

## **TBC Bank Group plc** (the *Company*)

### **Board Diversity Policy**

#### **Purpose**

The Board Diversity Policy ('the Policy') sets out the approach to diversity on the board of directors of TBC Bank Group plc ('the Board').

#### **Scope**

The Policy applies to the Board. It is supported by the Company's Group policy on diversity as contained in its Code of Ethics, but it does not itself apply to diversity in relation to employees of the Company and its subsidiaries ("the TBC Group").

#### **Policy Statement**

The Board consists of independent and non-independent directors who, since the Company's listing in 2016, have developed a collegiate approach to overseeing the development of the TBC 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.

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 Board appointments will be made. In support of this, the Board recognises 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.

In view of the Company's status as Georgia's leading retail bank, with shares traded on the London Stock Exchanges, 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 summarised as follows:

<b>Diversity Emphasis</b>	<b>Balance Required</b>
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 neighbours. 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 a Group which takes a long-term perspective, the age profile of the Board needs to recognise 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 recognises 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 Board level.

Ethnic	Although the Group'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 Board membership.
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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.

### **The Role of the Corporate Governance and Nominations Committee**

The CGN Committee reviews and assesses Board composition on behalf of the Board and recommends the appointment of new Directors.

- In reviewing 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.
- 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.

### **Measurable Objectives**

The Board considers that whilst this diversity 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.

### **Monitoring and Reporting**

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

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 the Company. It will also report on the process it has used in relation to any Board appointments.

### **Review of the Policy**

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

**Approved by the Board of Directors of TBC Bank Group plc on 30 September 2020**