LAW No. 06/L-016

ON BUSINESS ORGANIZATIONS

The Assembly of the Republic of Kosovo,

Based on Article 65 (1) of the Constitution of the Republic of Kosovo,

Approves:

LAW ON BUSINESS ORGANIZATIONS

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LAW ON BUSINESS ORGANIZATIONS

PART ONE
GENERAL PROVISIONS

Article 1
Purpose

1. The purpose of the present Law is to specify:

1.1. the types of Business Organization through which Business Activity may be conducted in Kosovo;

1.2. other entities required to register with the Kosovo Business Registration Agency;

1.3. the organization, competencies and functions of the Kosovo Business Registration Agency;

1.4. the requirements, conditions and procedures of registration and deregistration of each type of Business Organization;

1.5. the organization of Business Organizations; and

1.6. the rights and obligations of Shareholders, Authorized Representatives, owners, directors, managers, and third parties in relation to Business Organizations.

2. This Law is partially in compliance with:

2.1. Directive 2009/101/EC of the European Parliament and of the Council of 16 September 2009 on coordination of safeguards which, for the protection of the interests of members and third parties, are required by Member States of companies within the meaning of the second paragraph of Article 48 of the Treaty, with a view to making such safeguards equivalent;

2.2. Eleventh Council Directive 89/666/EEC, of 21 December 1989, concerning disclosure requirements in respect of branches opened in a Member State by certain types of company governed by the law of another State (89/666/EEC);

2.3. Directive 2011/35/EU of the European Parliament and of the Council of 5 April 2011concerning mergers of public limited liability companies;

2.4. Sixth Council Directive 82/891/EEC of 17 December 1982 based on Article 54 (3) (g) of the Treaty, concerning the division of public limited liability companies, hereinafter directive 82/891/EEC;

2.5.Directive 2005/56/EC of the European Parliament and of the Council of 26 October 2005 on cross-border mergers of limited liability companies;

2.6. Directive 2012/17/EU of the European Parliament and of the Council of 13 June 2012 amending Council Directive 89/666/EEC and Directives 2005/56/EC and 2009/101/EC of the European Parliament and of the Council as regards the interconnection of central, commercial and companies registers.

2.7. Directive 2012/30/EU of the European Parliament and the Council, of 25 October 2012 on coordination of safeguards which, for the protection of the interests of members and others, are required by Member States of companies within the meaning of the second paragraph of Article 54 of the Treaty on the Functioning of the European Union, in respect of the formation of public limited liability companies and the maintenance and alteration of their capital, with a view to making such safeguards equivalent.

Article 2
Scope

1. The present Law shall apply to all Business Organizations and other entities as stipulated in the present Law.

2. The rules for issuing permits, licenses or other forms of Permissions, the regulation of activities undertaken by the Business Organization after registration, accounting, financial reporting, taxes and labour and employment practices in Business Organizations are not within the scope of the present Law, except for the exchange of data between electronic systems of the institutions responsible for these areas with the KBRA, including the institutions responsible for tax administration and financial reporting.

Article 3
Definitions

1. Whenever used in the present Law, the following terms and phrases shall have the following meanings unless the context within which such term or phrase appears clearly intends another meaning:

1.1. **Share** - a security representing an ownership right in a Corporation, which grants the owner of the Share, the rights specified in the present Law.

1.2. **Shareholder(s) -** a natural or legal Person and/or Business Organizations that may exercise the rights as represented by the Share(s).

1.3. **Family member** - includes:

1.3.1. a spouse, parent, brother, sister, child or grandchild;

1.3.2. a brother, sister, parent or spouse of any of the foregoing.

1.4. **Public Authority**:

1.4.1. any governmental executive authority, public body, Ministry, department, agency, municipality or other such authority that exercises executive, legislative, regulatory, administrative or judicial powers within Kosovo;

1.4.2. any enterprise, organization or establishment to the extent it exercises any of the afore-mentioned powers pursuant to a grant of authority given by a normative or sub normative act or pursuant to a delegation of authority from another Public Authority; and

1.4.3 any official, civil servant, employee or agent or any of the aforementioned.

1.5. **Branch of a Foreign Business Organization** - an entity registered in Kosovo to exercise lawful Business Activities for a Foreign Business Organization duly established under the law of a jurisdiction outside of Kosovo.

1.6. **Day** - a calendar day.

1.7. **Court** - for all matters on which the legal basis derives from this Law, it means the Department of Economic Affairs of the Basic Court of Pristina, including any court or following department of this department, unless otherwise provided by this Law or any other Law.

1.8. **Contribution** - an amount or something of value that a natural or Legal Person and/or Business Organization pays or provides to a Partnership or a Corporation in exchange for a General or Limited Partnership Interest, or a Share in a Corporation.

1.9. **Corporation** - a Joint Stock Company or Limited Liability Company registered in Kosovo.

1.10. **Partnership Interest** - an ownership interest of a Partner in a General or Limited Partnership.

1.11. **Permission** - all types of permits and licenses as provided by the applicable law on the systems of permits and licenses.

1.12. **Minister** - the Minister of the Ministry responsible for registration of business organizations.

1.13. **Ministry** - the Ministry responsible for registration of business organization.

1.14. **Partnership** - a General or Limited Partnership registered in Kosovo.

1.15. **Person** - only a Natural Person.

1.16. **Authorized Representative** - shall have the meaning provided in Article 24 of the present Law.

1.17. **Authorized Proxy** - shall have the meaning provided in Article 24 of the present Law.

1.18. **Legal Person** - as used in the present law shall mean a Limited Liability Company and a Joint Stock Company, or another legal person established under the applicable laws of Kosovo or a foreign country.

1.19. **Authorized Representative in a Bankruptcy Procedure** - shall mean the representative of the bankruptcy estate, who is the:

1.19.1. bankruptcy administrator in a liquidation procedure;

1.19.2. debtor in reorganization procedure, when acting as debtor in possession;

1.19.3. bankruptcy administrator, upon Court appointment in reorganization.

1.20. **ESOP** - Employee Share Ownership Program.

1.21. **Registry** - the Kosovo Registry of Business Organizations.

1.22. **Business Organization** - a general term, which shall mean and shall include any type of Business Organizations established in Kosovo under the present law or another law as specified under Article 5 paragraph 3. of this Law, including Individual Businesses, General Partnerships, Limited Partnerships, Limited Liability Companies and Joint-Stock Companies.

1.23. **Distribution** - distribution of dividends or any transfer of money or other property, whether tangible or intangible, from a Partnership or a Corporation to any of its partners or Shareholders because of his/her status as a partner or Shareholder.

1.24. **Business Activity** - any type of regular or repeated activity involving the offering, providing or producing of goods, services, property and/or works to or for any Person or Business Organization in return for or in expectation of any type of payment or compensation; provided, however, that an employee who provides services to his/her employer shall not be considered to be conducting “Business Activity” to the extent such services are required by and compensated pursuant to the employee’s contract of employment with the employer.

Article 4
Business Activity

Business Activities in Kosovo may be undertaken only by Business Organizations registered at the Kosovo Business Registration Agency, unless otherwise expressly provided by law.

Article 5
Types of Business Organizations in Kosovo

1. A Business Organization may be established in Kosovo as an Individual Business, General Partnership, Limited Partnership, Limited Liability Company or Joint Stock Company.

2. Apart from the basic types of organization of Business Organizations as provided in paragraph 1. of this Article, the Kosovo Business Registration Agency shall also register the Branch of a Foreign Business Organization in Kosovo, the Representative Office of a Foreign Business Organization in Kosovo, Publicly Owned Enterprises according to the applicable Law on Publicly Owned Enterprises, and Socially Owned Enterprises under the administration of the Privatization Agency of Kosovo.

3. A special law may provide other forms of organization of Business Organizations or other entities required to register at the Kosovo Business Registration Agency. The manner of organization and rights and duties of parties in such business organizations or other entities shall be provided for by relevant legislation upon which the business organization or relevant entity is established. Provisions of such special law providing on such business organizations or entities, including the applicable provisions on public enterprises shall prevail over the provisions of the present Law.

Article 6
Lawful purposes

1. A Business Organization may be established and registered for any purpose and undertake any Business Activity that is not prohibited by the legislation in force.

2. Any Person from the age of eighteen (18) years, a Business Organization or a group consisting of one or more Persons from the age of eighteen (18) and/or Business Organizations may establish and register a Business Organization.

3. If a Business Organization is established and registered for the conduct of a Business Activity that is subject to a Permission established by another law, the registration of such Business Organization at the Kosovo Business Registration Agency shall not constitute any kind of authorization to engage in such Business Activity. It shall be the sole responsibility of the Business Organization, after registration, to identify, apply for and obtain any and all such Permissions from the responsible Public Authority before engaging in the concerned Business Activity.

PART TWO
KOSOVO BUSINESS REGISTRATION AGENCY AND REGISTRATION

CHAPTER I
KOSOVO BUSINESS REGISTRATION AGENCY

Article 7
Kosovo Business Registration Agency

1. The Kosovo Business Registration Agency (hereinafter “KBRA”) shall operate as a central state administration body within the Ministry.

2. KBRA shall have its headquarters in Prishtina.

Article 8
Organization of KBRA

1. KBRA has jurisdiction throughout the territory of the Republic of Kosovo and is the sole institution providing services to the public, in its central office and registration centres in municipalities with which it signs memorandums of collaboration.

2. KBRA shall offer services in municipalities through the municipal registration centres, in

compliance with the provisions of the present law. The Ministry shall sign memorandums of collaboration with respective municipalities, stipulating the conditions and criteria for the provision of such services and the key performance indicators, the qualifications and specific professional criteria for staff members in municipal registration centres, and mandatory training for the staff members in municipal registration centres.

3. The expenses for the maintenance and management of the municipal registration centres shall be carried by the municipalities.

Article 9
Functions and Competencies of KBRA

1. KBRA shall register Business Organizations and Trade Names, and shall be authorized to undertake any such other functions as provided by the present Law or functions as assigned to KBRA by other laws.

2. KBRA shall prepare and publish all necessary forms, authorizations and procedures with the goal of facilitating registration of Business Organizations. Such forms and procedures shall be approved by the General Director of KBRA, in compliance with the provisions of the present Law.

3. KBRA shall develop and publish on its official website and make widely available in all business registration centres models of Partnership Agreements for Partnerships, the Charter and Agreement of Incorporation for Corporations, which these Business Organizations can, but are not obligated to use during registration at KBRA.

4. All such forms, models, and procedures specified in paragraph 2. and 3. of this Article shall be published electronically and shall be available without charge online and in hard copy at KBRA.

5. The forms prepared by KBRA shall contain all the mandatory data, stipulated specifically for each type of Business Organizations according to the present Law. The forms may contain a special section in which the Authorized Representative or Authorized Proxy Representative of the Business Organization may declare other additional data, but which shall not limit the Business Organization in conducting its lawful activities.

6. KBRA shall prepare and publish on its official website performance measurement reports which reflect the effectiveness of business registration services offered by the KBRA central office and municipal business registration centres. Such reports shall be prepared and published on a quarterly and annual basis.

7. The Minister shall adopt a Corporate Governance Code, including provisions on monitoring and implementation of this Code. The Corporate Governance Code is approved in the form of a guideline and is not a legal act.

Article 10
General Director of the Kosovo Business Registration Agency

1. The activity of KBRA shall be led by the General Director, who must meet the general and special requirements as provided in the applicable legislation on civil servants.

2. The General Director shall be responsible for administering the KBRA, including human resource management.

3. The General Director shall represent the KBRA in third party relations.

4. The General Director of KBRA exercises managing powers and issues decisions and other binding instructions regulating the process of registration of Business Organizations for the registration centres in full compliance with the present Law. It is hereby expressly provided that decisions and instructions issued by the KBRA General Director pursuant to this law shall not set forth requirements, conditions and limitations that are not expressly provided for by this law.

5. The General Director of KBRA shall report in writing to the Minister regarding the administrative and financial management and the quality of services provided, whenever required, but not less than once per year.

Article 11
KBRA Staff Members

KBRA staff members shall be civil servants and they shall be subject to provisions of the civil service legislation in the Republic of Kosovo.

Article 12
Staff of the Municipal Registration Centres

Staff members of the Municipal Registration Centres shall be civil servants of the Municipalities.

Article 13
Budget

KBRA shall be funded by the Budget of the Republic of Kosovo.

Article 14
Service Fees

1. KBRA shall generate income from providing services to support functions as provided by the present law or by other laws in force.

2. Business Organizations shall not be required to pay any service fees during initial registration or deregistration.

3. Other service fees shall be specified in a sub-legal act adopted by the Minister within six (6) months from the entry into force of the present law. Until such normative act as provided by the present paragraph is adopted, fees applicable before the entry into force of the present law shall apply.

4. In his/her determination of fees, the Minister shall ensure that such fees are set in accordance with the principle of administrative cost recovery, and avoid placing any undue burdens or any impediments in registering Business Organizations or amending such registration. All such fees shall be based on the type of document submitted and shall not in any case be based on the

value, turnover or capital of the Business Organization.

5. All such fees established according to paragraph 3. of the present Article shall be posted in every registration centre in hard copy, and online in the KBRA website.

CHAPTER II
REGISTRY OF BUSINESS ORGANIZATIONS AND NATURE OF REGISTRATION

Article 15
Registry of Business Organizations

1. The Registry is a unitary database, separated in specific physical and electronic files for each Business Organization and other entity required to register, as provided by the present Law.

2. The Registry is kept in physical and electronic format. All data, applications and associated documents, submitted in paper or electronic format, according to this Law shall be registered by KBRA in a physical or electronic format in the Registry file of the Business Organization.

3. All data, applications and associated documents filed by applicants in electronic format, according to this law, are stored and archived by KBRA only in physical and electronic format.

4. Registration, processing and storing of data, as filed and deposited with the Registry, shall be performed through an electronic system but should be archived in physical format too.

5. The Registry of Business Organizations is a physical and electronic registry, maintained by KBRA, in cooperation with the institutions of the Republic of Kosovo responsible for the maintenance and storage of public registries and ensuring data integrity.

6. KBRA shall regularly collaborate with all other state administration bodies to ensure regular updates to the information contained in the Registry and all state administration bodies are required to submit to the KBRA information needed to update the registry, in accordance with applicable law.

Article 16
Data Required to be Registered

1. The Registry shall contain data related to the registration and deregistration of Business Organizations and other entities, any amendments to the status and organization of Business Organizations or any other entity, and other data as provided by the legislation in force.

2. Only data required by this Law, other applicable laws or secondary legislation adopted in accordance with this law or other applicable laws shall be entered in the Registry.

Article 17
Mode and Procedure of Registration

1. Initial registration, other registrations and amendments to the existing data in the Registry shall be made through an application at any KBRA Registration Centre, throughout the whole

territory of the Republic of Kosovo, regardless of the place of exercise of Business Activity, place of residence or seat of applicant, or electronically in accordance with Article 18 of the present Law.

2. KBRA shall make the initial registration, other registrations and amendments to the existing data in the Registry on application of the Business Organization, on the basis of a court decision or on another basis provided by law. The KBRA shall not have the right to decline from initial registration, other registrations and amendments to the existing data if all documents required by law are submitted, and they comply with the requirements of this Law or other applicable law.

3. An application of the Business Organization must be accompanied by the documents which are the basis for an entry in the Registry. A document submitted to the KBRA shall contain the information prescribed by this Law or other applicable law.

4. Upon submission of an application for initial registration, other registrations and amendments to the existing data in the Registry, KBRA shall inscribe on the application the date and exact time of receipt of the application and shall develop a list of documents attached to the application and indicate the number of pages in each document. The inscription shall be signed by the official who receives the application.

5. The KBRA shall make an entry in the Registry and publish the information and documents according to Article 22 of this Law not later than two (2) working days after receiving an application.

6. Immediately after KBRA receives an application for registration or deregistration or any amendments to the data in the Registry, and after receiving any other document, KBRA shall submit to the Authorized Representative or Authorized Proxy a written confirmation showing the exact time and date of the receipt of the application or such other document.

7. If the application for registration, deregistration or amendment of the data in the Registry fails to meet the requirements of this law or other applicable law, and due to such failure, it cannot be registered within two (2) working days from the date of receipt, KBRA shall notify the Authorized Representative or Authorized Proxy of such fact, pursuant to applicable legislation and shall set a deadline not longer than ten (10) working days for correcting the omission/s. If the omissions are not corrected by the end of the deadline, the KBRA may refuse to satisfy the application.

8. Each Business Organization is required to update the data registered in the Registry and ensure their permanent accuracy and compliance with the requirements of the present law. Any amendment to such registered data shall be submitted to the KBRA within fifteen (15) days from the date of such change occurring.

9. An application for amendment of Registry information shall be immediately submitted to the KBRA if the data entered in the Registry change, including in the case of appointment, removal or change of the right of representation of a managing director or board member of a Corporation, the appointment of an Authorized Representative in a Bankruptcy Procedure, or initiation of voluntary dissolution of a Corporation in accordance with this law.

10. The Authorized Representative or Authorized Proxy may file the registration documents at KBRA in the Albanian, Serbian or English language. It shall be the exclusive right of the Authorized Representative to choose the language, and KBRA is required to accept registration documents filed in any of these three languages. If an original document is prepared in another language than the ones mentioned above, such document must be attached a certified

translation into any of these three languages.

11. An Authorized Representative or Authorized Proxy may withdraw the application before an entry in Registry is made.

12. Applications and documents submitted to KBRA, including applications for transferring the history from one form of Business Organization to another, shall be processed pursuant to the procedure provided for the registration proceedings by the Ministry through a sub-legal act adopted in accordance with this law.

13. In case a special law requires registration at KBRA as per paragraph 2. of present Article, the KBRA registration procedure shall be specified by such special law or any sub-legal act adopted pursuant to such special law. All such sub-legal acts shall be drafted in collaboration with the Ministry and KBRA.

Article 18
Electronic Registration Services

1. For the purpose of facilitating registration procedures for Business Organization, and providing other registration related services, KBRA is authorized to initiate electronic registration of Business Organizations and provide other electronic registration services.

2. Electronic registration activities and other registration services shall be conducted by using electronic means and devices, which guarantee the authenticity of origin and inviolability of the content of documents in electronic format.

3. The Ministry, through a sub-legal act, shall determine the conditions, time limits and procedures for electronic registration of Business Organizations and the provision of other electronic registration services by KBRA in accordance with the present law.

Article 19
Unique Identification Number

1. Upon initial registration, the Business Organization or other entity as provided by Article 23 of the present Law shall receive a Unique Identification Number, which shall simultaneously serve as an identification number for the Business Organization for registration and taxation purposes, and other purposes as specified in a sub-legal act adopted by the Government, in accordance with paragraph 2. of this Article.

2. Within six (6) months from the entry into force of this Law, the Ministry, in cooperation with the Ministry of Finance, shall draft, and the Government of the Republic of Kosovo shall adopt a sub-legal act setting forth the requirements, conditions and procedures for the creation of the Unique Identification Number.

3. Within one (1) year from the entry into force of the present law, all Public Authorities the activities of which are affected by the establishment of the unique identification number shall be required to draft and submit for the approval to the Government of the Republic of Kosovo the necessary amendments to the respective laws and sub-legal acts.

Article 20
Nature of Registration

1. Initial registration, any other registration and amendments to data in the Registry, and deregistration at KBRA have legal effect prescribed by this law.

2. The registered information and documents published according to Article 22 of this Law shall be considered as correct with regard to a third person, except if the third person knew or should have known that the registration or document is not correct. A registration shall be considered not to apply with regard to transactions which are concluded before the sixteenth (16) day after the entry is made in the Registry if a third person proves that the third person was not aware nor should have been aware of the content of the registration.

3. If information which must be entered in the Registry is not entered in the Registry, such information shall have legal effect with regard to a third person only if the third person knew or should have known about such information.

Article 21
Correction of Errors

1. KBRA may correct its own errors at any time. In this case, it shall:

1.1. attach a note to the registered document describing the nature, date, time and reasons of such correction; and

1.2. immediately notify the Business Organization of the above-mentioned note.

2. A Business Organization may correct its own errors at any time, by filing the respective application with KBRA.

3. If KBRA has information concerning the incorrectness of an entry or that an entry is missing, the KBRA shall make the appropriate inquiries.

4. Upon ascertaining that data in the Registry is incorrect or missing, the KBRA shall notify the Business Organization on the basis of whose application the entry should be made. If no objection to making or correcting the information is made within fifteen (15) days after the notice, the KBRA shall make or correct the entry. Upon receipt of an objection, the KBRA shall decide whether the objection is justified.

5. Public Authorities, notaries and private enforcement officers are required to notify KBRA of any incorrect information in the Registry or of any information which has not been submitted to the Registry that they become aware of.

6. If incorrect information is submitted to KBRA, the Business Organization and Authorized Representative or Authorized Proxy shall be liable for any damage wrongfully caused.

Article 22

Publication of Extract of Registry in the Official KBRA Website

1. For each registered Business Organization, KBRA shall publish in its official website the following data and documents, or any amendment to such data at the time of completion of the registration pursuant to Article 17 of this Law:

1.1. the official name and Unique Identification Number of the Business Organization;

1.2. all Trade Names of the Business Organization;

1.3. type of Business Organization;

1.4. address of the Business Organization;

1.5. name and address of each founder;

1.6. list of shareholders of corporations held in accordance with Article 83 and Article 134 of this Law, names and addresses of partners of general partnerships and limited partnerships;

1.7. names of Authorized Representatives and a clarification whether some or all Authorized Representatives shall represent the Business Organization individually or jointly, and if applicable, the name and address of the person responsible to receive documents according to Article 25 of this Law;

1.8. the duration of the Business Organization, if it is not permanent;

1.9. charter capital for the Joint Stock Companies;

1.10. the names of members of Board of Directors for Corporations;

1.11. complete text of the Partnership Agreement for Partnerships, the Charter and Memorandum of Incorporation of a Limited Liability Company or Joint Stock Company in final version submitted to KBRA;

1.12. the initiation of voluntary dissolution of a Corporation in accordance with this law or the initiation of bankruptcy proceedings of the Business Organization in accordance with the applicable law on bankruptcy;

1.13. any declaration of nullity of the Business Organization by the courts;

1.14. the appointment of an Authorized Representative in a Bankruptcy Procedure, particulars concerning them, and their respective powers, unless such powers are expressly and exclusively derived from law;

1.15. the termination or liquidation of the Business Organization.

2. For each registered Branch of Foreign Business Organization, KBRA shall publish in its official website the following data and documents, or any amendment to such data, at the time of completion of the initial registration of the Branch of Foreign Business Organization or any other registrations:

2.1.the official name of the Branch of the Foreign Business Organization;

2.2. the location and address of the Branch of the Foreign Business Organization;

2.3. the register in which the Foreign Business Organization is registered and the registration number if entry in a register is prescribed by the law of the foreign country;

2.4. the legal form of the Foreign Business Organization;

2.5. the country under whose law the Foreign Business Organization operates in the foreign country;

2.6.the amount of share capital of the Foreign Business Organization if this is entered in a register of the foreign country of the Foreign Business Organization;

2.7. the date of adoption of the charter of the Foreign Business Organization and of amendments to the charter if these are entered in a register of the foreign country of the Foreign Business Organization;

2.8. names of Authorized Representatives and information whether some or all Authorized Representatives shall represent the Business Organization jointly, and if applicable, the name and address of the person competent to receive documents according to Article 25 of this Law;

2.9. the beginning and end of the financial year of the Foreign Business Organization and whether the Foreign Business Organization must publish an annual report.

3. The information and documents specified in paragraph 1. and 2. of this Article may be relied on by the Business Organization as against third parties only after they have been disclosed in accordance with paragraph 1. of this Article, unless the Business Organization proves that the third parties had knowledge thereof. However, with regard to transactions taking place before the sixteenth (16) day following the publication, the documents and information shall not be relied on as against third parties who prove that it was impossible for them to have had knowledge thereof.

4. KBRA shall create and allow the possibility of printing a version of the extract directly from its website indicating the exact time and date of printing, that may be used by Business Organizations in their relations with public authorities. Public authorities shall verify such data by referring to data published by KBRA in its website.

5. A Partnership Agreement, Memorandum of Incorporation and a Charter of a Corporation are deemed to be valid after their entry and publication in the Registry, even if the Partnership Agreement, Memorandum of Incorporation or Charter was entered into under circumstances rendering it void. The Partnerships Agreement, Memorandum of Incorporation or Charter shall not be repealed after their entry and Publication in the Registry.

CHAPTER III
MANDATORY REGISTRATION AND AUTHORIZED REPRESENTATIVES

Article 23
Mandatory Registration

1. The following Business Organizations are required to register in the Registry:

1.1. Individual Businesses;

1.2. General Partnerships;

1.3. Limited Partnerships;

1.4. Limited Liability Companies;

1.5. Joint Stock Companies.

2. The following entities shall also register in the Registry:

2.1 Branches of Foreign Business Organization in Kosovo;

2.2. Representative Offices of Foreign Business Organizations in Kosovo;

2.3. Publicly Owned Enterprises, pursuant to the applicable law on Publicly Owned Enterprises;

2.4. Socially Owned Enterprises under the administration of the Privatization Agency of Kosovo; and

2.5. Any other entity required by special law to register at KBRA.

3. The registration of Publicly Owned Enterprises and Socially Owned Enterprises shall be made in accordance with the relevant provisions of Part Two of this law regarding these forms of organization.

4. Limited Liability Companies and Joint Stock Companies obtain their capacity as legal persons upon registration in Registry.

Article 24
Authorized Representative

1. Every Business Organization must have at least one Authorized Representative.

2. The Authorized Representative or Authorized Proxy may represent the Business Organization in all transactions, including registration services before KBRA, unless the partnership agreement or charter prescribes that some or all Authorized Representatives shall represent the Business

Organization jointly. Joint representation shall apply with regard to third persons only if it is registered and published by KBRA according to Article 22 of this Law. Other restrictions on the right of representation cannot be registered by KBRA and shall be invalid with regard to third persons.

3. Authorized Representatives for the Business Organizations are:

3.1 for Individual Businesses, the owner of the Individual Business;

3.2. for Partnerships, all General Partners;

3.3. for Corporations, the Managing Directors;

3.4. for Branches and Representative Offices of a Foreign Business Organization, the Authorized Representatives appointed by the Foreign Business Organization;

3.5. partnerships and corporations may also have other authorized representatives other than those referred to in this provision, if so provided by Partnership Agreement or Charter.

4. For Publicly Owned Enterprises and Socially Owned Enterprises the Authorized Representative is appointed in accordance with the applicable legislation.

5. In order to register an Authorized Representative at KBRA the Business Organization shall submit to the KBRA an application for registration. The decision of the competent body to appoint the Authorized Representative shall be appended to the application for registration. In order to register an Authorized Representative, his or her written consent is required. The competent body of Business Organization for appointing the Authorized Representative may at any time regardless of the reason terminate the authority of Authorized Representative and amend the Registry respectively. In the event of a resignation of the Authorized Person from this position, the Authorized Person may request KBRA to make the relevant changes to the Register, if he/she submits to KBRA the resignation document and the evidence that it has notified the competent body of the Business Organization of its resignation.

6. Unless otherwise provided by Partnership Agreement or Charter or Incorporation Memorandum, competent authorities for appointment of Authorized Representative or Authorized Proxy, pursuant to paragraphs 3. and 7. of the present Article shall be:

6.1. for Individual Businesses, the owner of the Individual Business;

6.2. for Partnerships, all the General Partners;

6.3. for Corporations, all the founders of the Corporation, the Board of Directors or the Shareholders;

6.4. for Publicly Owned Enterprises, in accordance with the applicable legislation on publicly owned enterprises;

6.5. for Socially Owned Enterprises, in accordance with the applicable legislation on privatization;

6.6. for Branches and Representative Offices of a Foreign Business Organization, in accordance with the internal governance documents and the law of the place of establishment of the Foreign Business Organization;

6.7. for the Business Organization in a bankruptcy procedures, the Authorized Representative in a Bankruptcy Procedure.

7. Apart from the Authorized Representative as per paragraphs 2. and 3. of the present Article, a Business Organization may authorize one or more natural persons as Proxy Representatives to perform certain duties of representation, including representation of the Business Organization before the KBRA or other public authorities. Rights and duties of Proxy Representatives shall be determined by an act of authorization issued by the Business Organization for the Proxy Representative, thereby providing on rights, duties and limitations of such Proxy Representative. The name of Proxy shall not be registered and shall not appear in the KBRA Registry.

Article 25
Person competent to receive documents

A Business Organization, a Branch or a Representative Office, may in addition to its address submit to the KBRA the address of another person in Kosovo, which can be used for the delivery to such person of the official and court documents and the declarations of intent addressed to the Business Organization.

CHAPTER IV
OFFICIAL NAME OF THE BUSINESS ORGANIZATION AND TRADE NAME

Article 26
Official Name of the Business Organization

1. The official name of the Individual Business shall be the legitimate name and surname of the owner and the words “Individual Business”, or abbreviation “I.B.”.

2. The official name of a General Partnership shall include the words “General Partnership” or the abbreviation “G.P.”.

3. The official name of the Limited Partnership shall include the words “Limited Partnership” or the abbreviation “L.P.”.

4. The official name of the Limited Liability Company shall include the words “Limited Liability Company” or the abbreviation “L.L.C”.

5. The official name of the Joint Stock Company shall include the words “Joint Stock Company” or the abbreviation “J.S.C”.

6. The official name of the Branch of a Foreign Business Organization in Kosovo shall include the full name of the Foreign Business Organization, with the suffix “Branch in Kosovo”, or the abbreviation “B.K”.

7. The official name of the Representative Office of a Foreign Business Organization in Kosovo shall include the full name of the Foreign Business Organization, with the suffix “Representative Office in Kosovo”, or the abbreviation “R.O.K”.

8. All such official names or abbreviations shall be in Albanian, Serbian or English languages, or any other official languages in Kosovo. Such words or abbreviations as stipulated above are not taken into consideration when the distinction of the official name from other previously registered official names must be specified. Such words or abbreviations as stipulated above shall be inserted by the end of the official name of the Business Organization.

9. The Business Organization may use another official name previously registered by another Business Organization if it files documents demonstrating that:

9.1. it has merged with the other Business Organization;

9.2. it was established after the reorganization of another Business Organization; or

9.3. it has gained by agreement or by law the right to use the official name.

Article 27
Trade Name

1. During or after the registration at KBRA, a Business Organization, including Individual Businesses, may file an application at KBRA to use a Trade Name which is different from the Official Name of the Business Organization.

2. Business Organizations may register one or more Trade Names.

Article 28
Procedure for Registering Official Name and Trade Name

1. The KBRA may refuse the registration of official or trade names which are in contradiction to the spirit of the Constitution, law or public morale.

2. The Ministry shall issue a sub-legal act to further define the detailed procedures related to the Official Name of the Business Organizations and the Trade Name, including cases in which a refusal may be made as per paragraph 1. of the present Article. Such act shall be in accordance with the provisions of this law and the law on trademarks as well as the applicable legislation on intellectual property.

Article 29
Priority of Trademark over Official Name and Trade Name

1. The Official Name and Trade Name of Business Organizations registered by KBRA according to this law shall be subordinate to trademarks registered under the law in force on trademarks and other applicable legislation on intellectual property.

2. All eventual disputes related to the Registration or use of an Official Name or Trade Name which represents or is very similar to a trademark, shall be resolved in compliance with the law

on trademarks and other applicable legislation on intellectual property.

CHAPTER V
INITIAL REGISTRATION OF BUSINESS ORGANIZATIONS

Article 30
Initial Registration of an Individual Business

To register an Individual Business, the Owner of the Individual Business or an Authorized Representative or Authorized Proxy must complete and submit to KBRA a form prepared by KBRA for this purpose, together with a copy of the personal identification document of the Owner or Authorized Representative.

Article 31
Initial Registration of a General Partnership

1. To register a General Partnership, an Authorized Representative or Authorized Proxy must complete and submit to KBRA:

1.1. the form prepared by KBRA for this purpose including the following data:

1.1.1. name of any Authorized Representative appointed by General Partners according to Article 24 of this Law, and if applicable, the name and address of the person competent to receive documents according to Article 25 of this law;

1.1.2. information whether General Partners and Authorized Representatives or Authorized Proxy are authorized to represent the General Partnership alone or must act jointly.

1.2. a copy of the personal identification document of the Authorized Representative; and

1.3. the “General Partnership Agreement” signed by all the General Partners containing:

1.3.1. the official name of the General Partnership;

1.3.2. the trade name of the General Partnership, if requested by the Authorized Representative or Authorized Proxy;

1.3.3. address of the General Partnership in Kosovo;

1.3.4. lawful Business Activity, which can be described sufficiently as “lawful Business Activity”;

1.3.5. name and address of each General Partner. Should the General Partner be a natural person, his/her full name and address of permanent residence, which may be inside or outside of Kosovo; should a General Partner be a

Business Organization, its official name and address in Kosovo; should the General Partner be a Foreign Business Organization, its official name and the address of the main place where the Business Activity is exercised outside of Kosovo;

1.3.6. a provision included in the Agreement which specifies the consent of all the General Partners to be designated in the General Partnership Agreement as General Partners;

1.3.7. provisions regulating the governance or management of the General Partnership;

1.3.8. provisions determining and specifying the contributions to the capital of the General Partnership for each General Partner;

1.3.9. provisions which regulate the voluntary dissolution of the General Partnership;

1.3.10. provisions regulating all other matters that the General Partners wish to include in the Agreement of General Partnership.

2. Notwithstanding the other provisions of the present law, it is expressly mandated that the General Partnership Agreement shall not:

2.1. eliminate or diminish rights and obligations provided in Article 59 of the present Law; or

2.2. diminish or in any way hinder the rights of a creditor or a third party against the General Partnership or a General Partner. All the provisions of the General Partnership Agreement contrary to this paragraph are invalid and inapplicable.

Article 32
Initial Registration of a Limited Partnership

1. To register a Limited Partnership, an Authorized Representative or Authorized Proxy must complete and submit to KBRA:

1.1. a form prepared by KBRA for this purpose including the following data;

1.1.1. name of any Authorised Representative appointed by General Partners according to Article 24 of this Law, and if applicable, the name and address of the person competent to receive documents according to Article 25 of this Law;

1.1.2. information whether General Partners and Authorised Representatives are authorised to represent the Limited Partnership alone or must act jointly.

1.2. a copy of the personal identification document of the Authorised Representative; and

1.3. the “Limited Partnership Agreement”, which contains:

1.3.1. official name of the Limited Partnership;

1.3.2. trade name of the Limited Partnership, if requested by the Authorised Representative or Authorised Proxy;

1.3.3. address of the Limited Partnership in Kosovo;

1.3.4. lawful Business Activity, which can be described sufficiently as “lawful Business Activity ”;

1.3.5. name and address of a General Partner in a Limited Partnership or, if the Limited Partnership has more than one General Partner name and address of each of the General Partners. If the General Partner is a natural person, his/her full name and address of permanent residence must be included, which may be inside or outside of Kosovo; if a General Partner is a Business Organization, the official name and address in Kosovo; if the General Partner is a Foreign Business Organization, official name and address of the main place of exercise of Business Activities outside of Kosovo;

1.3.6. a provision included in the agreement which specifies the consent of all the General Partners to be designated in the Limited Partnership Agreement as General Partners;

1.3.7. provisions regulating the governance or management of the Limited Partnership and its Business Activities;

1.3.8. provisions determining and specifying contributions to the capital of the General Partnership for each Partner;

1.3.9. provisions regulating the voluntary dissolution of the Limited Partnership; and

1.3.10. provisions regulating all other matters which the Partners wish to incorporate in the Limited Partnership Agreement.

2. Notwithstanding the other provisions of the present Law, it is expressly mandated that the Limited Partnership Agreement shall not:

2.1. eliminate or diminish the rights and obligations provided in Article 59 of the present Law, which also applies to Limited Partnerships; or

2.2. limit or in any way hinder the rights of a creditor or a third party against the Limited Partnership or a General Partner. All the provisions of the Limited Partnership Agreement contrary to this paragraph are invalid and inapplicable.

Article 33
Initial Registration of a Limited Liability Company

1. To register a Limited Liability Company, an Authorised Representative or Authorised Proxy must complete and submit to KBRA:

1.1. a form prepared by KBRA for this purpose including the following data:

1.1.1. names and addresses of Shareholders and their Shares in the Limited Liability Company;

1.1.2. names and addresses of Managing Directors and other Authorised Representatives and Authorised proxies according to Article 24 of this Law, and information whether Managing Directors and other Authorised Representatives and Authorised proxies are authorized to represent the Limited Liability Company alone or must act jointly, and if applicable, the name and address of the person competent to receive documents according to Article 25 of this Law;

1.1.3. names and addresses of members of Board of Directors, if the Limited Liability Company has a Board of Directors.

1.2. a copy of the personal identification document of the Authorized Representative;

1.3. Charter of the Limited Liability Company, containing:

1.3.1. the official name of the Limited Liability Company;

1.3.2. trade name of the Limited Liability Company, if requested by the Authorized Representative or Authorized Proxy;

1.3.3. address of the Limited Liability Company;

1.3.4. lawful Business Activity, which can be described sufficiently as “lawful Business Activity”;

1.3.5. number of Managing Directors of the Limited Liability Company;

1.3.6. end date, if applicable, of the Limited Liability Company subject to voluntary dissolution;

1.3.7. there shall be various categories of Shareholders with different voting rights, various preferences on voluntary dissolution of the Limited Liability Company, or other rights or claims over various matters;

1.3.8. the specific rights attaching to a share, or of a Shareholder, whereas in case the specific rights attaching to a share are envisaged and various classes of shares are issued the Charter shall specify the designation of the various classes of shares and the specific rights attaching to the class of shares;

1.3.9. if there is a Board of Directors, the number of members thereof, which may be expressed as a specific number or a maximum and minimum number, and if necessary, also the specifications for the right of representation of the members of the managing directors;

1.3.10. in case of the inability of the Shareholders to reach a decision on a matter, the Limited Liability Company shall allow a certain Shareholder to sell his/her Shares to one or more other Shareholders on the basis of previously agreed upon conditions.

1.4. Memorandum of Incorporation, signed by founders, setting out:

1.4.1. the official name, and trade name if any, and address of the Limited Liability Company being founded;

1.4.2. the names and residences or addresses of the founders, if a founder is a natural person, the full name and address of permanent residence must be included, which may be inside or outside Kosovo; if the founder is a Business Organization, the official name and address in Kosovo; if a Founder is a Foreign Business Organization, official name and address of the main place where the Business Activity is exercised outside Kosovo;

1.4.3. number of shares, and their division among the founders;

1.4.4. the amount to be paid for shares and the procedure, time and place of payment;

1.4.5. if a share is paid for by a non-monetary contribution, the item of the non-monetary contribution and its valuation method;

1.4.6. the information on the managing directors and, if a Board of Directors is formed, on its members;

1.4.7. the projected costs of foundation and the procedure for payment thereof;

1.5. Upon conclusion of a Memorandum of Incorporation, the founders shall also approve the Charter of the Limited Liability Company as an annex to the Memorandum of Incorporation.

1.6. If the Limited Liability Company has one founder, the Memorandum of Incorporation shall be substituted by an Act of Establishment signed by the founder.

2. The Charter of Limited Liability Company may also prescribe other terms and conditions which are not in conflict with the law. If a provision of the Charter is in conflict with a provision of law, the provision of law shall apply.

3. Notwithstanding other provisions of this Law, it is expressly mandated that the Limited Liability Company Charter shall not include provisions:

3.1. that limit the rights of a Shareholder to information or access, according to Articles

83 and 84 of the present Law;

3.2. that eliminate or diminish the rights and obligations specified in Part Ten of the present Law;

3.3. that eliminate or diminish:

3.3.1. the limitations related to distribution of dividends for Shareholders according to Article 89 of the present Law; or

3.3.2. personal liability for infringing the limitations provided in Article 90 of the present Law;

3.4. that in any way limit the rights set forth in this law, of creditors or other third persons.

Article 34
Initial Registration of a Joint Stock Company

1. To register a Joint Stock Company, the Authorized Representative or Authorized Proxy must complete and submit to KBRA:

1.1. a form prepared by KBRA for this purpose including the following data:

1.1.1. names and addresses of Shareholders and their Shares in the Joint Stock Company;

1.1.2. names and addresses of Managing Directors and other Authorized Representatives or Authorized Proxy according to Article 24 of this Law, and information whether Managing Directors and Authorized Representatives are authorized to represent the Joint Stock Company alone or must act jointly, and if applicable, the name and address of the person competent to receive documents according to Article 25 of this Law;

1.1.3. names and addresses of members of Board of Directors;

1.1.4 the amount of the Joint Stock Company's charter capital.

1.2. a copy of the personal identification document of the Authorized Representative;

1.3. Charter of the Joint Stock Company;

1.4. Memorandum of Incorporation;

2. The Charter of the Joint Stock Company, submitted according to paragraph 1., sub-paragraph 1.3. of this Article, shall contain:

2.1. the official name of the Joint Stock Company;

2.2. trade name of the Joint Stock Company, if requested by the Authorized Representative or Authorized Proxy;

2.3. address of the Joint Stock Company;

2.4. lawful Business Activity, which can be sufficiently described as “lawful Business Activity”;

2.5. number of members of Board of Directors and Managing Directors of the Joint Stock Company;

2.5.1. the number of members of the Board of Directors of a joint stock company must also include the quota of forty percent (40%) of women’s participation in the Board;

2.5.2 the implementation of this quota should commence not later than six (6) months after the adoption of the Law;

2.5.3. after two (2) years of law enforcement, the gender quota starts its application at fifty percent (50%).

2.5.4. sanctions for non-compliance with this quote shall be determined by sub-legal acts deriving from this Law.

2.6. for the Common Shares of the Joint Stock Company:

2.6.1 the par value per Share of the Joint Stock Company’s Common Shares;

2.6.2. the number of Shares of the common Shares that will be issued at the time of registration of the Joint Stock Company’s; and

2.6.3. the maximum number of Shares of the common Shares that the Joint Stock Company is authorized to issue;

2.7. if one or more classes of preferred Shares are authorized, a description of each such class setting forth:

2.7.1. the par value per Share of such class;

2.7.2. the dividend, voting right and other rights and that are related to that class;

2.7.3. the number of Shares of such class that will be issued at the time of registration of the Joint Stock Company;

2.7.4. the maximum number of Shares of such class that the Joint Stock Company is authorized to issue.

2.8. the amount of the Joint Stock Company's charter capital;

2.9. if applicable:

2.9.1. the number and type of each Share that will be issued for nonmonetary compensation at the time of registration of the Joint Stock Company;

2.9.2. a description of the nature of such non-monetary compensation; and

2.9.3. the name and address of each person or Business Organization providing such compensation;

2.9.4. the duration of the Joint Stock Company, except where this is indefinite.

3. In addition to the mandatory requirements specified in paragraph 2. of this Article, the Charter of a Joint Stock Company may also include one or more provisions that:

3.1. give the Shareholders the exclusive right to draft, amend and/or repeal the Bylaws of the Joint Stock Company;

3.2. give the Board of Directors the right to decide whether the Joint Stock Company will issue authorized but not yet issued Shares, and timeframes for such a decision;

3.3. authorize the board of directors, subject to the restrictions set forth in Article 156 of the present Law, to declare and pay dividends;

3.4. explicitly alter a specific requirement of this Law requiring a matter to be approved by a two-thirds (2/3) majority of the Shares entitled to vote thereon, if the respective Charter provision specifies that the matter must instead be approved by a percentage that is greater than fifty percent (50%) of the Shares entitled to vote;

3.5. impose any other specific voting requirements;

3.6. impose conditions or requirements on the content of the Bylaws of the Joint Stock Company;

3.7. regulate the time, places and procedures for Shareholder Assemblies and Board of Directors meetings;

3.8. regulate the rights and procedures that must be observed by the Joint Stock Company during Shareholder voting in the Assembly, or during Director voting in the meetings;

3.9. set forth the forms for Share certificates.

4. The Memorandum of Incorporation of the Joint Stock Company, submitted according to paragraph 1., sub-paragraph 1.4. of this Article, signed by founders shall contain:

4.1. the official name, and trade name if any, and address of the Joint Stock Company being founded;

4.2. name and address of each founder of the Joint Stock Company; if a founder is a natural person, the full name and address of permanent residence must be included, which may be inside or outside Kosovo; if the founder is a Business Organization, the official name and address in Kosovo; if a Founder is a Foreign Business Organization, official name and address of the main place where the Business Activity is exercised outside Kosovo;

4.3. the amount of the Joint Stock Company's charter capital;

4.4. number of shares, and their division among the founders, and, upon issue of more than one class of shares, their denotation and the rights attaching to the shares;

4.5.the amount to be paid for shares and the procedure, time and place of payment;

4.6. if a share is paid for by a non-monetary contribution, the item of the non-monetary contribution and its valuation method;

4.7. name and address of the initial Managing Directors and members of the Board of Directors;

4.8. the amount, or an estimate of the amount, of all payable costs by the Joint Stock Company or chargeable to it by reason of the work done for its registration and establishment;

4.9. if applicable, a description of any special advantage that has been granted to any Person or Business Organization that has engaged in work resulting in the registration and establishment of the Joint Stock Company.

5. Upon conclusion of a Memorandum of Incorporation, the founders shall also approve the Charter of the Joint Stock Company as an annex to the Memorandum of Incorporation.

6. If the Joint Stock Company has one founder, the Memorandum of Incorporation shall be substituted by an Act of Establishment signed by the founder.

CHAPTER VI
INITIAL REGISTRATION OF OTHER ENTITIES

Article 35
Initial Registration of the Branch of a Foreign Business Organization

1. A Foreign Business Organization may engage in Business Activity in Kosovo, by registering a Branch of the Foreign Business Organization.

2. To register a Branch in Kosovo, the Authorized Representative or Authorized Proxy of the Foreign Business Organization shall submit to KBRA:

2.1. a form prepared by KBRA for this purpose indicating the names of any Authorized Representatives according to Article 24 of this law, having authority to represent the Branch of a Foreign Business Organization in dealings with third parties and in legal proceedings and information whether such Authorized Representatives are authorized to represent the Branch of Foreign Business Organization alone or must act jointly, and if applicable, the name and address of the person competent to receive documents according to Article 25 of this Law;

2.2. a copy of the personal identification document of the Authorized Representative or Authorized Proxy;

2.3. a Registration Certificate of the Foreign Business Organization in its place of origin, or an equivalent document demonstrating such Registration, original or notarized, not older than three (3) months from the date of issuance, proving regular establishment of such Foreign Business Organization in its place of origin. If according to applicable legislation in the place of origin of the Foreign Business Organization, there is a possibility of printing certificate of registration or equivalent document from an electronic registry of business organizations of the place of origin, such copy shall be considered an official copy and the notarization requirement shall not apply. If a certificate or an extract is not issued in Albanian, Serbian or English language, the document must be translated into one of the three languages certified by an authorized translator. KBRA shall verify such registration certificate or equivalent document in due reference to electronic registry of business organizations in the place of establishment of the Foreign Business Organization;

2.4.the Decision to establish the Branch of the Foreign Business Organization in Kosovo.

3. The Decision to establish the Branch of the Foreign Business Organization in Kosovo shall contain:

3.1. the Official Name of the Foreign Business Organization;

3.2.the register in which the Foreign Business Organization is entered and the registration number if entry in a register is prescribed by the law of the home country;

3.3. address in Kosovo;

3.4 lawful Business Activity, which can be sufficiently described as “lawful Business Activity”;

3.5. name and address, that may be in or outside of Kosovo, of each of the managers, including, if applicable, all General Partners, senior managers, directors, and/or Shareholders holding five percent (5%) or more of the direct or voting Shares in the Foreign Business Organization;

3.6. names and addresses of Authorised Representatives and information whether Authorised Representatives are authorised to represent the Branch of Foreign Business Organization alone or must act jointly;

3.7. a declaration in which the Foreign Business Organization agrees to keep, in the

address specified in sub-paragraph 3.3. of paragraph 3. of this Article, books and separate financial records related to its Business Activities in Kosovo;

3.8. all other information that the Foreign Business Organization is obliged to disclose according to law.

4. Nothing in this Article or in the documents filed in the Registry is interpreted or applied in a manner obstructing the right of the Foreign Business Organization, a right established pursuant to a contract entered into with a third party:

4.1. to have a contract governed and interpreted according to the law of a foreign jurisdiction; and/or

4.2. to have all claims arising out of a contract adjudicated by a foreign court or through an arbitration procedure in or outside of Kosovo.

5. All of the Foreign Business Organizations conducting their Business Activities in Kosovo through their Branch, shall keep, in their address in Kosovo, books and separate financial records related to its Business Activities in Kosovo.

6. The Branch of a Foreign Business Organization is not a separate or distinct legal person from the Foreign Business Organization establishing it.

7. A Foreign Business Organization is obligated to appoint an Authorised Representative or Authorised Representatives of the Branch, who will be registered by KBRA. A Foreign Business Organization may at any time cancel the right granted to Authorised Representative.

8. An Authorised Representative of Branch of a Foreign Business Organization may represent the Foreign Business Organization in all relations with third persons. In case several Authorised Representatives are appointed, each of them may represent the Foreign Business Organization in performing all transactions unless the Foreign Business Organization has decided that all or some of them may represent the Foreign Business Organization jointly. Joint representation shall apply with regard to third persons only if it is entered in the Registry and published by the KBRA.

9. Other restrictions on the right of representation of Foreign Business Organization than those provided by paragraph 8. of this Article shall be invalid with regard to third persons.

Article 36

Registration of the Representative Office of a Foreign Business Organization

1. A Foreign Business Organization may establish its Representative Office in Kosovo, by registering it at KBRA.

2. The Representative Office may not engage in Business Activities in Kosovo, and may only be registered for the purpose of conducting market research, engagement in marketing and promotional activities, and representation of the Foreign Business Organization.

3. The Representative Office is not a legal person and is considered to be part of the Foreign Business Organization.

4. Requirements, conditions and procedures for initial registration and further amendment of data on the Representative Office of the Foreign Business Organization as well as the treatment of existing representative offices shall be specified through a sublegal act adopted by the Government.

CHAPTER VII
AMENDMENT OF DATA IN THE REGISTRY

Article 37
Amendment and Supplementation of the Data of an Individual Business

1. If there are any amendments to the data registered at KBRA on the Individual Business, or when the Authorized Representative wishes to amend this data, the Owner or Authorized Proxy must complete the form or forms prepared by KBRA for this purpose.

2. Amendments to the documents and information mentioned in sub-paragraph 1. of Article 22 of this Law may be relied on by the Individual Business as against third parties only after they have been disclosed in accordance with Article 22 of this Law, unless the individual Business proves that the third parties had knowledge thereof.

Article 38
Amendment and Supplementation of the Data of the General Partnership Agreement

1. If there are amendments to the data registered or to the General Partnership Agreement submitted to KBRA, or when the General Partners wish to amend the data registered or the General Partnership Agreement itself, the Authorized Representative or Authorized Proxy must complete and submit to KBRA the form or forms prepared by KBRA for this purpose.

2. A copy of the decision adopted by the General Partners on the amendment to the data or to the General Partnership Agreement is attached to the respective form or forms and, if amendments are made to the General Partnership Agreement, the full text of the General Partnership Agreement, as amended is also attached.

3. The decision of the General Partners contains:

3.1. the Official Name of the General Partnership and Unique Identification Number;

3.2. the Trade Name of the General Partnership, if applicable;

3.3. the text of each amendment made;

3.4 the date of approval of each amendment by the General Partners;

3.5 a provision stating that such amendment(s) were approved by General Partners in compliance with:

3.5.1 the present Law; and

3.5.2 the General Partnership Agreement.

4. Such amendments shall enter into force immediately after registration of the respective form or forms and the required documents to be attached, and publication of such amendments.

5. Amendments to the documents and information mentioned in sub-paragraph 1. of Article 22 of this Law may be relied on by the General Partnership as against third parties only after they have been disclosed in accordance with Article 22 of this Law, unless the General Partnership proves that the third parties had knowledge thereof.

Article 39
Amendments and Supplementation of the Data of the Limited Partnership Agreement

1. If there are amendments to the data registered or to the Limited Partnership Agreement submitted to KBRA, or when the Partners wish to amend the data registered or the Limited Partnership Agreement itself, the Authorized Representative or Authorized Proxy must complete and submit to KBRA the form or forms prepared by KBRA for this purpose.

2. A copy of the decision adopted by the Partners on the amendments to the data or to the Limited Partnership Agreement is attached to the respective form or forms and, if amendments are made to the Limited Partnership Agreement, the full text of the Limited Partnership Agreement, as amended is also attached.

3. The decision of the Partners contains:

3.1. the Official Name of the Limited Partnership and Unique Identification Number;

3.2. the Trade Name of the Limited Partnership, if applicable;

3.3. the text of each amendment made;

3.4. the date of approval of each amendment by the partners;

3.5. a provision stating that such amendment(s) were duly approved and in compliance with:

3.5.1. the present law; and

3.5.2. the Limited Partnership Agreement.

4. Such amendments shall enter into force after registration of the form or forms and the required documents to be attached and publication of such amendments.

5. Amendments to the documents and information mentioned in sub-paragraph 1. of Article 22 of this Law may be relied on by the Limited Partnership as against third parties only after they have been disclosed in accordance with Article 22 of this Law, unless the Limited Partnership proves that the third parties had knowledge thereof.

Article 40

Amendments to the data of the Limited Liability Company

1. If there are amendments to the data registered, or to the Charter of the Limited Liability Company submitted to KBRA, or when the Shareholders wish to amend the data registered, or the Charter of the Limited Liability Company, the Authorized Representative or Authorized Proxy must complete and submit to KBRA the form or forms prepared by the KBRA for this purpose.

2. A copy of the decision adopted by the Shareholders on the amendments to the data or Charter of the Limited Liability Company is attached to the respective form or forms and, if amendments are made to the Charter of the Limited Liability Company, the full text of the Charter of the Limited Liability Company, as amended is also attached.

3. The application for the amendment shall contain:

3.1. the Official Name of the Limited Liability Company and Unique Identification Number;

3.2. the Trade Name of the Limited Liability Company, if applicable;

3.3. if the Charter is amended the full text of the amended Charter;

3.4. if new Managing Directors or members of the Board of Directors are appointed or a new Authorized Representative is appointed, the names and addresses of appointed persons and information whether they are authorised to represent the Limited Liability Company alone or must act jointly;

3.5. if a decision by the Shareholders is required for the amendment, the date of approval of each amendment by Shareholders.

4. Notwithstanding the legal effect of the list of shareholders held by Limited Liability Company in accordance of Article 83 of this Law and the validity of the share transfer agreement, the Managing Directors must immediately upon amending the list of shareholders amend also the data regarding the shareholders registered by KBRA.

5. If all the shares in a Limited Liability Company belong to a single shareholder or if, in addition to the single shareholder, the shares of the Limited Liability Company are owned only by the Limited Liability Company itself, the managing directors shall immediately submit a corresponding notice to the KBRA. The notice shall set out the name or official name, address and personal identification number or Unique Identification Number of the single shareholder. The notice shall be published according to Article 22 of this Law. The managing directors shall be jointly and severally liable for damage caused by violation of this notification requirement.

Article 41

Amendment and Supplementation to the Data, Charter of a Joint Stock Company

1. If there are amendments to the data registered, or to the Charter of the Joint Stock Company, or if the voting Shareholders wish to amend the data, or the Charter of the Joint Stock Company, the Authorized Representative or Authorized Proxy must complete and submit to KBRA the form or forms prepared by KBRA for this purpose.

2. A copy of the decision adopted by the voting Shareholders on the amendments to the data or Charter of the Joint Stock Company is attached to the respective form or forms and, if amendments are made to the Charter of the Joint Stock Company, the full text of the Charter of the Joint Stock Company, as amended is also attached.

3. The application for registering the amendment contains:

3.1. the Official Name of the Joint Stock Company and Unique Identification Number;

3.2. the Trade Name of the Joint Stock Company, if applicable;

3.3. if the Charter is amended the full text of the amended Charter;

3.4. if new Managing Directors or members of the Board of Directors are appointed or a new Authorized Representative is appointed, the names and addresses of appointed persons and information whether they are authorised to represent the Joint Stock Company alone or must act jointly;

3.5. if a decision by the Shareholders is required for the amendment, the date of approval of each amendment by Shareholders.

4. Notwithstanding the legal effect of the list of shareholders held by Joint Stock Company in accordance of Article 134 of this Law and the validity of the share transfer agreement, the Managing Directors must immediately upon amending the list of shareholders amend also the data regarding the shareholders registered by KBRA.

5. If all the shares in a Joint Stock Company belong to a single shareholder or if, in addition to the single shareholder, the shares of the Joint Stock Company are owned only by the Joint Stock Company itself, the Authorised Representative or Authorised Proxy shall immediately submit a corresponding notice to the KBRA. The notice shall set out the name or official name, address and personal identification number or Unique Identification Number of the single shareholder. The notice shall be published according to Article 22 of this Law. The Authorized Representatives shall be jointly liable for damage caused by violation of this notification requirement.

Article 42

Amendments and Supplementation to the Data of the Branch of a Foreign Business Organization

1. If there are amendments to the data submitted to KBRA on the registration of the Branch of a Foreign Business Organization, the Authorized Representative or Authorized Proxy must complete and submit to KBRA the form or forms prepared by KBRA for this purpose.

2. A copy of the decision adopted by the relevant entities of the Foreign Business Organization is attached to the respective form or forms and shall contain:

2.1. the Official Name of the Branch of a Foreign Business Organization and Registration Number;

2.2. the register in which the Foreign Business Organisation is entered and the registration number if entry in a register is prescribed by the law of the home country;

2.3. the text of each amendment made;

2.4. date of approval or authorization of each amendment by the Shareholders;

2.5. a provision stating that such amendment(s) were duly approved and authorized, and in compliance with internal governance documents and the laws of the place of establishment;

2.6. if a new Authorised Representative is appointed, the name and address of Authorised Representative, and in case of more than one Authorised Representative the information whether they are authorised to represent the Foreign Business Organization alone or must act jointly.

3. The Authorized Representative or Authorized Proxy shall attach to the relevant form or forms the text with amendments of any documents requested to be amended.

Article 43

Amendments and Supplementation to the Data on Publicly Owned Enterprises, Socially Owned Enterprises and Other Forms of Organization Established Pursuant to Special Laws

1. The procedures and the content of the documents required to amend the registered data of Publicly Owned Enterprises and Socially Owned Enterprises are the same as the procedures and the content specified in Article 40 and 41 of this Law.

2. The procedures and the content of the documents required to amend the registered data for other forms of organization established pursuant to special laws, shall be specified by the special laws or by the sublegal acts approved according to those special laws.

Article 44

Application for Registration of Corporate Mergers and Demergers

1. If two or more Corporations wish to merge, after completing the procedures in Part Eight of this Law, each Corporation shall submit to the Registry:

1.1. the merger agreement;

1.2. the merger plan provided in Part Eight of this Law; and

1.3. Charter of the remaining Corporation or the new Corporation which has been established by the merger.

2. The merger enters into force on the date the plans and the Charter are registered and published by KBRA.

3. An application for registering a demerger conducted pursuant to this law shall have the content and shall be submitted pursuant to Article 248 of the present Law.

4. Nothing in this Article or this Law shall be interpreted or applied in any manner that alters

or impairs any provision or requirement specified in any other law which limits, prohibits or regulates mergers or demergers. It is the legal responsibility of the respective Corporations to ensure that these provisions and requirements are fully observed before submission to KBRA of the documents specified by paragraph 1. or 3. of this Article.

5. KBRA shall have no authority to refuse the registration of a merger or demerger which has been done based on the provisions or requirements specified in another law, unless KBRA is specifically obligated to refuse to register a merger or demerger by the Court or a competent public authority having the responsibility to enforcement these provisions or requirements.

CHAPTER VIII

DEREGISTRATION OF THE BUSINESS ORGANIZATION FROM THE KBRA AND COMPLAINT PROCEDURE

Article 45
Deregistration

1. Deregistration of an Individual Business is made by submitting the respective form or forms prepared by KBRA for this purpose, which shall be attached the following:

1.1. copy of the identification document of the Authorized Representative or Authorized Proxy;

1.2. confirmation from the relevant tax authority certifying the payment of all outstanding tax debts.

2. The Deregistration of a General Partnership is made by submitting the form or respective forms prepared by KBRA for this purpose, which shall be attached the following:

2.1. copy of the identification document of the Authorized Representative or Authorized Proxy;

2.2. decision of the General Partnership on Deregistration, adopted in compliance with the General Partnership Agreement, pursuant to applicable legislation;

2.3. confirmation from the relevant tax authority certifying the payment of all outstanding tax debts.

3. The Deregistration of a Limited Partnership is made by submitting the form or respective forms prepared by KBRA for this purpose, which shall be attached the following:

3.1. copy of the identification document of the Authorized Representative or Authorized Proxy;

3.2. decision of the Limited Partnership on Deregistration, adopted in compliance with the Limited Partnership Agreement, pursuant to applicable legislation;

3.3. confirmation from the relevant tax authority certifying the payment of all outstanding tax debts.

4. The Deregistration of a Corporation is made by submitting the form or respective forms prepared by KBRA for this purpose, which shall be attached the following:

4.1. copy of the identification document of the Authorized Representative or Authorized Proxy;

4.2. decision of the Corporation on Deregistration, adopted in compliance with the Charter, Agreement and/or Bylaws, upon completion of procedures of voluntary dissolution or bankruptcy pursuant to this present law or applicable legislation on bankruptcy;

4.3. confirmation from the relevant tax authority certifying the payment of all outstanding tax debts;

4.4. certification by a competent court that the Business Organization is not subject to judiciary proceedings;

5. Deregistration of the Branch of the Foreign Business Organization or Representative Office of a Foreign Business Organization is made by submitting the form or respective forms prepared by KBRA for this purpose, which shall be attached the following:

5.1. copy of the identification document of the Authorized Representative or Authorized Proxy;

5.2. the decision to deregister the Branch or Representative Office of a Foreign Business Organization adopted in compliance with internal governance documents of the Foreign Business Organization, pursuant to applicable legislation;

5.3. confirmation from the relevant tax authority certifying the payment of all outstanding tax debts, if applicable.

5.4. certification by a competent court that the Business Organization is not subject to judiciary proceedings;

6. Procedures to deregister Business Organizations and other entities required to register at KBRA are specified in more detail through a sublegal act adopted by the Minister in accordance with this law.

7. Upon completion of the foreseen procedures for the deregistration of the Business Organizations or other entities required to be registered at KBRA, KBRA shall issue to the party or parties a Decree for Disqualification.

Article 46
Data of Deregistered Business Organizations

The data of deregistered Business Organizations shall be held in the Registry, including the note “deregistered”, and the date of deregistration. This data shall be kept by KBRA in an

electronic format and shall always be public.

Article 47
Complaints Procedure

1. Any person who considers that KBRA or any KBRA employee thereof, has failed to meet the conditions provided in this law, including failure to observe relevant provisions on the administrative nature of registration, may file a complaint within thirty (30) days in the first administrative instance, before the General Director of KBRA, who shall issue a decision on the complaint within fifteen (15) days from the date of submission of the complaint.

2. If the General Director does not review the complaint in the first instance, or issues a decision rejecting such complaint within fifteen (15) days, then the claimant can, within the period of thirty (30) days from the day of receipt of this decision, file a complaint before the Commission for Reviewing Business Registration Complaints, established by a decision of the Minister.

3. The Commission for Reviewing Business Registration Complaints within the Ministry shall be authorized and responsible for reviewing and issuing decisions on complaints in the second administrative instance, within fifteen (15) days from the submission of the complaint.

4. If the Commission for Reviewing Business Registration Complaints approves the complaint of the claimant in the second administrative instance, it shall require from the General Director of KBRA to take relevant action to correct the administrative infringement.

5. If the Commission for Reviewing Business Registration Complaints rejects the complaint of the claimant, or does not respond to the complaint within fifteen (15) days from the submission of the complaint, the complainant may resort to a competent court in compliance with the law in force on administrative conflicts.

6. The relevant applicable provisions on the administrative procedure shall apply to all the issues related to administrative complaints which have not been regulated in this law.

PART THREE
INDIVIDUAL BUSINESS

Article 48
Unlimited Liability, No Legal Personality

1. A Person may have only one Individual Business. A Person who is the owner of an Individual Business, shall have unlimited personal liability for all debts and other obligations incurred or imposed by Law or a contract, on the Individual Business. This liability is unlimited and extends to all property and assets of any type directly or indirectly owned by this Person, regardless of whether such property/assets are used for business purposes or for personal or household purposes, except for the property and assets specified by the applicable law on enforcement procedure, and when:

1.1. a contract which has created the liability expressly excludes properties or assets from liability;

1.2. the Person or Business Organization who has claims has agreed that such assets or property are not subject to such claims.

2. Property or assets shall be considered to be indirectly owned by a person who owns an Individual Business if:

2.1. this person can control the use or disposition of such property or assets; and

2.2. there is sufficient evidence to conclude that another Person or Business Organization has been formally named as the principal owner for the purpose of protecting property or assets from exposure to liability of the person owning an individual business.

3. An Individual Business is not a legal person. Nevertheless, it may enter into a contract, own property and sue or be sued in its own name or in the name of its owner.

4. An Individual Business may conduct its Business Activities in one or more locations.

PART FOUR
GENERAL PARTNERSHIP

Article 49
Nature of a General Partnership

1. A General Partnership is a Business Organization established after registration at KBRA in accordance with this law.

2. The General Partners of a General Partnership are natural or legal persons and/or Business Organizations specified in the General Partnership Agreement.

3. A General Partnership is not a legal person. Nevertheless, it may enter into a contract, own property and sue or be sued in its own name.

Article 50
General Partnership Agreement

1. A General Partnership Agreement shall have the contents provided in Article 31 of this Law.

2. Except as provided in Article 31 of this Law, the General Partners in a General Partnership Agreement may include or amend any of the provisions in this Part regulating the relationship between the General Partners themselves. In case of any conflict between provisions of Part Four of this law and a provision in the General Partnership Agreement on the relationships between the General Partners, the provisions of the General Partnership Agreement shall prevail.

Article 51
Nature of Partnership Interest in a General Partnership

1. The Partnership Interest of a General Partner in the General Partnership:

1.1. includes the right to distribution of profits and dividends, and other rights of a General Partner, and

1.2. includes the rights and obligations of a General Partner, specified in this section.

Article 52
The Number of General Partners

A General Partnership may have two or more natural or legal persons and/or Business Organizations as General Partners, unless otherwise stipulated by special legislation.

Article 53
Principle of Liability

1. General Partners are jointly and severally liable for all debts and other obligations incurred by or imposed by Law or contract on the General Partnership. This liability is unlimited and shall extend to all property and assets of any type directly or indirectly owned by a General Partner, except for the property and assets specified in the applicable legislation on enforcement procedure, and when:

1.1. a contract which has created the liability expressly excludes properties or assets from liability;

1.2. the Person or Business Organization who has claims has agreed that such assets or property are not subject to such claims.

2. A natural or Legal Person and/or Business Organization, including a Business Organization, which is admitted as a General Partner into an existing General Partnership assumes joint and several liability for all debts and obligations of the General Partnership, including pre-existing obligations, to the same extent as all the existing General Partners.

3. If an agreement among the General Partners contains any provisions which are contrary to paragraph 1. and 2. of this Article, such provisions shall not affect the rights of a third party unless the third party specifically agrees otherwise. In any case, the Agreement of the General Partnership and such provisions shall be effective and apply to all the General Partners.

4. Property or assets shall be considered to be indirectly owned by a General Partner if:

4.1. the General Partner can control the use or disposition of such property or assets, and

4.2. there is sufficient reason to conclude that another person or organization has been formally named as the principal owner for the purpose of protecting such property or assets from exposure to the liability of the General Partner.

Article 54
Types of Contributions

1. A General Partner's Contribution to the General Partnership can be made:

1.1. in the form of money or other property, labour or services already executed or performed for the General Partnership, or

1.2.in the form of a legally binding obligation to provide such money, property, labour or services to the General Partnership in the future. The value of non-monetary Contributions shall be determined by the General Partners in accordance with the applicable provisions of the General Partnership Agreement.

Article 55
Profits, Losses, Allocations and Distributions of Dividends

1. Unless the General Partnership Agreement specifies otherwise, all the General Partners have the right to an equal Share of all profits, losses, allocations and dividend distributions of the General Partnership.

2. Unless the General Partnership Agreement specifies otherwise, within the period of thirty (30) days from the end of each calendar year, the General Partnership must formally calculate and record all the profits or losses incurred in that year and divide the percentage of profits or losses in the accounts of the General Partners.

Article 56
Responsibility for Losses

1. Unless the General Partnership Agreement specifies otherwise, each General Partner of the General Partnership must give his contribution in order to equally cover the losses of the General Partnership resulting from the Business Activity of the General Partnership.

2. Unless the General Partnership Agreement specifies otherwise, all the General Partners must make equal contributions in order to cover losses immediately after the losses are known to the General Partners.

3. After the dissolution of the General Partnership all the General Partners must make equal contributions to fulfil the requests of third parties and to cover other losses.

Article 57
Authority of a General Partner to Act for the General Partnership

1. All actions of a General Partner conducted for the purpose of carrying on the usual Business Activities of the General Partnership are binding on the General Partnership and the other General Partners. However, this rule shall not apply if:

1.1. the concerned General Partner had no authority to act for the General Partnership in that particular matter; and

1.2. the person or organization with whom the General Partner has conducted the Business Activity was aware of the fact that the General Partner lacked the necessary authorization.

2. Any action of a General Partner that is not conducted for the purpose of carrying on the usual Business Activities of the General Partnership is not binding on the General Partnership or the other General Partners unless the concerned action was expressly authorized by the other General Partners.

3. The General Partnership Agreement may provide that the General Partnership shall be represented by all or some of the partners jointly. The partners may authorise one or several partners among themselves to perform a certain transaction or act. Each partner who grants an authorisation may cancel the authorisation. Joint representation shall apply with regard to third persons only if it is entered in the Registry and published by the KBRA.

Article 58
Governance and management

1. Unless the General Partnership Agreement provides otherwise, the voting and management rights of the General Partners in the General Partnership are equal.

2. Unless the General Partnership Agreement provides otherwise, the decisions of the General Partnerships are made by a simple majority of the votes.

3. Notwithstanding paragraph 2. of this Article, the following actions shall require the unanimous vote of all General Partners:

3.1. the adoption of amendments to the General Partnership Agreement;

3.2. the distribution of dividends;

3.3. the admission of a new General Partner; and

3.4. a decision to dissolve or deregister the General Partnership or a decision to initiate procedures pursuant to applicable law on bankruptcy of a General Partnership, to sell a substantially part of its assets, or to change the nature of its Business Activities.

4. The General Partnership Agreement can establish different categories of General Partners, it can assign different voting and management rights to different General Partners, it can deny any General Partner the right to vote on any matter or all matters, and it can require different forms of majority voting other than simple majority or unanimous vote to decide on a matter.

5. The voting of the General Partners may be done through any method which provides all General Partners reasonable notice of the vote and the subject matter of the vote.

6. Unless the General Partnership Agreement provides otherwise, a General Partner may transfer his Partnership Interest in a General Partnership, including his rights to receive a Share in the profits or receive distributions of dividends of the General Partnership, to another General Partner or to his/her heirs after his death. In all the other cases, a General Partner may not transfer his Partnership Interest without the consent of all other partners.

Article 59
Mutual Rights and Obligations of General Partners

1. Every General Partner is obligated to Share with every other General Partner the financial information related to the Business Activities of the General Partnership.

2. Unless otherwise agreed with the other partners, a General Partner who resigns or otherwise leaves the General Partnership shall be liable to third parties for all debts and obligations of the General Partnership incurred or created before the date on which he resigns or otherwise leaves the General Partnership. Liability between the partners themselves shall be resolved based on the Partnership Agreement.

3. The General Partnership must compensate the General Partner for payments made and for liabilities incurred if such payments were made or such liabilities were incurred by the General Partner:

3.1. in the conduct or furtherance of the usual Business Activities of the General Partnership or

3.2. for the protection of the Business Activities of the General Partnership or the assets of the General Partnership.

Article 60
Right to Sue for Breach of the General Partnership Agreement

1. The General Partnership may sue a General Partner for breach of the General Partnership Agreement or for the violation of obligations toward the General Partnership which have caused harm to the General Partnership. A General Partner may sue the General Partnership or another General Partner to enforce the General Partner's rights under the General Partnership Agreement or this Law.

2. The grounds for suits related to conflict of interest transactions are provided in Part Ten of this Law.

Article 61
Assets of the General Partnership

1. The assets of the General Partnership include cash or other asset that is:

1.1. given as a Contribution by a General Partner to the General Partnership;

1.2. acquired through the existing assets of the General Partnership or as a result of the conduct of Business Activities; and

1.3. assets acquired in the name of the General Partnership or in the name of one of the General Partners for the benefit of the General Partnership.

2. The General Partner is not a co-owner of the assets of the General Partnership.

Article 62
Withdrawal of a General Partner

1. A General Partner may withdraw from a General Partnership at any time by giving written notice to the other General Partners, but if the withdrawal violates the General Partnership Agreement, the General Partnership may require compensation from the withdrawing partner for breach of the General Partnership Agreement.

2. A General Partner who withdraws from the General Partnership without violating the General Partnership Agreement has the right to receive any profits under the General Partnership Agreement. If the General Partnership Agreement does not provide otherwise, the withdrawing General Partner is entitled to receive from the General Partnership, within ninety (90) days from the withdrawal, the fair value of his interest in the General Partnership. This obligation is an obligation owed by the General Partnership to the withdrawing General Partner; and the other General Partners are, as with other obligations of the General Partnership, also jointly and severally liable therefore.

3. Unless the General Partnership Agreement provides otherwise, a General Partner is considered to have withdrawn by effect of the law from the General Partnership if:

3.1. the General Partner fails to timely pay his Contribution to the General Partnership;

3.2. the General Partner informs the other General Partners in writing that he has withdrawn from the General Partnership;

3.3 the General Partner voluntarily seeks formal legal protection from his creditors or he has been declared through a court decision as insolvent to pay his debts pursuant to the applicable law on bankruptcy; or

3.4. a General Partner who is a Business Organization or legal person ceases to exist.

Article 63
Dissolution of a General Partnership

1. Unless the General Partnership Agreement provides otherwise, a General Partnership shall be dissolved:

1.1. after the expiry of the duration of the General Partnership, if the duration is established in the General Partnership Agreement;

1.2. by a decision of all General Partners;

1.3 after the death of one of the General Partner;

1.4. the voluntary dissolution or bankruptcy of one of the General Partners who is a Business Organization or legal person;

1.5. after withdrawal or expulsion of any General Partner;

1.6. through a court decision;

1.7. other cases as provided in the General Partnership Agreement;

2. The dissolution of a General Partnership requires the distribution of its profits and property, if any, to the General Partners.

3. The dissolution of a General Partnership shall not extinguish the claims of creditors against the General Partners, nor shall it extinguish the claim of any General Partner against another General Partner. After the dissolution of a General Partnership all the General Partners must fulfil the conditions set out in paragraph 3. of Article 56 of this Law.

4. If the General Partnership must be dissolved due to reasons set out in sub-paragraphs 1.3. or 1.4. of paragraph 1. of this Article, all the property of the General Partnership is subject to the legal proceedings provided by Law, for the purpose of determining the method of distribution of the property of the deceased or voluntarily dissolved or bankrupt General Partner; provided, however, that the General Partnership's remaining General Partners have the right to enter into an agreement with the Court or the Authorized Representative in a Bankruptcy Procedure regarding:

4.1. the formation of a new General Partnership; and

4.2. the disposition of the Partnership Interest of the deceased, voluntarily dissolved or bankrupt General Partner in the General Partnership.

PART FIVE
LIMITED PARTNERSHIP

Article 64
Nature of a Limited Partnership

1. A Limited Partnership is a Business Organization which is composed of:

1.1. at least one General Partner; and

1.2. at least one Limited Partner.

2. A Limited Partnership is not a legal person. Nevertheless, it shall have the right to enter into a contract, own property and sue or be sued in its own name.

3. Any natural or legal person and/or Business Organization may be a General Partner or a Limited Partner of a Limited Partnership.

4. A General Partner in a Limited Partnership is jointly and severally liable, together with the other General Partners, for the debts and obligations of the Limited Partnership.

5. A General Partner in a Limited Partnership is also jointly and severally responsible, together with the other General Partners, to ensure compliance of the Limited Partnership with the

obligations stemming from applicable laws in Kosovo, including this Law.

6. A Limited Partner is not liable for any debts or other obligations of the Limited Partnership except as provided in Article 68 of this Law.

7. The provisions set forth in Part Four of this Law which regulate the General Partnership shall be applied by analogy to Limited Partnerships, unless expressly provided otherwise in a provision of Part Five of this Law.

Article 65
Limited Partnership Agreements

1. Every Limited Partnership must have a Limited Partnership Agreement with the contents set forth in Article 32 of this Law.

2. Every partner of the Limited Partnership is required to execute the Limited Partnership Agreement and to indicate whether they have signing it as a General Partner or a Limited Partner.

Article 66
Records Which a Limited Partnership Must Keep and Make Available

1. Every Limited Partnership must at all times maintain at its address or place where the main Business Activity is conducted:

1.1. a copy of its Limited Partnership Agreement, including any and all of its amendments which have been registered at KBRA;

1.2. a list which identifies:

1.2.1. the names and addresses of each partner, stating in each case whether such partner is a General Partner or a Limited Partner;

1.2.2. the date on which such partner became a partner, and

1.2.3. a description of the monetary value, property or other items of value that such partner has contributed or is obligated to contribute to the Limited Partnership.

1.3. a list of all transfers and pledges of, and encumbrances placed on, any Partnership Interest of the Limited Partnership or permitted by a partner;

1.4. copies of the following financial documents:

1.4.1. financial statements;

1.4.2. income statements;

1.4.3. other financial statements, and

1.4.4. tax returns of the Limited partnership.

1.5. these requirements shall apply to documents relating to the current year, but only to the extent such documents have been prepared;

1.6. these requirements shall also apply to all documents relating to each of the previous three (3) years; if the Limited Partnership has been established for less than three (3) years, these requirements shall apply to all such documents.

2. Every Limited Partnership must make these records available to any partner, and to any former partner with respect to the period when he was a partner, for inspection and copying during usual business hours.

3. If a Limited Partnership refuses to permit a partner or former partner to obtain or examine these records or does not reply to a written demand within five (5) days after the demand was delivered to the Limited Partnership, the demanding partner may resort to the Court and demand for it to issue a decision to allow access to the records. The Court shall have authority to determine whether the claimant has the right to access and to order the Limited Partnership to provide the information.

4. No provisions of this Article shall prejudice the additional rights of the Partner or former Partner to access the documents of the Limited Partnership in cases of conflict of interest transactions according to Part Ten of this Law.

Article 67
Contributions of Limited Partners

1. Each Limited Partner must fully pay or submit his contribution at the time of registration of the Limited Partnership Agreement.

2. A General Partner shall have the authority to file a Lawsuit on behalf of the Limited Partnership and its partners to compel a Limited Partner to pay or to submit his contribution.

3. The Limited Partner who has failed to pay or submit his contribution up to the date of the registration of the Limited Partnership Agreement is liable for all expenses made by the Limited Partnership or the General or Limited Partners, including compensation for lawyers' fees, incurred by the Limited Partnership and/or any General or Limited Partner during performance of this obligation.

Article 68
Restrictions on Liability of Limited Partners

1. No person or organization, other than a General Partner, shall be authorized to act on behalf of a Limited Partnership or to create obligations on behalf of the Limited Partnership.

2. It is expressly provided that a Limited Partner is not authorized to act on behalf of a Limited Partnership or to create obligations on its behalf. No creditor may rely on the acts or representations of a Limited Partner to establish any liability on the Limited Partnership.

3. If one or more Limited Partners engage in a transaction in which the Limited Partner(s) attempt, without authorization, to create obligations for the Limited Partnership, the transaction and its respective obligations shall not be enforced against the Limited Partnership, unless a General Partner of the Limited Partnership formally and in writing ratifies the transaction on behalf of the Limited Partnership.

4. If a General Partner has not ratified the transaction, the concerned Limited Partner(s) are solely liable to the other party for this transaction, and that other party has no rights or claims against the Limited Partnership as a result of that transaction; provided, however, that the other party has the right to claim compensation from or to require performance by the Limited Partnership if, and only if, a General Partner intentionally or negligently made representations that caused the other party to reasonably believe that the concerned Limited Partner(s) had the authority to act on behalf of the Limited Partnership with respect to the concerned transaction.

5. A Limited Partner is prohibited from participating in the control or management of the Business Activities or operations of the Limited Partnership. It is, however, expressly provided that the following activities do not constitute a violation of the foregoing prohibition:

5.1. being an employee or contractor of the Limited Partnership or of a General Partner;

5.2. being a partner, owner, manager, Shareholder, director or officer of a General Partner that is a Business Organization or legal person;

5.3. voting on an amendment of the Limited Partnership Agreement, if the Limited Partner has the right to vote on such amendment;

5.4. voting on a decision as to whether or not to dissolve the Limited Partnership, if the Limited Partner has the right to vote on such decision, or

5.5. taking any action to enforce or defend the rights of Limited Partners.

6. A Limited Partner is not liable for the debts and other obligations of a Limited Partnership. However, if a Limited Partner violates the prohibition of paragraph 5. of this Article by participating in the control or management of the Business Activities or operations of the Limited Partnership, such Limited Partner shall become liable for the debts and other obligations of the Limited Partnership to the same extent as a General Partner.

Article 69

Transfer of Limited Partnership Interest

1. Unless the Limited Partnership Agreement provides otherwise, a Limited Partner may transfer his Partnership Interest in the Limited Partnership only after the approval of all General Partners. The transfer of a Partnership Interest includes the transfer of all rights and obligations of the Limited Partner.

2. If required by Court decision, the General Partner(s) of a Limited Partnership must conduct the transfer of the Partnership Interest of the Limited Partner in the Limited Partnership to another natural or legal person and/or Business Organization.

3. Unless the Limited Partnership Agreement provides otherwise, a Partnership Interest is transferred to the lawful heirs of a Limited Partner who is a natural person, after the death

of such Limited Partner. If a Limited Partner is a Business Organization and is dissolved, the Partnership Interest of such Limited Partner in the Limited Partnership is transferred in accordance with the Law under which the dissolution of such organization occurs.

Article 70
Admission of Additional General Partners

1. Additional General Partners may be admitted to the Limited Partnership:

1.1. in accordance with the procedures and conditions specified in the Limited Partnership Agreement, or

1.2. if the Limited Partnership Agreement does not specify the respective procedures and conditions, after a written consent of all the General Partners and Limited Partners.

Article 71
Profits and Losses

Unless the Limited Partnership Agreement provides otherwise, profits shall be distributed and losses shall be shared among Limited Partners and General Partners on the basis of the value of their respective contributions.

Article 72
Withdrawal of a Limited Partner

1. Unless the Limited Partnership Agreement provides otherwise, a Limited Partner may withdraw from a Limited Partnership after submitting a written notice to all General Partners within a period of no less than (90) ninety days before the time of withdrawal. The right of the Limited Partner to a distribution of dividends after withdrawal is the same as the right of a General Partner of the General Partnership as provided in Article 62 of this Law.

2. Withdrawal of a Limited Partner does not require the dissolution of the Limited Partnership, unless the withdrawal results in the Limited Partnership having no Limited Partners.

Article 73
Dissolution and Conclusion of Business Activity

1. A Limited Partnership may continue its activity so long as at least one General Partner and one Limited Partner remain in the Limited Partnership. Unless the Limited Partnership Agreement provides otherwise, a Limited Partner has no authorization to dissolve the Limited Partnership.

2. Unless the Limited Partnership Agreement provides otherwise, during the distribution of the assets of a Limited Partnership, the net assets of the Limited Partnership shall be distributed equally to Limited Partners and to General Partners.

3. The dissolution of a Limited Partnership does not extinguish creditor claims against General Partners in a Limited Partnership, and neither does it extinguish any claim of a General Partner against another General Partner in the Limited Partnership. Upon the dissolution of the Limited Partnership, all the General Partners shall execute the requirements specified in paragraph 3.

of Article 56 of this Law.

Article 74
Events Causing Dissolution and Requiring Conclusion of Business Activity

1. The Limited Partnership shall cease its Business Activity and shall be dissolved for the following reasons:

1.1. the expiration of the term or duration of the Limited Partnership, if such a term or duration is specified in its Limited Partnership Agreement;

1.2. withdrawal of all General Partners, or all Limited Partners;

1.3. the death of the only General Partner, unless the Limited Partnership Agreement provides otherwise;

1.4. a decision by the partners, in accordance with the Limited Partnership Agreement, to dissolve the Limited Partnership;

1.5. a Court decision, including dissolution upon completion of the bankruptcy procedure of the Limited Partnership;

1.6. other cases as specified with the Limited Partnership Agreement.

PART SIX
LIMITED LIABILITY COMPANY

CHAPTER I
GENERAL PROVISIONS

Article 75
Nature of a Limited Liability Company and Shares

1. A Limited Liability Company is a legal person that is legally separate and distinct from its Shareholders. Limited Liability Company is itself the holder of rights and obligations.

2. Shares of a Limited Liability Company are the units into which the ownership of the Limited Liability Company is divided.

3. A Share in a Limited Liability Company is the personal property of the Shareholder and it may be transferred in whole or in part, subject to applicable restrictions stated in the present Law and any restrictions stated in the Charter.

4. The Charter of the Limited Liability Company may, but need not, provide that Shares be evidenced by a certificate issued by the Limited Liability Company.

Article 76
Principle of Liability

1. A Limited Liability Company is liable for all of its debts and other obligations with all of its assets.

2. A Shareholder of a Limited Liability Company is not liable for any debts or obligations of the Limited Liability Company solely by reason of being a Shareholder.

Article 77
Liability for Actions of the Founder Prior to Registration

1. If one or more founders and/or other persons take action on behalf of a Limited Liability Company before it is registered including, but not limited to, opening bank accounts, purchasing or leasing property, or entering into contracts or other obligations, the persons taking such action shall be jointly and personally liable for claims and obligations arising out of such actions, unless a different agreement was reached with the concerned third parties.

2. After registration at KBRA, the Limited Liability Company may assume liability for all such claims and obligations. In this case, the Limited Liability Company shall be solely liable for the claims or obligations.

Article 78
Rights and Obligations of a Limited Liability Company

1. A Limited Liability Company has the following rights and obligations to conduct its Business Activities including, but not limited to:

1.1. to sue and be sued;

1.2. to enter into contracts, borrow money, and incur other debts and obligations;

1.3. to acquire, possess, lease, pledge or mortgage, or otherwise dispose of or deal with its assets;

1.4. to acquire, possess, lease, pledge, vote, sell, or otherwise dispose of Shares or Partnership Interest in another Business Organization, except Individual Businesses; and

1.5. to elect or appoint managers, employees and agents of the Limited Liability Company and to fix their duties and compensation.

Article 79
Duration

The duration of a Limited Liability Company is unlimited, unless the Charter of the Limited Liability Company provides otherwise.

Article 80
Shareholders of a Limited Liability Company

1. A Limited Liability Company may have as Shareholders one or more natural or legal persons and/or Business Organizations. Non-Government organizations cannot be shareholders in a Limited Liability Company.

2. The Managing Director(s) shall keep a list of Shareholders which shall set out the names, addresses and the nominal value of their shares or the percentage of their shareholding and the date on which they became a Shareholder.

CHAPTER II
CHARTER AND MEMORANDUM OF INCORPORATION

Article 81
Charter of a Limited Liability Company

1. A Limited Liability Company is established only after the registration of its Charter in accordance with Article 33 of this Law.

2. The Charter is the constitutive document of a Limited Liability Company, with contents as specified in the Article 33 of this Law.

Article 82
Memorandum of Incorporation

1. Every Limited Liability Company shall also have a Memorandum of Incorporation.

2. The Memorandum of Incorporation is the founding document of a Limited Liability Company, with the content specified in Article 33 of this Law.

CHAPTER III
RECORD KEEPING BY THE LIMITED LIABILITY COMPANY

Article 83
Record Keeping by the Limited Liability Company

1. The Limited Liability Company must keep at its registered address, at all times, the following:

1.1 a copy of the Charter, including its amendments which have been registered at KBRA;

1.2 a list of Shareholders, which shall set out the names, addresses and the nominal value of their shares or the percentage of their shareholding and the date on which they became a Shareholder;

1.3 if Shares are owned by more than one Shareholder, a list of the names and addresses of each co-owner and the document(s) naming and designating the co-owners' joint representative if they have, or are required by Article 91 of this Law to have, such a representative. The Limited Liability Company may combine this list with the list required by sub-paragraph 1.2. of paragraph 1. of this Article.

1.4. a list of the names and addresses of all Managing Directors and, if applicable, members of the Board of Directors of the Limited Liability Company;

1.5. a list describing all transfers and pledges of, and encumbrances placed on, any Share, made or permitted by a Shareholder; and

1.6. copies of the following financial documents:

1.6.1. financial statements;

1.6.2. tax returns;

1.6.3 other financial statements; and

1.6.4. when the audit is mandatory under the legislation in force, or when the audit is voluntary;

1.6.5. the documents listed in Article 83, point 1.6. may also be kept at the address of the person or entity responsible for the financial and/or accounting issues of the Limited Liability Company.

1.7 these requirements shall apply to records relating to the current year. These requirements shall also apply to all such documents relating to each of the previous three (3) calendar years; if the Limited Liability Company has been established in less than three (3) years, these requirements shall apply to all such documents throughout the existence of the Limited Liability Company.

2. The Managing Director(s) of the Limited Liability Company shall keep an updated list of its Shareholders which:

2.1. includes the name and address of each current Shareholder and nominal value of the Shares currently held by Shareholders; and

2.2. provides other Shareholder information which according to this law must be registered in this list. The Limited Liability Company must immediately register this information in this list.

3. If the Limited Liability Company has issued a Share to a Shareholder, then the Limited Liability Company must immediately register his information in the list.

4. If the Shareholder has received a Share from another Shareholder, the Limited Liability Company must register the required information, not less than three (3) days after receiving notice of the transfer of that Share, and the identity of both the transferor and the transferee. The amendments in the list of shareholders shall be made based on a signed declaration by the

transferor stating that the transferor has transferred the Share to the transferee.

5. If the Limited Liability Company fails or refuses to register the required Shareholder information in the list of Shareholders within the specified time limit, the concerned natural or legal person and/or Business Organization may file suit before the competent court to compel the Limited Liability Company to register this information and to formally recognize the status of the natural or legal person and/or Business Organization as a Shareholder. The competent court, after submission of the claim by a natural or legal person and/or Business Organization requesting Shareholder status, or after the claim of the Limited Liability Company, is competent and authorized to:

5.1. determine the real owner of the Share and to establish the day on which the owner should have been registered in the list of Shareholder;

5.2. order the Limited Liability Company to register the shareholder's information in the list of Shareholders; and

5.3. compensate damage which the court deems appropriate; if the court decides in favour of the transferee such compensation may include compensation for damages that the Limited Liability Company caused to the transferee as a result of its refusal to promptly register transferee's information in the list of Shareholder, including any damages caused as a result of the inability of the transferee to vote or receive dividends or to transfer the Share.

6. The transfer of a share is deemed to be effected and a shareholder is deemed to have changed with respect to the Limited Liability Company after notification of the Limited Liability Company of the transfer of the share and certification of the transfer of the share.

Article 84
Shareholder Access to Records of a Limited Liability Company

1. The Limited Liability Company must make all the records as provided by Article 83 of this Law available to any Shareholder, and to any former Shareholder during the time he/she was a Shareholder, for inspection and copying during usual business hours.

2. If a Limited Liability Company refuses to allow access of a Shareholder or a former Shareholder during the time he/she was a Shareholder to the records of the Limited Liability Company according to Article 83 of this Law, or if it does not respond to the request of the respective Shareholder within five (5) days after the request was submitted, the demanding Shareholder or former Shareholder may petition the Court to allow access to such records.

3. The competent Court shall decide whether the claimant has the right to the access sought and to order the Limited Liability Company to allow access. The court can only refuse to grant the access to information or documents to Shareholder if there is a basis to presume that this may cause significant damage to the interests of the Limited Liability Company.

4. Provisions of this Article and Article 83 of this Law shall not prejudice additional rights of a Shareholder or a former Shareholder to access the records of the Limited Liability Company in cases of conflict of interest transactions according to Part Ten of this Law.

CHAPTER IV
SHAREHOLDER CONTRIBUTIONS

Article 85
Form of Contributions

1. The Contribution of a Shareholder to a Limited Liability Company in exchange for a Share may be made in the form of:

1.1. cash;

1.2. other tangible or intangible property;

1.3.labour or services already performed;

2. Promise to provide future labour or services shall not qualify as valid contribution, and shall not be compensated in Shares.

3. The value of non-monetary Contributions shall be determined:

3.1 in accordance with the applicable provisions of the Limited Liability Company Charter; or

3.2. if the Limited Liability Company Charter does not contain provisions applicable to the determination of non-monetary contributions, according to the unanimous agreement of all the Shareholders.

Article 86
Liability for Agreed Contributions

The Shareholder is obligated to pay to the Limited Liability Company all the Contribution(s) in due time, as specified by the Charter or Agreement of Incorporation of the Limited Liability Company, or by another agreement between Shareholders. Such obligation is not excused by the owner's death, disability or other inability to pay.

Article 87
Penalties for Failure to Make Agreed Contributions

1. The Limited Liability Company Memorandum of Incorporation may establish penalties or other consequences for Shareholders who fail to pay an agreed contribution. The provisions in the Limited Liability Company Memorandum of Incorporation may include, but is not limited to:

1.1. the proportional reduction of the Shareholder's Share in the Limited Liability Company;

1.2. the subordination of the Shareholder's right to distributions to those of Shareholders who have made their required contributions;

1.3. the forced sale of the Shareholder's Shares to the Limited Liability Company;

1.4. the forfeiture of the Shareholder's Share to the Limited Liability Company, or

1.5 the determination, by appraisal or formula, of the value of any part of the Shareholder's Share that has been paid for, and the mandatory sale of that part at the value so determined.

CHAPTER V
DISTRIBUTION OF DIVIDENDS TO SHAREHOLDERS

Article 88
Distributions of Dividends to Shareholders

1. Dividends may be paid to the shareholders from net profit or from retained profit from previous years from which losses from previous years have been deducted, on the basis of the approved annual report.

2. The Limited Liability Company may make distributions to its Shareholders at any time with the unanimous consent of the Shareholders or with another voting method requiring a smaller number of votes as specified in the Charter of the Limited Liability Company in accordance with Article 105 of this Law.

3. Unless the Charter of the Limited Liability Company provides otherwise, any distribution of dividends to Shareholders shall be equal for all.

4. When a Shareholder gains the right to receive a dividend, that Shareholder becomes an unsecured creditor of the Limited Liability Company with respect to that dividend.

5. The time limit for distribution of dividends to Shareholders may not be longer than ninety (90) days from the date of notice of distribution.

6. At least one half of the profits of the financial period, less the amounts not to be distributed under the Charter, shall be distributed as dividend, if a demand to this effect is made at a general Shareholder Assembly by shareholders with at least one tenth (1/10) of all Shares before the decision on the use of the profits has been made.

Article 89
Restrictions on Distribution of Dividends

1. A Limited Liability Company may not make a distribution to Shareholders if as a result of the Distribution, the Limited Liability Company's total assets would be less than its total liabilities or the Limited Liability Company would be unable to pay its debts and other obligations as they become due in the ordinary course of the Business Activity of the Limited Liability Company.

2. If a Limited Liability Company wants to make a Distribution, it shall first make a formal decision that such Distribution is not prohibited by paragraph 1. of the present Article. This decision must be based on financial statements prepared in accordance with applicable Laws on accounting

standards and on accounting principles that are reasonable in the circumstances. In the case of valuation of non-monetary assets, the decision must be based on a fair and independent valuation that is reasonable under the circumstances.

Article 90
Personal Liability for Prohibited Distribution of Dividends

1. A Shareholder who receives a prohibited Distribution of dividends specified in paragraph 1. of Article 89 and who knew or should have known at the time that such distribution was prohibited by Article 89 of this Law, is personally liable to the Limited Liability Company for the return of the amount of the Distribution.

2. A Shareholder, manager or other person who makes a prohibited Distribution of dividends, and who knew at the time that the Distribution was prohibited by Article 89 of this Law, is also personally liable to the Limited Liability Company for the return of the amount of all such Distributions.

3. If more than one Shareholder and/or person are liable for the return of a Distribution under paragraph 1. and/or 2. of this Article, their liability shall be joint and several.

CHAPTER VI
CO-OWNERSHIP AND TRANSFER OF SHARES

Article 91
Co-ownership of a Share

1. A Share may be owned by more than one Shareholder.

2. Unless the Charter of the Limited Liability Company provides otherwise, all co-owners of a Share shall exercise their voting and other rights in the Limited Liability Company only through a single joint representative but they are jointly and severally liable for all obligations respecting the Share.

3. When a Share is owned by more than one person, each co-owner must provide the Limited Liability Company with the co-owner's own name and address to be kept with the Limited Liability Company's records.

4. When co-owners have or are required to have a joint representative, all of the co-owners must execute a written declaration on "designation of the joint representative" and to submit it to the Limited Liability Company, which must store the declaration in registered address, as specified by Article 83 of this Law. Any notice delivered by the Limited Liability Company to the representative shall be deemed to have been delivered to all the concerned co-owners. If the co-owners do not sign the declaration provided in this Article, any notice delivered by the Limited Liability Company to one co-owner shall be deemed to have been delivered to all co-owners.

Article 92
Transfer of Shares

1. Unless the Charter of the Limited Liability Company provides otherwise, any Shareholder

may transfer his Shares, in whole or in part, by sale, pledge, gift, inheritance or other form of transfer; provided, however, that this paragraph is not interpreted or applied in any manner which aims to impair the operation of any Law regulating transactions with securities.

2. The Charter of the Limited Liability Company may impose restrictions on the transfer of Shares including but not limited to the restrictions stated in Article 93 and 94 of this Law.

3. The rights and obligations of a transferee of a Share are regulated by Articles 95 and 96 of this Law.

Article 93
Optional Provisions on Restrictions of a Transfer

1. The Charter of the Limited Liability Company may include, one or more of the restrictions on the transfer of Shares specified in paragraph 2. of this Article or similar restrictions. If these restrictions are included in the Charter of the Limited Liability Company, the provisions establishing these restrictions or similar restrictions may be worded in any manner acceptable to the Shareholders. These restrictions or similar restrictions on the transfer are not enforced unless they are expressly incorporated into the Charter of the Limited Liability Company.

2. The Charter of the Limited Liability Company may provide that a Share must not be voluntarily or involuntarily transferred or pledged except when:

2.1. the transfer has been approved in writing by all of the Shareholders of the Limited Liability Company;

2.2. the transfer is made to the Limited Liability Company or another existing Shareholder;

2.3. the transfer is made to the spouse, parents, legal heirs or the spouse of any legal heirs, or brothers or sisters;

2.4. the transfer is made to a legal representative of the Shareholder upon the Shareholder's death, or upon dissolution when the Shareholder is a Business Organization or legal person;

2.5. the transfer is made to an Authorized Representative in a Bankruptcy Procedure;

2.6. the transfer is made based on the existence of a pledge on the Share as security for a loan or other obligation of the Shareholder, if the pledge agreement;

2.6.1. expressly provides that the pledgee has no voting or management rights in the Limited Liability Company or other competences established from the pledge,

2.6.2. contains a written agreement by the pledgee that he is subject to the Charter of the Limited Liability Company if he becomes the owner of the pledged Share; and

2.6.3. it has been approved by all the other Shareholders;

2.7. the transfer is made in compliance with the provisions of the Charter of the Limited Liability Company which includes the provisions specified or permitted by Article 94 of this Law; or

2.8. the transfer is made in case of a merger, according to Part Eight of this Law.

Article 94
Optional Provision to Require the First Offer to the Limited Liability Company

1. The Charter of the Limited Liability Company may incorporate the contents of paragraph 2. of this Article with the precise wording stated in paragraph 2. of this Article or with any desired changes to that wording. These provisions shall be enforced only if expressly incorporated in the Charter of the Limited Liability Company.

2. A Shareholder who wishes to transfer his Share to another natural or legal person and/or Business Organization may make the transfer in the manner specified below; provided, however, that the specified restrictions are not enforced if the transfer is exempted from such restriction according to another provision of the Charter of the Limited Liability Company:

2.1. the Shareholder must first obtain an irrevocable, written and in good faith offer to purchase the Share which specifies the offerors name, address, offered price, and any other payment or condition of the offer;

2.2. the Shareholder must then deliver the third person's offer to the Limited Liability Company, and by doing so the Shareholder offers to sell the concerned Share to the Limited Liability Company at the price and terms stated in the offer. Within three (3) days after receiving the offer, the Limited Liability Company shall deliver a written notice to all Shareholder:

2.2.1. informing all Shareholders of the offer;

2.2.2. convening the Shareholder Assembly, which may be held within the period of fifteen (15) days but not more than thirty (30) days after delivery of the notice;

2.2.3. informing all Shareholders that the Shareholder Assembly shall be held to decide whether the Limited Liability Company shall purchase the Share from the Shareholder who wishes to sell it, based on the terms specified in the third party's offer;

2.2.4. a decision to purchase the Share must be approved by a majority vote of all the Shares with voting rights, excluding the Shareholder who makes the sale. For this purpose, voting shall be done in the same manner as for the other Shareholder actions.

2.3. the Limited Liability Company must deliver a written notice of acceptance to the concerned Shareholder within a period of forty (40) days after receipt of the offer, or otherwise the offer is considered to have been rejected. If the Limited Liability Company so wishes, it may make a counter-offer within the prescribed forty (40) day period. In this case, the concerned Shareholder must deliver to the Limited Liability Company a written notice of acceptance within three (3) days after receipt of the counter offer, or

otherwise the counteroffer is considered to have been rejected. If the Limited Liability Company accepts the original offer, or if the concerned Shareholder accepts the counteroffer, the sale must be made within three (3) days after the acceptance;

2.4. if the offer of the concerned Shareholder to the Limited Liability Company is rejected by the latter, the concerned Shareholder shall, within thirty (30) days after the Limited Liability Company rejected or is considered to have rejected the offer, accept the offer of the third party with the exact conditions as the offer that was rejected by the Limited Liability Company;

2.5. if the concerned Shareholder fails to comply with his obligation to sell under sub-paragraph 2.4., paragraph 2. of this Article, the Limited Liability Company may, within ninety (90) days after such failure, cancel the concerned Share if the Limited Liability Company delivers to the concerned Shareholder an amount of money that is equal to the value of that Share as determined by an independent appraiser or in accordance with any pre-agreed formula that is specified in the Charter of the Limited Liability Company.

Article 95

Conditions of Acquisition of Shares by the Transferee

1. A transferee may acquire a Share and become its owner only if all of the Shareholders have consented to the acquisition, unless otherwise provided in the Charter of the Limited Liability Company.

2. If the conditions provided in this Article are fulfilled, the transferee shall have all the rights of a Shareholder after receiving the Share.

Article 96

Other Rights and Obligations of a Transferor and Transferee of a Share

1. Unless the Charter of the Limited Liability Company provides otherwise, a transferee of a Share shall be liable for all of the obligations of the transferor including the contributions specified in Article 86 and to return the prohibited distributions in Article 90 of this Law; provided, however, that the transferee is not liable for obligations of the transferor:

1.1. for which that the transferee did not know at the time when he became a Shareholder; and

1.2. for which the transferee could not have been informed on even after a thorough review of the Charter of the Limited Liability Company.

2. After the transfer, and unless the Charter of the Limited Liability Company provides otherwise, the transferor of the Share shall remain liable to the Limited Liability Company for his obligations according to Articles 86 and 90 of this Law that accrued before the transfer. The transferor shall continue to remain liable for his obligations before the transfer, until these obligations are met.

3. Unless the Charter of the Limited Liability Company provides otherwise, the transferring Shareholder shall cease to be a Shareholder or to enjoy any of the rights of a Shareholder at the time the transfer is made; except in cases where the Share is object to a pledge in which case the transferor shall not cease to be a Shareholder until the pledgee or another third party

becomes the owner of that Share.

4. If a Shareholder dies or is dissolved, the legal representative or administrator of the Shareholder's assets may exercise all of the Shareholder's rights and competences for the administration of the assets.

5. A Shareholder who voluntarily transfers or proposes to transfer a Share in compliance with this Law and the Charter of the Limited Liability Company must first notify the Limited Liability Company on this transfer. The Limited Liability Company need not approve the transfer until it has received notice of the transfer, but it must immediately approve all the lawful transfers for which a notice was submitted and recorded in the Limited Liability Company records.

Article 97
Prohibited Transfer is Void

Any transfer or attempt to transfer a Share contrary to a restriction or prohibition specified in this Law, or in the Charter of the Limited Liability Company or another law regulating transactions with securities is null, void and unenforceable.

Article 98
Acquisition of the Limited Liability Company's Own Shares

1. Unless the Agreement of Incorporation restricts the right of the Limited Liability Company to acquire its own outstanding Shares, the Limited Liability Company may acquire one or more of its outstanding Shares, in whole or in part, at any time.

2. However, the Limited Liability Company cannot acquire any of its outstanding Shares if, as a result of this acquisition, the Limited Liability Company's total assets are reduced to such a degree that their total value is less than the total amount of the debts and obligations of the Limited Liability Company or if the Limited Liability Company will be unable to pay its debts and other obligations as they become due in the ordinary course of the Business Activity of the Limited Liability Company.

3. Before it acquires its own outstanding Shares, the Limited Liability Company must first make a written decision that this acquisition is not prohibited by paragraph 2. of this Article. This decision must be based on financial statements prepared in accordance with applicable laws on accounting standards and principles, and in the case of valuation of non-monetary assets, based on an independent valuation.

4. If a Limited Liability Company acquires or holds any of its own Shares, it may cancel such Shares. If the Limited Liability Company does not cancel such Shares, the Limited Liability Company is required to hold those Shares in its treasury.

5. The Shares held in the treasury of the Limited Liability Company:

5.1. have no voting rights whatsoever;

5.2. are not counted for any purpose, including during the determination of the quorum or the determination of the number of outstanding Shares or the Shares with voting rights, and

5.3. have no right to receive, and shall not receive, any Distributions of dividends of the Limited Liability Company.

CHAPTER VII
TERMINATION OF OWNERSHIP OF SHARES

Article 99
Termination of Ownership of Shares

1. A natural or legal person and/or Business Organization ceases to be a Shareholder of a Limited Liability Company:

1.1. upon the death or dissolution of natural or legal person and/or Business Organization;

1.2. upon voluntary withdrawal of the natural or legal person and/or Business Organization;

1.3. upon expulsion of the natural or legal person and/or Business Organization;

1.4. as specified by the applicable law on bankruptcy;

1.5. when the natural or legal person and/or Business Organization ceases to own Shares in the Limited Liability Company; or

1.6. upon other cases specified in the Charter of the Limited Liability Company, which require the termination of ownership by the natural or legal person and/or Business Organization.

Article 100
Withdrawal or Expulsion of a Shareholder

1. A Shareholder may withdraw from a Limited Liability Company at any time after submission of a written notice to the Limited Liability Company and to all the other Shareholders; provided, however, that if the withdrawal violates the Charter of the Limited Liability Company, the Limited Liability Company may recover damages from the withdrawing Shareholder for breach of the Charter of the Limited Liability Company.

2. The Charter of the Limited Liability Company may:

2.1. specify the conditions for the withdrawal or expulsion of a Shareholder;

2.2. specify the applicable procedure for withdrawal or expulsion; and

2.3. specify the consequences following a withdrawal or expulsion, including the liability for sanctions or compensation if the withdrawal was made in violation of the Charter of the Limited Liability Company.

3. The Charter of the Limited Liability Company may provide that a Shareholder cannot withdraw or transfer his Share.

4. Notwithstanding anything in this Law or the Charter of the Limited Liability Company to the contrary, the Court may issue a decision stating that:

4.1. a Shareholder can withdraw or that his withdrawal was lawful if:

4.1.1. the Shareholder files an indictment in the Court asking for this decision; and

4.1.2. the Shareholder presents convincing evidence that the Shareholder has incurred substantial damage as a consequence of the wrongful actions of the Limited Liability Company or the other Shareholders. “Wrongful actions” involve violations of the present Law, the Charter of the Limited Liability Company or the rights of the respective Shareholder. The Limited Liability Company shall have the right to oppose the Shareholder’s indictment in the Court.

4.2. a Limited Liability Company may expel a Shareholder or arguing that the expulsion was reasonable if:

4.2.1. the Limited Liability Company files a claim in Court asking for this decision; and

4.2.2. the Limited Liability Company presents convincing evidence that the Limited Liability Company or another Shareholder of the Limited Liability Company is incurring or has incurred substantial damage as a result of the wrongful actions of the Shareholder. “Wrongful Actions” involves the wilful and repeated violation of this Law, or the Charter of the Limited Liability Company or another Shareholder’s rights, or actions which substantially prohibit the ability of the Limited Liability Company to carry on its Business Activities or the relationship with the concerned Shareholder. The concerned Shareholder shall have the right to oppose the Limited Liability Company’s claim in the Court.

Article 101
Effect of Withdrawal or Expulsion

1. Upon withdrawal, or expulsion of a Shareholder or termination of ownership for any other reason, the natural or legal person and/or Business Organization ceases to have the rights of a Shareholder, including but not limited to the right to participate in the governance or management of the Business Activity of the Limited Liability Company.

2. Subject to paragraph 3. of this Article, when a natural or legal person and/or Business Organization ceases to be a Shareholder, this natural or legal person and/or Business Organization within ninety (90) days from termination, has the right to receive:

2.1. any payment or Distribution of Dividends for which this natural or legal person and/or Business Organization has the right to participate according to the Charter of the Limited Liability Company; and

2.2. if it is not specified in the Charter of the Limited Liability Company, the fair value

of the Shareholder of the sum specified on the date of termination of the ownership. as of the date the natural or legal person and/or Business Organization ceased to be a Shareholder. If the natural or legal person and/or Business Organization has unlawfully withdrawn or has been expelled, the amount that the Limited Liability Company owes to is reduced to the necessary amount to compensate for damage caused as a result of the withdrawal or expulsion, including damages caused from actions for which the natural or legal person and/or Business Organization was expelled.

3. The right of the Shareholder to receive the fair value specified in paragraph 2. of this Article shall not apply to Shares which were:

3.1. transferred to another natural or legal person and/or Business Organization through an agreement, or

3.2. transferred to a successor, heir, administrator or legal representative as a result of the Shareholder's death or dissolution in the case of a Business Organization or legal person, and the successor, heir, administrator or legal representatives exercises a right provided in the Charter of the Limited Liability Company, or the applicable law, to become a Shareholder.

4. During the determination of the fair value of a Share, the person(s) or organization making such a determination must, inter alia, taking into consideration:

4.1. the value of the Limited Liability Company as an on-going Business Activity, including its reasonably foreseeable future prospects;

4.2. any agreement among the Shareholders, including the Charter of the Limited Liability Company, specifying the price, or the formula for establishing the price, of the Shares;

4.3. the recommendations of an appraiser, if one is engaged; and

4.4. any legal restrictions on the market value or transfer of the Share. In the event of a dispute the fair value of the Share is determined by the competent Court.

5. If the Limited Liability Company and the previous Shareholder cannot agree on the fair value of the Share or the amount of the damages, if any, referred to in paragraph 2. of this Article, they may by mutual agreement submit this matter to arbitration. The matter is submitted to arbitration if it is required by the Charter of the Limited Liability Company. If there is no agreement to submit the matter to arbitration, either party shall have the right to submit a claim in the Court, and the Court is competent and authorized to decide on the case.

CHAPTER VIII
GOVERNANCE AND MANAGEMENT

Article 102
Shareholder Assembly

1. The Shareholder Assembly is the highest decision-making body of the Limited Liability Company.

2. The Shareholder Assembly shall have the following competences:

2.1. amendment of the Charter of the Limited Liability Company;

2.2. reduction of or exemption from the obligation of a Shareholder to fully pay agreed contributions under Article 86 of this Law;

2.3. authorization of Distributions, including purchase or repurchase of a Share from a Shareholder by the Limited Liability Company;

2.4. reduction of or exemption from the obligation of a Shareholder to return Distributions or other amounts which were paid to him in violation of Article 90 of this Law;

2.5. issuance of new Shares, transfer of shares or admission of new Shareholders;

2.6. a decision to dissolve the Limited Liability Company or to initiate a bankruptcy procedure;

2.7. a decision to merge the Limited Liability Company under Part Eight of this Law,

2.8. the sale, lease, pledge, mortgage or other transfer or disposition of fifty one percent (51%) or more of the total value of the assets of the Limited Liability Company.

2.9. decision to elect or remove the person or persons holding the position of Managing Director;

2.10. decision to elect or remove members of the Board of Directors, if the Limited Liability Company has a Management Board according to the Charter of the Limited Liability Company;

2.11. other competences established by law or Charter of the Limited Liability Company.

3. Upon issuance of new shares, a Shareholder has the pre-emptive right as prescribed in Article 149 of this Law, unless the Shareholders unanimously decide otherwise.

4. The Shareholder Assembly may also adopt decisions on matters within the competence of the Managing Director(s) or Board of Directors. In such case, the Shareholders shall be liable in the same manner as the Managing Director (s) or Board of Directors.

5. A decision of the Shareholders is void if it violates a provision of law established for the protection of the creditors of the Limited Liability Company or due to other public interest, or if it is contrary to good morals, or if the procedure for calling the Shareholder Assembly which made the decision was materially violated. A decision is also void in other cases provided by law. The nullity of a decision may be relied on in court proceedings by filing a suit or an objection.

6. The nullity of a decision cannot be relied upon if an entry has been made in the Registry based on the decision and two years have passed from the date of the entry.

7. Based on a suit filed against a Limited Liability Company, a court may revoke a decision of

shareholders which is in conflict with the law or the Charter of Limited Liability Company. The limitation period for the claim is three (3) months after the date of adoption of the Shareholder decision.

8. Revocation of a decision cannot be demanded if the shareholders have approved the decision by a new decision and the action specified in paragraph 7. of this Article has not been filed against the new decision within the term specified in paragraph 7. of this Article.

9. Revocation of a decision of shareholders may be demanded by the Managing Director(s) or the Board of Directors, or by a shareholder who did not participate in passing the decision, if, by performing the decision, an offence or misdemeanour would be committed or if performance of the decision would clearly result in an obligation to compensate for damage. A shareholder who participated in the adoption of a decision may demand the revocation of the decision only if the shareholder's objection to the decision has been entered in the minutes.

10. If a suit is filed, the court shall not hear the matter before the expiry of the term specified in paragraph 7. of this Article. Different suits filed in order to revoke the same decision shall be joined and heard in one proceeding.

11. A court judgment for revocation of a decision of the shareholders applies to all shareholders and Managing Director(s) and Board of Directors regardless of whether or not they participated in the court proceeding.

12. If an entry has been made in the Registry based on a revoked decision, the court shall send a copy of the judgment to the KBRA for amendment of the entry.

Article 103
Shareholder Assembly Meetings

1. The general meeting of the Shareholder Assembly shall be convened at least once (1) a year by written notice, or if specified in the Charter of the Limited Liability Company, by electronic mail notification. The written or electronic mail notification must contain the location, date, and hour of the general meeting and the agenda thereof, and shall be sent to all Shareholders, not less than thirty (30) days before the date scheduled for the general meeting of the Shareholder Assembly.

2. An extraordinary meeting of the Shareholder Assembly may be convened as needed by the Managing Director of the Limited Liability Company, or when a Limited Liability Company has established a Board of Directors, by the Chair of the Board of Directors. An extraordinary meeting may also be convened if it is requested by those who hold at least ten percent (10%) of all votes that may be cast on a matter in a proposed meeting, if they sign, date, and submit to the Limited Liability Company a written request to convene a meeting. In the request to convene a meeting, they must state their names and addresses as well as the number of Shares they hold, the purpose or purposes for which the meeting must be held, and the proposed agenda for the meeting. The notice for the extraordinary meeting, must be in written or if specified by the Charter of the Limited Liability Company, by electronic mail notification. The written notification or the electronic mail notification must contain the location, date, and hour of the extraordinary meeting and agenda thereof, and shall be sent to all Shareholders, not less than seven (7) days before the scheduled date for the extraordinary meeting of the Shareholder Assembly.

3. If the requirements of law or the Charter are materially violated in calling a Shareholder Assembly, the Shareholder Assembly shall not have the right to adopt decisions except if all

shareholders participate in or are represented at the Shareholder Assembly. Decisions adopted at such meeting are void unless the shareholders with respect to whom the procedure for calling the meeting was violated approve of the decisions.

4. A Shareholder or Shareholders in a Limited Liability Company who individually or jointly hold at least five percent (5%) of all votes have the right to file a written request to include one or more matters in the agenda of a Shareholder Assembly.

Article 104
Actions that do not Require a Meeting

1. Unless the Charter of the Limited Liability Company provides otherwise, any action requiring a vote by the Shareholders may be taken without holding a Shareholder Assembly if:

1.1. every Shareholder is first notified in writing regarding the matter; and

1.2. each Shareholder has at least three (3) working days, after receipt of the notice, to submit his written vote on this matter, or the Shareholder consents to being notified in a shorter amount of time or to have a shorter decision period.

Article 105
Voting Rights

1. Unless the Charter of the Limited Liability Company provides otherwise:

1.1. all of the voting rights of Shareholders in the Shareholder Assembly are equal; and

1.2. except as provided by paragraphs 2. and 3. of the present Article, and unless the Charter of the Limited Liability Company provides otherwise, all decision are made by a simple majority vote.

2. Unless it is provided otherwise in the Charter of the Limited Liability Company or in Part Ten of this Law, the unanimous vote of all of the Shareholders in the Shareholder Assembly is required to make a decision on matters listed in sub-paragraphs 2.1. to 2.8. of Article 102 of this Law.

3. It is expressly provided that if the Charter of the Limited Liability Company specifies a majority other than the unanimous vote required in paragraph 2. of this Article in order to make a decision on matters specified in sub-paragraphs 2.1. to 2.8. of Article 102 of this Law, then the Charter of the Limited Liability Company shall contain provisions that in no way allow:

3.1. decision on those matters through a method which requires less than the affirmative vote of the simple majority of outstanding Shares in the Limited Liability Company;

3.2. approval of amendments to the Charter of the Limited Liability Company which increase a Shareholder’s obligation to make contributions or eliminates or reduces a Shareholder’s rights, unless every affected Shareholder has specifically and in writing voted in favour of that amendment.

Article 106
Limited Liability Company with a Single Shareholder

Whenever the Limited Liability Company has only one Shareholder, all competences of the Shareholder Assembly shall be exercised by the sole Shareholder, who shall issue all decisions exercising such competences in writing and records them in a decisions registry.

Article 107
Managing Directors

1. A Limited Liability Company shall be managed by at least one Managing Director.

2. A Limited Liability Company may also establish a Board of Directors, if it is regulated in the Charter of the Limited Liability Company. If the Limited Liability Company establishes a Board of Directors, its authorizations, number of members, manner of appointment, term and voting method in the Board shall be provided in the Charter of the Limited Liability Company. The provisions regarding the Board of Directors of Joint Stock Company apply respectively.

3. If a Limited Liability Company is insolvent and the insolvency, due to the Limited Liability Company's economic situation, is not temporary, the Managing Director(s) or Board of Directors shall promptly after the insolvency became evident, notify the Shareholders.

4. After the Limited Liability Company has become insolvent, the members of the Managing Director(s) or Board of Directors shall no longer make payments on behalf of the Limited Liability Company, except in the case where making the payments in the situation of insolvency conforms to the due diligence requirements. The Managing Director(s) shall jointly compensate to the Limited Liability Company for any payments made by the Limited Liability Company after the insolvency of the company became evident which, under the circumstances in question, were not made with due diligence.

Article 108
Appointment and Removal of Managing Directors

1. The Shareholders of a Limited Liability Company, or the Board of Directors, shall designate the specific person or persons holding the position of Managing Director. Such person(s) shall have the competences stated in Article 109 of this Law. If there is more than one managing director, the Shareholders or the Board of Directors shall specify different titles, duties and authorizations for each of them. The managing director may only be designated, removed or replaced by a vote of the Shareholders or the Board of Directors. A managing director need not be a Shareholder. A managing director must be a natural person.

2. Unless the Charter of the Limited Liability Company provides otherwise, a managing director who has been appointed shall continue to be a managing director until he is removed or replaced by a vote of the Shareholders or until he resigns, whichever occurs first.

3. Unless otherwise provided in the Charter of the Limited Liability Company, a managing director may be removed by a vote of the Shareholders or the Board of Directors. The Shareholders or the Board of Directors are not required to state a reason for such removal, and the removed person has no right to demand or require the Shareholders or the Board of Directors to state a reason for his/her removal.

4. Salaries and compensation of Managing Directors or designated persons in this Article shall be determined by Shareholders or the Board of Directors and must be stated in annual reports of the Limited Liability Company submitted for financial reporting according to applicable legislation.

5. Upon establishing the procedure for salaries and compensation of the members of the Managing Directors and the amount of fees and other benefits, and entry into contracts with the Managing Directors, the Shareholders or the Board of Directors shall ensure that the total amount of the payments made by the Limited Liability Company to the Managing Directors are in reasonable proportion to the duties of the members of the Management Directors and the economic situation of the Limited Liability Company.

6. If the economic situation of a Limited Liability Company significantly deteriorates and further payment to Managing Directors of the salaries and compensation established for or agreed upon with the Managing Directors, or further allowing of other benefits to the Managing Directors would be extremely unfair to the Limited Liability Company, the Limited Liability Company may, with the decision of Shareholders, decrease the salaries and compensation.

Article 109

Authorization of Managing Director to Act for the Limited Liability Company

1. Every managing director is authorized to represent the Limited Liability Company as Authorized Representative in the conduct of its Business Activities, including the authorization to:

1.1. conduct the ordinary Business Activities of the Limited Liability Company and

1.2. sign an agreement, or other documents necessary to exercise Business Activity, on behalf of the Limited Liability Company if the signing of the agreement or document is reasonably related to the conduct of the ordinary Business Activities of the Limited Liability Company. Any such action by a managing director is binding on the Limited Liability Company unless the Charter of the Limited Liability Company prescribes that some or all of managing directors shall represent the Limited Liability Company jointly. Joint representation shall apply with regard to third persons only if it is published by the KBRA according to Article 22 of this Law.

2. Upon the conclusion of transactions on behalf of a Limited Liability Company, the managing directors are required to adhere, with respect to the Limited Liability Company, to the restrictions prescribed by the Charter of the Limited Liability Company or established by the Shareholders or the Board of Directors. A restriction on the right of representation does not apply with regard to third persons.

3. Any person, including a managing director, who knowingly purports to act on behalf of the Limited Liability Company in violation of the obligations specified in paragraph 2. of this Article, is personally liable for all damages caused to the Limited Liability Company from these actions.

Article 110

Duty to Maintain Books and Records and Provide Access

1. The managing directors of a Limited Liability Company shall have the duty to:

1.1. to prepare and maintain the books and records of the Limited Liability Company in accordance with all applicable laws and sub-legal acts;

1.2. to prepare annual financial statements as well as the report on the management of the Limited Liability Company and to present them to the Shareholders at the end of each financial year of the Limited Liability Company;

1.3. to provide the Shareholders of the Limited Liability Company, during business hours with access to records, books and reports of the Limited Liability Company for the purpose of reviewing and/or copying by the Shareholders;

1.4. for Limited Liability Companies that reach the thresholds specified in the law in force on financial reporting, ensure that the annual financial statement contains a statement by an external auditor hired by the Limited Liability Company to audit the financial condition of the Limited Liability Company. Furthermore, the Limited Liability Company shall maintain a report from the officers related to their activities, and all other matters required by the Charter of the Limited Liability Company, or this law, and other applicable laws. The annual financial statement is signed by the Managing Director or the Chair of the Managing Board, and shall be sent to all managing directors, officers and Shareholders.

Article 111
Persons Charged with Duties

All persons who according to authorizations by the Shareholders or Board of Directors exercise any competency which according to this Law, Charter or Incorporation Agreement is exercised by the Managing Director, shall have the same rights, duties and responsibilities of loyalty, responsibility, non-competition and disclosure of conflict of interest, as provided by Articles 258,259,260,261,262 and 263 of this Law.

CHAPTER IX

DISSOLUTION OF A LIMITED LIABILITY COMPANY AND DECISION TO INITIATE THE BANKRUPTCY PROCEDURE

Article 112
Reasons for Voluntary Dissolution or Initiation of the Bankruptcy Procedure

1. A Limited Liability Company shall be dissolved, and its Business Activity terminated, upon:

1.1. expiration of the duration if it is specified in the Charter, or other circumstances specified in the Charter of the Limited Liability Company which could cause dissolution or termination of the existence; or

1.2. a decision of the Shareholder Assembly or a sole Shareholder of the Limited Liability Company on voluntarily dissolution of the Limited Liability Company.

2. The Shareholder Assembly or sole Shareholder approves the initiation of the procedure in accordance with the bankruptcy law or another applicable law.

3. If the dissolution of the Limited Liability Company occurs pursuant to sub-paragraph 1.1. or 1.2. of paragraph 1. of this Article, the Business Activity of the Limited Liability Company shall be terminated, and assets distributed in compliance with this Chapter.

4. Initiation of the voluntary dissolution or bankruptcy procedure pursuant to the bankruptcy law, by the Shareholder Assembly is done through a unanimous vote, unless the Charter of the Limited Liability Company provides otherwise.

Article 113
Continuation of Business Activity after Initiation of Voluntary Dissolution

1. Following the circumstances or decision for voluntarily dissolution according to sub-paragraphs 1.1. or 1.2. of paragraph 1. of Article 112 of this Law, the Limited Liability Company shall continue its existence as previously but it may not conduct any Business Activities except those that are necessary for voluntary dissolution and conclusion of activities, including:

1.1. collecting any money or assets that different parties owe to the Limited Liability Company;

1.2. paying or making arrangements for the satisfaction of creditor claims;

1.3. selling the non-monetary assets of the Limited Liability Company after fulfilling the requirements of Article 114 of this Law; and

1.4. distributing the assets remaining from the sale and from the satisfaction of creditor claims. These activities shall be conducted by the managing director of the Limited Liability Company, unless the Limited Liability Company appoints a qualified professional, whether a natural or legal person, to conduct these activities which are paid by the monetary assets of the Limited Liability Company, the fees of which are treated as an administrative expense, according to the provisions in the applicable law on bankruptcy.

Article 114
Notice of Voluntary Dissolution

1. No later than five (5) business days after the occurrence of the circumstances or after the decision on voluntary dissolution, the Limited Liability Company must submit to KBRA a “Notice of Voluntary Dissolution”. The Limited Liability Company shall not sell or distribute any of its assets, at least thirty (30) days after the date of submission of the notice to KBRA. Earlier sales or distributions may be declared null and void by the Court upon a claim by an unpaid creditor.

2. The Notice of Voluntary Dissolution must specify, in one of the official languages,

2.1. that the Limited Liability Company has decided to conclude its Business Activity and to distribute its assets;

2.2. the date of the occurrence of the circumstances or the date of the decision on voluntary dissolution;

2.3. the address for submission of creditor claims;

2.4. the date or dates on which the Limited Liability Company plans to initiate the sale and distribution of assets as specified in this law, and such date/s may be scheduled no less then (30) days, but not more than (90) days, from the date of submission of the Notice of Voluntary Dissolution to KBRA; and

2.5 the time when and place where the sale or distribution of assets of the Limited Liability Company will take place.

3. Within three (3) business days after the Limited Liability Company submits the Notice of Voluntary Dissolution to KBRA, the Limited Liability Company shall send a copy of this notice to all the Shareholders and known creditors of the Limited Liability Company; and the Limited Liability Company shall allow each secured creditor to take possession of assets in which the creditor has a secured interest. If the Limited Liability Company possesses assets in which a secured creditor has a secured interest, the Limited Liability Company shall submit the assets to the secured party. The secured creditor sells or disposes of the assets in accordance with the applicable law. If the sale or disposition of the assets produces any surplus of proceeds, the secured creditor shall return this surplus to the Limited Liability Company. “Surplus proceeds” means surplus that exceed:

3.1. the amount needed to pay the secured debt; and

3.2. any additional amount that the creditor is permitted by Law to retain as interest and/or compensation for costs incurred in taking possession of and selling or otherwise disposing of the concerned assets.

4. Within the thirty (30) day period after the occurrence of the circumstance or after the decision for voluntary dissolution, the Limited Liability Company must:

4.1. complete an examination of its books and records;

4.2. compile an inventory of all its assets and a list of all its known debts; and

4.3. make the aforementioned inventory and list available for inspection and review by the public, for at least eight (8) hours per day during the five (5) business days immediately after the date specified in the Notice of Voluntary Dissolution for the sale of the assets of the Limited Liability Company. Unless any applicable law requires a public sale and/or another specific method of sale, the sale may be public or private and by done through any commercially reasonable means.

5. No later than thirty (30) days following the submission of the Notice of Voluntary Dissolution to KBRA, the Limited Liability Company will publish in a newspaper of general circulation in Kosovo, in the official languages in Kosovo, an advertisement not less than one eighth of a page in size containing:

5.1. the official name of the Limited Liability Company and the Trade Names used by the Limited Liability Company;

5.2. the Unique Identification Number after its creation;

5.3. information regarding the time and place where the public sale of the assets will take place and/or information regarding the time and place of the private sale of any of

the assets of the Limited Liability Company;

5.4. information regarding the time when and place where the inventory of assets and the list of debts of the Limited Liability Company shall be made available for public review, and

5.5. information regarding the procedures to be conducted by the creditors or interested parties for filing claims and any deadlines for filing claims.

6. The Limited Liability Company may not postpone the date of a public sale that has been advertised in accordance with paragraph 5. of this Article.

7. The Limited Liability Company must not pay the claims which have not been included in the list of debts. The Limited Liability Company shall assess the validity of all the claims before including the claims in the list of debts. Claimants who believe their request has been damaged due to the refusal by the Limited Liability Company to include the claim in the list of debts may oppose this refusal in the Court.

Article 115
Distribution of Assets of the Limited Liability Company During Voluntary Dissolution

During the voluntary dissolution, the assets of the Limited Liability Company shall be paid out and/or distributed in the order of priority established in the applicable law on bankruptcy.

Article 116
Revocation of the Notice of Voluntary Dissolution

1. An Authorized Representative or Authorized Proxy may revoke a Notice of Voluntary Dissolution within a period of ninety (90) days from the day the Notice of Voluntary Dissolution was submitted.

2. This revocation must be authorized in the same way as the Notice of Voluntary Dissolution.

3. In order for this revocation to enter into force, an Authorized Representative or Authorized Proxy must sign and submit to KBRA a Notice of Revocation of the Voluntary Dissolution.

4. The Notice of Revocation of the Voluntary Dissolution shall contain:

4.1. the official name and trade name of the Limited Liability Company and its Unique Identification Number;

4.2. the date the Notice of Voluntary Dissolution, that is now being revoked, enters into force;

4.3. the date that the revocation was authorized; and

4.4. a statement identifying the person or persons who authorized the revocation and establishing the authorization and legal basis for actions undertaken by these persons.

5. The Notice of Revocation of Voluntary Dissolution enters into force on the date it is submitted to KBRA and produces legal consequences only if no action has been taken in connection to sale of assets and satisfaction of creditor claims upon submission of the Notice of Voluntary Dissolution.

Article 117
Enforcement of Creditor Claims on a Limited Liability Company Subject to Voluntary Dissolution

1. Creditor claims toward a Limited Liability Company which is subject to voluntary dissolution may be enforced:

1.1. against the Limited Liability Company, to the extent that its assets have not been distributed to Shareholders; or

1.2. if all assets have been distributed to Shareholders in the voluntary dissolution procedure, against any Shareholder, up to the amount of his pro-rata Shares or assets distributed to him during the voluntary dissolution, whichever is smaller. The total obligations of a Shareholder for all the claims of the creditors according to this Article cannot exceed the total amount of assets of the Limited Liability Company distributed to him.

PART SEVEN
JOINT STOCK COMPANY

CHAPTER I
GENERAL PROVISIONS

Article 118
Nature of the Joint Stock Company and the Share

1. A Joint Stock Company is a legal person that is owned by its Shareholders but is legally separate and distinct from its Shareholders. A Shareholder of a Joint Stock Company is not a co-owner of, and has no transferable interest in, the property or assets of the Joint Stock Company. A Joint Stock Company can have a single Shareholder.

2. The Shares in a Joint Stock Company are the units into which the ownership interests in the Joint Stock Company are divided.

3. A Share in a Joint Stock Company is the property of the Shareholder.

4. Subject to paragraphs 5. and 6. of this Article a Share may be freely transferred in whole or in part, by the Shareholder to any natural or legal person and/or Business Organization.

5. Notwithstanding paragraph 4. of this Article, the Charter may provide for restrictions on the transfer, including but not limited to an absolute prohibition on transfer of Shares, limitations to requesting the approval of directors or Shareholders for the transfer and the rights which guarantee that when a Shareholder transfers his/her Shares the others shall also have the right or obligation to do so. Any transfer which is contrary to these rules are null or void and have no

effect on the Joint Stock Company.

6. Nothing in this article or in this Law shall be interpreted or applied in any manner that impairs the enforcement of the requirements established in another law of Kosovo regulating transactions in securities.

Article 119
Charter Capital

1. The initial charter capital of a Joint Stock Company must be at least ten thousand (10,000) Euros or another greater amount if this is required by Article 145 of this Law.

2. The initial charter capital shall be paid to the Joint Stock Company in accordance with the requirements of Article 145 of this Law.

Article 120
Principle of Liability

1. A Joint Stock Company is liable for all of its debts and other obligations with all of its assets and property.

2. No other natural or legal person and/or Business Organization shall be liable for the obligations of a Joint Stock Company solely by reason of being a Shareholder in that Joint Stock Company.

3. A Shareholder in a Joint Stock Company shall not be liable for the obligations of a Joint Stock Company solely by reason of being a Shareholder. However, a Shareholder may be liable for the obligations of the Joint Stock Company if this Shareholder unjustly abuses with the Joint Stock Company for fraudulent or unlawful purposes, or treats the assets of the Joint Stock Company as if they were his own, as if the Joint Stock Company does not exist.

Article 121
Liability for Actions of the Founder Prior to Registration

1. If one or more founders and/or other persons take action on behalf of a Joint Stock Company before it is registered including, but not limited to, opening bank accounts, purchasing or leasing property, or entering into contracts or other obligations, the persons taking such action shall be jointly and personally liable for claims and obligations arising out of such actions, unless a different agreement was reached with the concerned third parties.

2. After registration at KBRA, the Joint Stock Company may assume liability for all such claims and obligations. In this case, the Joint Stock Company shall be solely liable for the claims or obligations.

Article 122
Competences

1. A Joint Stock Company has the competences necessary to carry on its activities including, but not limited to, the competence:

1.1. to sue and be sued;

1.2. to enter into contracts, borrow money and incur other debts and obligations;

1.3. to acquire, possess, lease, pledge or mortgage, or otherwise dispose and/or use its assets or property;

1.4. to acquire, possess, lease, pledge, vote, sell, or otherwise dispose of Shares, Partnership Interests or other ownership interests in another Business Organization or organization; and

1.5. to designate, appoint and engage officers, employees and agents of the Joint Stock Company and to specify their duties and compensation.

Article 123
Duration

1. The duration of a Joint Stock Company is unlimited unless the Charter of the Joint Stock Company provides otherwise.

2. If the duration of a Joint Stock Company is extended, KBRA must be notified and this must be published by KBRA in its Registry.

Article 124
Shareholders

1. A Joint Stock Company may have one or more natural or legal persons, and/or Business Organizations as Shareholders.

2. Non-governmental organizations may not be a shareholder in a Joint Stock Company.

Article 125
Authorization of Founders Ends After Registration

After a Joint Stock Company is registered and after it becomes a legal person, all natural or legal persons and/or Business Organizations which served as the founders of the Joint Stock Company shall have no further authorization in the management or governance of the Joint Stock Company. Notwithstanding the foregoing, if the concerned founder is a natural person who, after the registration of the Joint Stock Company, holds another position in the Joint Stock Company, this person shall have the authorization arising from that position.

Article 126
Restrictions on a Joint Stock Company's Ability to Subscribe to or Deal with its Own Shares

1. Unless it is expressly permitted by a provision of this Law, a Joint Stock Company cannot subscribe to or acquire its own issued or un-issued Shares.

2. If any natural or legal person and/or Business Organization subscribes for or acquires the Shares of a Joint Stock Company on behalf of that Joint Stock Company:

2.1. the interest of the Joint Stock Company in that transaction and the concerned Shares is as a matter of Law, null and void;

2.2. the Joint Stock Company shall have no liability to pay for such Shares and shall have the right for immediate return of all moneys or assets which have been provided as payment for the Shares; and

2.3. the natural or legal person and/or Business Organization subscribing or acquiring the Shares is considered, as a matter of Law, to have subscribed for or acquired the Shares on their own behalf, and this person or organization is liable for paying for those Shares.

3. The founders or in the case of an increase of the subscribed capital, the directors, shall also be personally liable to pay for the Shares subscribed or acquired in violation of this Article, unless they prove that no fault is attributable to them personally.

Article 127
No Ultra Vires Protection

A Joint Stock Company shall not be permitted to deny or avoid liability for an action of the Joint Stock Company on the basis of the argument that the action was not within the business purposes of the Joint Stock Company specified in its Charter.

CHAPTER II
CHARTER, MEMORANDUM OF INCORPORATION AND BYLAWS

Article 128
Charter

A Joint Stock Company is created only after the registration of its Charter approved by founders with the Memorandum of Incorporation in accordance with Article 34 of the present Law. The Charter is the constitutive document of the Joint Stock Company. The amendments to the Charter have no legally effect until such amendments are duly approved by the Shareholders and published by KBRA in accordance with Article 22 of this Law.

Article 129
Memorandum of Incorporation

1. A Joint Stock Company shall be founded with an Agreement of Incorporation signed by the founders. The Memorandum of Incorporation is the founding document of a Joint Stock Company, with the content specified in Article 34 of this Law.

2. After signing the Memorandum of Incorporation and before registration of the Joint Stock Company at KBRA, the founders shall use the proposed official name, and the trade name if any, of the Joint Stock Company together with the appendage "*in foundation".*

Article 130
Bylaws

1. The Joint Stock Company may have Bylaws containing provisions governing the management and operation of the Joint Stock Company if prescribed by the Charter of the Joint Stock Company.

2. Provisions of the Bylaws derogating from the provisions applicable laws or the Charter of the Joint Stock Company to the detriment of Shareholder rights shall be void unless otherwise provided by applicable laws. If there is a conflict between the Charter of the Joint Stock Company and its Bylaws, the Charter shall prevail.

Article 131
Organizational Meeting of a Joint Stock Company

Immediately after the registration of a Joint Stock Company, the initial directors named in the Charter must hold an organizational meeting in order to complete the organization of the Joint Stock Company by appointing the initial officers of the Joint Stock Company and in order to undertake their respective activities for which they are authorized.

CHAPTER III
SHARES AND OTHER SECURITIES

Article 132
Common and Preferred Shares, Par value, No Bearer Shares

1. A Joint Stock Company may issue two types of Shares, common Shares and preferred Shares. A Joint Stock Company must have common Shares and must issue at least one common Share. A Joint Stock Company's preferred Share may be divided into two or more classes with different rights and preferences.

2. The Shares of every type and class must have a stated par value. If the Share has a stated par value, then the value must be at least one (1) Euro cent. The stated par value of a common or preferred Share, can be higher than one (1) Euro cent.

3. Every Share from common shares must have the same par value as the other common Shares. Every Share of any specific class of preferred shares must have the same par value as the other Shares of the same class.

4. The common Shares of the Joint Stock Company cannot be converted into preferred Shares or into securities. However, preferred Shares of the Joint Stock Company may be converted, if it allowed by the Charter of the Joint Stock Company, into common Shares or into Shares of other classes of Shares.

5. A Joint Stock Company is not authorized to issue, and shall not issue, bearer Shares or other bearer securities. All Shares or securities issued in violation of this Article, and all rights or claims arising as a consequence of such Shares or securities, shall be null, void and unenforceable.

Article 133
Authorized and Issued Shares

1. The Charter of a Joint Stock Company determines the exact number of authorized common Shares and the exact number of authorized preferred Shares, if there are preferred Shares. If more than one class of preferred Shares are authorized, the Charter must specify the exact number of each authorized class.

2. The number of authorized Shares of any type or class can be amended only by approval and registration of an amendment of the Charter in accordance with the applicable requirements of this Law.

3. The Joint Stock Company may only issue Shares that have been authorized by its Charter.

4. The Joint Stock Company may issue any number of Shares of any type or class of Shares authorized by its Charter, up to the maximum number established in the Charter for that type or class.

5. The decision to issue authorized Shares and the determination of the number, time and other conditions of issuance, can only be made by the Shareholders of the Joint Stock Company, unless this authorization is conferred to the Board of Directors by the Charter, or Bylaws of the Joint Stock Company or a Decision of the Shareholders, and only to the extent permitted by the Charter, Bylaw, or the Decision.

Article 134
List of Shareholders

1. The Board of Directors of the Joint Stock Company or at the decision of board of directors, the Managing Director(s) shall keep an updated list of its Shareholders which:

1.1. includes the name and address of each current Shareholder and the number and type of Shares currently held by Shareholders; and

1.2. provides other Shareholder information which according to this law must be registered in this list. The Joint Stock Company must immediately register this information in this list.

2. If the Joint Stock Company has issued Shares to a Shareholder, then the Joint Stock Company must immediately register the Shareholder information in the list.

3. If the Shareholder has received Shares from another Shareholder, the Joint Stock Company must register the required information not less than three (3) days after receiving notice of the transfer of that Share and the identity of both the transferor and the transferee. If the Shares involved in the transfer are certified, submission to the Joint Stock Company of the Share certificates bearing the signature of the transferor together with a declaration on the transfer of such Shares to the transferee, shall be considered as sufficient notice. If the Shares involved in the transfer are not certified, submission to the Joint Stock Company of a signed declaration by the transferor stating that the transferor has transferred the Shares to the transferee, shall be considered as sufficient notice.

4. If the Joint Stock Company fails or refuses to register the required Shareholder information in the list of Shareholders within the specified time limit, the concerned natural or legal person and/or Business Organization may file suit in the Court to compel the Joint Stock Company to register this information and to formally recognize the status of the natural or legal person and/or Business Organization as a Shareholder. The Court, after submission of the claim by a natural or legal person and/or Business Organization requesting Shareholder status, or after the claim of the Joint Stock Company, is competent and authorized to:

4.1. determine the real owner of the Shares and to establish the day on which the owner should have been registered in the list of Shareholder;

4.2. order the Joint Stock Company to register the owner's information in the list of Shareholder; and

4.3. compensate damage which the Court deems appropriate; if the Court decides in favour of the transferee such compensation may include compensation for damages that the Joint Stock Company caused to the transferee as a result of its refusal to promptly register transferee's information in the list of Shareholder, including any damages caused as a result of the inability of the transferee to vote or receive dividends or to transfer the Shares.

5. The transfer of a share is deemed to be effected and a shareholder is deemed to have changed with respect to the Joint Stock Company after notification of the Joint Stock Company of the transfer of the share and certification of the transfer of the share.

Article 135
Shareholder Access to Documents

1. All the Shareholders have the right to access and copy, at their own expense, during usual business hours, at the principal place of business of the Joint Stock Company, each of the following documents:

1.1. charter of the Joint Stock Company with all its amendments which are currently in force;

1.2. bylaws of the Joint Stock Company with all of their amendments which are currently in force;

1.3. shareholder Assembly minutes and data on all actions taken by Shareholders without holding the Shareholder Assembly for the last three (3) years;

1.4. all written correspondence for the Shareholders for the last three (3) years;

1.5 all financial statements submitted to every ministry of the Government or made available to the Shareholders in the Shareholder Assembly for the last three (3) years;

1.6. a list of names and addresses of all current members of the Board of Directors, Managing Director(s) and other officers;

1.7. a list of all Shareholders to the Joint Stock Company; and

1.8. all documents submitted to KBRA in the last three (3) years.

2. The right to access documents listed in the paragraph 1. of this Article, does not prejudice any additional rights that Shareholders may have according to other articles of this Law.

3. To exercise the right established according to paragraph 1. of this Article, the Shareholder must first submit to the Joint Stock Company a written request to examine the documents specified above. If the Shareholder is a Business Organization or legal person, the request must include the name or names of the person(s) authorized to examine the documents on behalf of the Business Organization.

4. If the Joint Stock Company fails or refuses to permit the examination of documents within five (5) days after receiving the request, the Shareholder may file a suit in the Court to compel the Joint Stock Company to permit the examination. The Court is competent and has the necessary authorization to issue a Decision for this purpose.

Article 136
Certified and Un-Certified Shares

1. The Share or Shares of a Joint Stock Company may be certified, through a Share certificate, or un-certified.

2. If the Share or Shares are certified, the Share certificate shall state:

2.1. the name of the natural or legal person and/or Business Organization for whom the certificate is issued;

2.2. the number of Shares represented in the certificate and the progressive number of the certificate;

2.3. the type of Shares, common or preferred, represented in the certificate;

2.4. if the concerned Shares are of a specific class of preferred Shares, then the respective class must be specified; and

2.5. if the concerned Shares are preferred Shares of a certain class, then a statement explaining the rights, including voting rights, as well as preferences of those Shares as they have been presented in the Charter of the Joint Stock Company.

3. Unless the Joint Stock Company Charter provides otherwise, the Board of Directors may decide to convert some or all of the certified Shares into uncertified Shares.

4. Certified and un-certified Shares of the same type and class have identical rights.

Article 137
The Rights of Common Share Owners

1. Unless expressly restricted by another provision of this Law, the owner of a common Share of a Joint Stock Company has the same rights as the other owners of common Shares, including

– but not limited to:

1.1. the right to receive notice of and to participate in any Shareholder Assembly. The right to participate includes the right to ask questions to directors and officers of the Joint Stock Company, who in turn are obligated to respond to questions made;

1.2. the right to cast one vote per common Share and on all matters being voted in the Assembly;

1.3. the right to receive an equal dividend for each common Share owned;

1.4. after voluntary dissolution or bankruptcy of the Joint Stock Company, the right to receive equal distributions for each common Share owned; and

1.5. any other rights specified in this Law, Charter or Bylaw of the Joint Stock Company.

Article 138
The Rights of Preferred Share Owners

1. All the rights and preferences of each class of preferred Shares of a Joint Stock Company must be fully specified in the Charter of the Joint Stock Company. These rights and preferences may include:

1.1. a priority against common Shares owners in relation to dividends;

1.2. a priority in distributions during voluntary dissolution of the Joint Stock Company;

1.3. special voting rights or no voting rights;

1.4. the right to convert the Shares into common Shares, or into another class of preferred Shares of the Joint Stock Company;

1.5. the right to require the Joint Stock Company compensation for the Shares if the terms and conditions of the right to require compensation; and

1.6. other rights and preferences that are not prohibited by this Law.

2. The Shareholder who owns Shares in a class of preferred Shares of a Joint Stock Company which are issued and outstanding has the same rights and preferences as the other Shareholders who own Shares of the same class.

3. Shareholders who own preferred Shares have the right to cast one vote, and one vote only, for each Share in the Shareholder Assembly, on any matter requiring group vote. The Charter of the Joint Stock Company may provide that owners of preferred Shares have the right to vote together with common Share Shareholders on all matters, if these preferred Shares are convertible to common Shares, or dividends for such preferred Shares have accrued and have not been paid for the time period provided in the Charter.

4. The owners of preferred Shares shall have the right to participate in the Shareholder Assembly,

but not the right to vote, excepts as provided in paragraph 3. of this Article.

Article 139
Securities Other than Shares, Securities Convertible into Shares, and Options to Acquire Shares

1. Subject to paragraph 2. of this Article and any prohibition or restriction specified in the Charter of the Joint Stock Company, the Joint Stock Company may create or issue securities other than Shares:

1.1. bonds;

1.2. securities that are convertible into Shares; and

1.3. options to acquire Shares. An option to acquire Share is a security that gives to its owner the right to acquire a specific number of Shares of a specific type and class at a specific price within a specific period of time.

2. Securities which can be converted into Shares as well as the option to acquire Shares may not be issued if the authorized number of the concerned Shares, as specified in the Charter of the Joint Stock Company, is not sufficient to cover:

2.1. the future issuance of other Shares of that type;

2.2. the issuance of Shares, based on other securities or options to purchase Shares which have already been issued;

2.3. all other Shares which have already been issued.

3. Whenever the Joint Stock Company issues securities that are convertible into Shares or options to acquire Shares, the Joint Stock Company must register in the list of Shareholders the name and address of each owner of a security or option to acquire Shares as well as the number of authorized Shares for which the Joint Stock Company must observe the right of the owner for conversion. Until the expiration of the period of validity of these rights, the Joint Stock Company must maintain in its treasury the number of authorized Shares needed to ensure those rights.

4. The decision to issue securities, or options to purchase, specified in this Article, must be in accordance with the requirements of paragraph 5. of Article 133 of this Law.

Article 140
Payment for Shares and Securities

1. Except as related to employee Share schemes, a Joint Stock Company must not issue or sell any of its Shares or Securities except in a transaction where the Joint Stock Company immediately receives:

1.1. full payment of based on the subscription price; or

1.2. partial payment in accordance with Article 141 of this Law.

2. Except as may otherwise be provided in the Employee Share Scheme adopted in accordance with this Law, the subscription price may be paid cash or with other tangible or intangible property or rights of value.

3. If payment is made in any form other than money, the prospective Shareholder of the Joint Stock Company has an obligation to engage an outside, independent, authorized appraiser who shall compile and deliver to the board of directors a report assessing the fair and reasonable value of the property offered as payment and giving a formal opinion as to whether such value is at least sufficient to cover the purchase price of the Share or security to be issued or sold. The report shall contain at least:

3.1. a description of the property or rights being offered as payment,

3.2. a description of the methods of evaluation used by the appraiser; and

3.3. a statement by the appraiser that the value attained by such methods is at least equal to the subscription price.

4. This report shall be filed with and approved by the Board of Directors before the Shares may be issued.

5. Except as may otherwise be provided in an Employee Share Scheme adopted in accordance with this Law, a Joint Stock Company may not accept labour or services, whether performed in the past or to be performed in the future, as payment, in whole or in part, for a Share or security.

Article 141
Partial Payment for Shares

1. Within the first thirty (30) days following its initial registration at KBRA, the Joint Stock Company may issue all or any part of its Shares in return for partial payment, but only if there is a written agreement between the Shareholder and the Joint Stock Company which provides that:

1.1. any and all payments for such Shares must be made in cash and not in another way;

1.2. not less than twenty five percent (25%) of the Par value of the Shares must be paid within thirty (30) days after the initial registration of the Joint Stock Company; and

1.3. the unpaid balance must be paid by a date that is no more than two (2) years from the date of the initial registration of the Joint Stock Company at KBRA.

2. Except in the case of Shares issued pursuant to an Employee Share Scheme adopted in accordance with the present Law, Shares issued in the course of an increase in charter capital must be paid up in full and may not be issued as partly paid Shares.

3. With respect to any partly paid Share, the following data shall be registered in the list of Shareholder of the Joint Stock Company, and if this Share is certified, in the Share certificate, if there is one:

3.1. the total amount of the purchase price of such Share;

3.2. the amount that has been paid at the time of issuance, and

3.3. all amounts that have been paid at the time of issuance and time of such payment.

4. The voting rights and all other rights of a partly paid Share, including rights to receive dividends and distributions, must be reduced to the necessary amount to reflect the amount which has not yet been paid for that Share.

5. Without prejudice to the general applicability of paragraph 4. of this Article, if a Joint Stock Company declares a dividend for a type or class of Share, the Joint Stock Company must at the same time declare a dividend on the partly paid Shares of that type or class of Share, but the dividend payable on the partly paid Shares must be reduced to the necessary amount to reflect the amount that has not yet been paid for that Share. In this case the Joint Stock Company shall have the right to:

5.1. end to the concerned Shareholder; or

5.2. distribute the dividend while retaining the amount not paid for that Share.

Article 142
Liability of Owners of Partly Paid Shares

1. Each owner/debtor of a partly paid Share is personally liable to the Joint Stock Company for the unpaid balance.

2. If a owner/debtor of the partly paid Shares fails to immediately pay any amount when due under the written agreement required by paragraph 1. of Article 141 of this Law, the Joint Stock Company may declare the forfeiture of the Shares in whole or in part, unless this would negatively affect a person who has acquired some or all of the Shares without knowing of their partly paid status, and/or immediately request payment of the unpaid balance by filing a claim with the Court against the Shareholder for the amount due. The “amount due” shall include:

2.1. interest on the amount due, including any due but unpaid interest, that the holder/debtor failed to pay, such rate calculated and published by the Central Bank of Kosovo; and

2.2. all expenses reasonably incurred by the Joint Stock Company in preparing, filing and the contested procedure or in conducting the sale.

3. The natural or legal person and/or Business Organization that has acquired partly paid Shares shall be jointly and severally liable with the original owner/debtor of the Shares for the unpaid amount. If the acquirer did not have such notice or knowledge on this fact, the Shareholder/debtor shall remain the only party fully liable for the unpaid amount.

4. The pledgee of partly paid Shares shall not be liable for the unpaid amount simply because of the pledgee’s status as pledgee. If, however, the pledgee acquires the partly paid Shares, the rules of paragraph 3. of this Article are taken into consideration during the determination of pledgee’s liability for the unpaid amount.

Article 143
Pre-emptive Rights to New Shares

1. As provided in this Article and except in relation to an Employee Share Scheme, the Shareholders of a Joint Stock Company shall have pre-emptive rights to acquire new Shares of the same type - and, if applicable the same class - of Shares whenever the Joint Stock Company issues new Shares of the respective type.

2. The pre-emptive rights of a Shareholder according to paragraph 1. of this Article are not unlimited. These rights must be exercised by the Shareholder only with respect to that percentage of the new Shares that is equal to the Shareholder's current percentage of ownership of the already issued and the outstanding Shares of the same type and class. A Shareholder may exercise his pre-emptive rights in whole or in part.

3. The pre-emptive rights established in this Article may not be restricted or revoked by the Charter, however the rights may be restricted or revoked based on a Decision by the Shareholder which is adopted by at least two thirds (2/3) the Shareholder votes of the concerned type and class of Share. This vote shall take place after a report has been presented by the directors setting out:

3.1. the reasons for the restriction or revocation of the pre-emption rights; and

3.2. the reasoning used by the board of directors in determining the price for the Shares which will be issued. This report shall be drawn up by an independent valuation expert.

4. The pre-emptive rights established in this Article are applicable only to existing Shareholders who have Shares registered in the list of Shareholder of the Joint Stock Company. It is expressly provided that ownership of an option to acquire a Share or a security that is convertible into a Share does not give rise to any pre-emptive rights created by this Article.

5. Whenever a new issue is proposed, the Joint Stock Company must first give each existing Shareholder an advance notice of the proposed issuance of Shares, which must state at a minimum:

5.1. the number of Shares to be issued;

5.2. the proposed price or method of determining the price of issuance; and

5.3. the period and procedure for exercising the pre-emptive rights, provided that such period is not less than twenty one (21) days. All rules and procedures governing the exercise of pre-emptive rights must be equal for all Shareholders having such rights.

6. Unless the Charter of the Joint Stock Company provides otherwise, the rules on pre-emptive rights shall not apply to the following:

6.1. the issuance of the preferred shares, except for preferred Shares which are convertible to common Shares or which have the right to acquire common Shares;

6.2. whichever authorized Shares in the Charter of the Joint Stock Company which have been issued within six (6) months after the initial registration of the Joint Stock Company;

6.3. whichever issued Shares in relation to an Employee Share Scheme adopted in accordance with the requirements of this Law; and

6.4. shares issued in relation to an Employee Share Scheme adopted in accordance with the requirements of this Law.

7. Shares subject to pre-emptive rights that have not been acquired by existing Shareholders pursuant to such rights may be issued to any person within a period of one (1) year after these Shares have been offered to the existing Shareholders in accordance with this Article. The board of directors of the Joint Stock Company shall establish the issue price which must not be lower than ninety percent (90%) of the price previously established for the exercise of pre-emptive rights. If the board of directors wishes to issue Shares for a lower price or to issue Shares after the expiry of the one year period, then the pre-emptive rights provided for in this Article shall apply in full.

Article 144
Restrictions in Share Transfer

A Corporation may establish restrictions on transfers of Shares of the Corporation, including restrictions of type specified in Articles 88, 89, 90 of this Law. Any such restriction shall be provided for in the Charter of the Corporation.

CHAPTER IV
CHARTER CAPITAL

Article 145
Amount, Subscription and Payment; Relationship to Par Value

1. Charter Capital represents the minimum amount that is available for the satisfaction of the creditor claims.

2. The Charter Capital of a Joint Stock Company is whichever is greater:

2.1. ten thousand (10,000) Euros; or

2.2. the total amount of the par value of all the Shares issued by the Joint Stock Company at the time of its initial registration at KBRA.

3. If a special law establishes or expressly authorizes a public authority to establish a higher charter capital for banks, financial institutions or insurance institutions, the provisions of that special law shall prevail.

4. A Joint Stock Company may issue Shares of higher value in par value, in which case the excess amount shall not be charter capital but shall be a Share premium which is registered by the Joint Stock Company in a Share premium account of the Joint Stock Company. A Joint Stock Company may not issue a Share, the value of which is lower than its par value.

5. No public offering of the Shares of a Joint Stock Company may be made until the Charter

Capital has been fully paid. No Shareholder may be released from the obligation to pay for Shares except via the procedures and rules relating to a decrease of capital.

Article 146
Increase of Charter Capital

1. A Joint Stock Company may increase its charter capital by amending its charter in accordance with this law. The Joint Stock Company may increase its charter capital by:

1.1. further amending the charter to increase the specified par value of its common Shares and/or one or more classes of its preferred Shares, if it is authorized to issue such preferred Shares, or

1.2. by issuing additional Shares, subject to the authorized maximum number specified in the Charter, for lawful and adequate compensation. A Joint Stock Company may increase its charter capital only after the initial charter capital has been fully paid.

2. The par value of issued Shares may be increased without corresponding increase of consideration from Shareholders provided there is sufficient capital in the Share premium account. The Share premium account of the Joint Stock Company shall then be reduced by an amount that is equivalent to the increase in the par value of the concerned Shares.

3. Subject to the limitations and conditions established in the Charter, decisions relating to the issuance of additional Shares and/or the determination of the number, time and other conditions of such issuance, may be made only by the Shareholders of the Joint Stock Company, unless and except to the extent that the Charter specifically confers such authority on the board of directors. If the Charter requires the Shareholders to first adopt a decision which authorizes the board of directors to issue such additional Shares, the authorization provided by this decision shall, by law, expire within one year from the date the decision was adopted, unless the decision established a shorter period for the expiration of the authorization. This authorization may be renewed one or more times by the Shareholders. When this authorization is conferred to the Board of Directors by the decision of the Shareholders, there shall be a separate Shareholder vote for each class of Shareholders affected by the issuance.

4. If the additional Shares are not fully subscribed, the Share capital shall be increased only by the amount of the subscriptions actually received, but only if this was specifically foreseen and permitted by the conditions of issue.

5. No increase in the number of authorized Shares or in the par value of authorized or issued Shares shall be made without a prior amendment to Charter of the Joint Stock Company that has been duly adopted and approved by the Shareholders. Such an amendment shall be effective only upon registration and publication by KBRA in accordance with paragraph 4. of Article 41 and Article 22 of this Law.

6. If a special law governing banks, financial and/or insurance institutions specifically establishes other procedures and rules governing changes to the charter capital of such institutions, such special procedures and rules established by the special law shall be applicable for such institutions.

7. Articles 140 – 145 of this Law shall apply *mutatis mutandis.*

Article 147
Decrease of Charter Capital

1. Subject to the minimum specified in paragraphs 1. and 2. of Article 145 of this Law, and if applicable, paragraph 3. of the same Article, a Joint Stock Company may decrease its charter capital by amending its charter in accordance with this law. The Joint Stock Company may make the decrease by:

1.1. amending the Charter to decrease the par value of its common Shares and/or one or more classes of its preferred Shares; or

1.2. by reacquiring and then cancelling Shares or eliminating the charter capital represented by such Shares. Except in the case of a decrease arising out of an Employee Share Scheme, such a decrease may only occur:

1.2.1. if required by a Court decision which shall first take into account the interests of all the Shareholders including any different treatment between classes of Shares and the interests of the creditors and the solvency of the Joint Stock Company or

1.2.2. if at least two thirds (2/3) of the Shareholders with the right to vote approve the decrease. There shall be a separate vote for each class of Share affected by the decrease.

2. The notice convening the Shareholder's Assembly to decide on the decrease of share capital must specify at least the purpose of the reduction and the way in which it is to be carried out.

3. A detailed notice on the decrease in charter capital shall be published twice within a one week period which must be more than thirty (30) days prior to entry into force of this decrease. This notice shall be published in at least one newspaper of wide circulation in Kosovo in order to notify creditors whose claims predate the decrease. These creditors shall have at least twenty one (21) days to request the Joint Stock Company for additional security or to request the Joint Stock Company not to execute the decrease in charter capital. If a creditor remains unsatisfied because of the decrease, then he/she may refer to the Court for an appropriate remedy for his/her debt. The Court may decide that remedy is not necessary if it is finds that:

3.1. the Joint Stock Company is solvent; and

3.2. the assets of the Joint Stock Company are sufficient to satisfy this and other debts of the Joint Stock Company of equivalent security ranking.

4. Until the Court decision based on the submission of a claim in accordance with paragraph 2. of Article 148 of this Law is pending, no decrease shall enter into force and no distribution of dividends to the Shareholders shall be made.

5. A Joint Stock Company may not waive an obligation of Shareholders to fully pay for partly paid Shares in connection to a decrease in charter capital, unless the Joint Stock Company provides for the payment of creditors whose claims predate the decrease.

6. If the value of the net assets of the Joint Stock Company after its second or any subsequent financial year is less than its established charter capital, the Joint Stock Company may take

appropriate measures to decrease its charter capital, but not below the applicable minimum specified in paragraphs 1. and 2. of the Article 145 of this Law, or, if applicable, paragraph 3. of the same Article. If the value of the net assets, as established by applicable accounting standards, is at any time less than the minimum charter capital required in paragraphs 1. and 2. of Article 145 of this Law, or if applicable to paragraph 3. of the same Article, or less than half the charter capital of the Joint Stock Company at that time, the Joint Stock Company must convene a Shareholder Assembly to consider a decision to dissolve the Joint Stock Company or initiate the bankruptcy procedure according to Article 210 of this Law, unless adequate new capital can be invested. In any event the Joint Stock Company is liable for creditor claims in accordance with the applicable law on bankruptcy.

7. Joint Stock Companies need not follow the above specified procedures for decrease of the charter capital if the purpose of the decrease is to offset losses incurred and the decreased capital is put in a reserve which following the decrease is not more than ten percent (10%) of the decreased charter capital and this reserve is not distributed to Shareholders in any form nor used to discharge Shareholders from their obligations to make payments.

8. A decrease in charter capital must be specified through an amendment of the Charter of the Joint Stock Company which has been duly approved by the Shareholders and shall enter into force only after registration and publication of the amended Charter at KBRA.

9. The provisions of paragraphs 2. and 3. of this Article shall not apply if an increase of share capital at least to the current size of the share capital is decided concurrently with a decrease of share capital. Shares which are issued concurrently with a decrease of the share capital shall only be paid for in money. A decision on increase or reduction of share capital shall be registered and published by the KBRA.

Article 148

Share Splits, Reverse-Splits and Cancellations That Do Not Change Charter Capital

1. A Joint Stock Company may divide each Share of a class or type into two or more Shares of the same class or type, and simultaneously reduce the par value of the Shares of such type or class so that the charter capital of the Joint Stock Company remains unchanged. The division of Shares in such a manner may be made only if all Shares of the said class or type are divided.

2. A Joint Stock Company may combine Shares of a type of class into a smaller number of units of Shares of such type of class, and simultaneously increase the par value of the Shares of such type or class so that the charter capital of the Joint Stock Company remains unchanged. Combination of Shares in such a manner may be made only if all the Shares within the same type or class are combined.

3. A Joint Stock Company may cancel Shares which have been reacquired by it and simultaneously, in accordance with the rules on charter capital increases and payments, including Article 141 of this Law requiring full payment of the par value, increase the par value of other Shares and require payment for the new par value of Shares, so that the charter capital of the Joint Stock Company remains unchanged.

4. All actions specified in this Article may be made only after an amendment of the Charter of the Joint Stock Company, if necessary, and registration of such amendments at KBRA.

5. A Joint Stock Company may not take an action referred to in this Article if this action undermines or violates the rights of the owners of options to acquire Shares of the type or class

in question, except with the consent of the owner of the option to acquire Shares. Furthermore, any action under this Article shall require the consent of at least half of the votes of the eligible members of the affected class in the Shareholder Assembly which must have a quorum of at least fifty percent (50%) of the Shareholders of the relevant class.

Article 149
Redemptions or Withdrawals of Shares

1. The common Shares of a Joint Stock Company are not redeemable. The preferred Shares of a Joint Stock Company may be redeemed by the Joint Stock Company only if:

1.1. the conditions of the concerned class of preferred Shares, specified in the Charter, expressly indicate that these Shares are redeemable, and

1.2. the Shares to be redeemed have been fully paid.

2. The Joint Stock Company shall not use any loan or similar debt financing to pay for redeemed or reacquired Shares. The Joint Stock Company pays for these Shares out of its capital surplus. A redemption or reacquisition is prohibited if it will negatively affect the stated capital of the Joint Stock Company.

3. Any Shares that have been redeemed by the Joint Stock Company shall thereafter carry no voting rights, rights to distribution or any other rights. Such Shares shall be immediately cancelled by the Joint Stock Company unless the charter specifically authorizes the Joint Stock Company to hold such Shares in its treasury.

4. All the Shares of the Joint Stock Company – regardless of how they were acquired or created - that are held by the Joint Stock Company whether in its treasury or otherwise, directly or indirectly, shall have, as long as they are so held by the Joint Stock Company, no voting rights and no rights to receive any distributions.

5. No natural/or legal person and/or Business Organization, including the Joint Stock Company itself, its board of directors, mangers and other employees shall have any right or authorization to vote or attempt to vote, directly or indirectly, through any Shares that are held by the Joint Stock Company in its treasury or anywhere else, directly or indirectly.

6. The provisions of this Article are mandatory and shall prevail over any contrary provision of the Charter or Bylaws of the Joint Stock Company.

CHAPTER V
DISTRIBUTIONS

Article 150
Dividends

1. The board of directors of the Joint Stock Company may, if authorized by the charter or by a decision of the Shareholders, declare and pay dividends on shares of the Joint Stock Company. In such a case, dividends should be paid on all issued shares of any type or class, and under no circumstances can it be declared and paid only to certain Shares. The Board of Directors has

the right to take such action at any time.

2. The dividend on Shares of any type or class must be paid *pro rata* to all owners of this type or class of Shares.

3. Dividends may be paid in money or other property including Shares or other securities of the Joint Stock Company or of other issuers, unless the Charter of the Joint Stock Company provides otherwise and provided that every rule regarding increases in capital are observed.

4. A dividend payable in Shares of the Joint Stock Company is paid by issuing such Shares *pro-rata* to the owners of the class or type of Share receiving the dividend.

5. The time limit for distribution of dividends may not be longer than ninety (90) days from the date of notification of the distribution of dividends.

Article 151
Procedure for Authorizing Dividends

1. A decision authorizing and paying dividends may only be made by the Shareholders unless the authorization to make that decision has been conferred to the board of directors in the Charter of the Joint Stock Company.

2. Each decision for distribution of dividends must specify the amount of dividend, date of specification of Shareholders who have the right to receive dividends which date must be later than the date of the decision authorizing the distribution, and the date in which the dividends must be paid, and the date in which the Joint Stock Company must notify persons who have the right to receive these dividends on the decision and other relevant issues.

Article 152
Acquisition of its Own Stock in the Joint Stock Company

1. A Joint Stock Company may acquire its own outstanding shares or other securities at any time with the agreement of the owners of these securities. The Share so acquired must be authorized but not unissued, unless the Charter prohibits the reissuance of the reacquired Shares, the number of authorized Shares shall be reduced by the number of Shares acquired.

2. The decision of the Joint Stock Company to acquire its own Shares may only be made by the Shareholders in accordance with the procedure established in the Article 153 of this Law.

3. A Joint Stock Company may acquire part, but not all, of the issued common Shares. A Joint Stock Company may acquire part or all of its other issued Shares and other securities.

4. A Joint Stock Company may not acquire its own issued Shares if the aggregate par value of the Share being acquired exceeds ten percent (10%) of the charter capital of the Joint Stock Company.

5. A Joint Stock Company may acquire only those issued Shares that have been fully paid.

6. A Joint Stock Company may pay for its Shares or other securities with cash, securities or

other property.

7. The procedures and rules relating to acquisition of its own Shares do not apply to reacquired Shares:

7.1. if these Shares are exclusively to be offered to employees pursuant to an Employee Share Schemes;

7.2. if the reacquired Shares have been forfeited by a Shareholder due to failure to make full payment for the Shares; or

7.3. if the reacquired Shares are fully paid Shares that are acquired by the Joint Stock Company pursuant to a Court decision requiring the Shareholder to transfer the Shares to the Joint Stock Company in full or partial payment of a debt that the Shareholders owes to the Joint Stock Company.

8. If an acquisition specified in the paragraph 7. of this Article will have the effect of reducing the net assets of the Joint Stock Company below the amount of its published charter capital plus any non-distributable reserves, the acquisition may only be consummated if the procedures for the decrease of capital are observed.

9. Shares acquired in accordance with paragraph 7. of this Article shall be held by the Joint Stock Company in its treasury and shall not have any voting rights or rights to distributions while they are held by the Joint Stock Company.

10. Shares acquired in accordance with paragraph 7. of this Article may be issued to employees, in accordance with the Employee Share Scheme, within one year after their acquisition. Any such Shares that are not issued within that one (1) year period shall be cancelled after the conclusion of the decrease in capital procedure.

11. Shares acquired pursuant to sub-paragraphs 7.2. or 7.3. of paragraph 7. of this Article may be sold and re-issued, within one year after their acquisition, to any natural or legal person and/or Business Organization who pays the full purchase price of such Shares. The board of directors is authorized to establish the purchase price for such Shares; provided, however, that the method for calculating such purchase price is fair and reasonable and disclosed in writing:

11.1. immediately to any Shareholder who requests it, and

11.2. to all Shareholders at the next general Assembly of the Shareholders. Any such Shares that are not sold and issued within the specified one (1) year period shall be cancelled after the conclusion of the decrease in capital procedure.

Article 153
Procedure for Acquisition of its Own Stock

1. In order to proceed with an acquisition of its own Shares, a Joint Stock Company must first be authorized by a Shareholder decision approving such acquisition. This decision must be approved by a majority of the votes of:

1.1. all of the Shares which are represented and which have the right to vote at the

Shareholder Assembly; and

1.2. all of the Shares of the type(s) or class(es) to be acquired which are represented and which have the right to vote in the assembly, excluding in each case the votes of Shares belonging to Shareholders whose Shares are to be acquired; provided, however, that this exclusion shall not apply if the decision involves a proposed acquisition of Shares from all *pro rata* owners.

2. The decision must specify the maximum number of Shares to be acquired, the duration of the period for which the authorization is given, which may not exceed eighteen (18) months, as well as the minimum and maximum purchase price or method of calculating the purchase price, and the identity of the Shareholders from whom the Shares are to be acquired, except in the case of a decision to acquire Shares from all *pro rata* owners.

3.If two thirds (2/3) of the members of the board of directors formally decide that the purchase is necessary to avoid a risk of serious and imminent harm to the Joint Stock Company and when the holding of a Shareholder Assembly is not practical before the acquisition, then the board of directors may proceed with the purchase without such Shareholder approval, provided that in any event the board of directors shall report the acquisition at the next annual Assembly of Shareholders stating the reason for the acquisition, the number of Shares acquired, the par value of the Shares, the proportion of the charter capital they represent, and the consideration paid.

Article 154

Procedure for Acquisition of Shares *Pro Rata* from All Shareholders

1. If a joint stock company offers to acquire shares from all holders of such shares *pro rata* in proportion to the number of such shares belonging to each shareholder that that shareholder offers for sale, the joint stock company shall provide all such holders with a notice stating the number of shares to be acquired, the purchase price (or manner of calculating the purchase price), the procedure for payment and date of payment, and the procedure and the deadline date for all shareholders to offer their shares for sale to the company, which last date shall be at least thirty (30) days after the date of the notice in the case of companies with more than one hundred (100) holders of common stock.

2. If the total number of shares offered for sale to the Joint Stock Company exceeds the number of shares that the Joint Stock Company has offered to acquire, the Joint Stock Company by decision of its board of directors may acquire a larger number of shares up to the total number offered for sale by the shareholders.

3. If the total number of shares offered for sale to the Joint Stock Company exceeds the number of shares that the Joint Stock Company will acquire, the Joint Stock Company shall acquire shares from each shareholder in proportion to the number of shares that that shareholder offers for sale, except where necessary to avoid acquiring fractional shares.

Article 155

Status of Reacquired Shares

1. Shares reacquired by a Joint Stock Company are owned by the Joint Stock Company and may be reissued to third parties by the Joint Stock Company in accordance with the present Law, until and unless they are cancelled and the number of authorized shares and the charter capital accordingly reduced, by amendment of the Joint Stock Company’s charter.

2. While such shares are owned by the Joint Stock Company:

2.1. they will not be entitled to vote or be counted toward a quorum in a shareholder assembly;

2.2. they will not be entitled to receive dividends or other distributions or to be counted in calculating the per-share amount of any dividends or other distributions to which shareholders are entitled.

3. Any shares acquired in breach of Articles 152 and 153 of this Law shall, within one year of their acquisition either:

3.1. be disposed of; or

3.2. cancelled by following any applicable procedures regarding a decrease in the Joint Stock Company's capital.

Article 156

Restrictions on Payments of Dividends and Payments for Acquisition of Own Stock

1. A Joint Stock Company may not pay a dividend on its common or preferred stock, and may not pay any amount to acquire any of its stock or any options to acquire its stock or securities convertible into its stock, or undertaken any other distribution to shareholders in their capacity of shareholders, if either:

1.1. after giving effect to the payment, the net assets of the Joint Stock Company would be less than the sum of the Joint Stock Company's subscribed and paid in charter capital, which for this purpose includes paid-in amounts in the joint stock company's share premium account, if any, plus any reserves which may not be distributed to shareholders under law or the Joint Stock Company's charter; or

1.2. after giving effect to the payment, total assets of the Joint Stock Company are lesser than the liabilities of the Joint Stock Company, or the company would be insolvent or unable to pay its debts and other obligations as they become due in the ordinary course of the Joint Stock Company's business activities; or

1.3. the payment would exceed the amount of the Joint Stock Company's profits in the immediately preceding financial year plus any profits brought forward and sums drawn from reserves available for this purpose, less any losses brought forward and sums placed in reserves in accordance with the present law or the Joint Stock Company's charter.

2. A determination for the payment of a dividend under this Article must be based on financial statements prepared in accordance with applicable laws on accounting standards and on accounting principles that are reasonable in the circumstances and, in the case of valuation of non-monetary assets, on a fair and independent valuation that is reasonable under the circumstances. In the case of interim dividends, interim financial statements should be prepared.

Article 157
Personal Liability of Shareholders and Directors for Prohibited Payments of Dividends

1. A shareholder who receives a prohibited dividend and who knew at the time that such dividend was prohibited or could have been assumed to know by virtue of readily available and understandable information, shall be personally liable to the Joint Stock Company for return of the amount of the dividend.

2. The directors of a Joint Stock Company who vote for or assent to any prohibited dividend shall be jointly and severally liable to the Joint Stock Company for the amount of the distribution.

Article 158
Company not to Finance Acquisition of its Own Securities

1. A Joint Stock Company may not lend or provide money or any type of credit, including pledging its own shares which it is holding, to any natural or legal person and/or Business Organization for the purpose of enabling that natural or legal person and/or Business Organization to purchase or acquire, directly or indirectly, whether from the Joint Stock company or a third party, any share of stock or other security of the Joint Stock Company.

2. This prohibition shall not apply to transactions concluded by banks and other financial institutions in the normal course of business activities, nor to transactions relating to an Employee Shares Scheme, provided that the acquisition would not lead to the net assets becoming less than the charter capital plus non-distributable reserves.

3. A Joint Stock Company shall not accept its own shares as security for any obligation owed to the Joint Stock Company by another person or Business Organization.

CHAPTER VI
BOARD OF DIRECTORS AND OFFICERS

Article 159
Board of Directors

Every Joint Stock Company shall have a board of directors. The business activity of a Joint Stock Company shall be managed by or under the direction of its board of directors as provided in this Chapter.

Article 160
Qualifications of Directors

Every director shall be a natural person. A Joint Stock Company's charter may prescribe other requirements for qualification as a director. A director need not be a resident of Kosovo, unless the Joint Stock Company's charter so prescribes. A director need not be a shareholder of the Joint Stock Company unless the Joint Stock Company's charter so prescribes.

Article 161
Compensation and loans to Directors

1. A Joint Stock Company may pay compensation to directors and reimburse directors for their reasonable expenses in serving the Joint Stock Company as its directors. A decision to provide such compensation or reimbursement and approval of the amount and main conditions thereof may only be made by the shareholders. This shall be done for each renewal or change of the directors' terms.

2. A Joint Stock Company may not extend a loan or credit to a director, excluding minimum amounts related to Business Activities of the Joint Stock Company, unless otherwise stated by applicable law.

3. Wages and reimbursements of Board Directors and other senior officers of the Joint Stock Company shall be disclosed in annual reports of the Joint Stock Company, filed in compliance with applicable legislation on financial reporting.

Article 162
Authority and Competence of the Board of Directors

1. The competence of a board of directors shall include making decisions on all matters except decisions which are reserved for the shareholders by law or by the Joint Stock Company's charter. Subject to such reservations, the following matters are included within the exclusive competence of the board of directors:

1.1. approving overall business strategy plans for the Joint Stock Company, its internal control, audit and risk management procedures;

1.2.convening annual and extraordinary shareholder assembly sessions;

1.3. preparing the initial agenda of a shareholder assembly;

1.4. determining the record date for the list of shareholders entitled to participate in a shareholder assembly;

1.5. issuance of shares within the limits stated in the Joint Stock Company's charter or by shareholder decision for each type and class of shares, when that power is conferred on the board of directors in the Joint Stock Company's charter or by shareholder decision;

1.6. issuance of bonds, options to acquire shares and other securities, when that power is conferred on the board of directors in the Joint Stock Company's charter or by shareholder decision;

1.7. hiring officers/senior managers of the Joint Stock Company, approval of the terms of agreements between such senior managers and the Joint Stock Company,

1.8. determination of the remuneration of and other terms of agreements with the Joint Stock Company's auditor;

1.9. determining the amounts of and the record dates, payment dates and procedures for dividend payments;

1.10. approval of the company's annual report, annual balance sheet and annual profit and loss account which shall then be submitted to the shareholders for approval;

1.11. if the Joint Stock Company reached the thresholds specified in the law in force on financial reporting, the Board of Directors shall engage an external auditor to perform an external audit of the annual financial statement as well as the books and records of the Joint Stock Company, and the audit statement shall be attached to the annual report of the Joint Stock Company; and

1.12. deciding any other matters which are referred to the exclusive competence of the board of directors in the Joint Stock Company's charter.

2. Matters within the exclusive competence of the board of directors may not be transferred to or decided by other persons or other bodies of the Joint Stock Company.

Article 163
Number of Directors

The number of members of a joint stock company's board of directors shall be stated in the Joint Stock Company's charter. For a Joint Stock Company with less than ten (10) shareholders, the board of directors shall have one (1) or more members. For a Joint Stock Company with ten (10) or more shareholders the board of directors shall have not less than three (3) members.

Article 164
Election and Term of Directors

1. Subject to paragraph 2. of this Article, all members of a Joint Stock Company's board of directors shall be elected or re-elected by the shareholders at annual shareholder assembly for a term of three (3) years. Any or all members of the board of directors may be elected by the shareholders at any extraordinary shareholder meeting which has been called for that purpose.

2. The terms of the initial directors named in the initial charter shall expire at the first shareholder assembly at which directors are elected, unless the charter or a duly approved shareholders' decision provides otherwise.

3. Despite the expiration of a director's term, he shall continue to serve until his successor is elected so that the power of the board of directors shall continue uninterrupted.

4. A director may be re-elected an unlimited number of times.

5. No officer, manager or other employee of a Joint Stock Company shall simultaneously serve or be nominated to serve as a director of a Joint Stock Company.

Article 165
Cumulative Voting for Directors

Unless otherwise provided in a Joint Stock Company's charter, in all elections for the directors of a Joint Stock Company, every shareholder shall have the right to vote the number of shares owned by the shareholder for as many persons as there are directors to be elected, or to cumulate such votes and give one candidate as many votes as shall equal the number of directors multiplied by the number of such shares, or to distribute such cumulative votes in any proportion among any number of candidates.

Article 166
Resignation of Directors

A director may resign at any time by giving written notice to the board of directors or its chairman. The resignation is effective when the notice is given, unless the notice specifies a future date. The pending vacancy may be filled before the effective date of resignation, but the successor shall not take office until the effective date of resignation.

Article 167
Removal of Directors

1. One or more directors of a Joint Stock Company may be removed, with or without a stated reason or cause, at a shareholder meeting by a majority of the votes of outstanding shares then entitled to vote at an election of directors, except that:

1.1. no director may be removed at a shareholder meeting unless the notice of the meeting states that a purpose of the meeting was to vote on the removal of such director at the meeting; and

1.2. in the case of a Joint Stock Company having cumulative voting, if less than the entire Board of Directors is to be removed, no director may be removed if the votes cast against his removal would be sufficient to elect him if then cumulatively voted at an election of the entire board of directors.

2. The removal of a director shall not in itself prejudice any right to compensation or damages upon removal which the director may have under a contract with the Joint Stock Company or under the labor law. However, the election or status of a person as a director shall not, in itself, create any such rights.

Article 168
Independence of Directors

1. In a Joint Stock Company which has one hundred (100) or more Shareholders, family members of employees of the Joint Stock Company may not comprise a majority of the board of directors of the Joint Stock Company.

2. In elections of directors of a Joint Stock Company having two hundred fifty (250) or more Shareholders, the Joint Stock Company's board of directors and any body or person nominating candidates for the board of directors to compose the majority of the board of directors must nominate at least three (3) candidates who would be independent directors.

3. For purposes of the present law, a person shall not be considered as an "independent director" if, at any time during the two year period immediately preceding the concerned election:

3.1. such person was an employee of the Joint Stock Company; or

3.2. such person had a family member who was an employee of the Joint Stock Company; or

3.3. such person and/or the family members of such person, either individually or collectively:

3.3.1. provided to or received from the Joint Stock Company payments totalling more than twenty thousand (20,000) Euro, or

3.3.2. owned more than a thirty percent (30%) of Shares or other ownership interest, directly or indirectly, in any Business Organization that provided to or received from the Joint Stock Company payments totalling more than twenty thousand (20,000) Euro, or

3.3.3. acted as a general partner, manager, director or officer of a Business Organization that provided to or received from the Joint Stock Company payments totalling more than twenty thousand (20,000) Euros

3.3.4. owned thirty percent (30%) or more Shares of any class or type in the Joint Stock Company.

Article 169
Filling of Vacancies in the Board of Directors

A vacancy in the board of directors shall be filled by election at the next Shareholder Assembly at which directors are to be elected. The Joint Stock Company's charter may provide that the board of directors may elect someone to fill such vacancy until the Shareholder Assembly.

Article 170
Chairman of the Board of Directors

1. A board of directors shall elect a chairman by a majority vote of the total number of directors, and the board of directors may remove and replace the chairman at any time by the majority vote.

2. The chairman shall preside at all meetings of the board and all Shareholder Assemblies and shall be responsible for maintaining the records of all meetings of the board. If a chairman was not elected or is not present at a meeting of the board or at a shareholder assembly, a director chosen by a majority of the directors who are present shall act as chairman.

3. In a Joint Stock Company, the chairman of the Board of Directors may not be Managing Director at the same time.

Article 171
Meetings and Notice of Meetings

1. The board of directors shall:

1.1. hold a regular meeting, to be known as its annual meeting, immediately following each annual shareholder assembly. Other regular meetings shall be held at such times and places as may be determined by the board at its annual meeting or at another meeting of the board of which all directors shall have been given notice. No notice of regular meetings need be given except as the board may require.

1.2. hold at least two (2) board meetings annually for Joint Stock Companies.

2. Extraordinary meetings of the board of directors may be called at any time by the chairman of the board, or, in the event of his failure to do so, by any director at the written request of any director made to the chairman. The person calling an extraordinary meeting shall give notice of the time and place of the meeting.

3. Attendance of a director at any meeting shall constitute a waiver of any required notice of such meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened, and states this at the beginning of the meeting.

Article 172
Quorum and Voting for Board Actions

1. A majority of the total number of directors specified in a Joint Stock Company's charter or by-laws shall constitute a quorum for decision making, unless a greater number for a quorum is specified in the charter or by-laws.

2. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number of directors is required by the charter or by-laws.

Article 173
Actions of the Board Without a Meeting

1. Unless a Joint Stock Company's charter or by-laws require that action by the board must be taken exclusively at a board of directors meeting, any action which may be taken at a meeting of the board of directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the directors entitled to vote with respect to such matter.

2. Any such consent shall be contained in one or more written approvals, each of which shall set forth the action taken and shall bear the signature of one or more directors. All of such approvals shall be filed in the Joint Stock Company's records of meetings of the board of directors. The consent shall be effective when all of the directors have signed indicating their consent unless the consent specifies a different effective date.

Article 174
Committees of the Board

1. The charter or bylaws may establish, or the directors may adopt a decision establishing, one or more committees to review, study, make recommendations on, or take other non-binding action with respect to matters which are within the competence of the board of directors.

2. These committees may only involve members of the board of directors, but the committee is free to invite employees of the Joint Stock Company and persons outside the Joint Stock Company to participate without voting rights. Unless the charter, bylaws or board decision requires a greater number, a majority of the members of any such committee shall constitute a quorum and a majority of a quorum shall be necessary for any committee recommendation or other action. All decisions and other actions of a committee shall be subject to review, amendment and approval with not less than two thirds (2/3) of the board members.

3. The board of directors of shall establish the audit committee which shall be composed according to paragraph 2. of this Article and shall review accounting and financial practices of the Joint Stock Company, the integrity of financial controls and balance sheets and its compliance with legal requirements, and shall be responsible to recommend the nomination, compensation and supervision of the external auditor of the Joint Stock Company.

Article 175
Guidelines for Corporate Governance and the Report for Shareholders of a Joint Stock Company

1. The charter may provide that the board of directors of a Joint Stock Company shall draft and adopt in writing rules on corporate governance covering matters such as standards for the qualification and independence of the director, responsibilities of directors including participation in meeting, diligence in reviewing materials and rules of publishing and reviewing possible conflicts of interest with the Joint Stock Company, director compensation policy, continued planning both for directors and officials as well as other matters of corporate governance which are deemed as appropriate. Such guides shall be in compliance with guides issued time after time by regulatory authorities.

2. The charter may provide that at each annual shareholders' assembly, the board of directors of a Joint Stock Company shall report to the assembly on the compliance of the Joint Stock Company with its guidelines and shall explain the scale at which they have been modified, if any, or to reason any discrepancy of the Joint Stock Company with the guidelines.

Article 176
Minutes of the Board Meeting

1. Minutes of every meeting of the board of directors and every meeting of any committee shall be taken during such meeting. A formal written record of such minutes shall be formally prepared no later than three (3) days after the meeting. Such record of minutes shall include:

1.1. the place and time of the meeting;

1.2. the persons present and the agenda of the meeting;

1.3. the issues submitted for voting;

1.4. details of any discussions and any reasons given for any negative vote or abstention;

1.5. the results of each vote, including the name of each person who was present and entitled to vote and a clear indication of how such person voted; and

1.6. the decisions adopted at the meeting.

2. The record of minutes shall be signed by the director who presided at the meeting and the person who served as the secretary at such meeting

Article 177
Managing Directors

1. A Joint Stock Company's board of directors shall appoint at least one Managing Director of the Joint Stock Company, who shall report to and be under the direction of the entire board of directors.

2. Managing Directors shall represent and manage the Joint Stock Company and have other powers and authorities assigned to them by the charter. The Board of Directors may delegate to them other powers and authorities relating to the conduct of the business of the Joint Stock Company except for any matter that is specifically reserved to the board or the shareholders by this law or the bylaws or charter.

3. If a Joint Stock Company has only one Managing Director, he shall also have the duty to record the actions and assemblies of the shareholders and the board of directors in a book to be kept for that purpose. The board may at its option give Managing Director the title "chief executive officer," "president," or another similar title.

4. All Managing Directors may represent the Joint Stock Company in all relations with third persons as Authorized Representative. If several Managing Directors are appointed, each of them may represent the Joint Stock Company in performing all transactions unless the Board of Directors has decided that all or some of Managing Directors may represent the Joint Stock Company jointly. Joint representation shall apply with regard to third persons only if it is entered in the Registry and published by the KBRA.

5. Other restrictions on the right of representation of the Managing Directors of the Joint Stock Company than those provided by paragraph 4. of this Article shall be invalid with regard to third persons. A Managing Director has no right to represent the Joint Stock Company in the performance of transactions for which, pursuant to law, the shareholders or the Board of Directors must separately decide on the appointment of representatives.

6. Any Managing Director may be removed by the board of directors from his position at any time in their discretion, with or without specific cause, but such removal shall not prejudice contract or labour rights, if any, of the officer concerned.

7. If a Joint Stock Company is insolvent and the insolvency, due to the Joint Stock Company's economic situation, is not temporary, the Managing Directors shall promptly after the insolvency became evident, notify the Board of Directors.

8. After a Joint Stock Company has become insolvent, the Managing Directors shall no longer make payments on behalf of the Joint Stock Company, except in the case where making

the payments in the situation of insolvency conforms to the due diligence requirements. The Managing Directors shall jointly and severally compensate the Joint Stock Company for any payments made by the Joint Stock Company after the insolvency of the Joint Stock Company became evident which, under the circumstances in question, were not made with due diligence.

Article 178
Remuneration of Managing Directors

1. Salaries and compensation of Managing Directors shall be determined by the Board of Directors and must be stated in annual reports of the Joint Stock Company submitted for financial reporting according to applicable legislation.

2. Upon establishing the procedure for salaries and compensation of the Managing Directors and the amount of fees and other benefits, and entry into contracts with the Managing Directors, the Board of Directors shall ensure that the total amount of the payments made by the Joint Stock Company to Managing Directors are in reasonable proportion to the duties of Managing Directors and the economic situation of the Joint Stock Company.

3. If the economic situation of a Joint Stock Company significantly deteriorates and further payment to Managing Directors of the salaries and compensation established for or agreed upon with the Managing Directors, or further allowing of other benefits to the Managing Directors would be extremely unfair to the Joint Stock Company, the Joint Stock Company may with the decision of Board of Directors decrease of the salaries and compensation.

CHAPTER VII
SHAREHOLDERS AND SHAREHOLDER ASSEMBLIES

Article 179
Annual Shareholder Assembly

1. Every Joint Stock Company shall hold a meeting of shareholders annually, to be known as its annual assembly.

2. The annual assembly of the shareholders shall be held within thirty (30) days after the board receives the Joint Stock Company's audited financial statements for each financial year, but not later than ninety (90) days after the end of the Joint Stock Company's financial year. Provided it is consistent with the foregoing, the charter or the bylaws may specify the exact date and time, or a method for determining the exact date and time, for holding of the annual assembly. The board of directors shall be responsible for ensuring the timely holding of the annual shareholders assembly.

3. The board of directors shall ensure that the shareholders are provided with the audited financial statements of the Joint Stock Company at least thirty (30) days to prior to the annual assembly.

4. A Joint Stock Company's annual shareholder assembly shall be held at the place stated in the Joint Stock Company's charter or by-laws or if not there stated at a place fixed by the board of directors.

5. Failure by the board of directors to call and hold an annual shareholder assembly at the time required by paragraph 2. of the present Article shall not affect otherwise valid Joint Stock Company action. However, such failure shall immediately give the shareholders the right, which may be exercised by one or more shareholders holding at least ten percent (10%) of the shares entitled to vote at the annual assembly, to call and hold the annual shareholders assembly.

Article 180
Extraordinary Shareholder Meeting

1. A Joint Stock Company shall hold an extraordinary assembly of shareholders either:

1.1. on the call of its board of directors or the call of any other person who is authorized by the Joint Stock Company's charter to call an extraordinary assembly; or

1.2. if the holders of at least ten percent (10%) of all the votes entitled to be cast on an issue at the proposed assembly sign, date and deliver to the Joint Stock Company a written demand for the meeting identifying themselves by name and address, stating the number of shares they each hold, stating the purpose or purposes for which the assembly is to be held, and stating the agenda for the assembly.

2. Within fifteen (15) days after the date the request is received by the Joint Stock Company, the board of directors shall adopt a decision to convene or refuse to convene the extraordinary assembly. Within five (5) days after adopting such decision the board of directors shall give notice thereof, including a copy of its decision, to the persons demanding the assembly at the addresses stated in their request. A decision to refuse to convene an extraordinary assembly shall state the reasons for the refusal. A decision to refuse may only be adopted if the procedure stated in sub-paragraph 1.2., paragraph 1. of the present article has not been complied with, or if the shareholders making the request do not hold the number of votes required by that clause, or if none of the issues proposed for the assembly is within the competence of a shareholder assembly.

3. The record date for determining the list of shareholders entitled to demand an extraordinary assembly is the date on which the first shareholder signs the request.

4. An extraordinary assembly shall be held at the place stated in the Joint Stock Company's charter or if not so stated, shall be fixed by the board of directors of the Joint Stock Company.

5. Only business that is within the purpose or purposes stated in the assembly notice required by paragraph 1. of this Article may be conducted at an extraordinary assembly.

Article 181
Court-Ordered of Shareholder Assembly

1. If an annual assembly is not held within the earlier of six (6) months following the end of the Joint Stock Company's financial year or fourteen (14) months following the Joint Stock Company's last annual assembly or within twelve (12) months following the Joint Stock Company's initial registration, if there has been no earlier annual assembly, the Court may order the meeting to be held on the application of any director or any shareholder who is entitled to participate in and vote at an annual assembly.

2. If an extraordinary assembly is not held within the earlier of thirty (30) days after delivery of

the request for the assembly under Article 180 of this Law or the date fixed for the assembly in a notice to shareholders given under paragraph 3. of this Article, the court may order the assembly to be held on application of any shareholder who signed the request.

3. The court may issue other and related orders necessary to accomplish the purposes of the assembly, including orders directly convening and appointing persons to preside at the assembly if the board refuses to do so, or orders fixing the time and place of the assembly, specifying the record date for determining the shareholders entitled to vote, or prescribe the form and content of the assembly notice.

Article 182
Competence of Shareholder Assembly

1. The following matters are within the exclusive competence of the shareholders and may be decided only by the shareholders:

1.1. amendment of the Joint Stock Company's charter or by-laws;

1.2. election or removal of directors;

1.3. authorization of a merger or a major transaction under Part Eight of this law;

1.4. voluntary dissolution of the Joint Stock Company or initiation of bankruptcy procedure pursuant to Article 226 of this Law;

1.5. appointment and dismissal of the Joint Stock Company's independent auditors;

1.6. approval of the Joint Stock Company's annual financial statements, which shall be prepared in compliance with international financial reporting standards (IFRS), and shall be published annually in media outlets; and

1.7. other matters reserved for the shareholders as provided for in the present law or the Joint Stock Company's charter, and matters submitted by the Joint Stock Company's board of directors to a shareholders' assembly for decision.

2. Matters within the exclusive competence of the shareholders as specified above may not be decided by the board of directors or the officers/managers or any other organ of the Joint Stock Company. Any contrary provision in the charter or the bylaws, and any decision taken pursuant to such a contrary provision, shall be, as a matter of law without legal effect.

Article 183
Notice of Shareholders Assembly

1. Subject to Article 185 of this law, written notice of a shareholders' annual assembly shall be given not less than thirty (30) nor more than sixty (60) days before the date of the annual assembly, and written notice of a shareholder's extraordinary assembly shall be given not less than twenty one (21) nor more than thirty (30) days before the date of the extraordinary assembly. The notice shall be given by or at the direction of the chairman of the board or another member of the board of directors who calls the assembly, and shall be given to each shareholder of record entitled to vote at the assembly.

2. The notice of an annual assembly shall state the date, time and place of the meeting, the Joint Stock Company's proposed agenda and list of issues to be voted on at the assembly, including sufficient information on the Joint Stock Company's proposed candidates for election to the board of directors at the assembly, and any other matters which are required to be included in the notice by the Joint Stock Company's charter. The notice shall also include the Joint Stock Company's annual report, annual balance sheet and annual profit and loss statement and any reports of the auditors or, if not included, a statement of when and how they will be sent to or made available to shareholders prior to the annual assembly. The board of directors shall be obligated to ensure that all such documents are sent to, or easily accessible by, all shareholders at least thirty (30) days prior to the assembly.

3. The notice of an extraordinary assembly shall state the date, time and place of the assembly, a description of the purposes of the assembly, and the agenda which was proposed by the person(s) who caused the assembly to be called

4. In addition to sending such notices to the shareholders as required above, a Joint Stock Company with one hundred (100) or more shareholders shall also publish a similar notice at least twenty one (21) days prior to the date originally set for the assembly in a newspaper of general circulation in Kosovo, in the official languages of Kosovo. Such published notice shall specify the time and the place of the assembly and the agenda. This publication shall be no smaller than one eighth (1/8) of a printed page.

5. If the requirements of law or the Charter of the Joint Stock Company are materially violated in calling a Shareholder Assembly, the Shareholder Assembly shall not have the right to adopt decisions except if all shareholders participate in or are represented at the meeting. Decisions adopted at such meeting are void unless the shareholders with respect to whom the procedure for calling the meeting was violated approve of the decisions.

Article 184
Assembly or Attendance by Electronic or Phone Communication

1. A Joint Stock Company's charter may provide that the shareholders may take part in a shareholder assembly in an electronic or phone communication, or any other remote communication modes, or that the whole shareholder assembly is held in a remote attendance manner.

2. In any such case, a Joint Stock Company shall ensure:

2.1. each person who is considered to be present in the meeting via remote communication is actually a shareholder or possesses a valid authorization;

2.2. any such person is able to participate in the meeting and vote on all affairs presented before shareholders, including another opportunity to read or listen simultaneously to all sessions of the meeting with such procedures; and

2.3. any statement of vote of any such person is registered in the meeting minutes.

3. The Ministry may issue a sub-legal act to regulate in more detail such assemblies.

Article 185
Waiver of Notice

1. Whenever any notice is required to be given under the present law or a Joint Stock Company's charter, any person entitled to receive such notice may waive his/her right to such notice by signing a written waiver of notice.

2. A shareholder's attendance at an assembly shall constitute a waiver of any right that such shareholder may have to make or file any complaint or raise any objection with respect to a lack of notice or defective notice of the assembly. Provided, however, that the shareholder's right to so complain or object shall not be so waived if, at the beginning of the assembly, the shareholder objects to the assembly because proper notice of the assembly was not given.

3. A shareholder's attendance at an assembly shall constitute a waiver of any right that such shareholder may have to make or file any complaint or raise any objection with respect to the consideration of a particular matter at the assembly on the basis that the notice of the meeting did not indicate that such matter would be discussed. Provided, however, that the shareholder's right to so complain or object shall not be so waived if - at the time the matter is under discussion at the assembly - the shareholder objects to the discussions about the matter because the matter was not the subject of a proper notice.

Article 186
Agenda for an Assembly

1. A shareholder or shareholders holding at least five percent (5%) of all the votes of a Joint Stock Company at an annual assembly shall have the right to place issues on the agenda of that assembly and also the right to propose candidates for election at that assembly to the Joint Stock Company's board of directors, the number of which may not exceed the total number of members of the board. Any such proposals shall be made in writing, shall include the name(s) and number of votes of each Shareholder, and shall be delivered to the Joint Stock Company, addressed to its board of directors, at the Joint Stock Company's registered address, not later than fourteen (14) days before the date of the assembly. No shareholder may be counted in more than one group of shareholders holding at least five percent (5%) per cent of votes for purposes of this item.

2. If the board of directors receives such a proposal more than three (3) days before the date that the notice of the assembly is to be sent to the shareholders, the board of directors shall include such a proposal in that notice. If the board of directors receives such a proposal after that time, but still fourteen (14) or more days before the assembly, the board of directors shall promptly mail that proposal to all shareholders to whom the notice of the assembly was sent.

3. A Joint Stock Company may appoint one or more persons to count the votes in an impartial manner and deliver a written report on such votes, which shall be kept in the assembly minutes. Such a person may not be an officer or employee of the Joint Stock Company. Such persons shall:

3.1. record the number of shares/shareholders present, in person or by proxy, entitled to cast a vote in the assembly;

3.2. determine the validity of proxy;

3.3. count all votes cast; and

3.4. determine and disclose the result.

4. In an annual assembly, only matters within the scope of the notice and agenda sent prior to the assembly, or within the scope of a proposal accepted by the board fourteen (14) days before the assembly, may be voted. However, such limitation shall not prejudice discussions of other matters.

5. In an extraordinary assembly, only matters included in the notice and agenda sent prior to the meeting may be voted upon. Such limitation shall not prejudice discussions of other matters.

Article 187
Record Date for an Assembly

1. A Joint Stock Company's charter may fix or state the manner for fixing the record date for determining the list of the shareholders who are entitled to receive notice of an assembly, to demand an extraordinary assembly, to vote, or to take any other action.

2. If the Joint Stock Company's charter does not fix or provide for fixing a record date, the board of directors may fix a future date as the record date. If no record date is fixed by the charter or the board of directors for an annual assembly, the record date shall be the date on which notice of the assembly is first mailed or otherwise given under Article 183 of this Law. If no record date is fixed by the charter or the board of directors for an extraordinary assembly, the record date shall be date on which the first demand for the assembly is signed and dated by a shareholder under Article 180 of this Law.

3. A record date may not in any event be more than thirty (30) nor less than three (3) days before the assembly or action requiring a determination of shareholders.

Article 188
Conduct of an Assembly

1. A chairman of the assembly shall be elected and preside at each assembly. The chairman shall be appointed:

1.1. as provided in the Joint Stock Company's charter; or

1.2. if the charter does not provide for the manner of such appointment, as specified in a decision of the board of directors. The chairman shall determine the order of business and may establish rules and regulations for the conduct of the assembly, provided that such rules shall not unduly discriminate against or impair the participatory rights of any shareholders.

2. Unless set out otherwise in the charter, voting shall be by any reasonable, customary and convenient method as the chairman determines.

Article 189
Availability of Shareholder List for an Assembly

Not later than three (3) days before any assembly, a Joint Stock Company shall make available for inspection and copying by any shareholder at the shareholder's expense a list of all shareholders who are entitled to vote at the assembly and all shareholders to whom notice of the assembly was sent. Such list shall be available at the Joint Stock Company's registered address and shall also be kept available for inspection by any shareholder at and during the assembly.

Article 190
Voting in Person or by Proxy

1. A shareholder may vote his shares either in person or by proxy as provided for in paragraph 3. of this Article.

2. Except where paragraph 2. of Article 192 of this Law applies, shares held by a Business Organization or legal person may be voted by an authorized representative of such Business Organization or legal person or the duly designated proxy of such authorized representative.

3. A shareholder may appoint a proxy to vote his shares by providing such proxy with a written designation of proxy signed by the shareholder or, if the shareholder is a Business Organization or legal person, an authorized representative of such Business Organization or legal person. Such written designation of proxy must clearly state that the proxy shall have the power to vote the shareholder's shares.

4. Signed copies of the written designation of proxy must be delivered to the proxy and to the Joint Stock Company Secretary or other relevant officer of the Joint Stock Company prior or at the beginning of the assembly. Such a designation of proxy may contain restrictions on the proxy's authority to vote the shares, including but not limited to directions on how the shares must be voted at a particular assembly. If the designation of proxy does not contain such restrictions or directions, the proxy may vote the shares as he wishes.

5. A member of the Board of Directors, or an officer or senior manager of the concerned Joint Stock Company may not act as a proxy for a shareholder who is simultaneously an employee of that Joint Stock Company.

6. A designation of proxy shall expire on the earlier of:

6.1. the expiration date specified therein, if any; or

6.2. the date that is six (6) months from the date the designation of proxy is issued; or

6.3. if applicable, the moment the person who provided the designation of proxy revokes such designation of proxy in any manner provided for by paragraph 7. of this Article.

7. A person who has provided another person with a designation of proxy may revoke that designation at any time by either by:

7.1. delivering a revocation in writing to the to the Joint Stock Company secretary or

other relevant officer of the Joint Stock Company prior to the beginning of the assembly; or

7.2. by attending the concerned assembly and voting the concerned shares in person.

8. A revocation of a designation of proxy shall not render invalid any vote that was cast by the proxy prior to such revocation, if such vote was valid when cast.

Article 191
Quorum and Vote Required for Decision at an Assembly

1. Unless otherwise provided in a Joint Stock Company's charter, a majority of votes of the shares entitled to vote on a matter, represented in person or by proxy, shall constitute a quorum for action of the assembly on that matter.

2. If a quorum is present, the affirmative vote of the majority of the shares represented at the assembly shall be the act and decision of the assembly, unless a greater number of votes are required by the present law or the Joint Stock Company's charter.

3. A Joint Stock Company's charter may provide for a greater quorum or voting requirement than is provided for in above in this article.

4. A proposed amendment to the charter that seeks to add, modify or delete a quorum or voting requirement must be adopted by the shareholders in accordance with the greater/more restrictive of the following:

4.1. the quorum and voting requirements found in the existing charter; or

4.2. the quorum and voting requirements that will enter into force after the approval, registration and publication of the amendment.

5. If a Joint Stock Company's charter or this law provides for voting by a single type or class of stock on a matter, action on that matter shall be taken when voted upon by that voting group. The rules in paragraph 1. and 3. of this Article shall apply in relation to the votes by that class or type, except that the vote by the class or type shall be regarded as a separate assembly even if held in the same assembly or forum as the full shareholders' assembly.

6. A shareholder assembly may not undertake business on any item of business unless the required applicable quorum is present in person or by proxy. To be registered as present, each shareholder or his authorized proxy must demonstrate, and the Joint Stock Company must verify, that the shareholder was properly entered in the list of shareholders on the record date.

7. A shareholder assembly shall be adjourned if the required quorum is not present within a reasonable period after its scheduled time.

8. If a shareholder meeting is adjourned because a quorum was not present, the Joint Stock Company shall, within two (2) weeks after the date of such adjourned assembly, call and give notice of a new assembly of shareholders. For such new assembly, the quorum will be thirty three percent (33%) of the votes of shares entitled to be cast and the decision shall be by a simple majority unless the present law or the Joint Stock Company's charter provides otherwise.

Article 192
Voting Rights of a Share

1. Except as provided in the charter or the present law, each outstanding share of common stock or preferred stock of any class shall be entitled to one vote on each matter voted on at an assembly.

2. Shares may not be voted at an assembly if the shares are owned, directly or indirectly, by the Joint Stock Company or any legal person and/or Business Organization in which the Joint Stock Company has, directly or indirectly, a share or an ownership interest, entitling the Joint Stock Company to control voting from the shares of such Business Organization.

Article 193
Voting Rights of Certain Types of Holders

1. A shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote such shares. If however the pledge agreement grants the voting rights to the pledgee and evidence of this is presented at the concerned shareholders assembly, the pledgee shall be entitled to vote the shares.

2. Shares held in the name of a deceased person, a minor or another person who is under a legal disability may be voted by such person's legal representative established by law, either in person or by the legal representative's duly designated proxy, without a transfer of such shares into the name of such representative.

3. Shares held in the name of a receiver, Authorized Representative in a Bankruptcy Procedure or similar person may be voted by such person, or his duly designated proxy, without a transfer of such shares into the name of such person, if the authority to do so is contained in specified in a court order.

Article 194
Record of an Assembly

1. A record of each shareholders' assembly shall be prepared promptly after the assembly and shall be signed by the chairman and any secretary of the assembly, who will be responsible for its accuracy. The record shall include:

1.1. the date, time and place of the Assembly;

1.2. the agenda;

1.3. the quorum;

1.4. the ballot or other procedures used for voting;

1.5. the number of votes possessed by shareholders and proxies of shareholders at the assembly;

1.6. the name of the chairman and any secretary of the assembly;

1.7. the issues voted on and the results of the votes;

1.8. a summary of speeches and discussions, including any speeches regarding any negative votes or abstentions; and

1.9. a list of the decisions made at the assembly.

Article 195

Nullity and contestation of decisions of the shareholders' assembly

1. A decision of the Shareholders is void if it violates a provision of law established for the protection of the creditors of the Joint Stock Company or due to other public interest, or if it is contrary to good morals, or if the procedure for calling the Shareholder Assembly which made the decision or making the decision was materially violated. A decision is also void in other cases provided by law. The nullity of a decision may be relied on in court proceedings by filing a suit or an objection.

2. The nullity of a decision cannot be relied upon if an entry has been made in the Registry based on the decision and two (2) years have passed from the date making the entry.

3. Based on a suit filed against a Joint Stock Company, a court may revoke a decision of shareholders which is in conflict with the law or the Charter of Joint Stock Company. The limitation period for the claim is three (3) months after the date of adopting the decision of the shareholders.

4. Revocation of a decision cannot be demanded if the shareholders have approved the decision by a new decision and the suit specified in paragraph 3. of this Article has not been filed against the new decision within the term specified in paragraph 3. of this Article.

5. Revocation of a decision of shareholders may be demanded by the Board of Directors or a Managing Director, and by a shareholder who did not participate in passing the decision, if, by performing the decision, an offence or misdemeanour would be committed or if performance of the decision would clearly result in an obligation to compensate for damage. A shareholder who participated in the adoption of a decision may demand the revocation of the decision only if the shareholder's objection to the decision has been entered in the minutes.

6. If a suit is filed, the court shall not hear the matter before the expiry of term specified in paragraph 3. of this Article. Different suits filed in order to revoke the same decision shall be joined and heard in one proceeding.

7. A court judgment for revocation of a decision of the shareholders applies to all shareholders and members of the Managing Directors and Board of Directors regardless of whether or not they participated in the court proceeding.

8. In an entry has been made in the Registry based on a revoked decision, the court shall send a copy of the judgment to the KBRA for amendment of the entry.

CHAPTER VIII
AMENDMENTS TO A CHARTER

Article 196
Amendments to the Charter

A Joint Stock Company may amend its charter at any time as provided in Articles 197–200 of this Law.

Article 197
Amendment of the Charter by the Board of Directors

1. A Joint Stock Company's charter may be amended by decision of the board of directors, without shareholder action, if the sole purpose and effect of such amendment is to:

1.1. create and register a restated consolidated charter that exclusively incorporates amendments that were previously duly adopted by the shareholders; and/or

1.2. to make technical, non-material corrections to the charter.

2. Except as specifically permitted by paragraph 1. of the present Article, the board shall have no authority to make any amendment to the charter that has not been duly adopted by the shareholders at a duly called shareholders assembly.

Article 198
Amendment of the Charter by the Board and the Shareholders

1. A Joint Stock Company's charter may be amended by the board of directors and the shareholders as follows:

1.1. the board of directors, or the shareholders acting under Article 181 of this Law, shall adopt a written decision that sets forth the proposed amendment and directs that it be submitted to a shareholders assembly, which may be either an annual or extraordinary assembly;

1.2. the text of the proposed amendment shall be included in the notice of the assembly given to shareholders entitled to attend the assembly; and

1.3. at the assembly, the proposed amendment shall be adopted by the full shareholders' assembly only after receiving the affirmative vote of at least two-thirds of the votes of the shares entitled to vote on the amendment; provided, however, that if the Joint Stock Company's charter requires a majority that is greater than two-thirds (2/3) for the approval of a charter amendment, the majority determined by the charter shall be needed.

Article 199
Group Voting

1. The holders of any type or class of shares shall be entitled to vote as a group on a proposed

change in the charter if the charter so provides or if the change would:

1.1. increase or decrease the number of authorized shares of such group;

1.2. change any of the rights or preferences of the shares of such group;

1.3. create a right of the holders of any other shares to exchange or convert their shares into shares of the type or class held by such group;

1.4. change the shares held by such group into a different number of shares or into shares of another type or class;

1.5. create a new type or class of shares having rights or preferences superior or substantially equal to those of such group, or increase the rights and preferences of any type or class of stock having rights and references substantially equal to or superior to those of such group, or increase the rights and preferences of any type or class of stock having rights and preferences subordinate to those of such group if such increase would then make them substantially equal or superior to those of such group;

1.6. limit or deny the existing pre-emptive rights of the shares of such group;

1.7. limit or deny the voting rights of such group; or

1.8. otherwise change the rights or preferences of the shares held by such group so as to affect them adversely.

Article 200
Registration and Entry into Force of an Amendment

Upon adoption of an amendment to a Joint Stock Company's charter, the Joint Stock Company shall submit such amendments and the entire charter incorporating the amendments at the KBRA pursuant to Part Two of the present Law. The amendment shall become effective after its publication by the KBRA as provided in Part Two of the present Law.

CHAPTER IX
EMPLOYEE SHARE OWNERSHIP PROGRAMS

Article 201
Employee Share Ownership Programs

1. An Employee Share Ownership Program is a program adopted by the shareholders to encourage employees to acquire shares of the Joint Stock Company. An ESOP may also grant options to participants with respect to shares to be issued in the future by the Joint Stock Company.

2. Notwithstanding paragraph 4. of Article 145 of this Law, the ESOP may allow participants to subscribe for shares at a discounted rate or in consideration for their work or engagement.

3. Only natural persons are eligible to participate in an ESOP. An ESOP shall impose reasonable eligibility requirements that a natural person must meet to participate. Such eligibility requirements shall, inter alia, require that a person have an ongoing fulltime employment relationship with the concerned Joint Stock Company.

4. Because of the restricted eligibility requirements of an ESOP, shares acquired under the ESOP are exempted from certain provisions of this law as provided expressly in the relevant provisions.

5. An ESOP shall only become effective if:

5.1. the ESOP has been adopted by the shareholders at a duly called shareholders assembly; and

5.2. a document describing all material details of the ESOP has been provided to the shareholders at least thirty (30) days in advance of the concerned shareholders assembly.

CHAPTER X
MAJOR TRANSACTIONS

Article 202
Definition of Major Transactions

For purposes of Article 203 of this Law, a “major transaction” means a transaction or related series of transactions which includes the purchase or other acquisition, the sale or other transfer, or the pledge or mortgage, of a Joint Stock Company’s property, property rights, or other rights which have monetary value, the value of which, on the date of the Joint Stock Company’s decision to complete the transaction, comprises twenty percent (20%) or more of the book value of the Joint Stock Company’s assets based on the Joint Stock Company’s most recently compiled balance sheet.

Article 203
Procedure for Major Transactions

1. A Joint Stock Company may undertake and complete a major transaction as follows:

1.1. the board of directors of the Joint Stock Company shall adopt a decision approving the transaction and directing that the transaction be submitted for authorization to a shareholders assembly, which may be either an annual or extraordinary shareholders assembly;

1.2. written notice of the transaction, stating that a purpose of the assembly is to consider the transaction and including a summary of the transaction plan and the recommendation of the board of directors on the transaction, and including a statement of the shareholders’ right to dissent and appraisal as required by Article 204 of this Law, shall be given by each Joint Stock Company to all shareholders entitled to attend the shareholders assembly;

1.3. the Board of Directors of a Joint Stock Company shall be obliged to obtain a written opinion on the transaction by a professional and independent financial consultant. Such opinion shall present opinions of the financial consultant on conditions of transaction and shall also provide an opinion of the financial consultant in relation to the regularity of transaction. Such opinion shall be sent to all shareholders by notice to the assembly;

1.4. at the shareholder's assembly, the transaction shall be approved and adopted upon receiving the affirmative vote of at least two thirds (2/3) of the votes of the shares entitled to vote on the transaction at such assembly. If any type or class of shares is entitled to vote on the change as a group, the proposed change shall be adopted upon receiving the affirmative votes of at least two-thirds (2/3) of the votes of the shares of each group entitled to vote as a group on the change and of the total number of votes of the shares entitled to vote on the change. Separate voting by a voting group in any joint stock company shall be required if it is required by the Joint Stock Company's charter;

1.5. the charter of any Joint Stock Company may supersede such two-thirds (2/3) vote requirement as to that Joint Stock Company, by specifying any larger vote requirement not less than two-thirds (2/3) of the votes of the shares entitled to vote on the issue and not less than two-thirds (2/3) of the votes of the shares of each group entitled to vote as a group on the change.

CHAPTER XI
SHAREHOLDERS RIGHT TO DISSENT AND DETERMINATION OF VALUE

Article 204
Shareholder's Right to Dissent and Receive Payment

1. A shareholder may demand payment from the Joint Stock Company of the full value of his shares if he voted at a shareholders assembly against, or abstained from voting at a shareholders assembly on, either:

1.1. a change in the Joint Stock Company's charter that adversely affects his rights in a manner stated in Article 200 of this Law and on which he was entitled to vote, or completion of a merger as provided in Part Eight on which he was entitled to vote; or

1.2. closure of a merger as provided in Part Eight or of a demerger as described in Part Eight which adversely affects his rights in a similar manner to:

1.2.1. or which results in such that it is reasonable for him to withdraw from the joint stock company; or

1.2.2. if as part of a demerger, shares in the recipient Joint Stock Companies are allocated to shareholders of the dividing Joint Stock Companies otherwise than in proportion to such shareholders previous rights in the capital of the dividing Joint Stock Company.

2. A shareholder who is entitled to dissent and obtain payment under this article may not challenge the above named Joint Stock Company action in court unless the action is fraudulent or in violation of the law. Except in those cases, his/her exclusive remedy is that stated in this article. For the purposes of this article, full value shall be calculated as of the date of the

assembly decision and without taking account of any increase or decrease in value based on anticipation of the action. He/she shall be entitled to be notified of the relevant value before making a final decision on his withdrawal and on being so notified may change his mind and decide to irrevocably accept the action and remain in the Joint Stock Company.

3. If action creating rights under this article is submitted to a vote at an assembly, the notice of the assembly must state that shareholders are or may be entitled to such rights and the notice must include a copy of this Article.

4. If action creating rights under this Article is submitted to a vote at a shareholders assembly, a shareholder who wishes to assert such rights must deliver to the Joint Stock Company, before the vote is taken, written notice of his/her intent, subject to valuation, to demand payment for his shares if the proposed action is taken. A shareholder who does not satisfy this requirement, or who votes in favor of the proposed action, is not entitled to payment under this Article.

5. If action creating rights under this article is authorized at a shareholders assembly, a shareholder who intends to demand payment under this article shall deliver to the Joint Stock Company, within thirty (30) days after the assembly vote, a written demand for payment for the shares belonging to him with a statement of his name, residence address, and the number and type of shares for which payment is demanded. If the shares are represented by certificates, the shareholder shall deliver the certificates to the Joint Stock Company together with such demand for payment. If the shares are uncertified, the Joint Stock Company shall have the right to restrict their transfer until payment is made. Otherwise the transfer shall take effect on the date of registration in the shareholder list. A shareholder who does not satisfy the requirements of paragraph 5. of this Article is not entitled to payment under this article.

6. Within thirty (30) days after its receipt of such demand, the Joint Stock Company shall pay each dissenter who complied with this article the amount that the Joint Stock Company believes to be the full value of his shares. The payment must be accompanied by the Joint Stock Company's latest annual and any later interim balance sheet and income statement.

7. If a dissenter believes that the amount paid is less that the full value of his shares as determined under this Article, or if the Joint Stock Company fails to make any payment, he shall have the right, during the period ending thirty (30) days after such payment is made, to request appraisal of their value by filing a petition in the court within such thirty (30) day period. The court shall have jurisdiction and authority to determine whether such full value is in accordance with the standards in this Article and order the Joint Stock Company to pay it. The court shall also have jurisdiction and authority to engage appraisers and other experts for this purpose, to determine whether the Joint Stock Company or any dissenters shall pay legal fees and costs.

Article 205
Determination of Value

1. For purposes of the Article 204 of this Law, the full value of property or rights, including a Joint Stock Company's shares or other securities means the price at which a seller having full information about the value of the property or rights, and not obliged to sell them, would agree to sell them for, and the price that a buyer having full information about the value of the property or rights, and not obliged to acquire them, would agree to pay in such acquisition.

2. The determination of such full value shall be made by the Joint Stock Company's board of directors except when, in accordance with the Joint Stock Company's charter or the present law, the determination is made by a court, independent appraiser, auditor or other person or

entity. The members of the board who make the determination must engage an independent evaluator or appraiser or auditor.

3. In making a determination of the full value of shares or other securities of the Joint Stock Company, the purchase price or the offer and price required are published regularly in a stock exchange or any place else, the purchase price or offer shall be taken into account. In making a determination of the market value of a Joint Stock Company's shares of common stock, the price which a buyer having full information about the total value of all of the Joint Stock Company's shares of common stock would agree to pay for all of the Joint Stock Company's shares of common stock, and any other factors which the person or persons making the determination consider(s) important, may be taken into account.

CHAPTER XII
CONTROL OF A JOINT STOCK COMPANY'S STOCK

Article 206
Acquisition of a Control Block

1. As used in this Article, "affiliated persons" of a person means:

1.1. other persons in which the person owns more than fifty percent (50%) of the voting power or otherwise exercises a controlling influence over them;

1.2. family members of the person; or

1.3. persons who act in concert with the person to acquire stock or exercise influence over a Joint Stock Company under an arrangement or understanding with each other and the person.

2. A person who intends, alone or together with his affiliated persons to acquire, taking into account the number of shares belonging to him and his affiliated persons, more than fifty percent (50%) of the common shares (hereinafter: a control block of shares) of a Joint Stock Company with more than hundred (100) holders of common shares, must, no later than thirty (30) days prior to the date of acquiring one third (1/3) of shares, send a written notice to the Joint Stock Company about his intent to acquire a control block of such shares.

3. A Joint Stock Company, a control block of shares of which is being acquired, does not have the right to take actions that impede this acquisition of the control block, except when such actions are taken by decision of a shareholders assembly, adopted by majority vote of the holders of common shares taking part in the meeting, excluding votes on shares held by shareholders who intend to acquire the control block of shares, and excluding votes on shares held by affiliated persons of the persons who intend to acquire the control of block of shares.

Article 207
Offer to Shareholders to Acquire a Joint Stock Company's Shares

1. A person who alone or together with his affiliated persons has acquired a control block of shares of a Joint Stock Company with more than one hundred (100) holders of common shares, must, within thirty (30) days from the date of acquisition of such shares, make an offer to all of

the Joint Stock Company's shareholders to acquire the Joint Stock Company's common shares belonging to them at a price not less than the maximum price at which he acquired the Joint Stock Company's shares during the last six (6) months preceding the date of acquisition of a control block of shares, except for the case when a shareholders assembly adopts a decision to waive the right of shareholders to sell the shares belonging to them in accordance with paragraph 4. of Article 204 of this law.

2. Written notice of the offer to acquire shares shall be sent to all holders of the Joint Stock Company's common shares. The notice shall contain information about the person who has acquired the control block of a Joint Stock Company's shares and his affiliated persons, including their names, residence and business addresses, the number of shares belonging to them, the price offered for the shares, the price paid by them for the shares which they hold, and the period during which the offered shareholders can accept the offer to acquire shares.

3. A shareholder may accept the offer to acquire shares within the period specified in the offer, which may not be less than thirty (30) days from the date of sending the offer to shareholders.

4. A decision to waive the shareholders' right to sell shares belonging to them to a person who has acquired or intends to acquire a control block of shares may be adopted by a shareholders assembly by a majority of votes of the holders of common shares participating in the assembly, excluding votes of shares belonging to the person who has acquired or intends to acquire a control block of shares and excluding votes of shares held by his affiliated persons.

5. Acquisition of a control block of shares and sending to holders of common shares the offer to acquire the common shares belonging to them shall be completed within one hundred and twenty (120) days from the date of sending the notice on acquisition of a control block of a Joint Stock Company's shares.

Article 208

Disclosure of Potential Acquisition of Control Block

A person who alone or together with his affiliated persons acquires or owns more than fifteen percent (15%) of the common shares of a Joint Stock Company with more than one hundred (100) holders of common shares, shall, no later than within fifteen (15) days from the date that such person acquires the indicated number of shares, send written notice to the Joint Stock Company, stating his name, the names of his affiliated persons, the number of shares of the Joint Stock Company belonging to each of them, and his intentions with respect to acquisition of a control block of shares.

Article 209

Consequences of Noncompliance

A person, who alone or together with his affiliated persons has acquired a control block of shares without complying with the requirements of Article 206 of this Law, shall, together with his affiliated persons, not have the right to vote on any of the Joint Stock Company's common shares belonging to him or them unless a shareholder meeting adopts a decision to deliver to him and his affiliated persons the right to vote on the common shares belonging to them.

CHAPTER XIII
VOLUNTARY DISSOLUTION OF A JOINT STOCK COMPANY AND DECISION TO INITIATE BANKRUPTCY PROCEDURE

Article 210
Causes of Voluntary Dissolution or Initiation of Bankruptcy Procedure

1. A Joint Stock Company shall be dissolved, and its business shall then be wound up, in case of:

1.1. expiry of term if specified by Charter or any other circumstance as specified by Charter of the Joint Stock Company that may cause dissolution of termination of existence;

1.2. decision of the shareholder assembly of the Joint Stock Company to voluntarily dissolve the Joint Stock Company;

2. The Shareholder Assembly shall approve the initiation of the procedure in accordance with the law on bankruptcy or any other applicable law.

3. If the dissolution of the Joint Stock Company is made according to sub-paragraph 1.1 or 1.2. of paragraph 1. of this Article, the activities of the Joint Stock Company shall be wound up and assets distributed according to this Article and Article 211 of this Law.

4. The board of directors of the Joint Stock Company or the shareholders assembly shall propose voluntary dissolution or initiation of bankruptcy procedure, and such proposal shall be presented for adoption in the shareholder's assembly in an annual or extraordinary session convened for this issue. The proposal for voluntary dissolution shall contain a plan with procedures to be followed, schedules and time periods for undertaking the activities related to the voluntary dissolution, and procedures for distribution to shareholders of the Joint Stock Company's property remaining after creditors' claims are satisfied.

5. A written notice of the proposal shall be given to all shareholders entitled to attend and vote in the assembly.

6. The proposal shall be approved upon receiving the affirmative vote of at least two-thirds (2/3) of the votes of the shares entitled to vote on the voluntary dissolution or initiation of bankruptcy procedures. The proposal shall be approved upon receiving the affirmative votes of at least two-thirds (2/3) of the votes of the shares entitled to vote on the proposal and two thirds of (2/3) the votes of the shares of each group entitled to vote as a group on the voluntary dissolution or initiation of bankruptcy procedure.

7. The charter of a Joint Stock Company may supersede the two-thirds (2/3) vote requirement of paragraph 6. of this Article as to that company by specifying any larger vote requirement not less than two-thirds (2/3) of the votes of the shares entitled to vote on the issue and not less than two-thirds (2/3) of the votes of the shares of each voting group entitled to group voting on the issue.

Article 211

Continuation of Business Activities upon Initiation of Voluntary Dissolution

1. Upon appearance of circumstances or decision on voluntary dissolution according to sub-paragraphs 1.1. or 1.2. of paragraph 1. of the Article 210 of the of this Law, a Joint Stock Company shall continue its existence as before, but it may not conduct any Business Activity except as appropriate for voluntary dissolution and winding up of activity, which may include:

1.1. collecting money or assets owed by parties to the Joint Stock Company;

1.2. paying or arranging for satisfaction of creditor claims;

1.3. selling, upon compliance with sub-paragraph 1.2. of this Article, non-monetary assets of the Joint Stock Company; and

1.4. distributing assets remaining upon sale and satisfaction of creditor claims. Such activities shall be conducted by managing directors of the Joint Stock Company, unless the company appoints a qualified professional, natural or legal person, to exercise such authority. Such activities shall be paid from monetary assets of the Joint Stock Company, and such expense shall be treated as administrative costs as determination in the applicable law on bankruptcy.

Article 212

Notice of Voluntary Dissolution

1. At the latest within five (5) days after the event causing voluntary dissolution or decision thereon, the Joint Stock Company shall file a “Notice of Voluntary Dissolution” with the KBRA pursuant to this Article. The Joint Stock Company shall not sell or distribute any of its assets for at least thirty (30) days from the filing of such notice with the KBRA. Early sales or distributions may be found null and void by the court upon a claim of an unsatisfied creditor.

2. The Notice of Voluntary Dissolution shall provide, in any of the official languages:

2.1. that the Joint Stock Company has decided to wind up its activities and to distribute its assets;

2.2. the date of the event causing voluntary dissolution or decision thereon;

2.3. address for filing creditor claims;

2.4. date or dates in which the Joint Stock Company plans to arrange for the sale and distribution of assets as provided by the present law, dates which may be scheduled for not less than thirty (30) days, but not more than ninety (90) days from the time of filing the Notice of Voluntary Dissolution with the KBRA; and

2.5. time and place in which the Joint Stock Company’s assets are to be sold or distributed.

3. Within three (3) working days upon filing with the KBRA of the Notice on Voluntary Dissolution,

the Joint Stock Company shall send written notice to all of the Joint Stock Company's known shareholders and creditors, and the Joint Stock Company shall allow secured parties to remove property in which they have a security interest. If the Joint Stock Company owns property in which secured parties have a security interest, the Joint Stock Company shall surrender the property to the secured party. The secured party shall sell or otherwise dispose of the property in accordance with the applicable Law. If the sale or disposition produces any surplus over the secured debt, the secured party shall remit the surplus to the Joint Stock Company. "Surplus proceeds" means proceeds that exceed:

3.1. the amount needed to pay the secured debt; and

3.2. any additional amount that the creditor is permitted by law to retain as a penalty and/or reimbursement for costs incurred in taking possession of and selling or otherwise disposing of the concerned property.

4. During the thirty (30) day period immediately following the event causing the dissolution or decision thereon, the Joint Stock Company shall:

4.1. complete an examination of its books and records;

4.2. compile an inventory of all its assets and a chart of all its known debts;

4.3. make such inventory and chart available for public inspection and review for at least eight (8) hours per day during each of the five (5) consecutive working days immediately preceding any date specified in the Notice of Voluntary Dissolution for the sale of a Joint Stock Company assets. Unless the applicable law requires a public sale and/or a specific method of sale, the sale may be public or private and by any commercially reasonable means.

5. No later than thirty (30) days following the submission of the Notice of Voluntary Dissolution to the KBRA, the Joint Stock Company shall cause to be published in a newspaper of general circulation in Kosovo, in the official languages of Kosovo, an advertisement not less than one eighth (1/8) of a page in size containing:

5.1. the official name of the Joint Stock Company and all Trade Names used by the Joint Stock Company;

5.2. the Unique Identification Number, upon its establishment;

5.3. information regarding the time and place of any public sale of company assets and/or information regarding the time and place that a private sale of Joint Stock Company assets is scheduled to occur;

5.4. information regarding the time and place that the inventory of assets of the Joint Stock Company and the chart of debts shall be available for public review, and

5.5. information regarding the procedures to be followed by creditors or interested parties for filing claims and any deadlines for filing claims.

6. The joint stock company may not postpone a public sale that has been advertised in

accordance with paragraph 5. of this Article.

7. The Joint Stock Company shall not pay any claim or debt unless such claim or debt is included on the chart of debts. The Joint Stock Company shall assess the validity of any such claim or debt before it includes the claim or debt on the chart of debts. Claimants who claim to be aggrieved by the Joint Stock Company's refusal to include a claim or debt on the chart of debts may file a complaint regarding such refusal with the court.

Article 213
Priority of distribution of assets in Voluntary Dissolution

In voluntary dissolution, the assets of the Joint Stock Company shall be paid out and/or distributed in the order of priority set out in the law in force on bankruptcy.

Article 214
Revocation of Notice of Voluntary Dissolution

1. An Authorized Representative or Authorized Proxy may revoke the Notice of Voluntary Dissolution within ninety (90) days from the filing of the Notice of Voluntary Dissolution.

2. Such a revocation shall be authorized in the same manner as original Notice on Voluntary Dissolution.

3. In order to effect such a revocation, an Authorized Representative or Authorized Proxy shall sign and submit to the KBRA a Notice of Revocation of Voluntary Dissolution.

4. The Notice of Revocation of Voluntary Dissolution shall set forth:

4.1. the official name and trade name of the Joint Stock Company and its Unique Identification Number;

4.2. the effective date of the Notice of Voluntary Dissolution that is now being revoked;

4.3. the date that the revocation was authorized;

4.4. a statement identifying the person or persons who authorized the revocation and setting forth the legal basis for such persons to take such action;

5. The Notice on Revocation of Voluntary Dissolution shall enter into force on the date of its filing with the KBRA, and shall be effective only in cases in which no action has been taken in sales of assets and satisfaction of creditor claims after filing the Notice on Voluntary Dissolution.

Article 215
Enforcement of Creditor Claims Against a Joint Stock Company under Voluntary Dissolution

1. Creditor claims against a Joint Stock Company under voluntary dissolution may be enforced:

1.1. against the voluntarily dissolved Joint Stock Company, to the extent of its assets which have not been distributed to the shareholders; or

1.2. if all of the assets have been distributed to the shareholders in voluntary dissolution procedure, against any shareholder to the extent of his *pro-rata* share of the claim or of the Joint Stock Company's assets which have been distributed to him in liquidation, whichever is less. A shareholder's total liability for all claims under this article shall not exceed the total amount of assets of the Joint Stock Company distributed to him.

PART EIGHT
MERGER AND DEMERGER OF CORPORATIONS

CHAPTER I
MERGER OF LIMITED LIABILITY COMPANIES

Article 216
Merger of a Limited Liability Company

1. One or more Limited Liability Companies may merge into a Limited Liability Company established under the present Law.

2. For this purpose, a "merger" means a transaction in which one or more Limited Liability Companies:

2.1. merge and transfer all of their assets and obligations into one of them; or

2.2. merge and transfer all of their assets and obligations in a new Limited Liability Company established according to the present Law, and according to the conditions specified in Article 220 of this Law.

3. In order to merge, the Managing Director(s) entitled to represent the Limited Liability Companies shall enter into a Merger Agreement. Rights and obligations shall arise from the Merger Agreement after approval of the agreement pursuant to the procedure provided for in Article 218 of this Law.

4. A merger agreement shall set out:

4.1. the official name, and trade names if any, and registered addresses of the Limited Liability Companies;

4.2. an agreement to transfer all the assets of the Limited Liability Company being acquired to the acquiring Limited Liability Company in exchange for a transfer of shares of the acquiring Limited Liability Company;

4.3. the share exchange ratio for the Limited Liability Companies and the amount of additional payments if additional payments are made;

4.4. the terms and conditions of transfer of the shares of the acquiring Limited Liability Company;

4.5. the date as of which the transferred shares shall grant the right to a share of profit of the acquiring Limited Liability Company and the special conditions affecting this right;

4.6. the rights which the acquiring Limited Liability Company will grant to the shareholders of the Limited Liability Company being acquired;

4.7. the consequences of merger for the employees of the Limited Liability Company being acquired;

4.8. the date as of which the transactions of the Limited Liability Company being acquired shall be deemed to be undertaken by the acquiring Limited Liability Company (merger balance sheet date);

4.9. the remuneration paid to the auditor who audits the merger agreement, other advisers and consultants and the advantages granted in connection with the merger to the Managing Director(s) or the Shareholders entitled to represent the Limited Liability Company.

5. The sum of additional payments prescribed in the merger agreement which are to be paid by an acquiring Limited Liability Company to the Shareholders of the Limited Liability Company being acquired shall not exceed one-tenth of the sum of the nominal values or book values of their exchanged shares.

6. If all shares of a Limited Liability Company being acquired are held by the acquiring Limited Liability Company, the merger agreement need not indicate the information specified in paragraphs 4.2.- 4.4. of this Article.

Article 217
Contents of the Merger Plan

1. A merger plan shall contain:

1.1. the official name, and trade names if any, and the registered address and Unique Identification Number of each Limited Liability Company involved in the proposed merger;

1.2. the official name, and trade name if any, and the registered address of the Limited Liability Company, which is proposed to survive, into which the other Limited Liability Companies merge (fuse);

1.3. the material conditions of the proposed merger,

1.4. for each merged Limited Liability Company other than the acquiring Limited Liability Company: a detailed description of the manner and basis that is proposed to be used for converting the Shares of this Limited Liability Company being merged into:

1.4.1. cash;

1.4.2. other property, and/or

1.4.3. shares and/or other securities, debts or other obligations of the surviving Limited Liability Company or of any Shareholders of the surviving Limited Liability Company;

1.5. the entire text of the Charter of the Limited Liability Company or Charter of the surviving Limited Liability Company that will be created after this merger.

2. If a Joint Stock Company is a party to the merger, then the requirements set out in Articles 222-224 of this Law must also be met.

Article 218
Conditions for Approval of the Merger Plan

1. Rights and obligations shall arise from a merger agreement if the merger agreement is approved with the Merger Plan by all merging Limited Liability Companies. The approval of the Merger Agreement shall cover both the approval of the draft terms of merger and any alterations to the Charter of the acquiring Limited Liability Company necessitated by the merger.

2. The shareholders shall be provided with the opportunity to examine the Merger Agreement and the Merger Plan at least two (2) weeks before deciding on approval of the Merger Agreement unless otherwise provided by law. A shareholder may demand a copy of the Merger Agreement or Merger Plan.

3. In the case of a Limited Liability Company that is a party to the merger, the merger plan must be approved:

3.1. by all of its Shareholders as required by paragraph 2. of Article 105 of this Law, or

3.2. by any smaller number or percentage of its Shareholders required by a provision of the Charter of the Limited Liability Company, if that provision is in compliance with paragraph 3. of Article 105 of this Law.

4. In the case of a Joint Stock Company, the merger plan must be approved according to Article 222 of this Law.

Article 219
Registration and Date the Merger Enters Into Force

1. After completion of the merger, all the parties to the merger must submit the merger agreement and the Merger plan to KBRA in accordance with Article 44 of this Law. KBRA registers the merger agreement and merger plan, if they are in compliance with the requirements of Articles 216 - 217 of this Law. The merger agreement and merger plan shall be published according to Article 22 of this Law.

2. The merger shall enter into force immediately after publication by KBRA in accordance with paragraph 2. of Article 44 and Article 22 of this Law.

3. The merging Limited Liability Companies are strictly obligated to ensure, prior to the completion of the merger, that all the applicable legal conditions have been fulfilled and to obtain all the approvals required by any Law or sub-legal acts.

4. Any Shareholder or creditor who believes the merger has violated his rights may claim from the competent Court:

4.1. compensation for damages and/or

4.2. if specifically provided for by a law, nullification of the merger.

5. Registration of the merger agreement shall not constitute a decision by KBRA that the merger complies with any requirements or provisions of other laws. Any Public Authority that has lawful reasons to believe that the merger violates the requirements provided in a law for which the public authority is principally responsible to implement, may seek in a competent Court, pursuant to that law:

5.1. a fine for the merging Limited Liability Companies or surviving Limited Liability Company, and/or

5.2. declaring the merger invalid.

6. Immediately after a merger has been registered by KBRA, the surviving Corporation shall publish a merger notice to the creditors of the merged Limited Liability Companies in national daily newspaper, informing them of the possibility to submit, within six months after the publication of the notice, their claims to the surviving Limited Liability Company in order to receive a security.

7. The surviving Limited Liability Company shall secure the claims submitted by the creditors of the Limited Liability Companies being merged within six months after the publication of the notice specified in paragraph 6. of this Article if the creditors have no possibility to demand satisfaction of the claims and they prove that the merger may endanger the fulfilment of the claims.

Article 220
Consequences of a Merger

1. After a merger enters into force, according to paragraph 2. of Article 121 of this Law:

1.1. the Limited Liability Companies which are parties to the merger will transform into a single Limited Liability Company which will be named in merger plan as the surviving Limited Liability Company, and the separate legal existence of all the other Limited Liability Companies - except the surviving Limited Liability Company- shall terminate;

1.2. the surviving Limited Liability Company is liable for all the obligations, of any kind, of each Limited Liability Company in the merger;

1.3. the surviving Limited Liability Company shall have all the rights and interests in all the assets, of any kind, of each Limited Liability Company in the merger

1.4. all the disputes and claims against any Limited Liability Company that was a party to the merger and whose existence was terminated after the merger must be continued against the surviving Limited Liability Company; the surviving Limited Liability Company shall – as a matter of Law - substitute all the other merged Limited Liability Companies whose existence was terminated by the merger;

1.5. the Charter of the surviving Limited Liability Company shall be the Charter of the surviving Limited Liability Company that was provided in the merger plan;

1.6. the Shares of each merging Limited Liability Companies which were required by the merger plan to be converted into Shares and/or securities or debts or other obligations of the surviving Limited Liability Company must be converted;

1.7. a merging Limited Liability Company shall be deemed to be dissolved as of entry of the merger in the KBRA. The KBRA shall delete the merging Limited Liability Company from the Registry.

CHAPTER II
MERGER OF JOINT STOCK COMPANIES

Article 221
Definition of Merger

1. For purposes of the present law, a “merger” means a transaction in which a merging Joint Stock Company transfers all of its assets and liabilities to another Joint Stock Company. The acquiring Joint Stock Company may be an existing Joint Stock Company or a new Joint Stock Company that has been established for the purpose of acquiring such assets and liabilities. In such a transaction:

1.1. the merging Joint Stock Company is dissolved;

1.2. only the acquiring Joint Stock Company survives the transaction; and

1.3. the shareholders of the merging Joint Stock Company surrender their shares in the merging Joint Stock Company and receive in exchange shares or other ownership interests in the acquiring Joint Stock Company and/or a cash payment.

Article 222
Procedure for Merger

1. Two or more Joint Stock Companies may undertake and complete a merger as follows:

1.1. the Managing Directors of the Joint Stock Companies shall enter into a Merger Agreement entering into force after approval of the agreement by shareholders of Joint Stock Companies and setting out:

1.1.1. the official names, and trade names if any, and registered address of the Joint Stock Companies;

1.1.2. an agreement to transfer all the assets of the Joint Stock Company being acquired to the acquiring Joint Stock Company in exchange for a transfer of shares of the acquiring Joint Stock Company;

1.1.3. the share exchange ratio for the Joint Stock Companies and the amount

of additional payments if additional payments are made;

1.1.4. the terms and conditions of transfer of the shares of the acquiring Joint Stock Company;

1.1.5. the date as of which the transferred shares shall grant the right to a share of profit of the acquiring Joint Stock Company and the special conditions affecting this right;

1.1.6. the rights which the acquiring Joint Stock Company will grant to the shareholders of the Joint Stock being acquired;

1.1.7. the consequences of merger for the employees of the Joint Stock Company being acquired;

1.1.8. the date as of which the transactions of the Joint Stock Company being acquired shall be deemed to be undertaken by the acquiring Joint Stock Company (merger balance sheet date);

1.1.9. the remuneration paid to the auditor who audits the merger agreement, other advisers and consultants and the advantages granted in connection with the merger to the Directors and Board of Directors of the Joint Stock Company.

1.2. the directors and officers shall draft and the boards of directors of each Joint Stock Company shall adopt a plan of merger which meets the requirements of Article 224 of this Law and directs that the plan be submitted to a shareholder assembly of each Joint Stock Company, which may be either an annual or extraordinary assembly.

1.3. each Joint Stock Company shall give at least one month's advance written notice of the shareholders assembly to all shareholders entitled to vote on the plan, stating that a purpose of the meeting is to consider the merger plan. The notice shall include the following documents which shall also be available for inspection and copying at the registered address of each Joint Stock Company:

1.3.1. a copy of the plan together with an explanation of the plan which sets out the legal and economic grounds for the merger and any applicable share exchange ratio;

1.3.2. a detailed written report by the board of directors on the plan, setting out the legal and economic grounds for the plan and the merger terms and in particular the share exchange ratio and containing any directors' recommendations and the reasons for such recommendation;

1.3.3. a copy of the opinion of an independent financial adviser on the merger as required by Article 223 of this Law;

1.3.4. the annual financial statements of all the participating Joint Stock Companies for the previous three (3) years, including any audit reports;

1.3.5. if the latest financial statement contains information for a period that ended more than six (6) months before the date the plan is to be submitted to the shareholders' assembly, then a special settlement accounting statement

prepared by a licensed independent accountant or auditor under applicable accounting standards must be prepared and made available for inspection and copying and inspection at the registered address of each Joint Stock Company. This settlement statement must reflect the financial condition of each Joint Stock Company as of a date that is not more than three (3) months before the date the plan is submitted to the shareholders' assembly; provided, however, that:

1.3.5.1. the requirement of this sub-paragraph shall not apply to any new Joint Stock Company which was created to be the surviving Joint Stock Company in the merger; and

1.3.5.2. in the case of this special settlement accounting statement no additional physical inventory of the assets shall be required since the last annual accounts and the valuations in the balance sheet need only be adjusted to reflect entries in the accounts, except that interim depreciation and accounting provisions and material changes of value must be taken into account;

1.3.6. copy of the proposed new charter and bylaws of the acquiring Joint Stock Company; and

1.3.7. a statement of the shareholders' right to dissent and appraisal as required by Article 204 of this Law;

1.3.8. a copy of the merger agreement entered into according to paragraph 1.1. of this Article.

1.4. at the shareholders assembly of each Joint Stock Company the merger agreement and plan shall be approved and adopted upon receiving the affirmative vote of at least two-thirds (2/3) of the votes of the shares entitled to vote on the plan at such assembly, except that if any type or class of shares is entitled to group voting on the plan, the proposed change shall be adopted only if it also receives the affirmative votes of at least two-thirds (2/3) of the votes of the shares of each such group; provided, however, that if the Joint Stock Company's charter requires a majority that is greater than two-thirds (2/3) for the approval of a charter amendment, the majority required by the charter shall be needed;

1.5. group voting in any Joint Stock Company shall be required if it is required by the Joint Stock Company's charter or if the plan contains a provision that, if contained in a proposed amendment to the Joint Stock Company's charter, would require separate voting by that group under Article 199 of this Law;

1.6. approval and adoption of the plan by the shareholders assembly of each Joint Stock Company which is a party to the merger, other than any new Joint Stock Company which was created to be the surviving Joint Stock Company in the merger, is necessary for the merger to be completed.

2. No shares, cash or other compensation shall be given in exchange for any shares of the merging Joint Stock Company that are held by either the acquiring Joint Stock Company or the merging Joint Stock Company or a by a person or Business Organization acting on behalf of the acquiring Joint Stock Company or the merging Joint Stock Company.

3. The holders of securities, other than shares, to which special rights are attached must be given rights in the acquiring Joint Stock Company at least equivalent to those that they possessed in the Joint Stock being acquired, unless the meeting of the class as referred to above in paragraph 1. of this Article approves the alteration or they have a right to repurchase of their shares by the Joint Stock Company under Article 204 of this Law.

4. The merger shall be published at least thirty (30) days in advance, twice within a week in at least one newspaper of wide circulation in Kosovo in order to notify persons, including creditors whose claims predate the proposed merger. This publication may be carried out by any participating Joint Stock Company on behalf of the others.

5. Creditors referred to under paragraph 4. of this Article shall have at least twenty one (21) days to apply to the Joint Stock Company for additional security or to object to the resulting reduction in capital or affect on their security. If a creditor remains unsatisfied about the effect of the merger on his security or claim, then he/she may apply to the Court within thirty (30) days of the date of the first merger notice for an appropriate remedy for his/her debt. The Court may decide no such remedy is necessary if it is satisfied that the assets of the acquiring Joint Stock Company will be sufficient to satisfy this and other debts of the Joint Stock Company of equivalent security ranking.

6. Paragraphs 1. to 4. of this Article relating to the holding of the general assembly and the drawing up of an independent financial expert report, according to Article 223 of the present Law, shall not apply if:

6.1. all the shareholders agree to waive the requirements; or

6.2. the acquiring Joint Stock Company already holds ninety percent (90%) or more of the shares in the merging Joint Stock Company; provided, however, that in any event:

6.2.1. the shareholders holding shares with voting rights of five percent (5%) or more of the acquiring Joint Stock Company have the right to require a general assembly to approve the merger; and

6.2.2. the minority holders of shares in the merging Joint Stock Company shall:

6.2.2.1. be entitled to receive fair value and equivalent rights and compensation in the acquiring Joint Stock Company;

6.2.2.2. be entitled to receive due notice of the merger and its terms;

6.2.2.3. have the right to seek a court order with respect to the amount and type of compensation they are to receive by filing a complaint within thirty (30) days of the published notice of the merger; and

6.2.2.4. have the right to demand and receive the report of the independent financial adviser.

7. If a complaint is filed in accordance with sub-paragraph 6.2.2.3 of this Article, the Court may require the acquiring Joint Stock Company to pay the complainants' legal and other costs if the court determines that the complaint was validly made.

8. Pending resolution of any court application under paragraphs 5. or 6. of this Article, the merger may not be concluded and no registration document with respect thereto may be filed with the KBRA.

Article 223
Independent Financial Opinion

1. When considering a merger, the board of directors of a Joint Stock Company shall be obliged to obtain a written opinion on the merger from an independent professional financial adviser.

2. The opinion as per paragraph 1. shall provide the financial adviser's opinion on the terms of the plan and the proposed merger and states, in particular, the adviser's analysis of all the terms of the plan of merger including the method or methods used to arrive at any proposed compensation to be provided to the shareholders of the merging joint stock company. The opinion shall also provide the financial adviser's opinion as to the fairness of the merger and the compensation proposed to be given to the shareholders of the merging Joint Stock Company, which shall identify any valuation difficulties and the relative differences between the valuation methods proposed and other possibly more appropriate valuation methods.

3. Such opinion shall be sent to all shareholders with the notice of the assembly.

4. An additional report shall not then be required under Article 140 of this Law, which does not need to be prepared for merging purposes.

Article 224
Required Contents of Plan of Merger

1. A plan of merger shall state:

1.1. the type of Joint Stock Company, the official name, and trade name if any, and the registered address of each Joint Stock Company that will merge and of the surviving Joint Stock Company into which each Joint Stock Company plans to merge;

1.2. the terms and conditions of the proposed merger, including a summary of any legal terms drawn up by an independent expert;

1.3. the manner and basis of converting the shares of each merging Joint Stock Company into cash or other property, or shares, other securities or debt or other obligations of the surviving Joint Stock Company or of any shareholder of the surviving Joint Stock Company, including the details of the share exchange ratio, the criteria and terms relating to the allotment of shares in the acquiring Joint Stock Company and the amount of any cash payment and the details the shares and the rights of the shares that will be acquired, including any special classes;

1.4. the full text of the charter and by-laws of the surviving Joint Stock Company as it will be in effect immediately following the merger;

1.5. the date from which the holding of any shares received in the merger entitles the holders to participate in profits of the surviving Joint Stock Company and any special conditions affecting that entitlement;

1.6. the date from which the transactions of each non-surviving Joint Stock Company shall be treated for accounting purposes as being those of the surviving Joint Stock Company;

1.7. the rights conferred by the surviving Joint Stock Company on the holders of shares to which special rights are attached and the holders of securities other than shares, or the measures proposed concerning them;

1.8. any special advantage or preference given to independent financial advisers or directors or officers of any Joint Stock Company in the merger;

1.9. any provisions under which the proposed merger can be abandoned before its completion;

1.10. any chance in the assets and liabilities of the between the date of the draft terms of merger and the date of the general meeting deciding on the merger; and

1.11. other provisions relating to the merger including but not limited to a possible provision that payment will not be made for any converted shares until or after the merger has become effective.

Article 225
Registration and Entry into Force of a Merger

1. Upon completion of a merger the parties to the merger shall file the plan of merger with the KBRA in accordance with Article 44 of the present Law. The merger shall enter into force upon registration and publication by KBRA in accordance with Part Two.

2. Immediately after a merger has been registered by KBRA, the surviving Joint Stock Company shall publish a merger notice to the creditors of the merged Joint Stock Companies in national daily newspaper, informing them of the possibility to submit, within six (6) months after the publication of the notice, their claims to the surviving Joint Stock Company in order to receive a security.

3. The surviving Joint Stock Company shall secure the claims submitted by the creditors of the Joint Stock Companies being merged within six (6) months after the publication of the notice specified in paragraph 3. of this Article if the creditors have no possibility to demand satisfaction of the claims and they prove that the merger may endanger the fulfilment of the claims.

Article 226
Effect of a Merger

1. Upon the entry into force of a merger:

1.1. the Joint Stock Companies that are parties to the merger will be a single Joint Stock Company which will be the surviving Joint Stock Company named in the plan, and the separate existence of all such Joint Stock Companies except the acquiring Joint Stock Company shall terminate;

1.2. the acquiring Joint Stock Company will have, own and be liable for all assets and

all liabilities of every kind of each Joint Stock Company that was a party to the merger and any security that existed in relation to a transferred asset shall be not be affected solely by virtue of the merger;

1.3. all lawsuits or other claims against any Joint Stock Company that was a party to the merger may be continued against the acquiring joint stock company, which will be substituted in the lawsuit or claim for the Joint Stock Company whose existence has terminated;

1.4. the charter and by-laws of the acquiring Joint Stock Company shall be as set forth or provided with the merger plan; and

1.5. the shares of each Joint Stock Company that was a party to the merger that are to be converted into shares, other securities or debt or other obligations of the acquiring Joint Stock Company shall be thus converted, and the former holders of such shares shall be entitled only to the rights provided in the merger plan.

Article 227
Nullification of a merger

1. The merger may not be challenged by anyone as being void; provided, however that a shareholder or creditor of either the merging or acquiring Joint Stock Company may file a complaint in Court challenging the validity of the merger if such complaint is filed with the Court no later than six (6) months after the registration date of the merger.

2. The Court may nullify the merger if it determines that a decision on the merger taken at a meeting of shareholders was invalid because:

2.1. it was based on misrepresentations such that the shareholders would not have voted in the manner they did and the consequences of the misrepresentation cannot be rectified by requiring the responsible parties to pay monetary damages to the shareholders; or

2.2. it involved an irremediable breach of procedure that the court is determined to have a similar negative effect on the shareholders; or

2.3. it involved an irremediable breach of procedure that negatively affected a creditor of the merging or acquiring Joint Stock Company and that deprived such creditor of any right the creditor had to bring an action to prevent the merger taking effect.

3. Any nullification under previous Article above shall be published in the newspaper and filed with the KBRA.

Article 228
Merger of Joint Stock Company with Limited Liability Company

One or more Joint Stock Companies may merge with or into one or more Limited Liability Companies organized under the present Law, provided that all of the requirements set forth in Articles 221 until 226 of this Law, are complied with by each Joint Stock Company and all of the requirements set forth in Articles 216 until 220 of this Law are complied with by each Limited Liability Company.

CHAPTER III
CROSS-BORDER MERGERS OF CORPORATIONS

Article 229
Cross-Border Merger

A Corporation registered in Kosovo may merge with another Corporation founded on the basis of the law of the foreign country with which the Republic of Kosovo has an international agreement establishing such a right of cross-border mergers of Corporations and whose registered address, location of the Board of Directors and Managing Directors or principal place of business is in the foreign country.

Article 230
Merger Agreement by Cross-Border Merger

1. In addition to the provisions of Article 216 or Article 222 of this Law, the merger agreement shall set forth:

1.1. the type of the Corporation being acquired and the acquiring Corporation;

1.2. in the case of the right to receive a share of the profit, the specifics for performance of such right;

1.3. information concerning the evaluation of the assets to be transferred to the acquiring Corporation;

1.4. the dates of the financial statements used for determining the terms and conditions for the merger;

1.5. in the case provided by law, the data concerning the participation by the employees in the management of the Corporation.

2. If all the shares granting voting rights of the Corporation being acquired belong to the acquiring Corporation, the data specified in sub-paragraphs 1.1.1 – 1.1.4 of Article 208 of this Law and sub-paragraph 1.2 of paragraph 1. of this Article need not be set forth in the merger agreement.

3. The charter of the acquiring Corporation shall also be annexed to the merger agreement.

4. The sum of additional payments prescribed in the merger agreement which are to be paid by the acquiring Corporation to the shareholders of the Corporation being acquired may exceed one-tenth (1/10) of the sum of the nominal values or book values of the shares of the acquiring Corporation if permitted by the law of the foreign state to the acquiring Corporation participating in the cross-border merger.

5. Paragraphs 2. and 3. of Article 211 of this Law apply to the disclosure of the merger agreement. A notice published in national daily newspaper shall set forth the following:

5.1. the type, official name and trade name if any, and registered address of each merging Corporation;

5.2. the register in which the merger of each merging Corporation has been registered and the number of the register entry;

5.3. a reference that the merger agreement contains information concerning the protection of minority shareholders and creditors.

Article 231
Merger Plan of Cross-Border Merger

1. In the case of cross-border merger, the merger plan shall also set out the effect of the merger on the employees and creditors of the Joint Stock Company.

2. The plan shall also include, as an annex, the opinion of the representative of the employees or the trade union if such opinion was provided at least one (1) month prior to the meeting or general meeting which passed the decision on the merger.

Article 232
Audit of Cross-Border Merger

1. Upon cross-border merger, an auditor shall audit the merger agreement.

2. Upon cross-border merger, one or several auditors may be appointed to several or all of the Corporations being acquired. An auditor or auditors shall be appointed only by or with permission of a court or respective administrative agency of foreign state under whose jurisdiction one of Corporations being acquired or the acquiring Corporation falls.

3. Based on the request of the merging Corporations, a competent court of Kosovo shall appoint the auditor or auditors specified in paragraph 2. of this Article who shall have the expertise and skills necessary for auditing a cross-border merger. The court shall also specify the procedure for and amount of remuneration for the auditor or auditors it appoints.

Article 233
Merger Decision upon Cross-Border Merger

1. At least one (1) month before the general assembly which decides on the merger, the shareholders shall be granted an opportunity to examine the merger agreement, merger plan and auditor's opinion. The merger plan shall be made available to the representative of the employees of the Corporation or, in the absence thereof of representatives, to the employees of the Corporation at least one (1) month prior to the meeting or general meeting which decides on the merger.

2. If all the shares of the Corporation being acquired granting voting rights belong to the acquiring Corporation, the meeting or shareholders assembly of the Corporation being acquired which decides on the merger need not approve of the merger agreement.

3. The shareholders assembly of the Corporation being acquired may set, as a condition for approval of the merger decision that the acquiring Corporation has expressly approved of the procedure for participation by the employees of the acquiring Corporation in the management of the Corporation.

Article 234
Share Exchange Ratio upon Cross-Border Merger

If, based on the law of the foreign state under whose jurisdiction a Corporation participating in the merger falls, the shareholders have no right to demand a refund, then a shareholder of a Corporation registered in Kosovo has the right to demand such refund only if a Corporation participating in the merger who falls under the jurisdiction of the foreign state recognises, in its merger agreement, the right to demand such refund.

Article 235
Compensation upon cross-border merger

If the acquiring Corporation falls under the jurisdiction of a foreign state, the shareholder of a Corporation being acquired entered in the registry of Kosovo who does not agree to the merger resolution has the right, pursuant to the procedure, to transfer the shares thereof or to demand that the acquiring Corporation acquire the exchanged share or shares of the shareholder for monetary compensation.

Article 236
Protection of creditors upon cross-border merger

1. In the case of a cross-border merger of a Corporation registered in Kosovo where the acquiring Corporation falls under the jurisdiction of a foreign state, the creditors of the Corporation have the right, within two (2) months after receiving the notice to submit a claim to receive a security.

2. Only a creditor who is not able to demand satisfaction of claims and who provides proof that the merger is likely to endanger the fulfilment of the claims thereof has the right to receive the security.

Article 237
Registration of cross-border merger

1. Article 44 of this Law applies to the application submitted to the KBRA by an acquiring Corporation or Corporation being acquired registered or to be registered in the Registry of Kosovo. In addition to the above, the Board of Directors and Managing Director(s) shall confirm that the creditors of the Corporation have been given a security pursuant to Article 236 of this Law.

2. If a Corporation registered in Kosovo participates in a cross-border merger as the Corporation being acquired, the KBRA shall issue a certificate to the Corporation which confirms that the Corporation being acquired has performed the required pre-merger acts and the merger has been entered in the KBRA. The certificate shall set out the date of the entry and also shall make reference, if relevant, to the court proceeding performed to check the exchange ratio.

3. The Ministry, through a sub-legal act adopted in accordance with this law shall establish the procedure for preparing and issuing of the certificate on cross-border merger specified in paragraph 2. of this Article.

4. If a Corporation registered in Kosovo participates in a cross-border merger as the Corporation being acquired, an entry is made in the Registry stating that the merger is deemed to have

taken place pursuant to the law of the foreign state under whose jurisdiction the acquiring Corporation falls. After receiving a notice concerning the merger having taken place from a court, notary or other competent authority of the foreign state under whose jurisdiction the acquiring Corporation falls, the KBRA shall make an entry in the Registry concerning the date on which, according to the received notice, the merger took place.

5. After performing the actions specified in paragraph 4. of this Article, KBRA shall forward all the documents which have been submitted to it concerning the Corporation being acquired by electronic means to the court, notary or other competent authority of the foreign state under whose law the acquiring Corporation falls.

6. If a Corporation registered or to be registered in Kosovo participates in a cross-border merger as the acquiring Corporation, the Corporation being acquired which falls under the jurisdiction of a foreign state shall submit the KBRA a certificate by the court, notary or other competent authority of the corresponding foreign state stating that the requirements for merger have been fulfilled and pre-merger actions have been concluded with respect to the Corporation being acquired which falls under the jurisdiction of such foreign state, and submit the merger agreement. The certificate shall be submitted within six (6) months after its issue. The merger entry shall be made even if it is evident based on the certificate that a court proceeding for checking the share exchange ratio has been initiated with respect to the Corporation being acquired.

7. If a Corporation registered or to be registered in Kosovo participates in a cross-border merger as the acquiring Corporation, the KBRA shall immediately give notice of the merger entry to a court, notary or other competent authority of the foreign state under whose jurisdiction the Corporation being acquired falls.

8. If the share capital is increased in the course of cross-border merger, the Board of Directors and Managing Director(s) of the acquiring Corporation shall submit a petition for the entry of the increase of the share capital within one (1) year after the decision to increase the share capital was adopted.

CHAPTER IV
DEMERGER OF CORPORATIONS

Article 238
Methods of Demerger

1. Demerger shall be effected without a liquidation proceeding by distribution or separation.

2. Upon distribution, the Corporation being divided shall transfer its assets to the recipient Corporations. A recipient Corporation may be an existing or new Corporation. Upon distribution, the Corporation being divided shall be deemed to be dissolved.

3. Upon distribution, the shareholders of the Corporation being divided shall become shareholders of a recipient Corporation.

4. Upon separation, the Corporation being divided shall transfer part of its assets to one or several recipient Corporations. A recipient Corporation may be an existing or new Corporation.

5. Upon separation, the shareholders of the Corporation being divided shall become shareholders of a recipient Corporation, or the Corporation being divided shall become the sole shareholder.

6. Existing and new Corporations registered at KBRA may simultaneously be recipient Corporations.

Article 239
Demerger agreement

1. In order to demerge, the Managing Directors of Corporations participating in demerger shall enter into a demerger agreement. Rights and obligations shall arise from the demerger agreement after approval of the agreement with demerger decision. A demerger agreement shall set out:

1.1. the official name, and trade name if any, and registered addresses of the Corporations participating in demerger;

1.2. upon distribution or separation, the distribution and exchange ratio of shares in the Corporations participating in the demerger to be transferred to the shareholders of the Corporation being divided, and the amount of additional payments, if additional payments are to be made, for the exchange of shares to the shareholders of the Corporation being divided;

1.3. upon distribution or separation, the terms and conditions of transfer of the shares of the recipient Corporations for the exchange of shares with shareholders of the Corporation being divided;

1.4. the date as of which the transferred shares shall grant the right to a share of profit of the recipient Corporations and the special conditions affecting this right;

1.5. the rights which the recipient Corporations will grant to the shareholders of the Corporation being divided, including the holders of preferred shares and convertible bonds;

1.6. a list of assets to be transferred to each recipient Corporation and the distribution of obligations which belong to the assets among the Corporations participating in demerger;

1.7. the consequences of demerger for the employees;

1.8. in the case of distribution, the date as of which the transactions of the Corporation being divided shall be deemed to be undertaken by the recipient Corporation (demerger balance sheet date);

1.9. the remuneration paid to the auditor who audits the demerger agreement and the advantages granted to the Managing Director(s) and members of Board of Directors of the Corporations participating in demerger.

2. The sum of additional payments prescribed in a demerger agreement which are to be paid by a recipient Corporation to the shareholders of the Corporation being divided shall not exceed

one-tenth (1/10) of the sum of the nominal values or book values of their exchanged shares.

3. If an approved demerger agreement is conditional and a condition is not met within five (5) years after conclusion of the agreement, a Corporation may terminate the agreement by giving at least six (6) months' advance notice of termination unless the demerger agreement prescribes a shorter term for advance notice.

Article 240
Demerger report

1. The Managing Directors of Corporations participating in a demerger shall prepare a written report in which the demerger and demerger agreement shall be explained and justified legally and economically. Upon distribution or separation whereby shares are exchanged with the shareholders of the Corporation being divided, the share exchange ratio, the distribution of shares of the Corporations participating in the demerger among the shareholders of the Corporation being divided, and the amount of additional payments, if additional payments are to be made, shall be justified in the report. Difficulties relating to valuation shall be referred to separately in the report.

2. A demerger report need not be prepared upon separation by an exchange of shares with the Corporation being divided, or if this is agreed to by all the shareholders of the Corporations participating in demerger.

3. The Corporations participating in demerger may prepare a joint demerger report.

4. A demerger report need not set out information, publication of which may result in significant damage to a Corporation participating in demerger or a Corporation belonging to the same group with such Corporation. In such case, the reason for failure to submit the information shall be set out in the report.

Article 241
Audit

1. An auditor shall audit a demerger agreement.

2. An auditor need not audit a demerger agreement upon separation by the exchange of shares with the Corporation being divided, or if all the shareholders of the Corporations participating in demerger agree that an auditor need not audit the demerger agreement.

3. An auditor shall be appointed by the Managing Director(s) of the Corporation participating in a demerger. One auditor may be appointed for some or all of the Corporations participating in demerger.

4. The auditor shall prepare a written report concerning the results of the audit of a demerger agreement. The auditors who audit a demerger agreement may prepare a joint report for the Corporations.

5. A report shall indicate whether the share exchange ratio and additional payments indicated in the demerger agreement are appropriate consideration for the shareholders of the Corporation being divided, and whether the demerger may bring about damage to the interests of the creditors of the Corporation.

6. Additionally, the auditor's report shall set out the method which was used upon determination of the exchange ratio of shares to be transferred to the shareholders of the Corporation being divided, the difficulties relating to determination of the exchange ratio, whether the used method is appropriate for determination of the exchange ratio and other methods for determination of the exchange ratio. If different methods are used upon determination of the exchange ratio, the exchange ratio in each method and the importance of results obtained on the basis of each method upon determination of the exchange ratio shall be set out.

7. An auditor shall be liable, in the same manner as upon auditing an annual report, for the damage caused by inaccurate auditing of the demerger agreement to the Corporation, its shareholders or creditors.

8. An auditor has the same rights and obligations upon auditing a demerger agreement as upon auditing an annual report. An auditor also has the right to obtain information necessary for auditing from other Corporations which belong to the same group with the Corporation participating in demerger.

9. An auditor's report need not set out information, publication of which may result in significant damage to a Corporation participating in demerger or a Corporation belonging to the same group with such Corporation. In such case, the reason for failure to submit the information shall be set out in the report.

Article 242
Demerger Decision

1. Rights and obligations shall arise from a demerger agreement if the demerger agreement is approved by Shareholders Assemblies of all Corporations participating in the demerger.

2. A shareholder may demand a copy of the demerger agreement or decision.

3. The shareholders shall be provided with the opportunity to examine the demerger agreement, demerger report and auditor's report at least two (2) weeks before deciding on approval of the demerger agreement unless otherwise provided by law.

4. All the shareholders of a Corporation being divided must be in favour of the demerger decision if, in the Corporations participating in demerger, shares are to be determined between the shareholders of the Corporation being divided based on a different proportion than in the Corporation being divided.

5. The Managing Directors of a Corporation participating in a demerger, prior to deciding on the approval of the demerger agreement, shall notify the Shareholders of all material changes in the assets of the Corporation which occur in the interim between the entry into the demerger agreement and deciding on the approval of the demerger agreement. The Managing Directors of a Corporation participating in demerger shall notify of such changes also the Managing Directors of or the Shareholders entitled to represent the other Corporations participating in demerger, who shall notify of the above changes the Shareholders of their Corporations.

6. The obligations specified in paragraph 5. of this Article need not be performed upon separation by an exchange of shares with the Corporation being divided, or if this is agreed to by all the shareholders of the Corporations participating in demerger.

Article 243
Preparation of Shareholders Assembly

1. At least one (1) month before the Shareholders Assembly to decide on a demerger, the Managing Director(s) shall present the following to the shareholders for examination at the registered address of the Corporation:

1.1. the demerger agreement;

1.2.the three preceding annual reports of the Corporations participating in demerger;

1.3. the demerger reports of the Corporations participating in demerger;

1.4. the auditor's reports of the Corporations participating in demerger.

2. At the request of a shareholder, he or she shall be immediately provided free of charge either complete or partial copy, based on the shareholder's wish, of the documents specified in paragraph 1. of this Article. Upon the shareholder's consent, the copy may be sent to his or her e-mail address.

3. If the latest annual report of a Corporation participating in demerger is prepared in respect to financial year, which ended earlier than six (6) months prior to the entry into the demerger agreement, the balance sheet (interim balance sheet) compliant with the requirements established for the balance sheet that constitutes part of the annual report shall be prepared as at no earlier than the first day of the third month preceding the entry into the demerger agreement. The interim balance sheet shall be prepared using the same accounting policies and presentation which were used in the preparation of the balance sheet that constitutes part of the latest annual report. The interim balance sheet need not be prepared if all the shareholders of the Corporations participating in demerger agree thereto.

4. At least one (1) month prior to the general assembly deciding on the demerger, the Managing Director(s) shall submit the demerger agreement to the KBRA, who shall publish it in the Registry or disclose it on the website of the Corporation. Upon the disclosure of the demerger agreement on the website of the Corporation, it shall be available to the public free of charge until the end of the Shareholders Assembly.

Article 244
General Assembly

1. At the Shareholders Assembly, the Managing Director(s) shall explain the legal and economic consequences of the demerger, including the exchange of shares.

2. At the Shareholders Assembly, the Board of Directors shall present its opinion concerning the demerger.

3. At the Shareholders Assembly, information concerning material circumstances related to other Corporations participating in the demerger shall also be given to a shareholder at the request of the shareholder.

4. A demerger decision shall be adopted if at least two-thirds (2/3) of the votes represented

at the Shareholders Assembly are in favour unless the charter prescribe a greater majority requirement.

5. If a Corporation has several classes of shares, the demerger decision shall be adopted if, at least two-thirds (2/3) of the holders of each class of shares vote in favour of the decision, and the charter does not prescribe a greater majority requirement.

6. If a recipient Corporation is not a Joint Stock Company, the holders of preferred shares and convertible bonds of the Joint Stock Company being divided shall participate in the determination of representation and in voting on the same bases as the shareholders.

7. If all shares of the Corporation being divided are held by the recipient Corporations, the approval of the demerger agreement by the demerger resolution of the Corporation being divided shall not be required for demerger.

Article 245

Contestation of Demerger Decision and Compensation for Damages

1. At the request of a shareholder or Managing Director(s) or member of Board of Directors, a court may declare invalid a demerger decision which is in conflict with the law or the charter if the request is submitted within one (1) month after the decision is made.

2. The demerger decision of a Corporation being divided shall not be declared invalid on the basis that the share exchange ratio is fixed too low.

3. If the share exchange ratio is fixed too low, a shareholder may demand a refund from the recipient Corporation.

4. Late payment interest shall be paid on an unpaid refund in the amount provided by law as of entry of the demerger in the Registry. The above does not preclude or restrict the filing of claims for compensation for damage exceeding the default interest.

Article 246

Transfer of shares upon demerger

A recipient Corporation shall first transfer its own shares of the recipient Corporation to the shareholders of the Corporation being divided in the exchange of their shares.

Article 247

Valuation of assets to be transferred

If a recipient Corporation is a Corporation whose charter capital is to be increased in connection with a demerger or if a new Corporation is to be founded upon a demerger, the procedure prescribed for valuation of a non-monetary contribution of a Corporation shall be used to assess whether the assets transferred by the Corporation being divided are sufficient for the increase of charter capital or for the charter capital of the Corporation being founded. Documents certifying the valuation of the assets shall be submitted to KBRA together with the application for registration of demerger.

Article 248
Application for Demerger Registration at KBRA

1. The Managing Director(s) of a Corporation participating in a demerger shall submit an application for registration of the demerger in the KBRA not earlier than one (1) month after approval of the demerger agreement. The following shall be appended to the application:

1.1. a copy of the demerger agreement;

1.2. the demerger decision;

1.3. the minutes of the Shareholder Assembly;

1.4.the permission for demerger, if required;

1.5. the demerger report or the agreements not to prepare one;

1.6. the auditor's report, if required, or the agreements not to prepare one;

1.7. upon distribution, the final balance sheet of the Corporation being divided if the Corporation being divided submits the petition;

1.8. the interim balance sheet or the agreements not to prepare one.

2. KBRA shall register a distribution only if the final balance sheet of the Corporation being divided is prepared as at a date not earlier than eight (8) months before submission of the application to register the demerger is submitted. The final balance sheet is prepared pursuant to the requirements established for the balance sheet that constitutes part of the annual report, and the approval of the final balance sheet and conducting the audit thereof is governed by the provisions concerning the approval of the annual report and conducting an audit. The final balance sheet shall be prepared using the same accounting policies and presentation which were used in the preparation of the balance sheet that constitutes part of the latest annual report. The final balance sheet shall be prepared at the day before the demerger balance sheet.

3. In application for registration of the demerger, the Managing Director(s) shall confirm that the demerger resolution is not contested.

Article 249
Official Name of Recipient Corporation

Upon distribution, one recipient Corporation may continue activities under the official name of the Corporation being divided.

Article 250
Effect of Demerger

1. All assets of a Corporation being divided or, upon separation, the separated assets, shall be transfer to the recipient Corporations pursuant to the distribution prescribed in the demerger agreement upon registration of the demerger in the KBRA.

2. Upon distribution, the Corporation being divided shall be deemed to be dissolved upon registration of the demerger in the KBRA. The KBRA shall delete the Corporation being divided from the Registry.

3. The shareholders of the Corporation being divided shall become shareholders of the Corporations participating in demerger pursuant to the demerger agreement upon registration of the demerger in the KBRA, except if the Corporation being divided, upon separation, becomes the sole shareholder of the recipient Corporation.

4. Upon demerger, the shares of the shareholders of the Corporation being divided shall be exchanged for shares of the recipient Corporations. The rights of third persons with regard to exchanged shares shall remain valid with regard to the shares of the recipient Corporation.

5. The shares held by a recipient Corporation or by the Corporation being divided itself, or by a person acting in his or her own name but at the expense of the Corporation shall not be exchanged upon demerger and shall become invalid, except if the Corporation being divided, upon separation, becomes the sole shareholder of the recipient Corporation.

6. Assets which are not divided upon distribution shall be divided among the recipient Corporations in proportion to their shares in the divided assets.

7. A demerger cannot be contested after its registration at KBRA.

Article 251

Liability for Obligations of Corporation being Divided and Compensation for Damages Caused by Demerger

1. Corporations participating in a demerger shall be jointly and severally liable for the obligations of the Corporation being divided which arise before registration of the demerger in KBRA. In relations between debtors, only persons to whom obligations are assigned by the demerger agreement are obligated persons.

2. A Corporation participating in a demerger to whom obligations are not designated by the demerger agreement shall be liable for the obligations of the Corporation being divided if the due date for their performance arrives within five (5) years after registration of the demerger in the KBRA.

3. Immediately after a demerger has been registered, the Corporation participating in the demerger shall publish a demerger notice to the creditors of the Corporations being divided national daily newspaper, informing them of the possibility to submit, within six (6) months after the publication of the notice, their claims in order to receive a security.

4. The Corporation participating in demerger must secure the claims of the creditors within six (6) months after the publication of the notice specified in paragraph 3. of this Article, if the creditors have no possibility to demand satisfaction of the claims and they prove that the demerger may endanger the fulfilment of the claims.

5. The Managing Director(s) and members of Board of Directors shall be jointly and severally liable to the Corporation, the shareholders, and the creditors of the Corporation for any damage wrongfully caused by the demerger.

Article 252
Demerger whereby new Corporation is founded

1. The provisions regarding recipient Corporations of this Chapter shall apply to Corporations being founded.

2. In the foundation of a new Corporation, the foundation provisions for such Corporation shall apply unless the provisions of this chapter provide otherwise. The founder shall be the Corporation being divided.

3. Upon demerger whereby a new Corporation is founded, the Managing Director(s) of the Corporation being divided shall draft a demerger plan which shall substitute for the demerger agreement. The demerger plan shall set out the official name, trade name if any, and registered address of the new Corporation. The charter of the Corporation being founded, which shall be approved by the demerger resolution, shall be appended to the demerger plan.

4. The Managing Director(s) of shall submit an application for registration of the new Corporations and the demerger in the KBRA.

PART NINE
TRANSFORMATION OF BUSINESS ENTERPRISES

Article 253
Authorized Transformation

1. A Limited Liability Company may transform into a Joint Stock Company, and a Joint Stock Company may transform into a Limited Liability Company, in accordance with Part Nine of this law. An individual business, General Partnership or Limited Partnership may transform into a Limited Liability Company or Joint Stock Company, as provided in Part Nine of this Law.

2. According to their use in Part Nine of this law, the following terms shall have these meanings:

2.1. a “Corporation in Transformation” means a Corporation converting its form in accordance with Part Nine of this law; and

2.2. a “Survived Corporation” means the Corporation which emerges immediately after a transformation in accordance with Part Nine of this law.

Article 254
Approval of Transformation

1. A transformation shall be approved as follows:

1.1. if a Corporation in Transformation is a Limited Liability Company, such transformation and the transformation plan shall be approved according to paragraph 2. of Article 105 of this Law; and

1.2. if a Corporation in Transformation is a Joint Stock Company, such transformation

and the transformation plan shall be approved according to Article 222 of this Law, as if such transformation was a merger. For this purpose, the term “merger plan” as used in Article 222 of this Law shall mean a transformation plan.

Article 255
Contents of the Conversion Plan

1. A transformation plan shall contain:

1.1. official name, and trade name if any, and registered address of the Corporation in Transformation and the Surviving Corporation;

1.2. official Name, and Trade Name if any, and organization of the Surviving Corporation;

1.3. the manner and basis of conversion of shares or interest of the Corporation in Transformation into shares of the Surviving Corporation;

1.4. full text of the Surviving Corporation charter which shall be in effect immediately after the transformation, and the full text of the by-laws of the Corporation to take effect upon conversion; and

1.5. timelines and other terms of the transformation.

Article 256
Registration and Entry into Force of a Transformation

1. A Corporation in Transformation shall file its transformation plan with the KBRA in compliance with the present law.

2. Such transformation shall enter into force upon registration with KBRA in compliance with this law or any later date, but not more than thirty (30) days after filing with the KBRA, as may be set forth in the transformation plan.

Article 257
Effects of a Transformation

1. At the moment of entry into force of the transformation, the Survived Corporation:

1.1. shall be organized in compliance with the provisions of the present law that regulate the Surviving Corporation;

1.2. shall continue, without interruption, to be the same entity as the Corporation in Transformation;

1.3. may not be subject to voluntary dissolution in accordance with this Law.

2. A Surviving Corporation shall be responsible for all assets and liabilities of any kind of the Corporation in Transformation, and:

2.1. all conflicts and claims against the Corporation in Transformation may be extended to the Survived Corporation, which shall substitute the Corporation in Transformation in its claims or conflicts;

2.2. the charter of the Survived Corporation shall be the charter of the Survived Corporation as specified in the transformation plan, and any by-law or similar documents of the Corporation, as included in the plan, shall be applicable to the shareholders of the Survived Corporation;

2.3. shares of the Corporation in Transformation that are to be converted into shares or interests of the Survived Corporation shall be converted in such a manner, and the former holders of such shares shall have rights as specified by the transformation plan.

PART TEN
DUTY OF LOYALTY, CONFLICT OF INTEREST AND LAWSUITS AGAINST PARTNERSHIPS AND CORPORATIONS

Article 258
Duty of Loyalty and Care

1. In exercising their rights, duties and responsibilities, the General Partners in a Partnership, Managing Director(s) or members of the Board of Directors and Officers of a Corporation, and Shareholders in a Corporation, shall act in fairness, loyalty and full care in due account of the interests of the Partnership or Corporation and other Partners or Shareholders.

2. The duty of loyalty and care shall include, but not limited to, the duty to:

2.1. not use the property of a Partnership or Corporation for his/her own personal needs;

2.2. not disclose confidential information of a Partnership or Corporation, and not to use confidential information of a Partnership or Corporation for his/her own personal gain;

2.3. not abuse with his/her position in the Partnership or Corporation with a view of personal gain to the detriment of such Partnership or Corporation;

2.4. not acquire for own gain the business opportunities of the Partnership or Corporation;

2.5. not engage in commercial competition with the Partnership or Corporation;

2.6. serve only the interests of the Partnership or Corporation in all transactions in which the person has personal interest.

3. For the purposes of paragraph 2. of this Article, a person is deemed to be in competition with the Business Organization if such a person is a General Partner in a Partnership or a Managing Director, member of Board of Directors, Officer or Controlling Shareholder in a Corporation, which is in commercial competition with the Partnership or Corporation.

4. The persons referred to in paragraph 1. of this Article, in exercising their rights, duties and

responsibilities, shall be liable to the Partnership or Corporation for any action or omission, which is reasonably related to the aims of the Partnership or Corporation, except the cases in which, based on an investigation and assessment of relevant information, such action or omission is found to have been made in good faith and without negligence.

5. If the persons referred to in paragraph 1. of this Article, act contrary to the duties and responsibilities according to this article, they shall be liable to compensate the damages to the Partnership or Corporation caused by such infringement, and repay any personal profit that they or any other affiliated persons may have acquired by such action. Persons referred to in the paragraph 1. of this Article shall carry the burden of proof to validate their regular performance of duties and observation of standards. When such infringement is committed by more than one person, they shall be jointly liable to the Partnership or Corporation.

6. A person taking a commercial decision acting in accordance with their duties as provided by this Article, shall be deemed to have performed his/her duties as per this Article if:

6.1. he/she has no personal, financial or material interest as provided by Article 259 of this Law, in taking such decision;

6.2. he/she is fully informed on the issue to the proper extent based on those circumstances and has not acted in a negligent manner.

Article 259
Transactions involving Conflict of Interest

1. Persons specified in paragraph 1. of Article 258 of this law are deemed to have a conflict of interests in a contract or transaction with a Partnership or Corporation if:

1.1. he/she or a family member is party to the act or transaction or has a personal, financial or material interest in the act or transaction; or

1.2. he/she has a financial or family relationship with a party in the act or transaction, or with a person who holds personal, financial or material interest in such act or transaction, which may be expected to adversely impact the judgment of such person in a Partnership or Corporation.

2. For the purposes of this Article, a “financial relationship” includes being in a position of a director, controlling shareholder or an employee of such party or person, or being under the controlling influence of a party or person.

3. The interested persons who disclose a conflict of interest according to Article 261 of this Law and who enter into a contract or transaction on behalf of the Partnership or Corporation shall not be deemed to have violated their duty of loyalty if the contract or transaction was previously approved in good faith according to Article 260 of this Law after the appearance of the fact and provided that all material facts from interested person in relation to his interests are disclosed or known to the approving body approving the transaction, and if the approving body approves the contract or transaction in good faith.

4. Disclosure and approval of a contract or transaction with a conflict of interest according to Article 260 and 261 of this Law shall not exclude the liability of the interested person and the possibility of filing a lawsuit in the competent court, according to Articles 264 and 265 of

this Law, against the interested person by the Partners of a Partnership or Shareholders in a Corporation, demanding compensation for damages and repayment of profits made from this transaction, if the transaction was approved based on facts not rendered in good faith, or if the contract or transaction conferred upon the interested person an unfair advantage to the detriment of the Partnership or Corporation or Partners and their Shareholders as a result of the negligent actions of the interested person.

5. The liability for damages caused to the Partnership or Corporation is extended to the approving body specified in Article 260 of this Law and the members of the approving body, in cases when the approving body or its members acted in bad faith or negligence.

6. A contract or transaction with a conflict of interest according to this Chapter may be annulled by the Partnership or Corporation, but any such annulment shall be made without prejudice to third party rights acquired in good faith and without knowledge or participation in the infringement.

7. Without prejudice to the other actions of the competent Court, upon receiving a lawsuit according to paragraph 4. of this Article, a competent Court may rescind a contract or transaction with a conflict of interest according to this Chapter if it finds that such contract or transaction is unfair or prejudicial to the Partnership or Corporation, and that the transaction conferred upon the respondent an unfair advantage to the detriment of the Partnership or Corporation or their Partners or Shareholders, according to paragraph 4. of this Article. If the competent courts finds a violation according to this paragraph, the interested party shall return to the Partnership or Corporation any profits made out of the contract or transaction, and indemnify the Partnership or Corporation for any losses or damages incurred as a result of the contract or transaction.

Article 260
Approval of Conflict of Interest Transactions

1. The transactions or contracts described in paragraph 1. of Article 259 of this Law must be approved by a majority of votes of the General Partners of the Partnership or by a majority of votes of the members of the Board of Directors of the Corporation.

2. Notwithstanding paragraph 1. of this Article, a Corporation may establish in its Charter that contracts and transactions with a conflict of interest are approved by a majority vote, or other voting method, of the Shareholders who have no personal, financial or material interest in the contract or transaction that is being voted, but in no case may the Charter remove the requirement of paragraph 1. of this Article, for the transaction to be approved by at least the majority of the members of the Board of Directors of the Corporation.

3. Persons with a conflict of interest, specified in paragraph 1. of Article 259 of this Law, may not participate in voting for the approval of the contract or transaction with a conflict of interest, according to this Article, and shall not be counted in the quorum.

Article 261
Duty to Disclose Conflict of Interest

1. Persons referred to in paragraph 1. of Article 258 of this Law shall notify the Partnership or Corporation each time they have a personal interests in a Business Organization which is in competition with the Partnership or Corporation, or in a contract or transaction on which the provisions of Article 259 or Article 261 of this Law apply. This notification must be made at the time the person is employed, elected or appointed in the position according to paragraph 3. of Article 258 of this Law, or immediately at the time when he becomes aware of the personal or

financial interest in a transaction with a conflict of interest according to Article 259 of this Law. Furthermore, the specific notification is made at the time when a decision or the concerned transaction is being discussed by the directors, officers, partners or shareholders.

2. Disclosure of conflicts of interest shall include all material facts on the nature of conflict of interest, including, the position of the person and the ownership interest in the concerned Partnership or Corporation including, if applicable, the position of the person and the ownership interest in the other Business Organization involved, and details on the amount of the contract or transaction and other details, including, if applicable, any property or service to be acquired, sold, exchanged or disposed of in any other way, and potential profits from the contract or transaction.

3. In case of a Partnership, such disclosure shall be made before the Partners of the Partnership.

4. In case of a Corporation, such notice of disclosure shall be made before the Board of Directors and any action of the Board of Directors approving or ratifying such a transaction shall be reported by the Chairman of the Board of Directors before the shareholders in the next shareholders assembly, and shall be reported in annual financial statements of the Corporation covering such period.

5. Disclosure of a contract or transaction with conflict of interest in the case of Corporations shall also be published as part of the annual financial reporting, in compliance with international financial reporting standards (SNRF) according to the applicable legislation on financial reporting, and shall include all material facts on the nature of conflict of interest, including, the position of the person and the ownership interest in the concerned Partnership or Corporation as well as, if applicable, the position of the person and the ownership interest in the other Business Organization involved, and details on the amount of the contract or transaction and other details, including, if applicable, any property or service to be acquired, sold, exchanged or disposed of in any other way, and potential profits from the contract or transaction.

6. In case of a Corporation, within seventy two (72) hours from the completion of a transaction with a conflict of interest at an amount of ten percent (10%) or more of all assets of the Corporation, all material facts related to the contract or transaction of conflict of interest shall be fully disclosed in its websites, and shall be rendered available to the public in its registered address. Such disclosure shall include all material facts on the nature of conflict of interest, including, the position of the person and the ownership interest in the concerned Partnership or Corporation as well as, if applicable, the position of the person and the ownership interest in the other Business Organization involved, and details on the amount of the contract or transaction and other details, including, if applicable, any property or service to be acquired, sold, exchanged or disposed of in any other way, and potential profits from the contract or transaction.

Article 262

Independent appraisal of transactions of conflict of interest

At least fifteen (15) days before voting on a contract or transaction with a conflict of interest at an amount of ten percent (10%) or more of all assets of the Corporation, a written independent appraisal shall be obtained on the main terms of the contract or transaction of conflict of interest from an external and independent financial consultant, who must also appraise whether the contract or transaction was made in compliance with market conditions.

Article 263

Access to documentation related to contracts or transactions with conflict of interest

1. All Partners or Shareholders, regardless of the number of Partnership Interests or Shares they own in the Partnership or Corporation, who want to file a lawsuit with the competent court according to Article 259 of this Law shall be fully entitled to access documents in possession of the Partnership or Corporation during preparation of their lawsuit, and before filing the lawsuit with the competent court.

2. Administrative expenses related to copying, transporting or storing such documentation shall be borne by the Partners or Shareholders aiming to file such a lawsuit.

Article 264

Direct Lawsuits

1. A partner in a Partnership or a Shareholder in a Corporation shall be entitled to file a lawsuit with the competent court or any other alternative dispute resolution institutions in his own name, against any person as specified in Article 258 of this Law, for compensating the damages caused to him by the violation of the duties specified in this law or any other law in force.

2. The lawsuit may be filed by a person on his own behalf, or by two or more persons acting together, in their names.

Article 265

Derivative Lawsuits

1. A Shareholder in a Corporation shall be entitled to file a lawsuit with the competent court or any other alternative dispute resolution institutions on behalf of the Corporation, against any person specified in Article 258 of this Law for compensation of damages made to the Corporation by a violation of duties towards the Corporation under this law or any other law in force.

2. A lawsuit may be filed according to this Article, only in cases in which:

2.1. damages or infringement of duty is claimed against the Corporation itself;

2.2. the plaintiff was a Shareholder at the time of action which are the subject of the lawsuit, or actions which have acquired such status due to transfer of shares from a person who was a shareholder at the time of actions which are the subject of the lawsuit;

2.3. the plaintiff has previously submitted a written request to the Corporation to file the lawsuit, and such request was rejected by the Corporation, or the Corporation failed to respond within thirty (30) days;

2.4. in the case of a Limited Liability Company, a request shall be addressed to all directors and persons who have the authority to file such a lawsuit, and in a Joint Stock Company, the request shall be addressed to the Board of Directors.

3. The compensation for the damages that may result from a derivative lawsuit shall be the property of the Corporation, while the plaintiff filing the lawsuit shall be paid reasonable

expenses, including legal fees, from the compensation paid by the defendants. The amount of such expenses shall be approved by the court.

PART ELEVEN
TRANSITORY AND FINAL PROVISIONS

Article 266
Transitory Provisions

1. The requirement for publication of Partnership Agreements, Charters and Memorandums of Incorporation by the KBRA pursuant to Article 22, paragraph 1., sub-paragraph 1.11. of this Law shall enter into force within one (1) year after the entry into force of this law.

2. Until adoption of the sub-legal act as provided for by Article 17, paragraph 12 of the present law, and registration forms as per Article 9 of the present Law, existing requirements and forms as per Law no. 02/L-123 on Business Organizations and Law no. 04/L-006 on Amending and Supplementing the Law no. 02/L-123 on Business Organizations shall continue to apply.

3. All Business Organizations currently registered with the KBRA and Business Organizations registered in the transitional period as provided by paragraph 2. of the present Article shall be required to conform with the requirements of this law within three (3) years of adoption of the sub-legal act on registration procedures as per Article 17, paragraph 12. of this Law. KBRA in cooperation with other state administration bodies shall contact all existing Business Organizations to ensure that the data included in the registry are updated. All existing Business Organizations shall be required to comply with this requirement or otherwise they shall be included in a passive list of Business Organizations after the expiration of the three (3) year period specified in this Article.

4. During the transitional period of three (3) year, KBRA is obliged to provide all existing Business Organizations with a unique number.

Article 267
Sub-legal acts applicable until the issuance of new sub-legal acts

Provided not to be in violation of this Law and until the issuance of new sub-legal acts for the proper implementation of this law, the following applicable sub-legal acts shall remain in force: Administrative Instruction no. 03/2015 on Determination of Fees for Services provided by the Business Registration Agency.

Article 268
Issuance of sub-law acts

Unless otherwise provided in relevant provision authorizing issuance of a sub-legal act, the Government/Ministry shall issue sub-legal acts specified in this Law within a period of one (1) year from the date of entry into force of this Law.

Article 269
Repeal of prior legislation

This Law repeals Law no.02/L-123 on Business Organizations and Law no.04/L-006 on Amending and Supplementing the Law no.02/L-123 on Business Organizations.

Article 270
Entry into force

This Law shall enter into force on the day of its publication in the Official Gazette of the Republic of Kosovo.

Law No. 06/L-016
15 March 2018

Pursuant to the article 80, paragraph 5 of the Constitution of the Republic of Kosovo, Law shall be published in the Official Gazette of the Republic of Kosovo.