM. Subject to resolution 18 being approved, the Company will continue to implement the Buyback under the authority obtained under resolution 18. In the event that resolution 18 is not approved, the Buyback will cease at that point (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). As at 1 May 2017, being the latest practicable date prior to the publication of this notice of AGM, the Company had purchased and cancelled 31,000 of its Ordinary Shares (0.078% of the Company's issued share capital as at 1 May 2017) pursuant to the Buyback.

The Company had no Ordinary Shares held in treasury within the meaning of the Act as at 1 May 2017, being the latest practicable date prior to the publication of this notice of AGM.

### **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 6:00 pm (London time) on 30 May 2017 (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 6:00 pm (London time) on 30 May 2017 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.

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 (0)370 873 5866 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 12:00 noon (London time) on 30 May 2017, 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 1 June 2017 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 12:00 noon (London time) on 30 May 2017. 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 1 May 2017, being the last practicable date prior to the publication of this Notice, the Company's issued share capital consisted of 39,469,320 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 1 May 2017 are 39,469,320.

## 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 11:30 am (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 [www.bgeo.com](http://www.bgeo.com).

## **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.