



**REPUBLIC OF ALBANIA
PARLIAMENT**

**LAW
No. 10 236, dated 18.2.2010**

**“ON
TAKEOVER OF COMPANIES WITH PUBLIC OFFER”**

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

PARLIAMENT

OF THE REPUBLIC OF ALBANIA

DECIDED:

CHAPTER I

GENERAL PROVISIONS

Article 1
Scope

1. This law determines the rules relating to the conditions and procedures for the takeover of the companies with public offer.
2. This law applies to publicly announced offers to acquire the securities issued by a public company, with headquarters in the territory of the Republic of Albania and accepted for trading on the regulated securities market of the Republic of Albania, according to law no. 9879, dated 21.2.2008 “On securities”, as well as foreign public companies, with headquarters within and outside the territory of the Republic of Albania, listed on the stock exchange in Albania.
3. The law shall not apply to offers to acquire the securities issued by companies, the object of which is the collective investment of capital provided by the public, which operate on the principle of risk-spreading and the units of which are repurchased or redeemed at the request of holders thereof, directly or indirectly, out of the assets of these companies. The action taken by such companies to ensure that the stock exchange value of their units does not vary significantly from their net asset value shall be regarded as equivalent to such repurchase or redemption.
4. The law shall not apply to securities issued by the Bank of Albania.

Article 2 Definitions

For the purpose of this law the following terms shall have the following meanings:

- a) “**Administration of the company**” shall mean the body of management and supervision, in accordance with the provisions of the letters "b" and "c" of point 1 of Article 134 of Law no. 9901, dated 14.4.2008 “On entrepreneurs and companies”.
- b) “**Authority**” shall mean the Financial Supervisory Authority, established by Law no. 9572, dated 3.7.2006 “On the Financial Supervisory Authority”.
- c) “**Cooperation**” means in particular, but not limited to, the action of the group of companies, which consists of the parent company, the controlled companies and other entities on which the parent company or the controlled company exercises a dominant influence or has a participation interest.
- ç) “**Dominant influence**” shall mean the controlling influence of a parent company or the relationship between a person and the company:
 - i) whereby the person of influence has the power to decide on the distribution of income of the company, the diversification of profit or loss of another company, or may affect the company's strategy and its business policies or its sale;
 - ii) which allows the coordination of the management of the company with another company for a common objective, regardless of whether the agreement is concluded in the founding documents of the company or through another contract;
 - iii) through which it may influence on the joint management, through the Board of Directors, Supervisory Council or Council of Administration, which consists of all or some of the same people (who constitute the majority necessary for the decision making);
 - iv) whereby the person of influence is able to exert a significant impact on the performance of another company, without being a part of its capital;
- d) “**Participation interest**” shall mean the relationship between a natural and a legal person, excluding the dominant influence, which constitutes the direct or indirect ownership of 20 percent or more of the voting rights or the capital of a company.
- dh) “**Control**” shall mean the acquisition of at least 30 percent of the voting rights of the offeree company. In order to establish the percentage of the ownership the following are calculated in total, the direct and indirect control, the ownership of the individuals acting in cooperation and the ownership of related individuals.
- e) “**Takeover**” shall mean the acquisition through purchase or otherwise of shares or voting rights of the offeree company including options for purchasing and repurchasing of shares that carry voting rights, purchasing options of futures contracts or options to exercise the right to vote through property as a beneficiary. The takeover, in addition to the direct offer given by the buyer, may be secured through other means, such as through inheritance or through the closure of a company, which affects the shares voting rights or the percentage of voting, or through the cooperation of people bidding for the takeover.
- ë) “**Bid**” shall mean the public offer made to acquire the securities of a public company against monetary means or the exchange of other securities.
- f) “Mandatory bid” means the offer that shall be announced after the acquisition of the control of a public company has been achieved, according to Article 28 of this Law.
- g) “**Publicly announced bid**” means the offer which is announced to the public through mass media communication.

- gj) **“Takeover bid”** shall mean the publicly announced bid to acquire the securities of a company subject of a bid by a bidder, who, together with persons acting in concert, has the objective to acquire the control of the company subject to the bid.
- h) **“Partial voluntary bid”** shall mean an offer whose objective is to get hold of securities which do not give the offeror and the persons acting in concert the control of the company subject to the bid.
- i) **“Offeror”** shall mean a natural or legal person who makes an offer to acquire the securities of the offeree company.
- j) **“Parties to the bid”** shall mean the offeror, the members of the administration of the offeror when the offeror is a company, the offeree company, the holders of the securities of the offeree company, the members of the administration of the offeree company and persons acting in concert with these parties.
- k) **“Person of influence”** shall mean any person who exercises influence over the licensee, directly or through a third party. This includes, without limitation, any person who affects the actions of the directors of company, regulated by this law, who in turn affect the decision making process of the licensee.
- l) **“Persons acting in concert”** shall mean any natural or legal persons who cooperate with the offeror or the offeree company on the basis of an agreement, either express or tacit, either oral or written, aimed either at acquiring control of the offeree company or at frustrating the successful outcome of a bid. The companies under the control of the offeror or the offeree company, within the meaning of Article 207 of Law no. 9901 dated 14.4.2008 "On entrepreneurs and companies, are considered persons acting in concert.
- ll) **“Public company”** shall mean a joint stock company with public offering which quotes its shares in the stock exchange, in accordance with Article 105 of Law no. 9879, dated 21.2.2008 “On the securities”.
- m) **“Offeree Company”** shall mean a public company, the securities of which are the subject of a bid, in accordance with the provisions of this law.
- n) **“Securities”** shall mean transferable securities carrying voting rights in a company, in accordance with law no. 9879, dated 21.2.2008 “On the securities”.
- nj) **“Regulated market”** shall mean the stock exchange or another regulated securities market which is authorized, regulated and supervised by the Financial Supervisory Authority, in accordance with law no. 9879, dated 21.8.2008 “On the securities”..
- o) **“Indirect control”** shall mean the control of the shares or voting rights of a company through the shares or voting rights that are owned by another company (controlled company). The size of the holding and indirect control is determined by multiplying the shares or voting rights owned by the controlled company with the shares or the voting rights, whichever is the largest, owned by the controlled company of the offeree company. If the share or the voting right is higher than 50 percent, it shall be treated as a full.

Article 3 General principles

The provisions of this law are based on the following principles:

- a) the holders of securities of the offeree company that belong to the same category shall be treated equally;

- b) if a natural or legal person acquires the control of the company, the protection of the other holders of securities must be guaranteed;
- c) the holders of the securities of the offeree company shall be provided with sufficient time and the necessary information for making a decision about the bid. When offering advice to the holders of the securities, the board of directors of the offeree company shall make available its viewpoint about the effects of the enforcement of the bid on employment, employment conditions and the location of offices from where the company does business;
- ç) the holder of securities shall not solicit other shareholders of the offeree company to make an offer to sell their shares;
- d) the administration of the offeree company shall act in the best interest of the company as a whole, in accordance with the letter "a" of point 1 of Article 163 of Law no. 9901, dated 14.4.2008 "On entrepreneurs and companies".
- dh) the creation of false market for the securities of the offeree company, the company that makes the offer or another company affected by the bid, which aims to increase or decrease the prices artificially and damages the normal functioning of markets shall be prohibited;
- e) the offeror shall announce the offer only when he / she guarantees the complete payment through monetary means, if such is offered, and only when taking all reasonable measures that guarantee the implementation of any other type of payment;
- ë) the offeree company shall not be hindered into carrying out its normal business activities for a period longer than it is necessary by an offeror to buy its securities.

Article 4

Information on joint stock companies, subject of this law

1. Joint stock companies, subject of this law, shall publish in the annual report and the financial statements the following detailed information:
 - a) the structure of the capital, including securities which are not admitted to trading on a regulated market, by indicating the different classes of shares and for each class, the rights and obligations attaching to them, and the percentage of the total share capital that they represent;
 - b) any restrictions, on the transfer of the securities, such as limitations on the holding of the securities or the need to obtain the approval of the company or other holders of securities;
 - c) significant direct or indirect shareholdings within the meaning of Article 206 of Law no. 9901, dated 14.4.2008 "On entrepreneurs and companies";
 - ç) the holders of securities with special control rights and a description of these rights;
 - d) the system of control of any employee share scheme, if any, where the control rights are not exercised directly by the employee;
 - dh) the rules governing the appointment and the replacement of the administration of the company and also the changing of statute;
 - e) the powers of the board members of company, specifically the powers to issue and buy back shares;
 - ë) significant agreements to which the company is a party and which take effect, alter or terminate upon a change of control chosen of the company following a takeover bid, except where their nature is such that their disclosure would be seriously prejudicial to the company. This exception shall not apply where the company is specifically obliged to disclose such information on the basis of other legal requirements, in accordance with Article 18 of Law no. 9901, dated 14.4.2008 "On entrepreneurs and companies";

- f) any agreements between the company and its board members or employees providing for compensation, if they, respectively, resign or are made redundant without valid reason, or if their employment ceases because of a takeover bid;
 - g) any restrictions on voting rights, such as limitations of the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby, with the company's cooperation, the financial rights attaching to securities are separated from the holding of securities;
 - gj) any agreement between the holders of the shares, known by the company and may result in restrictions on transfer of shares and / or voting rights.
2. The administration of the company, in the annual general meeting of the shareholders, shall publish an explanatory report on matters referred to in point 1 of this Article.
 3. The Authority shall approve the regulations to determine the additional information that may be included in the annual report and financial statements of joint stock companies.

CHAPTER II

TAKEOVER BID

Article 5

Participants in the bid

1. The takeover bid shall be directed to all shareholders of the offeree company for all shares of the company.
2. In order to establish a controlling percentage, the voting rights of persons acting in concert with the offeror, are counted as the offeror's own voting rights.

Article 6

Notification of decision to make a bid

1. Before the takeover bid, the offeror shall notify, in writing, the Authority and the administration of the offeree company.
2. The decision to make a bid shall be published on the website of the offeror when the offeror is a legal person and the National Registration Centre in the case of the offeree company, in accordance with law no. 9723, dated 3.5.2007 "On National Registration Centre", in the respective registrar of securities and the formal information means of the regulated securities market, in accordance with law no. 9879, dated 21.2.2008 "On the securities".
3. When the decision to bid has been made, the offeror and the offeree company shall communicate it to their employees and, in the case of companies, to the representatives of their employees in accordance with law no. 9901, dated 14.4.2008 "On entrepreneurs and companies".

Article 7

Preparation and publishing of the offer document

1. The offeror, within 10 days of notification of the decision to make an offer, shall submit the offer document to the Authority for approval.

2. The offer document shall contain at least the following information:

- a) the identity of the offeror and, where the offeror is a company, the type, name and registered office of that company;
- b) the type, name and registered office of the offeree company;
- c) the identity of persons acting in concert with the offeror or with the offeree company and, in the case of companies, their types, names, registered offices and relationships with the offeror and, where possible, with the offeree company;
- ç) details of any existing holdings of the offeror, and of persons acting in concert with him/her, in the offeree company;
- d) the securities or, where appropriate, the class or classes of securities for which the bid is made;
- dh) the maximum and minimum percentages or quantities of securities which the offeror undertakes to acquire;
- e) the type and the amount of payment offered for each stock and where the payment offered includes shares, their average weighted value on the stock market for the past 12 months, and information on the voting rights that they carry;
- ë) the amount of the loan requested by the offeror to finance the takeover bid, the measures taken to secure the financing of the bid, and the consequences that a positive conclusion of the bid would have on the financial status of the offeror;
- f) the terms and conditions to which the bid is subject;
- g) the offeror's intentions with regard to the future business of the offeree company and, in so far as it is affected by the bid, the offeror company and with regard to the safeguarding of the jobs of their employees and management, including any material change in the conditions of employment, and in particular the offeror's strategic plans for the two companies and the likely repercussions on employment and the locations of the companies' places of business;
- gj) the time allowed for acceptance of the bid;
- h) the steps to be taken by holders of securities to agree to the offer and to receive the appropriate payment for them;
- i) the offeror's intentions with regard to the right to require the holders of the remaining securities to sell to him / her their securities, provided for in Article 25 of this Law, if a certain percentage of the capital carrying voting rights has been acquired;
- j) the law which will govern contracts concluded between the offeror and the holders of the offeree company's securities as a result of the bid and the competent courts for resolving disputes.

3. The offer document shall be made public immediately following the approval by the Authority. If the Authority within 10 working days of receiving the offer document does not provide with a decision, the approval of the offer document will be considered valid and the offeror has the right to publish it immediately after the 10-day period. The publication of the offer document is binding to the provisions of point 2 of Article 6 of this Law.

4. The offeror and the offeree company, in accordance with law no. 9901, dated 14.4.2008 "On entrepreneurs and companies" shall communicate the offer document to their employees and, in the case of companies, to the representatives of their employees.

5. When after the takeover, which is expected to occur, as a result of the publication of the offer document, a concentration may be formed, in terms of point 1 of Article 12 of law no. 9121, dated 28.7.2003 "On protection of competition", the Competition Authority shall be notified about this concentration to obtain authorization under the relevant provisions of this law.

Article 8

Impartial advice, independent committees and approval by the shareholders

1. The board of directors of an offeree company in the case of an offer being received shall employ a financial adviser for impartial advice on whether the offer is unfair and unreasonable. This advice, including the reasons, shall be received in writing and along with the recommendation of the board of directors of the offeree company to accept the offer shall be communicated to the shareholders, through the offer response document. When any of the directors of the offeree company has a conflict of interest, the board of directors of the offeree company creates an independent committee, to avoid its partiality to the bid.
2. In the case when any of the directors of the board of the offeror company has a conflict of interest, as a consequence of the offer being made, the board of this company shall establish an independent committee to assess the proposed offer. If the conflict of interest is of a material nature, the Authority decides, among other things, whether it would be necessary to employ a financial adviser impartial to the board of directors of the offeror company to advise, where appropriate, its shareholders and also if the offer should be subject to the approval by the majority of the shareholders whether by being present or represented by other persons in the general assembly of the shareholders of this company.
3. A person who has or has had in the past a financial connection or any other kind of connection with the offeror or the offeree company, that causes a conflict of interest, shall be considered unsuitable for the provision of impartial advice.
4. A financial adviser shall not be considered impartial if he / she have a relationship of a nature that invalidates the impartiality of the advice to be given with the offeror or the offeree company, or any of their major shareholders. If there are shareholders in each company that are not impartial to the proposed transaction because they have interests other than the interest as a shareholder, the impartial adviser shall try to protect the interests of the offeror and the offeree company by serving only the interests of the impartial shareholders, who have no other interest in the proposed transaction, in addition to interest as a shareholder.
5. The independent committee of the board of a company shall consist of executives, who have no interest, direct or indirect, to the offer being considered, in addition to interest as a shareholder of the offeree company. For this reason, employees of an offeree company who are associated with the offeror company are considered to have indirect interest to the offer therefore are not considered impartial. The same definition applies to employees, directors, agents, partners, relatives and people related to a person who exercises control or presides over the activities of the offeree company, if such person has direct interest in the offer. To this purpose, "related person" shall mean the person who controls, is controlled or is under the same control, along with the person in question. In cases of ambiguity is necessary to consult the Authority. If the committee of the board of directors is in fact not independent, it is not considered as such. When it is not possible to create an independent committee, the responsibility for maintaining the interests of the independent shareholders belongs exclusively to the independent counsel.

Article 9

Prohibited Bids

1. The Authority shall prohibit the takeover bid if:

- a) the offeror does not submit an offer document within 10 days from the date of publication of the decision of making an offer;
 - b) the offer document does not contain the elements specified in point 2 of Article 7 of this Law;
 - c) the information contained in the offer document is inconsistent with the provisions of this Law;
 - ç) the offeror has not published the offer document in accordance with paragraph 3 of Article 7 of this law.
2. the Authority advises and discusses with the offeror the matters referred to in point 1 of this Article in order to correct the offeror's actions or inactions that are not in accordance with the provisions of this law.
 3. In the case of the offer for takeover not being permitted under the provisions of point 1 of this Article and when the offer is prohibited by the Competition Authority, the offer document shall not be published.
 4. The contract to purchase the securities of the offeree company based on a prohibited bid shall be considered invalid. If the control or the holding is obtained illegally then the recipient shall not exercise the rights obtained from shares (including voting rights and the right to be paid dividend) until he relinquishes his control or holding which was obtained in violation of the provisions of this law by selling the proper amount of stock.

Article 10

Responsibility of the authenticity of the offer document

The offeror is liable for damages caused to shareholders who have accepted the offer, if, within 2 years after the takeover bid, these shareholders present evidence that the offer document was incorrect and incomplete, except when the offeror proves that:

- a) the offeror has not been aware of these deficiencies, despite reasonable research efforts;
- b) the shareholders who have accepted the offer were aware of the deficiencies or the deficiencies were so apparent that the shareholders should have been aware of them.

Article 11

Terms and revocation

1. The bid includes conditions, where their fulfillment is not depended only on the offeror or persons acting in concert.
2. The offeror revokes the bid, except when the period of time allowed for acceptance of the bid has ended, but even then only when one of the allowed conditions of the takeover bid is not met or has not been given up.

Article 12

Time allowed for acceptance of bid

1. The time allowed for acceptance of the bid shall not be less than 3 weeks and more than 10 weeks from the date of publication of the offer document.
2. If the offeree company calls a general meeting to decide on the takeover bid, the time allowed for acceptance shall be 10 weeks from the date of publication of the offer document. The administrator of the offeree company shall inform without delay the offeror and the Authority on

the call of the general meeting. The offeror shall publish this information immediately, in accordance with point 2 of Article 6 of this Law.

3. The general assembly, under point 2 of this Article, shall be called no later than 21 calendar days before the expected date for holding the general assembly meeting, provided that the meeting shall not take place 21 days before the date of publication of the offer document. This term also applies to the period when this information is made available to shareholders, in accordance with point 3 of Article 137 of law nr.9901, dated 14.4.2008 “On entrepreneurs and companies”.

Article 13 **Equitable Price**

1. The offeror shall offer a fair price for the shares of the same class or classes of the offeree company. Price, respectively, the value of the exchange of the takeover bid shall not be lower than the highest value of:

- a) the fair share price calculated on the basis of assessment methods, accepted and recognized by all;
- b) the weighted average price of the stock market for the last 3 months;
- c) if the share price cannot be determined by this method, it shall be defined as the highest price between the last value of the emission and the last value paid by the offeror.

2. The Authority issues detailed regulations on the method of determining the equitable price.

3. The payment offered by the offeror shall be in monetary means or in shares marketable in the regulated market, if these shares are sufficiently liquid and active. Holders of securities with voting rights are offered as an equivalent value shares with voting rights.

4. The offeror shall provide monetary means when he or persons acting in concert with him / her, have bought through monetary means at least 5 percent of the shares or voting rights of the offeree company in the last six months before the publication of the decision to make the offer.

5. If the offeror or persons acting in concert with him / her, within 1 year from the date of publication of the offer document, have acquired securities of the offeree company, at a price higher than the offer price, the offeror shall pay to the shareholders who have accepted the offer the price difference. This rule does not apply:

- a) if the shares are acquired in order to fulfill a legal obligation to pay damages to the shareholders of offeree company;
- b) in case of purchase of the assets of the offeree company during a merger or division, under the provisions of Article 214 of the Law no. 9901, dated 14.4.2008 “On entrepreneurs and companies”;
- c) in the case of the exercise of a prepurchase right during the expansion of the capital of the offeree company, in accordance with Article 174 of Law no. 9901, dated 14.4.2008 “On entrepreneurs and companies”.

Article 14 **The assessment by the administration and the representative council of employees of the offeree company**

1. The administration of the offeree company within 10 days from the date of publication of the offer document or the adjustments made to it, shall draw up and publish a document, which

presents its opinion on the takeover bid, analyzing the consequences that the implementation of the bid could have on the interests of the company, including the effects on labor relations. This document shall also present the opinion about the consequences that the strategic plans provided by the offeror in the offer document might have on the offeree company, including the possible consequences of these plans on labor relations and the locations of the places of business of the company. In this document shall also be listed the reasons for which the administration supports the company's aforementioned opinion.

2. The administration, at the same time, shall communicate this opinion to the representative council of the employees, which compiles a separate opinion on the consequences of the takeover on labor relations, which shall be attached to the document drawn up by the administration.

3. The document shall be published in accordance with point 2 of Article 6 of this Law.

Article 15

Actions taken by the administration of the offeree company

1. From the moment of publication of the decision to make the offer, until the time of publication of the outcome, in accordance with Article 22 of this Law, the administration of the offeree company shall not take any actions which may hinder the successful conclusion of the takeover, except when:

- a) these actions, in accordance with Articles 163 and 167 of Law no. 9901, dated 14.4.2008 “On entrepreneurs and companies”, would be conducted by the administration of a company in fulfilling its duties, even if the company would not have received an offer for takeover;
- b) the administration requires an alternative offer.

Article 16

Limitation by choice of protective measures

1. The general assembly, by a qualified majority vote, in accordance with point 1 of Article 145 of Law no. 9901, dated 14.4.2008 “On entrepreneurs and companies”, decides to not comply with Article 15 of this Law.

2. In this case, after the publication of the decision to make the offer and until the time of publication of the outcome, the administration of the offeree company, shall not take any actions which would hinder the normal course of the bid, with the exception of cases when:

- a) the actions are authorized by the general assembly, after the publication of the decision to make the offer;
- b) the actions are part of the normal exercise of activity of the company;
- c) the actions which are not part of the normal exercise of activity of the company, but are carried out in pursuance of decisions taken before the date of publication of the decision to make the offer and began to apply before that date;
- ç) the administration requires an alternative offer.

3. The administration of the offeree company, shall notify without delay the Authority of the decision made by the general assembly under item 1 of this Article. The decision of the assembly shall be published immediately in the website of the offeree company.

Article 17

Failure to apply of restrictions in connection with the transfer of shares

1. The general assembly, by a qualified majority vote, in accordance with point 1 of Article 145 of Law no. 9901, dated 14.4.2008 “On entrepreneurs and companies”, shall decide on the application of the following norms:

a) During the time allowed for the acceptance of the takeover bid, shall not apply to the offeror the limits set on the transfer of shares, provided in the statute of the offeree company, in accordance with Article 120 of Law no. 9901, dated 14.4.2008 “On entrepreneurs and companies”, in the formal agreements made between the offeree company and holders of its securities or in the contracts between the holders of securities of the offeree company.

b) when, after an offer of takeover, the offeror has acquired 75 percent or more of the capital with voting rights, the restrictions on transfer of shares, mentioned in the letter "a" of this point, and the extraordinary rights of shareholders for the appointment or dismissal of members of the council, as provided in the statute of the offeree company, shall not be implemented in the first session of the general assembly called by the offeror, in order to make amendments in the statute or to dismiss or appoint members of the administration. For this purpose, the offeror has the right to convene, within a very short period of time, the general meeting of shareholders, in accordance with point 3 of Article 12 of this Law.

2. The provisions of the letters "a" and "b" of point 1 of this Article shall not apply to shares with no voting rights.

3. The administration of the offeree company, shall notify, at no delay, the Authority of the decision made by the general assembly under letter "a" of point 1 of this Article. The decision shall also be immediately published on the website of the offeree company.

4. In the case when under the point 1 of this Article the holders' rights have been violated, the holders of these rights may require compensation from the offeror for any losses caused. The minimal amount of compensation shall be stipulated in the founding documents of the offeree company and shall not exceed the capital value of this company multiplied by the number of voting rights that the priority shares have. Compensation shall be paid by the offeror in cash no later than 8 working days after the date of completion of the general assembly meeting.

5. The right to seek this compensation may be applied through a court order until the conclusion of a 2-month period after the violation of rights.

6. Points 1 to 4 of this Article shall not apply in cases where a local or central authority owns securities of the offeree company, which grants it special rights, in accordance with Article 10 of Law no. 8306, dated 14.3.1998 “On privatization of sectors of particular importance”, as amended.

Article 18

Application of reciprocity

1. The general assembly of the offeree company, which has decided not to apply the provisions of Article 15 of this law, may decide to apply this Article if the offeror or the parent company of the offeror, in accordance with Article 207 of Law no. 9901, dated 14.4.2008 “On entrepreneurs and companies”, does not submit to provisions equivalent to Article 16 of this Law.

2. The general assembly of the offeree company, which has committed to implementing the norm of overcoming the limit, provided for in Article 17 of this law, may decide to not implement this

rate, if the offeror or the parent company of the offeror, in accordance with Article 207 of Law no. 9901, dated 14.4.2008 “On entrepreneurs and companies”, does not submit to such a norm.

3The administration of the offeree company shall notify, at no delay, the Authority of the decision of the general assembly, according to points 1 and 2 of this Article. The decision shall also be immediately published on the website of the offeree company.

Article 19

Revision of bid

1. The offeror, up to one working day before the deadline of the time allowed for the acceptance of the offer, may:

a) increase the price;

b) offer an alternative price, of equal value;

c) reduce the minimum amount of shares or voting rights, which must be acquired in order to ensure a successful takeover bid;

ç) to revoke a condition, if any.

2. Revisions of the takeover bid shall be immediately published, in accordance with Article 6 of this law and if the publication is made within 8 working days prior to the deadline of the time allowed for acceptance of the offer, the deadline of the time allowed for the acceptance of the offer shall increase by at least 8 days after the date of this publication.

3. Shareholders who have accepted the offer before the revision may withdraw from the contract until the expiration of time allowed for acceptance.

Article 20

Competing bids

1. Competing bids for takeover are made by third parties during the time allowed for acceptance of the takeover bid. Every person shall have the right to make another takeover bid within 15 days, inclusive, after the end of the period within which the statement of acceptance shall be made.

2. The competing bid shall be published and approved by the Authority, if it is more favorable to the shareholders than the takeover bid or a previous competing bid. A competing bid shall be considered as more favorable, if the price defined in cash is at least 5 percent higher. If another competing bid is made, it shall be considered as more favorable, if its price, defined in cash, is at least 5 percent higher than the previous competing bid price. If a new competing bid differs from the previous competing bid only in price, the Authority shall decide to approve it within 3 working days.

3. When the competing bid is approved and published in accordance with the general rules, the previous bid and its acceptance statement are considered invalid.

Article 21

Transactions with the securities of the offeree company

After the publication of the offer document, the offeror and the offeree company, together with the persons acting in concert with them, shall immediately notify the Authority and publish, in

accordance with point 2 of Article 6 of this Law, the information on any sale or acquisition of the securities of the offeree company.

Article 22

Publication of the outcome of bid

1. The Offeror, after the time allowed for the acceptance, shall publish the outcome of the bid, in accordance with point 2 of Article 6 of this law.
2. The joint stock company, regardless of the liability provided for in point 1 of this Article, registers the transfer of shares in the registrar of shares of the company, in accordance with the provisions of law no. 9901, dated 14.4.2008 "On entrepreneurs and companies", in the registrar of securities, in accordance with the provisions of law no. 9879, dated 21.2.2008 "On securities" and at the National Registration Center, in accordance with the provisions of law no. 9723, dated 3.5.2007 "On the National Registration Center".

Article 23

Prohibition of subsequent bids

1. In the case of an unsuccessful bid, the offeror and the persons acting in concert with him / her shall not make another bid for the securities of the offeree, within 1 year from the publication of the outcome of the bid.
2. Offer is deemed unsuccessful if:
 - a) the Authority has not approved it;
 - b) Authority has placed a ban on it;
 - c) One or more of the conditions set by the offeror have not been fulfilled, in accordance with Article 11 of this law.

Article 24

Illegal Payments

The offeror or persons acting in concert with him / her shall not to extend or promise payment or priority to the administration of the offeree company, if these are not provided in the contents of the offer document.

Article 25

The right to control the entire company

1. The offeror, who, in the course of the takeover bid, has acquired at least 90 percent of voting rights carrying capital and 90 percent of the voting rights of offeree company, shall, within 3 months from the end of the time allowed for acceptance of the offer, require the remaining holders of voting shares to sell him / her the shares against equal terms counter value, only if this intention of the offeror is provided in the offer document, according to the letter "h" of Article 7 of this law. If the offeror owns 90 percent of all shares that carry voting rights and 90 percent of the voting rights of offeree company, he may require purchasing all the priority shares remaining and any other shares without voting rights to, which shall be sold to him / her.

2. Payment for shares to be acquired under point 1 of this Article, shall be made in the same form as the payment offered in the takeover bid to take control and the value shall be the one specified in the takeover bid (voluntary offer) or the capital value for each share, whichever value is larger.

Article 26

The right of minority shareholders to exit

1. Holders of shares with voting rights that have not been acquired have the right, within 3 months from the end of time allowed for acceptance of the offer, shall request the offeror to purchase their shares against the price offered in the takeover bid, if the offeror has acquired at least 90 percent of voting rights carrying capital and 90 percent of the voting rights of the offeree company. If the offeror owns 90 percent of all shares, this right may be exercised by the holders of the remaining priority shares without voting rights and all the other shares without voting rights. In this case, in regard to the type and the amount of payment, the provisions of point 2 of Article 25 of this law shall apply.

2. Where, as a result of an offer for takeover, the offeror acquires 90 percent of the securities of the offeree company, the provisions of Article 212 of Law no. 9901, dated 14.4.2008 “On entrepreneurs and companies” shall not apply.

Article 27

Partial Voluntary Offers

1. To partial voluntary offers, which are aimed at acquiring a part of the securities of the offeree company and fail to acquire takeover, shall apply Articles 6 to 14 and 19 to 24 of this Law.

2. If the shareholders, who accept the offer, represent a larger number of shares than those aimed to be acquired by the offeror, they shall be treated proportionately.

CHAPTER III

MANDATORY OFFERS

Article 28

Obligation to make an offer and to publish it

1. When the offeror, alone or together with persons acting in concert with him / her, acquires the securities of the offeree company, which, if added to the securities owned before the bid, give him / her a percentage of voting rights, which allow control over the company in question, the offeror, within 7 days, in accordance with Article 6 of this law, shall report and publish this fact, in an accurate manner, and also the amount of the voting rights that are held. The above period begins from the date when the offeror becomes aware or, under the circumstances, should have been aware of the acquisition of control over offeree company.

2. Within 10 days from the date of publication provided in point 1 of this Article, the offeror shall present an offer document to the Authority for approval and shall publish it in accordance with point 3 of Article 7 of this law.

3. The offer shall be made to all remaining holders of securities for all the securities that they hold.
4. Where control is taken after a voluntary offer, published in accordance with Article 7 of this law and communicated to all the holders of securities for all the securities that they hold, the obligation provided in point 2 of this Article, for the publication of the offer, shall not apply.
5. The rights acquired from shares held by the offeror or by persons acting in concert with him / her, shall not be exercised, if the requirements of points 1, 2 and 3 of this Article are not met.
6. The provisions of Chapter II of this Law, except for provisions made in Articles 11 point 1, 23 and 27 thereof, shall also apply to Chapter III, if not otherwise provided therein.

Article 29

Exemptions from the obligation to make offer

1. If as a result of the acquisition of shares of the offeree company, the offeror or persons acting in concert with him / her, do not take control of the company and the person who has control of offeree company do not replaced, the offeror has no obligation to make an offer, but shall notify the Authority within the period specified in point 2 of Article 28 of this Law.
2. Though it is not mandatory to make an offer, the Authority shall be notified within the period specified in point 2 of Article 28 of this law, in the cases when:
 - a) another shareholder or other persons acting in concert with him / her, hold at least the same amount of voting rights of the offeree company, as the bidder;
 - b) the percentage of shares that ensure takeover is only temporary reached or passed without premeditation and is lowered immediately after offeror is made aware of this fact;
 - c) the shares are acquired through donation, inheritance or division of property;
 - ç) actions were taken for restructuring if the offeree company is in crisis or if a group of companies is in crisis, under Article 206 and following of the law no. 9901, dated 14.4.2008 “On entrepreneurs and companies”.
3. The Authority within 10 days from receiving the information provided in point 1 of this Article may require the offeror to make an offer, if, due to the circumstances of the case, it deems the making of the offer necessary in order to protect the interests of the offeree company, or its shareholders.
4. The obligation to make an offer for the operations of restructuring provided in Articles 214 and following of the law no. 9901, dated 14.4.2008 “On entrepreneurs and companies”, shall not be fulfilled.

CHAPTER IV

PROCEDURAL PROVISIONS

Article 30

The power of the Authority and its board

1. The Financial Supervisory Authority is responsible for:
 - a) supervise the enforcement of the provisions of this law, in accordance with the objectives provided in Article 12 of law no. 9572, dated 3.7.2006 “On the Financial Supervisory Authority”;

b) the taking of measures for the prevention and elimination of the shortcomings that may arise during the takeover bid procedure.

2. Authority adopts regulations necessary to enforce this law.

Article 31

The right to appeal

The decisions of the Authority are subject to appeal in court. The court appeal in no way shall hinder the execution of decisions taken by the Authority in the enforcement of this law.

Article 32

International cooperation of authorities

1. The Authority establishes relationships or enters into agreements of understanding with any supervisory authority, domestic or foreign, with overseers of the financial sector, money laundering prevention agencies or any other institution, for cooperation and exchange of information, and exchanges information with these authorities, as deemed necessary, for reasons of fulfilling the functions defined by the provisions of this law.

2. Cooperation shall include the right to provide legal documents necessary for the implementation of the measures taken by the competent authorities for the bids, as well as assisting in other areas, upon request of the supervisory authorities, in accordance with the provisions of bilateral or multilateral agreements, that are signed by the Authority.

CHAPTER V

SANCTIONS

Article 33

Suspension of rights

The rights of shares, which are held by the offeror or persons acting in concert with him / her, shall not be exercised as long as the obligations provided in points 1 and 2 of Article 28 of this Law are not fulfilled.

Article 34

Administrative Offenses

1. Constitute violations of the following administrative offenses committed intentionally or negligently:

a) failure to publish or failure to provide information or the publishing or providing of inaccurate, incomplete and past the deadline of the information, in accordance with:

i) Articles 6 points 1 and 2, 7 point 3, 28 points 1 and 2 of 29 of this Law;

ii) Articles 12 points 2 and 3, 14 point 3, 19 point 2, 21 and 22 point 1 of this law;

iii) Articles 6 points 3, 7 point 4 and 14 point 2 of this Law;

iv) Articles 16 point 3, 17 point 3 and 18 point 3 of this Law;

- v) point 2 of Article 36 of this Law;
 - b) failure to submit an offer document, according to the provisions of points 1 and 2 of Article 1 of this law, or inaccurate, incomplete or late submission of this document;
 - c) publication of the offer, in violation of point 3 of Article 9 of this Law;
 - ç) actions that violate Article 15 or letter "a" of point 2 of Article 16 of this Law;
 - d) the making an offer in violation of Article 23 of this Law;
 - dh) The promise of advantages, without disclosing them, according to the provisions of Article 24 of this Law;
 - e) the exercise of the right to remove the small shareholders from the company without disclosure, under provisions of point 1 of Article 26 of this Law.
2. Authority implements the following sanctions:
- a) violations provided in the letters "a" division "of" and "iii", "b", "c", "d", "f" and "e" of point 1 of this Article are punishable by a fine of 5.000.000 (five million) ALL up to 10.000.000 (ten million) ALL;
 - b) violations provided in letters "ii", "iv" and "v" the letter "a" of point 1 of this Article are punishable by a fine of 10.000.000 (ten million) ALL up to 20.000.000 (twenty million) ALL.

CHAPTER VI

INTERNATIONAL VALIDITY

Article 35

Joint stock companies registered in Albania and listed in stock exchange abroad

1. The shares with voting rights of an offeree company are not listed in the regulated market in Albania, but in a regulated market in a member state of EU or in another state in the European economic area, only the following provisions of this law shall apply to the voluntary and mandatory bids:
- a) Articles 6 points 3, 4 and 7, 14 point 2, on notifying the employees of the offeree company;
 - b) letter "dh" of point 1 of Article 2, on definition of control;
 - c) Article 15 on protective measures, which are performed by the administration of the offeree company;
 - ç) Articles from 16 to 18, on limitation of the restrictions on protective measures;
 - d) Article 28, on the obligation to make an offer;
 - dh) Article 29, on the exemptions from making an offer;
 - e) any other provision of law on companies, in which this law refers.

Article 36

Joint stock companies registered abroad and listed on the stock exchange in Albania

1. Where the offeree company, is based in a member state of the EU or in another state of the European economic zone, the provisions of this Law on the content and procedures of the offers shall apply, specifically the provisions of the chapters I, IV and V and points from 5 to 29 of this Law, except for provisions of Article 35 of this law and other provisions of law on companies, if the following conditions are met:

- a) the shares with voting rights are admitted in the regulated market in Albania;
 - b) the shares with voting rights are admitted in the regulated market in Albania and in another state, but not in the state where the offeree company's headquarters are located and:
 - i) the first admission to the regulated market has occurred in Albania;
 - ii) the admissions to the regulated markets have occurred simultaneously and the offeree company has selected the Financial Supervisory Authority of Albania, as the competent authority.
2. An offeree company, the shares with voting rights of which are simultaneously admitted for trading in the regulated markets in Albania and in another state, under the provisions of point 1 of this Article, but not in the state where its headquarters are located, may decide on its own which of the relevant authorities for the supervision of an offer may be the competent authority. The offeree company shall make this decision known, in accordance with points 1 and 2 of Article 6 of this Law, in the first day of trading its shares in the regulated market in Albania.

CHAPTER VII

FINAL AND TRANSITIONAL PROVISIONS

Article 37

Implementation

- 1. This law shall apply to the voluntary offers made after its entry into force.
- 2. This law shall apply to mandatory offers if the event which necessitates the obligation to make the offer, according to point 1 of Article 28 of this law, occurs after the entry into force of the law.

Article 38

Entry into force

This law shall enter into force 15 days after its publication in the Official Gazette.

VICE SPEAKER
Ardian Turku