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DIRECTORS' REMUNERATION POLICY

The Directors' Remuneration Policy below (the Policy) was approved by shareholders at the 2014 AGM on 28 May 2014. The Policy is applicable to all Directors and is valid for a period of three years. BGEO Group PLC will be presenting its revised Directors' Remuneration Policy to shareholders for binding approval at the 2017 AGM on 1 June 2017.

Please note that all references to BGH in the Policy are to BGEO Group PLC.

It is a provision of the Policy that the Group will honour all pre-existing obligations and commitments that were entered into prior to this Policy taking effect. The terms of those pre-existing obligations and commitments may differ from the terms of the Policy and may include (without limitation) obligations and commitments under service contracts, deferred share compensation schemes and pension and benefit plans.

1.1 Elements of the policy – Executive Directors

The Policy provides for an Executive Director's remuneration package to be comprised of the elements set forth below.

Component (Note 1)	Purpose and link to strategy	Operation	Opportunity
Salary in the form of: – cash; and – deferred shares.	**Cash salary** – Modest yet sufficient to cover reasonable living expenses and, when combined with the other elements of the package, competitive enough to attract, retain and develop high-calibre talent. **Deferred share salary** – Fixed compensation in the form of nil-cost options over BGH shares which vest over a five-year period promotes the long-term success of the Group by closely aligning the Executive Director's and shareholders' interests. Cash salary is paid in part under the Executive Director's service contract with the Bank and in part under his service contract with BGH, to reflect the Executive Director's duties to each of BGH and the Bank, respectively. Deferred share salary is paid under the Executive Director's service contract with the Bank.	**Cash salary** – Cash salary payable under the service contract with BGH is expressed in US Dollar but paid in GBP on each monthly payment date (Note 2). – Cash salary payable under the service contract with the Bank is expressed in US Dollar but paid in Lari on each bi-weekly payment date (Note 2). **Deferred share salary** – Awarded annually over the number of BGH shares that is stated in the Executive Director's service contract with the Bank. – Awards are formally granted in January of the first year following the work year, and vest as to 20% in January of each of the second, third and fourth years following the work year, and as to 40% in January of the fifth year following the work year. – At vesting (upon exercise of the nil-cost options), the Executive Director receives (in addition to the vested shares) cash payments equal to the dividends paid on the underlying shares between the date the award was made and the vesting date (Note 3). – Unvested deferred share salary lapses upon termination by BGH or the Bank "for cause" or by the Director other than for "good reason" or if the Director does not remain employed by the Group or serve as a Director of a subsidiary of the Group (each as defined in the relevant service contract). There is no provision for the recovery or withholding of cash or deferred share salary.	**Cash salary** – The amount is fixed in the executive's contract with BGH and if applicable with the Bank. The total amount payable under Mr Gilauri's current contracts is US$437,500. **Deferred share salary** – The number of shares underlying each annual award is fixed for the duration of the Executive Director's contract with BGH and/or the Bank, as the case may be. The number of deferred salary shares under Mr Gilauri's current contract with the Bank is 90,000 per annum. The level of salary for an Executive Director is reviewed by the Remuneration Committee when the service contract is renewed. The next review will be in 2016.

Component (Note 1)	Purpose and link to strategy	Operation	Opportunity
Discretionary deferred share compensation	Annual performance-based compensation paid entirely in the form of nil-cost options over BGH shares which vest over a two-year period. As with the deferred share salary, this promotes the Group's long-term success by closely aligning the Executive Director's and shareholders' interests. The Group pays no cash bonus to its Executive Directors and has no LTIP.	– Awarded annually after the end of the work year in respect of which the award is made over a number of BGH shares that are determined annually by the Remuneration Committee based on the performance of the Group and the Bank and the achievement of the KPIs set for the Executive Director by the Remuneration Committee for the work year. – Awards vest as to 50% in January of each of the second and third years following the work year. – At vesting (upon exercise of the nil-cost options), the Executive Director receives (in addition to the vested shares) cash payments equal to the dividends paid on the underlying shares between the date the award was made and the vesting date (Note 3). – Unvested deferred share compensation lapses upon termination by BGH or the Bank "for cause" or by the Executive Director other than for "good reason" or if the Director does not remain employed by the Group (each as defined in the relevant service contract). The Board has, however, reserved the right to permit unvested discretionary deferred shares to vest irrespective of the Executive Director's departure when such Executive Director departs on good terms with the Group. – If at any time after awarding discretionary deferred share compensation, it has been determined that there was a material misstatement in the financial results for the financial year in respect of which the award was formally granted, the Board has the right to cause some or all of the award for that financial year or for any subsequent financial year that is unvested at the time of its determination, not to vest and to lapse.	Discretionary deferred share compensation is granted out of a pool of shares made available for such awards for executive management. The Remuneration Committee reserves the right to award no discretionary deferred share compensation if the Group's performance is unsatisfactory or if the Executive Director's performance is poor in light of the KPIs set by the Remuneration Committee for the Executive Director. For Mr Gilauri, the maximum value of discretionary deferred share compensation that may be awarded in a given year for the remainder of his service contract with the Bank is capped at US$1,195,700 (50% of total salary). Discretionary deferred share compensation for any Executive Director other than Mr Gilauri will not comprise more than 125% of the Executive Director's total salary. However, the Remuneration Committee has reserved the right to increase the maximum discretionary deferred share compensation to 150% of the Executive Director's total salary for performance that has resulted in outstanding benefits for shareholders.

Component (Note 1)	Purpose and link to strategy	Operation	Opportunity
Pension	The provision of retirement benefits helps to attract and retain high-calibre talent.	The Bank operates a defined contribution pension scheme. The Executive Director and the Bank each contribute a minimum of 1% of the Executive Director's gross monthly cash salary payable under his service contract with the Bank. There is no provision for the recovery or withholding of pension payments.	The Bank will match in additional contributions in a proportion of 0.2 to one, up to a maximum additional Bank contribution of 1% of gross monthly salary where the Director makes additional contributions up to 5% of gross monthly salary.
Benefits	Non-cash benefits are in line with Georgian market practice and are designed to be sufficient to attract and retain high-calibre talent.	Benefits consist of health insurance, disability insurance and Directors' and officers' liability insurance, mobile phone (including contract charges and costs of calls made during business trips abroad) and personal security arrangements (if requested by the Executive Director). A tax equalisation payment may be paid to a Director if any part of his remuneration becomes subject to double taxation. There is no provision for the recovery or withholding of benefits.	There is no prescribed maximum on the value of benefits payable to an Executive Director. If the Executive Director's personal circumstances do not change and the Bank is able to obtain benefits on substantially the same terms as at the date of the publication of this Policy, the aggregate cost of benefits for an Executive Director during the Policy's life is not expected to change materially.

Notes:
1) Under service contracts with BGH and/or the Bank (as applicable).
2) BGH cash salary is converted from US Dollar to GBP at the exchange rate published by the Bank of England on each monthly payment date. Bank cash salary is converted from US Dollar to Lari at the exchange rate published by the National Bank of Georgia on each bi-weekly payment date.
3) Dividend equivalents are paid in Lari as at the date dividends were paid to other shareholders.

(a) Salary
The deferred share salary comprises the most important element of the Executive Director's fixed annual remuneration and is commensurate with his role within the Group. By heavily weighting the base salary to deferred share compensation rather than cash, the Executive Director's day-to-day actions are geared towards sustained Group performance over the long term. The deferred share salary component is neither a bonus nor an LTIP: it is salary fixed at the outset of each three-year service contract and is therefore not subject to performance targets or measures. That salary, however, increases or declines in value depending on Group performance over the five-year vesting period, aligning the Executive Director's interests directly and naturally with those of shareholders.

(b) Discretionary deferred share compensation
The Group does not operate an LTIP because it believes there is sufficient long-term incentive built into its deferred share salary and discretionary deferred share compensation. No cash bonuses are paid to Executive Directors. Instead, individual and Group performance is rewarded through an award of discretionary deferred share compensation that vests over the two years following the work year. As discretionary deferred share compensation is awarded to reward past performance over the work year, it is not subject to any performance measures over the period from award to vesting.

The aggregate pool of shares available each year for awards of discretionary deferred share compensation for the Executive Director and all other members of executive management is determined annually by the Remuneration Committee in its discretion, based on a number of factors including:
– financial objectives (e.g. ROAE, operating leverage and Cost to Income ratio);
– business growth objectives (e.g. net loan book growth and deposit growth and fee and commission generation);
– risk management objectives (e.g. capital strength, liquidity management and cost of credit risk);
– the performance of the Bank relative to its competitors in Georgia and in the light of overall global market conditions; and
– the market value of the shares at the time the discretionary share award is determined.

The number of shares over which an individual Executive Director's discretionary deferred share compensation will be granted is determined by the Remuneration Committee by reference to the performance of the Group and the Executive Director's KPIs, which are set for the Executive Director by the Remuneration Committee at the start of the financial year and which reflect the Executive Director's required contribution to the Group's overall key strategic and financial objectives for the financial year.

While the Remuneration Committee has defined the set of factors to determine the aggregate pool of discretionary shares and evaluate an Executive Director's performance, it seeks to steer away from defining a series of narrow objectives for its Executive Directors and does not utilise strict weighting of performance measures. A high level of discretion is intentionally maintained when determining the quantum of discretionary deferred shares awarded to each Executive Director. Even in a "good" year for an Executive Director (e.g. achievement of most of his KPIs), in a "bad" year for the Group (e.g. poor financial performance by it) the Executive Director could receive little or no discretionary share compensation.

As mentioned in the Policy table above, the maximum value of discretionary deferred share remuneration that Mr Gilauri may be awarded in a given year for the remainder of his service contract with the Bank is capped at 50% of his total salary.

(c) Equity compensation trust and dilution limits
An equity compensation trust has been established for the purposes of satisfying deferred share compensation awarded to Executive Directors and members of the Executive Management Team. The trust was originally established in 2010 and shares committed to the trust in 2010 will continue to satisfy awards in respect of the 2013 work year. In the future, BGH will need to issue new shares or repurchase shares, or a combination of both, in order to ensure that there are a sufficient number of shares are committed to the trust in order to satisfy awards. However, the Group has committed to shareholders that new shares issued in satisfaction of deferred share compensation from the time of the Company's listing on the Premium Segment of the LSE will not exceed 10% of BGH's ordinary share capital over any 10-year period.

(d) Comparison with Remuneration Policy for employees generally
The components of the remuneration package for Executive Directors (as provided for by the Policy) are broadly the same as those for non-Board members of the Executive Management Team. Other members of senior management and middle management receive their entire salary in cash and do not receive deferred share salary. Their bonuses may be either in the form of cash and/or shares which vest over a three-year period following the award. All other employees within the Group receive a cash salary and may be eligible to receive cash bonuses, portions of which may be deferred until the publication of the audited annual results for the work year and/or based on continuous employment with the Group. The deferred portion of the cash bonus may also be reduced if it is revealed, upon completion of the annual audit, that the annual results published by the department where the employee works were incorrect in any material respect. All employees receive a competitive benefit package in line with Georgian market practice and are entitled to participate in the pension scheme on the same terms as applicable to Executive Directors.

(e) Business expenses
Executive Directors are reimbursed for reasonable business expenses incurred in the course of carrying out duties under their service contracts, on provision of valid receipts.

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1.2 Elements of the policy – Non-Executive Directors

In 2013, each member of the Board of BGH, with the exception of Mr Gilauri, served as a member of the Supervisory Board of the Bank. Fees for Non-Executive Directors on both the Board of BGH and the Supervisory Board of the Bank are paid solely in cash. Each member received a base fee and was further remunerated for membership on the Audit Committee, Remuneration Committee and/or Nomination Committee, if applicable.

The Policy provides for a Non-Executive Director's remuneration package to be comprised of the following elements:

Component (Note 1)	Purpose and link to strategy	Operation	Opportunity
Base cash fee.	Combined BGH and Bank base cash fee is competitive enough to attract and retain experienced individuals. The Chairman and Senior Independent Non-Executive Director receive higher base fees which reflect increased responsibilities and time commitment.	Cash payment on a quarterly basis.	The amount of remuneration is reviewed every three years by the Remuneration Committee. The next review will be in 2017. The combined BGH and Bank base cash fee currently payable to Non-Executive Directors and Supervisory Board members is US$75,000 per year (US$37,500 for each of BGH and the Bank). The Remuneration Committee reserves the right, in its sole discretion, to amend and vary the fees if there are genuinely unforeseen and exceptional circumstances which necessitate such review and in such circumstances any significant increase shall be the minimum reasonably required. The maximum aggregate BGH fees for all Non-Executive Directors which may be paid under BGH's articles of association are £750,000.
Cash fee for each committee membership.	Additional fee to compensate for additional time spent discharging committee duties for BGH and the Bank.	Cash payment on a quarterly basis.	The amount of remuneration for committee membership is reviewed every three years by the Remuneration Committee. The next review will be in 2017. Fees for committee membership range from US$7,500 to US$15,000 per committee, depending on the committee and whether the Non-Executive Director is a committee chairman or member.

Notes:
1) Non-Executive Directors do not receive any deferred share salary or discretionary deferred share compensation, pensions, benefits or any variable or performance-linked remuneration or incentives.
2) Non-Executive Directors are reimbursed for reasonable business expenses, including travel expenses, incurred in the course of carrying out duties under their letter of appointments, on provision of valid receipts.
3) Non-Executive Directors who are appointed to the Board and/or to the Supervisory Board of the Bank by shareholders of BGH are required to waive any entitlements to fees which would otherwise be payable to them under the Policy for so long as they are appointees of a shareholder.

1.3 Policy on payments for loss of office

The following paragraphs (a) to (c) describe the Group's policy for payments on termination of Mr Gilauri's service contracts with BGH and the Bank. In 2013 and as of the date of this Annual Report, Mr Gilauri is the sole Executive Director on the BGH Board. The Group's policy for payments for loss of office for current Non-Executive Directors is described in paragraph (d) below and its approach to payments for loss of office for future executive and Non-Executive Directors is described in paragraph 1.4 below.

The Directors' service contracts and letters of appointment are kept for inspection by shareholders at BGH's registered office.

(a) Termination of BGH service contract dated 15 December 2011
Mr Gilauri's service contract with BGH is for an indefinite term (subject to annual re-election at the AGM) and is terminable by either party on four months' written notice. Where the service contract is terminated on notice, BGH may put Mr Gilauri on garden leave for some or all of the notice period and continue to pay his cash salary under the BGH service contract, provided that any accrued and unused holiday entitlement shall be deemed to be taken during the garden leave period.

BGH may terminate Mr Gilauri's employment early with immediate effect and without notice and pay in lieu of notice in the case of, among other circumstances, his dishonesty, gross misconduct, conviction of an offence (other than traffic-related) or becoming of unsound mind.

BGH may also terminate the agreement with immediate effect by payment in lieu of notice, in which case the payment in lieu of notice shall be solely in respect of cash salary due under the BGH service contract as at the date of termination of employment.

(b) Termination of Bank service contract dated 19 February 2013
Mr Gilauri's service contract with the Bank is for an initial term of three years expiring on 1 May 2016, which may be renewed by agreement between the parties or terminated prior to the expiry of the term by either Mr Gilauri or the Bank. The Bank may terminate the service contract immediately without notice (subject to the terms set out below), whereas Mr Gilauri may terminate the contract upon three months' written notice or such shorter period as is agreed with the Supervisory Board of the Bank.

Separation payments
In the circumstances listed below where Mr Gilauri's service contract is terminated, he is entitled only to accrued and unpaid cash salary, accrued but not yet paid dividend equivalents, benefits, holiday pay and reimbursement of business expenses:
– termination by the Bank for "cause" (cause being defined as gross and wilful misconduct, material repeated failure to perform his duties or breach of his obligations or conviction of a felony, among other circumstances);
– termination by reason of death or disability (in which case he receives life or disability insurance benefits); or
– termination by Mr Gilauri other than for "good reason" (good reason meaning uncorrected material breach of the service contract by the Bank which is not cured within 45 days upon the executive serving notice of breach or material and unremedied illegal or unethical behaviour by Bank employees which has been notified to the Board by the executive and the Board fails to react and cooperate with the executive in addressing the behaviour).

If Mr Gilauri's service contract is terminated for any other reason, or is not renewed on substantially similar terms on expiry of the term of the service contract, he is entitled to a separation payment equal to 12 months' cash salary under the service contract plus any accrued and outstanding cash salary, holiday pay and reimbursement of business expenses. He will not be entitled to any additional severance or leaving allowance, reimbursements, pay in lieu of notice, benefits, compensation for sick leave or other similar payments other than in respect of his deferred share salary and discretionary deferred share compensation (summarised below).

The Bank may restrict Mr Gilauri from being employed in the financial industry and/or providing consulting or similar services to a competing financial institution for a period of up to six months following the termination of his employment, and will continue to pay him his full cash salary under the Bank service contract as compensation for his unemployment for the first four months of this period. In addition, the Bank may impose a two-year non-compete period in exchange for accelerated vesting of his deferred share compensation (as described below).

Deferred share compensation on termination
Mr Gilauri will be entitled to a pro-rata award of his deferred share salary in respect of any incomplete calendar year which he has worked, and may also be awarded discretionary deferred share compensation in respect of such incomplete calendar year if:
– his service contract expires and is not renewed upon substantially similar terms and he is not offered, or is offered and accepts, continued membership of the BGH and/or Bank Board; or
– his service contract is terminated before its expiry date but he continues as a member of the BGH and/or Bank Board.

Mr Gilauri will not be entitled to any deferred share salary for calendar years covered by the contract period during which he has not worked.

Vesting and lapse of existing awards
If Mr Gilauri's service contract is terminated for cause or by him other than for good reason, his unvested deferred share compensation will, unless otherwise agreed with the Board, lapse on the termination date.

Any unvested deferred share compensation of Mr Gilauri will vest immediately if:
– his service contract is terminated by the Bank other than for cause; is terminated by him for good reason; or expires and neither a renewed agreement nor Board membership is offered; or
– he ceases to be an Executive Director by reason of death, disability, injury, redundancy or retirement at normal retirement age; or
– there is a change of control of the Bank or BGH.

If Mr Gilauri's service contract expires and he is offered but refuses membership of the board of a company within the Group, 50% of his unvested deferred share compensation will vest immediately and the remaining 50% will, at his discretion, either continue to vest as normal or he may acquire some or all of the underlying shares for a specified price based on the price of the shares on grant in accordance with the terms of the service contract plus a 10% annual increase from the respective grant date until the date of acquisition. In consideration for this vesting treatment, Mr Gilauri will be bound by a two-year non-compete period during which he may not be employed by, provide consultancy services to or otherwise found or be a partner or associate of a commercial bank in Georgia (save that he may hold less than 5% of shares of a publicly listed bank).

If Mr Gilauri's service contract expires and is not renewed upon substantially similar terms but he is offered and accepts continued or renewed membership of the BGH and/or Bank Board, 50% of his unvested shares vest immediately and the remaining 50% shall continue to vest as normal.

If he subsequently ceases to be a member of the Bank and/or BGH Board, at Mr Gilauri's discretion, unvested shares either continue to vest as normal or he may acquire some or all of the underlying shares for the specified price as described above.

Mr Gilauri will be paid cash payments equivalent to the dividends accrued on his deferred share compensation. Such payments will be made on the vesting date in respect of dividends paid from the date the award was made to the vesting date. Such cash payments shall accrue and be payable on any vested shares, even if Mr Gilauri's service contract with the Bank has been terminated prior to vesting. The Bank will not pay any cash equivalent in respect of dividends on any deferred share compensation that has lapsed.

(c) Previous service contract with the Bank dated 25 May 2010
Any unvested awards granted under Mr Gilauri's previous service contract with the Bank (for the period from 25 May 2010 until and including 30 April 2013) shall vest immediately on termination of his current service contract for any reason, except that (i) if his current agreement is terminated by the Bank for cause, any unvested awards shall (unless the Board determines otherwise) lapse, and (ii) if it is terminated by Mr Gilauri for any reason other than for good reason (and unless the Board determines otherwise to his advantage), 50% of the unvested awards will vest immediately and the remaining 50% will, at his discretion, either continue to vest as normal or the underlying shares may be acquired for the specified price as above.

(d) Termination of Non-Executive Directors' appointments
The Board has developed a succession plan pursuant to which a Non-Executive Director may serve no longer than seven and a half years on the Board of BGH. Letters of appointment provide for an initial term of three years and are renewed for an additional three years or shorter period of time depending on the tenure of the Non-Executive Director. Notwithstanding the foregoing, each Non-Executive Director is required to submit himself for annual re-election at the AGM. The letters of appointment for each Non-Executive Director were executed on 10 April 2014.

The letters of appointment provide for a one-month notice period although BGH may terminate the appointment with immediate effect without notice or pay in lieu of notice if the Non-Executive Director has committed any serious breach or non-observance of his or her obligations to BGH, is guilty of fraud or dishonesty, brings BGH or him/herself into disrepute or is disqualified as acting as a Non-Executive Director, among other circumstances. Upon termination, the only remuneration a Non-Executive Director is entitled to is accrued fees as at the date of termination together with reimbursement of properly incurred expenses incurred prior to the termination date.

1.4 Policy on the appointment of external hires and internal appointments

Any new Executive Director appointed to the Board would be paid no more than the Remuneration Committee considers reasonably necessary to attract a candidate with the relevant skills and experience. His or her remuneration package would comprise the components described in section 1.1 above.

The Remuneration Committee may, in its discretion and taking into account the role assumed by the new Executive Director, vary the amount of any component in the package. This discretion will only be exercised to the extent required to facilitate the recruitment of the particular individual. In addition, the terms and conditions attaching to any component of the remuneration might be varied insofar as the Remuneration Committee considers it necessary or desirable to do so in all the circumstances. Notwithstanding the foregoing, any arrangement specifically established to recruit an individual would take the form of deferred shares. The value of this would be capped to be no higher, on recruitment, than the awards which the individual had to surrender in order to be recruited. The balance of the individual's remuneration package would fall under the Policy and the terms of this balance of the package would not exceed either the annual total monetary value or the total number of shares awarded of the existing contractual arrangements of executives at the equivalent level of seniority.

Relocation support for an incoming Executive Director and, where relevant, his or her family may be provided depending on the individual's circumstances. BGH has not set a maximum aggregate amount that may be paid in respect of any individual's relocation support, but it will aim to provide support of an appropriate level and quality on the best terms that can reasonably be obtained.

Upon the recommendation of the Remuneration Committee, the Group may "buy out" incentive awards which were granted to an incoming Executive Director by a previous employer and which have been foregone. In these circumstances, the approach will be to match the estimated current value of the foregone awards by granting awards of deferred share compensation which vest over a similar timeframe to the awards being bought out. The application of performance conditions and/or clawback provisions may also be considered, where appropriate. Such new awards may be granted in addition to any deferred share salary and discretionary deferred share compensation.

Any payment upon termination of a new Executive Director's service contract would not exceed 12 months' cash salary under the relevant service contract, plus any accrued and unpaid cash salary, benefits and holiday pay and reimbursement of any business expenses. The Group may also continue to pay a former Executive Director his full cash salary for any period following the termination of his appointment during which he is prohibited from competing with the Group.

It is expected that the following vesting provisions will apply to deferred share compensation in the case of termination of a new Executive Director's service contract:
– Unvested deferred share compensation would lapse upon termination of the service contract by BGH or the Bank for cause, termination by the Executive Director other than for good reason or if the Executive Director's employment is terminated for any other reason and he is not offered continued membership of the Board or the Bank's Supervisory Board.
– Unvested deferred share compensation would continue to vest in the normal way during the respective vesting period(s) upon termination by BGH or the Bank without cause, if the Executive Director's service contract expires and he is not offered a new service contract on substantially similar terms on expiration or if the Executive Director ceases to be an Executive Director by reason of injury, disability, redundancy or retirement (at normal retirement age).
– Unvested deferred share compensation would vest immediately upon death of the Executive Director, termination of the service contract by the Executive Director for good reason or a change of control.

Notwithstanding the above, the Board reserves the right to permit unvested deferred share compensation to vest irrespective of the Executive Director's departure when such Executive Director departs on good terms with the Group.

Any new Non-Executive Director appointed to the Board would be paid no more than the Remuneration Committee considers reasonably necessary in light of market practice among other FTSE 250 companies and the current remuneration of other Non-Executive Directors. His or her remuneration package would comprise the same components as for the existing Non-Executive Directors.

If an existing employee of the Group is appointed as an executive or Non-Executive Director, any obligation or commitment entered into with that individual prior to his appointment will be honoured by the Group in accordance with the terms of those obligations or commitments, even where they differ from the terms of the Policy.

1.5 Consideration of shareholder views and employment conditions elsewhere in the Group

As noted in the Chairman's Statement, the Group sought the views of a number of its shareholders with respect to the structure of executive remuneration. Many of the shareholders consulted strongly endorsed the Policy and the Group believes that shareholder questions and concerns were addressed.

The Remuneration Committee considers the pay and employment conditions of executive management (other than Directors) when determining an Executive Director's remuneration as well as changes in pay and employment conditions across the Group as a whole in relation to the proposed pay for Directors. The Remuneration Committee consults with the Human Relations department, Executive Management and other employees during the year to seek feedback on the executive remuneration structure and takes such views into account when analysing its Policy. In 2013, the employees consulted confirmed that they were satisfied with the manner in which they were compensated. In taking this information into account in determining an Executive Director's remuneration, the Remuneration Committee relies on its judgement, particularly given that international comparisons are the most relevant for senior management and the Georgian labour market is more relevant for other employees.