



On your side

JSC TBC Bank

Notice of the Annual General Meeting of Shareholders

To be held on 19 May 2015

At TBC Bank's Head Office, 7 Marjanishvili Street, Tbilisi, Georgia

Record date: 14 April 2015

14 April 2015

LETTER FROM THE CHAIRMAN



Dear Shareholder

I am pleased to invite you, on behalf of the Supervisory Board, to the Annual General Meeting ("AGM") of JSC TBC Bank (the "Bank") which will be held at 7 Marjanishvili Street, Tbilisi, Georgia on 19 May 2015 at 10:00 am (Tbilisi time).

Record date for this AGM is 14 April 2015 meaning that only the shareholders as at 14 April 2015 shall be entitled to attend or vote at the AGM.

The agenda for this AGM is as follows:

1. Audited financial performance for 2014
2. Audit Committee Report for 2014
3. 2014 year dividend distribution
4. Compensation systems for the Supervisory Board and the Management suggested according to the E&Y recommendations
 - 4.1. Approving the Supervisory Board Compensation System
 - 4.2. Authorizing 3,115,890 new shares for the Management Compensation System for the Years 2015-2018
 - 4.3. Approving the amendments to the Charter to reflect the number of the newly authorized shares

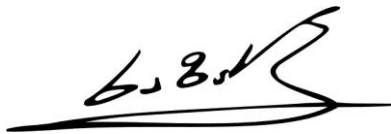
5. Approving the Supervisory Board's delegation of its authority to approve related party transactions with a value of less than USD 100,000 (or the equivalent in any other currency) but within the limits under the Georgian law and NBG regulations

Explanatory notes on all the agenda items and the proposed resolutions appear on pages 4 to 6 of this document. The Supervisory Board believes that all of the proposals set out in this Notice of AGM are in the best interests of the shareholders and the Bank and unanimously recommends that you vote in favour of all the resolutions.

Each of the resolutions of this year's AGM, according to the Bank's Charter, require simple majority of the votes present or represented to be passed.

On behalf of the Board, I look forward to welcoming you to the Bank's AGM 2015.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'M. Khazaradze', with a long horizontal line extending from the end of the signature.

Mamuka Khazaradze

Chairman of the Supervisory Board
JSC TBC Bank

PROPOSED RESOLUTIONS AND EXPLANATORY NOTES FOR THE AGM 2015

1. Audited financial performance for 2014

It is required by the laws of Georgia and TBC Bank's Charter that the General Meeting of Shareholders approves the annual financial results. Please see the audited financials of the year 2014 at the following [link](#).

Resolution:

1. Approve financial results for the year 2014 audited by PWC.

2. Audit Committee Report for 2014

The Bank's Audit Committee reports its work results to the AGM on an annual basis. Please see the Audit Committee Report for 2014 at the following [link](#).

Resolution:

1. Acknowledge the Audit Committee Report on the work performed in 2014;
2. Assess operations of the Audit Committee for the year 2014 as satisfactory.

3. 2014 year dividend distribution

The Supervisory Board has approved the Management Board proposal to distribute up to 25 % of TBC Bank Group's IFRS consolidated profit for 2014 attributable to the owners as dividends and to reinvest the remaining profit in the Bank's capital as retained earnings. Accordingly, dividend per each issued and fully paid share of the Bank (which is 49,530,868 shares excluding the treasury shares) will amount to GEL 0.79 gross, payable in GEL or equivalent in any other currency according to the shareholder's preference. According to Georgian legislation, withholding tax of 5 % will be applicable.

Resolution:

1. Approve the joint proposal of Management and Supervisory Board on allocation of the profit for the year 2014 and distribute part of the profit as dividends in the amount of GEL 0.79 (gross of taxes) per share, payable on 2 June 2015 to those shareholders on the register at the close of business on 26 May 2015.

4. Compensation systems for the Supervisory Board and the Management suggested according to the E & Y recommendations

New compensation system for the Supervisory Board and Management has been prepared according to the E & Y recommendations. Please see the attached write up of the proposed new compensation system.

4.1. Approving the Supervisory Board Compensation System

Approval of the Supervisory Board's compensation is within the competence of the General Meeting of Shareholders. New Supervisory Board Compensation System, subject to approval, is attached.

Resolution:

1. Approve the presented new Supervisory Board Compensation System for the years 2015-2018, effective from 1 June 2015.

4.2. Authorizing 3,115,890 new shares for the Management Compensation System for the years 2015-2018

For the purpose of implementing the long term incentive plan for the members of the Bank's top and middle management for the years 2015-2018 ("LTIP") approval is required to increase the authorized capital of the Bank by GEL 1,246,356 comprised of 3,115,890 common shares. It is the competence of the General Meeting of Shareholders to approve any increase in share capital of the Bank or issuance of shares or securities convertible into, exchangeable for or otherwise granting the right to acquire share capital of the Bank (including options, warrants and other rights). Pre-emptive rights of the existing shareholders with respect to these shares should be cancelled. It is also the competence of the General Meeting of Shareholders to cancel the pre-emptive rights of the shareholders with respect to any increase of the share capital of the Bank or the issuance by the Bank of new shares or securities convertible into, exchangeable for or otherwise granting the right to acquire share capital of the Bank.

Resolution:

1. For the purpose of implementing the LTIP, approve the increase of the authorized capital of the Bank by GEL 1,246,356, comprised of 3,115,890 common authorized shares (the "Option Shares") as a result of which the total authorized capital of the Bank shall be GEL 22,482,610.80, which will be comprised of 56,206,527 ordinary shares with par value of GEL 0.4 each.
2. Within the limits set out above, authorize the Supervisory Board of the Bank, for any particular year from 2015 to 2018, to decide on:
 - a. participants of the LTIP;
 - b. number of the Option Shares to be used;
 - c. method of grant: either directly granting the relevant number of Option Shares (the "Share Grant") or granting the nil-cost options to acquire the relevant number of Option Shares under the LTIP (the "Nil-Cost Options");
 - d. terms and conditions for the vesting and exercise of the Nil Cost Options and vesting of the shares under the Share Grant method, as applicable; and, relevant restrictions, if any;
 - e. terms and conditions for the issuance and allotments of the Option Shares;
 - f. other relevant details of the system; and
 - g. to carry out any and all actions that may be necessary for the granting and vesting of the Nil-Cost Options and/or the Option Shares under the Share Grant method, issuance and allotment of the Option Shares and implementation of the LTIP;
3. Cancel the pre-emptive rights of the existing shareholders in relation to the Nil-Cost options and the Option Shares for the benefit of the participants of the LTIP.

4.3. Approving the amendments to the Charter to reflect the number of the newly authorized shares

AGM Resolution regarding the authorization of the new bonus shares and subsequent increase of the authorized capital shall be reflected in the Bank's Charter; therefore present wording of Paragraph 2.1 of Article 2:

1.1. The authorized capital of the Bank is GEL 21,236,254.80 (twenty one million two hundred thirty six thousand two hundred and fifty four Lari, eighty tetri). The authorized capital of the Bank is divided into 53,090,637 (fifty three million ninety thousand six hundred and thirty seven) common shares with par value of 0.4 Georgian Lari each.

shall be amended as follows:

1.1. The authorized capital of the Bank is GEL 22,482,610.80 (twenty two million four hundred eighty two thousand six hundred and ten Lari, eighty tetri). The authorized capital of the Bank is divided into 56,206,527 (fifty six million two hundred and six thousand five hundred and twenty seven) common shares with par value of 0.4 Georgian Lari each.

Resolution:

1. Approve the new edition of TBC Bank's Charter with amended Paragraph 2.1 of Article 2 as follows:

2.1. The authorized capital of the Bank is GEL 22,482,610.80 (twenty two million four hundred eighty two thousand six hundred and ten Lari, eighty tetri). The authorized capital of the Bank is divided into 56,206,527 (fifty six million two hundred and six thousand five hundred and twenty seven) common shares with par value of 0.4 Georgian Lari each.

5. Approving the Supervisory Board's delegation of its authority to approve related party transactions with a value of less than USD 100,000 (or the equivalent in other currency) but within the limits under the Georgian law and NBG regulations

Section 5.3.14 of the Bank's Charter stipulates that the Supervisory Board may delegate the approval of related party transactions with a value of less than USD 100,000 to the Management Board or to other body or officer of the Bank. This proposed threshold is the one that the Bank has historically used. As per the resolution of the 3 March 2014 meeting, the Supervisory Board of the Bank has therefore delegated its authority to approve the related party transactions, with a value of less than USD 100,000 (or the equivalent in other currency), but within the limits under the Georgian law and NBG regulations, to the Management Board members, within their competence.

According to *the Law of Georgia on Activities of Commercial Banks*, Supervisory Board's delegation of its authority is subject to the approval by the General Meeting of Shareholders. Therefore this topic is presented for approval to the General Meeting of Shareholders.

Resolution:

1. Approve the Supervisory Board's delegation of its authority to approve a single related party transaction (or a series of transactions), in any 12 months period, with an aggregate amount of USD 100,000 (or the equivalent in any other currency) but within the limits under the Georgian law and NBG regulations, to the Management Board members, within their competence.