

SHARE PURCHASE AGREEMENT



dated 26th March, 2002

between

Foundation for Enterprise Finance and Development ("FEFAD")
Tirana

and

Commerzbank AG ("Commerzbank")
Frankfurt am Main

Preamble

- A. FEFAD is a Founding Shareholder of FEFAD Bank Sh.A., a financial institution organised and existing under the laws of the Republic of Albania (the "**Bank**") pursuant to an Amended and Restated Subscription, Share Sale and Shareholders Agreement dated February 28, 2000 (the "**SSA**") among the Bank, FEFAD, IMI - Internationale Micro Investition AG, European Bank for Reconstruction and Development and International Finance Corporation.
- B. FEFAD presently owns thirty-one thousand five hundred (31,500) ordinary registered Shares of the Bank constituting forty-five percent (45%) of the Bank's authorised and paid in capital, each of such Shares having a nominal value of Lek then thousand (Lek 10,000).
- C. The parties wish to enter into this Share Purchase Agreement (the "**Agreement**") to transfer fourteen thousand (14,000) Shares of the Bank, representing twenty percent (20%) of the Bank's authorised and paid in capital (the "**Purchased Shares**"), from FEFAD to Commerzbank.

Now, therefore, the parties hereby agree as follows:

1. Definitions

In this Agreement, unless otherwise defined elsewhere in this Agreement and unless the context otherwise requires, capitalised terms shall have the same meaning as in the SSA.

2. Representations and Warranties

- 2.1 FEFAD represents and warrants in the form of a legally independent guarantee ("*selbständiges Garantieverprechen*") to Commerzbank as of the date hereof and as of the date the Purchase Price is paid pursuant to Section 4.1 the accuracy and completeness of the following:

(a) Organization

FEFAD is a non-profit-making legal entity established by court decision No. 106 dated 8 August 1995, duly organized, validly existing and in good standing under the laws of Albania, and is duly registered in the Register of Tirana District Court under No. 106.

(b) Ownership

FEFAD owns legally and beneficially the Purchased Shares. The Purchased Shares are free and clear of all mortgages, pledges, security interests, liens, claims, charges, encumbrances and restrictions. FEFAD has not entered into any agreement or contractual arrangement to sell, transfer, pledge, grant an option over or otherwise dispose of any of the Purchased Shares other than as set out in this Agreement.

(c) Authorization and Approvals

FEFAD has the requisite corporate power and authority to enter into and perform its respective obligations under this Agreement. As of the date of this Agreement, the execution and delivery of this Agreement shall be duly authorized by any necessary corporate action of FEFAD. Upon such authorization this Agreement will be the legal, valid and binding obligation of FEFAD. No other approvals or consents, in particular, but not limited to, from German or Albanian authorities (other than set out in Section 4.1(a)) or from FEFAD or its Board of Trustees or Board of Management or of any of FEFAD's founders are necessary for FEFAD to enter into and perform this Agreement.

(d) Agreement not in Contravention

The execution and delivery of this Agreement and the consummation of the transactions provided for herein will not violate or conflict with (i) any provision of the charter of FEFAD, or (ii) any law, rule, or regulation or ordinance to or by which FEFAD is a party or is bound or (iii) any order, judgment or decree to which FEFAD is a party or is bound.

(e) Organization of the Bank

- (i) The Bank is an Albanian joint-stock company ("*Shoqeri Aksionere*") duly organized and validly existing under the Albanian stock corporation act and is duly registered in the commercial register of the Tirana district court under No. 20145.



The Bank does not hold any participations in other companies or partnerships. The Bank is not obliged due to options or similar agreements to acquire or create such participations in other companies or partnerships.

- (iii) The Bank is duly licensed by the Bank of Albania to conduct a commercial banking business in Albania at all of the locations at which the Bank is presently conducting such business to the extent set forth on such license of the Bank of Albania dated 15 of March 1999 and attached as a copy to this Agreement as Exhibit 1. Neither the scope of the Bank's current banking business nor the location of its properties require that the Bank be licensed to do business in any jurisdiction other than Albania.

- (iv) A complete, current and correct copy of the By-laws of the Bank is attached to this Agreement as Exhibit 2. No ancillary agreements (other than the SSA) exist which refer to the constitution and organisation of the Bank. The Bank has the corporate power and authority to own and operate its properties and to carry out its business as now conducted.

- (v) All facts of the Bank which are capable of registration in the commercial register have been registered, as is evident from the complete and accurate extract from the commercial register, attached as Exhibit 3.

(f) Capitalization

The authorized capital stock of the Bank amounts to Lek seven-hundred million (700,000,000), divided into seventy thousand (70,000) Shares. All of the Purchased Shares of the Bank are duly and validly issued and outstanding and fully paid. The registered capital of the Bank is not reduced by any open or concealed repayments to any former or actual shareholders. The share capital is not reduced by any losses.

(g) Transfer of Shares

In accordance with Article 9 (2) of the Bank's bylaws, the extraordinary meeting of the assembly of shareholders in its meeting of October 26, 2001, has approved the transfer of the Purchased Shares contemplated by this Agreement

2.2 Commerzbank represents and warrants in the form of a legally independent guarantee ("*selbständiges Garantieverprechen*") to FEFAD that:

- (a) it has the power and authority to enter into and perform its obligations under this Agreement; and
- (b) this Agreement has been duly authorised, executed and delivered by it.

3. Sale and Purchase of Shares

Subject to the terms and conditions of this Agreement, FEFAD agrees to sell to Commerzbank, and Commerzbank agrees to buy from FEFAD, the Purchased Shares, free of all encumbrances, at the total purchase price of EUR 1,584,940 [one million five hundred eighty-four thousand nine hundred forty.] (the "**Purchase Price**").

4. Payment and Transfer of Title

4.1 Commerzbank shall remit the Purchase Price to account No. 5818091 of FEFAD with Commerzbank, Bank Sorting Code 500 400 00, within two business days after the following conditions precedent have been fulfilled in form and substance satisfactory to Commerzbank and FEFAD:

- (a) the approval from the Bank of Albania of the transfer of the Purchased Shares contemplated by this Agreement shall have been obtained;
- (b) the signatures of the parties to this Agreement shall have been duly notarised by an Albanian or German notary and (in case of a notarisation by a German notary) such notarisation shall have been legalised by the Albanian consulate.

4.2 The parties agree that title to the Purchased Shares shall pass from FEFAD to Commerzbank when the Purchase Price is credited to the account set forth in Section 4.1. FEFAD shall provide Commerzbank with a receipt for the Purchase Price.

4.3 Promptly upon payment of the Purchase Price as provided herein, FEFAD shall instruct, and hereby undertakes to exercise all of its rights and powers as a shareholder in the Bank to cause, the Bank

(a) to register the transfer of the Purchased Shares to Commerzbank in the shareholders' book which is kept with the share registration Agency in Tirana and make any other registrations or filings which may be required under applicable law; and

(b) to deliver to Commerzbank promptly

(i) a certified extract of the shareholders' book referred to in (a) above evidencing Commerzbank's ownership of the Purchased Shares; and

(ii) a share certificate representing the Purchased Shares acquired by Commerzbank.

FEFAD further agrees to undertake any such acts as may be required of it under applicable law as the seller of the Purchased Shares to make the transfer of title in the Purchased Shares to Commerzbank become effective.

4.4 The parties to this Agreement shall take all necessary measures to ensure that as soon as reasonable practicable after the signing of this Agreement an Amendment to the SSA making Commerzbank a party to the SSA shall be duly executed and delivered by the parties to the SSA and Commerzbank.

5. Meeting of the General Assembly of Shareholders

5.1 Upon payment of the Purchase Price as provided herein, FEFAD shall request in writing an extraordinary meeting of the assembly of shareholders, for purposes of electing Commerzbank's nominee to the Board of Directors pursuant to Article 18 of the Bylaws.

5.2 FEFAD shall vote its shares in order cause the election referred to in Section 5.1 to become effective.

6. Governing Law and Dispute Resolution

- 6.1 This Agreement shall be governed by and construed in accordance with German law.
- 6.2 All disputes arising out of or in connection with this Agreement, including disputes concerning its validity, shall be settled exclusively and finally by an arbitration tribunal consisting of one arbitrators, appointed and proceeding according to the Rules of Arbitration of the International Chamber of Commerce, Paris then in effect. The arbitration tribunal shall proceed so as to ensure the enforceability of any award rendered. The place of arbitration shall be Frankfurt am Main. Arbitration shall be held in the English language.

7. Miscellaneous

- 7.1 Should any of the provisions of this Agreement be legally invalid, such invalidity shall not affect the validity of the remaining provisions. Any gap resulting in consequence shall be filled by a provision consistent with the spirit and the purpose of this Agreement.
- 7.2 No party shall assign or pledge any rights or transfer any obligations arising from this Agreement without the prior written consent of the other party.
- 7.3 All notices and other communications provided for herein shall be dated and in writing and shall be deemed to have been duly given when delivered personally or seven days after being sent by registered or certified mail, return receipt requested, postage prepaid, or upon transmission by telecopy with confirming copy sent concurrently by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

For FEFAD: FEFAD
Rruga "Mihal Grameno"
Pallati i ri prane Shkolles se Baletit, Ap. 3/3
Tirana, Albania
Attention: Executive Management
Telefax +355-4-340017.

For Commerzbank: Commerzbank AG
International Bank Relations (ZFI)
60261 Frankfurt am Main
Federal Republic of Germany

Attention: Herrn Jan Baechle
Senior Vice President
Telefax: (+49-69) 1362 2172

7.4 All correspondence between FEFAD and Commerzbank in connection with this Agreement shall be conducted in the English language. Any document or information to be given by the parties hereunder shall be in the English language or if the original is not made up in the English language the original shall be accompanied by a certified translation into the English language.

This Agreement shall be executed in the English language in two counterparts, each of which shall constitute an original instrument.

Frankfurt, 26th March 2002

Foundation for Enterprise Finance and Development

Doris Köhn

Name: Doris Köhn

Title: Chairwoman of the Board
of Trustees

Monika Günthner

Name: Monika Günthner

Title: General Manager

Frankfurt, 26th March 2002

Commerzbank AG

Baechle

Name: Jan Baechle

Title: Senior Vice President