

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about its contents or the action you should take, you are advised to consult your stockbroker, bank manager, solicitor, accountant and/or other appropriate independent professional adviser without delay.

If you have sold or otherwise transferred all your shares in TBC Bank Group PLC, you should pass this document and the accompanying documents to the purchaser or transferee, or to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

## TBC Bank Group PLC

### Notice of Annual General Meeting

**To be held at 100 New Bridge Street, London, EC4V 6JA, United Kingdom  
on  
16 June 2022 at 11:00 am**



**TBC Bank Group PLC  
Highdown House  
Yeoman Way, Worthing  
West Sussex, BN99 3HH  
United Kingdom**

13 May 2022

Dear Shareholder

#### ANNUAL GENERAL MEETING 2022

The Board considers the Annual General Meeting ("AGM") as an important opportunity for shareholders to express their views and communicate directly with the Company. The Board will hold the 2022 AGM at the offices of Baker McKenzie, 100 New Bridge Street, London, EC4V 6JA, United Kingdom on 16 June 2022 at 11:00 am.

An explanation of the resolutions to be considered at the AGM can be found on pages 4 to 8 of this circular. Resolutions 1 to 16 will be proposed as ordinary resolutions. Resolutions 17 to 19 will be proposed as special resolutions.

#### What to do next

As always, your vote is important to us and the Board appreciates that the AGM is an important opportunity for shareholders to communicate directly with the Company. Shareholders that wish to vote on the resolutions but are unable to attend the AGM are encouraged to:

**complete and return a form of proxy and give voting instructions to Equiniti Limited, the Company's Registrar, by 11:00 am on 14 June 2022.**

Proxy voting in respect of uncertificated shares may also be registered through CREST (see the paragraph headed, "Appointment of proxy through CREST" on page 7 in the "General Notes" section of the notice of AGM).

The directors believe that it is important that the voting intentions of all shareholders are taken into account, not just those who are able to attend the AGM and, as such, we propose putting all resolutions to shareholders by way of poll, rather than on a show of hands. This is a more transparent method of voting as shareholder votes are counted according to the number of shares held and this will ensure an exact and definitive result. The Chair of the meeting may, in accordance with the Company's articles of association, propose a resolution to adjourn the meeting and/or to withdraw a resolution, at the AGM itself and any such resolution would be voted on by way of a show of hands.

The results of the voting on the resolutions proposed at the AGM will be announced to the London Stock Exchange as soon as possible after the conclusion of the meeting.

#### Recommendation

The Board unanimously considers that all of the resolutions to be considered at our AGM are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The directors unanimously recommend that you vote in favour of each of these resolutions.

Yours sincerely



**Arne Berggren**  
Chairman

13 May 2022

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of TBC Bank Group PLC (the "Company") will be held at the offices of Baker McKenzie, 100 New Bridge Street, London, EC4V 6JA, United Kingdom on Thursday, 16 June 2022 at 11:00 am to consider and, if thought fit, to pass the following resolutions:

The following resolutions 1 to 16 will be proposed as ordinary resolutions. More than half of the votes cast must be in favour of the resolution for each resolution to be passed.

## Report and Accounts

1. To receive the accounts of the Company for the year ended 31 December 2021 together with the directors' report, the strategic report, the directors' remuneration report and the auditor's report.

## Directors' Remuneration

2. To approve the directors' remuneration report set out on pages 178 to 201 of the Annual Report and Accounts for the year ended 31 December 2021.

## Appointment and reappointment of Directors

3. To reappoint Arne Berggren as a director of the Company.
4. To reappoint Vakhtang Butskhrikidze as a director of the Company.
5. To reappoint Maria Luisa Cicognani as a director of the Company.
6. To reappoint Tsira Kemularia as a director of the Company.
7. To reappoint Per Anders Fasth as a director of the Company.
8. To reappoint Thymios P. Kyriakopoulos as a director of the Company.
9. To reappoint Eran Klein as a director of the Company.
10. To appoint Venera Suknizde as a director of the Company.
11. To appoint Rajeev Sawhney as a director of the Company.

## Final Dividend

12. To declare a final dividend of GEL 2.16 per ordinary share of the Company for the year ended 31 December 2021, payable in British Pounds Sterling at the official exchange rate of the National Bank of Georgia for 24 June 2022, to be paid on 15 July 2022 to the holders of ordinary shares on the register of members at 6:00 pm (London time) on 17 June 2022.

## Auditor

13. To reappoint PricewaterhouseCoopers LLP as auditor of the Company to hold office until the conclusion of the Company's Annual General Meeting.
14. To authorise the Audit Committee of the Company to determine the auditor's remuneration.

## Scrip Dividend

15. That:
  - (a) the directors be and are hereby authorised to offer holders of its ordinary shares of £0.01 each the right to elect to receive ordinary shares, credited as fully paid, instead of a cash dividend from time to time or for such period as the directors may determine, all pursuant to the provisions of the Company's articles of association, as in force from time to time, and on such other terms and conditions as the directors may from

time to time determine, provided that the authority conferred by this resolution shall expire at the end of the third Annual General Meeting of the Company after the date on which this resolution is passed; and

- (b) for the purposes of any offer made pursuant to paragraph (a) of this resolution, the directors be and are hereby authorised, in accordance with the Company's articles of association, as in force from time to time, to capitalise such amount standing to the credit of any reserve or account of the Company as may be necessary and apply the same in paying up and allotting and issuing new ordinary shares in the Company to the ordinary shares who have, or are deemed to have, validly accepted such an offer in accordance with their respective entitlements.

## Authority to Allot Shares

16. That, in substitution for all existing authorities, the directors be and are generally and unconditionally authorised for the purpose of section 551 of the Companies Act 2006 ("CA 2006") to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to an aggregate nominal amount of £137,889 (representing 13,788,974 ordinary shares, which represents 25 per cent. of the Company's issued ordinary share capital as at 11 May 2022) for a period expiring at the conclusion of the Company's next Annual General Meeting (or at close of business on 16 September 2023, if earlier) save that the Company may before the expiry of this authority make an offer or agreement which would or might require shares to be allotted or Rights to be granted after such expiry and the directors may allot shares and grant Rights in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.

The following resolutions 17 to 19 will be proposed as special resolutions. For each of these to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

## Dis-application of Pre-emption rights

17. That, subject to the passing of resolution 16 set out in the notice of Annual General Meeting of which this resolution forms part, the directors be and are empowered pursuant to sections 570 and 573 of the CA 2006 to allot equity securities (within the meaning of section 560(1) of CA 2006) for cash pursuant to the authority conferred by resolution 16, and/or to sell treasury shares, as if section 561 of CA 2006 did not apply to any such allotment or sale, provided that the power conferred by this resolution shall be limited to:
  - (a) an allotment of equity securities in connection with an offer of securities, open for acceptance for a period fixed by the directors, to holders of ordinary shares made in proportion (as nearly as practicable) to their respective existing holdings of ordinary shares held by them on the relevant record date (and holders of other equity securities of any class if this is required by the rights attaching to these securities or, if the directors consider it necessary, as permitted by the rights attaching to those securities), but subject to the directors having a right to make such exclusions or other arrangements as they consider necessary or expedient to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems arising in, or under the laws of, any territory or any other matter; and
  - (b) the allotment of equity securities for cash or sale of treasury shares (otherwise than pursuant to (a) above) having, in the case of ordinary shares, a nominal amount or, in the case of other equity securities, giving the right to subscribe for or convert into ordinary shares having a nominal amount not exceeding, in aggregate, £27,577, (representing 2,757,794

ordinary shares, which represents 5% of the Company's issued ordinary share capital as at 11 May 2022),

provided that the powers conferred by this resolution 17 will expire at the Company's next Annual General Meeting (or at close of business on 16 September 2023 if earlier) save that, in each case, the Company may, before the expiry of such powers, make an offer or agreement which would or might require equity securities to be allotted and/or treasury shares to be sold after such authority expires and the directors may allot equity securities and/or sell treasury shares in pursuance of such offer or agreement as if the powers conferred by this resolution 17 had not expired.

### Authority to Purchase Own Shares

18. That the Company be and is generally and unconditionally authorised to make one or more market purchases (within the meaning of section 693(4) of the CA 2006) of ordinary shares of £0.01 each in the capital of the Company, on such terms and in such manner as the directors may from time to time determine, provided that:

- (a) the maximum aggregate number of ordinary shares authorised to be purchased is 5,515,589 (representing approximately 10 per cent. of the issued ordinary share capital of the Company as at 11 May 2022);
- (b) the minimum price (exclusive of all expenses) which may be paid for an ordinary share is £0.01;
- (c) the maximum price (exclusive of all expenses) which may be paid for an ordinary share is an amount equal to the higher of:
  - (i) 105 per cent. of the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that ordinary share is purchased; and
  - (ii) 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 on the London Stock Exchange at the time the purchase is carried out; and
- (d) the authority conferred by this resolution shall, unless varied, revoked or renewed prior to such time, expire at the conclusion of the next Annual General Meeting of the Company (or at close of business on 16 September 2023, if earlier) save that the Company may before the expiry of this authority make a contract to purchase ordinary shares which will or might be executed wholly or partly after the expiry of this authority and may make a purchase of ordinary shares in pursuance of such contract as if the authority conferred by this resolution had not expired.

### Notice for General Meetings

19. That the Company may call General Meetings other than Annual General Meetings on not less than 14 clear days' notice.

By order of the Board



**Arne Berggren**  
Chairman

13 May 2022

TBC Bank Group PLC  
Highdown House  
Yeoman Way  
Worthing  
West Sussex  
United Kingdom  
BN99 3HH

## Report and Accounts: Resolution 1

Under resolution 1, the Company's annual accounts for the year ended 31 December 2021, together with the directors' report, the strategic report, the directors' remuneration report and the auditor's report (the **"2021 Annual Report and Accounts"**) are received. As a shareholder, you will have received the 2021 Annual Report and Accounts either as a hard copy or via our website ([www.tbcbankgroup.com](http://www.tbcbankgroup.com)).

## Directors' Remuneration: Resolution 2

Resolution 2 seeks approval for the directors' remuneration report for the year ended 31 December 2021, excluding the part of the report that sets out the directors' remuneration policy which was approved by 2021 AGM. This resolution (as required by sections 439 to 440 of the CA 2006 and the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) 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 178 to 201 of the 2021 Annual Report and Accounts.

## Appointment and Reappointment of Directors: Resolutions 3 to 11

In accordance with the UK Corporate Governance Code, all of the continuing directors of the Company will stand for appointment or reappointment at the Annual General Meeting.

The Company has eight (8) non-executive directors who are standing for appointment or reappointment by shareholders all of whom are determined by the Board to be independent directors in accordance with the criteria set out in the UK Corporate Governance Code. The Board considers that the directors have the skills, experience, independence and knowledge of the Company enable them to discharge their respective duties and responsibilities effectively. In relation to the reappointment of Arne Berggren, Tsira Kemularia, Maria Luisa Cicognani, Eran Klein, Per Anders Fasth and Thymios P. Kyriakopoulos as non-executive directors, the Board confirms their performance continues to be effective and that they continue to demonstrate commitment to their roles.

Venera (Nino) Suknidze and Rajeev Sawhney as newly appointed non-executive directors (appointed by the Board on 24 November 2021) will stand for appointment by the Shareholders.

The Company also has one (1) executive director who is standing for reappointment by shareholders. The Board confirms that the performance of Vakhtang Butskhrikidze continues to be effective and that he continues to demonstrate commitment to his role.

In addition to an annual formal evaluation by the Company, and pursuant to the UK Corporate Governance Code and best market practice, the Board's performance evaluation will be externally facilitated at least every three years. In 2021, the Company engaged Lintstock Ltd to review the performance of the Board. Following consideration of that evaluation, the directors were satisfied that the Board was discharging its responsibilities effectively.

The Board, by unanimous decision, recommends the reappointment of Vakhtang Butskhrikidze, Arne Berggren, Tsira Kemularia, Maria Luisa Cicognani, Eran Klein, Per Anders Fasth and Thymios P. Kyriakopoulos, and the appointment of Venera Suknidze and Rajeev Sawhney as directors of the Company.

Biographical details of our directors standing for appointment or reappointment can be found on pages 133 to 140 of the 2021 Annual Report and Accounts.

## Final Dividend: Resolution 12

A final dividend may only be paid after it has been approved by shareholders. The Board recommends a final dividend for the year ended 31 December 2021 of GEL 2.16 per ordinary share of the Company payable in British Pounds Sterling at the official exchange

rate of the National Bank of Georgia for 24 June 2022. Subject to approval by shareholders, the final dividend will be paid on 15 July 2022 to shareholders on the register of members at 6:00 pm (London time) on 17 June 2022, but excluding such of the shareholders in respect of whom a valid election to participate in the Company's Scrip Dividend Scheme shall have been received by the Company by 5:00 pm on 1 July 2022. Shareholders for whom valid elections have been received by 5:00 pm on 1 July 2022 will receive the final dividend in the form of new ordinary shares in the Company. Full details of the Company's Scrip Dividend Scheme are available from the Company's website, [Annual general meetings | TBC Bank \(tbcbankgroup.com\)](http://www.tbcbankgroup.com).

## Appointment of Auditor: Resolution 13

At each general meeting of the Company at which the accounts are laid before the shareholders, the Company is required to appoint an auditor to serve until the next such meeting. Resolution 13 seeks approval for the appointment of PricewaterhouseCoopers LLP (**"PwC"**) as auditor of the Company until the conclusion of the Annual General Meeting in 2023. An assessment of the effectiveness, independence and objectivity of the auditor has been undertaken by the Audit Committee which has recommended to the Board that PwC be reappointed as auditor.

On 20 December 2021, the Company announced its intention to appoint Ernst & Young LLP (**"EY"**) as its auditor for the financial year ending on 31 December 2023, subject to shareholder approval. This followed an extensive competitive tender process, overseen by the Audit Committee and conducted in compliance with the Competition and Markets Authority's Order. Further details of the tender exercise are set out on page 167 of the Company's 2021 Annual Report and Accounts and the appointment of EY will be put forward for the approval of shareholders at the Annual General Meeting in 2023.

PwC, the Company's current auditor, will undertake the audit for the financial years ending 31 December 2021 and 31 December 2022. EY, as the incoming auditor, will independently shadow PwC during the audit cycle for the financial year ending 31 December 2022 to ensure an effective transition between the auditors.

## Remuneration of Auditor: Resolution 14

Resolution 14 seeks authorisation for the Audit Committee of the Company to determine the remuneration of the Company's auditor.

## Scrip Dividend Scheme: Resolution 15

The directors of the Company put forward at its 2017 Annual General Meeting an optional scrip dividend scheme (the **"Scrip Dividend Scheme"**) giving shareholders the right to elect to receive new ordinary shares in the capital of the Company (credited as fully paid) instead of cash. The Scrip Dividend Scheme received shareholder approval for three years and expired on the day of the 2020 Annual General Meeting and all scrip dividend elections have been cancelled.

The directors are proposing that the Company renew the Scrip Dividend Scheme, commencing with the proposed final dividend for the year ended 31 December 2021 which is payable on 15 July 2022.

The directors believe that the offer of the Scrip Dividend Scheme is advantageous and allows shareholders to increase their shareholding in the Company in a simple manner without paying dealing costs or stamp duty. The Scrip Dividend Scheme also gives the Company greater flexibility in managing its capital resources by retaining cash within the business. The Scrip Dividend Scheme is subject to shareholder approval. In line with relevant investor protection guidelines, the authority contained in Resolution 15 is sought for three years, and will therefore expire on the day of the Annual General Meeting to be held in 2025. Even if you do not intend to participate in the Scrip Dividend Scheme, we would urge you to vote in favour of the resolution to be proposed at the Annual General Meeting as, for the reasons set out above, the Directors



believe that the Scrip Dividend Scheme will be beneficial to the Company and its shareholders.

Details of how the Scheme Dividend Scheme operates are explained in the Terms and Conditions which forms part of this document, and can also be found on the Company's website [www.tbcbankgroup.com](http://www.tbcbankgroup.com). If approved, the Scrip Dividend Scheme will continue to allow existing participants to receive ordinary shares for every cash dividend entitlement where the scrip alternative is offered, unless and until they notify the Company otherwise. Shareholders who wish to participate in the Scrip Dividend Scheme will need to complete a Scrip Dividend Mandate Form in accordance with the Terms and Conditions. Shareholders who hold their ordinary shares in CREST can only participate in the Scrip Dividend Scheme by use of the CREST Dividend Election Input Message; they must complete a Dividend Election Input Message on each occasion the Scrip alternative is offered otherwise any dividend entitlement will be paid in cash.

The number of New Shares that shareholders will be entitled to receive under the Scrip Dividend Scheme will be calculated by reference to the amount of the cash dividend, the number of shares held and the Scrip Reference Share Price. The Scrip Reference Share Price is the average of the closing middle market quotations for the Company's shares over five dealing days commencing on the exdividend date for each dividend. In accordance with the Articles of Association of the Company, approval is sought to capitalise sums standing to the credit of the reserves of the Company, including the share premium account. This would enable the Directors to apply such sums in paying up in full the nominal amounts of New Shares allotted to shareholders pursuant to the elections under the Scrip Dividend Scheme.

If approved by shareholders, the Scrip Dividend Scheme will operate for the final dividend of GEL 2.16 per share for the year ended 31 December 2021, payable on 15 July 2022. An expected timetable of events in relation to the final dividend for the year ended 31 December 2021 is set out below.

Scrip Dividend timetable for the final dividend for the year ended 31 December 2021:

16 June 2022 Ex-dividend date

17 June 2022 Record date

16 to 23 June 2022 Scrip Reference Share Price calculation period

24 June 2022 Scrip Reference Share Price and currency conversion announced

1 July 2022 Last date for receipt of Scrip elections

15 July 2022 Dividend payment/issue of New Shares

If every shareholder elects to participate in the Scrip Dividend Scheme for their entire holding, based on the proposed final dividend of GEL 2.16 per ordinary share, an indicative Scrip Reference Share Price of 1220 pence (closing price on 10 May 2022) and an indicative GEL/GBP exchange rate of 3.7506 (the official exchange rate of the National Bank of Georgia for 10 May 2022), the maximum number of ordinary shares that could be awarded would be 2,622,165 representing approximately 4.8% of the issued share capital of the company as at 10 May 2022. If no elections for the Scrip Dividend Scheme are received, based on the proposed final dividend of GEL 2.16 per ordinary share and an indicative GEL/GBP exchange rate of 3.7506 (the official exchange rate of the National Bank of Georgia for 10 May 2022), the total cash dividend payable to shareholders will be £31,990,419.

### Authority to Allot Shares: Resolution 16

There is no statutory limit on the maximum nominal amount of the section 551 allotment authority under the CA 2006.

The Board considers it appropriate that the directors be granted authority to allot shares in the capital of the Company up to a maximum nominal

amount of £137,889, being 13,788,974 ordinary shares of £0.01 each. This represents 25 per cent. of the Company's issued ordinary share capital (excluding treasury shares) as at 11 May 2022, being the latest practicable date prior to publication of this circular. This reduced general authority seeks to take into account feedback received from certain shareholders from outside of the United Kingdom who shared concerns with the level of the authority approved at last year's Annual General Meeting, whilst maintaining the flexibility that such an authority provides. The directors have no present intention to exercise this authority other than pursuant to the Scrip Dividend Scheme.

The authority sought under resolution 16 will expire at the end of the Company's Annual General Meeting in 2023 or at close of business on 16 September 2023, if earlier.

### Dis-application of Pre-emption Rights: Resolution 17

Under section 561 of the CA 2006, if the directors wish to allot any equity securities for cash, or sell any treasury shares, (other than in connection with an employee share plan), they must, in the first instance, offer them to existing shareholders in proportion to their holdings (a "pre-emptive offer"). There may be occasions, however, when the directors need the flexibility to allot shares for cash, or sell treasury shares, without a pre-emptive offer, which can be done under CA 2006 if the shareholders have first waived their pre-emption rights by special resolution.

Resolution 17 will allow the directors to allot equity securities for cash pursuant to the authority granted by Resolution 16, and/or sell treasury shares, as if section 561 CA 2006 did not apply in certain circumstances.

Under Resolution 17, the directors will be authorised to allot equity securities for cash, and/or sell treasury shares, up to a maximum nominal amount of £27,577, being 2,757,794 ordinary shares representing approximately 5 per cent. of the Company's issued ordinary share capital (excluding treasury shares) as at 11 May 2022, being the latest practicable date prior to publication of this circular.

Resolution 17 is in line with 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"), and the template resolutions published by the Pre-Emption Group in May 2016.

The directors have no present intention of exercising the authority conferred by Resolution 17 and, in compliance with the Statement of Principles, confirm that they do 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. Further, in response to feedback received from certain shareholders from outside of the United Kingdom who shared concerns with the scope of authorities concerning the disapplication of pre-emption rights, the Board has decided not to seek a further, specific authority to dis-apply pre-emption rights in connection with an acquisition or specified capital investment at this year's meeting.

The authority sought under Resolution 17 will expire at the end of the Company's Annual General Meeting in 2023, or at close of business on 16 September 2023, if earlier.

### Authority to Purchase Own Shares: Resolution 18

Under the CA 2006, the Company requires authorisation from shareholders if it is to purchase its own shares. Resolution 18 authorises the Company to make market purchases of up to 5,515,589 of its own ordinary shares, representing approximately 10 per cent. of the Company's issued ordinary share capital as at 11 May 2022, being the latest practicable date prior to publication of this circular. The resolution specifies the minimum and maximum prices at which the ordinary shares may be bought under this authority.

The directors have no present intention of exercising the authority granted by this Resolution 18, but the authority provides the flexibility to allow them to do so in the future. The authority will be exercised only if the directors believe that to do so would be likely to promote the success of the Company for the benefit of its shareholders as a whole and would result in an increase in the earnings per share. Any shares purchased may either be cancelled or held as treasury shares, which may then be cancelled, sold for cash or used to meet the Company's obligations under its employee share schemes. No dividends are paid on shares held as treasury shares nor do they have voting rights. There is no statutory limit on the percentage of share capital that the Company is permitted to hold as treasury shares. However, in keeping with the Investment Association's guidelines, the Company will continue to limit the number of shares that it will hold as treasury shares to no more than 10 per cent. of its issued share capital.

The authority sought under Resolution 18 will expire at the end of the Company's Annual General Meeting in 2023, or at close of business on 16 September 2023, if earlier.

### **Notice for General Meetings: Resolution 19**

The CA 2006 requires listed companies to provide shareholders with 21 clear days' notice of any general meeting unless the shareholders have approved the calling of general meetings on shorter notice, which cannot in any event be less than 14 clear days. Companies must also offer shareholders a facility to vote by electronic means in order to be permitted to call meetings on shorter notice. The notice period for an Annual General Meeting cannot be reduced in this way.

While the directors do not intend calling general meetings on short notice as a matter of routine, enabling the Board to call general meetings on 14 clear days' notice would provide flexibility where that was merited by the business of the relevant meeting taking into account the circumstances, including where the business of the meeting is time sensitive and is thought to be to the advantage of the shareholders as a whole.

Resolution 19 will expire at the end of the Company's Annual General Meeting in 2023.

### Entitlement to vote

To be entitled to vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the register of members of the Company at 6:30 pm on 14 June 2022 (or, in the event of any adjournment, at 6:30 pm on the day two business days prior before the time of the adjourned meeting). Changes to entries on the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the AGM.

Shareholders may vote on the resolutions being put to the meeting by appointing a proxy and giving your voting instructions in advance, either electronically or by using the enclosed Form of Proxy. The Board will review arrangements for the AGM and any additional and/or alternative measures in advance of the AGM, if there are any changes to the arrangements, the Company will update shareholders via the RNS. The Company encourages shareholders to check its website ([www.tbcbankgroup.com](http://www.tbcbankgroup.com)) regularly for the latest information on its engagement with shareholders and arrangements for the AGM.

### Appointment of proxies

A shareholder is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote on their behalf at the AGM. A proxy need not be a shareholder of the Company, but must attend the AGM to represent you. Your proxy must vote as you instruct and must attend the AGM for your vote to be counted.

To be valid, the appointment of a proxy must be done by either returning a form of proxy or by one of the electronic methods described in the form of proxy. To be valid, a form of proxy must be received at the offices of Equiniti not less than 48 hours (excluding non-working days) before the time appointed for holding the AGM.

### Nominated Persons

A person who has been nominated under s.146 CA 2006 to enjoy information rights (a **"Nominated Person"**) may have a right under an agreement between him/her and the shareholder by whom he/she was nominated to be appointed, or to have someone else appointed, as a proxy of such shareholder for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the shareholder as to the exercise of voting rights.

The statement of the rights of shareholders to appoint proxies in the paragraph headed "Appointment of proxies" above does not apply to Nominated Persons. The rights described in that paragraph can only be exercised by shareholders.

### Appointment of proxy through CREST

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the AGM (and any adjournment thereof) by following the procedures described in the CREST Manual available on the Euroclear website ([www.euroclear.com](http://www.euroclear.com)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a **"CREST Proxy Instruction"**) must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to an instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by the Company's agent, Equiniti Limited (ID number RA19) by the latest time(s)

for receipt of proxy appointments specified in the notice of AGM. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by CREST Applications Host) from which Equiniti Limited is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland 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(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) 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 providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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

### Changing proxy instructions

To change your proxy instructions you may return a new proxy appointment using the methods set out above. Where you have appointed a proxy using the Form of Proxy and would like to change the instructions using another Form of Proxy, please contact Equiniti Limited, Aspect House, Spencer Road, Lancing, BN99 6DA. The deadline for receipt of proxy appointments (see the paragraph headed "Appointment of proxies" above) also applies in relation to amended instructions. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same meeting, those received last by Equiniti will take precedence.

### Appointing a corporate representative

Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all its powers as a shareholder provided that if it is appointing more than one corporate representative, it does not do so in relation to the same shares.

### Issued capital and voting rights

As at 6:00 pm on 11 May 2022 (being the last business day prior to publication of this notice), the Company's issued share capital comprised 55,155,896 ordinary shares carrying one vote each including ordinary shares held as treasury shares. As at such date, the Company held no ordinary shares as treasury shares. Therefore, the total number of voting rights in the Company as at 11 May 2022 is 55,155,896.

### Right to publish a statement about the auditor

Under s.527 CA 2006 shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to:

- 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
- any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which the annual accounts and reports were laid in accordance with s.437 CA 2006.

The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with ss527 or 528

(requirements as to website availability) CA 2006. Where the Company is required to place a statement on a website under s.527 CA 2006, 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 Annual General Meeting includes any statement that the Company has been required under s.527 CA 2006 to publish on a website.

### **Right to ask questions at the AGM**

Any shareholder (or their appointed proxy) attending AGM has the right to ask questions at the AGM. 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 AGM or 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.

### **Availability of a copy of this notice**

A copy of this notice, and other information required by s.311A of the CA2006, can be found at [www.tbcbankgroup.com](http://www.tbcbankgroup.com). You may not use any electronic address provided either in this notice of AGM or any related documents (including the Chairman's letter and proxy form) to communicate with the Company for any purposes other than those expressly stated.

### **Directors**

Copies of each director's service contract or letter of appointment are available for inspection at the registered office of the Company during normal business hours on any weekday (public holidays excepted).



# Terms and Conditions of the TBC Bank Group's Scrip Dividend Scheme

*This document is important. If you are in any doubt as to the action you should take, you should seek your own advice from an independent professional adviser.*

*The meanings of various defined terms used in these Terms and Conditions are set out below.*

## 1. What is the TBC Bank Group Scrip Dividend Scheme?

The TBC Bank Group Scrip Dividend Scheme (defined in the definitions schedule) is a scheme designed to enable Shareholders of the Company to receive New Shares instead of cash dividends. This enables Shareholders to increase their shareholdings in the Company without incurring dealing costs or stamp duty. However, shareholders should bear in mind that the price of the New Shares can go down as well as up, and whether shareholders elect to participate in the Scrip Dividend Scheme is their own decision depending on their individual circumstances. If shareholders are in any doubt as to the action they should take, shareholders are advised to consult their independent professional adviser.

The terms and conditions for the Scrip Dividend Scheme are set out below (the "**Terms and Conditions**").

The Scrip Dividend Scheme is subject to shareholder approval, which is being sought for a period of three years, after which the authority will expire if not renewed.

Conditions to the Scrip Dividend Scheme:

The allotment and issue of New Shares pursuant to the Scrip Dividend Scheme is, at all times, conditional upon:

- (a) all authorities in respect thereof being in full force and effect, including the passing of any resolution of the Company required by law, regulations or the Company's Articles of Association; and
- (b) the admission to the Official List of the United Kingdom Listing Authority and to trading on the Main Market of the London Stock Exchange of such New Shares.

If, for any reason, these conditions are not satisfied such that the Company cannot allot and issue New Shares pursuant to the Scrip Dividend Scheme in respect of any dividend, participants will receive cash (as opposed to New Shares) in respect of that dividend.

## 2. Who can join the Scrip Dividend Scheme?

All UK shareholders can join the Scrip Dividend Scheme. Overseas Shareholders may be eligible to participate. Please refer to Question 14.

## 3. How do I join the Scrip Dividend Scheme?

You can join the Scrip Dividend Scheme by completing a Scrip Dividend Mandate Form (which may be amended from time to time) and sending it to Equiniti at the address given at Question 20. A Scrip Dividend Mandate Form may be obtained from the Company's website [www.tbcbankgroup.com](http://www.tbcbankgroup.com) or upon request from Equiniti.

Scrip Dividend Mandate Forms (hard copy) must be received by Equiniti no later than 5:00 pm (UK time) on 1 July 2022 to be eligible to receive New Shares instead of cash for that, and subsequent, dividends. Forms received after that time will not be accepted for the dividend due to be paid on 15 July 2022, but will be accepted in respect of any subsequent dividends. Please note that no acknowledgement of receipt of Scrip Dividend Mandate Forms will be issued.

Shareholders who hold their Ordinary Shares in CREST can only elect to receive dividends in the form of New Shares by use of the CREST Dividend Election Input Message. Any Scrip Dividend Mandate Forms or other forms of instruction received from CREST holders will not be accepted and will be ignored. For further details please refer to Question 4.

**If you wish to receive dividends in cash in the usual way you need take no further action and should not complete or return a Scrip Dividend Mandate Form.**

## 4. What if my Ordinary Shares are held in CREST?

If your shareholding is in uncertificated form in CREST (and was in uncertificated form as at the relevant record date), you can only elect to receive your dividend in the form of New Shares by means of the CREST procedure to effect such an election. No other method of election will be permitted under the Scrip Dividend Scheme and will be rejected. CREST shareholders, by effecting their elections by means of the CREST procedure, will be taken to have confirmed their election to participate on that occasion in the Scrip Dividend Scheme and to have confirmed their acceptance of these Terms and Conditions, as amended from time to time.

If you are a CREST sponsored member, you should consult your CREST sponsor, who will be able to take appropriate action on your behalf. All elections made via the CREST system should be submitted using the Dividend Election Input Message in accordance with the procedures as stated in the CREST Reference Manual.

The Dividend Election Input Message submitted must contain the number of shares on which the election is being made. If the relevant field is left blank or completed with zero, the election will be rejected. If you enter a number of shares greater than the holding in CREST on the relevant record date, the election will be applied to your total holding as at the relevant record date for the dividend. Evergreen elections will not be permitted. If you wish to receive New Shares instead of cash in respect of future dividends for which a scrip dividend alternative is offered, you must complete a Dividend Election Input Message on each occasion otherwise you will receive your dividend in cash. Elections via CREST should be received by CREST no later than 5:00 pm (UK time) on 1 July 2022.

Elections via CREST for any future final dividends should be received by CREST no later than a date to be specified by the Company in relation to each dividend. The Company makes no commitment to offer a scrip dividend in the future. The merits of any future scrip dividend would be considered by the Board at the relevant time.

Once an election is made using the CREST Dividend Election Input Message it cannot be amended. Therefore, if a CREST shareholder wishes to change or cancel their election, such CREST shareholder would need to cancel their previous election and, if they want to make a new election (rather than just cancelling their previous election) submit a new election no later than the date specified by the Company as the last date for making such elections in relation to the relevant dividend.

## 5. How many New Shares will I receive under the Scrip Dividend Scheme?

Your entitlement to New Shares is calculated by taking the amount of cash dividend to which you are entitled and dividing it by the Scrip Reference Share Price. The Scrip Reference Share Price is the average of the closing middle market quotations for the Company's Ordinary Shares, as derived from the London Stock Exchange Daily Official List, for the five dealing days commencing on the relevant ex-dividend date. Details of the Scrip Reference Share Price will be announced on the London Stock Exchange and posted on the Company's website [www.tbcbankgroup.com](http://www.tbcbankgroup.com).

The formula which will be used is as follow

$$\frac{\begin{array}{l} \text{Number of Ordinary Shares held at the relevant dividend} \\ \textbf{multiplied by} \\ \text{the cash dividend rate} \\ \textbf{added to} \\ \text{any fractional cash entitlement carried forward from last dividend} \\ \textbf{divided by} \\ \text{the Scrip Reference Share Price} \end{array}}$$

See example below:

### Example

Number of Ordinary Shares held	1,000
Dividend paid per Ordinary Share	58 pence
Scrip Reference Share Price	1220 pence

### Step 1 – calculate maximum cash available

Cash dividend	1,000 x 58 pence = £580
Plus residual cash balance brought forward	£0

### Step 2 – calculate number of new shares to be issued

Maximum cash available (step 1) divided by the Scrip Reference Share Price	£580 ÷ 1220 pence = 47 shares (rounded down)
Value of New Shares to be acquired (number of share multiplied by the Scrip Reference Share Price)	47 x 1220 pence = £573.4

### Step 3 – calculate residual cash balance carried forward

Maximum cash available (step 1) less value of New Shares (step 2)	£6.60
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### Note:

The Scrip Reference Share Price used in this example is the closing price on 10 May 2022. The cash dividend value of GEL 2.16 has been converted into pounds sterling at the official exchange rate of National Bank of Georgia for 10 May 2022 and rounded down to the nearest whole penny. Both the share price and exchange rate in this example are included for illustrative purposes only. The Scrip Reference Share Price will be calculated according to the Terms and Conditions of the Scrip Dividend Scheme. The applicable exchange rate (if relevant) will be that of the National Bank of Georgia on the date to be announced by the Company.

## 6. What will happen with any Scrip Dividend Scheme cash balance?

No fraction of a New Share will be allotted and calculation of entitlement to New Shares will always be rounded down to the nearest whole share. Any residual cash balance will be carried forward to the next Scrip Dividend. No interest will be paid on any residual cash balances.

If you withdraw from the Scrip Dividend Scheme or sell or transfer your entire holding of Ordinary Shares, or if the Company terminates the Scrip Dividend Scheme, any residual cash balance will be paid to a charity of the Company's choice.

## 7. How will I know how many New Shares I have received?

You will receive a statement, along with your New Share certificate, showing the number of New Shares allotted, the relevant Scrip Reference Share Price and the total cash equivalent of the New Shares for tax purposes. If your cash dividend entitlement is insufficient to acquire at least one New Share, it will be carried forward to the next Scrip Dividend and your statement will explain that no New Shares have been issued.

CREST holders will have their member accounts credited directly with the New Shares on the dividend payment date or as soon as practicable thereafter and will separately receive a statement showing the number of New Shares allotted, the relevant Scrip Reference Share Price and the total cash equivalent of the New Shares for tax purposes.

## 8. Will I have to apply again for the Scrip Dividend Scheme for the next dividend?

No. Your completed Scrip Dividend Mandate Form will apply for all future dividends for which a Scrip Dividend is offered unless the mandate is cancelled in accordance with these Terms and Conditions.

Shareholders holding via CREST will, however, need to elect for each dividend by means of the Dividend Election Input Message on each occasion, otherwise a cash dividend will be paid.

## 9. Will my new Scrip Dividend Shares be included in the next dividend?

Provided you continue to hold them at the relevant dividend record date, all New Shares will automatically increase your total Company shareholding and they will be included in your next Scrip Dividend calculation (see question 5).

## 10. Will my New Shares under the Scrip Dividend Scheme have the same rights as my existing Ordinary Shares?

Yes. The New Ordinary Shares will carry the same voting rights as your existing Ordinary Shares, will rank equally in all respects with the existing Ordinary Shares and will qualify for all future dividends.

## 11. When will I receive my share certificate?

Subject to the New Shares being admitted to the Official List of the United Kingdom Listing Authority, and to trading on the London Stock Exchange, your New Share certificate will be posted to you, at your own risk, to arrive on the same date as the cash dividend is paid.

## 12. Does the Scrip Dividend Scheme apply to Ordinary Shares held in joint names?

Yes. The Scrip Dividend Scheme will apply to shareholding accounts in joint names, so long as all joint holders have signed the Scrip Dividend Mandate Form.

## 13. Can I complete a Scrip Dividend Mandate Form for part of my holding?

No. Scrip Dividend Mandate Forms will only be accepted in relation to your entire shareholding. However see Question 16 for details of separate shareholding accounts. In addition, the Directors may, at their discretion, allow Shareholders to elect in respect of part of their shareholding where they are acting on behalf of more than one beneficial holder. For nominee shareholdings held in CREST, the CREST Dividend Election Input Message must contain the number of Ordinary Shares for which the election is being made. Such mandate must be received for each relevant dividend.

## 14. Can overseas shareholders join the Scrip Dividend Scheme?

Yes. If you are a resident outside the UK you may treat this as an invitation to receive New Shares unless such an invitation could not lawfully be made to you without any further obligation on the part of the Company or in compliance with any registration or other legal requirements. It is the responsibility of any person resident outside the UK wishing to elect to receive New Shares to be satisfied as to full observance of the laws of the relevant territory, including obtaining any government or other consents which may be required and observing any other formalities in such territories.

## 15. What happens if I sell/buy shares after I complete a Scrip Dividend Mandate Form?

If you sell some of your Ordinary Shares before a record date for a dividend, the Scrip Dividend Scheme will apply to the remainder of your Ordinary Shares.

If you buy any additional Ordinary Shares after a record date, these additional shares will not be eligible to receive the cash dividend or New Shares. If your Ordinary Shares are not registered in the same way, you may request your shareholding accounts to be amalgamated and/or you may complete a new Scrip Dividend Mandate Form in respect of your new shareholding.

## 16. What happens if I have more than one holding?

Holding shares in different accounts is a means by which you may select different preferences for dividend payments. For example if, for any reason, shares are registered in more than one shareholder account, then unless such multiple accounts are consolidated, they will be treated as separate. As a result separate Scrip Dividend Mandate Forms will need to be completed (and received by Equiniti as set out at Question 3) for each shareholder account in order to participate in the Scrip Dividend Scheme for that shareholder account. For the avoidance of doubt, dividends will be paid in cash for any shareholder accounts for which a Scrip Dividend Mandate Form has not been validly received by Equiniti.

## 17. Can I cancel my instructions?

Yes, you may cancel your mandate at any time. However notice of cancellation must be given in writing to Equiniti no later than 15 working days prior to the date the dividend is declared to be paid. Shareholders holding through the CREST system can only cancel their mandate via the CREST system (see Question 4 above). If a mandate has been cancelled in accordance with this Question 17 Shareholders will receive cash for that dividend and subsequent dividends. A notice of cancellation will take effect upon its receipt and process by Equiniti in respect of all dividends payable after the date of receipt and process of such notice.

Your mandate will be deemed to be cancelled if you sell or otherwise transfer the Ordinary Shares to which your mandate relates to another person but only with effect from the registration of the relevant transfer. Your mandate will also terminate immediately on receipt of notice of your death or notice of your insolvency or your inability to maintain your financial affairs due to mental incapacity.

## Terms and Conditions of the TBC Bank Group's Scrip Dividend Scheme continued

If a joint Shareholder dies, the mandate will continue in favour of the surviving joint Shareholder(s) (unless and until cancelled by the surviving joint Shareholder(s)). Funds representing residual cash balances will, on cancellation of your mandate, be paid to a charity of the Company's choice.

## 18. Can the Company change or cancel the Scrip Dividend Scheme?

Yes. The Scrip Dividend Scheme may be modified, suspended, terminated or cancelled at any time at the discretion of the Directors without notice to Shareholders individually. In the case of any modification, existing mandates (unless otherwise specified by the Directors) will be deemed to remain valid under the modified arrangements unless and until Equiniti receive and process a cancellation in writing from you. The operation of the Scrip Dividend Scheme is always subject to the Directors' decision to make an offer of New Shares in respect of any particular dividend. The Directors also have the power, after such an offer is made, to revoke the offer generally at any time prior to the allotment of the New Shares under the Scrip Dividend Scheme. This may, in particular, be exercised if 20 business days prior to the dividend payment date, the price of an Ordinary Share of the Company has fallen 15% or more below the Scrip Reference Share Price used to calculate Shareholders' entitlements. If the Directors revoke an offer, Shareholders will receive their dividends in cash on or as soon as possible after the dividend payment date. An announcement of any cancellation or modification to the Terms and Conditions will be made on our website at [www.tbcbankgroup.com](http://www.tbcbankgroup.com).

The Company also reserves the right to reduce the number of New Shares issued to an electing Shareholder in respect of the Scrip Dividend Scheme if the issue of such Shareholder's full allocation of New Shares would result in that Shareholder (individually or together with any associates or Shareholders deemed to be acting in concert with such Shareholder) having an interest in the Company that would ordinarily require the Shareholder (or group of Shareholders) to make a mandatory cash offer for the Company pursuant to Rule 9 of the UK City Code on Takeovers and Mergers. In such circumstances, the Shareholder will receive the balance of its entitlement as a cash dividend.

If, for any reason, all authorities relating to the Scrip Dividend Scheme (including, for the avoidance of doubt, approval of Ordinary Resolution 15 at the AGM) are not satisfied such that the Company cannot allot and issue New Shares pursuant to the Scrip Dividend Scheme in respect of any dividend, participants will receive cash (as opposed to New Shares) in respect of that dividend.

## 19. Governing Law

The Scrip Dividend Scheme is subject to the Company's Articles of Association and is governed by and its terms are to be construed in accordance with the law of England and Wales. By electing to receive New Shares the Shareholder agrees to submit to the exclusive jurisdiction of the courts of England and Wales in relation to the Scrip Dividend Scheme.

## 20. What do I do if I have any questions?

If you have any questions about the procedure for election or on how to complete the Scrip Dividend Mandate Form, please contact Equiniti on +44 (0) 371 384 2065 (please use the country code when calling from outside of the UK). Lines are open 8:30 am to 5:30 pm (UK time) Monday to Friday (excluding public holidays in England and Wales). Calls may be recorded for security and training purposes. The helpline cannot provide advice on the merits of the Scrip Dividend Scheme nor give any personal financial, legal or tax advice. Additional Scrip Dividend Mandate Forms are available from Equiniti on request, or online at the Company's website [www.tbcbankgroup.com](http://www.tbcbankgroup.com).

Scrip Dividend Mandate Forms should be returned to the following address:

Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA UK

Requests to withdraw from the Scrip Dividend Scheme should be submitted in writing to the same address stated above.

## 21. Taxation

The tax consequences of electing to receive New Shares in place of a cash dividend will depend on your individual circumstances. If you are not sure how you will be affected from a tax perspective, you should consult your solicitor, accountant or other professional adviser before taking any action. In particular, UK resident trustees, corporates, pension funds and other Shareholders, including overseas Shareholders and those who are not UK domiciled and elect to be taxed on the remittance basis for UK taxation purposes, are advised to contact their professional advisers regarding their own tax circumstances in relation to the Scrip Dividend Scheme. Summary information on the Company's understanding of the UK tax consequences (under current UK legislation and the current practice of Her Majesty's Revenue and Customs ("HMRC")) for certain Shareholders of electing to receive New Shares is outlined, in broad terms, under the section headed Taxation below. This summary is not exhaustive.

## Definitions

**Articles of Association** means the Articles of Association of the Company as amended from time to time.

**Company** means TBC Bank Group plc.

**CREST** means the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI/3755)) in respect of which Euroclear UK & Ireland Limited is the operator.

**Directors** means the Directors of TBC Bank Group PLC.

**Equiniti** means the Company's Registrar, and is a trading name of Equiniti Limited.

**London Stock Exchange** means the London Stock Exchange plc.

**New Shares** means new fully paid Ordinary Shares issued under the Scrip Dividend Scheme.

**Ordinary Shares** means Ordinary Shares of one penny each in the capital of the Company.

**The TBC Bank Group Scrip Dividend Scheme or the Scrip Dividend Scheme** means The TBC Bank Group Scrip Dividend Scheme as comprised under and subject to the terms and conditions contained in this document as amended from time to time.

**Scrip Dividend Mandate Form or mandate** means a mandate in a form (paper or online) provided by the Company from a Shareholder to the Directors to allot New Shares under the terms of the Scrip Dividend Scheme in lieu of a cash dividend to which they may become entitled from time to time.

**Scrip Reference Share Price** means the price of New Shares, calculated by reference to the average of the closing middle market quotations for the Company's Ordinary Shares, as derived from the London Stock Exchange Daily Official List, for the five dealing days commencing on the relevant ex-dividend date.

**Shareholder** means a holder of Ordinary Shares in the Company.

**UK or United Kingdom** means the United Kingdom of Great Britain and Northern Ireland.

## Taxation

The tax consequences of electing to receive New Shares in place of a cash dividend will depend on Shareholders' individual circumstances. If Shareholders are not sure how they will be affected from a tax perspective, they should consult their solicitor, accountant or other professional adviser before taking any action.

### United Kingdom taxation

The following statements are intended only as a general guide to certain UK tax considerations of making an election to receive New Shares instead of a cash dividend, and do not purport to be a complete analysis of all potential UK tax consequences of the Scrip Dividend Scheme. They are based on current UK legislation and what is understood to be the current practice of HMRC, both of which may change, possibly with retroactive effect. They apply only to Shareholders who are resident and, in the case of individuals domiciled, for tax purposes in (and only in) the UK, who hold their Ordinary Shares as an investment (other than in an individual savings account or exempt pension arrangement) and who are the absolute beneficial owner of both the Ordinary Shares and any dividends paid on them. The tax position of certain categories of Shareholders who are subject to special rules (such as persons acquiring their shares in connection with employment, dealers in securities, insurance companies and collective investment schemes) is not considered.

**The statements summarise the current position and are intended as a general guide only. Shareholders who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the UK are strongly recommended to consult their own professional advisers.**

### Withholding tax

The Company is not required to withhold tax when paying a dividend (whether in cash or in the form of New Shares). Liability to tax will depend on the individual circumstances of a Shareholder.

### Income tax

An individual Shareholder who elects to receive New Shares instead of a cash dividend will, broadly, have the same liability to income tax as the Shareholder would have had on the receipt of a cash dividend.

Specifically, an individual Shareholder who elects to receive New Shares instead of a cash dividend will be treated as having received income of an amount which is equal to the 'cash equivalent' of the New Shares.

The cash equivalent of the New Shares will be the amount of the cash dividend which the Shareholder would have received in the absence of an election to take New Shares, unless the difference between the cash dividend and market value of the New Shares on the first day of dealings on the London Stock Exchange equals 15% or more of that market value. In such cases, the market value will be treated as the cash equivalent of the New Shares for taxation purposes.

Where all or part of the cash dividend forgone is not applied in determining the number of New Shares to which the Shareholder is entitled, and this residual cash balance is carried forward, this should be excluded from the cash equivalent and the Shareholder should not be taxed on this amount unless and until it is paid to the Shareholder (in which case it will be treated as a dividend in the ordinary way) or applied towards the acquisition of New Shares (in which case the tax treatment will be as described below).

The income that a Shareholder is treated as having received will be treated as 'dividend income' for UK tax purposes, along with UK and non-UK source dividends and certain other distributions in respect of shares. A nil rate of tax applies to the first £2,000 of dividend income received for the tax year 6 April 2022 to 5 April 2023. An individual Shareholder who receives New Shares will therefore not be liable to

UK tax to the extent that (taking account of any other dividend income received by the Shareholder in the same tax year) the cash equivalent falls within the nil rate band.

To the extent that (taking account of any other dividend income received by the Shareholder in the same tax year) the cash equivalent of the New Shares exceeds the nil rate band, it will be subject to income tax at 8.75% up to the threshold for higher rate income tax. To the extent that (taking account of other dividend income received in the same tax year) it falls above the threshold for higher rate income tax then the cash equivalent will be taxed at 33.75% to the extent that it is within the higher rate band, or 39.35% to the extent that it is within the additional rate band. For the purposes of determining which of the taxable bands dividend income falls into, dividend income is treated as the highest part of a Shareholder's income. In addition, dividend income within the nil rate band which would otherwise have fallen within the basic or higher rate bands will use up those bands respectively and so will be taken into account in determining whether the threshold for higher rate or additional rate income tax is exceeded.

Subject to what is said above in relation to the determination of the 'cash equivalent' of the New Shares, this treatment is the same as that for cash dividends.

### Capital gains tax

For capital gains tax purposes, an individual Shareholder who makes an election to receive New Shares instead of a cash dividend, will not be treated as having made a disposal of existing Ordinary Shares. The New Shares will be treated as acquired on the date the New Shares are issued for an amount equal to the 'cash equivalent' of the New Shares (as described above), which will be treated as being the base cost of the New Shares.

### Corporation tax

A corporate Shareholder receiving New Shares in place of a cash dividend should not be treated as receiving a distribution for corporation tax purposes. Corporate Shareholders should therefore not be liable to corporation tax in respect of the New Shares issued to them.

For the purposes of corporation tax on chargeable gains, a corporate Shareholder who makes an election to receive New Shares instead of a cash dividend should not be treated as having made a disposal of existing Shares. No consideration will be treated as having been given for the New Shares. The New Shares will be added to the corporate Shareholder's existing holding of shares in the Company and treated as having been acquired when the existing holding was acquired. On disposal of the New Shares, the base cost of the New Shares will be calculated by reference to the base cost of the existing holding.

### Stamp duty

No stamp duty or stamp duty reserve tax will be payable on the issue of New Shares.