



Strategy and Budget Committee Statute

JSC PASHA Bank Georgia

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1. General Provisions

- 1.1. The present Statute of Strategy and Budget Committee (hereinafter referred to as the “Committee”) of JSC PASHA Bank Georgia (hereinafter referred to as the “Bank”) is prepared in accordance with the Georgian legislation, corporate governance standards and internal regulatory documents of the Bank.
- 1.2. The Statute is the main document regulating the Committee’s activities and containing provisions on the scope of authority, competencies, composition, working procedures, as well as the rights and responsibilities of the Committee.

2. Purpose of the Committee

- 2.1. The Committee is established by the Supervisory Board of the Bank in order to advise the Supervisory Board and assist in discharging its duties and responsibilities, to provide assurance that the Business Plan of the Bank is prepared in accordance with strategy formulation process approved by the Supervisory Board and the Annual Budget is prepared in accordance with the budgeting process approved by the Supervisory Board of the Bank.
- 2.2. The Committee is accountable to the Supervisory Board and works within the powers conferred to it by the Supervisory Board.

3. Duties and Responsibilities of the Committee

The following are key duties and responsibilities of the Committee:

- 3.1. carry out following activities in regard to the Business Plan:
 - 3.1.1. Make suggestions and present opinions to the Supervisory Board in relation to the draft Business Plan developed by the management of the Bank;
 - 3.1.2. Make suggestions and present opinions in relation to reports submitted in regards to execution of the Business Plan;

- 3.1.3. Make suggestions and present opinions in relation to amendments to existing Business Plan proposed by the Board of Directors of the Bank.
 - 3.2. carry out the following activities in regard to the Annual Budget of Bank:
 - 3.2.1. Make suggestions and present opinions to the Supervisory Board in relation to the draft Annual Budget developed by the Board of Directors of the Bank;
 - 3.2.2. Make suggestions and present opinions in relation to reports submitted by the Board of Directors in regards to execution of the Budget;
 - 3.2.3. Make suggestions and present opinions in relation to amendments to existing Annual Budget proposed by the Board of Directors of the Bank.

4. Rights of Committee

The Committee is authorized to:

- 4.1. Request documents, reports, explanations and other relevant information from the members of the Board of Directors and/or Committee Secretary;
- 4.2. Invite the members of the Board of Directors and employees of the Bank to its meetings so that letter provide explanations and clarifications on the agenda items if necessary;
- 4.3. Utilize the services of outside consultants, experts, and advisors, if necessary;
- 4.4. Perform any other duties as may be required by the Supervisory Board within the scope of authority of the Committee as set forth herein;
- 4.5. The Committee does not have a decision-making authority, it has a right to provide suggestions, recommendations, opinions to the Supervisory Boards and issue interim resolutions, which require final authorization by the Supervisory Board in order to become effective.
- 4.6. The Committee may issue non-compulsory recommendations to the Board of Directors.

5. Membership, Composition and Term of Office

- 5.1. The Committee shall be composed of at least 3 (three) members.
- 5.2. The Committee members shall be appointed by the Supervisory Board, out of which at least one member shall be member of the Supervisory Board. All Committee members shall be non-executive directors of the Bank.
- 5.3. The Committee members shall be appointed for a period of up to three years, extendable by no more than two additional three-year periods.
- 5.4. The Supervisory Board also designates the Chairperson of the Committee.
- 5.5. The Committee members shall have adequate qualification and necessary experience in matters within the committee's competence.

6. Reports

- 6.1. The Committee shall report to the Supervisory Board on how it has discharged its responsibilities on quarterly bases.
- 6.2. The Committee shall submit to the Supervisory Board the suggestions, opinions and interim resolutions on the following reports submitted by the Board of Directors on a quarterly basis:
 - Business Plan Execution/Monitoring Report;
 - Projects Status Update Report (for strategic projects only);
 - Budget Execution Report.

7. Committee Meetings and Decision-Making

Frequency

- 7.1. The Committee Meetings shall be convened on the dates specified in the Annual Committee Meeting Calendar attached to this Statute and revised annually.
- 7.2. The Committee Meetings shall be held in such a frequency as it is necessary for relevant functioning of the Committee, but at least once in every quarter.

Calling meetings and notice

- 7.3. The notice of each meeting confirming the date, time, venue and agenda must be forwarded to each member of the Committee by the Committee Secretary at least five (5) working days before the date of the meeting. The notice to members shall include relevant and appropriate supporting papers for the agenda items to be discussed.
- 7.4. In case of indispensable necessity and due to the best interests of the Bank the extraordinary Committee Meetings may also be called. In this case, the notice shall be sent minimum two working days prior to the meeting.
- 7.5. Each member of the Committee, Supervisory Board and Board of Directors shall have a right to request holding of the extraordinary Committee Meeting and add items into the Committee Meeting agenda.
- 7.6. The Committee Meetings may be held at any place. Meetings may as well be held by means of a telephone conference, video-conference or other communication tools considering the fact that participants of the meeting will have a possibility to communicate with each other simultaneously.
- 7.7. The Committee Meetings shall be chaired by the Chairperson of the Committee or by one of the members elected by the majority of the members of the Committee in case of absence of the Chairperson.
- 7.8. If the member of the Committee often fails to attend Committee Meetings, the Chairperson shall raise an issue of his/her responsibility.

Quorum and voting

- 7.9. The Committee shall be considered as convened and have an authority to issue interim resolutions, if the meeting is attended or represented by 51% of its members.
- 7.10. Interim resolutions of the Committee are made on the basis of a simple majority of the members taking part in the meeting. Each member of the Committee has the right for one vote.
- 7.11. The Committee Chairman's vote is decisive if the votes are divided equally.
- 7.12. The refusal to take part in the voting shall not be allowed.
- 7.13. If some members of the Committee are against of an interim resolution of majority members of the Committee, she/he shall provide members with clear explanation

on why she/he opposes to the interim resolution and provided explanation shall be recorded in Committee Minutes.

- 7.14. The Secretary of the Committee is appointed by the Chairperson of the Committee.
- 7.15. The Committee Secretary shall ensure that the committee receives all necessary information in a timely manner.

Minutes

- 7.16. Committee Secretary shall draft the Meeting Minutes. Minutes shall include information on place and time of meeting, whether meeting is held by means of communication, names of members present, absent and other invitees, the agenda, summary of discussions, results of voting including explanations of the candidates who is/are against the interim resolution and interim resolutions worded clearly and unambiguously.
- 7.17. Committee Secretary shall prepare Meeting Minutes within four working days after the meeting and send to all members of the Committee. The Minutes shall be considered as approved if the members of the Committee do not submit their disagreement in relation to the content of the Minutes within three working days after its dissemination.
- 7.18. Committee Secretary shall follow up and inform committee members on status of suggestions, opinions and interim resolutions of the committee.
- 7.19. Minutes and supporting papers will be kept by the Committee Secretary. Minutes, agenda and supporting papers will be made available to any member of the Committee upon request to the Committee Secretary.
- 7.20. Committee Meeting Minutes shall be signed by the Chairperson and Committee Secretary.

8. Confidentiality

- 8.1. All members of the Committee must preserve the secrecy of confidential information, they are required to keep confidential the information, data, reports and background information they come to know in the course of performance of their duties, and such information shall not be communicated to the third parties or be subject to disclosure. The confidentiality obligation survives departure from office.

9. Final Provisions

- 9.1. The Statute is effective upon its approval by the Supervisory Board.
- 9.2. The responsibility to review the document for updates is vested upon the Committee.
- 9.3. The Supervisory Board may amend this Statute, from time to time, upon recommendations from any member of the Supervisory Board, Board of Directors and/or members of the Committee.