LAW
No. 9901, dated 14.4.2008

ON TRADERS AND COMMERCIAL COMPANIES

(Amended by Law No. 10475, dated 27.10.2011; No. 129/2014, dated 2.10.2014)
(updated)

Pursuant to Articles 78 and 83 point 1 of the Constitution, upon the proposal of the Council of Ministers,

PARLIAMENT
OF THE REPUBLIC OF ALBANIA

DECIDED:

PART I
GENERAL PROVISIONS

TITLE I

APPLICABLE PROVISIONS FOR THE TRADER AND COMMERCIAL COMPANIES

Article 1[1]
Subject matter of the law, definitions, mandatory registrations

1. This law regulates the status of the trader, the establishment and administration of commercial companies, the rights and obligations of founders, partners and shareholders, the reorganization and liquidation of commercial companies. Commercial companies are general partnerships, limited partnerships, limited liability companies and joint stock companies.

2. Traders and commercial companies are registered with the National Registration Center, in accordance with this law and with Law no. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit", as amended.

3. Traders and commercial companies keep accounting books, prepare and publish financial data and reports on the status and performance of their activity, including the reports of the audits by statutory auditors, in accordance with the law on accounting and financial statements.

4. Unless otherwise provided, the court referred to in this law is the commercial section of the competent district court, in accordance with the provisions of Articles 334 to 336 of the Code of Civil Procedure.

5. The provisions that require the provision of information on the company's website may be implemented by creating a direct electronic link to the website where the National Registration Center publishes information about the relevant trader or company.

6. For the purpose of this law, expressions in the singular include those in the plural and vice versa, except where the context of the provision indicates otherwise. The personal pronoun "he" also includes the personal pronoun "she" and the pronoun "that" implies both genders, except where the context of the provision indicates otherwise.

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[1] Ligji nr. 10475, date 27.10.2011 botuar n F.Z nr. 152 dat 21.11.2011 n nenin 3 t tij shprehet: "*Shoqëritë aksionare ekzistuese, me ofertë private, që janë themeluar përpara hyrjes në fuqi të këtij ligji, janë të detyruara të përfundojnë procedurat për regjistrimin e rritjes së kapitalit, të paktën deri në shumën e përcaktuar sipas nenit 1 të këtij ligji, brenda 1 viti pas hyrjes në fuqi të tij.*"

Article 2
Trader

1. The trader is the natural person, according to the meaning of the Civil Code, who carries out independent economic activity that requires a regular commercial organization.

2. The natural person who exercises an independent profession (such as lawyer, notary, accountant, doctor, engineer, architect, artist, etc.) is considered a trader if a special law assigns this status.

3. The natural person who carries out agricultural, livestock, forestry, or similar activities is considered a trader if his activity is mainly focused on the processing and sale of agricultural, livestock, and forestry products (agribusiness).

4. The natural person whose economic activity, due to its volume, does not require a regular commercial organization (small trader), is not considered a trader and is not subject to this law. The Minister of Finance and the minister responsible for the economy, by joint order, approve the activity volume thresholds on the basis of which the obligation to register as a trader arises.

5. The trader is registered according to Articles 28 point 1 and 30 of Law No. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit". If the trader has created a website, all data notified to the National Registration Center are published on this site.

6. The trader is obliged to follow the principles of professional honesty applicable in the commercial environment in which he operates. The trader, for obligations arising from the activities carried out, is personally liable with all his present and future property and rights, including movable and immovable property, industrial and intellectual property, credits towards third parties, and any other right or property, the value of which can be expressed in money.

7. The trader loses his status when he ceases to carry out the activity or when he is required to cease it. In such a case, he is deregistered from the register, in accordance with Articles 48 to 53 of Law No. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit".

Article 3
Commercial companies

1. Commercial companies are established by two or more natural and/or legal persons, who agree to achieve common economic objectives by contributing to the company, as specified in its statute. Limited liability companies and joint stock companies may also be established by a single natural and/or legal person (companies with a sole partner or shareholder).

2. Commercial companies must be registered in accordance with Article 22 of Law No. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit", as well as the following articles, according to the relevant form of the commercial company.

3. Commercial companies acquire legal personality on the date of their registration with the National Registration Center. Companies are liable with all their assets for the obligations arising from their activities.

Article 3/1
Grounds for nullity
(Added by Law No. 129/2014, dated 2.10.2014)

1. The grounds for the nullity of the establishment of a commercial company, after its registration with the National Registration Center (hereinafter NRC), are:

a) the documentation for the initial registration of the company, in accordance with Article 28 of Law No. 9723, dated 3.5.2007, "Për Qendrën Kombëtare të Regjistrimit", as amended,

is not drafted in written form; written form;

b) lack of legal capacity to act of all the founders of the company;

c) the company's object of activity is contrary to the law;

ç) the company's statute does not specify the name of the company, the value of the contributions subscribed by each founder, the total value of the capital subscribed by all founders, or the statute does not contain provisions regarding the object of the company;

d) the total value of the company's capital, subscribed by all founders, is lower than the minimum capital required for the commercial company, according to the provisions of this law;

dh) the subscribed capital of joint stock companies has not been paid up by the founders before the registration of the company at the National Registration Center, in the manner and to the extent required by this law.

2. The causes of nullity, provided in point 1, are the only causes that result in the nullity of the incorporation of the company after its registration in the NRC.

3. Absolute nullity, provided for in one of the causes of point 1, is ascertained by the court and results in the dissolution of the commercial company and the opening of liquidation proceedings in a solvent state, according to the provisions of Article 190, point 1, or Article 192, of this law, except in cases where insolvency proceedings have been initiated.

4. Relative nullity, provided for in one of the causes of point 1, is declared by the court. The declaration of nullity of the incorporation of the commercial company shall not result in the dissolution of the company and the opening of liquidation proceedings, if before the court decision referred to in point 3 of this article, the circumstance causing the nullity has been corrected, and this correction has been published by the company in the commercial register, according to the provisions of Law no. 9723, dated 3.5.2007, "Për Qendrën Kombëtare të Regjistrimit", as amended.

5. The court examining the lawsuit filed regarding the nullity of the incorporation of the commercial company, during the same judicial process, assesses whether the circumstance causing the nullity has been corrected and published in accordance with the requirements of point 4 of this article.

6. The nullity of the commercial company, according to the provisions of this article, cannot be asserted against third parties who have acquired rights from the company after its registration in the National Registration Center, and does not release the founders of the company from the obligation to pay their subscribed contributions, at least up to the amount necessary to meet the obligations undertaken towards creditors.

7. The lawsuit requesting that the commercial company be declared null and void is subject to a statute of limitations of three years from the date of the registration of the company in the National Registration Center. In any case, a lawsuit related to the nullity of the incorporation of the commercial company cannot be filed after the publication of the correction of the circumstance causing the nullity, according to this article, if such circumstance can be corrected.

Article 4
Registered names and trade names

1. The trader and commercial companies conduct their activity under the registered name. The trader's name is his/her name, according to Article 5 of the Civil Code, registered in accordance with Article 30 of Law no. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit". The name of the commercial company must be in accordance with the provisions of Article 23 of Law no. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit".

2. The trader and commercial companies may also use trade names, as well as other distinctive signs of their activity, and register these in accordance with Article 44, point 1, letter "a" of Law no. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit".

3. The name of the trader is followed by the suffix "tregtar i regjistruar" or the

corresponding abbreviation "TR". The name of the general partnership must be followed by the suffix "shoqëri kolektive" or the abbreviation "SHK". The name of the limited partnership must be followed by the suffix "shoqëri komandite" or the abbreviation "SHKM". The names of limited liability companies and joint-stock companies contain abbreviations indicating that they are limited liability companies "SHPK" or joint-stock companies "SHA".

Article 5
The transfer of names and responsibility

1. The person to whom the activity of a trader or a commercial company is transferred may continue to use the registered name or other distinctive signs of the activity, with or without an addition indicating the change of ownership, if the previous holder of the activity or his heirs approve this use.

2. If the registered name or other distinctive signs of the activity continue to be used, the new holder of the activity inherits all commercial obligations of the previous holder. Agreements stipulating otherwise than as above may not be invoked against third parties, even if made public, except in cases where the trader or company proves that the third party was aware of the agreement, or, based on clear circumstances, could not have been unaware of it.

TITLE II
THE ESTABLISHMENT OF THE COMMERCIAL COMPANY

Article 6
The statute

The statute of the commercial company contains the data specified in Articles 32 to 36 of Law No. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit".

The fourth paragraph of Article 28 of the aforementioned law remains applicable.

Article 7
Lawful subject matter

The commercial company may carry out any activity that is not prohibited by law.

Article 8
Head office

1. Unless otherwise provided in the statute, the head office of the commercial company is the place where the main part of its commercial activity is carried out.

2. If the head office is located in the territory of the Republic of Albania, commercial companies are subject to the provisions of this law.

Article 9
Branches and representative offices

1. The persons responsible for the administration of the company may decide on the opening of branches and/or representative offices of the company.

2. Branches are places for carrying out commercial activities and have the same legal personality as the company. They operate on a permanent basis, are organized and managed independently, and conduct activities with third parties in the name of the company.

3. Representative offices are places of the company's commercial activity and have the same

legal personality as the company. Representative offices are not intended to generate income, but to promote the activity of the company. These offices may conclude agreements in its name and on its behalf.

4. If the branches and representative offices of Albanian companies create a website, they must publish the company's unique identification number on this website.

5. The branches and representative offices of foreign companies are registered according to the requirements of Articles 26 point 4, 28 point 5 and 37 of Law no.9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit".

6. The branch operates under the registered name of the commercial company, as well as under its own name.

Article 10

Liability of the founders

1. Persons acting on behalf of the company, before it acquires legal personality, are personally, jointly and severally liable without limitation for actions carried out in its name. Upon acquiring legal personality, the rights and obligations arising from these actions are transferred to the company.

2. The founders make their contributions to the company, in cash or in kind, according to the methods and deadlines provided in the articles of association and fulfill the formation formalities according to the requirements of this law and Law no.9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit". The founders are personally and jointly liable to the company for damages caused by the non-fulfillment of these obligations or by their fulfillment beyond the respective deadlines.

3. The legal representative of the company may file a lawsuit in the competent court for damages caused by the non-fulfillment of obligations, according to point 2 of this article. In the event of inaction by the legal representative within 90 days from becoming aware of the non-fulfillment, the lawsuit may be filed, as appropriate, by a partner of the general or limited partnership, by a number of members of a limited liability company or shareholders of a joint stock company who own not less than 5 percent of the total votes in the company assembly. The lawsuit may also be filed by any creditor of the commercial company. Partners, shareholders, or creditors must comply with the procedures of articles 91, 92, 150, and 151 of this law. Lawsuits must be filed within 3 years after the registration of the commercial company.

Article 11

Data in correspondence and other activity documents

(Letter "d" of point 1 added by Law No. 129/2014, dated 2.10.2014)

1. All letters, order forms, or any other correspondence document issued by the company, branches, or representative offices, whether through the use of paper or electronic means, which are addressed to third parties, must contain the following data:

a) the unique identification number;

b) the legal form of the company;

c) the location of its registered office and its head office;

ç) data indicating whether the company is in liquidation.

d) the value of the registered capital of the company and the value of the paid-up portion of the capital.

If the company has a website, this data must be reflected there. In this case as well, point 5 of Article 1 of this law applies.

2. The company is liable for the accuracy of the data declared according to point 1 of this Article. The issuance of letters, order forms, or any other correspondence document, in

contradiction with point 1 of this Article, constitutes an administrative offense and is punishable by a fine of up to 15,000 ALL. When the administrative offense provided for in this point is identified during an inspection organized by the tax administration, the sanction is enforced by this administration.

TITLE III
REPRESENTATION

Article 12
The powers of the company's bodies and legal representation
(Title, points 1 and 2 amended by Law No. 129/2014, dated 02.10.2014)

1. The statute or decisions of the company may not alter or restrict the powers that this law assigns to the various bodies of the commercial company. Any act aimed at altering or restricting the powers of the company's bodies, which are not expressly permitted under this law, cannot be asserted against third parties even if they have been made public in the statute or according to the procedures provided by Law No. 9723, dated 3.5.2007, "Për Qendrën Kombëtare të Regjistrimit", as amended.

2. Commercial companies are represented in relations with third parties by their legal representatives, who act in accordance with the rules defined by this law and the provisions of the statute. The legal representation of the company is valid for any judicial or extrajudicial act, except in cases where the statute provides for restrictions on the authority of the legal representative to act alone for some or all of the company's relations with third parties. Legal representatives remain obliged to the company to observe all restrictions on the powers of representation in relations with third parties, as specified in the statute or approved by the company's bodies. Except in cases where the company proves that the third party was aware of the restriction on the authority of the legal representative to act alone for some or all of the company's relations with third parties or, based on clear circumstances, could not have been unaware of it, this restriction on the powers of representation may be asserted against third parties only if it has been made public in the ways provided by Law No. 9723, dated 3.5.2007, "Për Qendrën Kombëtare të Regjistrimit", as amended.

3. Acts carried out by the legal representatives of the company are binding on the company even if they exceed its objects, except where such acts exceed the limits of representation conferred by law or permitted to be conferred on representatives. Such acts are not binding on the company if the company proves that the third party knew that the act exceeded its objects, or, based on clear circumstances, could not have been unaware of this. Publication through amendment of the statute does not constitute sufficient proof of the third party's knowledge if this amendment has been made public in a manner other than those provided by law for the National Registration Center.

4. Any irregularity in the appointment of the legal representative does not exclude or limit the company's liability towards third parties, except where the company proves that the third party had knowledge of the irregularity, or, based on clear circumstances, could not have been unaware of it.

Article 13
Prohibition, conflict of interest, and related persons
(Amended point 5 by Law No. 129/2014, dated 2.10.2014)

1. Persons who have been convicted by a final court decision for committing criminal offences provided for in Chapter III of the special part of the Criminal Code, for a period of up to 5 years from the date of such conviction, may not hold the functions of legal representative of a company, may not be members of the board of directors or the supervisory board, nor representatives of shareholders in the general assembly.

2. The person authorized to represent or supervise the company may not enter into contracts or enter into other relationships with the company, unless the company declares the terms of the action, as well as the nature and object of his interest, and the action is not previously authorized by:

a) all other partners, in the case of a general partnership or limited partnership;

b) all partners or all other partners, in the case of a limited liability company;

c) the board of directors or the supervisory board, in the case of administrators of joint stock companies;

ç) the board of directors or the supervisory board, in the case of members of the board of directors or the supervisory board in joint stock companies.

Any prior and general approval shall be notified for registration at the National Registration Center.

3. The approval provided in point 2 of this article is also required for any contract or other relationship that the company enters into with a third party who has a personal or financial relationship with the persons authorized to represent or supervise the company, or with third parties whose relationships with the aforementioned persons are such that, reasonably, could influence their decision-making against the interests of the company. The following persons are presumed to have one or more of the above interests with the persons authorized to represent or supervise the company:

a) the spouse, the parents, the brothers or sisters of the spouse;

b) the children, parents, brothers, sisters, grandchildren or the spouse of the aforementioned persons;

c) persons related to the person authorized to represent or supervise the company. Related persons are: ascendants or descendants, collateral relatives up to the second degree, the adopter or the adoptee, the first-degree relative of the spouse.

ç) a person who resides with the person authorized to represent or supervise the company.

4. Persons who seek approval for a transaction, according to points 2 and 3 of this Article, may not participate in the vote for the approval of the action and are not counted in the quorum.

5. The management board or the supervisory board of the joint stock company, which has given approval for an action, according to points 2 and 3 of this Article, must, without delay, but in any case within 72 hours, notify the general assembly of the act of approval of this action, together with the terms of the action, as well as the nature and object of the interest of the persons involved. In the case of joint stock companies with a public offering, this notification must also be published within the aforementioned deadline on the company's website, regardless of other publication obligations regarding the approval granted, which these companies may have, pursuant to the provisions of Law No. 9879, dated 21.2.2008, "Për titujt". Within 6 months from the date of the notification of authorization, according to points 2 and 3 of this Article, the general assembly may request the court to declare the approved legal action invalid, if the approval was granted in serious violation of the law or the statute.

6. Any action that requires approval, according to points 2 and 3 of this Article, shall be disclosed in the financial statements and activity progress reports, together with the terms of the action, as well as the nature and subject matter of the interest of the persons involved.

7. A person who is simultaneously the administrator and the sole partner or shareholder of the company may not enter into loan or guarantee contracts with the company. Other contracts concluded between this person and the company are recorded in minutes, which are kept at the company's registered office. Failure to fulfill this obligation constitutes an administrative offence and the administrator shall be fined up to 15,000 ALL. When the administrative offence provided for in this point is ascertained during an inspection organized by the tax administration, the sanction shall be enforced by this administration.

TITLE IV

THE PRINCIPLE OF THE DUTY OF LOYALTY

Article 14
Principles

1. In exercising their rights, partners and shareholders act taking into account the interests of the company and of the other partners or shareholders. The same obligation also applies to administrators, members of the management board or of the supervisory board.

2. Except in cases where otherwise provided by this law or by the statute, in identical circumstances, partners and shareholders enjoy the same rights, have the same obligations, and are treated equally.

Article 15
The right to information

1. The persons responsible for the administration of the company shall inform all partners or shareholders about the progress of the activity of the commercial company and, upon their request, must make available to them the annual accounts, including the consolidated accounts, the reports on the state and progress of the activity of the commercial company, the reports of the governing bodies or of the authorized statutory auditors, as well as any other internal document of the company, except for those specified in Article 18 of this law. This obligation may also be fulfilled by publishing this information on the website of the commercial company and informing the persons who make the request about it. Otherwise, these documents must be made available, for review, at the registered office of the commercial company.

2. Any provision of the statute that prohibits or restricts the exercise of the rights mentioned in point 1 of this article is void.

3. If the persons responsible for the administration of the company do not provide the requested information, according to point 1 of this article, the interested partners, members, or shareholders, within 30 days after the refusal, may request the competent court to order the bailiffs to execute the request of the partner or shareholder by delivering to the latter the information and documents that the persons responsible for the administration of the company have not provided. The failure to provide the requested information, according to this article, within 7 days from the date of receipt of the request, shall be considered as a refusal.

Article 16
Abuse of duty and the form of the company
(Amended by Law No. 129/2014, dated 2.10.2014)

1. An individual who holds the status of partner, shareholder or representative of the partner or shareholder, administrator, or member of the board of directors of the commercial company, who, through his actions or omissions, secures for himself or third parties an unjust economic benefit, or intentionally causes a third party a decrease in property, is personally liable to third parties, including public authorities, with his own property, for the settlement of the obligations of the company when:

a) has abused the form and/or limited liability provided by the commercial company; or

b) has treated the assets of the commercial company as if they were his/her personal assets; or

c) at the moment when he/she became aware or should have become aware that the company did not have sufficient capital to fulfill its obligations towards third parties, he/she did not take the necessary measures, within his/her competences, according to this law, to prevent the company, depending on the circumstances, from continuing the exercise of commercial activity and/or undertaking new obligations towards third parties, including public authorities.

2. In the cases provided for in point 1 of this article, personal liability for the obligations of the

company is limited up to the values specified below:

a) in the case provided for in letter "a", of point 1, of this article, up to the total value of the company's unpaid obligations; or

b) in the case provided for in letter "b", of point 1, of this article, for the company's unpaid obligations, up to the market value of the property or properties of the commercial company, which he/she has treated as if they were his/her personal assets; or

c) in the case provided for in letter "c", of point 1, of this article, up to the total value of the company's unpaid obligations, which have arisen after becoming aware of the situation provided for in letter "c", of point 1, of this article.

3. If one or more of the above-mentioned violations are committed jointly by more than one of the persons referred to in point 1 of this article, then these persons are jointly and severally liable to third parties, including public authorities.

4. The person specified in point 1 of this article bears personal liability towards third parties, including public authorities, only if the commission of the violations specified in this article is established by a final court decision.

5. The person specified in point 1 of this article does not bear personal liability towards third parties who, at the time of the company's assumption of the obligation, were aware of the violations specified in this article or, based on clear circumstances, could not have been unaware of them.

6. The lawsuit against the persons specified in point 1 of this article must be brought within 3 years from the date the violation was committed.

Article 17

Prohibition of competition

1. The partners of a general partnership, the general partners of a limited partnership, the members and administrators of a limited liability company, as well as the administrators and members of the management board of a joint stock company may not hold a management position or be employed in other companies that operate in the same economic sector as the first company. Furthermore, these persons may not have the status of a trader in order to conduct activities in this sector.

2. The statute may provide that the prohibition mentioned in point 1 of this article may be lifted through a special authorization given by the partners, according to the provisions of Article 36 of this law, or by the general assembly by three fourths of the votes, according to the provisions of Articles 87 or 145 of this law.

3. The statute may also provide that the prohibition mentioned in point 1 of this article shall remain in force even after the loss of the qualities or status mentioned therein, but not for a period longer than one year after the loss of such quality.

4. If any of the persons mentioned in point 1 of this article violates the prohibition of competition, the company may:

a) exclude him from the company or dismiss him from his position;

b) request the termination of the competitive activity;

c) file a lawsuit for damages.

5. The company, as an alternative to filing a lawsuit for damages, may require from each of the persons mentioned in point 1 of this article:

a) accept that the transactions carried out on his behalf shall be transferred to the account of the company;

b) transfer to the company all the benefits he has received from carrying out actions on behalf of third parties;

c) transfer to the company all rights and receivables that have arisen from carrying out actions on behalf of third parties.

6. The lawsuit for the exercise of the company's rights shall be filed within 3 years from the

date of the violation. For the filing of a lawsuit against the aforementioned persons, the provisions of point 3 of article 10 of this law shall also apply.

Article 18
Trade secret

1. A trade secret is information considered by the company as internal information or a document, which the company protects in appropriate ways, and which, if disclosed to unauthorized persons, would cause significant damage to the commercial interests of the company.

2. Information that must be made public pursuant to the law, that is related to a violation of the law, or that must be published based on good commercial practices and principles of commercial ethics, does not constitute a trade secret. The disclosure of such information is considered lawful if the act aims to protect the public interest.

3. Administrators, members of the management board, supervisory board, members of the employees' council, as well as employee representatives, are liable to the company for the damage caused by the disclosure of trade secrets that they become aware of as a result of exercising their functions in the company.

4. Except in cases otherwise provided by special laws, the lawsuit for the exercise of the company's rights must be filed within 3 years from the date of the infringement. For the filing of the lawsuit against the aforementioned persons, the provisions of point 3 of Article 10 of this law shall also apply.

TITLE V
EMPLOYEE PARTICIPATION

Article 19
Employees' council

The employees of a commercial company with more than 50 employees establish the employees' council, with a maximum mandate of 5 years. The functions of a commercial company with more than 20 but fewer than 50 employees are carried out by one representative for every 10 employees, who is elected by secret ballot by the company's employees' assembly. The employees' assembly elects a new representative for every additional 20 employees of the company. In any case, the employees' council may not have more than 30 members. The council may issue internal regulations to organize its own procedures.

Article 20
The rights and duties of the employees' council

1. The employees' council monitors the implementation of laws, collective agreements, and the provisions of the statute, and represents the interests of the company's employees. The council participates in decision-making regarding the use of special funds and other assets of the company, as provided for in collective agreements and the statute, as well as in the distribution of the share of profits that the general assembly decides to allocate to the employees.

2. The legal representative of the company shall keep the employees' council informed about the activities and progress of the company, and in particular about the effects and policies of the company regarding working conditions, salaries, workplace safety, possible profit sharing, changes in status, the company's pension system, restructuring, and the company's participation in

other companies. The legal representative, at the request of the employees' council, submits the status of the accounts, including consolidated accounts, reports on the performance of the company's activities, and reports from the supervisory board or from authorised statutory auditors. This obligation can also be fulfilled by publishing this information on the company's website and informing the employees' council thereof. Otherwise, it may be required that responses be in writing, including the use of electronic means of communication.

3. The employees' council may also directly inform itself about the performance of the company and inspect the company's books and documents, providing opinions and suggestions to the management bodies regarding the matters referred to in point 2 of this article. The legal representative shall inform the employees' council of the reasons for not accepting the council's opinions and suggestions.

4. The statute may not prevent or restrict the exercise of the rights referred to in points 2 and 3 of this article, except in cases where an agreement has been reached between the legal representative and the employees' council for an equivalent information system. If the legal representative refuses to provide the information, according to points 2 and 3 of this article, the employees' council, within 2 weeks of the refusal, may address the competent court to obtain a binding decision on the provision of information.

5. The employees' council reports to the company's employees' assembly on its activities at least twice a year or whenever requested by the majority of the employees.

6. The costs of the election and operation of the council shall be covered by the company.

Article 21
Participation of employees in the management of joint-stock companies

The legal representative of the company and the employees' council may agree for the latter to appoint persons to represent the employees at the management level.

PART II
GENERAL PARTNERSHIPS

TITLE I
GENERAL PROVISIONS

Article 22
Definition

A company is a general partnership if it is registered as such, carries out commercial activity under a common name, and the partners' liability before creditors is unlimited.

Article 23
Registration

1. The general partnership is registered in accordance with Articles 26, 28, 32, and 33 of Law no. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit".

2. If the general partnership has created a website, the data that are reported to the National Business Registration Center are published on this website and made available to interested persons.

TITLE II
RELATIONS BETWEEN PARTNERS

Article 24
Contractual freedom
(Phrase amended in the second sentence by Law no. 129/2014, dated 2.10.2014)

The relations between the partners are regulated by the statute. Articles 25 to 37 of this law apply only in cases where the statute does not provide otherwise.

Article 25
Contributions

1. The contribution of the partners may be in cash or in kind (movable/immovable property, rights, labor, and services). The contributions of the partners are equal.

2. The partners of the general partnership evaluate contributions in kind by expressing their value in cash, through a mutual agreement with one another. If an agreement is not reached, each partner may refer the matter to the competent court to appoint, by binding decision, an expert appraiser. The report of the partners or the expert on the evaluation of the contributions is submitted to the National Business Registration Center together with the other data required for registration.

Article 26
Liability for damages caused

During the fulfillment of their obligations, the partners are liable to the general partnership for all damages caused intentionally or by gross negligence.

Article 27
Reimbursement of expenses

All partners have the right to request from the general partnership reimbursement of expenses that they have incurred during the exercise of the company's commercial activity, which are necessary, taking into account the circumstances of the activity.

Article 28
Delay in the payment of contributions

Partners, who:

a) do not pay the company their contribution in cash or in kind within the period specified in the statute;

b) do not transfer to the company in due time the monies collected on its behalf;

c) receive money from the company without being authorized;

are required to pay interest on the amounts owed, starting from the date when they were supposed to have paid the contribution, made the transfer or from the date on which they received the money.

Article 29
Increase or decrease of the value of the contribution

1. The partner is not obliged to increase the value of their contribution above the amount agreed upon, nor to add to it if such contribution has been reduced by losses.

2. The partner may not reduce the value of their contribution without the approval of the other partners.

Article 30
Disposition of shares

1. The partner may not waive, transfer or encumber the rights arising from the status of partner (the share) in the company without the approval of the other partners.

2. The rights arising from the status of partner (the share) in the general partnership may be transferred, without any restriction, to the other partners.

Article 31
Administration

1. All partners have the right to administer the commercial activity of the general partnership, acting as administrators.

2. If, pursuant to the statute, the administration is entrusted to one or several of the partners, the other partners are excluded from administration.

Article 32
Administration by more than one partner

1. If the right of administration is granted to all partners or only to some of them, each of the administrators has the right to act independently, except in cases where their actions are opposed by the other administrators.

2. If the statute provides that the administrators may act only jointly, then every action requires the approval of all administrators, except in cases where a delay in performing the action may cause harm to the company.

3. If the statute provides that an administrator is obliged to comply with the instructions of another administrator, when these instructions are considered inappropriate, he shall notify the other administrators in order to reach a joint decision regarding the execution of the action, except in cases where a delay in performing the action may cause harm to the company.

Article 33
Subject matter of administration

1. The right of administration includes carrying out all necessary actions for the ordinary exercise of the company's commercial activity.

2. Actions that exceed the scope of competence mentioned in point 1 of this Article require the approval of all partners.

Article 34
Transfer of administrative rights

A partner, with the approval of all other partners, may transfer the rights of administration of the company to a third party.

Article 35
Notice of resignation and removal of administrative rights

1. The administrator may resign from his duties, for reasonable grounds, by giving prior

notice, within a suitable period, in order to enable the continuation of actions by the other administrators, except in cases where immediate resignation is deemed justified for an important reason.

2. The right of administration may be removed from the partner by decision of the competent court, at the request of the other partners, if justified by reasonable grounds, including serious breach of the duties of the administrator or inability to regularly fulfill them.

Article 36
Decision-making by the partners

1. If decisions are to be made by specifically designated partners, then the approval of all of them is required, except in cases where any of them is in a conflict of interest with the matter under consideration.

2. When the statute allows for decisions to be made by majority vote, this majority must be a simple majority.

Article 37
Loss and profit

1. At the end of each financial year, the company prepares the annual financial statements, which determine the profit and loss, as well as the share belonging to each partner therein.

2. Each partner has the right to receive an equal share of the profits and is obliged to participate equally in covering the losses resulting from the activity.

TITLE III
RELATIONS BETWEEN PARTNERS AND THIRD PARTIES

Article 38
Representation of the general partnership

1. Each partner has the right to represent the company in relations with third parties, except in cases where otherwise provided in the statute.

2. If the partners jointly represent the company, statements addressed to the company may be addressed to any one of the partners with the right of representation. Administrators who have the right to jointly represent the company may authorize some of them to carry out certain actions or categories of actions.

3. Any exclusion of partners from the right of representation, any decision for joint representation, or any change in a partner's rights of representation shall be notified for registration at the National Registration Center.

Article 39
Notice of resignation and removal of representation rights

1. The representative of the company may resign from his duties through prior notice, given within a reasonable time and taking into account the possibilities of the other representatives to continue the actions undertaken by the resigning representative.

2. The partner may be deprived of the right of representation by decision of the competent court, upon request of the other partners, especially in cases of serious breach of representation duties or incapacity to properly fulfill them.

Article 40

Personal liability of the partners

1. The partners are personally and jointly liable for the obligations of the company with all their assets. Any agreement contrary to this provision has no effect with regard to third parties.

2. The personal creditor of the partner may enforce the credits that he has against the latter by executing the credits that the partner has against the company, as well as the share that this partner owns in the company. The creditor may request the enforcement of the credits, in accordance with Articles 581 to 588 of the Civil Procedure Code.

Article 41

Objections

If a creditor files a lawsuit against a partner for the obligations of the company, then the partner may defend himself by raising against the creditor objections that personally belong to the partner, as well as those that belong to the company.

Article 42

Liability of the new partner

A person who acquires the status of partner in an existing general partnership assumes the obligations of the company, including those obligations that existed before he acquired this status. Any agreement contrary to this provision has no effect with regard to third parties.

TITLE IV

DISSOLUTION OF THE GENERAL PARTNERSHIP
AND THE WITHDRAWAL OF THE PARTNERS

Article 43

Causes of dissolution of the company

(Amended by Law No. 129/2014, dated 02.10.2014)

1. The general partnership is dissolved:

a) when the duration for which it was established expires;

b) upon the completion of insolvency proceedings or in the event of insufficiency of assets to cover the costs of the insolvency proceedings;

c) in the event that the object becomes unattainable due to the continued non-functioning of the company's bodies or for other reasons that make the continuation of commercial activity absolutely impossible;

ç) in cases of invalidity of the establishment of the company, as provided for by Article 3/1 of this law;

d) in the cases provided for in Article 47 of this law;

dh) in other cases, provided for in the statute;

e) in other cases, provided by law;

ë) by decision of the partners.

2. The dissolution of the partnership, as a consequence of one or more of the causes provided for by letters "a", "c", "d", "dh" and "e", of point 1 of this Article, is decided by the majority of the partners, whereas in the case provided for by letter "ë", of point 1 of this Article, a unanimous decision of the partners is required.

3. In the event of the partners' failure to decide on the dissolution of the partnership, for the cases provided for by letters "a", "c", "d", "dh" and "e", of point 1 of this Article, any interested person may apply to the court, at any time, to establish the dissolution of the partnership.

4. Notwithstanding the above provisions, the existence of one or more of the causes provided for by letters "a", "c", "d", "dh" and "e", of point 1 of this Article, shall not result in the dissolution of the partnership and the opening of liquidation procedures, if, prior to the final court decision referred to in point 3 of this Article, the cause of dissolution has been remedied, if possible to remedy, and the remedy has been published by the partnership in the commercial register, pursuant to the provisions of Law No. 9723, dated 3.5.2007, "Për Qendrën Kombëtare të Regjistrimit", as amended.

5. The dissolution of the partnership, as a result of the causes provided for in letter "b", of point 1 of this Article, shall be decided by the court competent for insolvency proceedings, when, at the conclusion of these proceedings, all the partnership's assets have been liquidated for the collective settlement of obligations to creditors or when the court competent for insolvency proceedings decides to reject the request to open insolvency proceedings due to the insufficiency of the partnership's assets to cover the costs of the insolvency proceedings.

6. The dissolution of the partnership, as a result of the cases provided for in letter "ç", of point 1 of this Article, shall be decided by the competent court, in accordance with the provisions of Article 3/1 of this law.

Article 44

Withdrawal of a partner

Except where the statute provides otherwise, the following events do not result in the dissolution of the partnership, but in the withdrawal of the partner:

a) the death of a partner;

b) the opening of insolvency proceedings against a partner;

c) the notification of the partner regarding withdrawal from the partnership;

ç) the notification of the partner's personal creditor in the circumstances described in Article 46 of this law;

d) decision of the other partners;

dh) other cases provided for in the statute.

Article 45

Notice of the partner for withdrawal from the partnership

Except where otherwise provided in the statute, if the partnership is established for an indefinite duration, each partner may withdraw from the partnership by notifying the other partners in writing 6 months in advance. In justified cases, a shorter notice period may be applied.

Article 46

Notice by the personal creditor of the partner

If the personal creditor of the partner has not been able to enforce his claims against the latter, on the basis of a court decision, then, within 6 months from the request, the creditor has the right to request from the partnership the liquidation of the share held by the partner in the partnership. The provisions of point 2 of Article 40 of this law shall also apply in this case.

Article 47

Dissolution of the partnership by court decision

The partnership may be dissolved by court decision for just cause, on the basis of a claim brought by a partner, and in particular, if one of the partners, intentionally or as a result of gross negligence, has not fulfilled the duties set forth in the statute, or if the fulfillment of these duties

has become impossible.

Article 48
Exclusion of the partner

In the circumstances provided for in Article 47 of this law, the court, on the basis of a claim brought by a partner, may decide to exclude the responsible partner and not order the dissolution of the partnership.

Article 49
Division of the departing partner's share

1. The share of each partner who leaves the general partnership is divided proportionally among the remaining partners, except in cases where the departure is a result of bankruptcy, notification of the creditor, or other cases provided for in the statute. The remaining partners are obliged to pay the departing partner, his creditors, or his heirs, in accordance with the rules of inheritance, the amount that he would have received if the partnership had been dissolved at the time of his departure, taking into account also the actions not yet completed.

2. If the value of the partnership's assets is not sufficient to cover all its liabilities, the departing partner or his heirs, in accordance with the rules of inheritance, shall be liable for the difference, in proportion to the share of the partnership's losses that is attributable to him.

3. In the case of expulsion, pursuant to Article 48 of this law, the partners may deduct from the amount provided for in point 1 of this Article, the value of any possible damage that the partnership has suffered due to the partner's non-performance.

Article 50
Procedure for cases when only one partner remains

1. When, for any reason, the general partnership is left with only one partner, then he is obliged, within 6 months from the occurrence of this fact, to take the necessary measures to adapt the partnership to the requirements of this law, or alternatively to transfer its activity to a newly established partnership that allows for the existence of a single partner or to continue carrying out its activity by registering as a trader.

2. If within the time limit specified in point 1 of this Article, the remaining partner does not register one of the aforementioned actions at the National Registration Center, the general partnership shall be considered dissolved and shall be liquidated in accordance with the provisions of this law. Any interested person may address the court to ascertain the dissolution of the partnership.

Article 51
Continuation of the partnership by the heirs

1. The general partnership continues to carry out its activity with the heirs of the deceased partner, if this is permitted by the statute and accepted by the heirs.

2. The heirs may exercise the right referred to in point 1 of this Article, within 30 days from the date on which the competent court, in accordance with the provisions of the Code of Civil Procedure, issues the certificate of inheritance.

Article 52
Registration at the National Registration Center

All partners are required to notify the National Registration Center for registration, in accordance with Article 43 of Law No. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit", regarding the acts, facts of dissolution and departure of the partners.

If the dissolution is made by court decision, the court notifies the decision to the National Registration Center for registration, in accordance with Article 45 of Law No. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit".

TITLE V
LIQUIDATION OF THE GENERAL PARTNERSHIP

Article 53
Liquidation of the general partnership in a solvent condition

The dissolution of the general partnership in a solvent condition results in the opening of liquidation procedures, pursuant to Articles 190 to 205 of this law.

Article 54
Limitation period for claims against a partner

1. Except in cases where the claim against the general partnership has a shorter limitation period, claims against a partner for the liabilities of the general partnership may be brought within 3 years after its dissolution.

2. The limitation period begins on the date when the dissolution of the partnership is registered.

3. If the liability towards the general partnership becomes due after the registration of its dissolution, the limitation period begins on the date when the liability becomes due.

4. The interruption of the limitation period for the liabilities of the general partnership also applies to persons who had the status of partner at the moment of dissolution.

Article 55
Limitation period in the event of the partner's withdrawal

A partner who has withdrawn from the partnership remains liable for the partnership's obligations that arose prior to his withdrawal, if such obligations arose within 3 years before the date of his withdrawal. The limitation period begins on the date of registration of the partner's withdrawal.

PART III
LIMITED PARTNERSHIP

Article 56
Definition

1. A limited partnership is a partnership in which the liability of at least one of the partners is limited to the value of his contribution, while the liability of the other partners is not limited. The partner whose liability is limited to the value of his contribution is called a limited partner. The partner whose liability is not limited to the value of his contribution is called a general partner. The general partner has the status of a partner in a general partnership.

2. Except where otherwise provided, the provisions regulating general partnerships shall also apply to limited partnerships.

Article 57
Registration

1. The limited partnership is registered pursuant to Articles 26, 28, 32, and 34 of Law no. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit".

2. If the limited partnership has created its own website, the data notified for registration to the National Registration Center shall be published on this website and made available to interested persons.

Article 58
Relations between partners

Except where otherwise provided in the statute, the relations between partners are regulated by Articles 59 to 61 of this law. The statute may also provide for the prohibition of competition, pursuant to Article 17 of this law, for limited partners as well.

Article 59
Administration

1. The commercial activity of the limited partnership is managed by one or more general partners. Limited partners do not perform administrative acts.

2. A limited partner may not oppose the administrative acts of the general partner, except in cases where he performs an act that goes beyond the ordinary activities of the partnership.

Article 60
Bearing of losses

The limited partner shall bear the losses of the partnership up to the value of his share in the capital and the value of the contributions still outstanding.

Article 61
Prohibition of legal representation

The limited partner may not act as the legal representative of the limited partnership.

Article 62
Liability of limited partners

1. The limited partner is personally liable to the creditors of the general partnership up to the value of the contributions not yet paid. The limited partner is not liable for the obligations of the partnership in the event that he has paid all his contributions.

2. The unregistered increase of a registered contribution produces effects towards creditors only if the partnership has notified the creditor of this increase, or if the increase has been published in the usual manner.

3. Agreements between the partners that exclude the limited partner from the obligation to pay the contributions, or that postpone the deadline for the payment of these contributions, do not produce effects towards creditors.

4. The reduction of contributions does not produce effects towards creditors, as long as this reduction has not been registered, except in cases where the creditor was aware of this reduction. The reduction of contributions, even if registered, does not produce effects towards creditors whose obligations arose prior to the registration of this reduction.

5. If the partnership returns to the limited partner the contributions made, the limited partner is liable towards creditors as if the contribution had never been paid. The same principle applies also in cases where the limited partner withdraws a part of the profit and his share in the partnership becomes less than the assumed contribution.

6. The limited partner is not obliged to return the profits which he has received in good faith, based on the financial statements prepared in good faith.

Article 63

Registration of changes to the contribution at the National Registration Center

The partners must notify to the National Registration Center for registration any increases or reductions in the contribution of a limited partner, pursuant to point 1 of Article 43 of Law no. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit".

Article 64

Liability arising from the perception of legal status

1. The limited partner is liable as a general partner if his name is included, with his consent, in the registered name of the company.

2. The limited partner, who has entered into an agreement with a third party in the capacity of authorized agent of the company, but without being identified as such, is liable for this act as if he were a general partner, except in cases where he proves that the third party was aware of the fact that the partner was acting as an authorized agent or, based on clear circumstances, could not have been unaware.

3. The limited partner is liable for the obligations of the company as if he were a general partner if he acts in contravention of the provision of the second sentence of point 1 of Article 59 of this law.

Article 65

Liability before registration

When the founders of the limited partnership undertake obligations for the company's commercial activity before the company is registered at the National Registration Center, the limited partner who agrees to assume these obligations is liable as if he were a general partner, except in cases where he proves that the third party was aware of his limited liability or, based on clear circumstances, could not have been unaware.

Article 66

Liability of a new limited partner

The limited partner who acquires this status in an existing limited partnership is liable, according to the provisions of Article 62 of this law, for the obligations of the company that arose prior to acquiring this status.

Article 67

Withdrawal of partners

1. The limited partnership is not dissolved due to the death or withdrawal of one or more limited partners.

2. If all general partners withdraw from the partnership, then the general partnership is dissolved and liquidated according to the provisions of this law.

3. If all limited partners withdraw, then the commercial activity of the limited partnership may continue to be conducted in the form of a general partnership or, if only one general partner remains, the activity may be conducted with the status of a trader.

4. The changes referred to in points 1 and 3 of this Article must be notified for registration to the National Registration Center.

5. The dissolution of the limited partnership while in a solvent state results in the opening of liquidation proceedings, according to Articles 190 to 205 of this law.

PART IV
LIMITED LIABILITY COMPANIES

TITLE I
GENERAL PROVISIONS

Article 68
Definition
(Amended point 2 by Law no. 129/2014, dated 2.10.2014)

1. A limited liability company is a commercial company established by natural or legal persons, who are not liable for the obligations of the commercial company and cover the company's losses personally only up to the unpaid portion of their subscribed contributions. The contributions of the partners constitute the registered capital of the limited liability company.

2. The capital of the limited liability company is divided into a number of shares, in proportion to the contribution given by each partner in the company. Each partner owns a single share in the company. Co-owners of a share, pursuant to Article 72 of this law, are considered as a single partner.

3. Limited liability companies may not offer their shares as investment instruments to the general public.

4. Except in cases where this law provides otherwise, the relationships between the partners may be determined in the company's statute.

5. The contribution of the partners may be in cash or in kind (movable/immovable property or rights). The statute determines the methods of payment of the contributions.

6. The partners of a limited liability company assess contributions in kind by mutual agreement with each other and express their values in cash. If an agreement cannot be reached, each of the partners may apply to the competent court to appoint a valuation expert, by a decision with binding effect. The report of the partners or the expert on the valuation of the contributions is submitted to the National Registration Center, together with the other data required for registration.

Article 69
Registration

1. The limited liability company is registered in accordance with Articles 26, 28, 32, and 35 of Law No. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit".

2. If the commercial company has created its own website, the data that is notified to the National Registration Center shall be published on this website and made available to interested persons.

Article 70
Minimum capital

The limited liability company may not have a capital of less than 100 lekë.

Article 71
Single-member company
(Amended point 1 by Law No. 129/2014, dated 2.10.2014)

1. If the company remains with a single member, then the sole member is obliged to register this fact, according to Article 43 of Law No. 9723, dated 3.5.2007, "Për Qendrën Kombëtare të Regjistrimit", as amended. If the remaining member does not fulfill this obligation, then the member is personally liable for the obligations that the company undertakes from the date on which the registration should have been performed, according to this article, until the date on which this registration is actually performed.

2. From the moment of the registration of the change, according to point 1 of this article, the commercial company continues as a limited liability company with a sole member.

TITLE II
SHARES AND TRANSFER OF SHARES

Article 72
Ownership of shares

1. The share of a limited liability company may be owned by one or more persons.

2. In the case where a share of the company's capital is owned by more than one person, in relation to the company these persons are treated as a single member and their rights are exercised through a common representative. These persons are personally and jointly liable for the obligations arising from the ownership of the share.

3. Persons who own a share of the capital of a limited liability company agree among themselves on the division of rights and obligations deriving from this share. These rights and obligations may be divided equally or not.

4. Actions taken by the company in relation to a share owned by more than one person produce effects for all its owners, even if the company's action is directed only at one of the owners.

5. The commercial company may issue a certificate to confirm the ownership of the share of capital. This certificate is issued in the name of the person or persons who own the share and does not constitute a security.

6. If the persons who own a share do not reach an agreement, pursuant to point 3 of this Article, then the provisions of the Civil Code on co-ownership shall apply.

Article 73
Modes of acquisition and transfer of shares
(Point 2 amended by Law no. 129/2014, dated 2.10.2014)

1. The shares of capital of a limited liability company and the rights deriving therefrom may be acquired or transferred through:

a) contribution to the company's capital;

b) sale and purchase;

c) inheritance;

ç) donation;

d) any other manner provided by law.

2. In cases of transfer of shares by contract, the conditions and timing of the transfer of title of ownership over the share, as well as other terms of the transfer, including the time of payment of the price, are governed by the contract. The contract for the transfer of the share is

drafted in written form and notarisation is not a condition for the validity or registration of the contract. Except where expressly provided otherwise by law or where the parties agree in the contract, the validity of the transfer of the title of ownership over shares shall not be conditioned on the completion of various formalities for declaratory effect, including registration or publication of the contract or of the transfer of title.

3. The statute may make the transfer of shares conditional, in particular by requiring the approval of the company or a right of first refusal in favour of the company or the other partners.

Article 74
Consequences of the transfer of shares

1. The person transferring the share and the one acquiring it shall be jointly liable to the company for obligations arising from the ownership of the share, from the moment of the transfer of the shares until the moment the transfer is registered, in accordance with point 2 of this Article.

2. The company registers the transfer of the share, pursuant to Article 43 of Law No. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit". The registration of the transfer of shares has a declaratory effect.

Article 75
Division of shares and their transfer

1. Except in cases where this is prohibited by the statute, shares may be divided due to their transfer.

2. The provisions of Article 73 of this law on the transfer of shares also apply to the transfer of parts of shares.

TITLE III
RELATIONS BETWEEN THE COMPANY AND THE PARTNERS

Article 76
Distribution of profits

1. Except in cases where otherwise provided in the statute, the partners have the right to share the part of the profit declared in the company's financial statements.

2. Except in cases where otherwise provided in the statute, profit is distributed to the partners in proportion to the shares held.

Article 77
Restrictions on distributions, certificate of solvency
(Amended point 3 and added point 4 by Law no. 129/2014, dated 2.10.2014)

1. The company may distribute profits to the partners only if, after the payment of the dividend:

a) the company's assets fully cover its liabilities;

b) the company has sufficient liquid assets to meet the liabilities that become due within the following 12 months.

2. The administrators issue a certificate of solvency, which expressly confirms that the proposed distribution of dividends meets the requirements of point 1 of this article, whereas when the company's financial situation shows that the proposed distribution of dividends does not meet these criteria, the administrators cannot issue this certificate.

3. The requirements of points 1 and 2 of this article also apply in cases when,

notwithstanding the granting of the necessary approvals according to Article 13 of this law, the company makes a payment in favor of one of its partners, on the basis of an agreement concluded between the company and the partner, which contains terms less favorable to the company compared to normal market conditions.

4. The administrators are liable to the company for the accuracy of the solvency certificate that must be issued according to this article.

Article 78
Personal liability for prohibited distributions

1. Administrators who, through negligence, issue an incorrect solvency certificate, pursuant to point 2 of Article 77 of this law, are personally liable to the company for the return of the distributed dividends.

2. Partners who have received dividends from the company are personally liable to the company for the return of dividends that were distributed to them when the solvency certificate was not issued, or when, notwithstanding the issuance of the certificate, these partners were aware of the company's insolvency status according to point 1 of Article 77 of this law, or, based on clear circumstances, could not have been unaware of this status.

Article 79
Restitution of prohibited distributions

1. The company's claims, as provided for in Article 78 of this law, may also be brought pursuant to point 3 of Article 10 of this law.

2. The limitation period for claims, according to point 1 of this Article, begins on the date when the prohibited distribution was made.

Article 80
Cancellation of shares by the company

1. The statute may provide for the company's right to cancel a share. In such cases, the statute must provide for the grounds and procedures for the cancellation and liquidation of the share.

2. A share may be cancelled in any case with the approval of the respective partner, except in cases where otherwise provided by the statute.

3. The rights and obligations arising to the partner from the ownership of the share are extinguished upon its cancellation.

TITLE IV
COMPANY BODIES

CHAPTER I
GENERAL ASSEMBLY

Article 81
Rights and obligations

1. The general assembly is responsible for making decisions for the company on the following matters:

a) determination of the company's commercial policies;

b) amendments to the statute;

c) appointment and dismissal of the administrators;

ç) appointment and dismissal of the liquidators and of the authorized statutory auditors;

d) determination of the remuneration for the persons mentioned in letters "c" and "ç" of this point;

dh) supervision of the implementation of commercial policies by the administrators, including the preparation of annual financial statements and activity progress reports;

e) approval of the annual financial statements and activity progress reports;

ë) increase and reduction of capital;

f) division of shares and their cancellation;

g) representation of the company in court and in other proceedings against the administrators;

gj) reorganisation and dissolution of the company;

h) approval of the procedural rules of the assembly meetings;

i) other matters provided by law or the statute.

2. The general assembly makes decisions on the matters specified in letters "e" and "ë" of point 1 of this article, after receiving and reviewing the relevant documents.

3. If the company is owned by a single partner, the rights and duties of the general assembly are exercised by the sole partner. All decisions taken by the sole partner are recorded in a register of decisions, the data of which may not be altered or deleted. In particular, but not limited to, the following decisions must be recorded:

a) approval of the annual financial statements and activity progress reports;

b) distribution of annual profits and coverage of losses;

c) investments;

ç) decisions on the reorganisation and dissolution of the company.

Unregistered decisions in the register of decisions are absolutely void. The company may not oppose the invalidity to a third party who has acquired rights in good faith, except in the case where the company proves that the third party had knowledge of the invalidity, or based on clear circumstances could not have been unaware of it.

Article 82

Meeting of the general assembly

1. The general assembly convenes in the cases specified by this law, by other laws or by the provisions of the statute and whenever the meeting is necessary to protect the interests of the company. The ordinary meeting of the general assembly is convened at least once a year.

2. The general assembly is convened by the administrators or the partners designated according to Article 84 of this law.

3. The general assembly is convened if, according to the annual balance sheet or interim financial reports, it results or there is a risk that the company's assets do not cover the due liabilities within the following 3 months.

4. The general assembly is convened when the company proposes to sell or otherwise dispose of assets, which have a value higher than 5 percent of the company's assets, as shown in the latest certified financial statements.

5. The general assembly is convened when the company, within the first 2 years after its registration, proposes to purchase from a partner property, which has a value higher than 5 percent of the company's assets, as shown in the latest certified financial statements.

6. In the cases provided for in points 3 and 5 of this article, a report is submitted to the general assembly by an authorized, independent statutory auditor.

7. The provisions of point 6 of this article do not apply if the acquisitions, according to points 4 and 5 of this article, are carried out on a recognised exchange or are part of the company's daily operations and are undertaken under normal market conditions. Furthermore, these

provisions do not apply in the case where the company is owned by a sole partner.

8. In the cases provided for in points 3 to 5 of this article, the general assembly may adopt an advisory resolution, approving or making remarks regarding the activities of the administrators.

Article 83
Manner of convening

1. The general assembly is convened by means of a written notice or, if provided for by the statute, by notice through electronic mail. The written or electronic notice must include the place, date, time of the meeting and the agenda, and must be sent to all partners no later than 7 days prior to the scheduled date of the assembly meeting.

2. When the general assembly has not been convened according to point 1 of this article, it may adopt valid decisions only if all partners agree to make decisions, regardless of the irregularity.

Article 84
Request by minority partners

1. Partners who represent at least 5 percent of the total votes in the company's general assembly, or a smaller percentage provided for in the statute, may submit a written request to the administrators, including via electronic mail, to convene the general assembly and/or to include specific matters in the agenda. The request must state the reasons, objectives, and matters on which the assembly must make a decision. If the request is refused, these partners have the right to convene the assembly themselves and set the items on the agenda, in accordance with point 1 of Article 83 of this law.

2. If, in contravention of point 1 of this article, the general assembly is not convened, or the matter requested by them is not included in the agenda, each of the partners who made the request has the right:

a) to file a lawsuit in court to declare the breach of the duty of loyalty, if the administrators do not fulfill the partners' requests within 15 days;

b) to request the company to purchase the shares owned by them.

3. In cases where the agenda is changed, according to the provisions of points 1 and 2 of this article and the notice of the meeting has been given to the partners, the administrators shall notify again the amended agenda, in accordance with the provisions of point 1 of article 83 of this law.

4. The authorized representative is obliged to declare any fact or circumstance that, in the judgment of the represented partner, is likely to influence the representative's decision-making for interests other than those of the represented partner.

Article 85
Representation in the assembly
(Amended point 3 by law no. 129/2014, dated 2.10.2014)

1. A partner may be represented in the general assembly on the basis of an authorization from another partner or from a third person.

2. The administrators of the company may not act as representatives of the partners in the general assembly.

3. The authorization is given in written form only for one meeting of the general assembly and is also valid for subsequent meetings with the same agenda.

Article 86
Quorum

1. In the case of decision-making that requires a simple majority, the general assembly may make valid decisions only if the partners with voting rights, who own more than 30 percent of the shares, participate. In the case where the general assembly must decide on issues that require a qualified majority, according to Article 87 of this law, it may make valid decisions only if the partners who hold more than half of the total number of votes are present in person, vote in writing, or by electronic means, according to the provisions of point 3 of Article 88 of this law.

2. If the general assembly cannot be convened due to the lack of quorum mentioned in point 1 of this article, the assembly is reconvened no later than 30 days, with the same agenda.

Article 87
Decision-making

1. Except in cases where the statute provides for a higher majority, the general assembly decides with three-fourths of the votes of the participating partners, as specified in point 1 of Article 86 of this law, for amendments to the statute, increase or decrease of the registered capital, distribution of profits, reorganization, and dissolution of the company.

2. Except in cases otherwise provided in this law or in the statute, for the other matters listed in Article 81 of this law, the general assembly decides by a majority of the votes of the participating partners.

3. Except in cases otherwise provided in this law, the validity of decisions that impose additional obligations on the partners, or decisions that restrict their rights, as provided in this law or in the statute, is conditional on the approval of the respective partner.

Article 88
Voting right
(Amended point 1 by Law no. 129/2014, dated 2.10.2014)

1. Except in cases otherwise provided in the statute, each partner has voting rights in proportion to the nominal value of their share. Co-owners of a share exercise voting rights jointly, according to Article 72 of this law.

2. The statute may provide for partners who are not present the possibility to participate in the general assembly meeting by means of various forms of communication, including electronic means, provided that the identification of the partners is guaranteed.

3. Electronic means include, but are not limited to:

a) real-time transmission of the general assembly meeting;

b) real-time mutual communication, which enables partners to express themselves regarding the general assembly meeting from a different location;

c) mechanisms that enable the voting process, before or during the general assembly meeting, without the need to appoint an authorized representative to be physically present at the meeting.

4. The use of electronic means to enable partners to participate in the general assembly meeting shall be effected on the condition that the necessary technical measures are taken to guarantee the identification of the partners and the security of electronic communications, to the extent that such use is proportionate to achieving these objectives.

5. The partners have the right, as recognized by this law or the statute, to unanimously take any decision, provided that this agreement is made in writing.

Article 89
Exclusion from the right to vote

1. The partner cannot exercise the right to vote if the general assembly makes a decision regarding:

a) the assessment of his activity;

b) the extinguishment of any obligation to his liability;

c) the initiation of a lawsuit against him by the company;

c) the granting or not of new benefits.

2. When the partner is represented by an authorized representative, the authorized person shall be deemed to be in the same conflict of interest as the partner whom he represents.

Article 90
The minutes of the general assembly meeting

1. All decisions of the general assembly must be recorded in the minutes. The administrators are responsible for keeping copies of the minutes of the meetings of the general assembly.

2. The minutes must contain the date and place of the meeting, the agenda, the name of the chairman and the minute taker, and the results of the voting.

3. The list of participants, as well as the notice of the general assembly meeting, shall be attached to the minutes.

4. The minutes of the meeting shall be signed by the chairman and the minute taker.

5. If the company has published a website, the administrators, no later than 15 days from the date of the meeting, are required to publish copies of the minutes of the general assembly meeting on this website.

Article 91
Special investigations

1. The general assembly may decide to initiate a special investigation regarding irregularities during the formation of the company or the conduct of commercial activity. The investigation shall be conducted by an independent expert in the field.

2. The partners who represent at least 5 percent of the total votes in the company's assembly, or a lower value provided for in the statute, and/or any creditor of the company may request the general assembly to appoint an independent expert in the field, when there are well-founded suspicions of violations of the law or the statute. The partners or the creditors of the company specified above, within 30 days after the refusal by the assembly to appoint the independent expert, may request the court to appoint this expert. If the general assembly does not make a decision within 60 days from the submission of the request, the partners' request is considered rejected.

3. When the general assembly has appointed an expert in the field to carry out the special investigation and there are well-founded suspicions regarding this appointment leading to a belief that the expert may not conduct the special investigation properly, the partners or creditors mentioned in point 2 of this article may request the court to replace him.

4. When the court accepts the requests mentioned in points 2 and 3 of this article, the commercial company shall bear the costs of appointing and remunerating the expert appointed to carry out the special investigation.

5. The right to request a special investigation, pursuant to points 1 and 2 of this article, must be exercised within 3 years from the date of registration of the commercial company, when the investigation concerns irregularities in the incorporation process, and within 3 years from the

date of the action considered irregular, when the investigation concerns irregularities in the conduct of commercial activity.

6. A creditor who, in bad faith, submits a request according to point 2 of this article, shall be liable in accordance with Article 34 of the Code of Civil Procedure.

Article 92

Annulment of irregular decisions and compensation

(Points 1 and 2 amended by Law no. 129/2014, dated 2.10.2014)

1. The general assembly, based on a decision taken with the majority defined under point 2, Article 87, of this law, has the right to file a lawsuit before the competent court for the annulment of the decisions of the administrators, as a result of serious violation of the law or the statute and/or other lawsuits provided for by this law or the statute against the administrators or partners.

2. The partners who represent at least 5 percent of the total votes in the company's assembly or a smaller value as provided for in the statute, and/or the company's creditors who claim that the company owes them liabilities in an amount not less than 5 percent of the capital, may request the general assembly to file a lawsuit for the annulment of the decisions of the administrators. The aforementioned partners or creditors of the company, within 30 days after the refusal by the assembly to file the lawsuit, have the right to file directly, before the competent court, a lawsuit in the name of the company, for the annulment of the decision of the administrators. If the general assembly does not make a decision within 60 days from the date of the request, the request of the aforementioned partners or creditors shall be considered refused.

3. In cases where the company files a lawsuit as above, it participates in the proceedings through a special representative appointed by the general assembly.

4. The partners or creditors mentioned in point 2 of this article may request the court to replace the special representative if there are well-founded doubts that the representative appointed by the general assembly may not file and pursue the lawsuit in the best interest of the company. If the court accepts this request, the costs of appointment and remuneration of the representative shall be borne by the company.

5. The court shall declare the decision of the administrators invalid if they do not reach an agreement, in reconciliation, with the special representative for the correction of the consequences of the decision, within 30 days from the date of appointment of this representative. The rights of third parties remain unaffected, in accordance with point 3 of article 12 of this law.

6. The minority partners and the creditors specified above have the rights provided in points 2 and 4 of this article, even in cases where the general assembly does not make a decision, or refuses to decide on their request to file a lawsuit against the administrators for compensation of damage suffered by the company, as an unlawful decision, or for the filing of other lawsuits provided for by this law or the statute against the administrators or partners.

7. The provision of the sixth paragraph of article 91 of this law also applies to these lawsuits.

Article 93

Rights related to the share

A partner who is prevented from exercising the rights arising from ownership of a company share has the right to request the court to order the cessation of the violation or compensation for the damage caused as a result of the infringement of these rights. This right is subject to a statute of limitations of 3 years from the moment of violation.

Article 94

Prohibition of restrictions

1. Provisions of the statute that restrict or exclude any of the rights of the partners or creditors, according to the definitions set out in articles 91, 92, and 93 of this law, as well as provisions that provide for general restrictions on the actions specified in these articles, are invalid.

2. Decisions of the general assembly cannot infringe upon the right of the partners or creditors to carry out the actions provided for in articles 91, 92, and 93 of this law.

CHAPTER II
ADMINISTRATORS

Article 95
Appointment, dismissal, rights, and obligations

(Amended third sentence of point 1, points 7, 8, 9 added by law no. 129/2014, dated 2.10.2014)

1. The general assembly appoints one or more natural persons as administrators of the company. The term of appointment, which is set out in the statute, may not be longer than 5 years, with the right of renewal. The appointment of administrators, which enters into force on the date specified in the act of appointment, is enforceable against third parties according to the provisions of article 12 of this law. The statute may establish special rules for the appointment of administrators.

2. The administrators of a parent undertaking, as defined in article 207 of this law, may not be appointed as administrators of a controlled company and vice versa. Any appointment made in contravention of these provisions is null and void.

3. The administrators have the right and are obliged to:

a) perform all acts of administration of the company's commercial activity, implementing the commercial policies established by the general assembly;

b) represent the commercial company;

c) ensure the accurate and proper keeping of the company's documents and accounting books;

ç) prepare and sign the annual balance sheet, the consolidated balance sheet and the activity progress report and, together with the proposals for profit distribution, submit these documents before the general assembly for approval;

d) establish a timely warning system for circumstances that threaten the conduct of activity and the existence of the company;

dh) perform registrations and send the required company data, as provided in the law on the National Registration Center;

e) report before the general assembly regarding the implementation of commercial policies and the execution of specific actions of particular importance to the activity of the commercial company;

ë) perform other duties specified in the law and in the statute.

4. In the cases provided for by points 3 and 5 of Article 82 of this law, the administrators are obliged to convene the general assembly.

5. If the general assembly appoints more than one administrator, they jointly manage the company. The statute or other regulations, approved by the general assembly, may provide otherwise.

6. The general assembly may dismiss the administrator at any time by a simple majority. The statute or other agreements may not exclude or restrict this right. Lawsuits related to the remuneration of the administrator, based on contractual relations with the company, are regulated according to the applicable legal provisions.

7. The administrator may resign from his duties at any time, through a written notice addressed to the general assembly. The administrator who resigns, taking into account the circumstances of the company's activity, is also obliged to convene the general assembly for the appointment of the new

administrator, prior to the date on which the resignation takes effect.

8. If the general assembly does not decide on the appointment of the new administrator on the date specified in the notice convened by the resigning administrator, then the administrator shall notify in writing his resignation to the National Registration Center, along with a copy of the notice of the general assembly meeting, and the National Registration Center records the administrator's departure, according to the procedures of Law no. 9723, dated 3.5.2007, "Për Qendrën Kombëtare të Regjistrimit", as amended.

9. The resignation of the administrator does not affect the company's lawsuits for breaches of the duty of loyalty that the administrator owes to it, pursuant to this law.

Article 96
Representation

1. The limitations of the representative powers of the administrators are enforceable against third parties, in accordance with the provisions of Article 12 of this law.

2. Administrators who jointly represent the company may authorize some of themselves to perform certain specified acts or to carry out certain specified categories of acts. Notifications addressed to any of the administrators are valid and binding on the company.

3. The representative powers of the administrators and any changes thereof are notified for registration with the National Registration Center.

Article 97
Remuneration

1. The basic remuneration of administrators may be supplemented, which may consist of a percentage of the profit or similar. The remuneration of administrators is determined by ordinary decision of the general assembly.

2. The remuneration, according to paragraph 1 of this article, must be appropriate and in accordance with the duties of the administrators and the financial condition of the company.

3. If the company is in financial difficulty, the general assembly may decide to reduce the remuneration of administrators to an appropriate extent.

4. The criteria for remuneration, the individual remuneration, and the annual effect of the administrators' remuneration on the cost structure of the commercial company are published together with the annual financial statements.

Article 98
The duty of loyalty and responsibility

1. In addition to what is provided in the general provisions of the duty of loyalty, according to Articles 14, 15, 17, and 18 of this law, administrators are obliged to:

a) to perform their duties assigned by law or by the statute in good faith and in the best interests of the company as a whole, paying special attention to the impact of the company's activity on the environment;

b) to exercise the powers recognized by law or by the statute only for the achievement of the objectives set out in these provisions;

c) to responsibly assess the matters on which a decision is made;

ç) to prevent and eliminate cases of conflict, present or potential, between personal interests and those of the company;

d) to ensure the approval of agreements according to the provisions of point 3 of Article 13 of this law;

dh) to perform their duties with the necessary professionalism and care.

2. Administrators, in the performance of their duties, are liable to the company for any act or omission that is reasonably related to the objectives of the commercial company, except in cases where, based on the investigation and assessment of the relevant information, the act or omission has been carried out in good faith.

3. If the administrators act in violation of their duties and breach professional standards, pursuant to points 1 and 2 of this Article, they are obliged to compensate the company for the damages resulting from the violation, as well as to transfer any personal profit that they or persons connected to them have gained from these irregular actions. The administrators bear the burden of proof to demonstrate that they have performed their duties in a regular manner and according to the required standards. When the violation is committed by more than one administrator, they are jointly liable to the company.

4. In particular, but not limited thereto, the administrators are obliged to compensate the company for damages caused, if, in violation of the provisions of this law, they carry out the following actions:

a) return the contributions to the partners;

b) pay interest or dividends to the partners;

c) distribute the assets of the company to the partners;

ç) allow the company to continue its business activity, when, based on the financial situation, it should have been foreseen that the company would not have the liquidity to pay its obligations;

d) grant loans.

5. The provisions of point 6 of Article 92 of this law shall also apply to lawsuits arising from the paragraphs of this Article. Such lawsuits must be filed within 3 years from the commission of the violation or from its discovery.

TITLE V
DISSOLUTION OF THE COMPANY, WITHDRAWAL AND EXCLUSION OF PARTNERS

CHAPTER I
DISSOLUTION OF THE COMPANY

Article 99
Grounds for dissolution of the company
(As amended by Law No. 129/2014, dated 2.10.2014)

1. The limited liability company is dissolved:

a) when the duration for which it was established ends;

b) upon the completion of insolvency proceedings or in the event of insufficient assets to cover the expenses of the insolvency proceedings;

c) in the event that the subject matter becomes unrealizable due to the continuous non-functioning of the company's bodies or for other reasons that make the continuation of the commercial activity absolutely impossible;

ç) in cases of the nullity of the establishment of the company, as provided for by Article 3/1 of this law;

d) in other cases provided for in the statute;

dh) in other cases provided by law;

e) for any other reason decided by the assembly of members.

2. The dissolution of the company, as a result of one or more of the causes specified in letters "a", "c", "d", "dh" and "e" of point 1 of this Article, is decided by the assembly of members with the majority provided for in point 1 of Article 87 of this law.

3. In case of non-action by the assembly of members to decide on dissolution, for the reasons specified in letters "a", "c", "d", and "dh" of point 1 of this Article, any interested person may, at any time, address the court to establish the dissolution of the company.

4. Notwithstanding the above provisions, the existence of one or more of the causes provided for in letters "a", "c", "d", "dh" and "e" of point 1 of this Article shall not result in the dissolution of the company and the commencement of liquidation proceedings, if prior to the final court decision mentioned in point 3 of this Article, the cause of dissolution has been rectified, if possible to rectify, and this rectification has been published by the company in the commercial register, according to the provisions of Law no. 9723, dated 3.5.2007, "Për Qendrën Kombëtare të Regjistrimit", as amended.

5. The dissolution of the company, as a result of the causes provided for in letter "b" of point 1 of this Article, is decided by the competent court for insolvency proceedings, when, at the conclusion of these proceedings, all the assets of the company have been liquidated for the collective settlement of obligations to creditors, or when the competent court for insolvency proceedings decides to reject the request for the opening of insolvency proceedings due to the insufficiency of the company's assets to cover the expenses of the insolvency proceedings.

6. The dissolution of the company as a result of the causes provided for in letter "ç", of point 1, of this Article, is decided by the competent court, in accordance with the provisions of Article 3/1 of this law.

Article 100
Registration of dissolution

The administrators register the dissolution of the company with the National Registration Center, in accordance with Article 43 of Law No. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit". If the dissolution of the company is by court decision, the court, in accordance with Article 45 of Law No. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit", notifies the decision to the National Registration Center for registration.

CHAPTER II

WITHDRAWAL AND EXCLUSION OF PARTNERS

Article 101
Withdrawal of a partner for just cause

1. A partner may withdraw from the company if the other partners or the company have acted to his detriment, if he has been prevented from exercising his rights, if the company has imposed unreasonable obligations on him, or for other reasons that make the continuation of the partnership impossible.

2. The partner seeking withdrawal must notify the company in writing and set out the reasons for withdrawal.

3. The administrators must convene a meeting of the general assembly immediately after becoming aware of the notice of withdrawal, pursuant to paragraph 2 of this Article, to decide whether the partner's share will be liquidated as a result of withdrawal for just cause.

4. The partner has the right to bring a lawsuit in court against the company for the liquidation of the share, as a result of withdrawal for just cause, if after notification of the withdrawal, the general assembly does not convene or does not recognize as justified the reasons for withdrawal and the liquidation of the share.

5. The partner who seeks withdrawal from the company is obliged to compensate the company for the damages caused, if it is found that the withdrawal was carried out on the basis of unjustified reasons.

6. The partner who withdraws has the right to bring an action against the company and/or the other partners who caused his withdrawal and to seek joint compensation from them for the damage suffered.

Article 102
Exclusion of the partner

1. On the basis of an ordinary decision, the general assembly may request the court to exclude the partner if he has not fulfilled his contribution, according to the provisions of the statute, or if there are other justified reasons for such exclusion.

2. Considered justified reasons for the exclusion of the partner, according to paragraph 1 of this article, but not limited thereto, are cases when the partner:

a) intentionally or with gross negligence causes damage to the company or to the other partners;

b) intentionally or with gross negligence violates the statute or the obligations set by law;

c) is involved in actions that make it impossible to continue the relationship between the commercial company and the partner; or

ç) through his actions damages or significantly hinders the commercial activity of the company.

3. During the procedure for the exclusion of the partner, upon the request of the claimant, the court may take a measure to secure the claim by suspending the voting rights of the partner whose exclusion is requested, as well as other rights deriving from the ownership of the company's quota, when it considers this measure necessary and justified.

4. The company has the right to claim compensation from the excluded partner for the damage caused by the actions that led to the exclusion.

5. The partner has the right to claim compensation from the company for the damage suffered if the request for exclusion is not well-founded.

6. The partner does not have the right to request the liquidation of the quota from the company if he is excluded for reasonable grounds, but if the company brings a claim for compensation against him, the partner has the right to offset any amount to which he would be entitled in the capacity of the liquidation of the quota, with the damage claimed by the company.

Article 103
Consequences of withdrawal and exclusion

1. All rights arising from the status of partner in the company are extinguished on the date of withdrawal or on the date of the final court decision on withdrawal or exclusion.

2. The statute may not exclude or limit the right of the partner to withdraw from the company and the right of the company to exclude the partner.

Article 104
Liquidation in the state of solvency

Except in cases where insolvency proceedings have been initiated, the dissolution of the limited liability company results in the opening of liquidation procedures in a state of solvency, pursuant to Articles 190 to 205 of this law.

PART V
JOINT-STOCK COMPANIES

TITLE I

GENERAL PROVISIONS AND INCORPORATION

Article 105
Definition and types

1. The joint-stock company is a commercial company, the capital of which is divided into shares subscribed by the founders. The founders are natural or legal persons who are not personally liable for the obligations of the company and who cover its losses only up to the unpaid value of the shares they have subscribed.

2. Joint-stock companies may be either private or public offering companies, in accordance with the provisions of the law on securities.

Article 106
Registration

1. Joint-stock companies are registered pursuant to Articles 26, 28, 32, and 36 of Law No. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit".

2. If the company creates its own website, the data registered with the National Registration Center shall be published on this website and made available to interested persons.

Article 107
Minimum capital
(Point 1 amended by Law No. 10475, dated 27.10.2011)

1. A joint-stock company with a private offering may not have a capital of less than 3,500,000 ALL.

2. A joint-stock company with a public offering may not have a capital of less than 10,000,000 ALL.

Article 108
Types of contributions

Shareholder contributions may be in cash or in kind (movable or immovable property or rights that can be valued in money). Shareholder contributions may not be in labor or services.

Article 109
Nominal value and issuance of shares

1. Each share has the same nominal value.

2. Shares may not be issued before the registration of the company with the National Registration Center. Shares issued earlier are invalid. The founders are jointly and severally liable for damages caused to holders of shares by premature issuance.

3. The rights attached to the shares may not be transferred before the registration of the company with the National Registration Center.

Article 110
Value of issued shares

1. The total nominal value of the issued shares may not be less than the registered capital of the company. Consequently, the company may not issue and offer for subscription shares at a price below their nominal value.

2. The company may issue and offer for subscription shares at a price higher than their nominal value.

Article 111
Establishment costs

1. The founders may request reimbursement by the company of establishment costs, up to the maximum value provided for in the statute.

2. The establishment costs are paid to the founders from the profits realized by the company. Except when otherwise provided in the statute, the shareholders may decide that the reimbursement of establishment costs shall have priority during the distribution of profits.

Article 112
Contributions in kind
(Point 6 added by Law no. 129/2014, dated 2.10.2014)

1. When shareholders make contributions in kind, such contributions must be evaluated prior to the registration of the company by one or more experts appointed by the relevant court. These experts are natural or legal persons, licensed under special provisions, with the necessary technical competence to carry out such evaluations.

2. The report of the experts' evaluation must contain a detailed description of the contributions in kind, and must specify the evaluation methods that have been applied and state whether the value calculated by this method corresponds at least to the nominal value of the share and, where applicable, also to any share premium.

3. Assets, quotas or shares of an existing company may be given as a contribution to a joint stock company only if the contributing company has been registered for at least 2 years. In this case, together with the report referred to in point 2 of this Article, the financial statements of the last two years of the said company, as well as documents for its evaluation, must also be submitted.

4. The evaluation report referred to in the above paragraphs of this Article, and where applicable, other documents, shall be submitted to the National Registration Center together with the application for registration.

5. The above provisions shall also apply when the company, within 2 years after its establishment, acquires assets or rights from one of the founders.

6. The evaluation report referred to in the above paragraphs is not mandatory in the following cases:

a) the company is established as the result of a merger or division and the expert evaluation report, as determined under Article 217 of this law, has been prepared;

b) in the case of a capital increase carried out in the context of a merger or division, for the purpose of paying the shareholders of the companies being absorbed or divided, and if the expert evaluation report, as determined under Article 217 of this law, has been prepared;

c) in the case of a capital increase carried out in the context of a takeover bid, with the subject of purchase or exchange of shares, for the purpose of paying the shareholders of the company that is the object of the public takeover bid.

Article 113
Payment and transfer of contributions prior to registration
(Amended point 2 by Law no. 129/2014, dated 2.10.2014)

1. Shares subscribed with contributions in cash must be paid up before the registration of the company, at least one quarter of their nominal value. The remaining amounts are paid in one

or more installments, according to the decision of the company's management bodies. Higher amounts, according to point 2 of Article 110 of this law, must be paid in full.

2. Shares subscribed with contributions in kind must be fully paid prior to registration, by transferring to the company the title of ownership of the contribution in kind. If, according to the law, the completion of specific formalities is required for the registration of the transfer of title of ownership of the contribution in kind, these formalities are performed by the legal representatives of the company. The contribution in kind shall be considered paid at the moment when the shareholder has completed all actions and signed all documents required by law for the transfer of the title of ownership of the contribution in the name of the company.

3. Founders who do not pay or transfer their contributions within the deadlines specified above shall be liable to the company, in accordance with the provisions of Articles 10 points 2 and 3 and 124 of this law.

Article 114

Special provisions for companies with a single shareholder

(Point 2 amended by Law No. 129/2014, dated 2.10.2014)

1. If, prior to the registration of the company with the National Registration Center, the sole founder has not fully paid or transferred his contributions in cash or in kind, he must guarantee the payment of the contribution through a bank guarantee, in an amount equal to the subscribed contribution with a validity period of no more than one year, and submit this to the National Registration Center together with the application for registration. If, at the end of the one-year validity period of the bank guarantee, the shareholder does not declare to the bank the full payment of the contribution provided for in the statute, the amount of the bank guarantee shall automatically be transferred to the company for the payment of the capital.

2. If the company remains with a single shareholder, then the sole shareholder is obliged to register this fact in accordance with Article 43 of Law No. 9723, dated 3.5.2007, "Për Qendrën Kombëtare të Regjistrimit", as amended. If the remaining shareholder does not fulfill this obligation, then the shareholder is personally liable for the obligations that the company undertakes from the date on which the registration should have been carried out, pursuant to this Article, until the date on which such registration is actually completed.

Article 115

The incorporation procedure

1. Joint stock companies, after the approval of the statute by the founders, are incorporated in accordance with the provisions of Article 106 of this law. The statute determines the first administrators and the first members of the board of administration or the supervisory board. The mandate of these persons ends on the date of the first meeting of the general assembly.

2. Contributions in cash, according to point 1 of Article 113 of this law, shall be paid into a bank account specified pursuant to the provisions of the statute. The company, together with the application for registration, deposits with the National Registration Center the bank document certifying the payment of the cash contribution.

3. The representative of the company may withdraw the funds collected from cash contributions only after the company is registered with the National Registration Center.

TITLE II

SHARES

Article 116

Types and categories of shares

1. Shares may be ordinary or preference shares. Ordinary shares entitle their holders to exercise in the general assembly the rights of a shareholder and to benefit from a share of the profits and of the distribution of the assets remaining after liquidation, in proportion to the share of the capital that their shares represent. Preference shares entitle their holders, from the distribution of dividends decided by the general assembly, to receive a specified amount or a specified percentage of the nominal value of their shares, prior to the distribution of profits in favor of ordinary shareholders, priority in the distribution of the company's assets remaining after liquidation, and other rights provided by law or in the statute.

2. The indication in the statute of the privileges arising from the ownership of these shares is presumed to be exhaustive.

3. Shares that confer the same rights constitute shares of the same category (ordinary shares, preference shares, shares with voting rights, and shares without voting rights).

Article 117

Ways of acquiring and transferring shares

(Point 3 added by Law no. 129/2014, dated 2.10.2014)

1. The shares of a joint stock company and the rights arising from them may be acquired or transferred through:

a) contribution to the company's capital at the moment of the company's formation;

b) sale and purchase;

c) inheritance;

ç) gift;

d) any other manner provided by law.

2. Shares and rights acquired as above cannot be exercised against any person or against the company before the action has been registered in the special register of shares, maintained by the company, in accordance with point 1 of Article 119 of this law.

3. In cases of transfer of shares by contract, the conditions and the moment of transfer of the title of ownership over the share, as well as other conditions of the transfer, including the moment of payment of the price, are regulated by the contract. The contract for the transfer of the share is drafted in written form and notarisation is not a condition for the validity or registration of the contract. Transactions in electronic form, according to the provisions of Law no. 9879, dated 21.2.2008, "Për titujt", are considered carried out in written form in accordance with the provisions of this article. Except in cases where expressly provided otherwise by law or when the parties agree in the contract, the validity of the transfer of the title of ownership over shares shall not be conditioned by the fulfilment of various formalities with declarative effect, including the formalities of registration or publication of the contract or the transfer of the title.

Article 118

The share issuance act

1. The share issuance act is drafted at the moment of the initial issuance of shares and contains the data specified in Article 36 of Law No. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit".

2. In the case of a private or public offering of shares, the share issuance act must also follow the procedures set out in the law on securities.

3. The company issues the share certificate at the expense of the shareholder who requests it. The decision to issue the certificate is made by the founders or by the assembly.

Article 119

Registration of shares

1. Joint stock companies keep a special register, where the data of the holders of the company's shares are recorded, such as: the name and surname of the shareholder, or the registered name, if it is a legal person, the nominal value of the share, the residential address or the registered office of the shareholder, and the date of the registration.

2. Persons registered according to point 1 of this Article are presumed to be shareholders of the company with full rights both in relation to the company and to third parties.

3. The administrators are responsible for keeping the company's share register and are required to allow access to the register's information to any shareholder or any other person who requests it. The information from the share register must be published on the company's website. The company may allow the online registration of the data that must be registered according to point 1 of this Article.

4. The provisions of sections IV, VII, and VIII of chapter III of the special part of the Criminal Code apply to irregularities in the issuance of shares, as well as to irregularities in the registration and keeping of the share register.

5. The provisions of points 1, 2, and 3 of this Article do not affect the company's obligation to notify the list of shareholders, in accordance with point 4 of Article 43 of Law no. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit", and the obligation to register the shares, in accordance with the provisions of the law on securities.

Article 120
Conditions for the transfer of shares

The statute may provide that the transfer of shares is subject to the approval of the company's management bodies and/or to a pre-emption right in favor of the other shareholders.

Article 121
Joint ownership of shares

1. A share of the company may be owned by one or more persons. Persons who jointly own a share, in their relations with the company, exercise shareholder rights through a common representative.

2. Persons who jointly own a share are jointly and severally liable for the obligations arising from the ownership of the share.

3. Persons who own a share agree among themselves on the division of the rights and obligations arising from that share. These rights and obligations may be divided equally or unequally.

4. The actions of the company in relation to a share owned by several persons produce effects on all its owners, even if the action of the company is addressed to only one of the owners.

5. The provisions of the Civil Code on co-ownership shall apply where not otherwise provided in the agreement entered into, in accordance with point 3 of this Article.

Article 122
Voting rights

1. Each ordinary share grants its holder voting rights in proportion to the share of the capital that the share represents.

2. Preference shares may be issued without voting rights. In this case, preference shares may not represent more than 49 percent of the registered capital of the company.

3. The issuance of shares which grant their holder more voting rights in proportion to the share

of capital represented by the share is prohibited.

TITLE III
LEGAL RELATIONS BETWEEN THE COMPANY AND THE SHAREHOLDERS

Article 123
Obligation to pay contributions

The shareholders pay the nominal value of the share or the higher issuance price into the company's account and transfer the contribution in kind, in accordance with the specifics of the contribution itself or in the manner provided in the statute. The provisions of Articles 112 and 113 of this law also apply to the obligations of the founders.

Article 124
Consequences of delay in payment

1. The shareholder is obliged to pay the company a late payment interest of 4 percent per year on the unpaid amount of the cash contribution, starting from the date when the obligation becomes due, according to this law or the statute. The company may claim additional compensation caused by the delay in the payment of the cash contribution. The statute may provide for further payments if this obligation is not fulfilled within the deadline.

2. The company may set a 30-day deadline for the payment of the contribution for shareholders who have not made the payment within the deadlines provided, according to this law or the statute. If these shareholders do not fulfill the obligation to pay the contribution within this period, then they lose the right to participate in the general assembly and the shares they hold are not taken into account in the calculation of the quorum. The right to receive dividends, as well as any other right related to the share, is suspended.

3. If the shareholder does not pay the monetary contributions within 3 months from the end of the deadline set out in point 2 of this article, the company may reduce the capital by the value of the unpaid contribution and cancel the share, pursuant to Article 186 of this law.

Article 125
Prohibition on the waiving of the obligation regarding contributions

1. The company may not waive the obligation to pay monetary contributions or the transfer of in-kind contributions subscribed by the shareholders, nor any other obligations arising from the non-fulfillment of the obligation to pay or transfer the contribution.

2. Shareholders may not set off any rights they may have against the company with the obligation to pay or transfer the subscribed contribution, nor may they provide the company with a contribution encumbered with a burden.

3. The company may release shareholders from the obligation to pay monetary contributions or the transfer of in-kind contributions only through the ordinary reduction of capital, in accordance with Articles 181, 182, 183, and 184 of this law, proportionally with the value by which the capital is reduced. Release from these obligations may also be effected through the cancellation of shares, in accordance with Article 186 of this law.

Article 126
Prohibition on the return of contributions

Except in cases provided for in this law, contributions may not be returned to shareholders.

Article 127
Legal reserve and other reserves

1. From the profit after tax, realized during the previous financial year, after deducting expenses, the company must transfer to the legal reserve at least 5 percent of this amount, until this reserve is equal to 10 percent of the company's registered capital, or to a higher value determined in the statute.

2. The statute may provide for the creation of other reserves from the annual profits.

3. The company calculates and distributes dividends only after the amounts specified for the reserves mentioned in points 1 and 2 of this Article have been deducted from the annual profit.

Article 128
Declaration of dividend

1. The dividend is the portion to which each shareholder is entitled from the value of the annual profits, which is decided to be distributed by the general assembly.

2. The annual profits are calculated in accordance with the principles set out by Law No. 9228, dated 29.4.2004 "Për kontabilitetin dhe pasqyrat financiare".

3. Except in cases where the statute provides otherwise, the dividend is distributed among the shareholders in proportion to the value of the registered capital that the shares of each shareholder represent.

4. In accordance with the principles set out in Article 14 of this law, the general assembly may decide that the company shall not distribute dividends or that the annual profit shall not be paid to shareholders holding shares of special categories, but that such amounts shall be used for other purposes. The rights of shareholders, according to the provisions of the statute, may be changed only by a decision adopted by three-fourths of the votes, as specified in Article 145 of this law.

Article 129
Return of unlawful payments

Shareholders are obliged to return to the company all amounts received from it in violation of the provisions of this law. This includes the dividend, if the shareholder knew or could not have failed to know that the dividend or other benefits were received contrary to the provisions of this law. The claim for the return of benefits, according to this article, is subject to a statute of limitations of 3 years from the date of the unlawful payment.

Article 130
Remuneration for transactions between the company and shareholders

With the exception of actions related to capital contribution, the remuneration received by a shareholder as a result of an economic transaction carried out with the company may not exceed the market value at that time for comparable economic transactions.

Article 131
Non-repayment of the loan

1. When a shareholder grants a loan to the company under conditions less favorable than the normal market conditions and if the company is in a state of insolvency, then the shareholder is not entitled to claim the return of the loan if such action would result in the reduction of the

company's own capital below the value of its minimum capital.

2. If a third party has granted a loan to the company under the conditions of point 1 of this article and the repayment of the loan is guaranteed by the shareholder, then the third party, in cases where the company is in a state of insolvency, may only claim from the company the amount that could not be recovered under the shareholder's guarantee.

3. Points 1 and 2 of this article also apply to other actions of the shareholder or third parties, if, from an economic perspective, they are similar to the loan agreements provided for in these points.

Article 132
Liability for repaid loans

1. When, in the cases mentioned in Article 131 of this law, the company, during a 1-year period prior to the date of the opening of insolvency proceedings, has repaid the loan to the shareholder, then the shareholder to whom the loan has been repaid, or who has provided a guarantee, must return to the company the amounts of the loan that have been paid by it. The shareholder is liable up to the value of the guarantee at the moment the loan is repaid. The shareholder is not liable for these amounts when the collateral given as a guarantee is transferred to the company as payment for the loan.

2. Point 1 of this article also applies to other actions of the shareholder or third parties, if from an economic perspective they are similar to the loan agreements provided for in point 1 of this article.

Article 133
Prohibition of subscription and purchase of shares
(Point 6 added by law no. 129/2014, dated 2.10.2014)

1. The company may not subscribe to its own shares. The purchase of its own shares by the company is permitted only in the cases provided for by this law.

2. A controlled company may not subscribe to or purchase the shares of the parent company.

3. If, during the procedure of incorporation or capital increase, a third party, in contravention of the above, has subscribed or purchased the shares on behalf of a company or of a controlled company, according to point 2 of this article, then that third party shall be deemed to have subscribed or purchased them on his own behalf.

4. The shares acquired, according to point 1 of this article, must be sold by the company or cancelled, within one year from the date of acquisition, pursuant to Article 186 of this law and be deregistered from the share register.

5. The company may not exercise, in respect of its own shares, the rights that by law arise from their ownership.

6. The shares of a company that are owned by another company, which, at the moment of their acquisition, was not, but subsequently becomes a controlled company, must, alternatively, be sold by the controlled company or cancelled by the parent company, within one year from the date on which the parent company - controlled company relationship was established between them pursuant to this law.

TITLE IV
COMPANY ORGANS

Article 134
Organs and publication

1. The organs of joint-stock companies are:

a) the general assembly;

and, depending on the provisions of the statute,

b) the board of directors, as the sole management body, which simultaneously exercises management and supervisory functions over the company's activity (single-tier system);

c) the supervisory board and one or more administrators, where the management and supervisory functions are allocated between these 2 organs (two-tier system).

In this case, according to the provisions of the statute, administrators may be appointed and dismissed by the general assembly or by the supervisory board.

2. Joint-stock companies, in the activity progress report and the annual financial statements, must include an explanatory document, which addresses and explains the principles and rules of good governance and internal management of the company, as well as the practices followed by it in implementation of the provisions of this law. The company's corporate governance statement must contain a profile of the administrators and members of the boards, as well as explain the elements and facts for which these individuals are qualified to perform the duties assigned to them by the company. This statement is also published on the company's website.

CHAPTER I
GENERAL ASSEMBLY

Article 135
Rights and obligations

1. Except in cases where otherwise provided by this law, and in particular by the provisions of Article 148 of this law, the rights of shareholders, regarding matters related to the activities and functioning of the company, are exercised through the general assembly.

2. The general assembly adopts decisions on the following matters of the company:

a) determination of commercial policies;

b) amendments to the statute;

c) appointment and dismissal of the members of the management board (single-tier system) and (in the two-tier system) of the members of the supervisory board and, where provided for in the statute, appointment and revocation of the administrators;

ç) appointment and dismissal of liquidators and statutory auditors;

d) approval of the remuneration scheme for the persons mentioned in letters "c" and "ç" of this point;

dh) approval of the annual financial statements and the activity progress reports;

e) distribution of annual profits;

ë) increase or decrease of the registered capital;

f) splitting of shares and their cancellation;

g) changes in the rights related to shares of specific types and categories;

gj) representation of the company in litigation against the management bodies;

h) reorganization and dissolution of the company;

i) approval of its meetings' procedural rules;

j) other matters expressly provided for by law or the statute.

3. The general assembly takes decisions after reviewing the relevant documents, together with the report of the management board or supervisory board and the report of the statutory auditor.

4. If the company is owned by a single shareholder, the rights and duties of the general assembly shall be exercised by the sole shareholder. All decisions taken by the sole shareholder shall be recorded in a decision register, the data of which cannot be altered or deleted. In particular, but not limited to, the following decisions must be recorded:

a) approval of the annual financial statements and of the activity progress reports;

b) distribution of annual profits and coverage of losses;

c) increase or decrease of capital;

ç) decisions on investments;

d) reorganisation and dissolution of the company.

Unregistered decisions in the decision register are absolutely void. The company may not invoke the invalidity against a third party who has acquired rights in good faith, except in cases where the company proves that the third party was aware of the invalidity or, based on clear circumstances, could not have been unaware of it.

Article 136

Meeting of the general assembly

1. The general assembly meets in cases specified by this law, by other laws or by the provisions of the statute and whenever the meeting is necessary to protect the interests of the company. The ordinary meeting of the general assembly is convened at least once a year.

2. The general assembly is convened by the administrators and, in cases provided for by this law, by the members of the management board, the supervisory board, or by the shareholders designated pursuant to Article 139 of this law.

3. The general assembly must be convened if, according to the annual balance sheet or interim financial reports, it is found or clearly foreseen that losses have reached an amount equal to 50 percent of the registered capital, or that the company's assets do not cover its liabilities that are due within the following 3 months.

4. The general assembly must be convened when the company proposes to sell or dispose of assets which have a value higher than 5 percent of the company's assets, as shown in the latest certified financial statements. Point 4 of Article 13 of this law applies in cases where the actions under this point are to be performed with the persons referred to in points 2 and 3 of Article 13 of this law.

5. The general assembly must be convened when the company, within the first 2 years after registration, proposes to purchase from a shareholder property that has a value higher than 5 percent of the company's assets, as shown in the latest certified financial statements.

6. In the cases provided for in points 3 to 5 of this article, a report shall be presented to the general assembly by an independent authorized statutory auditor.

7. The provision of point 6 of this article does not apply if the purchases, according to points 4 and 5 of this article, are carried out on the stock exchange or are part of the company's daily operations and are made under normal market conditions.

8. In the cases provided for in points 3 to 5 of this article, the general assembly may approve a non-binding resolution, approving or criticising the activity of the administrative bodies.

Article 137

Method of convening

1. The general assembly is convened by means of a written notice or, if provided for by the statute, by notice via electronic mail. The written or electronic notice and the agenda shall be sent to all shareholders no later than 21 days before the scheduled date of the assembly meeting.

2. This notice must also contain:

a) the name of the company, the registered office, the place and time of the assembly meeting;

b) a detailed explanation of the procedures that must be followed by shareholders in order to participate in and vote at the assembly, which must include:

i) the rights of shareholders, pursuant to Article 139 of this law;

ii) the procedures for proxy voting, special forms to be used during proxy voting, and the electronic means by which the company will accept notification of authorized representatives;

iii) the procedures for voting, by electronic means or by correspondence;

c) information on the place and means for obtaining in full the documents and draft decisions specified in points 1 and 2 of Article 138 of this law;

ç) the address of the company's website where the information specified in this article can be obtained. The notice convening the general assembly meeting, together with the agenda, is also posted on the company's website.

3. 21 days before the date set for the assembly meeting, including the day of the meeting, the company must make available to shareholders on its website at least the following information:

a) the information according to points 1 and 2 of this article;

b) the total number of shares and the voting rights attached to those shares on the date of the notice convening the meeting, including the total amounts for each class of shares, when the company's capital is divided into two or more classes of shares;

c) any document that will be made available to the general assembly.

4. In the case where the joint stock company has many shareholders, the notice convening the general assembly meeting may also be communicated to shareholders through publication of the above information in a daily newspaper with nationwide circulation.

Article 138

Agenda

1. The agenda, which is notified according to Article 137 of this law, must also include the proposed decisions for each item.

2. If the general assembly must decide on amending the statute, the text of the amendments must be notified together with the agenda.

3. The administrators must respond, in writing, to any written request for clarification regarding the agenda, sent by the shareholders no later than 8 days before the date of the general assembly meeting.

4. When the general assembly has not been convened according to the formalities of this article and Article 137 of this law, it may make valid decisions only if all shareholders are present and express their agreement to make decisions, regardless of the irregularity.

Article 139

The meeting of the general assembly and the agenda, requested by the minority shareholders

1. Shareholders who own shares representing at least 5 per cent of the company's registered capital, or a smaller percentage as provided in the statute, may submit a written request to the administrators, including communication by electronic mail, to convene the general assembly and/or, no later than 8 days before the date of the assembly meeting, to request the inclusion of specific matters in the agenda. The request must state the reasons and objectives, as well as the matters on which the general assembly should decide. If the request is not accepted, these partners have the right to convene the general assembly and to include matters in the agenda, in accordance with point 1 of Article 137 of this law.

2. If the general assembly, contrary to point 1 of this article, is not convened, or if the matter requested by them is not included in the agenda, each of the shareholders who have made the request has the right:

a) to file a lawsuit in court to declare the breach of the duty of loyalty, if the governing bodies do not fulfill their requests within 15 days;

b) to request the company to purchase the shares owned by them, according to Article 133

of this law.

3. In cases where the agenda is changed, according to the provisions of point 1 of this article and the convening has been notified to the partners, the administrators shall notify the agenda again, in the same manner as the initial notification was made.

Article 140

Representation in the assembly

(Amended point 3 by Law No. 129/2014, dated 2.10.2014)

1. A shareholder may be represented at the general assembly on the basis of an authorization by another shareholder or by a third party.

2. Administrators and members of the management board or the supervisory board cannot act as representatives of shareholders at the general assembly.

3. The authorization is granted in written form only for one meeting of the general assembly and is also valid for subsequent meetings with the same agenda.

4. The authorized representative is obliged to declare any fact or circumstance which, in the judgment of the represented shareholder, may risk influencing the representative's decision-making in the interest of parties other than those of the represented shareholder.

Article 141

Participation in the meeting of the general assembly

1. The statute or the general assembly may establish rules for the procedures of holding and participating in the assembly. These rules are adopted by the general assembly by a three-fourths majority of the capital represented at the meeting, in accordance with Article 145 of this law.

2. Except in cases where otherwise provided in the statute or the rules adopted above, the general assembly appoints a chairman.

3. During the meeting of the general assembly, a list of the shareholders present and their representatives is prepared, in which the names and addresses of each are recorded, together with the number of shares, the number of votes those shares confer, the nominal value of the shares, as well as the type or category thereof, held by each participant. This list is made available to the shareholders and their representatives and is signed by them.

4. The shareholders, by means of a unanimous written agreement, may decide that any decision which they are entitled to take under this law or the company's statute shall be taken unanimously.

Article 142

Participation by means of electronic communication

1. The statute may provide for shareholders who are not present the possibility of participating in the meeting of the general assembly by means of various communication tools, including electronic means, provided that the identification of the partners is guaranteed.

2. Electronic means include, but are not limited to:

a) the transmission of the general assembly meeting in real time;

b) mutual communication, which enables partners to express themselves at the general assembly meeting in real time, from another location;

c) mechanisms that enable the voting process, before or during the holding of the general assembly meeting, without the need to appoint an authorized representative to participate physically in the meeting.

3. The use of electronic means to enable shareholders to participate in the meeting of the

general assembly is carried out on the condition that the necessary technical measures are taken to ensure their identification and the security of electronic communications, to the extent that such use is proportional to the achievement of these objectives.

Article 143
Minutes of the meetings of the general assembly

1. All decisions of the general assembly must be recorded in the minutes. The administrators are responsible for keeping the minutes.

2. The minutes must contain the following data: the date of the meeting, the place of the meeting, the agenda, the name of the chair and of the person taking the minutes, the voting results, the decisions made, the position of the chair regarding the decision-making, as well as of the shareholders who expressed opposition.

3. The minutes shall also have attached the list of participants and the documentation of the convening of the general assembly.

4. The minutes and the list of participants must be signed by the chair and by the person taking the minutes.

5. No later than 15 days from the date of the meeting, the administrators are required to publish copies of the minutes of the general assembly meeting on the company's website.

Article 144
Quorum

1. In the case of matters decided by simple majority, the general assembly may make valid decisions only if shareholders holding more than 30 percent of the shares with voting rights are present or represented. When the assembly must decide on matters which require a qualified majority, according to Article 145 of this law, the general assembly may make valid decisions only if the shareholders holding more than half of the total number of shares with voting rights, or their representatives, participate in the vote in person or vote by written proxy or by electronic means, according to the provisions of Article 142 of this law.

2. If the general assembly cannot convene due to the lack of quorum mentioned in point 1 of this article, the assembly shall reconvene no later than 30 days, with the same agenda.

Article 145
Decision-making

1. Except in cases where the statute provides for a higher majority, the general assembly decides by three-fourths of the votes of the shareholders participating in the vote, according to the provisions of point 1 of Article 144 of this law, regarding the amendment of the statute, the increase or decrease of registered capital, the distribution of profits, reorganization, and dissolution of the company.

2. Except in cases otherwise provided in this law or in the statute, the general assembly makes decisions on other matters, listed in Article 135 of this law, by the majority of votes of the participating shareholders.

3. Except in cases otherwise provided in this law, the validity of decisions that impose additional obligations on shareholders or decisions that restrict their rights, as provided in this law, in the statute, or in other decisions, is subject to the approval of the respective shareholder.

Article 146
Voting method

1. Unless otherwise provided by this law or by the statute, the general assembly makes decisions by open voting.

2. For the appointment and dismissal of the members of the management board or, as the case may be, of the supervisory board or the administrators, the general assembly decides by secret ballot, if this method of voting is requested by shareholders who own a number of shares representing at least 5 percent of the registered capital of the company.

Article 147

The right to vote

In accordance with the provisions of point 1 of Article 122 of this law, each share carries the right to one vote.

Article 148

Exclusion from voting

1. The shareholder may not exercise the right to vote if the general assembly must make a decision on:

a) the evaluation of his activity;

b) the waiver of any obligation in his charge;

c) the filing of a lawsuit against him by the company;

c) the granting or not of new benefits.

2. In cases where the shareholder is represented by proxy, this prohibition also applies to the authorized person.

Article 149

Preferred shares without voting rights

1. Preferred shares without voting rights enjoy all other rights arising from their ownership, according to this law.

2. The effects of the decision of the general assembly regarding the cancellation, limitation, or infringement of the preferential rights of these shares are conditional upon the consent of the shareholders who own them.

3. The approval, according to point 2 of this article, is obtained during a special meeting, the validity of which is conditioned upon the presence of shareholders who own more than 1/2 of the portion of the company's capital represented by preferred shares. The special decision on these matters is taken with the approval of 3/4 of the shareholders who own the preferred shares, present or represented at the meeting. The statute may not change this majority, nor establish other conditions or procedures that are mandatory to follow for this matter.

4. If the preference is cancelled, then these shares regain the right to vote.

Article 150

Special investigations

1. The general assembly may decide to initiate a special investigation regarding irregularities in the actions of the company's establishment and the conduct of its commercial activity. The investigation is carried out by an independent expert in the field.

2. Shareholders representing at least 5 percent of the total votes in the company's assembly, or a lower value as provided in the statute, and/or the company's creditors, who claim that the company has obligations towards them in an amount not less than 5 percent of the registered capital, may request the general assembly to appoint an independent expert in the field, when there

are reasonable doubts of violations of the law or the statute. The shareholders or creditors of the company defined above, within 30 days after the refusal by the assembly to appoint the independent expert, may request the court to appoint such expert. If the general assembly does not make a decision within 60 days from the date of the request, the request of the shareholders or creditors shall be considered refused.

3. When the general assembly has appointed an expert in the field to conduct the special investigation, the shareholders or creditors mentioned in point 2 of this Article may request the court to replace the expert, when there are reasonable doubts that the expert may not carry out the special investigation properly.

4. When the court accepts the requests mentioned in points 2 and 3 of this Article, the commercial company bears the costs of appointing and remunerating the expert appointed to conduct the special investigation.

5. The right to request a special investigation, according to points 1 and 2 of this Article, must be exercised within 3 years from the date of registration of the commercial company, when the investigation concerns irregularities in the incorporation process, and within 3 years from the date of the act considered irregular, when the investigation concerns irregularities in the conduct of commercial activities.

6. Creditors who, in bad faith, submit requests according to point 2 of this Article, are liable in accordance with Article 34 of the Code of Civil Procedure.

Article 151

Annulment of irregular decisions and compensation

(Amended points 1 and 2 by Law No. 129/2014, dated 2.10.2014)

1. The general assembly, based on a decision taken by the majority defined in point 2, of Article 145, of this law, has the right to bring an action before the competent court for the annulment of the decisions of the administrators and, as the case may be, of the management board or the supervisory board and/or for bringing other actions provided for by this law or the statute against the administrators or members of the management board or supervisory board.

2. Shareholders, who represent at least 5 percent of the total votes in the company's assembly or a smaller value, as provided for in the statute, and/or the company's creditors, who claim that the company has obligations towards them in an amount not less than 5 percent of the capital, may request the general assembly to bring an action for the annulment of the decisions of the administrators or members of the management board or supervisory board. The shareholders or the above-defined creditors, within 30 days after the refusal by the assembly to bring the action, have the right to directly bring a lawsuit before the competent court in the name of the company for the annulment of the decision of the administrators. If the general assembly does not take a decision within 60 days from the date of the request, the request of the above-defined partners or creditors is considered rejected.

3. Depending on the body defined in point 1 of this article, whose decision is being challenged for annulment, the general assembly participates in the proceedings through the administrators, through the management board or the supervisory board. The company may also participate in the proceedings through a special representative, appointed by the general assembly.

4. Minority shareholders or creditors mentioned in point 1 of this article may request the court to replace the special representative, who is not part of the bodies referred to in point 3 of this article, when there are well-founded doubts that the representative appointed by the general assembly may not file or pursue the claim in the best interests of the company. If the court accepts this request, the costs of the appointment and remuneration of the representative shall be borne by the company.

5. The court shall declare the annulment of the challenged decision if the body that issued the contested act does not reach an agreement with the person representing the company,

according to points 3 or 4 of this article, for the correction of the consequences of the decision, within 30 days from the date of appointment of this representative. The rights of third parties remain unaffected, in accordance with point 3 of Article 12 of this law.

6. Minority shareholders and the creditors defined above have the rights provided for in points 2 and 4 of this article, even in cases where the general assembly does not take a decision or refuses to decide on their request to file a lawsuit against administrators or members of the boards, with the subject matter being compensation for the damage suffered by the company as a result of the unlawful decision, or to file other lawsuits as provided by this law or the statute against administrators or members of the management board or supervisory board.

7. The provision of point 6 of Article 150 of this law also applies to the lawsuits provided for in this article.

Article 152
Rights related to the share

A shareholder who is prevented from exercising the rights deriving from the ownership of a share in the company has the right to request the court to order the cessation of the infringement or to claim compensation. The lawsuit must be filed within 3 years after the prevention of the exercise of the right.

Article 153
Prohibition of restrictions

1. Provisions of the statute which restrict or exclude any of the rights of shareholders or creditors, as defined in Articles 150, 151, and 152 of this law, as well as provisions which provide for general restrictions on the actions specified in these articles, shall be void.

2. The decisions of the general meeting cannot prejudice the right of shareholders or creditors to carry out the actions provided for in Articles 150, 151, and 152 of this law.

CHAPTER II
BOARD OF DIRECTORS. SINGLE-TIER SYSTEM

Article 154
Rights and obligations

1. The board of directors has the following rights and responsibilities:

a) to give directives to the administrators for the implementation of the company's commercial policies;

b) to monitor and supervise the implementation of the company's commercial policies by the administrators;

c) to prepare, at the request of the general meeting, the adoption of measures that are within its competence, to recommend to it the necessary decisions to be taken, as well as to implement the decisions of the general meeting;

ç) to convene the meeting of the general meeting, whenever it is deemed necessary for the interests of the company;

d) to ensure that the company complies with the law and accounting standards;

dh) to review and inspect the accounting books, documents, and assets of the company;

e) to ensure that the annual financial statements, management reports, as well as other mandatory reporting and publication obligations, required by law or the statute, are accurately carried out by the administrators. These documents must be approved and signed by all members of the board of directors in order to be submitted to the general meeting, together with a report of

the board of directors for approval and a description of the supervision of management throughout the entire financial year;

ë) to ensure that the audit of the books and accounting records is carried out at least once a year by an authorized, independent accountant and that the audit report, addressed to the general meeting, is made available to all members of the board and administrators. The report of the board of directors, mentioned in letter "e" of this point, must also include the opinion on the audit report;

f) to appoint and dismiss the administrators, to allocate competences among them;

g) to determine the remuneration of the administrators;

gj) to approve the assumption of obligations with a value higher than 5 percent of the company's assets, as shown in the latest certified financial statements, through the signing of loans or the issuance of bonds or other debt instruments;

k) to decide on the establishment of long-term commercial collaborations and the proposal of policies, for the establishment of commercial companies or new groups;

i) to perform other actions, as defined in the law and in the statute.

2. In the cases provided for in points 3, 4, and 5 of Article 136 of this law, the board of directors must immediately convene the general assembly to consider whether the company should be dissolved or to take other necessary and appropriate measures.

Article 155

Number, appointment, and composition of the board of directors

1. The board of directors is composed of at least three or a larger number, but no more than 21 members. The members are individuals, the majority of whom must be independent and distinct from the company's administrators.

2. The members of the board of directors are elected by the general assembly with the majority required in point 2 of Article 145 of this law, applying the term of appointment specified in the statute, which may not exceed 3 years. The members of the board of directors may be re-elected.

3. The statute may provide that shareholders who together hold a number of shares representing at least 5 percent or a lower value of the registered capital have the right to appoint a member of the board of directors by a special decision. Members elected in this manner may not increase the number of members of the board of directors above the maximum number of 21 members.

4. Persons who have no conflict of interest, as defined in point 3 of Article 13 of this law, are considered independent members of the board of directors.

Article 156

Limited eligibility

1. Members of the board of directors may be elected from among the shareholders and employees of the company, as well as from among other individuals outside the company.

2. An individual may not be elected as a member of the board of directors if he, at the same time, is:

a) a member of the board of directors or of the supervisory board in 2 other companies registered in the Republic of Albania;

b) is the administrator of a parent company or of a controlled company of the company;

c) is the administrator of another company, which has as its administrator or as a member of the board of directors a member of the board of directors or of the supervisory board of the first company.

3. Any appointment made in violation of point 2 of this article is absolutely null and void. The rights of third parties are protected according to Article 12 of this law.

4. Membership in the supervisory board or the board of directors of other companies within a group is considered as membership in only one board.

5. Individuals who are candidates for appointment as members of the board of directors are obliged to immediately inform the company of any conflict of interest and membership in the boards of other companies.

Article 157

Dismissal and resignation

(Title amended, points 4, 5, 6 added by Law No. 129/2014, dated 2.10.2014)

1. The general assembly may dismiss, at any time, a member of the board of directors by a simple majority of votes. This right may not be excluded by the statute or by agreement. Lawsuits relating to the remuneration of the member, based on contractual relationships with the company, are regulated according to the applicable legal provisions.

2. The member of the board of directors, who has been elected in accordance with point 3 of Article 155 of this law, may be dismissed by decision of the minority shareholders who elected him. When the conditions provided in the statute for this special appointment are no longer in force, the general assembly may dismiss the member in question by a simple majority of votes.

3. The board of directors, by a simple majority of votes, may request the competent court to dismiss a member if he has violated the duties provided in point 3 of Article 163 of this law.

4. A member of the board of directors may resign from his duties at any time, by means of a written notice addressed to the general assembly. The member of the board of directors who resigns, taking into account the circumstances of the company's activity, is also obliged to convene the general assembly for the appointment of the new member of the board, prior to the date when the resignation becomes effective.

5. If the general assembly does not decide on the appointment of the new member of the board of directors on the date specified in the notice made by the resigning member, then the administrator or, in his absence or inaction, the resigning member, shall notify in writing the National Registration Center of the resignation, together with a copy of the notice of the meeting of the general assembly, and the National Registration Center shall register the departure of the board member, in accordance with the procedures of Law no. 9723, dated 3.5.2007, "Për Qendrën Kombëtare të Regjistrimit", as amended.

6. The resignation of the member of the board of directors does not affect the company's claims for breaches of the duty of loyalty that the member has towards it, according to this law.

Article 158

Administrators

(Fourth sentence of point 1 amended, points 8, 9, 10, 11 added by Law no. 129/2014, dated 2.10.2014)

1. The board of directors appoints one or more natural persons as administrators of the company, for a term determined in the statute, which cannot be longer than 3 years. The administrators of the company may be reappointed. The members of the board of directors may perform the duty of administrator as long as the majority of the members of the board of directors are independent members who do not perform this duty. The appointment of administrators enters into force on the date determined according to the act of appointment. The appointment may be invoked against third parties, according to the principles of Article 12 of this law. The statute may lay down special rules for the appointment.

2. The administrator of a parent undertaking cannot be appointed as administrator of a controlled company and vice versa. The administrator of a parent undertaking cannot be the chairman of the board of directors of a controlled company, and the administrator of a controlled

company cannot be the chairman of the board of directors of the parent undertaking. Any appointment made in contravention of these provisions is absolutely void. The rights of third parties are protected according to Article 12 of this law.

3. Administrators have the right and the duty to:

a) to carry out all acts of administration of the company's commercial activity;

b) to represent the commercial company;

c) to ensure the accurate and proper keeping of the documents and accounting books of the company;

ç) to prepare and sign the annual balance sheet, the consolidated balance sheet and the activity progress report, which they submit to the board of directors for approval, together with proposals for the distribution of profits, to then be submitted for approval by the general assembly;

d) to establish an early monitoring and notification system for circumstances that threaten the existence of the company;

dh) to carry out the mandatory registrations and publications of the company's data, according to the provisions of this law or other laws;

e) to report to the board of directors on the implementation of commercial policies and, upon carrying out actions of particular importance, on the company's activities;

ë) to perform other duties, as provided by law and by the statute.

4. The duties assigned by law to the board of directors cannot be delegated to the administrators.

5. In the cases provided for in points 3, 4 and 5 of Article 136 of this law, the administrators must immediately inform the chairman of the board of directors.

6. If the company appoints more than one administrator, they administer the company jointly. The statute or the regulations, approved by the board of directors, may provide otherwise.

7. The board of directors may dismiss the administrators at any time. Lawsuits related to the remuneration of the member, based on contractual relations with the company, are regulated according to the applicable legal provisions.

8. The administrator, who is not a member of the board of directors, may resign from his duty at any time, through a written notice addressed to the board. The administrator, taking into account the circumstances of the company's activity, must specify in the written notice the date on which the resignation takes effect.

9. If the board of directors does not decide on the appointment of a new administrator before the date on which the resignation takes effect, then the administrator notifies in writing the National Registration Center, which registers the departure of the administrator, according to the procedures of Law no. 9723, dated 3.5.2007, "Për Qendrën Kombëtare të Regjistrimit", as amended.

10. The resignation of the administrator does not affect the company's lawsuits for breaches of the duty of loyalty that the administrator has towards it, pursuant to this law.

11. In cases where the administrator is simultaneously a member of the board of directors or when, according to point 2 of Article 167, the administrator is appointed by the general assembly, the above provisions of this article regarding the resignation of the administrator do not apply, and the resignation is carried out according to points 4, 5, and 6 of Article 157 of this law.

Article 159
Representation

1. Limitations on the powers of representation of the administrators may be asserted against third parties, in accordance with the provisions of Article 12 of this law.

2. Administrators who have the right to jointly represent the company may authorize some of them to carry out certain specific actions or to carry out certain categories of actions. Notifications addressed to each of the administrators are valid and binding for the company.

3. The powers of representation of the administrators and any changes thereto are

registered with the National Registration Center.

Article 160
Remuneration

1. Members of the board of directors may receive a base salary and additional remuneration, including a share of the company's profit or stock option rights in the company. The remuneration of administrators may be increased with additional bonuses. The scheme for such remuneration is prepared by the board of directors and approved by the general assembly.

2. In accordance with the scheme mentioned in point 1 of this article and the financial situation of the company, individual remuneration is determined by the board of directors and must appropriately reflect the allocation of duties between members who serve as administrators and independent members who are not administrators.

3. If the company is in financial difficulties, the general assembly may decide to reduce, to the appropriate extent, the remuneration, according to point 2 of this article.

4. The remuneration scheme mentioned in point 1 of this article, the individual remunerations granted to administrators and independent members who are not administrators, together with a report on the annual effect of these schemes on the assets of the company, shall be published together with the annual financial statements, in accordance with letter "e" of point 1 of Article 154 of this law.

Article 161
Regulations, the chairperson and special committees

1. The statute or the board of directors may establish regulations on the procedure for the functioning of board meetings, as well as the decision-making process. Decisions of the board of directors regarding these regulations are made unanimously.

2. The board of directors must elect its chairperson and deputy chairperson, in accordance with the provisions of the statute. The deputy chairperson shall exercise the powers of the chairperson when the latter is unable to perform them personally. An administrator may not be elected chairperson of the board of directors.

3. The holding of board meetings is recorded in minutes, which are signed by the chairperson. The minutes contain the place and date of the meeting, the names of the participants, the agenda, a description of the matters discussed and the decisions taken. Irregularities in keeping the minutes do not result in the invalidity of the decisions taken. Each member has the right to receive a copy of the minutes.

4. The board of directors may establish special committees, composed of its own members, to prepare meetings or decisions or to supervise the implementation of the decisions of the board, especially those related to the activity of the administrators, their remuneration, and the audit of the books and accounting records. Each committee must be composed, in its majority, of independent members who are not administrators.

Article 162
Decision making

1. The decisions of the board of directors are considered valid if, in the decision-making process, more than half of the members are present. Except in cases otherwise provided in the statute, decisions are taken by a majority of the votes of the members present, and in the event of a tie, the vote of the chairperson prevails.

2. The decisions of the board of directors may be made in accordance with the provisions

of the statute or the board's regulations, by expressing the vote in writing, by telephone, or by other means of electronic communication, except in cases when a member of the board objects to this method of decision-making.

3. The exceptions to the right to vote, pursuant to Article 148 of this law, also apply to the members of the board of directors.

Article 163
Duty of loyalty and liability

1. Except as provided in Articles 14, 15, 16, 17, and 18 of this law regarding the duty of loyalty, the administrators and members of the board of directors are obligated to:

a) perform their duties, as provided by law or the statute, in good faith and in the best interests of the company as a whole, paying special attention to the impact of its activity on the environment;

b) exercise the powers conferred upon them by law or the statute solely for the achievement of the objectives specified in these provisions;

c) properly assess the matters on which a decision is made;

ç) prevent and avoid cases of conflict, whether present or potential, between personal interests and those of the company;

d) ensure the approval of agreements, pursuant to point 3 of Article 13 of this law;

dh) perform their duties with the necessary professionalism and care.

2. Administrators and members of the management board are liable to the company for any act or omission during the performance of their duties, except in cases where the act or omission was performed in good faith, based on sufficient inquiry and assessment of information, and is reasonably connected to the objectives of the commercial company.

3. Administrators or members of the management board who act in violation of their duties and breach the standards of care mentioned in points 1 and 2 of this Article are required to compensate the company for damages resulting from such breaches, as well as to transfer to the company any personal profit that they or related persons have gained from these irregular actions. Administrators or members of the management board bear the burden of proof to demonstrate the proper performance of their duties in accordance with the required standards. When the violation is committed by more than one administrator and/or member of the management board, they are jointly and severally liable to the company.

4. In particular, but not limited thereto, the administrators and members of the management board are required to compensate the company for damages caused if, in violation of the provisions of this law, they perform the following actions:

a) return contributions to the shareholders;

b) pay interest or dividends to the shareholders;

c) subscribe for, purchase, accept as collateral, or cancel the company's shares;

ç) issue shares before the contribution in kind is made or before the nominal value or higher price has been paid;

d) distribute the company's assets;

dh) allow the company to continue its commercial activity when, based on the financial situation, it should have been foreseen that the company would not have the solvency to fulfill its obligations;

e) in the case of capital increase, issue shares before fulfilling the conditions or when the contribution has not been made in accordance with the requirements of Article 123 of this law;

ë) make payments in favor of the members of the management board or the administrators;

f) grant loans.

5. The provisions of point 6 of Article 151 of this law shall also apply to lawsuits arising

from points 3 and 4 of this Article. Such lawsuits must be brought within 3 years from the commission of the violation or its discovery.

Article 164
Joint liability of the management board and the administrators

The members of the management board and the administrators are jointly liable for the accuracy of all financial statements, mandatory disclosures, and other key information regarding the activity of the company's organization, including, but not limited to, information on the company's risk management system, business prospects, investment plans, technical and organizational resources, as well as the resources, structures, and practices of good corporate governance of the company. Points 3 and 5 of Article 163 of this law shall also apply to the provisions of this Article.

Article 165
Request for special supervision

1. Shareholders who represent at least 5 percent of the share capital or a smaller percentage as provided for in the statute, or the company's creditors whose claims against it amount to at least 5 percent of the registered capital, may request the management board to carry out special supervision on specific matters, particularly when the legality of the actions of the administrators is under review.

2. If the management board does not fulfill the request referred to in paragraph 1 of this Article within 30 days, the aforementioned shareholders and creditors may initiate the procedure provided for in Article 150 of this law.

CHAPTER III
ADMINISTRATORS AND THE SUPERVISORY BOARD,
TWO-TIER SYSTEM

Article 166
Implementing provisions

1. In the two-tier management system, the administrators direct the company and make decisions regarding the implementation of commercial policies, while the supervisory board, in its capacity as the supervisory body, oversees the implementation of these policies and their compliance with the law and the statute.

2. In accordance with the general rule on the division of powers and functions, pursuant to paragraph 1 of this Article, the provisions of Articles 154 to 165 of this law also apply to the relationships between the administrators and the members of the supervisory board, where the functions of this board, in accordance with Article 167 of this law, correspond to the supervisory functions of the management board.

Article 167
The composition, rights and duties of the supervisory board and the administrators

1. The supervisory board is responsible for all the functions specified in paragraph 1, letters "b" to "g" and "i", and paragraph 2 of Article 154 of this law.

2. Based on the provisions of the statute, the administrators may be appointed and dismissed, in accordance with paragraphs 1 and 2 of Article 158 of this law, by the general assembly or by the supervisory board. In addition to the functions in paragraphs 3, 4, and 5 of Article 158

of this law, the administrators have the right and the duty to perform also the functions specified in letters "a", "gj", "h" and "i" of paragraph 1 of Article 154 of this law. With the exception of the case provided for by Article 13 and by letter "e" of paragraph 1 of Article 154 of this law, the actions of the administrators are subject to approval by the supervisory board only if this is expressly provided in the statute.

3. The administrators of the company, the administrators of other companies of the same group, as well as persons related to the aforementioned persons, according to the provisions of paragraph 3 of Article 13 of this law, cannot be elected as members of the supervisory board.

4. The provisions of Articles 155 and 157 of this law shall also apply to the number of members, the appointment, composition, and dismissal of the members of the supervisory board, with the following exceptions:

a) the members of the board must not perform administrative functions and the majority of them must be independent;

b) the statute may provide that some of them may be elected and/or dismissed by the employees of the company.

5. Articles 160, 161, and 162 of this law shall also apply to the remuneration, internal organization, and decision-making of the supervisory board.

6. The members of the supervisory board are liable for damages caused by the breach of their duties and the standard of care, as defined in paragraphs 1, 2, and 3 of Article 163 of this law. For violations committed by the administrators, according to the provisions of paragraph 4 of Article 163 of this law, the members of the supervisory board are liable when they do not inform the general assembly, even though they are aware of these violations, or when they have not discovered them because the supervisory function, according to the requirements of this law, has not been carried out correctly and according to the required standards.

TITLE V
INCREASE OF CAPITAL

CHAPTER I
GENERAL PROVISIONS

Article 168
Conditions for all forms of capital increase

1. With the exception of the case provided in Article 176 of this law, the increase of capital is effected by decision of the general assembly, in accordance with paragraph 1 of Article 145 of this law.

2. When the increase of capital changes the rights arising from the ownership of a category of shares, the validity of the decision of the general assembly is subject to the consent of the affected shareholders, which must meet the formal requirements of paragraph 3 of Article 149 of this law.

3. The registered capital cannot be increased if the contributions for the previously subscribed shares have not yet been paid.

4. The provisions of this law regarding the subscription, payment, and transfer of contributions for shares, and, in particular, Articles 107 to 114 and 123 to 133, shall also apply in the case of capital increase.

Article 169
Registration and publication of the capital increase
(Amended phrase in paragraph 2 by Law No. 129/2014, dated 2.10.2014)

1. The administrators are required to notify the National Registration Center for registration of the decision to increase the capital, in accordance with Article 43 of Law No. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit". The decision is also published on the commercial company's website.

2. The application for the registration of the decision mentioned in paragraph 1 of this Article shall be accompanied by the report of the authorized expert, verifying the value of the contributions in kind, in accordance with Article 112 of this law.

3. After the completion of the capital increase, the administrators notify the National Registration Center of the realization of this action. The accompanying information must include the list of persons who have subscribed to the shares, together with the amounts paid. This list is signed by the administrators.

4. The capital increase becomes effective on the date of registration of its realization at the National Registration Center.

Article 170
Prohibition of share issuance

Before the capital increase is registered with the National Registration Center, the new shares may not be issued and the rights associated with them may not be transferred. Shares issued in violation of this provision are invalid. Persons who commit the violation are jointly liable towards the subscribers for damages caused by an invalid issuance.

Article 171
Commencement of participation in profit distribution

1. Except where otherwise provided in the issuance decision, the new shares participate in the profits of the entire financial year in which the decision for this increase was made.

2. The decision for the capital increase may provide that the new shares shall participate in the profits of the financial year preceding the year in which the decision for this increase was made.

Article 172
Capital increase and single-shareholder company

A single-shareholder company may offer the new shares to third parties and thereby become a company with multiple shareholders. This change shall be notified for registration to the National Registration Center.

CHAPTER II
INCREASE OF CAPITAL BY ISSUANCE OF NEW SHARES

Article 173
Conditions

The registered capital of the company may be increased by issuing new shares, in exchange for new contributions.

Article 174
Pre-emptive right

1. The shareholders of the company have the pre-emptive right to newly issued shares, in proportion to the share of the registered capital represented by the shares they own. This right

must be exercised no later than 20 days after the publication provided for in Article 169 of this law.

2. The rights mentioned in point 1 of this Article may be restricted or excluded by decision of the general assembly on the increase of capital. The administrators must submit to the general assembly a report stating the reasons for the restriction or exclusion of these rights and justifying the proposed issue price. This decision may be taken only if the restriction or exclusion of the rights has previously been published on the company's website and notified for registration with the National Registration Center.

CHAPTER III
RESTRICTED INCREASE OF CAPITAL

Article 175
Conditions for the restricted increase of capital
(Amended by Law No. 129/2014, dated 2.10.2014)

1. The general assembly may decide that the increase of capital be carried out by issuing new shares, which may be offered for subscription only to existing shareholders, in proportion to the shares held by them prior to the increase of capital, or by increasing the nominal value of each share.

2. Except in cases where the increase of the nominal value of each share is decided to be carried out by incorporating the company's assets, according to Article 177 of this law, the restricted increase of capital, in the cases provided in point 1 of this Article, may be carried out only with the unanimous approval of all shareholders.

CHAPTER IV
AUTHORISED INCREASE

Article 176
Conditions for the authorised increase of capital
(Point 1 amended by Law No. 129/2014, dated 2.10.2014)

1. The statute or a decision of the general assembly for amendments to the statute may grant the administrators the right to carry out, one or several times within a period of 5 years, respectively, from the registration of the company or from the decision of the assembly, an increase of capital by issuing new shares, up to a maximum specified value (authorised capital).

2. The statute may provide for other conditions and, in particular, the condition that if the administrators exercise the authorisation for the increase, all or some of the issued shares may or must be given to the employees of the company or to the employees of other companies, part of a group.

CHAPTER V
INCREASE OF CAPITAL WITH COMPANY ASSETS

Article 177
Conditions

1. After the approval of the balance sheet of the previous year, the general assembly may decide to increase the registered capital by transferring to the basic capital the available reserves and undistributed profits.

2. The part of the reserves that exceeds 1/10 of the registered capital or exceeds a higher value of reserve determined in the statute, as well as undistributed profits, may be transferred to

the initial capital.

3. Reserves and undistributed profits cannot be transferred to the basic capital if the balance sheet of the previous year shows a loss.

Article 178

Registration and publication of capital increase with company assets

1. The registration of the decision for the increase of capital, according to Article 177 of this law, must be accompanied by the balance sheet on the basis of which the capital has been increased, by the confirmation of the authorized statutory auditor and the latest income and expense statement. The application must also include a statement from the administrators, certifying that the state of the company assets is such that, if the decision to increase were to be made on the date of application for registration at the National Registration Center, the increase would still be possible.

2. The notification for registration at the National Registration Center must specify that the capital increase has been carried out by the transfer of company reserves or by undistributed profits.

Article 179

Proportional distribution of newly issued shares

Shareholders have the right to hold the newly issued shares in proportion to their existing shares prior to the capital increase. Any decision of the general assembly that is contrary to this provision is invalid.

CHAPTER VI
CONVERTIBLE BONDS AND THOSE WITH PARTICIPATION IN PROFITS

Article 180

Convertible bonds and bonds with participation in profits

1. The general assembly may issue bonds that guarantee their holders the right to convert them into shares or the pre-emptive right to purchase shares, which are called convertible bonds, as well as bonds that give their holders the right to participate in profits, which are called bonds with participation in profits.

2. The general assembly may authorize the board of directors (in the one-tier system) or the administrators (in the two-tier system), to issue the bonds mentioned in paragraph 1 of this article within a period of 5 years and under the respective conditions. The relevant administrative body shall notify the National Registration Center, for registration and publication, of the decision mentioned in paragraph 1 of this article.

3. Bonds with participation in profits may offer preferential treatment in the distribution of profits, as provided in paragraph 1 of Article 116 of this law, for preference shares.

4. Shareholders enjoy, for convertible bonds and those with participation in profits, the same rights that this law grants them for pre-emption in the case of the issuance of new shares.

TITLE VI
REDUCTION OF CAPITAL

CHAPTER I
ORDINARY REDUCTION OF CAPITAL

Article 181
Conditions

1. The registered capital of the company may be reduced by decision of the general meeting, in accordance with the provisions of paragraph 1 of Article 145 of this law.

2. If the reduction alters the rights of a particular class of shares, its validity is conditional upon the consent of the relevant shareholders, which must fulfill the formal requirements of paragraph 3 of Article 149 of this law.

3. The reduction of capital is carried out through the reduction of the nominal value of the shares.

4. The registered capital may be reduced below the minimum values provided for in Article 107 of this law only in the case where the reduction is accompanied by a simultaneous increase of the capital.

Article 182
Registration and publication of the decision

The decision to reduce the capital shall be notified to the National Registration Center for registration by the administrators, in accordance with Article 43 of Law no. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit". This decision must also be published on the company's website.

Article 183
Protection of creditors' rights

1. Creditors whose claims were raised before the date of publication of the decision to reduce the capital have the right to obtain sufficient guarantees from the company for loans that had not become due before the date of publication of the decision. This right may only be exercised if the creditors request the guarantee within 90 days from the date of publication.

2. Before the expiry of the period referred to in point 1 of this Article and before the relevant creditors have been satisfied or have received sufficient guarantees, the company may not make payments to the shareholders or waive the obligations to pay contributions, as a result of the reduction of the capital.

Article 184
Registration and publication of the reduction of capital

1. The administrators notify the National Registration Center of the reduction of capital, in accordance with Article 43 of Law No. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit".

2. The capital is considered reduced, starting from the moment the decision is registered.

CHAPTER II
SIMPLIFIED REDUCTION OF CAPITAL

Article 185
Conditions

1. The reduction of capital for covering losses, as well as the transfer of funds to reserves, is carried out through a simplified procedure.

2. Articles 181, 182, and 184 of this law are also applicable to the case of a simplified

reduction of capital.

CHAPTER III
REDUCTION OF CAPITAL BY CANCELATION OF SHARES

Article 186
Conditions

1. The capital may also be reduced through the cancelation of shares.

2. The cancelation of shares is permitted only:

a) when this action is accepted by the statute or by a decision amending the statute, which has been adopted before the subscription of the shares that will be subject to cancelation;

b) in accordance with Article 133 of this law;

c) if the shareholders who own these shares accept the cancelation.

A provision in the statute is not necessary if the relevant shareholders give their consent.

3. The cancelation of shares must fulfill the requirements for an ordinary reduction of capital. In this case, the decision of the assembly is replaced by the decision of the administrators.

4. The payment of the value of the canceled shares, in favor of the shareholders, shall be made in accordance with the provisions of Article 183 of this law.

5. The provisions for ordinary reduction of capital are not applicable if the shares, whose contributions have been fully paid, are transferred to the company without compensation.

6. The decision to reduce the capital is notified for registration to the National Registration Center by the administrators, in accordance with Article 43 of Law no. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit".

The capital is reduced, starting from the moment of registration of the decision.

TITLE VII
DISSOLUTION OF THE COMPANY

Article 187
Causes for dissolution of the company

(Added letter "e" of point 1 by Law no. 10475, dated 27.10.2011; no. 129/2014, dated 2.10.2014)

1. The joint stock company is dissolved:

a) when the duration for which it was established ends;

b) upon the completion of insolvency proceedings or in the event of insufficient assets to cover the costs of the insolvency proceedings;

c) in the event that the subject matter becomes unachievable due to the continued non-functioning of the company's bodies or for other reasons that make the continuation of the commercial activity absolutely impossible;

ç) in cases of invalidity of the formation of the company, as provided for by Article 3/1 of this law;

d) when, as a result of operating losses, the company's own capital is of a value lower than the minimum value of registered capital, as defined by Article 107 of this law, or when it is decided to reduce the company's registered capital below this minimum value and the entry into force of this reduction is not conditioned by the realization of a subsequent increase, through which the company is recapitalized with new contributions of a value, at least, equal to the necessary value to reach the minimum capital as defined by that article;

e) when the capital of the joint stock company falls below the legal minimum required by Article 107 of this law.

dh) in other cases, as provided for in the statute;

e) in other cases, as provided by law;

ë) for any other reason determined by the shareholders' assembly.

2. The dissolution of the company as a result of one or more of the causes determined in accordance with letters "a", "c", "d", "dh", "e" and "ë", of point 1, of this article, is decided by the shareholders' assembly with the majority provided for in point 1, of Article 145, of this law.

3. In the event of inaction by the shareholders' assembly to decide on the dissolution, in the cases provided for by letters "a", "c", "d", "dh" and "e", of point 1, of this article, any interested person may apply to the court, at any time, to ascertain the dissolution of the company.

4. Notwithstanding the above provisions, the existence of one or more of the causes provided for in letters "a", "c", "d", "dh" and "e", of point 1, of this article, shall not result in the dissolution of the company and the opening of liquidation proceedings, if, prior to the final court decision referred to in point 3 of this article, the cause of dissolution has been rectified, if it is possible to rectify, and such rectification has been published by the company in the commercial register, pursuant to the provisions of Law No. 9723, dated 3.5.2007, "Për Qendrën Kombëtare të Regjistrimit", as amended.

5. The dissolution of the company, as a result of the causes provided for in letter "b", of point 1, of this article, shall be decided by the competent court for insolvency proceedings, when, at the conclusion of these proceedings, all the company's assets have been liquidated for the collective satisfaction of the creditors' claims or when the competent court for insolvency proceedings rejects the request to open insolvency proceedings due to the insufficiency of the company's assets to cover the costs of the insolvency proceedings.

6. The dissolution of the company, as a result of the causes provided for in letter "ç", of point 1, of this article, shall be decided by the competent court, pursuant to the provisions of article 3/1 of this law.

Article 188

Registration of the dissolution of the company

1. The administrators are obliged to register the dissolution of the company with the National Registration Center, in accordance with article 43 of Law no. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit".

2. If the dissolution is made by court decision, the court registers the dissolution decision ex officio.

Article 189

Liquidation in a state of solvency

Except in cases where insolvency proceedings have been initiated, the dissolution of the joint-stock company results in the opening of liquidation proceedings in a state of solvency, pursuant to articles 190 to 205 of this law.

PART VI
LIQUIDATION IN A STATE OF SOLVENCY

TITLE I
ORDINARY LIQUIDATION IN A STATE OF SOLVENCY

Article 190

General provisions

(Amended point 1 by Law no. 129/2014, dated 2.10.2014)

1. Except in cases where this law provides otherwise, the dissolution of commercial companies results in the opening of liquidation proceedings in a state of solvency. If the company is in a state of insolvency, it is dissolved based on the decisions specified in point 5 of Article 43, point 5 of Article 99, and point 5 of Article 187 of this law, and is deregistered from the commercial register, pursuant to Article 51 of Law no. 9723, dated 3.5.2007, "Për Qendrën Kombëtare të Regjistrimit", as amended, without being subject to liquidation proceedings in a state of solvency.

2. Except in cases otherwise provided in this title, the provisions applicable to companies that have not been dissolved shall also apply to companies in liquidation.

3. Articles 191 to 203 of this law provide the rules for the ordinary procedure of liquidation in a state of solvency for all types of companies. These companies are liquidated through a simplified procedure, in accordance with Articles 204 and 205 of this law.

Article 191
Appointment of liquidators

1. In general and limited partnerships, liquidation is carried out by all partners or by a liquidator unanimously appointed by them. In the case where a partner has more than one heir, the heirs shall appoint a common representative. If the partners do not notify the National Registration Center of the fact that all partners will be the liquidators or do not appoint the liquidator within 30 days from the date of dissolution, then any interested person may apply to the court to appoint a liquidator.

2. In limited liability companies and joint stock companies, liquidation is carried out by liquidators appointed by the general assembly. If the general assembly does not take a decision on the appointment of liquidators within 30 days after the dissolution, any interested person may apply to the court to appoint a liquidator. The provisions of point 6 of Article 91 of this law are applicable also in this case.

3. Any interested person, according to points 1 and 2 of this article, has the right to request the court to replace the liquidator, according to the partners' decision, in accordance with point 1 of this article, or the assembly, in accordance with point 2 of this article, if sufficient reasons are presented to suspect that the proper liquidation of the company may be jeopardized by the liquidators appointed as above. The request must be filed with the court within 30 days from the date of the appointment of the liquidator.

Article 192
Appointment of liquidators by the court

The court appoints the liquidator in cases where the commercial company is dissolved by court decision.

Article 193
Dismissal of liquidators

1. Liquidators are dismissed and replaced under the same conditions provided for in the provisions for their appointment.

2. Lawsuits related to the compensation of the liquidator, based on contractual relations with the company, are regulated according to the applicable legal provisions.

Article 194
Registration with the National Registration Center

1. The administrators of the company notify the National Registration Center for

registration, of the data of the first liquidators and their powers to represent the company, together with the relevant documents, according to Article 43 of Law No. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit". The liquidators deposit their signature. The liquidators also notify the National Registration Center for registration of any change regarding their identity and powers of representation. The appointment of liquidators by the court is registered ex officio, according to Article 45 of Law No. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit".

2. Upon the opening of liquidation proceedings, the registered name of the joint stock company is followed by the note "in liquidation".

Article 195
Invitation to creditors

The liquidators must invite the creditors of the company to file their claims for its dissolution. The company publishes this notice twice, at an interval of 30 days, on its website, if it has one, as well as on the website of the National Registration Center. The notice must state that claims must be filed within 30 days from the date of the last notice.

Article 196
Administration by liquidators

1. The liquidator assumes the rights and obligations of the administrators from the date of his appointment.

2. If the company appoints more than one liquidator, unless the act of appointment stipulates that they act separately from each other, the liquidators shall jointly exercise the rights and obligations according to this law. The liquidators may authorize one of them to perform actions of a particular category.

3. Restrictions on the powers of the liquidators are enforceable against third parties, in accordance with the provisions of point 2 of Article 12 of this law.

4. The liquidator is subject to the supervision of the other partners, the general assembly, the management board, or the supervisory board.

5. Article 17 of this law does not apply to liquidators.

Article 197
The rights and obligations of the liquidator
(Amended phrase in point 3 by Law No. 129/2014, dated 2.10.2014)

1. The duty of the liquidators is to conclude all transactions of the company, collect outstanding receivables and unpaid contributions, sell the assets of the company, and settle the creditors by respecting the order of priority, according to Article 605 of the Civil Code.

2. The liquidator may also carry out new commercial transactions, in order to complete an unfinished transaction.

3. If, based on claims raised by the creditors, pursuant to Article 195 of this law, the liquidators ascertain that the assets of the commercial company, including unpaid contributions, are not sufficient to settle these claims, the liquidators are obliged to suspend the liquidation procedure and request the competent court to initiate insolvency proceedings.

4. In the general partnership and limited partnership, the partners are liable for the obligations of the company, in accordance with the responsibilities assigned to each of them by this law, for the coverage of losses. If a partner does not pay their portion of the losses due, then the other partners are required to pay their share in proportion to the shares each owned in the company. The partners who have paid the portion owed by the defaulting partner have the right of recourse against him.

Article 198
Balance sheets

The liquidator prepares a balance sheet of the company's situation at the moment of opening of the liquidation and a final balance sheet at the moment these procedures are closed. If the liquidation procedure lasts more than one year, the liquidator also prepares the company's annual financial statements. Balance sheets in the general partnership and limited partnership are approved by the other partners, whereas in joint stock companies or limited liability companies they are approved by the general assembly.

Article 199
Protection of creditors
(Point 1 amended by Law no. 129/2014, dated 2.10.2014)

1. The liquidator may not distribute the remaining assets of the company before the expiry of the claim deposit deadline for creditors, as stipulated in Article 195 of this law.

2. If a company creditor, of whom the liquidator is aware, does not exercise their rights, the corresponding amounts are deposited with the court, while the goods are stored in a warehouse at the creditor's expense. The general rules for the deposit contract are applicable.

3. If an obligation cannot be discharged immediately or if it is disputed, the assets may be distributed only if the creditor has been provided with appropriate security.

Article 200
The liquidator's report, remuneration and discharge

1. After the settlement of the company's obligations towards creditors and the liquidator's remuneration, together with the reimbursement of the latter's expenses for carrying out their duties, the remaining assets are distributed to the partners or shareholders.

2. After settling the company's obligations towards creditors, the liquidators submit to the other partners in the general or limited partnership or to the general assembly a report on the liquidation procedure, the settled obligations and their remuneration.

3. If the other partners in the general or limited partnership or the general assembly approve the report, the liquidators are discharged from their duties and receive the remuneration specified in the report.

4. If the report is not approved, the liquidators may apply to the court with a request to be discharged from their duties, as a consequence of the proper fulfillment of their tasks.

5. After the discharge of the liquidator by the court, they are entitled to receive the remuneration specified in the report.

Article 201
Distribution of assets

1. After settling the obligations towards creditors, the liquidator distributes the remaining assets to the partners or shareholders, according to the rights they have in the distribution of profits, except in cases where the statute provides for a preferential order.

2. Properties that have been given to the company under lease or for use, under any title, are returned to the partners or shareholders. The partners or shareholders do not have the right to compensation in the event of destruction, damage, or decrease in the value of the property, unless this results from the action or omission of the company or of the persons who have acted on its behalf.

Article 202
Completion of liquidation

After distributing the remaining assets, the liquidator notifies the National Registration Center of the completion of the liquidation and requests the deregistration of the company, in accordance with section V of Law no. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit".

Article 203
The liability of the liquidator
(Word group amended in the last sentence of point 2 by Law no. 129/2014, dated 2.10.2014)

1. The activity of the liquidator may not be contested after the deregistration of the company by the National Registration Center.

2. Liquidators are liable to creditors for damages caused during the liquidation procedure, in accordance with the provisions governing the liability of administrators. If there are several liquidators, they are jointly liable. In addition to the liquidators, the partners of the limited liability company and the shareholders are jointly liable to the company's creditors up to the amount that has been distributed to them. Creditors who have not submitted their claims within the deadline, according to Article 195 of this law, or creditors of whom the liquidator was not and could not have been aware, are not entitled to bring an action, according to the first and second sentences of this point.

3. The lawsuits mentioned in point 2 of this Article must be filed within 3 years after the deregistration of the company by the National Registration Center.

TITLE II
SIMPLIFIED LIQUIDATION

Article 204
Conditions and procedure

1. A commercial company may be liquidated through an expedited procedure if this is decided by all partners or shareholders and when they declare before the competent court that all the company's obligations to creditors have been settled and all relationships with employees have been resolved.

2. The administrators, in accordance with Article 43 of Law No. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit", notify for registration at the National Registration Center the decision on the liquidation of the company, through the simplified procedure.

3. The administrators are liable for any damage caused by the violation of their duties during the simplified liquidation. In addition to the administrators, the partners or shareholders of the company are jointly liable up to the amounts received.

4. Lawsuits, according to point 3 of this Article, must be filed within 3 years from the date of the deregistration of the company from the National Registration Center.

Article 205
Deregistration after simplified liquidation
(Amended by Law No. 129/2014, dated 2.10.2014)

After the distribution of the remaining assets following the simplified liquidation procedure, the administrator notifies the National Registration Center of the completion of the

liquidation and requests the deregistration of the company, in accordance with Article 49 of Law No. 9723, dated 3.5.2007, "Për Qendrën Kombëtare të Regjistrimit", as amended.

PART VII
GROUP OF COMPANIES

Article 206
Obligation to inform

Whenever a person acquires or transfers shares of a joint-stock company and, as a result of this action, the total number of votes held in the general assembly becomes, respectively, greater or less than 3 percent, 5 percent, 10 percent, 15 percent, 20 percent, 25 percent, 30 percent, 50 percent or 75 percent, this person, within 15 days from the execution of the action, is obliged to notify the National Registration Center of this action in writing.

Article 207
Parent and controlled companies

1. It is considered that a parent-controlled company relationship exists when a commercial company acts and operates regularly according to the guidelines and instructions of another company. This control is called a controlling group.

2. When a company, on the basis of the share of capital owned in another company or on the basis of an agreement with that company, has the right to appoint at least 30 percent of the administrators, the members of its management board or its supervisory board, or when it owns at least 30 percent of the total votes in the general assembly, then this company is considered the parent of the other company, while the other company is considered a controlled company. This control is called an influencing group.

3. The rights of the parent over the controlled company, as provided in point 2 of this article, are also considered as such in cases when these rights are exercised through another company, controlled by the parent or by a third person acting on behalf of this other company or on behalf of the parent company itself.

4. The third party is presumed to act on behalf of the parent company if they fall within the definitions set out in points 2 and 3 of Article 13 of this law.

Article 208
Consequences of the existence of the controlling group

1. If there is a parent-controlled company relationship, according to the definition in point 1 of Article 207 of this law, the parent company is obliged to cover the annual losses of the controlled company.

2. The partners or shareholders of the controlled company have the right to request at any time that the parent company buy their shares, stocks, or bonds held by them in the company.

3. The creditors of the controlled company have the right to request at any time that the parent company provide sufficient guarantees to the controlled company for their credits.

4. Creditors of the controlled company are considered to be persons who have suffered damages from the actions of the controlled company, regardless of the place of registration of the latter.

Article 209

Duty of loyalty in the influencing group

1. If there is a parent-controlled company relationship, according to the definition in point 2 of Article 207 of this law, the representatives of the parent company must act, taking into account:

a) any obligation of the parent company, according to Articles 14, 15, 16, 17, and 18 of this law, or in the case of a limited liability company, according to Article 98 of this law, and in the case of a joint-stock company, according to Article 163 of this law;

b) the consequences and benefits that a decision has for the group as a whole;

c) the interest of the controlled company.

2. The representatives of the parent company are considered to have breached the duty of loyalty if independent administrators, taking into account the above, would not have made that decision.

3. The representatives of the parent company are obliged to act in accordance with the provisions regulating the duty of loyalty towards the controlled company, including the obligation to act in the best interest of the latter.

Article 210

Liability for damage

1. When the representative of the parent company has breached the duty of loyalty, according to Article 209 of this law, the company, in whose name the representative has acted, is obliged to compensate the damage caused in this case.

2. In the cases provided for in point 1 of this Article, the members of the administrative bodies of the parent company are jointly liable for the damage caused.

3. The members of the administrative bodies of the controlled company who breach the duty of loyalty are jointly liable, together with the persons defined above.

Article 211

Claim for compensation of damage

1. If the controlled company has not commenced the necessary procedures for compensation of the damage within 90 days after the damage referred to in point 1 of Article 209 has become apparent, the claim of the controlled company may be brought when:

a) the controlled company is a general partnership or limited partnership, by each partner;

b) the controlled company is a limited liability company, by partners who hold at least 5 percent of the total votes in the general assembly meeting or a smaller percentage specified in the statute, as well as any creditor of the company. In this case, the provisions of point 6 of Article 91 of this law shall apply;

c) the controlled company is a joint stock company, by shareholders who hold shares representing at least 5 percent of the registered capital or a smaller value provided for in the statute, and/or its creditors who claim against the company obligations in an amount not less than 5 percent of the registered capital.

2. Lawsuits as above must be filed within 3 years from the date the damage was noticed.

3. Creditors of the controlled company are also considered those persons who have suffered damages from the actions of the controlled company, regardless of the place of registration of the latter.

Article 212

The right of sale

If the parent owns 90 percent or more of the shares, stocks or quotas of the controlled company, the holders of the remaining shares, stocks or quotas have the right to request the parent to buy them at market price, within 6 months from the request.

PART VIII
STATE-OWNED COMPANY

Article 213
Applicable provisions

1. The state-owned company is a commercial company that carries out commercial activity of general economic interest, whose shares are owned directly or indirectly by the central government, local government, or by companies in which these authorities act as parent, according to the definition of Article 207 of this law.

2. The establishment, organization and functioning of the state-owned company are subject to the provisions of this law.

PART IX
REORGANISATION OF LIMITED LIABILITY COMPANIES AND OF JOINT STOCK COMPANIES

Article 214
General provisions

1. The provisions of this part are applicable only to limited liability companies and joint stock companies.

2. A company may be reorganised by merging with another company, by dividing into two or more other companies, or by transforming its legal form.

3. Companies may be reorganised only after they have been registered for at least one year.

4. The merger of companies is carried out in accordance with the provisions for the protection of competition.

TITLE I
MERGER

Article 215
Definition

Two or more companies may merge through:

1. The transfer of all assets and liabilities of one or more companies, referred to as the absorbed companies, to another existing company, referred to as the absorbing company, in exchange for shares or quotas in that company. This process is called a merger by absorption.

2. The establishment of a new company, to which all the assets and liabilities of the existing companies are transferred, which merge in exchange for shares or quotas of the new company. This process is called a merger by the creation of a new company.

CHAPTER I
MERGER BY ABSORPTION

Article 216

Merger agreement and report

(Amended by Law no. 129/2014, dated 2.10.2014)

1. The legal representatives of the companies participating in the merger shall draw up a written draft agreement, which shall determine at least:

a) the form, registered names and seats of the companies participating in the merger;

b) the exchange ratio of the quotas or shares and any amount payable in cash;

c) the conditions for the allocation of shares or quotas of the absorbing company;

ç) the date from which the holders of these quotas or shares are entitled to participate in the distribution of profits, as well as any special condition affecting the exercise of this right;

d) the date from which the operations of the company being absorbed shall, from an accounting perspective, be treated as operations of the absorbing company;

dh) the rights that the absorbing company grants to the holders of the quotas, shares, special rights or securities other than shares of the absorbed companies or any other measures provided with regard to them;

e) special advantages granted to the administrators, members of the management board, supervisory board or statutory auditors;

ë) the consequences that the merger will have on the employees and their representatives, as well as the measures proposed for them.

2. The legal representatives of each of the companies participating in the merger shall draw up a detailed report, explaining the merger agreement and describing its legal and economic grounds and, in particular, the share, quota or special rights exchange ratio. The report shall also describe any particular evaluation difficulties which have been encountered. The report must also describe the consequences of this merger on the employees of the participating companies.

3. Every company participating in the merger, no later than 1 month before the date set for the assembly meeting on the decision specified in Article 218 of this law, shall file with the National Registration Center and publish on the company's website, if any, the draft merger agreement and the merger report, as provided in point 2 of this Article. The annual financial statements, activity progress reports, and documents must mandatorily be published for at least the last three years.

4. Companies that fulfill the requirement of point 3, of Article 214, of this law, but have been registered for less than three years, shall submit the documentation according to point 3 of this Article only for the years for which they have been registered.

5. If the last financial year to which the financial statements referred to in points 3 or 4 of this Article relate has ended on a date that is earlier than six months before the date of drafting the draft merger agreement, then, except in cases where according to Law no. 9879, dated 21.2.2008, "Për titujt", the company has prepared and made available to shareholders six-month financial reports, the company shall also prepare interim financial statements for the situation of the company on a date which must not be earlier than the first day of the third month preceding the date of drafting the draft merger agreement and publish them according to point 3 of this Article.

6. The legal representatives of each company participating in the merger must notify the general meeting of their company, as well as the management bodies of the other companies participating in the merger, for the purpose of informing the general meetings of the respective companies regarding any material change in the assets and liabilities of the company, from the date on which the draft merger agreement is drawn up until the dates set for the meetings of the general meetings that will decide on the approval of the draft merger agreement.

7. The obligation to draw up the report referred to in point 2, the financial statements referred to in point 5, as well as the notification under point 6 of this article, may be waived with the approval of all partners/shareholders entitled to vote of the companies participating in the merger.

Article 217

The experts' report

(Added letter "ç" of point 2 by Law no. 129/2014, dated 2.10.2014)

1. The legal representatives of the companies participating in the merger appoint independent licensed experts from various fields to evaluate the terms of the draft merger agreement. The experts may be appointed for each company individually or jointly for all companies participating in the merger. They are appointed by the relevant court, if so requested by the legal representatives.

2. The experts shall prepare a written report in which they must state, among other things, whether, in their opinion, the share/quotas exchange ratio is fair and reasonable. In the statement, the experts must specifically express their opinion:

a) regarding the method or methods used to arrive at the proposed share/quotas exchange ratio;

b) whether this method or these methods are appropriate for the case in question, indicating the values obtained through the use of the method(s) and providing an opinion on the relative importance of each method in arriving at the determined value;

c) regarding the specific assessment difficulties that have been encountered.

ç) in the case of a capital increase, carried out in the context of a merger or division, for the purpose of paying the shareholders of the companies being absorbed or divided, the valuation report must contain a detailed description of the contributions in kind, and it must specify the valuation methods that have been applied and state whether the value calculated according to this method corresponds at least to the nominal value of the share and, where applicable, also to any share premium.

3. The experts have the right to obtain from the merging companies all relevant information and documents, as well as to carry out all necessary investigations.

4. The experts' report is deposited at the National Registration Center and published on the website, if any, of the companies participating in the merger, at least one month before the date set for the assembly meeting regarding the decision specified in Article 218 of this law.

5. The involvement of the experts, according to points 1, 2, 3, and 4 of this Article, may be excluded if all the shareholders/partners of the merging companies give their approval.

Article 218

Approval of the merger agreement

(Amended point 3, added point 4 by Law no. 129/2014, dated 2.10.2014)

1. The draft merger agreement produces effects only after it has been approved by the partners or shareholders of all the companies participating in the merger. The draft merger agreement is approved, respectively, in accordance with the majority provided in point 1 of Article 87 and point 1 of Article 145 of this law.

2. When the draft merger agreement affects the rights of specific shareholders/partners or the rights arising from shares of specific categories, then the draft agreement is subject, as the case may be, to the approval of the affected partners or shareholders, or to a separate vote, which is taken with a majority of three-quarters of the votes of each affected class of shares.

3. Each shareholder or partner of the companies participating in the merger has the right to request and receive from the company, free of charge, full or partial copies of the documents on the basis of which the merger is conducted, according to Articles 216 and 217. If the shareholder or partner has accepted to receive notifications from the company in electronic form, these documents may be sent by electronic mail.

4. The company shall be exempted from the obligation to keep at its headquarters the documentation that must be made available to the partners or shareholders, according to point 3, if for an uninterrupted period, starting one month before the date set for the holding of the general assembly meeting for the approval of the draft merger agreement, this documentation is made

available to the partners or shareholders, free of charge, for viewing, downloading, or obtaining hard copies on the company's website. For any temporary interruption in the ability to access the company's website, for technical or other reasons, the one-month publication period is suspended and resumes from the beginning at the moment when the company's website becomes accessible again.

Article 219
Increase of capital

The increase of the registered capital of the absorbing company, carried out within the framework of the merger, is not subject to the provisions related to:

a) the prohibition of the increase until the outstanding payments for the previously subscribed quotas/shares have been made;

b) the conditions for the subscription of new quotas/shares;

c) the pre-emptive rights of shareholders/partners to the new shares/quotas.

Article 220
Registration, publication and consequences

1. The legal representatives of the companies participating in the merger notify the merger for registration at the National Registration Center, together with the merger agreement, the minutes of the assembly for the approval of the merger, as well as the minutes for the approval of the special partners/shareholders. As applicable, the aforementioned information is also published on the companies' websites, if any.

2. If the registered capital of the absorbing company is increased, within the framework of the merger, the value of the increase is notified together with the merger.

3. Registration of the merger of companies at the National Registration Center:

a) results in the transfer to the absorbing company of all assets and liabilities of the absorbed company. This transfer has effects both in the relations between the companies and towards third parties;

b) causes the shareholders or partners of the absorbed company to become shareholders or partners of the absorbing company;

c) causes the absorbed company to be considered dissolved, therefore it is deregistered from the National Registration Center, according to section V of Law no. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit", without entering into the liquidation process.

Article 221
Protection of creditors

1. If the creditors of a company participating in a merger, within 6 months from the publication of the draft merger agreement, according to Article 220 of this law, submit in writing the title and value of their claims, the company must provide them with sufficient guarantees for their claims. A written statement provided by the legal representatives of the companies participating in the merger, acknowledging that the assets of the companies will be managed separately until the fulfillment of the obligations to all creditors, is considered a sufficient guarantee for the creditors. If this guarantee is not provided by the legal representatives of the companies, the creditors may request the court to order the issuance of sufficient guarantees or the annulment of the merger decision.

2. Secured creditors in insolvency proceedings are not entitled to request the guarantee referred to in point 1 of this article.

3. The legal representatives of the companies that are merging are jointly liable for all

damages caused to creditors as a result of the inaccuracy of the statement mentioned in the second sentence of point 1 of this article.

Article 222
Protection of holders of special rights

The acquiring company is obliged to guarantee to the holders of convertible bonds and preference shares the same rights that they enjoyed in the acquired company.

Article 223
Protection of the rights of partners and shareholders

1. When the shareholders or partners of the companies that are merging have not given consent for the merger, they have the right to request from the company the purchase at market value of the shares or quotas they hold by the company resulting from the merger, or, in the event of disputes, at a price determined by an independent valuation expert, appointed by the court upon the request of these shareholders or partners. Alternatively, shareholders may request that the acquiring company exchange their preference non-voting shares for voting shares. The provisions of the Code of Civil Procedure are applicable regarding objections of the parties during the expert review process.

2. The rights mentioned in points 1 and 2 of this Article must be exercised within 60 days from the date of publication of the merger for the acquiring company, pursuant to Article 220 of this law.

Article 224
Liability of the management bodies, supervisory bodies, and experts

1. The administrators, members of the management board, or supervisory board of the acquiring company are jointly and severally liable, together with the acquiring company, for the damages suffered by the partners, shareholders, and creditors of the companies participating in the merger as a result of this action, except in cases where they prove that they have duly fulfilled their legal obligations related to the evaluation of the companies' assets and the completion procedures of the merger agreement.

2. The administrators, members of the management board or the supervisory board of the acquired company, as well as licensed independent experts engaged in the evaluation of the merger, are liable for the same reasons and under the same conditions, according to point 1 of this Article.

3. In both cases, the lawsuits as mentioned above must be filed within 3 years from the date of registration of the merger of the respective company.

Article 225
Merger by absorption in special cases
(Amended by Law no. 129/2014, dated 2.10.2014)

1. If the acquiring company owns more than 90 percent or all of the capital of the joint stock company to be acquired, then the merger by absorption between these companies may be carried out without the approval of the general meeting of the acquiring company, if:

a) the publications, according to point 3 of Article 216, have been made in relation to the acquiring company, at least one month before the date set for the meeting of its general meeting or that of the other companies, subject to the absorption, which will approve the draft merger agreement; and

b) at least one month before the date set according to letter "a" of point 1 of this Article, all

shareholders or partners of the acquiring company have the right to review the documentation, in accordance with Articles 216 and 217, at the registered office of the acquiring company. The provisions of points 3 and 4 of Article 218 are also applicable in this case; and

c) the shareholders or partners of the acquiring company, who hold at least 5 percent of its capital or of the total number of votes, do not request the convening of the general meeting of the acquiring company for the approval of the merger.

2. If all shares of the company to be acquired, which grant voting rights in the general meeting, are held by the acquiring company, then the requirements, according to the provisions of Articles 216, point 1, letters "b", "c" and "ç", and 2, 217, 218, points 3 and 4, 220, point 3, letter "b", of this law, do not apply.

3. If the acquiring company holds at least 90 percent, but not all of the capital of the joint stock company to be acquired, then the merger between these companies may be carried out without the approval of the general meeting of the acquiring company and the requirements, according to the provisions of Articles 216, point 2, 217 and 218, points 3 and 4, do not apply, if the minority shareholders of the company to be acquired have the right to sell their shares at market value to the acquiring company. In case of disagreement regarding the determination of this value, the minority shareholders of the company to be acquired have the right to request that the market value for the sale of their shares be determined by the court.

CHAPTER II
MERGER BY INCORPORATION OF A NEW COMPANY

Article 226
Applicable provisions

1. The provisions of Articles 216 to 225 of this law shall also apply in the case of a merger by incorporation of a new company. The newly established company is considered as the acquiring company.

2. The company newly created by the merger is subject to the provisions of this law regarding the incorporation of the company.

TITLE II
DIVISION

Article 227
Definition, applicable provisions

1. A company may be divided by decision of the general assembly, by transferring all its assets and liabilities in favor of two or more existing companies or newly established companies. The company being divided is considered dissolved.

2. For the division of the company, the provisions of Articles 216 to 225 of this law shall apply accordingly.

3. The companies that acquire the assets of the company being divided are called recipient companies and are jointly liable for the obligations of the latter.

4. The registration of the division of the company at the National Registration Center has as a consequence:

a) the transfer to the recipient companies of all the assets and liabilities of the company being divided, in accordance with the division ratio determined in the division agreement. This transfer produces effects for the relations between the companies, as well as for third parties;

b) making the shareholders/partners of the company being divided shareholders or partners of one or more recipient companies, in accordance with the division ratio determined in the division agreement;

c) the assessment of the company being divided as dissolved and its deregistration from the National Registration Center, according to Section V of Law No. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit", without conducting liquidation.

TITLE III
CONVERSION

Article 228
General provisions

1. A commercial company may change its legal form through conversion, as follows:

a) a limited liability company may be converted into a joint stock company and vice versa;

b) a joint stock company with a private offering may be converted into a joint stock company with a public offering and vice versa, if the requirements of this law, of Law No. 9723, dated 3.5.2007 "Për Qendrën Kombëtare të Regjistrimit", and of the law on securities are fulfilled.

2. The conversion does not affect the rights and obligations that the company has undertaken towards third parties.

Article 229
Procedure

1. The administrators of the company being converted shall prepare a detailed report explaining the legal and economic grounds for the proposed conversion. The report shall also describe any particular assessment difficulties that have been encountered. The report must also describe the effect that the conversion will have on the company's employees.

2. The decision for the conversion of the company must be taken by the general assembly with a three-fourths majority. If the conversion results in a change to the special rights and obligations of shareholders or partners, then the validity of the conversion decision is subject to the approval of the affected shareholders or partners. Point 2 of Article 218 of this law is applicable.

3. The administrators summon all shareholders or partners who were not present or represented at the assembly meeting that decided on the conversion, requesting them to declare in writing whether they accept the company's conversion according to the respective decision. The summoning of the shareholders or partners is made by announcement, which is published at the National Registration Center and on the company's website, if applicable, twice, at intervals of not less than 15 days and not more than 30 days. The summoned shareholders/partners must submit their written declaration at the company's headquarters within 60 days from the last publication of the announcement.

4. The publication of the notice referred to in point 3 of this article is not mandatory when all shareholders/partners were present or represented at the general assembly meeting or when the general assembly meeting was individually notified to the absent shareholders/partners. In the latter case, the 60-day deadline begins from the date of receipt of the meeting notification. The approval of the conversion is considered granted if the shareholders/partners do not declare their position in writing within the specified deadline.

5. For the protection of creditors, holders of special rights, and holders of interests who oppose the conversion, Articles 221, 222, and 223 of this law shall apply accordingly.

6. For the legal responsibilities of the legal representatives and of the members of the management board or the supervisory board of the company undergoing conversion, for damages caused by the breach of their duties during the execution of the conversion, the provisions of Article 224 of this law shall apply accordingly.

7. The conversion is notified for registration at the National Registration Center, together with the decision of conversion, the minutes of the general assembly regarding the conversion

decision, the documents of the decision of specific shareholders and of shareholders who were not present at the assembly meeting. As applicable, the aforementioned information shall also be posted on the company's website.

8. The registration of the company's conversion at the National Registration Center shall result in:

a) the company undergoing conversion shall continue to exist in the legal form specified in the decision of conversion;

b) the shareholders/partners of the company undergoing conversion shall participate in the company, under the conditions specified in this law, for the new form of the company;

c) the rights of third parties over the shares of the company being converted shall continue to apply also to the shares of the converted company.

PART X
FINAL AND TRANSITIONAL PROVISIONS

Article 230
Continuation of operation and obligation to adapt
(Repealed by Law No. 129/2014, dated 2.10.2014)

Article 231
Implementation of this law and subsequent procedures
(Repealed by Law No. 129/2014, dated 2.10.2014)

Article 232
Repeals

Laws No. 7632, dated 4.11.1992 "Për pjesën e përgjithshme të Kodit Tregtar", No. 7638, dated 19.11.1992 "Për shoqëritë tregtare" and No. 7512, dated 10.8.1991 "Për sanksionimin dhe mbrojtjen e pronës private, nismës së lirë, të veprimtarive private të pavarura dhe privatizimit" are repealed upon the entry into force of this law.

Article 233
Final and transitional provisions
(Provided for in Law No. 129/2014, dated 2.10.2014)

1. After the entry into force of this law, no commercial company may be dissolved due to the failure, before this date, to fulfill the requirements of Article 230 of Law No. 9901, dated 14.4.2008, "Për tregtarët dhe shoqëritë tregtare", as amended.

2. Commercial companies registered in the commercial register before 20.5.2008, which on the date of entry into force of this law have not yet adapted their statute to the provisions of Law No. 9901, dated 14.4.2008, "Për tregtarët dhe shoqëritë tregtare", as amended, are required, no later than 3 months after the entry into force of this law, to:

a) approve the necessary amendments to their statute to bring it in line with the requirements of Law No. 9901, dated 14.4.2008, "Për tregtarët dhe shoqëritë tregtare", as amended;

b) register these statute amendments with the National Registration Center, pursuant to Law No. 9723, dated 3.5.2007, "Për Qendrën Kombëtare të Regjistrimit", as amended.

3. Failure to fulfill the obligations provided for in point 2 of this Article constitutes an administrative offence and is punishable by a fine of 30,000 ALL. The fine is imposed and collected according to the provisions of Law No. 9723, dated 3.5.2007, "Për Qendrën Kombëtare të Regjistrimit", as amended. The National Registration Center suspends services to these companies until the actions set out in letters "a" or "b" of point 2 of this Article are carried out and the fine

is fully paid.

4. The 3-month period mentioned in point 2 is a deadline for the implementation of the registration obligations under point 2 of this Article and, in no case, may it be used as justification for the failure to fully comply with the applicable provisions of Law No. 9901, dated 14.4.2008, "Për tregtarët dhe shoqëritë tregtare", as amended.

5. The National Registration Center is tasked with initiating and continuing, until the conclusion of the deadline set forth in point 2 of this Article, an information campaign for the public on its website, as well as in the premises of its central service counters and its other service counters regarding the obligations under this Article.

Article 234

Entry into force

This law enters into force 15 days after its publication in the Official Gazette.

Promulgated by Decree No. 5694, dated 5.5.2008 of the President of the Republic of Albania, Bamir Topi