Law no. 31 of November 16, 1990 on Companies

Republished

The text includes the amendments of the following enactments:

- Law no. 302/2005;

- Law no. 164/2006;

- Law no. 441/2006;

- Law no. 85/2006;

- Government Emergency Ordinance no. 82/2007;

- Government Emergency Ordinance no. 52/2008;

- Law no. 88/2009;

- Government Emergency Ordinance no. 43/2010;

- Government Emergency Ordinance no. 54/2010;

- Government Emergency Ordinance no. 90/2010;

- Law no. 202/2010;

- Government Emergency Ordinance no. 37/2011;

- Law no. 71/2011;

- Government Emergency Ordinance no. 2/2012;

- Government Emergency Ordinance no. 47/2012;

- Law no. 76/2012;

- Law no. 255/2013;

- Law no. 187/2012;

- Law no. 152/2015;

- Law no. 163/2018;

- Last amendment is dated July 15, 2018.

*) According to Article VII of Law no. 152/2015, references to the Trade Registry number in this act shall be deemed to also include the European unique identifier (EUID).

TITLE I: GENERAL PROVISIONS

Art. 1

(1) With a view to carrying out activities with lucrative purposes, natural persons and legal persons may join and set up companies with legal personality, in compliance with the provisions of the present law.

(2) Companies which have their registered office in Romania shall be Romanian legal persons.

Art. 2

Unless otherwise provided by the law, companies with legal personality shall be set up under one of the following forms:

a) general partnership;

b) limited partnership;

c) joint-stock company;

d) partnership limited by shares and

e) limited liability company.

Art. 3

(1) A company's civil liabilities shall be guaranteed against its total assets.

(2) Shareholders in a general partnership, as well as the active partners in a limited partnership or in a partnership limited by shares shall have an unlimited and joint liability for the company's civil liabilities. The creditors shall first go against the company to fulfil its obligations and shall go against the shareholders and partners only if it does not meet payments within 15 days as from the date of putting in default.

(3) The shareholders, the silent partners, as well as the shareholders in a limited liability company can be held liable only up to the value of their subscribed share capital.

Art. 4

A company with legal personality shall have at least two shareholders except for the case where the law provides otherwise.

TITLE II

SETTING UP COMPANIES

Chapter 1: The Constitutive Act of the Company

Art. 5

(1) The general partnership or the limited partnership shall be set up by means of a memorandum of association, while the joint-stock company, the partnership limited by shares or the limited liability company shall be set up by means of a memorandum and articles of association.

(2) The limited liability company can also be set up by the act of will of a single person. In this case only the articles of association shall be drawn up.

(3) The memorandum and articles of association may be drawn up as a single document entitled the constitutive act.

(4) When only the memorandum of association or only the articles of association are concluded, they may also be called constitutive act. Within the present law, the term of constitutive act designates both the single document and the company's memorandum of association and/or articles of association.

(5) In case the memorandum of association and the articles of association are separate documents, the articles of association shall include the identification data of the shareholders and clauses which govern the organisation, operation and performance of the company's activity.

(6) The constitutive act shall be concluded under private signature, shall be signed by all shareholders or, in case of a public subscription, by the founders. The authenticated form of the constitutive act shall be mandatory when:

a) among the goods subscribed as contribution to the share capital there is a property;

b) a general partnership or a limited partnership is set up;

c) a joint-stock company is set up by public subscription.

(7) The constitutive act shall also acquire a certain date after being submitted to the trade registry office.

Art. 6

(1) The signatories of the constitutive act, as well as the persons with a decisive role in the setting up of the company shall be considered founders.

(2) The persons who, according to the law, are incapacitated or have been sentenced for offences against the assets by breach of trust, offences of corruption, embezzlement, forgery, tax evasion, for the criminal offences provided by Law no. 656/2002 for the prevention and sanctioning of money-laundering, as well as for certain measures for the prevention and combating of financing terrorist acts, as republished, or for those provided by this law, cannot assume the position of founders.

Art. 7

The constitutive act of the general partnership, of the limited partnership, and of the limited liability company shall contain:

a) the identification data of the shareholders; in case of a limited partnership, the active partners shall be identified;

b) the form, name and registered office;

c) the company's object of activity, the field of action and the main activity;

d) the share capital, with special mention of each shareholder's contribution, whether in cash or in kind, the value of the contribution in kind and the manner of evaluation. In a limited liability company, the number and the nominal value of all shares, as well as the number of shares attributed to each shareholder for his contribution shall be specified;

e) the shareholders who represent and manage the company or the non-shareholding directors, their identification data, the powers vested in them and whether they are going to exert the powers together or separately;

e^1) in case of limited liability companies, the identification data of the first censor or of the first financial auditor, if there are appointed censors or financial auditors;

f) each shareholder's share in the profits and losses;

g) secondary units - branches, agencies, representations or other units of the same kind without legal personality - when these units and the company are set up at the same time, or conditions to set them up at a later date if such a set-up is considered;

h) term of the company;

i) the method of dissolution or liquidation of the company.

Art. 8

The constitutive act of the joint-stock company or of the partnership limited by shares shall contain:

a) the identification data of the founders; in case of a partnership limited by shares, the active partners shall be identified;

b) the form, name and the registered office;

c) the company's object of activity, specifying the field of action and its main activity;

d) the subscribed and paid-up share capital and, in case the company has an authorised capital, the amount thereof;

e) the nature and value of the assets brought as contribution in kind, the number of shares attributed against them and the name or, as applicable, the denomination of the legal person that brought them as contribution;

f) the number and nominal value of the shares, specifying whether they are registered or on bearer;

f^1) if there are several categories of shares, the number, nominal value and rights conferred to each category of shares;

f^2) any restriction with regard to the transfer of shares;

g) the identification data of the first members of the board of directors or, respectively, of the first members of the supervisory board;

g^1) the powers conferred to the directors and, as applicable, to the managers, or to the directorate members, respectively, and if they are going to exert them together or separately;

h) the identification data of the first censors or of the first financial auditor;

i) clauses regarding the management, administration, functioning and control of administration of the company by the statutory bodies, the number of members of the board of directors or the manner for establishing this number;

j) term of the company;

k) method of profit distribution and loss bearing;

l) secondary units - branches, agencies, representations or other units of the same kind without legal personality - when these units and the company are set up at the same time, or the conditions to set them up at a later date if such a setting up is considered;

m) any special benefit granted, at the time of setting up the company or until the company is authorised to begin its activity, to any person that participated in the setting up of the company or in

transactions leading to the granting of the authorisation in question, as well as the identity of the beneficiaries of such benefits;

n) the number of shares of the silent partners in a partnership limited by shares;

o) the total amount or at least an estimate amount of all setting up costs;

p) method of dissolution or liquidation of the company.

Art. 8^1

The identification data provided in Article 7 a), e) and e^1) or in Article 8 a), g) and h), respectively, shall include:

a) for natural persons: the first and last name, personal number code and, if applicable, its equivalent, according to the applicable national legislation, the place and date of birth, the domicile and citizenship;

b) for legal persons: the name, head office, nationality, registration number with the trade registry or the sole registration code, according to the applicable national laws.

Art. 9

(1) The joint-stock company may be set up only by full and simultaneous subscription of the share capital by all signers of the constitutive act or by public subscription.

(2) In case of a full and simultaneous subscription of the share capital by all signers of the constitutive act, the share capital paid-in upon setting up cannot be less than 30% of the subscribed capital. The difference in subscribed share capital shall be paid in:

a) for the shares issued for a cash contribution, within 12 months as of the date of registration of the company;

b) for the shares issued for a contribution in kind, within maximum 2 years as of the date of registration.

Art. 9^1

The general partnership, the limited partnership and the limited liability company shall be bound to fully pay the subscribed share capital on the date of setting up.

Art. 10

(1) The share capital of the joint-stock company and of the partnership limited by shares cannot be lower than LEI 90 000. The Government may change once in 2 years at the most, the minimum value of the share capital, considering the exchange rate, so that this amount is the equivalent in LEI of EUR 25 000*).

*) The share capital may also be increased until January 31, 2007 by using reserves, save for legal reserves, as well as by using capital benefits and premiums, including the favourable difference arising from the re-evaluation of the total assets or in other ways permitted by the law.

(2) Except for the case when the company is transformed into another type of company, the share capital of the companies provided in paragraph (1) cannot be reduced below the lawful minimum level unless its value is brought to a level at least equal to the lawful minimum level by passing a decision to increase the capital at the same time with the decision to reduce the capital. In case these provisions are breached, any person concerned may go to court to request the dissolution of the company. The company shall not be dissolved if, by the time the dissolution judgement is final, the share capital is brought to the value of the lawful minimum level provided by this law.

(3) The number of shareholders in a joint-stock company cannot be less than 2. In case the company has less than 2 shareholders for a period longer than 9 months, any party concerned may ask the court to dissolve the company. However, the company shall not be dissolved if, by the time the dissolution judgement is final, the minimum number of shareholders provided by this law is reconstituted.

Art. 11

(1) The share capital of the limited liability company cannot be less than LEI 200 and it shall be divided into equal shares that cannot be less than LEI 10 each.

(2) The shares of a limited liability company cannot be represented by negotiable instruments.

Art. 12

In a limited liability company, the number of the shareholders cannot be higher than 50.

Art. 13

(1) In case that, in a limited liability company, the shares belong to a single person as a sole shareholder, that person shall have the rights and duties prescribed, according to this present law, for the general meeting of shareholders.

(2) If the sole shareholder is also the director, he shall also assume the duties prescribed by the law for this capacity.

(3) In a company set up by a sole shareholder, the value of his contribution in kind shall be assessed by an expert's report.

Art. 14

(1) A natural person or a legal person cannot fill the position of sole shareholder in more than one limited liability company.

(2) A limited liability company cannot have, as a sole shareholder, another limited liability company composed of a single person.

(3) In case the provisions of paragraphs (1) and (2) of this article are breached, the State through the Ministry of Finance, as well as any interested person may request the dissolution of such a company by way of court decision.

(4) Based on the dissolution decision, the liquidation shall be carried out according to the rules prescribed by this present law for limited liability companies.

Art. 15

The contracts between the limited liability company and the natural or legal person, which is a sole shareholder of the former, shall be concluded in writing, under the sanction of absolute nullity.

Art. 16

(1) Contributions in cash shall be mandatory when setting up companies of any kind.

(2) Contributions in kind must be assessable economically. They shall be admissible in all forms of companies and shall be paid by transferring the relevant rights and by effective delivery to the company of the assets in a good operating condition.

(3) The contributions in debt-claims shall have the legal regime of contributions in kind, shall not be admitted in joint-stock companies set up by public subscription, nor in partnerships limited by shares or in limited liability companies. Contributions in debt-claims shall be paid according to Article 84.

(4) Work or service provisions cannot be considered as contributions to form or to increase the share capital.

(5) The shareholders in a general partnership and the active partners may assume the obligation to input work performances as contributions, but these contributions cannot be considered as such with the purpose to form or to increase the share capital. In exchange for such contributions, the shareholders shall be entitled, according to the constitutive act, to share in the distribution of profits and company's assets remaining, at the same time, bound to pay their share of possible losses.

Art. 17

(1) At the time of authentication of the constitutive act in the cases provided under Article 5 or, as the case may be, upon providing a certain date to such act, the company shall produce the proof issued by the trade registry office regarding the availability and reservation of the company and a sworn statement regarding the capacity of sole shareholder in a single limited liability company.

(2) The notary public shall deny authentication of the constitutive act or, as the case may be, the person who provides the certain date shall deny the requested operations if the documentation submitted does not reflect that the conditions provided under paragraph (1) are fulfilled.

(3) Upon registration of the company and upon the change of headquarters, the following shall be produced at the trade registry office:

a) the document attesting the usage right for the area marked for headquarters purposes, registered with the fiscal body within the National Agency for Fiscal Administration whose jurisdiction includes the property marked for headquarters purposes;

b) a certificate issued by the fiscal body instructed under letter a), certifying that no other document attesting the assignment of the usage right for the same property, either for consideration or free of charge, or the existence of other agreements under which the usage right for the same property has been assigned, were registered for the property marked for headquarters purposes;

c) if the certificate issued according to letter b) shows that other documents attesting the assignment of the usage right for the same property marked for headquarters purposes have already been registered with the fiscal body, an authenticated sworn statement concerning the fulfilment of the requirements regarding the headquarters, as provided under paragraph (4).

(4) Several companies may operate in the same headquarters only if the property, by its structure and net area, allows for the operation of several companies in different rooms or in distinctly separated areas. The number of companies operating on a property cannot exceed the number of rooms or distinct areas obtained by separation.

(5) Information concerning the capacity of sole shareholder and the fulfilment of the requirements regarding the headquarters shall be registered with the trade registry at the applicant’s expense.

Chapter 2: Specific Formalities to Set Up Joint-Stock Companies by Way of Public Subscription

Art. 18

(1) In case the joint-stock company is set up by public subscription, its founders shall draw up a prospectus containing the data provided under Article 8, except data regarding the directors and managers, and, respectively, regarding the directorate members and the members of the supervisory board, as well as the censors and, as applicable, the financial auditor and that shall establish the closing date of the subscription.

(2) The prospectus, signed by founders in the authentic form, shall be filed, prior to its publishing, with the trade registry office of the county where the company's registered office will be established.

(3) The delegated judge of the trade registry office, ascertaining the fulfilment of the conditions of paragraphs (1) and (2), shall authorise the prospectus publication.

(4) The prospectus which does not contain all the mentions shall be void. The subscriber cannot be in a position to invoke such nullity if he attended the constitutive meeting or if he exercised the shareholder's rights and duties.

Art. 19

(1) The subscriptions of shares shall be made on one or several counterparts of the founders' prospectus authorised by the delegated judge.

(2) The subscription shall contain: the name and first name or denomination, domicile or registered office of the subscriber; number of subscribed shares, given in letters; subscription date and an express statement that the subscriber knows and accepts the prospectus.

(3) The sharing in the company's profits, reserved by founders to their own use, although accepted by subscribers, shall have no effect unless it is approved by the constitutive meeting.

Art. 20

Within a period of maximum 15 days as from the subscription closing date, the founders shall convene the constitutive meeting by a notice published in the Official Gazette of Romania, Part IV, and in two wide circulation newspapers, 15 days prior to the day established for the meeting. The notice shall indicate the place and date of the meeting which cannot take place later than two months from the subscription closing date and shall also state the problems subject to discussion.

Art. 21

(1) The company can be set up only if the full share capital was subscribed and each acceptor has paid in cash half of the subscribed shares value to the Savings and Consignment Office (Casa de Economii si Consemnatiuni – CEC – SA), to a commercial bank or to one of their subsidiaries. The other half shall have to be paid within 12 months as from the incorporation date.

(2) The shares which represent contribution in kind shall be covered in full.

Art. 22

If the public subscriptions exceed the share capital stipulated by the prospectus, or they are less, the founders shall be obliged to submit to the constitutive meeting's approval the increase or the reduction of the share capital to the subscription level, as the case may be.

Art. 23

(1) The founders shall be obliged to draw up a list of those who, by accepting the subscription, are entitled to take part in the constitutive meeting, mentioning the number of shares of each one.

(2) This list shall be posted up at the meeting place, at least 5 days prior to the meeting date.

Art. 24

(1) The meeting shall elect a president and two or more secretaries. The participation of the acceptors shall be ascertained by lists of attendance, signed by each of them and authorised by the president and by one of the secretaries.

(2) Before starting the proceedings of the meeting's agenda any acceptor shall have the right to make remarks regarding the list posted by the founders; the meeting shall have to decide upon such remarks.

Art. 25

(1) In the constitutive meeting, each acceptor shall have the right to one vote, irrespective of the shares subscribed. He may also be represented by a special proxy.

(2) No one can represent more than 5 acceptors.

(3) The acceptors who provided contributions in kind shall not have the right to vote in proceedings regarding their contribution even if they are also subscribers of shares paid in cash or they are proxies of other acceptors.

(4) The constitutive meeting is considered lawful when half plus one of all the acceptors' are present and it makes decisions by the simple majority vote of those attending the meeting.

Art. 26

(1) In case of contributions in kind, benefits granted to any person that participated in the setting up of the company or in transactions leading to the grant of the authorisation, operations concluded by founders on behalf of the company to be set up and which are going to be taken over by such company, the founders shall request the delegated judge to appoint one or more experts. The provisions of Articles 38 and 39 shall apply accordingly.

(2) The report of the expert or experts shall be made available to the subscribers, at the place where the constitutive meeting is going to be convened.

Art. 27

(1) *** Repealed.

(2) If the value of the contribution in kind established by the experts is one fifth lower than the one mentioned by the founders in the prospectus, any acceptor may withdraw, informing the founders accordingly, until the day established for the constitutive meeting.

(3) The shares of the withdrawn acceptors may be acquired by the founders within a period of 30 days or, subsequently, by other persons by way of public subscription.

Art. 28

The constitutive meeting shall have the following obligations:

a) to verify the existence of the payments;

b) to examine and validate the evaluation report of the experts on contributions in kind;

c) to approve the founders' sharing in the profits, as well as the operations concluded on behalf of the company;

d) to discuss and approve the constitutive act of the company, the present members also representing in this respect the absent members, and to appoint those who shall be present at the authentication of the act and fulfilling the formal procedures required to set up the company;

e) to appoint the first members of the board of directors or of the supervisory board, and the first censors or, as the case may be, the first financial auditor.

Art. 29

(1) The payments made according to Article 21 to set up the company by public subscription shall be handed over to the persons empowered to collect them according to the constitutive act, and, when such a provision does not exist, to the persons appointed by the decision of the board of directors, respectively of the directorate, after presentation to the trade registry office of the certificate attesting the company's incorporation.

(2) If the company was not set up, the payments shall be returned to the acceptors.

Art. 30

(1) The founders shall be held responsible for the consequences of their deeds and for the expenses incurred by the company's setting up and if, for any reason, it is not set up, they cannot make claims against the acceptors.

(2) The founders shall be obliged to hand over to the board of directors or to the directorate, respectively, the documents and correspondence regarding the company's setting up, within 5 days.

Art. 31

(1) The founders and the first members of the board of directors, or of the directorate and of the supervisory board, shall have a joint liability, as from the moment the company has been set up, to the company and to third parties for:

- full subscription of the share capital and making the payments as provided by law or by the constitutive act;

- existence of contributions in kind;

- veracity of the publications made in view of setting up the company.

(2) The founders shall also be liable for the validity of the operations concluded on behalf of the company before setting up and undertaken by the company.

(3) The general meeting cannot discharge the founders and the first members of the board of directors, or of the directorate and of the supervisory board, of the responsibility they have according to this article and to Articles 49 and 53, for a period of 5 years.

Art. 32

(1) The constitutive meeting shall decide upon the quota out of the net profit payable to the founders of a company set up by public subscription.

(2) The quota stipulated under paragraph (1) cannot exceed 6% of the net profit and cannot be granted for a period longer than 5 years from the date of the company's setting up.

(3) In case of an increase of the share capital, the founders' rights may only be exercised with regard to the profit corresponding to the initial share capital.

(4) Only natural persons recognized as founders through the constitutive act may benefit from the provisions of this article.

Art. 33

In case of early dissolution of the company, the founders shall be entitled to lay claim to the company for damages, if the dissolution was carried out to the prejudice of their rights.

Art. 34

The right to file for damages shall be lost by statute of limitations after 6 months from the date of publication in the Official Gazette of Romania, Part IV, of the decision of the general meeting of the shareholders who decided on the early dissolution.

Art. 35 *** Repealed.

Chapter 3: Incorporation of the Company

Art. 36

(1) Within 15 days as from the date of conclusion of the constitutive act, the founders or the first directors or, as applicable, the first members of the directorate and of the supervisory board or one of their empowered representatives, shall request the incorporation of the company with the trade registry in the territorial jurisdiction of which the company will have its headquarters. They shall be jointly liable for any prejudice that they cause by the failure to meet this obligation.

(2) The following documents shall be attached to the application:

a) the constitutive act of the company;

b) the proof attesting payments made according to the constitutive act;

c) the proof attesting the declared registered office and the availability of the company;

d) in cases of contributions in kind subscribed and paid at the time of setting up, documents attesting ownership and, in case real estate properties are also involved, the certificate regarding other burdens which are attached to them;

e) documents attesting operations concluded on behalf of the company and approved by the shareholders;

f) a written sworn statement signed by the founders, the first directors, and, as applicable, the first managers or the first members of the directorate and of the supervisory board, respectively, and, if applicable, the first censors, whereby they declare they satisfy the conditions required by the present law;

g) other documents or endorsements provided by special laws in view of setting up.

(3) *** Repealed.

Art. 37

(1) The control of the legality of the documents and of the deeds which, according to the law, are going to be registered with the trade registry shall be lawfully exercised by means of a delegated judge.

(2) At the beginning of each judicial year, the president of the court shall appoint one or more judges of the court to attend the trade registry office.

(3) The delegated judge may order by a reasoned interlocutory judgment that an expert appraisement is carried out, on the parties' account, as well as the presentation of other evidence.

Art. 38

(1) In cases of joint-stock companies, if there are contributions in kind, benefits reserved to any person that participated in the setting up of the company or in transactions leading to the grant of the authorisation, operations concluded by the founders on behalf of the company to be set up and which are going to be taken over by such company, the delegated judge shall appoint, within 5 days as from the application registration date, one or more experts from the list of licensed experts. The experts shall draw up a report comprising the description and the method of evaluation of all contributed goods, and shall clearly show whether the value of the said goods comes up to the number and value of the shares granted in exchange, as well as other elements requested by the delegated judge.

(2) The founders shall submit the report to the trade registry office within 15 days as of the date of its approval. The trade registry shall forward a notification with regard to this submission to the Autonomous Administration "Monitorul Oficial" (Official Gazette), to be published at the company's expense.

(3) In the case of companies established by merger or spin-off, it is not necessary to draw up the report provided under paragraph (1) and to file it with the trade registry office according to the provisions of paragraph (2) if the merger or spin-off project has been subject to examination by an independent expert according to the provisions of Art. 243^3 paragraphs (1) – (4).

Art. 39

The following persons cannot be appointed as experts:

a) relatives or kinsmen up to the 4^{th} rank inclusively and spouses of those who came up with contributions in kind or of the founders;

b) the persons who receive, in any way, for the positions they fill, other than that of expert, a wage or a remuneration from the founders or from those who came up with contributions in kind;

c) any person who, as a result of its business, work or family relations, is lacking the independence to carry out an objective assessment of the contributions in kind, according to the special norms governing the profession.

Art. 40

(1) In case the legal requirements are met, the delegated judge shall authorise, by way of an interlocutory judgment, delivered within 5 days as from the date the said requirements were met, the setting up of the company and shall order its incorporation with the trade registry, according to the conditions stipulated by the law regarding the said registry.

(2) The interlocutory judgment of incorporation shall contain the mentions of the constitutive act as provided by Articles 7 and 8, as the case may be.

Art. 41

(1) The company becomes a legal person as from the date of its incorporation with the trade registry.

(2) Incorporation shall be done within 24 hours as from the date of issuance of the interlocutory judgment of the delegated judge by which the incorporation of the company is authorised.

Art. 42

Branches shall be companies having legal personality and they shall be set up as one of the types of company listed under Article 2 and under the terms provided for that type. They shall have the legal status of the type of company as which they have been set up.

Art. 43

(1) Subsidiaries shall be dependent parts without legal personality of the companies and they shall be incorporated, before their activity starts, with the trade registry of the county where they are to conduct their activity.

(2) If the subsidiary is set up in a locality situated in the same county or the same locality as the company, then it shall be incorporated with the same trade registry, but distinctly, as a separate incorporation.

(3) The other secondary units - agencies, work stations or other similar units - shall be parts without legal personality of the l companies and shall be referred to only within the incorporation of the company with the trade registry pertaining to its main headquarters.

(4) Secondary units cannot be set up under the name of branch.

Art. 44

Foreign companies may set up branches in Romania, according to the provisions of Romanian laws, as well as subsidiaries, agencies, representations or other secondary units, provided this represents a right recognized as such under the law governing their articles of association.

Art. 44^1

(1) The purchase by the company, within a time interval of maximum 2 years as of the setting up or as of the authorisation of the onset of the company's activity, of an asset from a founder or a shareholder, against a cash amount or other equivalent value representing at least one tenth of the value of the subscribed share capital, shall be subject to a prior approval by the general meeting of shareholders, as well as the provisions of Articles 38 and 39, shall be mentioned in the trade registry and shall be published in the Official Gazette of Romania, Part IV, and in a widespread newspaper.

(2) The purchase operations carried out within the current activity of the company, those made following an order of an administrative authority or of a court of law, or those carried out within the stock exchange operations shall not be subject to such provisions.

Art. 45

(1) The representatives of the company shall be obliged to submit their own signatures with the trade registry office on the date of submitting the registration application, if they have been appointed by the constitutive act, and, within 15 days since their election, by the ones elected during the operation of the company.

(2) The provision of the previous paragraph shall also be applicable accordingly to the heads of the subsidiaries.

Chapter 4: Consequences of the Infringements of the Legal Requirements when Setting Up a Company

Art. 46

(1) When the constitutive act does not contain the mentions required by law or contains clauses by which an imperative legal provision is infringed or when a legal requirement was not satisfied for the setting up of the company, then the delegated judge, ex officio or at the request of any persons filing an intervention claim, shall reject, by means of a motivated interlocutory judgment, the incorporation application, except for the case where the shareholders remove the irregularities. The delegated judge shall reflect, in his interlocutory judgment, the achieved regularisations.

(2) In case intervention claims have been filed, the judge shall summon the interveners and he shall rule on their applications under the terms of Article 49 and the subsequent ones of the Civil Procedure Code, and the provisions of Article 335 of the Civil Procedure Code shall not be applicable.

Art. 47

(1) In case the founders or the company's representatives did not request its incorporation within the time limit set by the law, any one of the shareholders may request incorporation with the trade registry office after having previously given them a formal notice of default, by notification or by registered letter, and they did not comply within 8 days after receiving such notice.

(2) Still, if incorporation was not effected within the time limits as stipulated by the previous paragraph, then the shareholders shall be discharged of their obligations deriving from their subscriptions after a 3 months' period since the constitutive act was authenticated, except when the said act provides otherwise.

(3) If one of the shareholders has requested that the incorporation requirements are met, then the others shall not be in a position to request discharge of their obligations as they derive from the subscriptions.

Art. 48

(1) In case irregularities are discovered after incorporation, the company shall be obliged to proceed to their removal within 8 days, at the most, since these were ascertained.

(2) If the company does not act, then any interested person may request the court to oblige the management of the company to regularise them subject to the penalty of payment of comminatory damages under common law.

(3) The right to initiate a regulatory suit shall be lost by statute of limitation after one year as from the date the company was incorporated.

Art. 49

The founders, the representatives of the company and the first members of the directorate, administration and control bodies of the company shall have an unlimited and joint liability for the damages caused by the irregularities mentioned by Articles 46 to 48.

Art. 50

(1) The acts or deeds, for which the publicity provided by the law has not been made, cannot be opposed to third parties, except for the case where the company proves they had good knowledge of such.

(2) Operations concluded by the company before the 16th day after the publication in the Official Gazette of Romania, Part IV, of the interlocutory judgment of the delegated judge shall not be opposable to third parties who prove they could not become aware of such.

Art. 51

However, the third parties may invoke the acts or deeds which lack publicity, except for the case where lack of publicity renders them useless.

Art. 52

(1) In case of disparity between the text submitted to the trade registry office and the one published in the Official Gazette of Romania, Part IV, or in the newspapers, the company may not oppose the published text to third parties. The third parties may oppose the published text to the company, except for the case when the company presents proof that they had good knowledge of the text submitted to the trade registry office.

(2) In case the disparity provided in paragraph (1) occurs for reasons not imputable to the company, the trade registry office or, as applicable, the Autonomous Administration "Monitorul Oficial" (Official Gazette), at the request of the company, shall correct the mention in the registry, or shall publish the text, at its own expense.

Art. 53

(1) The founders, the representatives and other persons who worked in the name of a company undergoing set-up shall have a joint and unlimited liability to third parties for the legal acts concluded with them on behalf of the company, except for the case when the company, after acquiring legal personality, takes these acts over as being its own. The acts taken over as such shall be considered as having belonged to the company ever since their conclusion.

(2) In case the company, owing to its business object, cannot begin the activity without being authorised for this purpose, the provisions of paragraph (1) shall not be applicable to the commitments resulted from the contracts concluded by the company, provided that it received such authorisation. In this case, the liability shall devolve on the company.

Art. 54

(1) After completing the publicity formalities in relation to the persons that, as company's bodies, are authorised to represent it, the company may not oppose to third parties any irregularity to their appointments, except when the company makes proof that such third parties had knowledge of this irregularity.

(2) The company cannot invoke to the third parties the appointments in the offices mentioned in paragraph (1) or the termination of the offices if they were not published according to the law.

Art. 55

(1) In its relations with third parties, the company shall be bound by the acts concluded by its bodies even if these acts exceed the object of activity of the company, except for the case where the company proves that the third parties knew it or, under the given circumstances, had to know about its exceeding or when the acts thus concluded exceed the limits of the powers provided by the law for such bodies. The publishing of the constitutive act alone cannot be taken as proof for being in the know.

(2) The clauses of the constitutive act or the decisions made by the statutory bodies of the companies as prescribed in the previous paragraph, which limit the powers vested into them by the law, cannot be opposed to third parties, even if they have already been published.

Art. 56

The nullity of a company incorporated with the trade registry can be declared by the court only when:

a) the constitutive act is missing or when this was not concluded in a duly certified form, in the cases provided in Art. 5 paragraph (6);

b) all founders were legally unqualified at the time when the company was set up;

c) the company's object of activity is illicit or against public order;

d) the interlocutory judgment of the delegated judge for the company's incorporation is missing;

e) the legal administrative authorisation of the company's setting up is missing;

f) the constitutive act does not mention the name of the company, its object of activity, the contributions of the shareholders or the subscribed share capital;

g) the legal provisions regarding the minimum share capital, subscribed and paid in were not observed;

h) the minimum number of shareholders provided by the law was not observed.

Art. 57

The nullity cannot be declared in case its cause, invoked in the claim for annulment, was removed before the submissions on the merits of the case were lodged with the court.

Art. 58

(1) On the day the court decision by which the nullity was ascertained or declared became final, the company shall cease to exist with no retroactive effect and goes into liquidation. The legal provisions regarding liquidation of companies following their dissolution shall be applied accordingly.

(2) The company's liquidators shall also be appointed by the same court decision which declared the nullity.

(3) The court shall send the enacting terms of this decision to the trade registry office which, after taking relevant notice, shall send it to the Official Gazette of Romania in order to be published in Part IV, in excerpt.

(4) The shareholders shall remain liable for civil liabilities until they are covered according to the provisions of Article 3.

Art. 59

(1) The declaration of the company's nullity shall have no effect on the acts concluded on its behalf.

(2) Neither the company nor the shareholders can oppose the nullity of the company to bona fide third parties.

Chapter 5: Some Procedural Provisions

Art. 60

(1) The interlocutory judgments of the delegated judge regarding the incorporation or any other registrations with the trade registry shall be lawfully enforceable and they shall be subject only to appeal.

(2) The time limit for the appeal shall be of 15 days and it shall start as from the date the interlocutory judgment was delivered to the parties and as from the date when the interlocutory judgment or the act amending the constitutive act is published in the Official Gazette of Romania, Part IV, for any other parties concerned.

(3) The appeal shall be submitted to and mentioned in the trade registry where the registration was made. Within 3 days as from the date it was submitted, the trade registry office shall refer the appeal to the court of appeal in the area where the company has its registered office and, in case of branches set up in a different county, to the court of appeal in the area where the subsidiary has its registered office.

(4) The provisions of the Code of Civil Procedure concerning the written procedure prior to the trial of the appeal shall apply accordingly.

(5) In case the appeal is admitted, the decision of the appeal court shall be mentioned in the trade registry, and the provisions of Art. 48 - 49 and 56 – 59 shall be applicable.

Art. 61

(1) The social creditors and any other persons for whom the decisions of the shareholders regarding amendments to the constitutive act can be prejudicial to their rights may formulate an opposition claim by which to request the court to force, as the case may be, the company or the shareholders to remedy the prejudice caused, and the provisions of Art. 57 shall apply.

(2) Within the meaning of this present law, the decision of the shareholders also means the decision of the statutory bodies of the company, while the term shareholders also include equity holders, except for the case when the context reflects a different meaning.

Art. 62

(1) The opposition claim can be filed within 30 days as from the date the decision or the amending addendum were published in the Official Gazette of Romania, Part IV, if the present law does not provide otherwise. It shall be filed with the trade registry office which, within 3 days as from submission, shall make the relevant mention in the registry and then file it with the district court of the company's registered office.

(2) The provisions of Art. 133 referring to suspension shall apply accordingly. The opposition shall be tried in the Court’s chambers, with the summoning of the parties, and the provisions of Art. 114 (5) of the Civil Procedure Code shall be applicable.

(3) The decision ruled by the court following an opposition claim shall be subject only to appeal.

Art. 63

The applications and the remedies provided by the present law and which come within the powers of the courts shall be settled by the district court whose jurisdiction includes the company's headquarters.

Art. 64

The summoning of the parties before the delegated judge and the communication of his acts shall be carried out by the trade registry office by mail using a registered letter the official receipt of which shall be attached to the file, or by the agents of the trade registry office, or under the terms of the Civil Procedure Code.

TITLE III: OPERATION OF COMPANIES

Chapter 1: Common Provisions

Art. 65

(1) Unless stipulated otherwise, the assets constituted as contribution to the company shall become its property as of the moment of its incorporation with the trade registry.

(2) The shareholder who delays the delivery of his registered contribution shall be liable for the damages caused, and if the contribution was stipulated to be made in cash, he shall also be liable to pay the legal interests as from the day he was bound to make the payment.

Art. 66

(1) During the company's life, the shareholder's creditors may exercise their rights only upon the part in the profit due to the respective shareholder after the registered balance sheet has been drawn and, after the dissolution of the company, upon the shares he would be entitled to through liquidation.

(2) The creditors stipulated under paragraph (1) may however garnish, during the company's life, the parts due to the shareholders through liquidation, or can seize and sell the shares of their debtor.

(3) The legally constituted pledge over the shares may be executed according to the law. The Directors/Members of the Directorate shall be bound to provide the pledgee or enforcement authority, at their request, with the financial statements or any other documents or information necessary to evaluate the shares, as well as to facilitate their takeover.

*) According to Article VI, paragraph (4) of Law no. 152/2015, the provisions of Article 66, paragraph (3) shall not apply to pledges over the shares legally constituted before the entry into force of this law.

Art. 66^1

The advertising, through the trade registry, of the garnishment or seizure provided in Article 66 paragraph (2), shall be performed at the request of the enforcement body, and shall not be subject to the provisions of Article 71 of the Government Emergency Ordinance no. 116/2009 for the establishment of certain measures regarding the activity of registration in the trade registry, approved with amendments and completions by Law no. 84/2010, as amended.

Art. 67

(1) The quota of the profits to be paid to each shareholder represents a dividend.

(2) The dividends shall be distributed to the shareholders in proportion with their participation quota in the paid-up capital, optionally on a quarterly basis based on the interim financial statements and annually, after the regularization performed under the annual financial statements, unless the constitutive act provides otherwise. These may optionally be paid quarterly within the deadline established by the general meeting of shareholders or, as the case may be, established by special laws, and the regularization of differences resulting from the distribution of dividends during the year shall be made through the annual financial statements. Payment of the differences resulted from the regularization shall be made within 60 days as from the date when the annual financial statements related to the closed financial year were approved. Otherwise, after the deadline passes, the company shall owe a penalty interest computed according to Art. 3 of Government Ordinance no. 13/2011 on legal interest, both granted as remuneration and penalty-related, for pecuniary obligations, as well as for regulating certain financial-fiscal measures in the banking field, approved by Law no. 43/2012, as subsequently supplemented, unless a higher interest has been established under the constitutive act or under the resolution of the general meeting of shareholders which approved the financial statements related to the closed financial year.

(2^1) In case of partial distribution of dividends between shareholders during the financial year, the annual financial statements will highlight the dividends that are partially attributed and shall adjust the resulting differences accordingly.

(2^2) In case shareholders owe dividend reimbursements following regularization in the annual financial statements, these are paid to the company within 60 days from the date of approval of the annual financial statements. Otherwise, the shareholders owe, after this deadline, a penalty interest computed according to Art. 3 of Government Ordinance no. 13/2011, approved by Law no. 43/2012, as subsequently supplemented, unless a higher interest has been established under the constitutive act or under the resolution of the general meeting of shareholders which approved the financial statements related to the closed financial year.

(3) Dividends can be distributed only out of lawfully-established profits.

(4) Dividends paid in violation of the provisions of paragraphs (2) and (3) shall be reimbursed, if the company provides proof that the shareholders were aware of the irregularity concerning the distribution or, under the existing circumstances, they had to be aware of it.

(5) The right to sue for the reimbursement of the dividends, paid contrary to the provisions of paragraphs (2) and (3), shall be subject to the statute of limitation within 3 years as from the date of their distribution.

(6) The dividends due after the date of shares assignment shall belong to the assignee, unless otherwise agreed by the parties.

Art. 68

The contribution made by the shareholders to the share capital shall not be interest bearing.

Art. 69

If a net asset loss is ascertained, the subscribed share capital shall have to be restored or decreased prior to any profit assignment or distribution.

Art. 70

(1) The directors can carry out all the operations required for the fulfilment of the company's object of activity, except for the restrictions mentioned by the constitutive act.

(2) They shall be bound to take part in all the company's meetings, in the meetings of the board of directors and of managing bodies similar to this.

Art. 70^1

The acts of disposal concerning the assets of a company may be concluded pursuant to the powers conferred to the legal representatives of the company, as applicable, by the law, the constitutive act or the decisions of the statutory bodies of the company approved in compliance with the provisions of this law and the constitutive act of the company, without requiring a special proxy in authenticated form for this purpose, even if the acts of disposal must be concluded in authenticated form.

Art. 71

(1) The directors who are entitled to represent the company can only transfer this right if this capacity was expressly granted to them.

(2) In case of infringement of the provisions of paragraph (1), the company can claim from the substituted person the profits resulting from the operation.

(3) The director who, no right being granted to him in this respect, substitutes another person for himself shall be jointly liable with this person for possible damages caused to the company.

Art. 72

The director's duties and liability shall be governed by the provisions regarding the proxy and by those specifically stipulated under the present law.

Art. 73

(1) The directors shall be jointly liable towards the company for:

a) reality of payments effected by shareholders;

b) actual existence of the paid dividends;

c) existence of the registries required by law and their correct updating;

d) exact fulfilment of the decisions of the general meeting;

e) strict fulfilment of the duties imposed by the law and by the constitutive act.

(2) The claim for triggering liability against the directors shall also belong to the company's creditors but they may only lay claim to it in case the procedure regulated by Law No. 64/1995 on the judicial reorganisation procedure and bankruptcy, republished, is opened.

Art. 73^1

The persons who, according to Art. 6 (2), cannot be founders, can neither be directors, managers, members of the supervisory board and of the directorate, censors or financial auditors, and if elected, shall lose their rights.

Art. 74

(1) In any invoice, tender, order, tariff, prospectus and other documents used in the trading field, issued by a company, the name, the legal form, the registered office, the number with the trade registry and the sole registration code must be mentioned. The cash receipts from the electronic cash registers, which shall include the elements provided by the legislation in the field, shall be excepted.

(2) If the joint-stock company opts for a dual administration system, in compliance with the provisions of Article 153, the documents provided in paragraph (1) shall also have the mention "company administered in dual system".

(3) The documents provided in paragraph (1), if they come from a limited liability company, shall also mention the share capital, and if they come from a joint-stock company or a partnership limited by shares, both the subscribed and the paid capital shall be mentioned.

(4) In case the documents provided in paragraph (1) are issued by a subsidiary, they must also mention the trade registry office where the subsidiary was registered and its registration number.

(5) If the company has its own website, the information provided in paragraphs (1) and (3) shall also be published on the company's website.

Chapter 2: General Partnerships

Art. 75

The right to represent the company belongs to each director, unless otherwise stipulated by the constitutive act.

Art. 76

(1) In case the constitutive act provides that the directors must work together, the decision must be made unanimously; in case of disagreement among the directors, the decision shall be made by the shareholders representing the absolute majority of the share capital.

(2) For urgent acts, whose non-fulfilment would cause great damage to the company, a single director can decide in the absence of the others who are in the impossibility, even momentarily, to take part in the management of the company.

Art. 77

(1) The shareholders representing the absolute majority of the share capital may elect one or more directors among themselves, establish their powers, duration of their term of office and their possible remuneration, unless otherwise stipulated by the constitutive act.

(2) The same majority may decide on the directors' discharge or the limitation of their powers, except for the case when the directors were appointed through the constitutive act.

Art. 78

(1) In case a director takes the initiative of an operation exceeding the limits of an ordinary operation in the line of trade carried out by the company, he must advise the other directors prior to concluding the respective operation under the sanction of bearing the losses resulting therefrom.

(2) In case of opposition by one of them, the decision shall be made by the shareholders representing the absolute majority of the share capital.

(3) The operation concluded against the opposition made shall be valid towards third parties who were not informed about this opposition.

Art. 79

(1) The shareholder who, in a certain operation, has, on his own or on behalf of a third party, interests contrary to those of the company, cannot take part in any proceedings or decision-making regarding this operation.

(2) The shareholder breaching the provisions of paragraph (1) shall be liable for the damages caused to the company if, without his vote, the required majority would not have been met.

Art. 80

The shareholder who, without the written consent of the other shareholders, uses the capital, the assets or the credit of the company for his own or another person's benefit shall be bound to reimburse the resulting profits to the company and to pay the damages caused.

Art. 81

(1) No shareholder may take out of the company's cash funds more than what was allotted to him for the expenses which were incurred or for those he is to make in the company's interest.

(2) The shareholder breaching this provision shall be liable for the amounts taken and for damages.

(3) The constitutive act can stipulate that the shareholders may take out of the company's cash funds certain amounts, for their private expenses.

Art. 82

(1) The shareholders may not take part, as partners with unlimited liability, in other competing companies or having the same object of activity, nor may they operate on their own or on others' behalf, in the same trading branch, or in a similar one, without the consent of the other shareholders.

(2) Consent shall be validly considered only if the participation or operations prior to the constitutive act were known by all the other shareholders and their continuation was not forbidden.

(3) In case of breaching the provisions of paragraphs (1) and (2), the company, beside the right to exclude the shareholder, can decide whether he worked on its behalf or can claim damages.

(4) This right shall be cancelled after a three months' period passing from the day the company took knowledge of the situation without making any decision.

Art. 83

In case the contribution to the share capital belongs to several persons, these shall be jointly liable towards the company and shall have to appoint a common representative to exercise the rights resulting from this contribution.

Art. 84

(1) The shareholder who deposited as contribution one or more debts cannot be considered as having fulfilled his obligations until the company has obtained the payment of the amount for which the debts were deposited.

(2) If the payment could not be obtained by suing the assigned debtor, the shareholder, besides damages, shall be liable for the sum which is due including the legal interest on the day the debts are falling due.

Art. 85

(1) The shareholders shall be unlimitedly and jointly liable for the operations carried out in the company's name, by the persons representing it.

(2) The judgment obtained against the company shall be opposable to each shareholder.

Art. 86

(1) For the approval of the annual financial statement and in order to make the decisions regarding the directors' liabilities the vote of the shareholders representing the share capital majority shall be needed.

(2) The advertising formalities with regard to the annual financial statements shall be carried out in compliance with the provisions of Art. 185.

Art. 87

(1) The assignment of the contribution to the share capital shall be possible in case it was permitted by the constitutive act.

(2) The assignment shall not exonerate the assigning shareholder from what he owes to the company out of his contribution to the capital.

(3) The assigning shareholder shall remain liable against third parties according to Art. 225.

(4) When the constitutive act stipulates the cases of a shareholder's withdrawal, the provisions of Art. 225 and 229 shall be applied.

Chapter 3: Limited Partnerships

Art. 88

The management of a limited partnership shall be entrusted to one or several active partners.

Art. 89

(1) The silent partner may conclude operations on behalf of the company, only on the basis of a special power of attorney for certain operations, granted by the company's representatives and registered in the trade registry. Otherwise, the silent partner shall become unlimitedly and jointly

liable against third parties for all the company's obligations, undertaken since the date of the operations concluded by him.

(2) The silent partner may carry out operations in the company's domestic administration, may perform acts of surveillance, may take part in the procedures for appointing and dismissing the directors in the cases provided by law, or may grant the directors' authorisation, within the limits of the constitutive act, to perform operations exceeding their powers.

(3) The silent partner shall also have the right to ask for a copy of the annual financial statements and to verify their accuracy by means of checking the commercial registries and the other supporting documents.

Art. 90

The provisions of Art. 75, 76 (1), Art. 77, 79, 83, 84, 86 and 87 shall also be applied to the limited partnerships and the provisions of Art. 80, 81, 82 and 85 to the active partners.

Chapter 4: Joint-Stock Companies

Section 1: Regarding the Shares

Art. 91

(1) In the joint-stock companies, the share capital shall be represented by shares issued by the company, which can be registered shares or bearer shares, depending on the means of transfer.

(2) The type of shares shall be determined by the constitutive act; otherwise they shall be registered shares. The registered shares may be issued in a material form, on paper, or in a dematerialized form by registration in the shareholders' registry.

Art. 92

(1) The shares cannot be issued for an amount lower than their nominal value.

(2) The shares not fully paid for are always registered shares.

(3) The share capital cannot be increased and new shares shall not be issued until shares of previous issuance are completely paid for.

(4) The registered shares can be converted into bearer shares and vice versa by the decision of the extraordinary general meeting of shareholders, made under the terms of Art. 115.

(5) Cumulative titles can be issued for several shares, when they are registered and issued in material form.

Art. 93

(1) The nominal value of a share shall not be lower than LEI 0.1.

(2) The shares shall contain:

a) the name and duration of the company;

b) the date of the constitutive act, number with the trade registry under which the company is incorporated and number of the Official Gazette of Romania, Part IV, in which the publication was made;

c) the share capital, number of shares and their running number, nominal value of the shares and the deposits made;

d) the benefits granted to founders.

(3) For registered shares, the following shall also be mentioned: the name, first name, personal number code and shareholder's place of residence when it is a natural person; name, the registered office, incorporation number and the sole registration code of the shareholder when it is a legal person.

(4) The shares must bear the signatures of 2 members of the board of directors or of the directorate or, as applicable, the signature of the sole director or of the sole general manager.

Art. 94

(1) The shares shall have to be equal in value; they shall grant equal rights to the holders.

(2) Still, certain categories of shares which confer different rights to their holders may be issued under the terms of the constitutive act, according to Art. 95 and 96.

Art. 95

(1) Preference shares which benefit from priority dividends without the right to vote may be issued and confer to the holder:

a) the right to a priority dividend out of the distributable profits obtained at the end of the given financial year, before any other payments;

b) the rights recognised to shareholders of ordinary shares, including the right to attend the general meeting, except for the right to vote.

(2) The shares with priority dividends, without the right to vote, cannot exceed a quarter of the share capital and shall have the same nominal value as ordinary shares have.

(3) The directors, managers, or, respectively, the members of directorate and of the supervisory board, as well as the company's censors cannot be holders of shares with priority dividends without the right to vote.

(4) In case of a late payment of dividends, the preference shares shall be conferred the right to vote starting on the maturity date of the obligation of payment of dividends that are to be distributed throughout the next year, if the next year the general meeting decides that no dividends shall be distributed, starting on the date of publication of such decision of the general meeting and until the actual payment of the overdue dividends.

(5) Preference shares and ordinary shares can be converted from one category into the other by the decision of the extraordinary general meeting of the shareholders, taken under the terms of Art. 115.

Art. 96

Shareholders of each category of shares shall meet in special meetings, according to the conditions prescribed by the company's constitutive act. Any holder of such shares may attend these special meetings.

Art. 97

In case the company did not issue and did not distribute shares in a material form, then, ex officio or at the shareholders' request, it shall issue a shareholder's certificate to each of them containing the data prescribed in Article 93 (2) and (3) and, in addition, the number, the category and the nominal value of the shares belonging to the shareholder, the position at which he is registered in the shareholders' registry, the position under which he is registered in the shareholders' registry and the running number of the shares in question, as the case may be.

Art. 98

(1) Ownership over registered shares issued in a material form shall be transferred by means of the statement made in the shareholders' registry and by means of the mention made on the share, signed by the assignor and the assignee or by their proxies. Ownership over registered shares issued in a dematerialised form shall be transferred by the statement made in the shareholders' registry, signed by the assignor and the assignee or by their proxies. Other modalities to transfer ownership over registered shares can also be provided by the constitutive act.

(2) Ownership over the shares issued in a dematerialized form and traded on a regulated market or within an alternative trading system shall be transferred according to capital market legislation.

(3) The subsequent subscribers and assignees shall be jointly liable for the complete payment of the shares during 3 years, starting on the date the assignment mention was made in the registry of shareholders.

Art. 99

Ownership over the bearer shares shall be transferred by simple assignment.

Art. 99^1

(1) Pledge over the shares shall be established by a document under private signature that shall indicate the amount of debt, the value and category of the secured shares, and in case of shares on the bearer and registered shares issued in material form, also by mentioning the security on the title, signed by the shareholding creditor and debtor or by their proxies.

(2) The pledge shall be registered in the shareholders' registry kept by the board of directors or by the directorate, or, as applicable, by the independent company that keeps the shareholders' registry. The creditor in favour of which the pledge over the shares was established shall be issued a proof of the registration thereof.

(3) The security shall become opposable to third parties and shall receive the rank in the creditors' order of preference as of the date of registration in the Electronic Archive for Security Interests in Movable Property.

Art. 100

(1) In case the shareholders did not make the payments of the deposits they owe within the timeframes provided in Art. 9 (2) a) and b) and Art. 21 (1), the company shall invite them to fulfil this obligation by means of a collective notice published twice at a 15-day interval in the Official Gazette of Romania, Part IV, and in a wide circulation newspaper.

(2) In case the shareholders fail to make the payments even after the summons, the board of directors or the directorate may decide either to sue the shareholders for the remaining payments, or to cancel these shares.

(3) The cancelling decision shall be published in the Official Gazette of Romania, Part IV, specifying the running number of the cancelled shares.

(4) Instead of the cancelled shares, new shares bearing the same number shall be issued and shall be sold.

(5) The amounts cashed in from the sale shall be used to cover the publication and sale expenses, delay interests and unfulfilled payments; the rest shall be returned to the shareholders.

(6) If the price obtained is not enough to cover all amounts due to the company or if the sale does not take place for lack of buyers, the company can act against subscribers and assignees, according to Article 98.

(7) If, after the fulfilment of these formalities, the amounts due to the company are not recovered, the capital shall be immediately cut down in proportion to the difference between the existing capital and the share capital.

Art. 101

(1) Each paid share shall give the right to one vote in the general meeting, provided that the constitutive act does not prescribe otherwise.

(2) The constitutive act can limit the number of votes belonging to the shareholders who possess more than one share.

(3) The exercising of the right to vote shall be suspended for the shareholders who are not aware of the payments which are falling due.

Art. 102

(1) The shares shall be indivisible.

(2) In case a registered share becomes property of several persons, the company shall not have the obligation to register the assignment as long as those persons do not appoint a sole representative to exercise the rights resulting from the share.

(3) In case a bearer share belongs to several persons, they shall have to appoint a common representative.

(4) As long as a share is an indivisible property of several persons, these shall be jointly liable for making the due payments.

Art. 103

(1) The company cannot subscribe its own shares.

(2) If the shares of a company are subscribed by a person acting on its own behalf, but for the account of the company in question, it shall be considered that the subscriber has subscribed the shares for its own sake, being obliged to pay their equivalent value.

(3) The founders, undergoing the stage of company set-up, and the members of the board of directors or of the directorate, in case of an increase of subscribed capital, shall be obliged to pay the equivalent value of the subscribed shares by infringing the provisions of paragraph (1) and, secondarily, in relation to the subscriber, the equivalent value of the shares subscribed under the terms of paragraph (2).

Art. 103^1

(1) A company shall be allowed to acquire its own shares, either directly or by a person acting in its own name but on behalf of the company in question with the observance of the provisions that follow further:

a) the authorisation of the purchase of its own shares is given by the extraordinary general meeting of the shareholders that establishes the conditions to acquire the shares, particularly the maximum number of shares which is going to be purchased, the period for which the authorisation is granted and which cannot exceed 18 months as from the date when the decision was published in the Official Gazette of Romania, Part IV, and in case of a purchase against consideration, their minimum and maximum equivalent value;

b) the nominal value of own shares purchased by the company, including those already existing in its portfolio, cannot exceed 10% of the subscribed share capital;

c) the transaction can only have fully paid shares as object;

d) the payment of the shares thus purchased shall be done only out of the distributable profits or of the available reserves of the company, as registered in the last approved annual financial statement, except for the legal reserves.

(2) If the own shares are acquired to be distributed to the company's employees, the shares thus acquired must be distributed within 12 months as from the date of purchase.

Art. 104

(1) The restrictions stipulated in Art. 103^1 shall not apply to:

a) the shares acquired according to Art. 207, as a result of a decision of the general meeting to decrease the share capital;

b) the shares acquired as a result of a universal transfer;

c) the shares fully paid, acquired by the effect of a judgement, in an enforcement proceeding undertaken against a shareholder that is a debtor of a company;

d) the shares fully paid, acquired free of charge.

(2) The restrictions stipulated in Art. 103^1, except for that stipulated under Art. 103^1 (1) d), shall not apply to the shares acquired in compliance with Art. 134.

Art. 104^1

(1) The shares acquired by infringement of the provisions of Art. 103^1 and 104 must be transferred within one year as from the acquirement.

(2) If the nominal value of the own shares acquired by the company in compliance with the provisions of Art. 104 (1) b) - d), either directly or through a person acting on its own behalf, but for the account of the company, including the nominal value of its own shares already existing in the company's portfolio, exceeds 10% of the subscribed share capital, the shares that exceed this percentage shall be transferred within 3 years as of the acquirement.

(3) In case the shares are not transferred within the time limits provided in paragraphs (1) and (2), these shares must be cancelled, and the company shall be obliged to decrease the subscribed share capital accordingly.

Art. 105

(1) The shares acquired in compliance with the provisions of Art. 103^1 and 104 shall not give the right to receive dividends for the period while they are held by the company.

(2) The right to vote conferred by the shares provided in paragraph (1) shall be suspended for the period while they are held by the company.

(3) In case the shares are included in the assets of the balance sheet, the liabilities of the balance sheet shall provide for an equal reserve that cannot be distributed.

Art. 105^1

The board of directors shall include in the report that accompanies the annual financial statements the following information with regard to the purchase or transfer by the company of its own shares:

a) the reasons for the acquirements carried out during the financial exercise;

b) the number and nominal value of the shares purchased and of the ones transferred during the financial exercise and the percentage in the subscribed share capital which these represent;

c) in case of purchase or transfer against consideration, the equivalent value of the shares;

d) the number and nominal value of all shares purchased and held by the company and the percentage in the subscribed share capital which these represent.

Art. 106

(1) A company may not grant advance payments or loans nor may it establish securities with a view to subscribing or acquiring its own shares by a third party.

(2) The provisions of paragraph (1) shall not apply to the transactions carried out within the current operations of the credit institutions and of other financial institutions, nor to the transactions carried out with a view to purchase shares by or for the employees of the company, provided that these transactions do not determine the decrease of the net assets under the cumulated value of the subscribed share capital and of the reserves that cannot be distributed according to the law or to the constitutive act.

Art. 107

(1) When the company establishes security interests on personal property over its own shares, either directly or through a person acting on its own behalf, but for the account of the company, this shall be regarded as acquirement for the purposes of Art. 103^1, 104, 104^1, 105, 105^1 and 106.

(2) The provisions of paragraph (1) shall not apply in the case of general operations of banks and of other financial institutions.

Art. 107^1

(1) The subscription, purchase or possession of shares of a joint-stock company by another company where the joint-stock company holds, directly or indirectly, the majority of voting rights, or the decisions of which may be significantly influenced by the joint-stock company, shall be regarded as being carried out by the joint-stock company itself.

(2) The provisions of paragraph (1) shall also apply when the company that intermediates the mentioned subscription, purchase or possession of shares is governed by the law of another state.

Art. 108

The shareholders who offer their shares for sale by means of a public offer shall have to act according to the capital market legislation.

Art. 109

The status of the shares shall have to be included into the annex to the annual financial statement and, especially, it shall be indicated if they have been fully paid for, and, as the case may be, the number of shares for which payments were requested with no result.

Section 2: On General Meetings

Art. 110

(1) General meetings shall be ordinary and extraordinary.

(2) Unless the constitutive act provides otherwise, they shall be held at the company's registered office and at the place indicated by the document convening the meeting.

Art. 111

(1) The ordinary meeting shall be convened at least once a year, within maximum 5 months as from the end of the financial exercise.

(2) Besides the debate of other issues on the agenda, the general meeting shall be obliged:

a) to discuss, approve or amend the annual financial statements, based on the reports presented by the board of directors or by the directorate and by the supervisory board, by the censors or, as applicable, by the financial auditor, and to determine the dividend;

b) to elect and revoke the members of the board of directors or of the supervisory board, and the censors;

b^1) in case of companies whose financial statements are subject to audit, to appoint and establish the minimum duration of the financial audit contract;

c) to establish the proper remuneration for the members of the board of directors or of the supervisory board, and the censors, for the current year, unless it was settled by the constitutive act;

d) to give their opinion on the administration of the board of directors and of the directorate;

e) to determine the income and expenditure budget and the activity program for the next financial year, as the case may be;

f) to decide upon the pledging, renting or termination of one or several of the companies' units.

Art. 112

(1) With a view to ensuring the validity of the proceedings of the ordinary general meeting, one shall require the attendance of the shareholders holding at least one fourth of the total number of voting rights. The decisions of the ordinary general meeting shall be taken by the majority of the votes cast. The constitutive act may provide higher requirements of quorum and majority.

(2) If the ordinary general meeting cannot operate due to the failure to satisfy the conditions of paragraph (1), the meeting gathered after a second convening may deliberate upon the issues on the first meeting's agenda, irrespective of the quorum, taking decisions with the majority of the votes cast. For the general meeting reunited after a second convening, the constitutive act may not provide higher requirements of quorum and majority.

Art. 113

The extraordinary general meeting shall gather whenever a decision is necessary to be made for:

a) changing the legal form of the company;

b) changing the location of the registered office of the company;

c) changing the object of activity of the company;

d) setting up or cancellation of secondary units: subsidiaries, agencies, representative offices or other similar units without legal personality, unless otherwise provided in the constitutive act;

e) extending the company's duration;

f) increase of the share capital;

g) decrease of the share capital or its completion by means of issuance of new shares;

h) merger with other companies or spin-off;

i) early dissolution of the company;

i^1) the conversion of the registered shares into shares on bearer or of shares on bearer into registered shares;

j) conversion of shares from one category into another;

k) conversion of one category of bonds into another or into shares;

l) issuance of bonds;

m) any other amendment of the constitutive act or any other decision for which the approval of the extraordinary general meeting is required.

Art. 114

(1) The exercise of the powers mentioned in Art. 113 b), c) and f) may be delegated to the board of directors or to the directorate, by the constitutive act or by decision of the extraordinary general meeting. The delegation of the powers provided in Art. 113 c) cannot concern the main scope and activity of the company.

(2) In case the board of directors or the directorate is empowered to carry out the measure provided in Art. 113 f), the provisions of Art. 220^1 shall apply accordingly to the decisions of the board of directors or of the directorate.

(3) In case the board of directors or the directorate is empowered to carry out the measure provided in Art. 113 b) and c), the provisions of Art. 131 (4) and (5), of Art. 132, except for paragraphs (6) and (7), as well as of Art. 133 shall apply accordingly to the decisions of the board of directors or of the directorate. The company shall be represented in court by the person appointed by the president of

the court from among its shareholders who shall carry out the term of office entrusted to him until the general meeting convened for this purpose elects another person.

Art. 115

(1) With a view to ensuring the validity of the deliberation of the extraordinary general meeting, one shall require the attendance of the shareholders which hold at least one fourth of the total number of voting rights, and in the future gatherings, the attendance of the shareholders which hold at least one fifth of the total number of voting rights.

(2) The decisions shall be taken by the majority of the votes held by the present or represented shareholders. The decision to change the main object of activity of the company, to reduce or increase the share capital, to change the legal status, to merge, spin-off or dissolve the company shall be taken by a majority of at least two thirds of the voting rights held by the present or represented shareholders.

(3) The constitutive act may stipulate higher requirements of quorum and majority.

Art. 116

(1) The decision of a general meeting to amend the rights or obligations regarding a certain category of shares shall not produce effects unless it is approved by the special meeting of the shareholders belonging to that category.

(2) The provisions of the present section regarding the convening, the quorum and the unfolding of a general meeting of the shareholders shall also be applicable to special meetings.

(3) The decisions initiated by the special meetings shall be subject to approval by the relevant general meetings.

Art. 117

(1) The general meeting shall be convened by the board of directors or by the directorate wherever it is deemed necessary.

(2) The gathering date cannot be sooner than 30 days as from the publication of the convening notice in the Official Gazette of Romania, Part IV.

(3) The convening notice shall be published in the Official Gazette of Romania, Part IV, and in one widely circulated newspaper in the locality of the company's registered office or in the nearest locality.

(4) If all the shares of the company are registered shares, then the convening may be carried out by registered letter or, if the constitutive act allows it, by electronic letter, having incorporated, attached

or logically associated the extended electronic signature, sent at least 30 days before the date set for the meeting to the shareholder's address, registered in the registry of shareholders. Change of address cannot be opposed to the company as long as the shareholder did not inform the company in writing about it.

(5) The convening procedures stipulated in paragraph (4) may not be used if they are forbidden by the constitutive act or by legal provisions.

(6) The convening notice shall include the place and the date when the meeting is to take place, as well as the agenda, explicitly indicating all the matters that will constitute the subject of the meeting's proceedings. In case the agenda includes the appointment of directors or of the members of the supervisory board, the convening notice shall mention the list including information with regard to the name, the locality of residence and the professional qualification of the persons proposed for the position of director shall be available to the shareholders, and it may be consulted and filled out by them.

(7) When on the agenda there are proposals concerning the amendment of the constitutive act, the convening notice shall have to contain the full text of such proposals.

(8) For the listed companies, the relevant provisions in the specific capital market legislation shall apply.

Art. 117^1

(1) One or more shareholders representing, individually or together, at least 5% of the share capital, shall be entitled to request that new points be introduced on the agenda.

(2) The requests shall be forwarded to the board of directors or to the directorate, within maximum 15 days as of the publication of the convening notice, with a view to publishing them and bringing them to the knowledge of the other shareholders. In case the agenda includes the appointment of directors or of the members of the supervisory board, and the shareholders intend to formulate proposals for candidatures, the request shall include the information with regard to the name, the locality of residence and the professional qualification of the persons proposed for those positions.

(3) The agenda supplemented by the points proposed by the shareholders, after the convening, must be published in compliance with the requirements provided by the law and/or by the constitutive act for convening the general meeting, at least 10 days before the general meeting, on the date mentioned in the initial convening document.

Art. 117^2

(1) The annual financial statements, the annual report of the board of directors and the report of the directorate and that of the supervisory board, as well as the proposal with regard to the distribution of dividends and the situation regarding dividends distributed partially during the fiscal year shall

be made available to the shareholders at the company's head office, as of the date of convening the general meeting. Upon request, the shareholders shall receive copies of these documents. The amounts charged for the release of copies may not exceed the administrative costs involved in their supply.

(2) In case the company has its own website, the convening notice, any other points added on the agenda at the request of the shareholders, in compliance with the provisions of Art. 117^1, as well as the documents provided in paragraph (1) shall also be published on the website, for free access by the shareholders.

(3) Each shareholder may address the board of directors or the directorate written questions referring to the activity of the company, before the date when the general meeting takes place, and they will be given an answer within the meeting. In case the company has its own website, lacking a contrary provision in the constitutive act, the answer shall be deemed as given if the information requested is published on the website of the company, in the section "Frequently asked questions".

Art. 118

(1) The notice of the first general meeting may set the time and date for the second meeting, in case the first meeting cannot take place.

(2) The second meeting cannot take place on the very day established for the first meeting.

(3) If the day for the second meeting is not indicated in the convening notice published for the first meeting, the term stipulated under Art. 117 may be reduced to 8 days.

Art. 119

(1) The board of directors or the directorate shall be obliged to convene immediately the general meeting upon the request of the shareholders representing, individually or together, at least 5% of the share capital, or a lower quota, in case the constitutive act stipulates it, and in case the request contains provisions that are part of the meeting’s prerogatives.

(2) The general meeting shall be convened within maximum 30 days and shall meet within maximum 60 days as of the date of receipt of the request.

(3) It the board of directors or the directorate does not convene the general meeting, the court at the company's registered office can authorise the convening of the general meeting by the shareholders that formulated the request, after summoning the board of directors. By the same interlocutory judgment, the court shall establish the reference date provided in Art. 123 (2), the date when the general meeting is to be held and the person who will chair the meeting, chosen from among the shareholders.

(4) The costs related to the convening of the general meeting, as well as the court costs shall be covered by the company, if the court approves the request according to paragraph (3).

Art. 120

The shareholders shall exercise their right to vote in the general meeting proportionally to the number of shares they hold, with the exception stipulated under Art. 101 (2).

Art. 121

The shareholders representing the entire share capital could, in case none of them opposes, hold a general meeting and make any decision falling within the competence of the meeting without observing the formalities required for its convening.

Art. 122

In case of closed companies with registered shares, the constitutive act may stipulate the holding of the general meetings by correspondence, as well.

Art. 123

(1) In the general meetings, the shareholders possessing bearer shares shall have the right to vote only if they deposited them in the places indicated by the constitutive act or by the convening notice, at least 5 days prior to the meeting. The technical secretary, appointed according to Art. 129 (5) shall ascertain, by means of minutes, the timely deposit of the shares. The shares shall remain deposited until after the general meeting, but it shall not be possible to keep them for more than 5 days as from the date of the meeting.

(2) The board of directors or the directorate shall set a reference date for the shareholders entitled to be informed and to vote in the general meeting, a date which shall remain valid even in case the general meeting is convened again, due to lack of quorum. The reference date so established shall not exceed 60 days before the date established for the first convening of the general meeting.

(3) The shareholders entitled to cash dividends or to exercise any other rights shall be those whose names are entered into the company's records or in those records sent to the company by the independent private registry of the shareholders, corresponding to the above-mentioned reference date.

Art. 124

(1) *** Repealed.

(2) If there are pledges constituted over the shares, the right to vote shall belong to the owner.

Art. 125

(1) The shareholders can participate and vote in general meetings by representation, based on a special proxy granted for such general meeting.

(2) The shareholders that do not have the capacity of exercise, as well as legal persons can be represented by their legal representatives who, in their turn, can give special proxy to other shareholders for that general meeting.

(3) The proxies shall be deposited in original 48 hours before the meeting or within the time limit stipulated by the constitutive act, under the sanction of losing the exercise of the right to vote in that meeting. The proxies shall be kept by the company and a mention thereto shall be made in the minutes.

(4) *** Repealed.

(5) The members in the board of directors, the managers, or the members of the directorate and of the supervisory board or company's clerks cannot represent the shareholders, subject to the decision becoming null and void if, for lack of their votes, the required majority would not have been met.

Art. 126

(1) The shareholders that have the capacity of members of the board of directors, of the directorate or of the supervisory board cannot vote on the basis of shares they possess, either personally or by proxy, on the discharge from their administration duties or any other issue in which their person or administration would be involved.

(2) However, such persons can vote on the annual financial statement in cases when the majority provided by the law or by the constitutive act cannot be met.

Art. 127

(1) The shareholder who, with regard to a certain operation, has a personal interest or, as proxy of another person, an opposite interest to that of the company, shall have to refrain from taking part in the proceedings concerning that operation.

(2) The shareholder who breaks this provision shall be liable for damages caused to the company if, without his vote, the required majority would not have been met.

Art. 128

(1) The right to vote cannot be assigned.

(2) Any agreement whereby the shareholder undertakes to exercise his right to vote in compliance with the guidelines given or the proposals formulated by the company or by the persons with powers of representation shall be void.

Art. 129

(1) On the day and hour indicated in the convening notice, the session of the meeting shall be opened by the chairman of the board of directors or of the directorate or by his substitute.

(2) The general meeting shall elect, out of the shareholders present, 1 to 3 secretaries who shall verify the shareholders' attendance list, indicating the share capital represented by each one, the minutes drawn up by the technical secretary to ascertain the number of shares deposited and the fulfilment of all formalities imposed by the law and the constitutive act in order to hold the general meeting.

(3) The general meeting may decide that the operations mentioned in the previous paragraph be supervised or even fulfilled by a notary public, at the company's expense.

(4) One of the secretaries shall draw up the minutes of the general meeting.

(5) The president may appoint, from the company's employees, one or more technical secretaries who shall take part in the carrying out of the operations provided in the previous paragraphs.

(6) After ascertaining the fulfilment of all legal requirements and of the provisions of the constitutive act for holding the general meeting, the agenda may be tackled.

(7) The decisions on the items on the agenda that were not published in compliance with the provisions of Article 117 and 117^1 may not be passed, except for the case when all shareholders were present or represented and none of them opposed or contested this decision.

Art. 130

(1) The decisions of the general meetings shall be made by open vote.

(2) The secret vote shall be mandatory for the appointment or revocation of the members of the board of directors or, respectively, of members of the supervisory board and for the appointment, revocation or dismissal of the censors or financial auditors, and for making decisions concerning the responsibility of the members of the administration, management and control bodies of the company.

Art. 131

(1) Minutes signed by the chairman and the secretary shall ascertain the fulfilment of formalities for the convening of the general meeting, date and place, attending shareholders, number of shares, the summary of the proceedings, the decisions made and, upon the shareholders' request, their statements made during the meeting.

(2) The documents referring to the convening as well as the shareholders' attendance lists shall be attached to the minutes.

(3) The minutes shall be registered into the registry of general meetings.

(4) In order to be opposable to third parties, the decisions of the general meeting shall be filed within 15 days with the trade registry office in order to be mentioned in the registry and published in the Official Gazette of Romania, Part IV.

(5) Upon request, each shareholder shall be informed with regard to the results of the vote, for the decisions made within the general meeting. If the company has its own website, the results shall also be published on this page, within maximum 15 days as of the date of the general meeting.

Art. 132

(1) The decisions made by the general meeting within the limits of the law or of the constitutive act shall be compulsory even for those shareholders who did not take part in the meeting or who voted against them.

(2) The decisions of the general meeting which are contrary to the law or to the constitutive act can be lawfully challenged within a 15 days' period from the publication in the Official Gazette of Romania, Part IV, by any of the shareholders who did not take part in the general meeting or voted against and requested that this should be noted in the meeting's minutes.

(3) When there are absolute nullity reasons invoked, the right to sue shall not be subject to the statute of limitation, and the request may also be formulated by any person concerned.

(4) The members of the board of directors or of the supervisory board cannot challenge the decision of the general meeting regarding their dismissal.

(5) The request shall be settled in opposition to the company, represented by the board of directors or by the directorate.

(6) In case the decision is challenged by all members of the board of directors or of the directorate, the company shall be represented in court by the person appointed by the president of the court from among the company's shareholders, who shall fulfil the mandate entrusted to him, until the general meeting convened with this aim shall appoint a representative.

(7) If the decision is challenged by all members of directorate, the company shall be represented in court by the supervisory board.

(8) If several claims for cancellation have been brought, they can be joined together.

(9) The claim shall be tried in court chambers. The court judgement issued is subject only to appeal, within 15 days as of communication.

(10) The final cancellation judgment shall be mentioned in the trade registry and published in the Official Gazette of Romania, Part IV. It shall be opposable to all shareholders as from the date of its publication.

Art. 133

(1) Along with filing the claim for cancellation, the plaintiff may request the court to adjourn the carrying into effect of the decision which is challenged, by way of presidential ordinance.

(2) The court's consent to adjourn can force the plaintiff to pay a bail.

(3) **** Repealed

Art. 134

(1) The shareholders who did not vote in favour of a decision of the general meeting shall have the right to withdraw from the company and to request that the company purchases their shares, provided that such decision of the general meeting has the following as its object:

a) to change the main object of activity;

b) to move the head office of the company abroad;

c) to change the form of the company;

d) to operate the merger or spin-off of the company.

(2) The withdrawal right may be exercised within 30 days as of the date of publication of the decision of the general meeting in the Official Gazette of Romania, Part IV, in the cases provided in paragraph (1) a) - c), and as of the date of adoption of the decision of the general meeting, in the case provided in paragraph (1) d).

(2^1) In the cases provided under Art. 246^1 and 246^2, the shareholders who are not in favour of the merger/spin-off may exercise their right of withdrawal within 30 days as of the date of publication of the merger/spin-off project according to the conditions of Art. 242 paragraph (2) or, as the case may be, Art. 242 paragraph (2^1).

(3) Along with the written withdrawal statement, the shareholders shall also deposit with the head office of the company the shares they possess or, as applicable, the shareholder's certificates issued according to Art. 97.

(4) The price paid by the company for the shares of the person that exercises the withdrawal right shall be established by an independent authorised expert, as the average value resulted from the application of at least two evaluation methods recognised by the legislation in force on the date of evaluation. The expert shall be appointed by the delegated judge in compliance with the provisions of Art. 38 and 39, at the request of the board of directors, or of the directorate, respectively.

(5) The evaluation costs shall be covered by the company.

Art. 135 **** Repealed

Art. 136

(1) One or more shareholders representing, individually or together, at least 10% of the share capital, may ask the court to appoint one or several experts, entrusted with the analysis of certain operations of the company's administration and to draw up a report that is to be handed in to these, and also to be officially submitted to the board of directors or to the directorate and to the supervisory board, as well as to the censors or internal auditors of the company, as applicable, for analysis and proposals for appropriate measures.

(1^1) The board of directors or the directorate shall include the report drawn up according to paragraph (1) on the agenda of the next general meeting of shareholders.

(2) The experts' fees shall be borne by the company, except for the cases in which the notification was made in bad faith.

Art. 136^1

The shareholders must exercise their rights in good faith, respecting the rights and legitimate interests of the company and of the other shareholders.

Section 3: On Company Administration

Subsection 1: Unitary System

Art. 137

(1) The joint-stock company shall be administered by one or several directors, always in an odd number. When there are several directors, they shall make up a board of directors.

(2) The joint-stock companies whose annual financial statements are subject to a legal obligation to undergo an audit shall be administered by at least 3 directors.

(3) The provisions of this law with regard to the board of directors that do not concern or do not presuppose the plurality of directors shall apply accordingly to the sole director.

Art. 137^1

(1) The directors shall be appointed by the ordinary general meeting of shareholders, except for the first directors, who are appointed through the constitutive act.

(2) The candidates for the positions of directors shall be nominated by the current members of the board of directors or by the shareholders.

(3) For the mandate's duration, the directors cannot conclude an employment contract with the company. In case the directors were appointed from the company's employees, the individual employment contract shall be suspended throughout the term of office.

(4) The directors may be revoked at any time by the ordinary general meeting of shareholders. In case the dismissal occurs without a fair reason, the director shall be entitled to the payment of damages.

Art. 137^2

(1) In case of vacancy of one or more director positions, unless otherwise provided by the constitutive act, the board of directors shall proceed to the appointment of temporary directors, until the ordinary general meeting of shareholders is met.

(2) If the vacancy provided in paragraph (1) causes the decrease of the number of directors under the minimum legal level, the remaining directors shall convene forthwith the ordinary general meeting of shareholders, to supplement the number of members of the board of directors.

(3) In case the directors fail to meet their obligation to convene the general meeting, any interested party may address the court in order to appoint the person entrusted with the convening of the ordinary general meeting of shareholders that should make the necessary appointments.

(4) When there is a single director and he wants to give up the mandate, he shall have to convene the ordinary general meeting.

(5) In case of death or physical incapacity to exercise the duty of sole director, the temporary appointment shall be carried out by the censors, but the ordinary general meeting shall be convened under emergency for the final appointment of the director.

(6) In case the company does not have censors, any shareholder may address the court that authorises the convening of the general meeting by the shareholder who formulated the request or by another shareholder. By means of the same decision, the court shall approve the agenda, shall establish the reference date provided by Art. 123 (2), the date of the general meeting and, out of the shareholders, the person that will preside it.

Art. 138 *** Repealed

Art. 138^1

(1) In case the delegation of the management powers by the directors takes place in a joint-stock company, according to Art. 143, the majority of the members of the board of directors shall be formed by non-executive directors.

(2) For the purposes of this law, the non-executive members of the board of directors shall be those who have not been appointed as managers, in compliance with Art. 143.

Art. 138^2

(1) The constitutive act or the decision of the general meeting of shareholders may provide that one or more members of the board of directors must be independent.

(2) Upon the appointment of an independent director, the general meeting of shareholders shall consider the following criteria:

a) not to be a manager of the company or of a company controlled by it or not to have filled such a position over the last 5 years;

b) not to have been an employee of the company or of a company controlled by it or not to have had such a labour relation over the last 5 years;

c) not to receive or have received from the company or from a company controlled by it an additional remuneration or other advantages, others than those corresponding to its capacity of non-executive director;

d) not to have been a significant shareholder of the company;

e) not to have or have had over the last year business relations with the company or with a company controlled, either in person, or as associate, shareholder, director, manager or employee of a company that has such relations with the company, if, by their substance, they are likely to affect their objectivity;

f) not to be or have been over the last 3 years a financial auditor or a shareholder employee of the present financial auditor of the company or of a company controlled by it;

g) to be a manager in another company where a manager of the company is a non-executive director;

h) not to have been a non-executive director of the company for more than 3 mandates;

i) not to be related in kinship to a person who is in one of the situations provided in letters a) and d).

Art. 139 **** Repealed

Art. 140 **** Repealed

Art. 140^1

(1) The board of directors shall elect from among its members a chairman of the board. The constitutive act may stipulate that the chairman of the board shall be appointed by the ordinary general meeting, which designates the board.

(2) The chairman shall be appointed for a duration that may not exceed the duration of its mandate as director.

(3) The chairman may be revoked at any time by the board of directors. If the chairman was appointed by the general meeting, he may only be revoked by this meeting.

(4) The chairman shall co-ordinate the activity of the board and shall report on this to the general meeting of shareholders. He shall watch over the proper operation of the company's bodies.

(5) In case the chairman finds himself in a temporary impossibility to exercise his powers for the duration of such state of impossibility, the board of directors may entrust another director to fill the position of chairman.

Art. 140^2

(1) The board of directors may create consultative committees formed of at least 2 members of the board and entrusted with the conduct of investigations and with the elaboration of recommendations for the board, in fields such as audit, remuneration of directors, managers, censors and staff, or with the nomination of candidates for various management positions. The committees shall forward reports on their activity to the board on a regular basis.

(2) At least one member of each committee created pursuant to paragraph (1) must be an independent non-executive director. The audit committee and the remuneration committee shall be formed exclusively of non-executive directors. At least one member of the audit committee must have the expertise in applying the accounting principles or in financial audit.

Art. 141

(1) The board of directors shall be reunited at least once every 3 months.

(2) The chairman shall convene the board of directors, shall establish the agenda, shall watch over adequate information of the members of the board with regard to the items on the agenda and shall preside over the meeting.

(3) The board of directors shall also be convened at the motivated request of at least 2 of its members or of the general manager. In this case, the agenda shall be established by the authors of the request. The chairman shall be bound to respond to such request.

(4) The convening notice for the meeting of the board of directors shall be transmitted to the directors in due course before the date of the meeting, and the time limit may be established by decision of the board of directors. The convening notice shall include the date, the place where the session takes place and the agenda. Only in emergency situations there may be decisions made regarding items not included on the agenda. The constitutive act may impose more severe conditions with regard to the aspects regulated in this paragraph.

(5) Minutes shall be drawn up upon each meeting, which shall include the names of the participants, the order of deliberations, the decisions made, the number of votes cumulated and dissenting opinions. The minutes shall be signed by the chairman of the session and by at least one other director.

Art. 141^1

The managers and censors or, as the case may be, the internal auditors may be convened at any meeting of the board of directors, where they must be present. They do not have a right to vote, except for the managers who are also directors.

Art. 142

(1) The board of directors shall be in charge of carrying out all acts necessary and useful for the achievement of the object of activity of the company, except for those reserved by the law for the general meeting of shareholders.

(2) The board of directors shall have the following main competences that may not be delegated to the managers:

a) to establish the main directions of activity and development of the company;

b) to establish the accounting policies and financial control system, as well as to approve the financial planning;

c) to appoint and dismiss the managers and to establish their remuneration;

d) to supervise the managers' activity;

e) to prepare the annual report, to organise the general meeting of shareholders and to implement its decisions;

f) to introduce the request for opening the insolvency proceedings of the company, according to Law no. 85/2006 on insolvency proceedings.

(3) Likewise, the attributions given to the board of directors by the general meeting of shareholders, according to Art. 114, may not be delegated to the managers.

Art. 143

(1) The board of directors may delegate the management of the company to one or more managers, by nominating one of them as general manager.

(2) The managers may be appointed from among the directors or from outside the board of directors.

(3) If the constitutive act or a decision of the general meeting of shareholders provides for it, the chairman of the board of directors may also be appointed as general manager.

(4) In case of joint-stock companies whose annual financial statements are subject to a legal obligation of financial audit, the delegation of the management of the company in compliance with paragraph (1) shall be mandatory.

(5) For the purpose of this law, the manager of the joint-stock company shall only be that person to whom powers of management of the company were delegated in compliance with paragraph (1). Any other person, irrespective of the technical name of the position filled within the company, shall be excluded from the application of the rules of this law with regard to the managers of the joint-stock company.

Art. 143^1

(1) The managers shall be in charge of taking all the measures related to the company's management, within the limits of the object of activity of the company and in compliance with the exclusive competences reserved by the law or by the constitutive act for the board of directors and for the general meeting of shareholders.

(2) The manner of organisation of the activity of the managers may be established by the constitutive act or by decision of the board of directors.

(3) Any director may ask from the managers information with regard to the operational management of the company. The managers shall inform the board of directors on the operations undertaken and on those envisioned, on a regular and comprehensive basis.

(4) The managers may be revoked at any time by the board of directors. In case the dismissal supervenes for no good reason, the manager shall be entitled to be paid damages.

Art. 143^2

(1) The board of directors shall represent the company in relation to third parties and in courts. In the absence of a contrary provision in the constitutive act, the board of directors represents the company by its chairman.

(2) In the constitutive act, the chairman and one or more directors may be empowered to represent the company, acting together or separately. Such clause shall be opposable to third parties.

(3) By their unanimous consent, the directors that represent the company and only acting together may empower one of them to conclude certain operations or types of operations.

(4) In case the board of directors delegates the powers of management of the company in compliance with Article 143, the power of representation shall devolve on the general manager. The provisions of paragraphs (2) - (4) shall apply accordingly to the managers. However, the board of directors shall keep its power of representation of the company in its relation to the managers.

(5) The board of directors shall register with the trade registry the name of the persons empowered to represent the company, indicating whether they act together or separately. They shall file signature specimens with the trade registry.

Art. 144 *** Repealed

Art. 144^1

(1) The members of the board of directors shall exercise their mandate with the prudence and diligence of a good director.

(2) The director shall not breach the obligation provided in paragraph (1) if, at the time when he makes a business decision, he is reasonably entitled to consider that he acts in the company's interest and based on certain adequate information.

(3) For the purpose of this law, a business decision shall be any decision to take or not to take certain measures with regard to the administration of the company.

(4) The members of the board of directors shall exercise their mandate with loyalty, in the company's interest.

(5) The members of the board of directors shall not be allowed to disclose confidential information and business secrets of the company, to which they have access in their capacity of directors. This obligation shall also devolve on them after the termination of their mandate.

(6) The contents and duration of the obligations provided in paragraph (4) shall be set forth in the directorship contract.

Art. 144^2

(1) The directors shall be responsible for meeting all obligations, according to the provisions of Art. 72 and 73.

(2) The directors shall be liable towards the company for the prejudices caused by the acts of the managers or of the staff, where the damage would not have occurred if they had exercised the supervision by virtue of the duties which their positions involve.

(3) The managers shall notify the board of directors of all irregularities ascertained while fulfilling their attributions.

(4) The directors shall be jointly liable with their immediate predecessors if, having knowledge of the irregularities committed by them, they do not notify the censors or, as applicable, the internal auditors and financial auditor on such irregularities.

(5) In companies with several directors, the liability for the acts committed or for omissions shall not be extended over the directors whose objection was written down in the registry of the board of directors and notified the censors or the internal auditors and financial auditors about this in writing.

Art. 144^3

(1) The director who, directly or indirectly, in a certain operation, has interests opposed to those of the company, must inform the other directors and censors and internal auditors about this matter and must not take part in any proceeding concerning the respective operation.

(2) This obligation shall also devolve on the director in case that, in a certain operation, he knows that his spouse, relatives or kinsmen up to the 4th rank inclusively are interested.

(3) Unless otherwise provided by the constitutive act, the interdictions established in paragraphs (1) and (2), referring to the participation, deliberation and vote of the directors, shall not be applicable in case the object of the vote consists in:

a) the offer of shares or bonds of the company for subscription to a director or to the persons mentioned in paragraph (2);

b) granting by the director or by the persons mentioned in paragraph (2) of a loan or instituting a guarantee in favour of the company.

(4) The director that failed to comply with the provisions of paragraphs (1) and (2) shall be liable for the damages incurred by the company as a result.

Art. 144^4

(1) It shall be prohibited for the company to credit its directors, through certain operations such as:

a) granting loans to directors;

b) granting financial advantages to the directors upon or subsequently to the company's concluding with them of operations for the supply of goods, provisions of services or execution of works;

c) direct or indirect, full or partial guarantee for any of the loans granted to the directors, at the same time or after the loan was granted;

d) direct or indirect, full or partial guarantee of execution by the directors of any other personal obligations towards third parties;

e) obtaining against consideration or full or partial payment of a claim having as object a loan granted by a third party to the directors or any other personal payment from these.

(2) The provisions of paragraph (1) shall also be applicable to the operations which concern the director's spouse, relatives or kinsmen up to the 4th degree inclusively; likewise, if the operation concerns a company where one of the previously mentioned persons is a director or it holds, alone or jointly with one of the above-mentioned persons, at least a 20% quota of the value of the subscribed share capital.

(3) The provisions of paragraph (1) shall not apply:

a) in case of operations whose cumulated due value is lower than the equivalent value in LEI of the amount of EUR 5,000;

b) in case the operation is concluded by the company within the general performance of its activity, and the clauses of the operations are not more favourable to the persons mentioned in paragraphs (1) and (2) than usually practised by the company in relation to third parties.

Art. 145 **** Repealed

Art. 146 **** Repealed

Art. 147 **** Repealed

Art. 148 **** Repealed

Art. 149 **** Repealed

Art. 150

(1) Unless otherwise provided by the constitutive act and subject to the provisions of Art. 44^1, under the sanction of nullity, the director may respectively transfer or acquire assets in his own name to or from a company with a value of more than 10% of the value of the net assets of the company, only after obtaining approval by the extraordinary general meeting, under the terms provided in Art. 115.

(2) The provisions of paragraph (1) shall also apply to rental and leasing operations.

(3) The value provided in paragraph (1) shall be calculated depending on the financial statement approved for the financial year prior to the one when the operation takes place or, as the case may be, depending on the value of the subscribed share capital, if such a financial statement has not been produced and approved yet.

(4) The provisions of the present paragraph shall also be applicable to the operations in which one of the parties is the spouse of the director or one of his relatives or its kinsmen, up to the forth degree, inclusively; likewise, if the operation is concluded with a company where one of the previously mentioned persons is a director or a manager or it holds, alone or jointly, a 20% quota of the value of the subscribed share capital, except for the case where one of such companies is the branch of the other.

Art. 151 *** Repealed

Art. 152

(1) Managers shall be responsible for the failure to meet their duties. The provisions of Art. 137^1 (3), of Art. 144^1, 144^3, 144^4, 150 and of Art. 153^12 (4) shall apply to managers under the same conditions as to directors.

(2) The remuneration of managers, obtained pursuant to the mandate contract, shall be fiscally assimilated to the incomes from wages and shall be subject to taxes according to the legislation on this matter.

(3) By derogation from Art. 5 of Law no. 19/2000 on the public pension system and other social insurance rights, as subsequently amended and supplemented, the remuneration of managers obtained pursuant to the mandate contract shall be assimilated to the wage, from the point of view of the obligations devolving on the manager and the company according to the legislation on the public pension system and other social insurance rights, including the right to insurance for accidents at work and occupational diseases, the legislation regarding the unemployment insurance and employment incentive system, as well as according to the health insurance legislation.

Art. 152^1

The micro-enterprises and the small enterprises, for the purpose of Art. 4 (1) a) and b) of Law no. 346/2004 on incentives for the setting up and development of small and medium enterprises, as subsequently amended, may derogate from the provisions of Art. 137 (2), Art. 138^1 (1), Art. 140^2 (2) and Art. 143 (4).

Subsection 2: Dual System

Art. 153

(1) The constitutive act may stipulate that the joint-stock company is administered by a directorate and a supervisory board, in compliance with the provisions of this subsection.

(2) The constitutive act may be amended during the existence of the company by a decision of the general meeting of shareholders, in view of introducing or eliminating such provision.

(3) The provisions of this law with regard to the censors shall not apply to the companies that choose a dual administration system.

Part A: Directorate

Art. 153^1

(1) The leadership of the joint-stock company shall devolve exclusively on the directorate, which shall carry out the acts necessary and useful for the carrying out of the object of activity of the company, except for those reserved by the law as duty of the supervisory board and of the general meeting of shareholders.

(2) The directorate shall exercise its powers under the control of the supervisory board.

(3) The directorate shall be formed of one or several members, always an odd number.

(4) When there is only one member, he shall have the designation of sole general manager. In this case the provisions of Art. 137 (3) shall apply accordingly.

(5) In case of joint-stock companies whose annual financial statements are subject to a legal audit obligation, the directorate shall be formed of at least 3 members.

Art. 153^2

(1) The appointment of the members of directorate shall devolve on the supervisory board that shall also designate one of them for the position of directorate’s president.

(2) The constitutive act shall determine the length of the directorate's mandate, within the limits provided in Art. 153^12.

(3) The members of the directorate may not be simultaneously members of the supervisory board.

(4) The members of directorate may be dismissed at any time by the supervisory board. The constitutive act can provide that they may also be dismissed by the ordinary general meeting of shareholders. If their dismissal supervenes for no good reason, the directorate members shall be entitled to receive payment of damages.

(5) In case of vacancy of a position of member of directorate, the supervisory board shall proceed forthwith to appoint a new member for the duration left by the expiry of the directorate's mandate.

(6) As regards the rights and obligations of the members of directorate, Art. 137^1 (3), Art. 144^1, Art. 144^2 (1), (4) and (5), Art. 144^3, Art. 144^4, Art. 150 and Art. 152 shall apply accordingly.

Art. 153^3

(1) The directorate shall represent the company in relation to third parties and in court.

(2) In the absence of a contrary provision in the constitutive act, the members of directorate represent the company only jointly.

(3) In the event that the members of directorate represent the company only jointly, by their unanimous consent, they may empower one of them to conclude certain operations or types of operations.

(4) The supervisory board shall represent the company in the relations with the directorate.

(5) The directorate shall register with the trade registry the names of its members, indicating whether they act jointly or separately. They shall file signature specimens with the trade registry.

Art. 153^4

(1) At least once every 3 months, the directorate shall submit a written report to the supervisory board with regard to the company's management, to its activity and its possible evolution.

(2) Besides the periodical information provided in paragraph (1), the directorate shall communicate in due time to the supervisory board any information with regard to the events that might have a significant influence over the company's condition.

(3) The supervisory board may request to the directorate any information that it deems necessary for the exercise of its control attributions and may carry out appropriate check-ups and investigations.

(4) Each member of the supervisory board shall have access to the information sent to the board.

Art. 153^5

(1) The directorate shall forward to the supervisory board the annual financial statements and its annual report, immediately after their elaboration.

(2) Similarly, the directorate shall forward to the supervisory board its detailed proposal with regard to the distribution of profit resulted from the balance of the financial exercise, which they intend to present to the general meeting.

(3) The provisions of Art. 153^4 (4) shall apply accordingly.

Part B: Supervisory Board

Art. 153^6

(1) The members of the supervisory board shall be appointed by the general meeting of shareholders, except for the first members that are appointed through the constitutive act.

(2) The candidates for the positions of member in the supervisory board shall be nominated by the existing members of the board or by the shareholders.

(3) The number of members of the supervisory board shall be established by the constitutive act. This number may not be less than 3 or higher than 11.

(4) The number of members of the supervisory board may be dismissed at any time by the general meeting of shareholders, with a majority of at least two thirds of the number of votes of the present shareholders.

(5) The supervisory board shall elect a chairman of the board from their members.

Art. 153^7

(1) In case of vacancy of a position in the supervisory board, the board may proceed to the appointment of a temporary member until the general meeting takes place.

(2) If the vacancy mentioned in paragraph (1) determines the decrease of the number of members of the supervisory board below the lawful minimum level, the directorate must convene without delay the general meeting in order to fill the vacant seats.

(3) In case the directorate does not meet its obligation to convene the general meeting in compliance with paragraph (2), any party concerned may address the court to designate the person in charge of the summons of the ordinary general meeting of shareholders that shall make the necessary appointments.

Art. 153^8

(1) The members of the supervisory board may not be simultaneously members of the directorate. Likewise, they may not cumulate the capacity of member in the supervisory board with the capacity of employee of the company.

(2) The constitutive act or the decision of the general meeting of shareholders may establish specific conditions pertaining to professionalism and independence for the members of the supervisory board. In the appraisal of the independence of a member of the supervisory board, at least the criteria provided by Art. 138^2 par. (2) shall be considered.

(3) With regard to the rights and obligations of the members of the supervisory board, the provisions of Art. 144^1, Art. 144^2 (1) and (5), of Art. 144^4 and 150 shall apply accordingly.

Art. 153^9

(1) The supervisory board shall have the following main duties:

a) to exercise permanent control by the directorate over the management of the company;

b) to appoint and dismiss the directorate members;

c) to verify the compliance of the company's directorate operations with the law, with the constitutive act and with the decisions of the general meeting;

d) to report at least once a year to the general meeting of shareholders with regard to the supervisory activity carried out.

(2) In exceptional cases, when the company's interests require it, the supervisory board may convene a general meeting of shareholders.

(3) The supervisory board may not receive powers of management of the company. However, the constitutive act may provide for certain types of operations that may only be carried out with the consent of the board. In case the board does not give their consent for such operation, the directorate may ask for the consent of the ordinary general meeting. The decision of the general meeting with regard to such agreement shall be made by a majority of 3 fourths of the number of votes of the shareholders present. The constitutive act may not establish another majority or stipulate other conditions.

Art. 153^10

(1) The supervisory board may create consultative committees, composed of at least 2 members of the board and entrusted with the performance of investigations and with the elaboration of recommendations for the board, in fields such as audit, remuneration of the members of directorate

and of the supervisory board and of the personnel, or the nomination of candidates for various directorate positions. The committees shall forward reports on their activity to the board on a regular basis.

(2) The president of the directorate may be appointed as member in the nomination committee created by the supervisory board, without the former acquiring the capacity of member in the board.

(3) At least one member of each committee created pursuant to paragraph (1) must be an independent member of the supervisory board. At least one member of the audit committee must have relevant experience concerning the application of the accounting principles or concerning the financial audit.

Art. 153^11

(1) The supervisory board shall meet at least once every 3 months. The chairman shall convene the supervisory board and shall preside over the meeting.

(2) The supervisory board shall be convened at any time upon the justified request of at least 2 of the members of the board or upon the request of the directorate. The board shall meet within 15 days as of the convening.

(3) If the chairman does not act upon the convening request from the council in compliance with the provisions of paragraph (2), the authors of the request may convene the board themselves, also establishing the agenda of the session.

(4) The members of the directorate may be convened to the meetings of the supervisory board. They shall not have a right to vote within the board.

(5) During each meeting, minutes shall be drawn up, which shall include the names of the participants, the agenda, the order of deliberations, the decisions made, the number of votes cumulated and dissenting opinions. The minutes shall be signed by the chairman of the session and by at least another present member of the board.

Subsection 3: Common Provisions for the Unitary System and for the Dual System

Art. 153^12

(1) The length of the directors' mandate or of the mandate of the members of the directorate and of the supervisory board shall be established by the constitutive act, and it may not exceed 4 years. They shall be re-eligible, unless the constitutive act provides otherwise.

(2) The mandate's length of the first members of the board of directors or of the first members of the supervisory board may not exceed 2 years.

(3) For the purpose that the appointment of a director or of a member of the directorate or of the supervisory board, be legally valid, the person appointed must accept it expressly.

(4) The person appointed to one of the positions provided in paragraph (3) must be covered by professional liability insurance.

Art. 153^13

(1) The managers of a joint-stock company, in unitary system, or the members of the directorate, in dual system, shall be natural persons.

(2) A legal person may be appointed director or member in the supervisory board of a joint-stock company. Upon this appointment, the legal person shall be under the obligation to designate a natural person as their permanent representative. It shall be subject to the same obligations and conditions and it shall have the same civil or criminal liability as a director or a member of the supervisory board who is a natural person, acting on their own behalf, without exonerating the represented legal person of its liability or having its joint liability mitigated. When the legal person revokes its representative, it shall be under the obligation to appoint a substitute at the same time.

Art. 153^14 *** Repealed

Art. 153^15

The managers of a joint-stock company, in a unitary system, and the members of the directorate, in dual system, may never be, without the authorisation from the board of directors or from the supervisory board, managers, directors, members of directorate or of the supervisory board, censors or, as applicable, internal auditors or unlimited liability shareholders, in other competitor companies or in companies with the same business object, nor may they exercise the same trade or a competitive trade, on their own behalf or on behalf of another person, under the punishment of dismissal and of liability for damages.

Art. 153^16

(1) A natural person may exercise simultaneously a maximum of 5 mandates as director and/or member of the supervisory board in joint-stock companies headquartered on the Romanian territory. This provision shall apply to the same extent to the natural person who is a director or a member in the supervisory board, as it applies to the natural person who is a permanent representative of a legal person that is a director or a member of the supervisory board.

(2) The prohibition provided in paragraph (1) does not refer to the cases where the person elected in the board of directors or in the supervisory board is the owner of at least one fourth of the total number of shares of the company or is a member in the board of directors or in the supervisory body of a joint-stock company that holds the fourth shown above.

(3) The person that breaches the provisions of this article shall be bound to resign from the offices of member of the board of directors or of the supervisory board that exceed the maximum number of mandates provided in paragraph (1), within one month as of the date when the incompatibility situation emerges. Upon the expiry of this period, such person shall lose the mandate obtained by exceeding the legal number of mandates, in the chronological order of the appointments, and he shall be bound to return the remuneration and other benefits received to the company in which the person has exercised such mandate. The deliberations and decisions in which the said person participated while exercising their mandates shall continue to be valid.

Art. 153^17

Before being appointed manager or director or member of the directorate or of the supervisory board in a joint-stock company, the person nominated shall notify the body of the company entrusted with its nomination with regard to the relevant aspects provided in Art. 153^15 and 153^16.

Art. 153^18

(1) The remuneration of the members of the board of directors or of the supervisory board shall be established by the constitutive act or by a decision of the general meeting of shareholders.

(2) The additional remuneration of the members of the board of directors or of the supervisory board entrusted with specific functions within such body, as well as the remuneration of managers, in the unitary system, or of the members of directorate, in dual system, shall be established by the board of directors or by the supervisory board, respectively. The constitutive act or the general meeting of shareholders shall set the general limits of all remunerations granted so.

(3) Any other benefits may only be granted in compliance with paragraphs (1) and (2).

(4) The general meeting, or the board of directors or the supervisory board, respectively, and if applicable, the remuneration committee shall make sure, when establishing the remunerations or other benefits, that they are justified in ratio to the specific duties of such persons and to the economic situation of the company.

Art. 153^19

The board of directors shall request the trade registry office to record the managers' appointment, as well as any change as regards the directors or managers and publication of such data in the Official Gazette of Romania, Part IV. The same obligation shall devolve on the directorate with regard to the registration of the first members of the directorate and of any change in the person of the members of the directorate or of the members of the supervisory board.

Art. 153^20

(1) With a view to ensuring the validity of the decisions of the board of directors, of the directorate or of the supervisory board, one shall require the attendance of at least half of the number of members of each of these bodies, unless the constitutive act provides for a higher number.

(2) The decisions within the board of directors, of the directorate or of the supervisory board shall be made by the majority of the votes of the present members. The decisions with regard to the appointment or dismissal of the chairmen of such bodies shall be made by a majority of the members of the board.

(3) The members of the board of directors, of the directorate or of the supervisory board may be represented in the meetings of such body only by other members of this body. A member present may represent only one absent member.

(4) The constitutive act may order that the participation in the reunions of the board of directors, of the directorate or of the supervisory board may also take place through means of distance communication, also indicating their type. Likewise, the constitutive act may restrict the type of decisions that may be made under such conditions and may provide a right to oppose to such procedure in favour of a fixed number of members of such body.

(5) The means of distance communication provided in paragraph (4) must meet all technical requirements necessary for identifying the participants, their actual participation in the board's meeting and the continuous re-transmission of deliberations.

(6) Unless the constitutive act provides otherwise, the chairman of the board of directors or of the supervisory body shall have the decisive vote in case of parity of votes. The president of the board of directors who is simultaneously a manager of the company may not have a decisive vote.

(7) If the active chairman of the board of directors, of the directorate or of the supervisory board cannot or is forbidden to participate in voting within such body, the other members may choose a chairman for the sessions, having the same rights as the active chairman.

(8) In case of parity of votes and if the chairman does not benefit from a decisive vote, the proposal subject to the vote shall be deemed rejected.

Art. 153^21

(1) The constitutive act may order that, in exceptional cases, justified by the emergency of the case and by the interests of the company, the decisions of the board of directors or of the directorate may be made by unanimous vote expressed in writing by the members, no further reunion of such body being necessary.

(2) The procedure provided in paragraph (1) may not be resorted to in case of decisions of the board of directors or of the directorate referring to the annual financial statements or to the authorised capital.

Art. 153^22

The board of directors or the directorate, respectively, may conclude legal acts in the company's name or on the company's behalf, whereby it receives assets for this or alienates, rents, changes or establishes as security the assets that are the company's patrimony, the value of which exceeds half of the accounting value of the company's assets on the date of conclusion of the legal acts, only with the approval of the general meeting of shareholders, given under the terms of Art. 115.

Art. 153^23

The managers and members of the board of directors, the members of directorate and those of the supervisory board shall be bound to participate in the general meeting of shareholders.

Art. 153^24

(1) If the board of directors or the directorate, respectively, finds that, following losses established in the annual financial statements approved according to the law, the net assets of the company, determined as the difference between the total assets and total liabilities of the company, have decreased to less than half of the value of the subscribed share capital, it shall convene forthwith the extraordinary general meeting to decide whether the company must be dissolved.

(2) The constitutive act may establish that the extraordinary general meeting be convened even in case of a less significant decrease of the net assets than the one provided in paragraph (1), establishing this minimum level of the net assets by reference to the subscribed share capital.

(3) The board of directors or the directorate, respectively, shall submit to the extraordinary general meeting convened according to paragraph (1) a report on the patrimony of the company, accompanied by remarks of the censors or, as applicable, of the internal auditors. This report must be filed with the head office of the company at least one week before the date of the general meeting, in order to be able to be consulted by any interested shareholder. Within the extraordinary general meeting, the board of directors or the directorate, respectively, shall inform the shareholders with regard to any relevant facts which occurred after the drawing up of the written report.

(4) If the extraordinary general meeting does not decide to dissolve the company, then the company shall be obliged, at the latest by the closing of the financial year subsequent to the one when the losses were established and under the reserve of Art. 10, to proceed to the decrease of the share capital in an amount at least equal to the one of the losses that could not be covered from the reserves, if during such interval the net assets of the company was not recreated up to the level of a value at least equal to half of the share capital.

(5) In case the extraordinary general meeting fails to meet in compliance with paragraph (1) or if the extraordinary general meeting failed to validly deliberate in the second convening as well, any interested person may address the court to ask for the dissolution of the company. The dissolution may also be requested in case the obligation imposed to the company according to paragraph (4) is not observed. In any of such cases the court may grant the company a time limit that may not exceed 6 months to settle the situation. The company shall not be dissolved if the recreation of the net assets by the level of a value at least equal to half of the share capital takes place by the time the dissolution judgement becomes final.

Art. 155

(1) The claim for liability against founders, directors, managers, or the members of the directorate and supervisory board, as well as censors or financial auditors for damages caused by them by breaching their obligations to the company shall pertain to the general meeting, which shall decide by the majority stipulated in Art. 112.

(2) The general meeting shall appoint by the same majority the person in charge of taking legal action.

(3) When the general meeting decides with regard to the annual financial statement, it may decide referring to the liability of the directors, managers, or the members of directorate and supervisory board, although this issue is not on the agenda.

(4) If the meeting decides to bring a claim for liability against the directors or the members of directorate, their mandate shall cease *de jure* on the date of passing the decision and the general meeting or the supervisory board, respectively, shall proceed to their substitution.

(5) If the legal action is directed against the managers, they shall be suspended from office *de jure* until the judgment becomes final.

(6) If the general meeting decides to initiate a claim for liability against the members of the supervisory board with the majority provided in Art. 115 (1), the mandate of such members of the supervisory board shall cease *de jure*. The general meeting shall proceed to their replacement.

(7) The claim for liability against the members of the directorate may also be exercised by the supervisory board, as a result of a decision of the board itself. If the decision is made by a majority of two thirds of the total number of members of the supervisory board, the mandate of those members of the directorate shall cease de jure, and the supervisory board shall proceed to their replacement.

Art. 155^1

(1) If the general meeting does not bring forward the claim for liability provided in Art. 155 and does not answer to one or more shareholders' proposal to initiate such claim, the shareholders that represent individually or jointly at least 5% of the share capital shall be entitled to bring forward a

claim for damages, in their own name, but on behalf of the company, against any person provided in Art. 155 (1).

(2) The persons that exercise their right provided in paragraph (1) must have already had the capacity of shareholder on the date when the matter of bringing the action for responsibility was subject to debates within the general meeting.

(3) The trial expenses shall be incurred by the shareholders that brought the claim forward. In case of admission, the shareholders shall be entitled to a refund given by the company for the amounts advanced as such.

(4) After the judgment of the court to admit the claim provided in paragraph (1) becomes final, the general meeting of shareholders or the supervisory board may decide to terminate the mandate of the directors, managers or members of the supervisory board, or of the members of directorate, respectively, as well as to replace them.

Section 4: Financial Audit, Internal Audit and Auditors

Art. 159

(1) A joint-stock company shall have 3 censors and one alternate, unless the constitutive act stipulates for a greater number. In all cases, the number of the censors must be an odd number.

(2) The censors shall be elected by the general meeting of shareholders. They shall have a 3-year mandate and can be re-elected.

(3) The censors shall have to carry out their mandate personally.

(4) In joint stock companies with a majority of state-owned capital, one of the censors shall be a representative of the Ministry of Economy and Finance.

Art. 160

(1) For the financial statements of the companies' subject to the lawful obligation of undertaking auditing, the audit shall be carried out by the financial auditors - natural persons or legal persons -, under the terms provided by the law.

(1^1) Joint-stock companies that opt, pursuant to Art. 153, for the dual administration system shall be subject to financial audit.

(1^2) Joint-stock companies whose annual financial statements are subject to financial audit, according to the law or to the choice made by the shareholders in this sense, may not apply the provisions of Art. 159 (1), and the decision in this regard shall me made by the general meeting of shareholders.

(2) Companies whose annual financial statements are subject to financial audit, according to the law or to the shareholders' decision, shall organise the internal audit according to the norms issued by the Romanian Chamber of Financial Auditors.

(3) For the companies whose annual financial statements are not subject to financial audit, according to the law, the ordinary general meeting of shareholders shall decide to contract the financial audit or to appoint the auditors, as the case may be.

Art. 160^1

The board of directors or the directorate, respectively, shall register with the trade registry any change of censors, or of the financial auditors, respectively.

Art. 161

(1) The censors may be shareholders, except for the accounting expert censor, who may be a third party practising individually or in associations.

(2) The following persons cannot be censors, and if they were elected, they shall have their mandate revoked:

a) relatives or kinsmen up to the fourth degree inclusively or directors' spouses;

b) persons who earn, under any form, for positions other than that of censor, a salary or a remuneration from the directors or from the company, or whose employers have contractual relations or are in competition with the company;

c) persons who are denied the position of member in the board of directors, or in the supervisory board and directorate, pursuant to Art. 73^1;

d) persons who, while exercising the duties this position implies, have control duties within the Ministry of Public Finance or within other public institutions, except for the cases specifically stipulated by law.

(3) The censors shall be remunerated by a fixed indemnity determined by the constitutive act or by the general meeting which appointed them.

Art. 162

(1) In case of a censor’s death, physical or legal obstruction, termination or renouncement of the mandate, such censor shall be replaced by the alternate.

(2) In the situation provided in paragraph (1), as well as in case the number of censors cannot be completed by replacement with alternates or there is no remaining censor in office, the directors shall convene the general meeting under emergency in view of appointing a new censor.

Art. 163

(1) The censors shall be bound to supervise the company's administration, to check if the financial statements are drawn up in compliance with the registries as well, if the latter are regularly kept, and whether the assets' valuation was made according to the rules set out for the drawing up and presentation of the financial statements.

(2) Concerning all of the above, as well as regarding the proposals they deem necessary for the financial statements and for the distribution of profits, the censors shall submit a detailed report to the general meeting. The modality and procedure of reporting of the internal auditors shall be established according to the rules elaborated by the Romanian Chamber of Financial Auditors.

(3) The general meeting shall not be in a position to approve the annual financial statements, if these are not accompanied by the censors' report or by the financial auditors' report, as the case may be.

(4) *** Repealed.

(5) The censors or, as applicable, the internal auditors shall notify the members of the board of directors on the irregularities in administration and the infringements of the legal provisions and of the constitutive act which they find out, and the more important cases shall be brought to the knowledge of the general meeting.

Art. 164

(1) The censors shall be entitled to obtain every month from the directors a report on the development of operations.

(2) *** Repealed.

(3) It shall be forbidden for censors to inform the shareholders, in private, or third parties, about the company's operations which they took knowledge of while exercising their mandate.

Art. 164^1

(1) Any shareholder shall be entitled to report to the censors on the facts he thinks require censoring, and the censors shall take them into account in drawing up the report for the general meeting.

(2) In case the complaint is made by the shareholders representing, individually or together, at least 5% of the share capital or a lower quota, if provided by the constitutive act, the censors shall be bound to check it. If they appreciate that the complaint is justified and urgent, they shall be bound to convene forthwith the general meeting and to submit their remarks to it. Otherwise, they must bring into question the complaint in the first meeting. The general meeting must decide on the facts complained about.

(3) In case of companies where internal auditors were appointed, according to the law, any shareholder shall be entitled to report on the facts which they deem as requiring verification. The internal auditors shall take them into account in drawing up the report to the board of directors, or to the supervisory board, respectively. In case the complaint is made by the shareholders representing, individually or together, at least 5% of the share capital or a lower quota, if provided by the constitutive act, the internal auditors shall be bound to check the facts complained about, and in case they are confirmed, they shall be written down in a report that shall be communicated to the board of directors, or to the supervisory board, respectively, and made available to the general meeting; in this case, the board of directors or the supervisory board, respectively, shall be bound to convene the general meeting.

Art. 165

(1) With a view to fulfilling the obligation provided for in Art. 163 (2), the censors shall confer together; however, they shall be able to draw up separate reports in case of disagreement, which they must submit to the general meeting.

(2) For the other obligations stipulated by law, the censors can work separately.

(3) The censors shall record their proceedings, as well as the observations made while exercising their mandate in a special registry.

Art. 166

(1) The extent to which censors are responsible and the effects of their responsibility shall be determined by the rules of the mandate.

(2) Their dismissal can be made only by the general meeting, on the basis of the vote required for the extraordinary meetings.

(3) The provisions of Art. 73 and 153^16 shall also be applied to censors.

Section 5: On the Issuance of Bonds

Art. 167

(1) The nominal value of a bond cannot be lower than LEI 2.5.

(2) The bonds of the same issue must have equal value and shall give equal rights to their holders.

(3) The bonds may be issued in material form, on paper, or in a dematerialized form, as book entries.

Art. 168 **** Repealed

Art. 169 **** Repealed

Art. 170

(1) The subscription of bonds shall be made on copies of the prospectus.

(2) The value of the subscribed bonds must be fully deposited.

(3) The bonds' titles must contain the data stipulated by the legislation of the capital market.

(4) The titles shall be signed according to the provisions of Art. 93 (4).

(5) The nominal value of the bonds convertible into shares shall be equal to the value of the shares.

Art. 171

(1) The bondholders can gather in a general meeting to deliberate upon their interests.

(2) The meeting shall be convened at the expense of the company that issued the bonds upon the request of a number of bondholders who represent a fourth of the titles issued and not yet reimbursed or, after the appointment of the representatives of bondholders upon their request.

(3) The dispositions stipulated for the ordinary meeting of the shareholders shall also be applied to the meeting of bondholders, concerning the forms, conditions, convening terms, titles depositing and voting.

(4) The issuing company cannot take part in proceedings of the bondholders' meeting on the basis of the bonds it holds.

(5) The bondholders may be represented by proxies, other than the directors, managers, or the members of the directorate, of the supervisory board or the censors or company employees, respectively.

Art. 172

(1) The bondholders' meeting legally set up shall have the following powers:

a) to appoint a representative of the bondholders and one or several deputy members having the right to represent them before the company and in court, establishing their remuneration; they may not take part in the company's administration, but they shall be able to attend its general meetings;

b) to carry out all the acts of supervision and protection of their common interests or to authorise a representative to carry them out;

c) to set up a fund, which may be drawn out from the interests due to bondholders in order to cover the expenses necessary for the protection of their rights, establishing, at the same time, rules for the administration of this fund;

d) to oppose to any amendment of the constitutive act or of the loan conditions, by which the bondholders' rights might be affected;

e) to decide on the issuance of new bonds.

(2) The meeting's decisions shall be brought to the attention of the company within no more than three days since they were passed.

Art. 173

For the validity of the proceedings stipulated under Art. 172 (1) a), b), c), the decision shall be made by a majority of at least one third of the titles issued and not reimbursed; in the other cases, one shall require the attendance to the meeting of the holders representing at least two thirds of the titles not yet reimbursed and the favourable vote of at least four fifths of the titles represented in the meeting.

Art. 174

(1) The decisions made by the meeting of the bondholders shall also be compulsory for the holders who did not take part in the meeting or who voted against.

(2) The bondholders' meeting decisions may be challenged in justice by the holders who did not take part in the meeting or who voted against and who demanded this to be recorded in the meeting's minutes, within the timeframe and with the effects indicated in Art. 132 and 133.

Art. 175

The legal claim of the bondholder against the company shall not be admissible if its object is the same as that of the claim brought by the representative of the bondholders or is contrary to a decision of the meeting of bondholders.

Art. 176

(1) The bonds shall be reimbursed by the issuing company when they fall due.

(2) Before falling due, the bonds of the same issuance and of the same value can be reimbursed, by drawing lots, at an amount higher than their nominal value established by the company and publicly announced, at least 15 days prior to drawing lots.

(3) The convertible bonds may be converted into shares belonging to the issuing company under the conditions established in the public offering prospectus.

Section 6: About the Company's Registries and Annual Financial Statements

Art. 177

(1) Besides the registries stipulated by law, joint-stock companies must keep:

a) a shareholders' registry which must contain, as the case may be, the first and last name, personal number code, denomination, domicile or registered office of shareholders holding registered shares, as well as deposits made for the shares. The records of securities traded on a regulated market/alternative transaction system shall be kept in compliance with the specific legislation of the capital market;

b) a registry of the meetings and proceedings of the general meeting;

c) a registry of the sitting and proceedings of the board of directors, or of the directorate and of the supervisory board, respectively;

d) **** Repealed

e) a registry of proceedings and findings performed by the censors and, as applicable, by the internal auditors, while exercising their mandate;

f) a registry of bonds showing the total number of the issued bonds and of the reimbursed bonds, as well as the first and last name, denomination, domicile or registered office of holders, in case the bonds are registered. The records of bonds issued in a dematerialized form and traded on a regulated market or by means of an alternative transaction system shall be kept in compliance with the specific legislation of the capital market;

g) any other registries provided by special normative acts.

(2) The registries stipulated in paragraph (1) a), b) and f) shall be put in charge of the board of directors or of the directorate, the one stipulated by point c) shall be kept by the body in question and the one stipulated by point e) shall be kept by the censors or, as applicable, by the internal auditors; the registries provided in paragraph (1) g) shall be kept under the terms provided by such normative acts.

Art. 178

(1) The directors or the directorate members or, as the case may be, the entities keeping the shareholders records shall be bound to put at the disposal of the shareholders and of any other requesting persons information on the shareholders' structure of that company and to release, upon request, certificates with regard to such data.

(2) They shall also be bound to put at the disposal of the shareholders and bondholders, under the same conditions, the registry stipulated by Art. 177 (1) b) and f).

Art. 179

The shareholders' registry and the bonds' registry may be kept manually or in a computerized system.

Art. 180

(1) With a purpose to keep the shareholders' registry in a computerized system and to carry on registrations and other operations pertaining thereto, the company may conclude relevant contracts with an independent private registry company.

(2) The provisions of the previous paragraph shall be applicable accordingly as regards the bonds' registry, as well.

(3) Keeping the shareholders' registry and/or the bonds' registry by an authorised independent registry company shall be compulsory in cases provided by law.

(4) In case the shareholders' registry is kept by an authorised independent registry company, it shall be mandatory to mention in the trade registry the firm and its registered office, as well as any changes having occurred with regard to these identification elements.

Art. 181

The board of directors or the directorate must present to the censors or to the internal auditors and financial auditors, at least 30 days prior to the date established for the general meeting, the annual financial statement of the previous financial exercise, along with their report and evidentiary documents.

Art. 182

(1) The annual financial statements shall be drawn up under the conditions stipulated by law.

(2) The annual financial statements of the companies shall be subject to verification and audit, according to the law.

Art. 183

(1) The company shall take at least 5% of the profits every year, in order to form the reserve fund until it amounts to a minimum of a fifth part of the share capital.

(2) If the reserve fund, after its settling, is reduced for any reason whatsoever, it shall be completed in compliance with the provisions of paragraph (1).

(3) Even if the reserve fund has reached its limit provided by paragraph (1), it shall also include the excess money obtained from the sale of stocks at a rate higher than their nominal value, if the excess is not money used to pay the issuance expenses or is not intended for depreciations.

(4) The founders shall participate in the profits, if so provided by the constitutive act or, in the absence of such provisions, if it was so approved by the extraordinary general meeting.

(5) In all cases, the general meeting shall establish the participation conditions for each financial year.

Art. 184

(1) The report of the censors or, as applicable, of the financial auditor shall remain filed with the company's registered office and with the registered office of its branches for 15 days prior to the session of the general meeting so that these may be studied by the shareholders.

(2) Upon request, the board of directors or the directorate, respectively, shall release copies of these documents to the shareholders. The amounts charged for the release of copies may not exceed the administrative costs involved by their supply.

Art. 185

(1) According to the conditions provided under Accounting Law no. 82/1991, republished, the board of directors, respectively, the directorate, are required to file with the territorial units of the Ministry of Public Finance, both in paper and electronic format, or only in electronic format with an extended electronic signature attached, the annual financial statements, their report, the censors' report or the financial auditors' report, as the case may be.

(2) The parent company's board of administration, respectively, the directorate, defined as such by the applicable accounting regulations, is required to file with the territorial units of the Ministry of Public Finance copies of the consolidated annual financial statements, while the provisions of paragraph (1) shall be adequately enacted.

(3) In order to conduct the legal publicity, the Ministry of Public Finance shall submit electronically to the National Trade Registry Office copies of the following acts, in electronic form: annual financial statements and, as the case may be, consolidated annual financial statements, report and, as the case may be, consolidated report of the board of directors, respectively, of the directorate, censors' report or financial auditors' report, as well as the economical-financial indicators necessary in order to conduct the legal publicity. Legal publicity shall be fulfilled by mentioning in the trade registry that the annual financial statements have been filed, accompanied by the report of the board of directors, respectively, of the directorate, censors' report or financial auditors' report, as well as the publication of the economical-financial indicators excerpted therefrom.

(4) Companies with an annual turnover in excess of LEI 10 million are required to publish in the Official Journal of Romania, Part IV, an announcement by which to confirm the filing of the acts provided under paragraph (1).

(5) In the case of companies whose annual turnover does not exceed LEI 10 million, the announcement provided under paragraph (4) shall be published, for free access, on the website of the National Trade Registry Office.

(6) The Ministry of Public Finance and the National Trade Registry Office shall conclude a collaboration protocol, with a view to submitting the copies and information provided under paragraphs (3) and (5) in electronic format.

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*) As from January 1, 2011, the annual financial statements and documents attached thereto and provided for under Art. 185 shall be filed only with territorial units of the Ministry of Public Finance.

Art. 186

The approval of the annual financial statements by the general meeting shall not hinder the exercise of the claim for liability, in compliance with the provisions of Art. 155.

Chapter 5: Partnerships Limited by Shares

Art. 187

The provisions of this chapter shall be supplemented by the provisions regarding joint-stock companies, except for those referring to the dual administration system.

Art. 188

(1) The administration of the partnership shall be entrusted to one or several active partners.

(2) The provisions of Art. 89 and 90 shall be applied to the silent partners and those of Art. 80 - 83 to the active partners.

Art. 189

(1) In the partnership limited by shares, the directors may be dismissed by the shareholders' general meeting according to a decision made by the majority required for the extraordinary meetings.

(2) The general meeting shall elect by the same majority another person instead of the director who was dismissed, who deceased or who ceased to exercise his term of office.

(3) The appointment must also be approved by the other directors, if there are several ones.

(4) The new director shall become an active partner.

(5) The dismissed director shall remain unlimitedly liable towards third parties for the obligations he was committed to during his administration, keeping his right to subsequently seek legal remedy against the partnership.

Art. 190

The active partners who are directors cannot participate in the proceedings of the general meeting for the election of censors or, as applicable, of the financial auditor even if they hold shares in the partnership.

Chapter 6: Limited Liability Companies

Art. 191

(1) The shareholders' decisions shall be made during the general meeting.

(2) The constitutive act may also state the possibility of voting by correspondence.

Art. 192

(1) The general meeting shall make decisions by means of the vote of the absolute majority of the shareholders and of the shares, unless otherwise provided by the constitutive act.

(2) Except for contrary legal provisions or contrary provisions of the constitutive act, the vote of all shareholders shall be needed for decisions having as subject amendments to the constitutive act.

Art. 193

(1) Each share shall give the right to one vote.

(2) One shareholder may not exercise his right to vote in the proceedings of the shareholders' meeting, regarding his contribution in kind or the legal documents concluded between him and the company.

(3) If the legally constituted meeting cannot make a valid decision due to the lack of the required majority, the meeting convened again shall be entitled to decide upon its agenda, irrespective of the number of shareholders and the part of the share capital represented by the attending shareholders.

Art. 194

(1) The general meeting of the shareholders shall have the following main duties:

a) to approve the annual financial statement and to establish the distribution of the net profit;

b) to appoint the directors and the censors, to dismiss them and to release them of their activity, as well as to decide on the contracting of the financial audit, when it does not have a mandatory character, according to the law;

c) to decide to sue the directors and the censors for damage caused to the company, also designating the person in charge of acting against them;

d) to amend the constitutive act.

(2) In this last case, the provisions of Art. 224 and 225 shall be applied, if the constitutive act stipulates the shareholder's right to withdraw, due to the fact that he does not agree to the amendments which were made.

Art. 195

(1) The directors shall be obliged to convene the meeting of shareholders at the registered office at least once a year, or as often as necessary.

(2) One shareholder or a number of them representing at least a quarter of the share capital, shall be entitled to demand the convening of the general meeting, indicating the purpose of this convening.

(3) The meeting shall be convened under the form stipulated by the constitutive act and, in the absence of any special provision, by registered letter, at least ten days prior to the fixed date, mentioning its agenda.

Art. 196

The provisions stipulated for joint-stock companies regarding the right to contest the decisions of the general meeting shall also be applied to limited liability companies, and the 15-day time limit provided in Art. 132 (2) shall start from the date when the shareholder was informed about the decision of the general meeting challenged by him.

Art. 196^1

(1) In case of limited liability companies with sole shareholder, the sole shareholder shall exercise the powers of the company's general meeting of shareholders.

(2) The sole shareholder shall write down at once any decision passed in compliance with paragraph (1).

(3) The sole shareholder may be an employee of the limited liability company of which he is the sole shareholder.

Art. 197

(1) The company shall be administered by one or several directors, shareholders or non-shareholders, appointed through the constitutive act or by the general meeting.

(2) The directors may neither receive a director mandate in other companies which are competitors or have the same object, without the authorisation of the shareholders' meeting, nor may they carry out the same commercial activity or another competitive one on their own behalf or on behalf of another natural or legal person, under penalty of being dismissed and held responsible for damages.

(3) The provisions of Art. 75, 76, 77 and 79 shall also be applied to the limited liability companies.

(4) The provisions concerning the administration of the joint-stock companies shall not apply to limited liability companies, regardless of whether they are subject to the audit obligation or not.

Art. 198

(1) The company must keep, through the good office of the directors, a registry of the shareholders, where there shall be written, as the case may be, the first and last name, denomination, place of residence or registered office of each shareholder, his quota of the share capital, the transfer of the shares or any other amendments thereto.

(2) The directors shall be personally and jointly responsible for any damage caused by breaking the provisions of paragraph (1).

(3) The registry may be examined by the shareholders and by the creditors.

Art. 199

(1) The provisions of Art. 160 (1), (1^1) and (2), as well as Art. 160^1 shall apply accordingly.

(2) In the companies not falling within the scope of the provisions of Art. 160 (1), the meeting of shareholders may appoint one or several censors or one financial auditor.

(3) If the number of the shareholders is higher than 15, the auditors' appointment shall be compulsory.

(4) The provisions stipulated for the censors of joint-stock companies shall also be applied to the censors of limited liability companies.

(5) For lack of censors or, as applicable, of financial auditor, each shareholder who is not a director of the company shall exercise the control right which the shareholders have in general partnerships.

Art. 200

The limited liability company cannot issue bonds.

Art. 201

(1) The financial statements shall be drawn up according to the norms stipulated for the joint-stock company. After their approval by the general meeting of shareholders, the directors shall submit with the trade registry, within 15 days as of the date of the general meeting's session, copies of the annual financial statements in compliance with the provisions of Law no. 82/1991 on accounting, republished, in order to be published in compliance with Art. 185.

(2) The provisions stipulated for the reserve funds in the joint-stock company, as well as those regarding the decrease of the share capital, shall also be applied to limited liability companies.

Art. 202

(1) The shares of a limited liability company may be transferred among shareholders.

(2) The transfer to persons outside the company shall only be allowed if it was approved by the shareholders representing at least three quarters of the share capital.

(2^1) The resolution of the meeting of shareholders, passed according to paragraph (2), shall be filed within 15 days with the trade registry office, in order to be mentioned in the registry and published in the Official Gazette of Romania, Part IV.

(2^2) The trade registry office shall immediately submit electronically the resolution provided under paragraph (2^1) to the National Agency for Fiscal Administration and to the county-based and Bucharest general directorates of public finance.

(2^3) Social creditors and any other persons incurring damages due to the resolution of shareholders regarding the transfer of shares may file a claim for opposition by which to ask the court to compel the company or, as the case may be, the shareholders to remedy the damages caused, as well as, if the case, to engage the civil liability of the shareholder who intends to assign its shares. The provisions of Art. 62 shall be adequately enacted.

(2^4) The transfer of shares shall take effect, in the absence of any opposition, on the date of expiry of the opposition term provided under Art. 62, and, if an opposition has been filed, on the date of communicating the decision to dismiss it.

(3) The provisions of paragraph (2) shall not be applicable in case of acquiring the shares of a limited liability company by succession, unless otherwise stipulated by the constitutive act; in this case the company shall be obliged to pay the value of the shares to successors, according to the latest approved balance sheet.

(4) In case the maximum legal number of shareholders is exceeded due to the successors' number, these shall be obliged to designate a number of title holders, which shall not exceed the maximum legal number.

(5) The provisions of paragraph (2) shall also be applicable in case of the pledge over the shares, but only as far as concerns its establishment.

Art. 203

(1) The transfer of shares of a limited liability company must be recorded in the trade registry and in the registry of shareholders of the company.

(2) The transfer shall come into effect with reference to third parties only from the moment of its recording in the trade registry.

(3) The act of transfer of shares and the constitutive act updated so as to include the identification data of the new shareholders shall be filed with the trade registry office, being subject to registration with the trade registry according to the provisions of Art. 204 paragraph (4).

TITLE IV: ON AMENDING THE CONSTITUTIVE ACT

Chapter 1: General Provisions

Art. 204

(1) The constitutive act may be amended by the decision of the general meeting or of the Board of Directors, or of the directorate, respectively, passed pursuant to Article 114 (1) or by a judgement of the court, under the terms of Art. 223 (3) and of Art. 226 (2).

(2) The authenticated form of the amending act passed by the shareholders shall be compulsory when it has as object the following:

a) the increase of the share capital by subscribing a property as contribution in kind;

b) the changing of the legal status of the company in a general partnership or a limited partnership;

c) the increase of the share capital by public subscription.

(3) The provisions of Art. 17 (1) shall also apply in case of a change in the denomination or in case of continuing the limited liability company with a sole shareholder.

(4) After each amendment of the constitutive act, the directors or the directorate, respectively, shall submit with the trade registry the amending act and the full text of the constitutive act, updated with all the amendments, that shall be registered pursuant to the judgment of the delegated judge, except

for the case provided in Art. 223 (3) and Art. 226 (2), when the registration is made pursuant to the final decision of exclusion or withdrawal.

(5) The trade registry office shall forward ex officio the amending act so registered and a notification on the submission of the updated text of the constitutive act to the Autonomous Administration "Monitorul Oficial" (Official Gazette), for publication in the Official Gazette of Romania, Part IV, at the expense of the company.

(6) The amending act of the constitutive act of a general partnership or of a limited partnership, in an authenticated form, shall be deposited with the trade registry office, in compliance with the provisions of paragraph (4) and shall be mentioned therein, but its publication in the Official Gazette of Romania, Part IV, shall not be compulsory.

(7) In the version updated according to paragraph (4) the names or denominations and the other identification data of the founders and of the first members of the company's bodies may be omitted.

(8) **** Repealed

(9) The omission shall only be allowed if there have been at least 5 years as of the date of registration of the company and only if the constitutive act does not provide otherwise.

Art. 205

Changing the company's form, extension of its term or other amendments of its constitutive act does not imply the setting up of a new legal person.

Art. 206

(1) The private creditors of the shareholders in a general partnership, in a limited partnership or a limited liability company may oppose, under the terms of Art. 62, the decision of the meeting of the shareholders to extend the life of the company beyond the initially established period for its duration, if they have rights stated by a writ of execution previous to the decision.

(2) When the opposition is admitted, the shareholders must decide within one month from the date when the decision became final if they give up the extension or if they are to expel from the company the shareholder who is in debt to the opponent.

(3) In this last case, the rights due to the debtor shareholder shall be calculated on the basis of the latest approved balance sheet.

Chapter 2: Decreasing or Increasing the Share Capital

Art. 207

(1) The share capital may be decreased by:

a) decreasing the number of shares;

b) reducing the nominal value of the shares;

c) purchasing its own shares, followed by their cancellation.

(2) When the writing down of the share capital is not motivated by losses incurred, it may yet be done by:

a) total or partial exemption of the shareholders from the payments they owe;

b) restitution to the shareholders of a share of their contributions, in proportion to the decrease of the share capital equally calculated for each share;

c) other methods provided by the law.

Art. 208

(1) The decrease of the share capital can only be performed after a two months' period passing from the day of the publication of the decision in the Official Gazette of Romania, Part IV.

(2) The decision must observe the minimum share capital, when stated by the law, to point out to the reasons of the decrease and the procedure used for its accomplishment.

(3) The creditors of the company, whose claims are ascertained by a title prior to the decision being published, shall be entitled to be offered securities for the claims that did not become outstanding by the date of this publication. They shall be entitled to make an opposition against this decision under the terms of Art. 62.

(4) The decrease of the share capital shall not have effect and no payments shall be made to the benefit of the shareholders, until the creditors obtain the realisation of their claims or adequate guarantees or until the court rejects the creditor's request as inadmissible or, considering that the company has offered adequate guarantees to the creditors or that, having in view the assets of the company, the guarantees are not required, the court rejects the creditor's request as not grounded, and the judgement becomes final.

(5) Upon the request of the company's creditors, whose claims are prior to the decision being published, the court may force the company to grant adequate guarantees if it may be reasonably appreciated that the decrease of the share capital affects the chances to cover the claims, and the company has not granted guarantees to the creditors, according to the provisions of paragraph (3).

Art. 209

When the company issued bonds, the decrease of the share capital by paying back the shareholders out of the amount paid on account of the stock can only be made proportionally to the value of the reimbursed bonds.

Art. 210

(1) The share capital may be increased by issuing new shares or by increasing the nominal value of the existing shares in exchange for new contributions in cash and/or in kind.

(2) Likewise, the new shares shall be paid by incorporating the reserves, except legal reserves, as well as the benefits and the issuance premiums or by compensation of certain and liquid debts of third parties by its own shares.

(3) Favourable differences, as resulted from the re-evaluation of the assets, may be included in the reserves, without increasing the share capital.

(4) The increase of the share capital obtained by increasing the nominal value of the shares can only be decided with the vote of all shareholders, except for the case when it is done by including the reserves, the benefits and the issuance premiums.

Art. 211 *** Repealed

Art. 212

(1) A joint-stock company shall be able to increase the share capital, observing the provisions stipulated for company set-up.

(2) In case of public subscription, the prospectus bearing the authentic signatures of 2 of the members of the board of directors, or the directorate members, respectively, shall be submitted with the trade registry in order to fulfil the formalities stipulated by Article 18 and it shall contain:

a) date and incorporation number of the company with the trade registry;

b) denomination and registered office of the company;

c) subscribed and paid-up share capital;

d) first and last name of the directors or, respectively, of the members of the directorate or of the supervisory board, of the censors or, as the case may be, of the financial auditor and their domiciles;

e) latest annual financial statement, auditors' report and the financial auditors' report;

f) dividends paid in the last 5 years or since setting up, if less than 5 years have passed since that date;

g) bonds issued by the company;

h) the decision of the general meeting regarding new stock issuance, their total value, number and nominal value, kind, information referring to contributions other than cash and benefits granted to these and the date from which dividends shall be paid.

(3) The acceptor shall be able to claim the nullity of the prospectus which does not contain all the indicated mentions, if he has not exercised in any way duties and rights as a shareholder.

Art. 213

The increase of the share capital of a company by way of a public tender of securities and/or by giving the possibility to the shareholders to trade their preference rights on the capital market shall be subject to the provisions of the legislation specific to the capital market.

Art. 214

In case of increase of the share capital by way of a public tender, the members of the board of directors, or the directorate members, respectively, shall be jointly liable for the accuracy of the data contained in the prospectus, in the publications of the company or in the applications forwarded to the trade registry office, in compliance with the provisions of the legislation specific to the capital market.

Art. 215

(1) If the increase of the share capital is made by contributions in kind, the general meeting that decided on this shall appoint one or several experts to assess these contributions, under the terms of Art. 38 and 39.

(1^1) If the increase in the share capital is conducted with a view to conducting a merger or spin-off and to making, if the case, cash payments to the shareholders of the absorbed/spin-off company, it is not necessary to draw up the report provided under paragraph (1), as long as the merger or spin-off project has been subject to examination by an independent expert according to the provisions of Art. 243^3 paragraphs (1) – (4).

(2) Contributions in receivables shall not be allowed.

(3) After the expertise report has been submitted, the extraordinary general meeting, convened again, may decide to increase the share capital taking into consideration the experts' conclusions.

(4) The decision of the general meeting must contain the description of the contribution in kind, the name of the persons who make it and number of shares to be issued for it.

Art. 216

(1) The shares issued for the purpose of increasing the share capital shall be offered for subscription, first of all to the existing shareholders in proportion to the number of shares they possess.

(2) The exercise of the preference right shall only be realisable within the time limit decided by the general meeting or by the board of directors, or the directorate, respectively, under the terms of Art. 220^1 (4), unless otherwise provided by the constitutive act. In all cases, the period granted for the exercise of the preference rights may not be shorter than one month as of the date of publication of the decision of the general meeting or of the board of directors/directorate in the Official Gazette of Romania, Part IV. After the expiry of this time limit, the shares may be offered for subscription to the public.

(3) Any increase of the share capital carried out by breaching this article is cancellable.

Art. 216^1

The shareholders shall also have a preference right when the company issues bonds convertible into shares. The provisions of Art. 216 shall apply accordingly.

Art. 217

(1) The preference right of the shareholders may be limited or withdrawn only by the decision of the extraordinary general meeting of shareholders.

(2) The board of directors or the directorate, respectively, shall make available to the extraordinary general meeting of shareholders a written report whereby the reasons of limitation or of withdrawal of the preference right shall be indicated. Such report shall also explain the manner of determination of the value of the shares issuance.

(3) The decision shall be made in the presence of the shareholders representing three fourths of the subscribed share capital, by the majority of the shareholders present.

(4) The decision shall be filed with the trade registry office by the board of directors or by the directorate, respectively, to be mentioned in the trade registry and to be published in the Official Gazette of Romania, Part IV.

Art. 218 *** Repealed

Art. 219

(1) The decision of the general meeting regarding the increase of share capital shall be effective only to the extent to which it is fulfilled within one year from the date it was passed.

(2) If the capital increase proposed is not fully subscribed, the capital shall be increased in the amount of the subscriptions received only if the issuance conditions provide for this possibility.

Art. 220

(1) The shares issued in exchange for contributions in cash shall have to be paid, at the time of their subscription, in proportion of at least 30% out of their nominal value and, in full, within no more than 3 years as from the date the decision of the general meeting has been published in the Official Gazette of Romania.

(2) Within the same timeframe, the shares issued in exchange for contributions in kind shall also have to be paid.

(3) When an issuance premium has been provided for, it shall have to be fully paid at the time of subscription.

(4) The provisions of Art. 98 (3) and those of Art. 100 shall be applicable.

Art. 220^1

(1) According to the constitutive act, the board of directors or the directorate, may be authorised, within a certain period, that may not exceed 5 years as of the incorporation of the company, to increase the subscribed share capital up to a determined nominal value (authorised capital), by issuing new shares in exchange for the contributions.

(2) Such authorisation may also be granted by the general meeting of shareholders through an amendment of the constitutive act, for a certain period that may not exceed 5 years as of the date of registration of the amendment. The constitutive act may increase the quorum requirements for such amendment.

(3) The nominal value of the authorised capital may not exceed half of the subscribed share capital, existing at the time of authorisation.

(4) By the authorisation granted according to paragraphs (1) - (3), the board of directors or the directorate, respectively, may also be granted competence to decide the limitation or withdrawal of the preference right of the existing shareholders. This authorisation shall be granted to the board of directors or to the directorate, by the general meeting, under quorum and majority conditions provided in Article 217 (3). The decision of the board of directors or of the directorate, respectively, with regard to the limitation or withdrawal of the preference right shall be filed with the trade

registry office, to be mentioned in the trade registry and published in the Official Gazette of Romania, Part IV.

Art. 221

The limited liability company shall increase its share capital, by using the modalities and the sources provided in Art. 210.

TITLE V: EXCLUSION AND WITHDRAWAL OF THE SHAREHOLDERS

Art. 222

(1) The following can be excluded from a general partnership, a limited partnership, or a limited liability company:

a) a shareholder who, being noticed that he is put in default, does not make the contribution he has committed himself to make;

b) a shareholder with unlimited liability who is bankrupt, or who has become legally incapacitated;

c) a shareholder with unlimited liability who interferes without any right in administration or breaches the provisions of Art. 80 and 82;

d) a shareholder who is also a director defrauds the company or uses the registered signature or the share capital for his own benefit or for the benefit of third parties.

(2) The provisions of this article shall also be applied to the active partners of the partnership limited by shares.

Art. 223

(1) The exclusion shall be delivered by a court decision upon the request of the company or of any shareholder.

(2) If the exclusion is requested by a shareholder, both the company and the defendant shareholder shall be subpoenaed.

(3) As a result of the exclusion, the court shall also rule, by means of the same court decision, on the shareholding structure in the share capital of the other shareholders.

(3^1) The decision by which the court is ruling on the request for exclusion is subject only the appeal.

(4) The final court decision for exclusion shall be filed within 15 days with the trade registry office in order to be registered, and the enacting terms of the court decision shall be published upon the company's request in the Official Gazette of Romania, Part IV.

Art. 224

(1) The excluded shareholder shall be liable for the losses and he shall have a right to benefits to the day he is excluded, but he shall not be in a position to ask for their liquidation, until they are allotted according to the provisions of the constitutive act.

(2) The excluded shareholder shall have no right to a proportional part of the total assets, but he is only entitled to a sum of money representing the value thereof.

Art. 225

(1) The excluded shareholder shall stay liable against third parties for the operations carried out by the company until the date the final decision concerning the exclusion is delivered.

(2) If operations are being carried out at the moment the exclusion takes place, the shareholder shall be bound to bear the consequences and he may not withdraw the share he is entitled to, until these operations are completed.

Art. 226

(1) The shareholder in a general partnership, in a limited partnership or in a limited liability company may withdraw from the company:

a) in the instances stipulated by the constitutive act;

a^1) in the instances provided under Art. 134;

b) with the agreement of all the other shareholders;

c) in the absence of such provisions in the constitutive act or when the agreement of all the shareholders cannot be reached, the shareholder may withdraw for justified reasons, based on a court decision, subject only to appeal.

(1^1) The right of withdrawal may be exercised in the situations provided under paragraph (1) letters a) and b), within 30 days as from the date of publication of the resolution of the general meeting of shareholders in the Official Gazette of Romania, Part IV. The provisions of Art. 134 (2^1) shall be applied accordingly.

(2) In the situation provided in paragraph (1) c) the court shall rule, by the same court decision, on the structure of the shares in the share capital of the other shareholders.

(3) The rights of the withdrawn shareholder, for which it is entitled against his shares, shall be by shareholders' agreement or by an expert designated by them or, in case of dispute, by the court. The evaluation costs shall be incurred by the company.

TITLE VI: DISSOLUTION, MERGER AND SPIN-OFF OF THE COMPANIES

Chapter 1: Dissolution of Companies

Art. 227

(1) The company shall be dissolved by:

a) expiry of the period established for the term of the company;

b) impossibility to carry out or fulfil the company's object of activity;

c) the declared nullity of the company;

d) the decision of the general meeting;

e) the court decision, upon the request of any one of the shareholders, for justified reasons, such as serious dispute between the shareholders that hinder the company's operation;

f) company's bankruptcy;

g) other reasons as prescribed by the law or by the company's constitutive act.

(2) In the case provided in paragraph (1) letter a) the shareholders must be consulted by the board of directors or by the directorate, at least 3 months prior to the company's expiry, with regard to the possible extension of its term. When such consultation lacks, at the request of any one of the shareholders, the court may order, by an interlocutory judgment, the carrying out of the consultation, according to Article 119 paragraph (3).

(3) If the procedure provided in paragraph (2) fails to be fulfilled, upon the expiry of the duration mentioned in the constitutive act any person concerned or the National Trade Registry Office may notify the delegated judge to ascertain the dissolution of the company.

(4) The winding up and striking off of the company shall be carried out according to the provisions of Art. 237 paragraphs (6) - (10).

Art. 228

(1) The joint-stock company shall be dissolved:

a) in the case and under the conditions prescribed by Art. 153^24;

b) in the case and under the conditions provided in Art. 10 paragraph (3).

(2) The provisions of paragraph (1) letter a) shall apply accordingly to the limited liability company.

Art. 229

(1) The general partnership or limited liability companies shall be dissolved through bankruptcy, incapacity, exclusion, withdrawal or death of one of the shareholders when, owing to these causes, the number of shareholders was reduced to only one.

(2) An exception shall be the case where the constitutive act contains a clause according to which the company may continue its existence with the heirs or when the only remaining shareholder decides that the company continues in the form of a limited liability company with a sole shareholder.

(3) The provisions of the preceding paragraphs shall also be applicable to limited partnerships or partnerships limited by shares, provided that those clauses are applicable to the only active or the only silent partner.

Art. 230

(1) In general partnerships, if a shareholder dies and there is no contrary agreement, the company must pay the share due to the heirs according to the latest approved balance sheet within 3 months from the notification of the shareholder's death, unless the remaining shareholders prefer to continue the company with those heirs who consent thereto.

(2) The provisions of paragraph (1) shall also be applied to the limited partnership, in case of death of one of the active partners, unless his heirs prefer to remain with the company as such.

(3) The heirs shall stay liable according to Art. 224 until the publication of the changes occurred.

Art. 231

(1) In case the company was dissolved following the decision of the shareholders, these may amend their decision, with the majority required for the amendment of the constitutive act, as long as no distribution of the company's assets was initiated.

(2) The new decision shall be mentioned in the trade registry and after that the trade registry office shall forward it to the Official Gazette of Romania, in order to be published in Part IV at the company's expense.

(3) Creditors and any interested party may oppose the decision in court according to the conditions laid down by Art. 62.

Art. 232

(1) The dissolution of companies must be registered with the trade registry and published in the Official Gazette of Romania except for the case stipulated in Art. 227 (1) a).

(2) The registration and publication shall be made according to Art. 204, when the dissolution takes places on the basis of a decision of the general meeting, within 15 days from the date of the final court decision, if the dissolution was ruled by the court.

(3) In the case regulated in Art. 227 paragraph (1) letter f) the dissolution shall be decided by the court entrusted with the bankruptcy procedure.

Art. 233

(1) The dissolution of the company shall have as effect, the beginning of the liquidation procedure. Dissolution may take place without liquidation in case of merger or of total spin-off of the company and in other cases stipulated by law.

(2) As from the moment of dissolution, the managers, directors, or the directorate, respectively, cannot start new operations. Otherwise they shall be personally and jointly liable for the operations undertaken.

(3) The interdiction imposed by paragraph (2) shall be applied as from the day the time established for the company's term expires or as from the date of its dissolution, as decided by the general meeting or as declared by a court decision.

(4) The company shall maintain its legal personality during the liquidation operations until the liquidation is finished.

Art. 234

The dissolution of the company before expiry of the period established for its duration shall become effective against third parties only after a 30-day interval has passed from the publication in the Official Gazette of Romania, Part IV.

Art. 235

(1) In general partnerships, limited partnerships and limited liability companies, the shareholders may also decide, along with the dissolution, with the quorum and the majority required for the amendment of the constitutive act, the way the liquidation is to be carried out, when they are in full agreement as to the distribution and liquidation of the company's assets and when such steps make sure the company extinguishes its liabilities or comes to an agreement with the creditors with regard to the regularisation thereof.

(2) The unanimous vote of the shareholders may also decide on the manner of distribution among the shareholders of the assets left after the creditors were paid. Lacking the unanimous consent on the distribution of assets, one shall resort to the liquidation proceedings provided by this law.

(3) The transmission of the ownership right over the goods remaining after the payment of creditors shall be carried out on the date of striking the company off the trade registry.

(4) The registry shall issue for each shareholder an ascertaining certificate of the ownership right over the distributed assets, based on which the shareholder may proceed to the registration of the real estate properties in the land book.

Art. 236 **** Repealed

Art. 237

(1) Upon the request of any interested person, as well as at the request of the National Trade Registry Office, the court may decide to dissolve the company, in the cases when:

a) the company lacks the statutory bodies or these bodies can no longer meet;

b) the shareholders have disappeared or their domicile or residence is unknown;

c) the requirements referring to the registered office are no longer satisfied, including as a result of the expiry of the document attesting the usage right for the area marked for headquarters purposes or the transfer of the usage right or ownership over the area marked for headquarters purposes;

d) the company ceased its activity or the activity has not been reinitiated after the period of temporary inactivity, announced to the tax authorities and registered in the trade registry, which cannot exceed 3 years from the registration date in the trade registry;

e) the company did not complete the share capital, under the terms of law;

f) the company failed to submit its annual financial statements and, as the case may be, the consolidated annual financial statements, as well as the accounting reports to the territorial units of the Ministry of Public Finance within the period provided by the law, if the delay exceeds 60 working days;

g) the company failed to submit to the territorial units of the Ministry of Public Finance within the period provided by the law, the statement that it has not carried out activity since the establishment, if the delay exceeds 60 working days.

(2) The list of companies for which the National Trade Registry Office is to submit dissolution proceedings shall be displayed on its website or on the online services portal with at least 15 calendar days before and shall be submitted to the National Agency for Fiscal Administration.

(3) The court decision following which the dissolution was ordered shall be communicated to the company, the trade registry office in order to record the dissolution mention in the trade registry, the Ministry of Public Finance - the National Agency for Fiscal Administration – the county or district

administration of public finance, and shall be published in the Official Gazette of Romania, Part IV, the website of the National Trade Registry Office or on its online services portal. In case of several court decisions for dissolution, for the situations provided in paragraph (1), the publicity may be made in the form of a table including: the registration number with the trade registry, the sole registration code, denomination, legal status and registered office of the company dissolved, the court having ordered the dissolution, the file number, the number and date of the court decision for dissolution. In these cases, the tariffs for publication in the Official Gazette of Romania, Part IV, shall be reduced by 50%.

(4) Publication of the decision in the Official Gazette of Romania, Part IV shall be made at the expense of the party who initiated the application for the dissolution and which may recover the expenses from the company by way of legal proceedings.

(5) Any interested person may only file an appeal against the dissolution decision within 30 days as from the publication date of the decision in the Official Gazette of Romania, Part IV. The appellant shall submit a copy of the appeal with the trade registry office for mentioning in the trade registry.

(6) On the date when the court decision which admitted the dissolution remains final, the legal person shall enter into liquidation, according to the provisions of the present law. The National Trade Registry Office, at the request of any interested person, including the Ministry of Public Finance - the National Agency for Fiscal Administration, shall appoint a liquidator recorded in the List of Insolvency Practitioners. The liquidator’s remuneration shall be made out of the assets of the dissolved company or, in lack of such assets, out of the liquidation fund set up pursuant to the law. The liquidator’s remuneration is fixed amounting to LEI 1,000, the final statement of the expenses incurred by the liquidator in connection with the liquidation of the company will be made, in case there are no assets in the dissolved company's assets, by the National Union of Insolvency Practitioners in Romania, at the request of the liquidator.

(7) The resolutions delivered under the terms of paragraph (6) shall be electronically communicated to the appointed liquidator, shall be published on the website of the National Trade Registry Office and on its online services portal and shall be registered in the trade registry. In the exercise of its liquidation powers, when the liquidator is appointed by the National Trade Registry Office, at the request of any interested person, he shall be exempt from any tax, tariff, commission, stamp duty and the like.

(8) If no request for appointment of the liquidator according to the provisions of paragraph (6) was made within 3 months from the date of the final court decision for dissolution, the National Trade Registry Office or any interested person may request the court to strike off the company from the trade registry.

(9) The list of companies for which the National Trade Registry Office is to submit strike-off proceedings, in accordance with the provisions of paragraph (8), shall be displayed on the website of

the National Trade Registry Office or on its online services portal with at least 15 calendar days before and shall be submitted to the National Agency for Fiscal Administration.

(10) The court decision for strike-off shall be communicated to the company, the trade registry office in order to strike off the company from the trade registry, the Ministry of Public Finance - the National Agency for Fiscal Administration – the county or district administration of public finance, and shall be published, free of charge, on the website of the National Trade Registry Office or on its online services portal. In case of several court decisions for strike-off, the publicity may be made in the form of a table including: the registration number with the trade registry, the sole registration code, denomination, legal status and registered office of the company dissolved, the court having ordered the dissolution, the file number, the number and date of the court decision for dissolution.

(11) Any interested person may only file an appeal against the decision for strike-off within 30 days as from the publication date of the decision in accordance with the provisions of paragraph (9). The appellant shall submit a copy of the appeal with the trade registry office for mentioning in the trade registry.

(12) The display of the decisions for dissolution and strike-off and of the resolutions for appointment of the liquidator, published on the website of the National Trade Registry Office or on its online services portal shall be free of charge.

(13) The assets remaining from the patrimony of the legal person which has been struck off the trade registry under the terms of paragraphs (8) - (10) shall be given to the shareholders.

*) By derogation from the provisions of Art. 237 paragraph (3) and (4), the tribunal judgement that ruled on dissolution for the failure to satisfy the obligation to increase the share capital to the lawful limit of EUR 25,000, in LEI equivalent, shall be registered in the trade registry, shall be communicated electronically to the National Agency for Fiscal Administration, to the general directorates of the county public finance and that of Bucharest Municipality and to the Authority for State's Assets Recovery and shall be displayed on the website of the National Trade Registry Office and posted at the headquarters of the trade registry office attached to the district court, within the jurisdiction of which the company has registered its head office.

Any party concerned may file a second appeal against the dissolution judgement, within 30 days as of the publicity by display on the website of the National Trade Registry Office. The company against which the dissolution was ordered may file a second appeal within 30 days as of the communication of the judgement, under the terms of the Civil Procedure Code.

Art. 237^1

(1) When a shareholder has unlimited liability for the company's liabilities during its operation, its liability for these obligations shall also be unlimited in the phase of dissolution and, if necessary, of liquidation of the company.

(2) When, during the company's operation, a shareholder is liable for its operations within the limits of the contribution to the share capital, its liability shall be limited to this contribution in case of both dissolution and liquidation of the company, as the case may be.

(3) The shareholder that, to the prejudice of creditors, makes use of the limited nature of its liability and of the separate legal personality of the company, shall have unlimited liability for the unpaid obligations of the dissolved or liquidated company.

(4) The liability of the shareholder shall become unlimited under the terms of paragraph (3), mostly when he disposes of the company's assets as if they were his own or if he reduces the assets of the company to the personal benefit or to the benefit of certain third parties, knowing or being obliged to know that this way the company shall no longer be able to fulfil its obligations.

Chapter 2: Merger and Spin-off of Companies

Art. 238

(1) The merger is the operation whereby:

a) one or several companies is/are dissolved without going into liquidation and transfers/transfer its/their whole patrimony to another company, in exchange for the distribution of shares in the acquiring company to the company's shareholders or acquired companies and, possibly, for a cash payment of maximum 10% of the nominal value of the shares so distributed; or

b) several companies are dissolved without going into liquidation and transfer all their patrimony to another company which they constitute, in exchange for the distribution of shares in the newly-established company and, possibly, for a cash payment of maximum 10% of the nominal value of the shares so distributed.

(2) Spin-off shall be the operation whereby:

a) one company, after it is dissolved without going into liquidation, transfers all its patrimony to several companies, in exchange for the distribution of shares in the beneficiary companies among the shareholders of the spin-off company and, possibly, for a cash payment of maximum 10% of the nominal value of the shares so distributed;

b) one company, after it is dissolved without going into liquidation, transfers all its patrimony to several newly-established companies, in exchange for the distribution of shares in the newly-established companies among the shareholders of the spin-off company and, possibly, for a cash payment of maximum 10% of the nominal value of the shares so distributed.

(2^1) Spin-off may take also place by the simultaneous transfer of the patrimony of the spun-off company to one or more existing companies and one or more newly-established companies. The provisions of paragraph (2) shall apply accordingly.

(3) Merger or spin-off may also be carried out between companies of different types.

(4) Merger or spin-off, as defined in paragraph (1) or (2), may be carried out although the dissolved companies are undergoing liquidation, provided that they haven't already begun the distribution among the shareholders of assets to which they are entitled from the liquidation.

Art. 239

(1) Merger or spin-off shall be decided by each company, under the conditions stipulated for amending the company's constitutive act.

(2) When the shares belong to several categories, the decision on the merger/spin-off, pursuant to Art. 113 letter h) shall be subject to the results of the vote per categories, given under the terms of Art. 115.

(3) If, by merger or spin-off, a new company is set up, it shall come into existence, under the conditions prescribed by this law for the form of company agreed upon.

Art. 240 **** Repealed

Art. 241

The directors of the companies which take part in the merger or in the spin-off shall draw up a merger plan or a spin-off plan, which shall contain:

a) the form, denomination and registered office of each of the companies involved in the merger or spin-off;

b) the basic reasons and the conditions of the merger or of the spin-off;

c) the conditions for assignment of shares to the acquiring company or to the beneficiary companies;

d) the date on which the shares of a limited liability company and shares provided in letter c) give the holders the right to participate in the benefits and any special conditions that influence this right;

e) the exchange rate of the shares of a limited liability company or shares and the amount of possible cash payments;

f) the amount of the merger or spin-off premium;

g) the rights granted by the acquiring company or beneficiary company to the holders of shares that also confer special rights to those who hold other securities except for shares or the measures proposed concerning these rights;

h) any special benefit granted to the experts referred to in Art. 243^3 and to the members of the administrative or control bodies of the companies involved in the merger or spin-off;

i) the date of the financial statements of the involved companies, used in order to establish the conditions of merger or spin-off;

j) the date when the transactions of the acquired or spin-off company are regarded from an accounting viewpoint as belonging to the acquiring company or to one of the beneficiary companies;

k) in case of spin-off:

- the description and exact distribution of assets and liabilities that are to be transferred to each of the beneficiary companies;

- the distribution to the shareholders of the spun-off company of shares of a limited liability company or shares in the beneficiary companies and the criteria based on which the distribution is made.

Art. 241^1

(1) If an asset item is not distributed in the spin-off process and if the interpretation of the project does not allow a decision on its distribution to be taken, the asset item in question or its equivalent value shall be distributed among the beneficiary companies, proportionally to the quota of the net assets allotted to the companies in question, in compliance with the spin-off project.

(2) If a liability item is not distributed in the spin-off project and if the interpretation of the project does not allow deciding on its distribution, the beneficiary companies shall be jointly liable for the liability item in question.

(3) If a creditor has not obtained the fulfilment of its claim from the company to whom the claim is allotted by spin-off, all the companies participating in the spin-off shall be liable for the said obligation, up to the concurrence of the value of the net assets which have been allotted to them by spin-off, except for the company to whom the respective obligation has been allotted to, which shall bear unlimited liability.

*) The provisions of paragraph (3) shall only apply to the merger and spin-off operations for which the merger or, respectively, spin-off project shall be published after the date of entry into force of emergency ordinance no. 90/2010.

Art. 242

(1) The merger or spin-off plan, signed by the representatives of the companies involved, shall be submitted to the trade registry office where each company is registered, along with a statement of the company which ceases to exist following the merger or the spin-off, regarding the way it decided

to pay off its liabilities, as well as with a statement regarding the means of publication of the merger or spin-off project.

(2) The merger or spin-off plan, approved by the delegated judge, shall be published in the Official Gazette of Romania, Part IV, at the parties' expense, in full or in excerpt, according to the order of the delegated judge or to the parties' request, at least 30 days before the dates of the sessions where the extraordinary general meetings are to decide on the merger or spin-off, pursuant to Art. 113 letter h).

(2^1) If it has its own website, the company may replace the publication in the Official Gazette of Romania, Part IV, provided under paragraph (2), with the publicity conducted through its own website over a continuous period of at least one month prior to the extraordinary general meeting which is to decide in relation to the merger/spin-off and such period shall not end sooner than at the end of the said general meeting.

(2^2) The company which has opted for conducting the publicity for the merger project according to paragraph (2^1) must ensure the technical conditions for continuous, uninterrupted and free display of the documents provided by the law throughout the entire period set out under paragraph (2^1). The company is required to prove the continuity of the publicity and to ensure the security of its own website, as well as the authenticity of the documents displayed.

(2^3) If the publicity is conducted according to paragraph (2^1), the trade registry office where the company is registered shall publish the merger or spin-off project on its own website, free of charge.

(3) The National Trade Registry Office shall submit to the National Agency for Fiscal Administration an announcement regarding project filing within 3 days as of the filing of the merger/spin-off project. The conditions for cooperation between the two institutions for the implementation of the provisions of this paragraph shall be set out in the protocol.

*) The provisions of paragraph (3) shall only apply to the merger and spin-off operations for which the merger or, respectively, spin-off project shall be published after the date of entry into force of emergency ordinance no. 90/2010.

Art. 243

(1) The creditors of the companies which participate in merger or spin-off shall be entitled to an adequate protection of their interests. In order to obtain adequate guarantees, any creditor who holds a certain and liquid claim which is prior to the date of publication of the merger or spin-off project, in one of the ways provided under Art. 242, and which is not outstanding on the publication date, the fulfilment of which is threatened by the performance of the merger/spin-off, may lodge an opposition, according to the conditions of this article.

(2) The opposition shall be lodged within 30 days as of the date of publication of the merger or spin-off project in the Official Gazette of Romania, Part IV. It shall be lodged with the trade registry office

which, in 3 days as of the date of lodging, shall mention it in the registry and forward it to the competent court of law. The judgement ruled in the opposition is subject only to appeal.

(3) Filing an opposition based on paragraph (1) does not have as effect the suspension of the merger's or spin-off's execution and does not prevent the merger or spin-off from being performed.

(4) If the creditor fails to prove that the fulfilment of its claim is threatened by the performance of the merger or if the examination of the financial and operational-commercial situation of the company acting as debtor/deriving title as to the rights and obligations of the debtor shows that it is not necessary to grant adequate guarantees or, as the case may be, new guarantees, or the company acting as debtor/deriving title as to the rights and obligations of the debtor has proven the payment of the debts, or the parties have concluded an agreement for the payment of debts, or there are already adequate guarantees or privileges in force so as to fulfil the claim, the court shall dismiss the opposition. Moreover, the court shall dismiss the opposition if the creditor refuses to set up the guarantees provided under paragraph (5) within the period established by court decision.

(5) If the company acting as debtor or, as the case may be, deriving title as to the rights and obligations of the debtor has made, during the trial, an offer to set up guarantees or privileges construed by the court as being necessary and adequate to the fulfilment of the creditor's claim, the court shall issue a decision by which to grant the parties a deadline to set up the said guarantees. The decision ruled by the court shall be subject to appeal along with the merits.

(6) If the company acting as debtor or, as the case may be, deriving title as to the rights and obligations of the debtor does not offer adequate guarantees or privileges for the fulfilment of the claim or even though it offers guarantees or privileges, it fails to set them up for reasons imputable to it, within the deadline established by the court in its decision, according to paragraph (5), the court shall admit the opposition and shall oblige the company acting as debtor or, as the case may be, deriving title as to the rights and obligations of the debtor to pay the debt claimed either immediately or within a certain deadline established depending on the value of the debt and the liabilities of the company acting as debtor or, as the case may be, deriving title as to the rights and obligations of the debtor. The resolution to admit the opposition is enforceable.

(7) An opposition filed according to this article shall be tried immediately and with priority.

(8) Creditors of companies participating in a spin-off or merger which fulfil the requirements in order to lodge an opposition according to paragraph (1) may lodge a claim for opposition by virtue of Art. 61 paragraph (1) against the resolution of the company's statutory body concerning the amendments to the constitutive act only if these refer to amendments other than those deriving from or in connection to the spin-off or merger process.

(9) The provisions in this article shall not apply to debts arising from salary rights derived from applicable individual employment agreements or collective bargaining agreements, which fulfil the requirements provided under Art. (1) whose protection is effected according to the provisions of Law

no. 67/2006 on the protection of employees' rights in case of transfer of the company, unit, or parts thereof, as well as according to other applicable laws.

*) The provisions shall apply only to merger and spin-off operations for which the merger project or the spin-off project shall be published after the date of entry into force of emergency ordinance no. 90/2010.

Art. 243^1

(1) In case of merger, the holders of securities, other than shares, that provide special rights must be granted rights within the acquiring company at least equivalent to those they held in the acquired company, except for the case when the change of the rights in question is approved by a meeting of holders of such titles or individually by the holders of such titles or except for the case when the holders are entitled to obtain the redemption of their titles.

(2) In case of spin-off, the holders of securities, other than shares, that grant special rights must be granted rights deriving from such securities within the beneficiary company to which they may be opposed, in compliance with the spin-off plan, and these rights shall be at least equivalent to those they benefited from in the spin-off company, except for the case when the change of the rights in question is approved by a meeting of holders of such securities or individually by the such holders or for the case where the holders are entitled to obtain the redemption of the securities they hold.

Art. 243^2

(1) The directors of the companies that take part in the merger or in the spin-off must draw up a detailed written report that explains the merger or spin-off plan and states its legal and economic foundation, in particular with regard to the exchange rate of the shares. In case of spin-off, the report shall also include the criterion of distribution of shares.

(2) The report must also describe any special difficulties encountered during the evaluation.

(3) In case of spin-off, the directors' report shall also include, if the case, information referring to the drawing up of the contributions' evaluation report in compliance with Art. 215, for the beneficiary companies, and the registry where it must be filed.

(4) The directors of the spin-off company or, as the case may be, of each company involved in the merger, must inform the general meeting of their company, as well as the directors of the other companies involved in the operation, so that these, in turn, may inform the general meetings of the respective companies with regard to any substantial change in the assets and liabilities which occurred between the date when the spin-off/merger project was drawn up and the date of the general meetings that are to decide on the said project. The obligation to inform the shareholders and the directors of the other companies involved in the merger/spin-off operation shall also be in force when, in enacting Art. 246^1, the general meeting of shareholders is not convened.

(5) Drawing up the report provided under paragraph (1) and communicating the information provided under paragraph (4) are not necessary if it is so decided by all shareholders and all holders of other moveable assets granting voting rights in each of the companies participating in the merger or spin-off.

Art. 243^3

(1) One or more experts, natural or legal persons, acting on behalf of each of the companies taking part in the merger or spin-off, but independently from these, shall be appointed by the delegated judge to examine the merger or spin-off plan and to draw up a written report to the shareholders.

(2) This report shall state whether the rate of exchange of the shares or of the shares of a limited liability company is fair and reasonable. The report shall also indicate the method or methods used to determine the rate of exchange proposed, whether the method or methods used are adequate for such case, shall indicate the values obtained by applying each of these methods and shall contain the experts' opinion on the weight assigned to the methods in question to obtain the value established in the end. The report shall also describe any special difficulties encountered during the evaluation.

(3) At the joint request of the companies that take part in the merger or spin-off, the delegated judge shall appoint one or more experts acting for all companies involved, but independently therefrom.

(4) Each of these experts appointed in compliance with this article shall be entitled to obtain from any of the companies involved in the merger or spin-off all the relevant information and documents and to conduct any necessary investigation.

(5) The examination of the merger or, as applicable, spin-off project and the drawing up of the report provided in paragraph (1) shall not be required if all shareholders or all holders of other securities that provide voting rights to each of the merging companies or dividing companies decide as such.

Art. 243^4

In case of a merger by absorption, under which one or several companies are dissolved without liquidation and they transfer all of their assets and liabilities to another company which holds all their shares or other titles granting voting rights in the general meeting, the following articles shall not apply: Art. 241 letters c) - e), Art. 243^2, Art. 243^3, Art. 244 paragraph (1) letters b) and f), Art. 245 and Art. 250 paragraph (1) letter b). Art. 242 paragraph (3) shall remain applicable.

Art 243^5

If the merger by absorption is conducted by an absorbing company which holds at least 90% but not all the shares or all other moveable assets granting their owners a voting right in the companies' general meetings, it is not necessary to draw up the reports provided under Art. 243^2 and 243^3 and to fulfil the requirements concerning the information of shareholders as provided under Art. 244 paragraph (1) letters b), d) and e). Article 242 paragraph (3) shall remain applicable.

Art. 243^6

In case of a spin-off, if the shares of each newly-established company are allotted to the spin-off company's shareholders in proportion with the participation quota in the share capital of the spin-off company, the following articles shall not apply: Art. 243^2, Art. 243^3, Art. 244 paragraph (1) letters b), d) and e).

Art. 244

(1) At least one month prior to the date of the extraordinary general meeting which is to decide on the merger or spin-off project, the management bodies of the companies participating in the merger or spin-off shall provide the shareholders, at the company's headquarters, with the following documents:

a) the merger or spin-off project;

b) if the case, the directors' report as provided under Art. 243^2 paragraphs (1)-(3) and/or the notice of information as provided under Art. 243^2 paragraph (4);

c) annual financial statements and management reports for the latest 3 financial years of the companies participating in the merger or spin-off;

d) if the case, the financial statements, which were drafted no sooner than the first day of the third month previous to the date of the merger or spin-off project, if the last annual financial statements were drafted for a financial year which ended at least 6 months before that date;

e) censors' report or, as the case may be, financial auditor's report;

f) if the case, the report drafted in accordance with the provisions of Art. 243^3;

g) inventory of the agreements whose values exceed LEI 10,000 each and which are still deployed, as well as their distribution in case of company's spin-off.

(2) It is not necessary to draw up the financial statements provided under paragraph (1) letter d) if the companies involved in the merger/spin-off publish quarterly reports and make them available to the shareholders, according to the capital market legislation, as it is also unnecessary if all the shareholders and holders of other titles granting voting rights of each company involved in the merger/spin-off have agreed so.

(3) The company is not under the obligation to provide the shareholders, at its headquarters, with the documents required under paragraph (1) if these are published on the company's own website for a continuous period of at least one month prior to the general meeting which is to decide on the merger/spin-off, such period ending no sooner than at the end of the respective general meeting. The provisions of Art. 242 paragraph (2^2) shall apply accordingly.

(4) Shareholders may obtain, upon request and free of charge, copies of the documents listed under paragraph (1) or excerpts therefrom. If a shareholder has agreed for the company to use electronic means to communicate information, copies of the documents provided under paragraph (1) may be transmitted by email.

(5) The provisions of paragraph (4) shall not apply if the shareholders can download and print from the company's website the documents provided under paragraph (1) throughout the entire period provided under paragraph (3).

Art. 245

(1) The directors of the acquired company or of the divided company shall be liable from a civil point of view towards the shareholders of that company for the infringements committed while preparing and carrying out the merger or spin-off.

(2) The experts who draw up the report provided in Art. 243^3 for the acquired or spin-off company shall bear civil liability towards the shareholders of such companies for the infringements committed while fulfilling their duties.

Art. 246

(1) Within 3 months as from the publication of the merger or spin-off project in one of the ways provided under Art. 242, the general meeting of each involved company shall decide on the merger or spin-off, in compliance with the requirements for convening such meeting.

(2) In case of a merger by setting up a new company or of a spin-off by setting up new companies, the merger or spin-off project and, if contained in a separate document, the constitutive act or the draft constitutive act of the newly set up company/companies shall be approved by the general meeting of each of the companies which are going to cease their existence.

Art. 246^1

(1) In the case of a merger by absorption by which one or several companies are dissolved without liquidation and transfer all of their assets and liabilities to another company holding all their shares or other titles granting voting rights in the general meeting, it is not necessary for the merger to be approved by the general meeting of the shareholders of the companies involved in the merger, according to Art. 239, on condition that:

a) each company involved in the merger has fulfilled the publicity requirements for the merger project, as provided under Art. 242, at least one month before the merger takes effect;

b) over a one-month period prior to the date on which the operation takes effect, all the shareholders of the absorbing company were able to view, either at the company's headquarters or on its webpage,

the documents provided under Art. 244 paragraph (1) letters a), c) and d). The provisions of Art. 244 paragraph (3)-(5) shall apply accordingly;

c) one or several shareholders of the absorbing company, holding at least 5% of the subscribed share capital, are able to request the convening of a general meeting to decide on the merger.

(2) If, within a merger by absorption, the absorbing company holds at least 90% but not all the shares/shares of a limited liability company or other securities granting its holders the right to vote in shareholders' meetings, it is not necessary for the merger to be approved by the general meeting of the absorbing company as long as the requirements provided under paragraph (1) are met. The provisions of Art. 244 paragraphs (3)-(5) shall apply accordingly.

Art. 246^2

In the case of a spin-off in which the beneficiary companies hold together all the shares/shares of a limited liability company of the spin-off company and all the other securities granting the right to vote in the general meeting of the spin-off company, it is not necessary for the spin-off to be approved by the general meeting of the spin-off company, on condition that:

a) the publicity requirements for the spin-off project, as provided under Art. 242 were fulfilled at least one month before the spin-off takes effect;

b) over a one-month period prior to the date on which the operation takes effect, all the shareholders of the companies involved in the spin-off were able to view the documents provided under Art. 244 paragraph (1). The provisions of Art. 244 paragraphs (3)-(5) shall apply accordingly;

c) the requirements for informing the shareholders and the administration/management bodies of the other companies involved in the operation have been met, as provided under Art. 243^2 paragraph (4).

Art. 247

Notwithstanding the provisions of Article 115, when the merger or the spin-off has as effect the increase of the obligations of one of the involved companies, the decision shall be taken by unanimous votes.

Art. 248

(1) The act amending the constitutive act of the acquiring company shall be registered with the trade registry where the company has its registered office and, being approved by the delegated judge, it shall be forwarded, ex officio, to the Official Gazette of Romania, to be published in Part IV, at the company's expense.

(2) The publicity for the acquired companies may be conducted by the acquiring company, in the cases where the companies in question have not already carried it out, within 15 days from the time when the amending act of the constitutive act of the acquiring company was approved by the delegated judge.

Art. 249

The merger or the spin-off shall produce effects:

a) in case one or several new companies are set up, starting from the date of incorporation of the new company or of the last company;

b) in other cases, starting from the date of registration of the last general meeting decision that approved the operation, except for the case where, by the parties' agreement, it is stipulated that the operation will produce effects on another date, which may be neither subsequent to the conclusion of the current financial exercise of the acquiring company or beneficiary companies, nor prior to the closure of the last financial year completed by the company or companies that transfers/transfer its/their patrimony.

Art. 249^1 **** Repealed

Art. 250

(1) Merger or spin-off shall have the following consequences:

a) the transfer, both in the relations between the acquired or spun-off company and the acquiring company/beneficiary companies, and in the relations with third parties, to the acquiring company or each company benefiting from all assets and liabilities of the acquired/spun-off companies; such transfer shall be carried out in compliance with the rules of distribution established in the merger/spin-off plan;

b) the shareholders of the acquired or spun-off company become shareholders of the acquiring company or of the beneficiary companies, in compliance with the rules of distribution established in the merger/spin-off plan;

c) the acquired or spun-off company ceases to exist.

(2) No share or social part in the acquiring company may be exchanged for shares/shares of a limited liability company issued by the acquired company and which are held:

a) by the acquiring company, directly or through a person acting in its own name, but on behalf of the company; or

b) by the acquired company, directly or through a person acting in its own name, but on behalf of the company.

(3) No share or share of a limited liability company in one of the beneficiary companies may be exchanged for shares/shares of a limited liability company in the spun-off company, and which are held:

a) by such beneficiary company, directly or through a person acting in its own name, but on behalf of the company; or

b) by the spun-off company, directly or through a person acting in its own name, but on behalf of the company.

Art. 250^1

The provisions of this chapter referring to spin-off, except for Article 250 (1) c), shall also apply when a part of the patrimony of a company is separated and transferred as a whole to one or more existing companies or to certain companies so established, in exchange for the allocation of shares or shares of a limited liability company of the beneficiary companies to:

a) the shareholders of the company that transfers the assets (separation in the shareholders' interest); or

b) the company that transfers the assets (separation in the company's interest).

Art. 251

(1) The nullity of a merger or spin-off may only be declared by court judgment.

(2) From the date of its realisation onwards, according to Art. 249, the merger or the spin-off may be declared null only if it was not subject to a judicial control in compliance with the provisions of Art. 37 or if the decision of one of the general meetings which voted for the merger plan or the spin-off plan is null or subject to nullity.

(3) The proceedings for cancellation and for declaring the nullity of the merger or spin-off may not be initiated after the expiry of a 6 months' time limit as of the date when the merger or spin-off became effective, pursuant to Art. 249, or if the situation was corrected.

(4) If the irregularity that may lead to the declaration of nullity of a merger or spin-off may be remedied, the competent court shall grant the companies involved a time limit for its correction.

(5) The final judgment of declaring the nullity of a merger or spin-off shall be forwarded ex officio by the court to the trade registry offices in the jurisdiction of the head offices of the companies involved in such merger or spin-off.

(6) The final judgment declaring the nullity of a merger or spin-off shall not prejudice by itself the validity of the obligations arisen as duty or benefit of the acquiring company or the beneficiary companies, engaged after the merger or spin-off became effective, pursuant to Art. 249, and before the decision declaring the nullity is published.

(7) In case a merger is declared null, the companies involved in such merger shall be jointly liable for the obligations of the acquiring company, undertaken in the period mentioned in paragraph (6).

(8) In case a spin-off is declared null, each of the beneficiary companies shall be liable for their own obligations, undertaken in the period provided in paragraph (6). The spin-off company shall be also liable for these obligations within the limits of the quota of net assets transferred to the beneficiary company on behalf of which such obligations arose.

Art. 251^1

In case of companies organised according to the dual system, the obligations of the directors provided in Art. 241 and 243^2 and in Art. 245, respectively, shall devolve on the directorate or on its members.

Chapter 3: Cross-Border Merger

Section 1: Scope of Application. Jurisdictional Competence

Art. 251^2

(1) Joint-stock companies, partnerships limited by shares, limited liability companies - Romanian legal persons - and European companies with their registered office in Romania can merge, under the terms of this law, with companies with their registered office or, as applicable, with their central management or headquarters in other Member States of the European Union or in states pertaining to the European Economic Area, hereinafter called Member States, and which operate in one of the legal forms provided in Article 1 of Council Directive 68/151/EEC of March 9, 1968 on co-ordination, in view of equation, 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 58 of the Treaty establishing the European Community, for the protection of the interests of members and others with a view to making such safeguards equivalent throughout the Community, published in the Official Journal of the European Communities L 065 of March 14, 1968, as subsequently amended, or with European companies with their registered office in other Member States.

*) Companies – Romanian legal persons – pertaining to one of the categories set forth under Art. 251^2 paragraph (1) of Law no. 31/1990 on companies, republished, as subsequently amended and supplemented, and European companies headquartered in Romania which hold ownership over a land on the territory thereof may participate in a cross-border merger in which the acquiring

company or the newly-established company is a legal person which has the nationality of a different Member State only after 5 years have lapsed since Romania's accession to the European Union.

If the patrimony of the companies set forth under paragraph (1) comprises agricultural lands, these may participate in a cross-border merger in which the acquiring company or the newly-established company is a legal person which has the nationality of a different Member State or a European company headquartered in a different Member State only after 7 years have lapsed since Romania's accession to the European Union.

(2) Joint-stock companies, partnerships limited by shares, limited liability companies - Romanian legal persons - and European companies with their registered office in Romania can merge with the companies with their registered office or, as applicable, with their central management or headquarters in other Member States and which, without being classified among the types of entities provided in paragraph (1), have legal personality, hold their own assets that represent the only source securing the civil liabilities and are subject to certain publicity formalities similar to those provided in Council Directive 68/151/EEC, if the laws of that Member State allow such mergers.

(3) The provisions of this chapter shall not apply to the entities for collective investment in securities and closed investment funds, governed by Law no. 297/2004 on the capital market, as subsequently amended and supplemented, as well as any other entities having as business object the collective investment of the resources drawn from the public and that operate in observance of the principle of risk distribution and whose securities may be directly or indirectly redeemed from the assets of such entity, at the request of holders.

(4) In case the acquiring company is a partnership limited by shares, established and operating according to the Romanian law, the shareholders of the acquired company shall always be silent partners of the acquiring partnership limited by shares, unless otherwise provided in the decision for the approval of the merger project.

Art. 251^3

The competence of checking the lawfulness of the merger, as regards the proceedings used by the merging companies - Romanian legal persons or European companies with their registered office in Romania - and, if necessary, the newly-established company - a Romanian legal person or a European company with its registered office in Romania - belongs to the delegated judge with the trade registry office where the merging companies that are Romanian legal persons or the European companies with their registered office in Romania, including the acquiring company or, if necessary, the newly-established company are incorporated.

Section 2: Stages. Effects. Nullity

Art. 251^4

(1) Cross-border merger, for the purposes of this law, is the operation whereby:

a) one or more companies, of which at least two are governed by the legislation of two different Member States, are dissolved without going into liquidation and transfer all their assets to another company in exchange of distribution to the shareholders of the acquired company or companies of shares/shares of a limited liability company in the acquiring companies and, possibly, of a cash payment of maximum 10% of the nominal value of the shares/shares of a limited liability company thus distributed; or

b) more companies, of which at least two are governed by the legislation of two different Member States, are dissolved without going into liquidation and transfer all their assets to a company they establish in exchange of distribution to the shareholders of the company or companies being acquired of shares/shares of a limited liability company in the acquiring companies and, possibly, of a cash payment of maximum 10% of the nominal value of shares/shares of a limited liability company thus distributed; or

c) a company is dissolved without going into liquidation and transfers all its assets to another company that holds all its shares/shares of a limited liability company or other securities conferring voting rights in the general meeting.

(2) The cash payment can be higher than the value provided in paragraph (1) a) and b), if the legislation of at least one of the Member States of which the merging companies or the newly-established company are nationals allows that percentage to be exceeded.

Art. 251^5

(1) The directors or directorate members of the merging companies shall draw up the common draft terms of merger that must include at least the following particulars:

a) the form, name and registered office of all merging companies;

b) the form, name and registered office of the newly-established company, as applicable;

c) the terms for the allotment of shares/shares of a limited liability company in the acquiring company or in the newly-established company;

d) the exchange rate of shares/shares of a limited liability company and the amount of any possible cash payments;

e) the date from which the shares/shares of a limited liability company provided in letter c) will entitle the holders to share in profits and any special conditions affecting that entitlement;

f) the rights conferred by the acquiring company or the newly-established company on holders of shares granting special rights and on those holding securities other than shares, or the measures proposed with regard to them;

g) any special advantages granted to the experts who examine the draft terms of merger and to members of the administrative or controlling bodies of the merging companies;

h) information on the evaluation of the assets and liabilities which are transferred to the acquiring company or to the newly-established company;

i) the date from which the transactions of the acquired company will be treated for accounting purposes as being those of the acquiring company or the newly-established company;

j) the effects of the merger on the work places of employees of the merging companies;

k) the date of the financial statements of the merging companies that were used to establish the merger terms;

l) if applicable, information on the mechanisms for the involvement of employees in defining their rights to participate in the activity of acquiring or newly-established company.

(2) The draft terms of the merger provided in paragraph (1) shall be enclosed to the draft constitutive act of the company that is going to be established, or of the draft amending document of the constitutive act of the acquiring company.

Art. 251^6

(1) The common draft terms of the cross-border merger, signed by the representatives of the merging companies, shall be filed with the trade registry where the merging companies - Romanian legal persons and/or European companies with their headquarters in Romania are registered, along with a statement regarding the means of publication of the merger project.

(2) The common draft terms of merger, approved by the delegated judge, shall be published in the Official Gazette of Romania, Part IV, at the parties' expense, either fully or in excerpt, according to the order from the delegated judge or to the request of the parties, at least 30 days before the dates of the sessions during which the general meetings are going to decide on the merger.

(3) The excerpt provided in paragraph (2) shall include at least the following particulars:

a) the type, name and registered office of every merging company;

b) the trade registry office where the documents referred to in Art. 251^5 were filed;

c) the arrangements made for the exercise of the opposition right of the company's creditors.

(4) If it has its own website, the company may replace the publication in the Official Gazette of Romania, Part IV, with the publicity conducted through its own website over a continuous period of at least one month prior to the general meeting which is to decide in relation to the cross-border

merger project and such period shall end upon completion of the said general meeting. The provisions of Art. 242 paragraph (2^2) shall apply accordingly.

(5) If the publicity is conducted according to paragraph (3), the trade registry office where the company is registered shall publish, free of charge, the common draft terms of the cross-border merger on its website.

Art. 251^7

(1) The directors/members of the directorate of the merging companies shall draw up a detailed written report, explaining the merger project and justifying its legal and economic basis.

(2) The report provided in paragraph (1) shall be made available to the shareholders, and in the cases provided in Article 251^10, also to the representatives of the employees or, where there are no such representatives, to the employees themselves, at the company's headquarters, not less than 30 days before the date when the general meeting is going to decide on the merger. In case the company has its own web site, the report shall also be published on the site, thus allowing free access for shareholders and employees.

Art. 251^8

(1) The delegated judge shall appoint one or more experts, natural or legal persons, acting on behalf of but independently from each of the merging companies that are Romanian legal persons or European companies with their headquarters in Romania, to examine the common draft terms of cross-border merger and to draw up a written report for the shareholders.

(2) The report provided in paragraph (1) shall indicate whether the exchange rate of the shares/shares of a limited liability company is correct and reasonable. The report shall also indicate the method(s) used in order to determine the proposed exchange rate, shall state whether the method(s) used are adequate in such case, shall indicate the values obtained by applying each of these methods and shall include the experts' opinion on the weight assigned to the methods in question to obtain the value established in the end. The report shall also describe any special difficulties encountered during evaluation.

(3) At the joint request of the merging companies, including those that have the nationality of another Member State, the delegated judge shall appoint one or more experts acting for all merging companies, but independently therefrom.

(4) Each of the experts appointed according to this article shall be entitled to obtain from any of the merging companies all the relevant information and documents and to make all necessary investigations.

(5) Upon the decision of all shareholders of the merging companies, the examination of the draft terms of cross-border merger and the drawing up of the report provided in paragraph (1) may no longer be required.

Art. 251^9

The creditors of the merging companies - Romanian legal persons or European companies with their head office in Romania - shall be entitled to an adequate protection of their interests. Any such creditor, who holds a certain and liquid claim which is prior to the date of publication of the merger project, and who does not already hold adequate guarantees or privileges to fulfil its debt claim, may lodge an opposition in compliance with the conditions regarding procedure and merits and producing the effects provided under Art. 243.

*) The provisions shall only apply to the merger and spin-off operations for which the merger or, respectively, spin-off project shall be published after the date of entry into force of emergency ordinance no. 90/2010.

Art. 251^10

(1) If the acquiring company or the newly-established company is a European society with its registered office in Romania, the managers of the merging company shall ensure that the right of involvement of the employees in the activity of the European company is observed, under the terms provided by Government Decision no. 187/2007 on the procedures of informing, consulting and other means of involvement of the employees in the activity of the European company.

(2) If in one or more of the merging companies governed by the legislation of another Member State a mechanism is used for the involvement of employees in the activity of a company of the type provided in Art. 2 letter k) of Council Directive 2001/86/EC of October 8, 2001 supplementing the articles of association for a European company with regard to the involvement of employees, or another employee incentive mechanism is used, the acquiring or newly-established - Romanian legal person - shall be bound to institute such mechanism, and the provisions of Art. 3 paragraph (1) and (2), Art. 4 - 7, Art. 10 paragraph (1) and (2) letters a), g) and h), Art. 11 - 24, 27 and 28 of Government Decision no. 187/2007 shall be applicable accordingly.

(3) In case that the acquiring company or the newly-established company is a Romanian legal person, the management bodies of the merging companies in which there are mechanisms used for the involvement of employees may, without prior negotiation, be subject to the reference provisions provided in Art. 12 - 23 of Government Decision no. 187/2007 or to comply with these provisions beginning from the date of registration in the trade registry of the amendment of the constitutive act of the acquired company or with the date of incorporation of the newly-established company, while the option shall be mentioned in the draft terms of the merger.

(4) In the situation provided in paragraph (3), the special negotiation group may decide by a two-third majority of the number of its members that represent at least two thirds of the employees, including the votes of the members representing the employees from at least two different Member States, not to start negotiations or to cease the negotiations that already started and to admit the application of the reference provisions of Government Decision no. 187/2007.

(5) When within the company - Romanian legal person - resulting from the cross-border merger, a system of involvement of employees functions, the directors or, as applicable, the directorate members shall be bound to ensure the protection of employees' rights resulting from this mechanism in case of a subsequent internal law merger, for a period of 3 years as from the date when the cross-border merger has produced effects.

(6) In case that, after prior negotiations, the standard participation rules apply, the general meeting of shareholders may decide to limit the weight of employees' representatives within the board of directors/directorate of the company resulting from the cross-border merger. However, in case that in one of the merging companies the representatives of the employees have formed at least one third of the board of directors or of the supervisory board, the limitation decided upon by the general meeting of shareholders cannot result in the cut-down of the weight of employees' participation to less than one third.

Art. 251^11

(1) Within three months as of the date of publication of the common merger project in the Official Gazette of Romania, Part IV, according to the provisions of Art. 251^6 paragraph (2), the general meeting of each company shall decide on the common merger project, according to the conditions established for the amendment of the constitutive act and in compliance with the requirements for convening thereof.

(2) When the shares pertain to various categories, the decision on the merger shall be subordinated to the result of votes per categories, given under the terms of Art. 115.

(3) In the cases provided in Art. 251^10, the general meeting of shareholders may lay conditions on the approval of the merger involving the express ratification by the general meeting of the mechanisms of involvement of the employees in the activity of the acquiring newly-established company.

(4) When the merger has as effect the enlargement of the obligations of the shareholders of one of the merging companies - Romanian legal persons -, the decision of the general meeting of shareholders shall be voted unanimously.

Art. 251^12

(1) The shareholders who have not voted in favour of the decision of the general meeting whereby the merger was approved shall be entitled to withdraw from the company and to request the purchase of their shares/shares of a limited liability company by the company.

(2) In case of joint stock companies or partnerships limited by shares, the right of withdrawal shall be exercised in compliance with the provisions of Art. 134.

(3) By way of exception from the provisions of Art. 226, in case of limited liability companies, the right of withdrawal shall be exercised by the appropriate application of the provisions of Art. 134.

(4) The shareholders may enact the right of withdrawal governed by this article, only if:

a) the legislation of all Member States whose nationality is held by the merging companies provides for a system of shareholders' protection similar to the one provided in paragraphs (1) - (3);

b) the merging companies, governed by the legislation of another Member State that does not confer to the shareholders the right of withdrawal from the company, have expressly accepted that the company's shareholders - Romanian legal person - make use of this right, making a mention, to this end, in the general meeting's decision approving the merger.

Art. 251^13

(1) In case of merger by acquisition, the delegated judge shall order the registration with the trade registry of the act amending the constitutive act of the acquiring company - Romanian legal person or European company with the registered office in Romania - after verifying the existence of the certificates or similar documents attesting that the conditions provided by law are fulfilled, issued by the competent authorities from the other Member States in which the other merging companies have their registered office or, as applicable, their central administration or their headquarters, and of the time limit within which they have been submitted with the trade registry office, a time limit that cannot exceed 6 months as from issuance.

(2) If the merger results in the establishment of a new company - Romanian legal person - the lawfulness control shall be carried out under the terms provided by this law for the type of company whose establishment was agreed upon, with the prior verification of the certificates or similar documents provided in paragraph (1).

(3) In case the merger results in the establishing of a European company with the registered office in Romania, the control over the lawfulness of the merger and of the company establishment conditions shall be carried out according to Council Regulation (EC) No. 2.157/2001 of October 8, 2001 on the articles of association for a European company (SE) and by this law.

(4) The delegated judge shall also verify, if necessary, the features of the mechanisms of involvement of the employees in the activity of the acquiring company or of the newly-established company.

(5) If the acquiring company or the newly-established company is a legal person governed by the legislation of another Member State, including a European company with the registered office in another Member State, the delegated judge shall verify the lawfulness of the merger decision, submitted by the directors/members of directorate with the trade registry office where the company - Romanian legal person - is registered, and he shall deliver an interlocutory judgement ascertaining the fulfilment by the company - Romanian legal person - of the conditions provided herein. The interlocutory judgement shall be communicated to the company - Romanian legal person at its headquarters.

(6) The delegated judge may deliver the interlocutory judgement provided in paragraph (5), if the procedure initiated by the requests of withdrawal of the shareholders in compliance with Art. 251^12 is pending, the interlocutory judgement indicating that the redemption of shares/shares of a limited liability company has not been finalised yet. The withdrawals carried out by the shareholders in compliance with Art. 251^12 shall be opposable to the acquiring company or newly-established company and to its shareholders.

Art. 251^14

(1) In case of merger by acquisition, the amending act shall be transmitted, ex officio, after being endorsed according to Art. 251^13 (1), for publication in the Official Gazette of Romania, Part IV, at the company's expense.

(2) If the merger results in the formation of a new company - Romanian legal person or a European company with the head office in Romania - it shall be subject to the publicity formalities provided by this law for the type of company agreed upon.

(3) The trade registry office where the acquiring company or the newly-established company is registered shall notify at once, through the system of interconnection of the trade registries provided in Article 2^1 of Law no. 26/1990 on the Trade Register, republished, as subsequently amended and supplemented, at the company's expense, that the cross-border merger has been completed to the similar authorities from the Member States where the merging companies are incorporated, with a view to striking them off.

(4) The trade registry office where the companies being acquired - Romanian legal persons - are incorporated shall strike off these companies from the trade registry, pursuant to the notification sent according to paragraph (3) by the competent authority from the Member State whose nationality the acquiring company or the newly-established company holds.

(5) In the event that a European company with the head office in Romania is established by means of a cross-border merger, the National Trade Registry Office shall submit, at the expense of the parties,

to the Official Journal of the European Union, a notice including: the name of the company, the entry number in the trade registry where it was incorporated, date of registration, the issue number of the Official Gazette of Romania in which the delegated judge's interlocutory judgement for company registration was published.

Art. 251^15

(1) The merger shall have the following consequences:

a) all the assets and liabilities of the company being acquired shall be transferred to the acquiring/newly-established company, both in the relations between the company being acquired and the acquiring/newly-established company, and in the relations with third parties;

b) the shareholders of the acquired/newly-established company shall become shareholders of the acquiring/newly-established company, in compliance with the distributions rules established in the merger project;

c) the company being acquired and, respectively, the companies forming the new company shall cease to exist.

(2) The merger shall produce effects:

a) in case of establishment of a new company, as of the date of its registration with the trade registry;

b) in case of merger by acquisition, as of the date of registration in the trade registry of the act amending the constitutive act, except for the case when, by the parties' agreement, it is stipulated that the operation shall take place at another date, which can be, however, a date neither subsequent to the end of the current financial exercise of the acquiring company or of the beneficiary company, nor previous to the end of the last complete financial exercise of the company or companies transferring their assets, and the control of the delegated judge provided in Art. 251^13 (1);

c) in case a European company is established by merger, as of the date of its registration.

(3) The rights and obligations of the merging companies arising from employment relationships and existing on the date on which the cross-border merger takes effect shall be transferred to the acquiring or newly-established company as from the date provided in paragraph (2).

(4) No shares in the acquiring company shall be exchanged for shares in the acquired company held:

a) either by the acquiring company itself or through a person acting in his or her own name but on such company's behalf;

b) or by the acquired company itself or through a person acting in his or her own name but on such company's behalf.

Art. 251^16

(1) The directors of the company being acquired or of those that formed the new company shall bear civil liability as to the shareholders of that company/those companies for the irregularities committed while preparing and carrying out the merger.

(2) The experts drawing up the report provided in Art. 251^8, on behalf of the company or of the companies forming the new company shall bear civil liability as to the shareholders of that company/those companies for the irregularities committed while carrying out their duties.

Art. 251^17

In case of merger by acquisition, whereby one or more companies are dissolved without going into liquidation and transfer all their assets and liabilities to another company holding all their shares or other titles conferring voting rights in the general meeting, the provisions of Art. 251^5 paragraph (1) letters c), d) and e), Art. 251^8, Art. 251^15 paragraph (1) letter b) and of Art. 251^16 shall not apply.

Art. 251^18

If the cross-border merger by absorption is conducted by an absorbing company holding at least 90% but not all the shares or other securities granting their holders the right to vote in the general meetings of the absorbed companies, the reports of the independent expert or experts, referred to in Article 251^8, and the documents subject to control shall be mandatory only to the extent that the law governing the acquiring company or the absorbed companies so provides.

Art. 251^19

(1) The nullity of the merger may be declared only by court judgement.

(2) The nullity of the merger may not occur after the date when it started to produce effects, a date established according to Art. 251^15 (2).

(3) Procedures of cancellation and declaring the nullity cannot be initiated if the situation was rectified. If the irregularity that may lead to the declaration of nullity of a merger can be remedied, the competent court shall grant the merging companies a time limit for its rectification.

(4) The final decision to declare the nullity of the merger shall be forwarded ex officio by the court to the trade registry offices with jurisdiction over the head offices of the companies involved in the merger.

TITLE VII: LIQUIDATION OF COMPANIES

Chapter 1: General Provisions

Art. 252

(1) Even if the constitutive act stipulates rules in this respect, the following rules shall be mandatory for the liquidation and distribution of the total assets:

a) until the official receivers take over their duties, the directors and the managers, as well as the members of the directorate, shall continue to exercise their attributions, except for those provided under Art. 233;

b) the official receivers' appointment act that mentions the powers conferred to them or the court judgement that replaces it, as well as any subsequent act bringing changes regarding their replacement or the powers conferred must be submitted, by way of the official receivers' efforts, to the trade registry office in order to be immediately registered and published in the Official Gazette of Romania, Part IV.

(2) Only after fulfilling the formalities of paragraph (1) shall the official receivers deposit their signature with the trade registry and shall take over their duties.

(3) **** Repealed

(4) Besides the provisions of the present title, the rules established under the constitutive act and under the law shall also apply to the companies undergoing liquidation to the extent to which they are not incompatible with the liquidation.

(5) All the documents issued by the company must show that it is undergoing liquidation.

Art. 253

(1) The official receivers can be natural or legal persons. The official receivers who are natural persons or the permanent representatives - natural persons pertaining to the liquidating company - should be authorised official receivers, under the terms of the law.

(2) The official receivers shall have the same responsibility as the directors, or the members of directorate, respectively.

(3) Immediately after having taken over their duties, the official receivers shall be obliged, along with the managers and directors and the members of the company’s management, to make an inventory and to draw up a balance sheet ascertaining the exact situation of the company's assets and liabilities and to sign them.

(4) The official receivers shall be obliged to receive and keep the company's assets, the registries entrusted to them by the directors or by the members of the directorate, as well as the company's papers. Likewise, they shall keep a registry of all the liquidation operations, according to their chronological order.

(5) The official receivers shall carry out their mandate under the censors' supervision. In case of joint-stock companies organised in a dual system, the official receivers shall carry out their mandate under the control of the supervisory board.

Art. 254

As regards companies whose activity was carried out on the basis of the environmental permit stipulated by Law no. 137/1995 on environmental protection, republished, as subsequently amended and supplemented, the official receivers shall be obliged to take steps for conducting an environmental balance sheet, stipulated by the said law, and to forward the results of this balance sheet to the local environmental protection agency.

Art. 255

(1) Besides the powers granted to them by the shareholders, with the same majority required for their appointment, the official receivers shall be able:

a) to undergo legal action on behalf of the company;

b) to carry out and conclude the commercial operations related to the liquidation;

c) to sell, by public auction, the real estate properties and any movable estate of the company;

d) to perform transactions;

e) to liquidate and to cash in the company's receivables;

f) to contract bills of exchange, to take out non-mortgage loans and to carry out any other necessary acts.

(2) In the absence of special provisions in the constitutive act or in their appointment document, the official receivers may not establish mortgages on the company's properties, unless they are authorised to do so by court.

(3) The official receivers who undertake new commercial operations which are not necessary to the purpose of liquidation shall be individually and jointly liable for their accomplishment.

Art. 256

(1) The official receivers cannot pay the shareholders any amount of money for the shares they would be entitled to by liquidation until all the company's creditors get paid.

(2) Still, the shareholders may ask for the withheld amounts to be deposited with the Savings and Consignment Office (Casa de Economii si Consemnatiuni - CEC - SA) or with a bank or one of their offices and to carry out the distribution of the shares or shares of a limited liability company even during the course of liquidation if, besides what it is necessary to cover all the company's obligations which are to be paid at maturity or which are falling due, a liquidity of at least 10% of their amount still remains available.

(3) The company's creditors shall be entitled to file an opposition against the decisions of the official receivers according to Art. 62.

Art. 257

The official receivers who prove, by presenting the annual financial statement, that the funds held by the company are not sufficient to cover the claimable liabilities, must ask for the necessary amounts to the shareholders who are unlimitedly liable or to those who did not make the full deposits, if they are obliged to obtain them, according to the company's form, or if they are in debt to the company for the unmade deposits they were bound to make as shareholders.

Art. 258

The official receivers who paid the company's debts with their own money shall not be in a position to exercise against the company more comprehensive rights than those granted to the paid creditors.

Art. 259

The company's creditors shall be entitled to exercise against the official receivers the actions resulting from debts which fall due until the limit of the properties existing in the company's total assets is reached and only then are they allowed to sue the shareholders, for the payment of the amounts due from the subscribed shares' value or of the contributions made to the company's share capital.

Art. 260

(1) The company's liquidation must be completed in 1 year at the most, as from the date of registration of the dissolution mention in the trade registry. For justified reasons, at the request of the liquidator, the trade registry office may extend the said time limit by another year, but no more than twice.

(2) The liquidation shall not exempt the shareholders and shall not prevent the commencement of the company's insolvency procedure.

(3) Within 60 days as of the registration of the dissolution mention in the trade registry, the receivers shall be appointed, according to Art. 262 and 264.

(4) Within 60 days as of his appointment, the receiver must file with the trade registry, for mentioning in the trade registry, a report concerning the company's economic situation. If, according to the report, the debtor meets the requirements for opening the simplified insolvency procedure, the receiver shall be obliged to request the commencement of this procedure within 15 days as of the date of filing the report.

(5) Failure to comply with the obligation to file the report provided under paragraph (4) constitutes an offence and is punished by a fine of LEI 50 to 100. Finding offences and enacting penalties are conducted *ex officio* or following the notification by any interested party, by the person responsible with the settlement of requests for registration in the trade registry. The penalty shall also apply to the liquidator who fails to lodge the request for commencement of the bankruptcy procedure within the deadline under paragraph (4).

(6) Within 15 days as of the completion of liquidation, the receivers shall file with the trade registry the request for striking the company off from the trade registry, based on the final liquidation report and the financial statements of the liquidation presenting the situation of the assets, the claims and the distribution of the remaining assets, as the case may be, under the sanction of a fine of LEI 20 for each day of delay, which will be applied, *ex officio* or following the notification by any interested party, by the person responsible with the settlement of requests for registration in the trade registry. The decision by which the striking off of the company is ordered shall be published on the website of the National Trade Registry Office and on its online services portal.

(7) If, within 3 months as of the expiry of the deadline under paragraph (1), as extended if such is the case, the trade registry office has not been notified by any request for striking off, the National Trade Registry Office or any interested person will request the court to strike off the company from the trade registry. The list of companies for which the National Trade Registry Office is to submit strike-off proceedings shall be displayed on the website of the National Trade Registry Office or on its online services portal with at least 15 calendar days before and shall be submitted to the Ministry of Public Finance - National Agency for Fiscal Administration.

(8) The court judgement for strike-off shall be served to the company, the trade registry office in order to strike off the company from the trade registry, the Ministry of Public Finance - the National Agency for Fiscal Administration – the county or district administration of public finance, and shall be published on the website of the National Trade Registry Office or on its online services portal. In case of several court decisions for strike-off, for the cases provided in paragraph (7), the publicity may be made in the form of a table including: the registration number with the trade registry, the sole registration code, denomination, legal status and registered office of the company dissolved, the

court having ordered the strike-off, the file number, the number and date of the court decision for strike-off.

(9) Any interested person may file an appeal against the decision for strike-off within 30 days as from the publication date of the decision in accordance with the provisions of paragraph (8). The appellant shall submit a copy of the appeal with the trade registry office for mentioning in the trade registry.

(10) In case the provisions of Article 270^1 are not applicable, since the company is undergoing liquidation, although it fulfils the requirements of Article 38 paragraph (2) of Law no. 85/2014 on insolvency and insolvency prevention procedures, it does not also fulfil the requirements provided in Article 5 point 72 of said law, the person responsible with the settlement of the request will order the strike-off of the company based on the report of the appointed liquidator.

(11) The assets which remained in the patrimony of the company struck off from the trade registry, under this article, shall pertain to the shareholders, according to the law.

*) The provisions of Art. 260 of Law no. 31/1990 on companies, republished, as subsequently amended and supplemented, as it was amended by the present emergency ordinance, shall apply accordingly to all categories of natural persons registered with the trade registry.

**) (1) The provisions of Art. 260 of Law no. 31/1990 on companies, republished, as subsequently amended and supplemented, as it was amended by the present emergency ordinance, shall apply also accordingly to the procedures for voluntary dissolution or liquidation in progress at the time of its entry into force, as from which time the deadlines provided under Art. 260 of Law no. 31/1990, republished, as subsequently amended and supplemented start to operate, this being the date of entry into force of the present emergency ordinance.

(2) By way of exception from the provisions of paragraph (1), companies which, at the time of entry into force of this emergency ordinance, have been undergoing voluntary dissolution or liquidation for more than 3 years shall be struck off by default from the trade registry. The strike-off shall be ordered by a judgement of the commercial court or commercial division of the district court whose jurisdiction includes the company's headquarters, upon request by the National Trade Registry Office. The request shall be settled by summoning the company and the National Agency for Fiscal Administration and the general directorate of public county finance or of the Bucharest municipality, as the case may be. The procedure provided under Art. 3 of Emergency Government Ordinance no. 116/2009 on the enactment of measures regarding the activity of registration with the trade registry shall be applied accordingly.

(3) The provisions of paragraph (2) shall also apply accordingly to companies which have been undergoing voluntary liquidation for more than 5 years, pursuant to the extension of the 3-year term, ordered by the court, according to the law.

(4) For the actions stated on the basis of this article, the National Trade Registry Office shall be exempt from judicial stamp duties and judicial stamps.

Art. 261

(1) After the calculations are approved and the distribution is completed, the registries and deeds of the general partnership, limited partnership and limited liability company, which are not needed by any of the shareholders, shall be filed with the shareholder appointed by the majority.

(2) In joint-stock companies and in partnerships limited by shares, the records provided in Art. 177 paragraph (1) letters a) - f) shall be submitted with the trade registry where the company was registered, where any interested party shall be able to take notice of them with the authorisation of the delegated judge, and the rest of the documents shall be filed with the National Archives.

(3) The records of all companies shall be kept for 5 years.

Chapter 2: Liquidation of General Partnerships, Limited Partnerships or Limited Liability Companies

Art. 262

(1) The official receivers' appointment in the general partnerships, limited partnerships or limited liability companies shall be conducted by all the shareholders, unless otherwise stipulated by the company’s memorandum of association.

(2) If the unanimity of votes cannot be met, the appointment of the official receivers shall be made by the court, at the request of any shareholder or director, by hearing all the shareholders and directors.

(3) Only the shareholders or directors may appeal against the court ruling, within 15 days as from the judgment.

Art. 263

(1) After having completed the liquidation of the general partnership, limited partnership or limited liability company, the official receivers must draw up the financial statement and propose the distribution of assets among the shareholders.

(1^1) The financial statement signed by the official receivers shall be forwarded to be registered and published on the website of the trade registry office.

(2) The dissatisfied shareholder may file an opposition, according to Art. 62, within 15 days from the notification of the liquidation financial statement and the distribution draft.

(3) In order to settle the opposition judgment, the matters regarding liquidation shall be separate from those regarding the distribution, which may not concern the official receivers.

(4) After expiry of the period stipulated by paragraph (2) or after the court decision on the opposition remained final, the financial statement for liquidation and distribution shall be considered approved and the official receivers shall be released from their responsibilities.

Chapter 3: Liquidation of Joint-Stock Companies and of Partnerships Limited by Shares

Art. 264

(1) The appointment of the official receivers in the joint-stock companies and partnerships limited by shares shall be made by the general meeting which decides the liquidation, unless otherwise stipulated by the constitutive act.

(2) The general meeting shall make decisions by the same majority stipulated for the amendment of the constitutive act.

(3) If the majority was not met, the appointment shall be made by the court, upon the request of any of the directors or of the directorate members or shareholders, by summoning the company and those who requested the appointment. The court ruling shall only be subject to appeal.

Art. 265

(1) The directors or the directorate members shall submit to the official receivers an administration report for the time elapsed from the last financial statement approved until the liquidation started.

(2) The official receivers shall be entitled to approve the report, to raise or to support the challenges that may occur.

Art. 266

(1) When one or several directors or directorate members are appointed as official receivers, the report concerning the administration of the directors or of the directorate members shall be submitted with the trade registry office and shall be published in the Official Gazette of Romania, Part IV, along with the final liquidation balance sheet.

(2) When the duration of administration exceeds a financial year, the report must be attached to the first financial statement which the official receivers shall submit to the general meeting.

(3) Any shareholder may file an opposition, under the terms of Art. 62, within 15 days from the publication.

(4) All the oppositions filed shall be joined in order to be settled by a single court award.

(5) Any shareholder shall be entitled to intervene in court and the ruling of court shall also be opposable to non-intervening shareholders.

Art. 267 **** Repealed

Art. 268

(1) After the liquidation has been completed, the official receivers shall draw up the final financial statement indicating the quota allotted to each share from the company's assets distribution, along with the censors' report or, as the case may be, the financial auditors' report.

(2) The financial statement signed by the official receivers shall be submitted with the trade registry office in order to be recorded and it shall be published in the Official Gazette of Romania, Part IV.

(3) Any shareholder may file an opposition, under the terms of Art. 62.

Art. 269

(1) If the period stipulated by Art. 266 paragraph (3) has elapsed without any opposition being filed, the financial statement shall be considered approved by all the shareholders and the official receivers shall be released of their responsibilities on condition that all the company's assets should be distributed.

(2) Independently of the expiry of the term, the receipt for the last distribution shall stand for the approval of the account and of the distribution made to each shareholder.

Art. 270

(1) The amounts of money payable to the shareholders, which were not cashed within two months as from the publication of the financial statement, shall be deposited with a bank or one of the offices thereof, indicating the shareholder's first and last name when the shares are registered or the order numbers of the shares when they are bearer shares.

(2) The payment shall be made to the indicated person or to the shareholder while the title deed shall be withheld.

Art. 270^1

In case the company undergoing liquidation is in a state of insolvency, the liquidator shall be bound to request the commencement of the insolvency proceedings. Under the terms of the insolvency legislation, the creditors may ask for the commencement of the insolvency proceedings against the company whose liquidation is in progress.

Art. 270^2

When the syndic-judge ascertains that the conditions provided by the insolvency law are met, he shall order the commencement of the simplified insolvency proceedings.

TITLE VII^1: EUROPEAN COMPANY

Art. 270^2a)

The provisions of Council Regulation (EC) no. 2.157/2001 of October 8, 2001 on the statute for a European company (SE), those of this chapter, as well as those concerning the joint-stock companies shall apply to the European companies with their head office in Romania, in so far as they are compatible with the provisions of the Community Regulation.

Art. 270^2b)

(1) The European companies with their registered office in Romania shall have legal personality as of the date of registration in the trade registry.

(2) A European company may only be registered with the trade registry after an agreement concerning the involvement of employees in the activity of the company is concluded, under the terms provided by Government Decision no. 187/2007.

(3) Within 30 days as of the registration, the National Trade Registry Office shall submit to the Official Journal of the European Union a notice regarding the registration of the company. The notice shall include the information provided by Art. 14 of Council Regulation (EC) no. 2.157/2001.

Art. 270^2c)

(1) Any European company registered in Romania may transfer its registered office to another Member State.

(2) The draft terms on the transfer, endorsed by the delegated judge, shall be published in the Official Gazette of Romania, Part IV, at the expense of the company, at least 30 days prior to the date of the session when the extraordinary general meeting is going to decide on the transfer.

(3) The decision of the general meeting concerning the transfer of the registered office of the European company to another Member State shall be passed under the terms of Art. 115 (2). In case the shareholders representing the majority of the share capital are present or represented, the decision may be adopted by a simple majority.

Art. 270^2d)

(1) The creditors of the European company whose claims are prior to the date of publication of the draft terms of transfer and are not payable as at the date of publication can file an opposition under the terms of Art. 62.

(2) The opposition provided in paragraph (1) shall suspend the carrying out of the operation until the date when the court decision remains final, except for the case when the debtor company proves the debts have been paid or offers securities accepted by the creditors or concludes with these an agreement for the payment of the debts.

Art. 270^2e)

(1) The shareholders who have not voted in favour of the decision of the general meeting which approved the transfer of the head office to another Member State shall be entitled to withdraw from the company and to request that the company purchase their shares.

(2) The right of withdrawal may be exercised within 30 days as from the date of passing the decision of the general meeting.

(3) The shareholders shall submit with the company's head office, together with the written declaration of withdrawal, the shares they hold or, as applicable, the shareholder's certificates.

(4) The price paid by the company for the shares of the person exercising the right of withdrawal shall be established by an independent accounting expert, as an average value resulting from the application of at least two assessment methods recognised by the legislation in force on the date of assessment. The expert shall be appointed by the delegated judge, in compliance with the provisions of Art. 38 and 39. The assessment costs shall be covered by the company.

(5) The delegated judge, after checking the lawfulness of the transfer, shall deliver an interlocutory judgment attesting the fulfilment of the conditions provided in Art. 3 - 5 of this law and of those provided in Art. 8 of Council Regulation (EC) no. 2.157/2001.

(6) Subsequently to the striking off of the transferred European company, the trade registry office shall submit to the Journal of the European Union, at the company's expense, a notice concerning the striking off of the company from the Romanian trade registry as a result of transferring its head office to another Member State.

TITLE VIII: CONTRAVENTIONS AND OFFENCES

Art. 270^3

(1) The violation of the provisions of Art. 74 shall be regarded as contravention and shall be sanctioned with fine ranging from LEI 2,500 to LEI 5,000.

(2) The violation of the provisions of Art. 131 (4) shall be regarded as contravention and shall be sanctioned with fine ranging from LEI 5,000 to LEI 10,000.

(3) The contraventions shall be ascertained and the fines provided in paragraphs (1) and (2) shall be applied by the bodies with control powers of the Ministry of Public Finance - National Agency for Fiscal Administration and of its territorial units.

Art. 271

Punishment by imprisonment of 6 months up to 3 years or by a fine shall be applied to the founder, director, general manager, manager, member of the supervisory board or of the directorate or the legal representative of the company who:

a) presents in bad faith, in the prospectuses, reports and statements submitted to the public, untrue facts regarding the setting up of the company or its economic or legal conditions or hides such data, in bad faith, fully or partially;

b) presents in bad faith to the shareholders an inaccurate financial statement or inaccurate data regarding the economic or legal conditions of the company with the purpose of hiding its actual situation;

c) refuses to submit to the experts, in the cases and under the conditions stipulated by Art. 26 and 38, the necessary documents or hinders them, in bad faith, from carrying out their duties.

Art. 272

(1) Punishment by imprisonment of 6 months up to 3 years or by a fine shall be applied to the founder, director, general manager, manager, member of the supervisory board or of the directorate or legal representative of the company, who:

a) acquires, on the company's account, shares belonging to other companies for a price of which he is aware that is well superior to their actual value or sells, on behalf of the company, shares owned by the company for prices of which he is aware that are well under their actual value, for the purpose of obtaining a profit, for himself or for others, to the prejudice of the company;

b) uses, in bad faith, the company's assets or good standing for a purpose contrary to its interests or to his own benefit or in order to favour another company in which he has direct or indirect interests;

c) borrows, in any form, directly or by an interposed person, from the company he is managing or from a company under its control or from a company which controls the one he is managing, the amount borrowed being over the limit provided in Art. 144^4 paragraph (3) letter a) or paves the way so that one of these above-mentioned companies grants him any kind of security for his own debts;

d) breaches the provisions of Art. 183.

(2) The deed provided in paragraph (1) letter b) shall not constitute an offence if it was committed by the director, manager, member of the directorate or legal representative of the company within certain treasury operations between the company and other companies controlled by it or that control it directly or indirectly.

(3) The deed provided in paragraph (1) letter c) shall not constitute an offence if it was committed by a company in its capacity as founder, and the loan is obtained from one of the companies controlled by it or that control it directly or indirectly.

Art. 272^1

Punishment by imprisonment of 1 up to 5 years shall be applied to the founder, director, general manager, manager, member of the supervisory board or of the directorate or the legal representative of the company, who:

a) spreads false news or uses other fraudulent means having as effect the increase or decrease of the value of the company's shares or bonds or of other titles the company owns with the purpose to obtain, for him or for others, a profit to the prejudice of the company;

b) cashes or pays dividends, in any form, from false profits or which could not be distributed during the financial year based on the interim financial statement and annually, based on the annual financial statements, or contrary to those resulting therefrom.

Art. 273

Punishment by imprisonment of 3 months up to 2 years or by a fine shall be applied to the director, general manager, manager, member of the supervisory board or of the directorate or legal representative of the company, who:

a) issues shares of a lower value than their legal one or at a lower price than their nominal value, or issues new shares in exchange for contributions in cash prior to the full payment of the preceding shares;

b) within the general meetings, makes use of the shares which are not subscribed or distributed to the shareholders;

c) grants loans or advances on the company's shares or sets up securities under other conditions than those provided by the law;

d) hands over the shares to the holder ahead of schedule or does the same with shares paid totally or in part, except for the cases stipulated by law or issues bearer shares which are not fully paid off;

e) does not observe the legal provisions regarding the cancelling of unpaid shares;

f) issues bonds without observing the legal provisions or issues shares which do not contain all mentions required by law.

Art. 274

Punishment by imprisonment of one month up to one year or by a fine shall be applied to the director, general manager, manager, member of the supervisory board or of the directorate or the legal representative of the company, who:

a) carries out the decisions of the general meeting, regarding the changing of the company's form, its merger or its spin-off or the cutting down of its share capital prior to expiry of the time limits stipulated by law;

b) carries out the decisions of the general meeting regarding the cutting down of the share capital without first forcing the shareholders to effect payments due or without a decision of the general meeting which exempts them from the subsequent payments;

c) carries out the decisions of the general meeting regarding the change of the form of the company, merger, spin-off, dissolution, reorganization or decrease of the share capital, without informing the judicial body or in violation of the prohibition established by it, if the company is under criminal prosecution.

Art. 275

(1) Punishment by imprisonment of one month up to one year or by fine shall be applied to the director, general manager, manager, member of the supervisory board or of the directorate who:

a) breaches, even by interposed persons or by simulated acts, the provisions of Art. 144^3;

b) does not convene the general meeting in the cases stipulated by law or breaches the provisions of Art. 193 paragraph (2);

c) initiates operations on behalf of a limited liability company before the share capital is paid in full;

d) issues negotiable instruments representing shares of a limited liability company;

e) acquires shares of the company on its account, in the cases forbidden by law.

(2) The shareholder who breaches the provisions of Art. 127 or of Art. 193 paragraph (2) shall receive the same punishments as provided in paragraph (1).

Art. 276

Punishment by imprisonment of one month up to one year or by fine shall be applied to the censor who does not convene the general meeting in the cases where the law compels him to.

Art. 277

(1) Punishment by imprisonment of 3 months up to 1 year or by a fine shall be applied to the person who accepted or kept the duties of censor, contrary to the provisions of Art. 161 (2) or the person who accepted to be appointed as an expert, thus breaching the provisions of Art. 39.

(2) Decisions made by general meetings based on a report of a censor or of an expert appointed by infringing the provisions of Art. 161 (2) and of Art. 39 cannot be cancelled because of the infringement of the provisions of the said articles.

(3) The punishment provided by paragraph (1) shall also be applied to the founder, director, manager, executive director and the auditor exercising their powers and duties by breaking the provisions of this law regarding the incompatibility.

Art. 278

(1) The provisions of Articles 271 - 277 shall also be applied to the official receiver to the extent to which they refer to obligations pertaining to his specific duties.

(2) Punishment by imprisonment of one month up to one year shall be applied to the official receiver who makes payments to the shareholders and breaks the provisions of Art. 256 in doing so.

Art. 279

(1) Punishment by imprisonment of 3 months up to 2 years or by fine shall be applied to the shareholder or the bondholder who:

a) transfers his shares or his bonds to the names of other persons to be used with the purpose of reaching a majority in the general meeting, to the prejudice of other shareholders or bondholders;

b) votes, in the general meetings, in the situation stipulated under letter a) above, acting as the owner of shares or bonds which do not actually belong to him;

c) in exchange for inappropriate material advantages, assumes the obligation to vote in a certain manner in the general meetings or not to attend the voting procedure.

(2) Inducement of a shareholder or a bondholder, in exchange for an inappropriate material advantage, to vote in a certain manner in the general meetings or not to attend the voting procedure, shall be punished by imprisonment of 6 months up to 3 years or by a fine.

Art. 280

**** Repealed

Art. 280^1

The fictitious transmission of shares of a limited liability company (Romanian: *parti sociale*) owned by a company, for the purpose of avoiding criminal prosecution or for the purpose of rendering it more difficult, shall be punished by imprisonment of 1 up to 5 years.

Art. 280^2

**** Repealed

Art. 280^3

Using knowingly the acts of a company struck off for the purpose of producing legal effects, shall constitute an offence and shall be punished by imprisonment of 3 months up to 3 years or by a fine.

Art. 281

If, according to the Criminal Code or to other special laws, the offences stipulated under this title constitute more serious crimes, then they shall be punished according to the punishments provided therein.

Art. 282

**** Repealed

Art. 282^1

**** Repealed

TITLE IX: FINAL AND TRANSITORY PROVISIONS

Art. 283

(1) Companies set up according to Law no. 15/1990 on the reorganisation of state-owned companies as autonomous administrations and as companies with the subsequent amendments, which underwent privatisation or are going to undergo privatisation, may operate only on the basis of the articles of association.

(2) By amending the articles of association, according to the law, the shareholders may call them constitutive act, without setting up a new company in doing so.

(3) Shareholders may amend the constitutive act in the existing companies and stipulate in it the documents such shareholders are going to have access to, within the meaning of Art. 8 letter i).

(4) Companies with fully or majority state-owned capital may operate with any number of shareholders.

Art. 284

The employment of staff in companies shall be made on the basis of an individual labour agreement, in compliance with the labour and social security legislation.

Art. 285

If the sole shareholder in a limited liability company is also a director, he may also benefit from a pension the same as with the state's social security to the extent to which he made his contribution to the social security and the one intended for the additional pension.

Art. 286

The setting up of companies, with foreign participation, in association with Romanian legal or natural persons or with full foreign capital shall be made in compliance with the provisions of this law and those of the law on the status of foreign investments. *)

*) According to Article III of Government Emergency Ordinance no. 32/1997, approved with amendments by Law no. 195/1997, companies governed by special laws shall also be subject to the provisions of those laws.

Art. 287

Activities which cannot be performed by companies shall be established by way of a Government decision.

Art. 288

For the authentication of the constitutive act, the legal stamp fees and notaries' fees shall be paid.

Art. 289

Within the meaning of the present law, the Bucharest Municipality shall be assimilated to a county.

Art. 290

(1) Small enterprises and profit-making associations which are legal persons set up according to Decree-Law no. 54/1990 on the organisation and accomplishment of economic activities on the basis

of free initiative, and reorganised, until September 17, 1991 in one of the forms stipulated by Art. 2 of the present law, may continue their activity.

(2) They shall be lawful successors of the small enterprises or of the profit-making associations they originated from.

Art. 291

The provisions of the present law shall be supplemented by the provisions of the Civil Code and of the Civil Procedure Code.

Art. 292

Companies with foreign participation set up until December 17, 1990 may continue their activity in accordance with their constitutive act, approved according to the law.

Art. 294

On the date when this law enters into force, the provisions of Art. 77 - 220 and Art. 236 of the Commercial Code[8]), the provisions regarding small enterprises and profit-making associations with legal personality in Decree-Law no. 54/1990 on the organisation and performance of economic activities on the basis of free initiative, Decree no. 424/1972 on the setting up and operation of joint-ventures in Romania, except for Art. 15, 28 (1), Art. 33 and 35 (2) and (3), Decree-Law no. 96/1990 on some measures to attract foreign capital investment in Romania, shall be repealed.

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1) Republished by virtue of Art. XII of title II of book II of Law no. 161/2003 on certain measures for ensuring transparency in the exercise of public dignity, public positions and in the business environment, prevention and punishment of corruption, published in the Official Gazette of Romania, Part I, no. 279 of April 21, 2003, as subsequently amended, the texts thereby having received new numbering.

Law no. 31/1990 was also republished in the Official Gazette of Romania, Part I, no. 33 of January 29, 1998 and it was subsequently amended and supplemented by:

- Emergency Government Ordinance no. 16/1998 on the adjournment of the term provided under art. VI paragraph 1 of Emergency Government Ordinance no. 32/1997 on the amendment and supplementation of Law no. 31/1990 on companies, published in the Official Gazette of Romania, Part I, no. 359 of September 22, 1998, approved by Law no. 237/1998, published in the Official Gazette of Romania, Part I, no. 477 of December 11, 1998;

- Law no. 99/1999 on certain measures for the acceleration of economic reform, published in the Official Gazette of Romania, Part I, no. 236 of May 27, 1999, as subsequently amended;

- Emergency Government Ordinance no. 75/1999 on the financial audit activity, republished in the Official Gazette of Romania, Part I, no. 598 of August 22, 2003, as subsequently amended;

- Law no. 127/2000 on the amendment and supplementation of Art. 156 of Law no. 31/1990 on companies, published in the Official Gazette of Romania, Part I, no. 345 of July 25, 2000;

- Emergency Government Ordinance no. 76/2001 on the simplification of certain administrative formalities for the registration and authorisation of commercial entities' operation, republished in the Official Gazette of Romania, Part I, no. 413 of June 14, 2002, as subsequently amended and supplemented;

- Emergency Government Ordinance no. 102/2002 on certain measures for the stimulation of the request for granting free usage and investments in real estate properties subject to Emergency Government Ordinance no. 168/2001 on valorising decommissioned zootechnical constructions intended for purposes of raising, feeding and exploiting livestock, as well as decommissioned combined feed factories, published in the Official Gazette of Romania, Part I, no. 673 of September 11, 2002, approved with amendments and supplementations by Law no. 78/2003, published in Official Gazette of Romania, Part I, no. 194 of March 26, 2003, as subsequently amended;

- Law no. 161/2003 on certain measures for ensuring transparency in the exercise of public dignity, public positions and in the business environment, prevention and punishment of corruption, as subsequently amended;

- Law no. 297/2004 on the capital market, published in the Official Gazette of Romania, Part I, no. 571 of June 29, 2004.

[2]) Emergency Government Ordinance no. 28/2002 on moveable assets, financial investment services and regulated markets was repealed and replaced by Law no. 297/2004 on the capital market, published in the Official Gazette of Romania, Part I, no. 571 of June 29, 2004.

[3]) According to art. V of Emergency Government Ordinance no. 32/1997 on amending and supplementing Law no. 31/1990 on companies, approved and amended by Law no. 195/1997, the provisions of this paragraph shall not apply to branches with no legal personality established prior to the date of entry into force of the emergency ordinance.

Companies which have established units with no legal personality shall be recommended to amend the branch denomination assigned to such units.

[4]) See note under Art. 35.

[5]) Law no. 52/1994 on moveable assets and stock exchanges was repealed by Emergency Government Ordinance no. 28/2002, which, in turn, was also repealed by Law no. 297/2004.

[6]) See note under Art. 168.

[7]) According to Art. III of Emergency Government Ordinance no. 32/1997, approved with amendments by Law no. 195/1997, companies regulated by special laws shall also remain under the scope of the provision of the above-mentioned laws.

[8]) According to Art. IX of Emergency Government Ordinance no. 32/1997, approved with amendments by Law no. 195/1997, on the date of entry into force of said ordinance (July 28, 1997), Art. 237-250 and Art. 264-269 of the Commercial Code shall be repealed.

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*) Entities which have subsidiary status but branch denomination, which were established prior to the entry into force of Emergency Government Ordinance no. 32/1997 on amending and supplementing Law no. 31/1990 on companies, shall proceed to state their legal status and perform the legal formalities for the publicity corresponding to this status, within 3 months as from the entry into force of this law.

In case of infringement of the provisions of paragraph (1), Art. 44 and 46 of Law no. 26/1990 on the trade registry, republished, as subsequently amended and supplemented, shall become applicable.

Starting from January 1, 2007, annual financial statements and documents attached thereto, as provided under art. 185 paragraph (1) of Law no. 31/1990 on companies, republished, as subsequently amended and supplemented, amended according to this law, shall be filed only with the trade registry office.

Within 9 months as from the date of entry into force of this law, joint stock companies shall proceed to perform the necessary formalities in order to fulfil the obligations set forth under Art. 137 paragraph (2), Art. 138^1, Art. 140^1 paragraph (3) and Article 143 paragraph (4) of Law no. 31/1990, republished, as subsequently amended and supplemented.

*) Joint-stock companies registered with the trade registry on the date of entry into force of this emergency ordinance are required to make the necessary formalities in order to fulfil the obligations set forth under Art. 137 paragraph (1) and (2), Art. 137^1 paragraph (3), Art. 138^1, Art. 143 of Law no. 31/1990 on companies, republished, as subsequently amended and supplemented, including those set forth in this emergency ordinance, within 6 months as from its entry into force. Until such time as the said formalities are completed, the company may operate with its administration structure existing at the time of entry into force of this emergency ordinance.

Notwithstanding the provisions of Art. 56 of Law no. 53/2003 – Labour Code, as subsequently amended and supplemented, the directors/managers' employment agreements concluded with a view to fulfilling the director/manager mandate prior to the entry into force of this emergency ordinance, shall be rightfully terminated upon the date of entry into force of the emergency ordinance or, provided that the mandate was accepted subsequently to the entry into force of this ordinance, as from the date of mandate acceptance.