



## Announcement

# Notice of Annual General Meeting

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Nicosia, 29 October 2014

### **Group Profile**

*Founded in 1899, Bank of Cyprus Group is the leading banking and financial services group in Cyprus. The Group provides a wide range of financial products and services which include retail and commercial banking, finance, factoring, investment banking, brokerage, fund management, private banking, life and general insurance. The Group operates through a total of 280 branches, of which 144 operate in Russia, 130 in Cyprus, 1 in Romania, 4 in the United Kingdom and 1 in the Channel Islands. Bank of Cyprus also has representative offices in Russia, Ukraine and China. The Bank of Cyprus Group employs 6.747 staff worldwide. At 30 June 2014, the Group's Total Assets amounted to €28,6 bn and Total Equity was €2,8 bn.*

## INVITATION TO THE ANNUAL GENERAL MEETING

The Annual General Meeting (“AGM”) of the Bank of Cyprus Public Company Ltd (“the Company”) will be held at the Company’s Headquarters (51 Stassinos Street, Ayia Paraskevi, Strovolos, Nicosia, Cyprus) on **Thursday, 20<sup>th</sup> November 2014 at 09:00 a.m.** to transact the following business:

### ORDINARY BUSINESS:

1. To receive and consider the Directors’ Report, the Auditor’s Report and the Consolidated Financial Statements for the year 2013.
2. To re-appoint the Auditors of the Company and authorise the Board of Directors to fix their remuneration.
3. To examine the Board of Directors’ Remuneration Report and to fix the remuneration of the Members of the Board.
4. To conduct the business set out in Articles 94 to 98 (both inclusive) and Article 100 of the Company’s Articles of Association regarding the rotation of the Company’s Directors.

### SPECIAL BUSINESS:

5. To examine and, if considered appropriate, adopt the following special resolutions for the amendment of the Company’s Articles of Association, as proposed by the Company.

### SPECIAL RESOLUTIONS

- 5.1 That Article 81 of the Company’s Articles of Association be amended by replacing the words ‘ten (10)’ and ‘eighteen (18)’ with the words ‘seven (7)’ and ‘thirteen (13)’ respectively, so that the amended Article 81 reads as follows:

*“The number of Directors shall not be less than seven (7) nor more than thirteen (13)”*

- 5.2 That Article 83 of the Company’s Articles of Association be deleted in its entirety and that Articles 84 to 113 (both inclusive) be renumbered as Articles 83 to 112, as appropriate.

- 5.3 That Article 103 of the Company’s Articles of Association (in its form prior to the commencement of the Company’s General Meeting at which this resolution is proposed for approval) be amended through the replacement of its second phrase, with the following phrase:

*“Unless otherwise determined, five members or fifty percent (50%) of the members comprising the Board of Directors plus one (1) member, rounded down, whichever is the greater, shall be a quorum”*

- 5.4 That Articles 114 to 120 (both inclusive) of the Company’s Articles of Association (in their form prior to the commencement of the Company’s General Meeting at which this resolution is proposed for approval) be replaced in their entirety with the following new Articles 113 to 116 and that Articles 121 to 152 (both inclusive) of the Company’s Articles of Association (in their form prior to the commencement of the Company’s General Meeting at which this resolution is proposed for approval) be renumbered as Articles 117 to 148, as appropriate:

#### “PROXY VOTING

113. *Each Director shall have the power, when absent from a meeting of the Directors, to issue a proxy to another Director attending the meeting, provided that no more than one (1) proxy vote is issued to each Director attending the meeting.*
114. *Directors who vote via proxy are held accountable for their proxy vote.*
115. *Any proxies shall be delivered to and retained by the Company and shall, as nearly as circumstances will admit, be in the form or to the effect following:*

I ..... being a Director of the Board of Bank of Cyprus Public Company Limited, hereby appoint ..... or failing him ..... as my proxy to vote for me and on my behalf at the meeting of the Board of Directors to be held on ....., Unless otherwise instructed, the proxy will vote as he thinks fit.

Dated:.....

Signed:.....

116. A proxy vote shall not be taken into account in determining the participation of a Director of a meeting but he shall be counted for the purpose of reckoning whether a quorum is present at any meeting of the Directors for which a proxy vote has been issued.”

6. To examine and, if considered appropriate, adopt the following resolutions submitted to the Company by certain shareholders<sup>1</sup> (hereinafter called the “Proposing Shareholders”) pursuant to the provisions of Sections 127B and 134 of the Cyprus Companies Law, Cap. 113:

### **Resolutions for the Removal of Directors**<sup>2</sup>

#### **ORDINARY RESOLUTIONS**

- 6.1 That Mr. Anton Smetanin be removed from his office as director of the Company with effect as from the conclusion of the AGM.
- 6.2 That Mrs. Anjelica Anshakova be removed from her office as director of the Company with effect as from the conclusion of the AGM.
- 6.3 That Mr. Dmitry Chichikashvili be removed from his office as director of the Company with effect as from the conclusion of the AGM.
- 6.4 That Mr. Eriskhan Kurazov be removed from his office as director of the Company with effect as from the conclusion of the AGM.
- 6.5 That Mr. Adonis Papaconstantinou be removed from his office as director of the Company with effect as from the conclusion of the AGM.
- 6.6 That Mr. Marinos Gialelis be removed from his office as director of the Company with effect as from the conclusion of the AGM.

### **Resolutions for the Appointment of Directors**

#### **ORDINARY RESOLUTIONS**

- 6.7 That Dr. Josef Ackermann be and is hereby appointed as director of the Company, subject to the approval of his appointment by the Central Bank of Cyprus.
- 6.8 That Mr. Wilbur Ross be and is hereby appointed as director of the Company, subject to the approval of his appointment by the Central Bank of Cyprus.

<sup>1</sup> The “Proposing Shareholders” are: WLR V PARALLEL ESC LP, WLR RECOVERY FUND V.L.P., TYRUS CAPITAL EVENT MASTER FUND LIMITED, TYRUS CAPITAL OPPORTUNITIES MASTER FUND LIMITED, TC FOUR LIMITED.

<sup>2</sup> In accordance with Section 178(3) of the Companies Law Cap.113 any representation made by any Director for whom a resolution was submitted for his/her removal will be posted on the Bank’s website.

- 6.9 That Mr. Arne Berggren be and is hereby appointed as director of the Company, subject to the approval of his appointment by the Central Bank of Cyprus.
- 6.10 That Mr. Maxim Goldman be and is hereby appointed as director of the Company, subject to the approval of his appointment by the Central Bank of Cyprus.
- 6.11 That Dr. Christodoulos Patsalides be and is hereby appointed as director of the Company, subject to the approval of his appointment by the Central Bank of Cyprus.
- 6.12 That Mr. Michalis Spanos be and is hereby appointed as director of the Company, subject to the approval of his appointment by the Central Bank of Cyprus.

**Resolutions for the Amendment to the Articles of Association of the Company**

**SPECIAL RESOLUTIONS**

- 6.13 That Article 81 of the Company's Articles of Association be replaced in its entirety with the following:  
"The number of directors shall not be less than seven (7) nor more than thirteen (13)"
- 6.14 That Article 104 of the Company's Articles of Association be replaced in its entirety with the following:

*"The Directors may elect a Chairman and up to two (2) Vice-Chairmen of their meetings who shall hold their office until the next Annual General Meeting, unless the Board of Directors shall otherwise determine. If at any meeting the Chairman or the Vice-Chairman are not present at the time appointed for holding the same the Directors present may choose one of their number to be Chairman of the meeting."*

Panayiotis Agapiou  
Secretary  
29 October 2014

## EXPLANATIONS FOR THE MATTERS TO BE CONSIDERED BY THE ANNUAL GENERAL MEETING

### Item 1

#### To consider the Directors' Report, the Auditor's Report and the Consolidated Financial Statements for the year 2013.

The Directors' Report, the Auditor's Report and the Consolidated Financial Statements for the year 2013 can be found on the Company's website [www.bankofcyprus.com](http://www.bankofcyprus.com) (select Investor Relations / Financial Information).

### Item 2a

#### Re-appointment of Ernst & Young as Auditors for 2014.

In accordance with Section 153 (2) of the Companies Law Cap.113, and in view of the fact that no resolution was received by the Company for the appointment of another auditor or requesting the removal of the Auditors, and the fact that Ernst & Young Cyprus remain qualified and wish to be re-appointed, Ernst & Young are automatically re-appointed as Auditors of the Company for 2014.

### Item 2b

#### Authorisation of the Board of Directors to fix the Auditors' remuneration.

With regard to the remuneration of the Auditors, the Board of Directors proposes the following resolution for approval:

**Resolution 1:** To authorise the Board of Directors to fix the Auditors' remuneration.

### Item 3a

#### To approve the Directors' Remuneration Report.

The Board of Directors' Remuneration Report for 2013 is available on the Company's website at [www.bankofcyprus.com](http://www.bankofcyprus.com) (select Investor Relations / Corporate Governance / Annual Corporate Governance Report).

**Resolution 2:** To approve the Directors' Remuneration Report.

### Item 3b

#### To fix the remuneration of the Members of the Board of Directors.

The Board of Directors proposes the following Resolution for approval:

**Resolution 3:** To fix the remuneration of the members of the Board of Directors at the same level as last year.

**Explanation for Resolution 3:** The remuneration for non-executive Members of the Board of Directors as approved at the Annual General Meeting of 2012 held on 10/09/2013 appears below:

	Annual remuneration
Chairman	€68.000
Vice-Chairman	€51.000
Non-Executive Members	€13.000
Board Committee Chairpersons	€3.300
Board Committee Members	€2.100
Audit Committee Chairman	€6.300
Audit Committee Members	€4.200

#### Item 4

**Resolution 4:** To elect the members of the Board of Directors.

**Explanation for Resolution 4:** As at the date of the current notice, the members of the Board of Directors were Messrs:

Christis Hassapis (Chairman), Vladimir Strzhalkovskiy (Vice-chairman), John Patrick Hourican (Executive Member), Anjelica Anshakova, Dmitry Chichikashvili, Marios Kalochoritis, Eriskhan Kurazov, Adonis Papaconstantinou, Anton Smetanin, Xanthos Vrachas, Marinos Gialelis, Andreas Yiasemides, Ioannis Zographakis.

In accordance with the Company's Articles of Association the following Directors retire and, although being eligible, irrevocably state and confirm that they will not offer themselves for re-election:

1. Dr Christis Hassapis
2. Mr Xanthos Vrachas
3. Mr Andreas Yiasemides

Furthermore, in accordance with the Company's Articles of Association the following Directors retire and, being eligible, offer themselves for re-election:

1. Mr Vladimir Strzhalkovskiy
2. Mr Marios Kalochoritis,
3. Mr Ioannis Zographakis

Additionally Mr John Patrick Hourican who was appointed to the Board of Directors on 26/11/2013, being eligible, offers himself for re-election.

The curriculum vitae (CVs) of the Directors who offer themselves for re-election are available on the website of the Company at [www.bankofcyprus.com](http://www.bankofcyprus.com) (select Investors Relations / Corporate Governance).

According to Article 98 of the Articles of Association of the Company no person other than a Director retiring at the meeting shall unless recommended by the Directors be eligible for election to the office of Director at any general meeting unless not less than six nor more than twenty-one days before the date appointed for the meeting there shall have been left at the registered office of the Company notice in writing, signed by a member duly qualified to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election, and also notice in writing signed by that person of his willingness to be elected.

On 15th November 2014 the names of any nominees for election to the Board of Directors of the Company will be announced. On the same day the CVs that will have been received by the Company will be uploaded on the Company's website [www.bankofcyprus.com](http://www.bankofcyprus.com) (select Investor Relations / Annual General Meeting).

It is noted that the nominees for election to the Board of Directors of the Company must satisfy the criteria included in the Central Bank of Cyprus directive titled "The fitness and probity (Assessment Criteria) of Directors and Managers of Banks Directive of 2006 and 2007" ([http://www.centralbank.gov.cy/nqcontent.cfm?a\\_id=4336&lang=en](http://www.centralbank.gov.cy/nqcontent.cfm?a_id=4336&lang=en)) as well as the Guidelines of the European Banking Authority in relation to the suitability of members of the management body and key function holders (<http://www.eba.europa.eu/regulation-and-policy/internal-governance/guidelines-on-the-assessment-of-the-suitability-of-members-of-the-management-body-and-key-function-holders>).

The election of any new members requires the approval of the Central Bank of Cyprus.

## Item 5

**Resolutions 5.1-5.4:** To examine and, if approved, adopt the following special resolutions regarding amendments to the Articles of Association **as proposed by the Board of Directors.**

**Explanation for Resolution 5.1:** The above change is necessary so that the Bank shall comply with the Central Bank of Cyprus Directive on Governance and Management Arrangements of 2014 (“the Directive”) with regard to the size of the Board of Directors.

**Explanation for Resolution 5.2:** As the directors are nominated and elected by the shareholders this requirement is not considered necessary.

**Explanation for Resolution 5.3:** The above deletion/abolition is required for compliance with Article 6 of the Directive which prohibits the appointment of alternate Directors.

**Explanation for Resolution 5.4:** The change is necessary so that the Bank is in compliance with Article 7(2)(9) of the Directive which allows for proxy voting by Directors.

## Item 6

**Resolutions 6.1 - 6.14:** In accordance with Sections 127B and 134 of the Companies Law Cap.113 and Articles 101 and 102 of the Articles of Association of the Company, the **Proposing Shareholders** exercised their right to put the above-mentioned Resolutions for the removal of Directors, for the appointment of Directors and for amendments to the Articles of Association of the Company.

The curriculum vitae (CVs) of the persons who are proposed to be appointed as directors by the Proposing Shareholders are available on the website of the Company at [www.bankofcyprus.com](http://www.bankofcyprus.com) (select Investors Relations / Annual General Meeting).

## NOTES TO THE NOTICE OF THE ANNUAL GENERAL MEETING:

### ENTITLEMENT TO PARTICIPATE IN THE ANNUAL GENERAL MEETING

- (1) Any person appearing as a shareholder in the Register of Members of the Company on the record date is entitled to participate in the Annual General Meeting. Each ordinary share is entitled to one vote. The record date for determining the right to vote at the Annual General Meeting is close of business on 7<sup>th</sup> November 2014.
- (2) A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his behalf. Shareholders may appoint any person as their proxy. Such proxy does not need to be a shareholder of the Company. If a shareholder owns shares in the Company that are held in more than one Investor Share Code, then that shareholder may, in respect of the Annual General Meeting, appoint separate proxy holders for the shares appearing in each Investor Share Code. A proxy holder holding proxies from several shareholders may cast votes differently for each shareholder.
- (3) The instrument appointing a proxy, which is hereto attached, has been posted on the Group's website [www.bankofcyprus.com](http://www.bankofcyprus.com) (under Investor Relations/ Announcements) and is available in hard copy at the Company's Shares and Loan Stock Department, 4 Evrou Street, Eurolife House, Strovolos, Nicosia. The proxy must be deposited at the registered office of the Company (51 Stassinos Street, Ayia Paraskevi, Strovolos, 2002 Nicosia, Cyprus, fax +357 22 336258 or 357 2233 6261) **at least 48 hours before the time of the Meeting**. Shareholders may confirm that the form of proxy has been successfully received by the Company by calling the Shares and Loan Stock Department at +357 22126055.
- (4) Shareholders and/or their proxies who will attend the Meeting must provide their identity card or other proof of identification.**
- (5) Any corporation which is a shareholder of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or any class of members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company. In the case of joint shareholders, the Form of Proxy can only be signed by the person whose name appears first in the Register of Members.
- (6) The Articles of Association of the Company do not provide for participation in the General Meeting by electronic means without the Shareholder attending the Meeting in person at the place where the Meeting is held. Similarly, the Articles of Association do not provide for participation in voting by distance voting.

### VOTING PROCEDURES AT GENERAL MEETINGS

- (7) At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded (a) by the Chairman, or (b) by at least ten members present in person or by proxy, or (c) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting, or (d) by a member or members holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

If a poll is demanded in the manner aforesaid, it shall be taken at such time (within fourteen days) and place, and in such manner, as the Chairman shall direct, and the result of the poll shall be deemed to be resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.

- (8) Any decision regarding the normal business of the Annual General Meeting will be reached (unless otherwise provided in the Articles of Association) with an ordinary resolution. An ordinary resolution is a resolution passed at a general meeting by a simple majority (50%+1) of members of the Company entitled to vote and vote at the meeting either in person or by proxy.



- (9) A special resolution by a company shall be a resolution passed at a general meeting by a majority of not less than three-fourths of such members of the company as, being entitled so to do, vote in person or by proxy, at the meeting for which relevant notice of at least twenty one days has been given pursuant to Section 135 of the Companies Law, Cap 113 specifying the intention to propose the resolution as a special resolution.
- (10) In the event that a shareholder does not vote on a particular resolution, then it is considered as abstention (it is not calculated) for counting the votes for the specific resolution.
- (11) In relation to the resolutions for the election of members of the Board of Directors, in the event the number of candidates who obtain more positive than negative votes is greater than the maximum number of directors allowed by the Articles of Association of the Company then, subject to the compliance with the relevant obligations and requirements (resulting from the Corporate Governance Code of the Cyprus Stock Exchange and the relevant Directives issued by the Central Bank of Cyprus regarding the composition of the Board of Directors<sup>3</sup>), such candidates will be ranked based on the number of positive votes received in relation to them.

### MINORITY RIGHTS AT THE ANNUAL GENERAL MEETING

- (12) Pursuant to Section 127B of Companies Law Cap. 113, shareholders of the Company have the right (i) to put an item on the agenda of the annual general meeting, provided that the item is accompanied by a written explanation justifying the inclusion of the item or a proposed resolution for approval at the general meeting, and (ii) to table a draft resolution for inclusion in the agenda of a general meeting provided that:
- the shareholder or group of shareholders hold at least 5% of the issued share capital of the Company, representing at least 5% of the voting rights of shareholders entitled to vote at the meeting for which an item has been added on the agenda and
  - the shareholders' request to put an item on the agenda or resolution (as described above) is received by the Bank's Secretary in hard copy or electronically at the addresses indicated below at least 42 days prior to the relevant meeting.

Delivery Address for Hard Copy:

Secretary

Bank of Cyprus Public Company Limited

51 Stasinou Steet, Strovolos 2002, Nicosia, Cyprus

or by fax at +357 22 378456

Electronic address: [investors@bankofcyprus.com](mailto:investors@bankofcyprus.com)

- (13) Pursuant to Section 128C of the Companies Law Cap. 113, shareholders have a right to ask questions related to items on the agenda and to have such questions answered by the Board of Directors of the Company subject to any reasonable measures the Company may take to ensure the identification of shareholders. An answer is not required if (a) it would interfere unduly with preparation for the meeting or the confidentiality or business interests of the Company or (b) an answer has already been given on the Company's website in the form of a "Q&A" or (c) the Chairman deems that it is undesirable in the interests of good order of the meeting that the question be answered. Before the Annual General Meeting, shareholders may submit questions in writing by sending a letter, together with evidence of their shareholding, at least four days before the meeting (i.e. by 16th November 2014) to the Company Secretary of the Bank at Bank of Cyprus, 51 Stasinou, Ayia Paraskevi, Strovolos 2002, Nicosia, Cyprus or by fax at +357 22 378456 or by email to [investors@bankofcyprus.com](mailto:investors@bankofcyprus.com).

### OTHER INFORMATION

- (14) As at the date of this Notice, the outstanding issued share capital of the Company is €892.237.734,50 divided into 8.922.377.345 ordinary shares of the Bank of nominal value €0,10 each.

<sup>3</sup> In accordance with the Directive to Credit Institutions on Governance and Management Arrangements in Credit Institutions (July 2014)