

Pursuant to Article 8<sup>1</sup> of the Law of Georgia on Activity of Commercial Banks, dated February 23, 1996 the prospective investors in JSC Liberty Bank will be required to obtain consent of the National Bank of Georgia in respect of acquisition by such investor and its beneficial owners of the significant interest comprising of (i) more than ten per cent, (ii) more than 25 per cent, and/or (iii) more than 50 per cent of the issued share capital of JSC Liberty Bank.

Article 8<sup>2</sup> of the Law of Georgia on Activity of Commercial Banks invalidates any transaction involving acquisition of the significant interest in the Georgian bank which was consummated without filing of the declaration of conformity and obtaining consent of the National Bank of Georgia. Furthermore, the investors that fail to comply with the above “fit and proper approval” requirements may lose voting rights in respect of the shares above ten per cent and may have to reduce their interest to ten per cent within a period of 60 days.

In addition to the foregoing, according to Article 8<sup>3</sup> of the same law, the beneficial owners of JSC Liberty Bank, holding either directly or indirectly more than 10% of the issued capital of the bank will need to comply with annual reporting obligations in respect of their interest. Declarations shall be made as of 31 December of the preceding calendar year, and in writing addressed to the National Bank of Georgia on or before 30 April of each calendar year.

Taking into account that JSC Liberty Bank is a public company, acquisition of its securities may trigger post acquisition filing obligation under the Law of Georgia on Securities Market, dated December 24, 1998. Pursuant to Article 14 of the abovementioned law, any person or certain group of persons engaged in concerted practices in respect of the securities of the public company will need to disclose to JSC Liberty Bank, the Georgian Stock Exchange and the National Bank of Georgia any acquisition of more than ten per cent of the issued share capital of bank within 15 days following the completion of any such acquisition or such other shorter period as may be prescribed from time to time by the National Bank of Georgia. The investor who has already filed the declaration of conformity with National Bank of Georgia and obtained its consent in respect of acquisition of the significant interest in JSC Liberty Bank per requirements of the Law of Georgia on Commercial Banks, will not be required to make separate filing to the National Bank of Georgia post acquisition, but shall not be released from the obligation to file respective notifications to the issuer and the Georgian Stock Exchange.

According to the currently effective Regulation No 21/01 of the National Bank of Georgia, dated February 22, 2010, the notification regarding acquisition of more than ten per cent of the issued share capital of the public company must be filed within ten business days from acquisition or in case of convention of the general meeting of the shareholders of the public company prior to lapse of the above term, within one business day. In the event that the person or group of persons, as applicable, acquires significant interest through the tender offer, the notification must be made within ten business days unless the same person launches new tender offer before lapse of the abovementioned ten day period, in which case the notification period will be reduced to two business days.

In case of violation of the above requirements by the person or group of persons, as applicable, such person or group of persons may lose the right to vote the shares above 10%.