

COMPANY REGULATION

REGULATION NUMBER (8) OF 2013

STATEMENT

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Part One Preliminary and Key Provisions

1 Title

This Regulation is to be referred to as the DHCC Company Regulation No. (8) of 2013 (the "Company Regulation").

2 Issue of Regulation

This Company Regulation is issued in accordance with the Law.

3 Repeal of Regulation

This Company Regulation repeals and replaces the DHCC Company Regulations No. (8) of 2008.

4 Hierarchy

- (1) If there is any conflict between the provisions of this Company Regulation and the Governing Regulation, the provisions of the Governing Regulation shall prevail.
- (2) In the event of any inconsistency between an earlier version of a Regulation and an amended version of the same Regulation, the most recently amended version of the Regulation shall prevail.

5 Commencement

This Company Regulation comes into force on the date of its issuance by the Chairperson.

6 Background

The vision of DHCC is to be the internationally recognized location of choice for quality Healthcare Services and an integrated center of excellence for clinical and wellness services, medical education and research. To assist in achieving this vision, there needs to be a strong and transparent governance framework. No Entity or natural person may operate within DHCC without the appropriate License and/or Miscellaneous Permit.

7 Purpose

The purpose of this Company Regulation is to set out the framework under which companies may become registered within DHCC.

8 Requirement to comply with Regulations

It is a requirement that any Licensee and/or Miscellaneous Permit Holder carrying on business within DHCC shall comply with, submit to and be bound by the relevant Regulations, the applicable Rules or Standards, and all applicable Policies.

9 Provision of services in accordance with Regulations

- (1) No company may operate within DHCC except in accordance with the applicable Regulations, including any Rules, Standards and Policies made under the Regulations.



- (2) Failure to comply with the applicable Regulations or Rules may result in:
 - (a) a Penalty being imposed; and/or
 - (b) the termination of the company's registration.
 - (c) eviction of the person or Entity operating within DHCC without being registered under this Company Regulation.

10 Amendment of Regulations

The Chairperson may, from time to time, approve amendments to this Company Regulation in accordance with the provisions of the Governing Regulation.

11 Company Regulation to be read in conjunction with other Regulations

This Company Regulation should be read in conjunction with the following Regulations and any amendments to such Regulations:

- (1) Commercial Services Licensing Regulation;
- (2) Complementary and Alternative Medicine Professionals Regulation;
- (3) Education Regulation;
- (4) Governing Regulation;
- (5) Health Data Protection Regulation;
- (6) Healthcare Operators Regulation;
- (7) Healthcare Professionals Regulation;
- (8) Research Regulation; and
- (9) Any other Regulation approved by the Chairperson under the Law.

12 Responsibility for administration of Regulations

The DHCC Board of Directors and the Executive Body of the DHCA are responsible for ensuring proper administration of this Company Regulation and any Rules, Standards and Policies made under this Company Regulation.

13 Savings and Transitional Provisions

- (1) Every person and Entity who is licensed under the repealed DHCC Company Regulation No. (8) of 2008 immediately before the date upon which this present Company Regulation comes into force shall upon that date be deemed to be licensed under the provisions of this Company Regulation.
- (2) This Company Regulation shall not apply to any investigation, inquiry, review, appeal or other similar proceedings commenced before the date upon which this present Company Regulation comes into force and the repealed DHCC Company Regulation No. (8) of 2008 shall continue to apply to that investigation, inquiry, review, appeal or proceedings as if this Company Regulation has not been enacted.
- (3) Where on the date upon which this present Company Regulation comes into force, any investigation, inquiry, review, appeal or other similar proceedings is in process, the relevant committee or panel carrying out that investigation, inquiry, review, appeal or proceedings shall continue to exist to complete the investigation, inquiry, review, appeal or other similar proceedings and may make such order, ruling or direction as it could have made under the powers of the repealed DHCC Company Regulation No. (8) of 2008.
- (4) A person who was appointed as a member of any Agency, committee or panel before the date upon which this present Company Regulation comes into force, and whose term has not expired by that date, shall continue to be a member of such Agency, committee or panel until the expiry of his term.

Part Two Interpretation

14 Definitions

Capitalized terms not defined in this Company Regulation shall have the meanings ascribed to them in the Governing Regulation. Words in the singular include the plural and words in the plural include the singular. Unless it is specifically stated otherwise in another Regulation or unless the context otherwise requires:

AED means the lawful currency of the UAE;

Academic and Research Council means the Academic and Research Council established by Part Five of the Governing Regulation;

Agency means each or any of the boards, councils, registries and similar Entities established under the Governing Regulation and includes the Central Governance Board, Appeals Board, Licensing Board, Planning Council, Quality Council, Academic and Research Council, Professionals Council, Registry of Companies and CPQ;

Annual General Meeting has the meaning given in section 70;

Appeals Board means the Appeals Board as established by Part Six of the Governing Regulation;

Applicant means the applicant as defined in the specific Regulations that submits an Application;

Application means an application for a License, a Provisional Approval Letter, or a Miscellaneous Permit made under the specific Regulations;

Approved Non-Degree Granting Healthcare Program means a Non-Degree Granting Healthcare Program that has been approved by the Registry of Companies;

Approved Post-Graduate Healthcare Education Program means a Post-Graduate Healthcare Education Program that has been approved by the Registry of Companies;

Approved Post-Graduate Medical Education Program means a Post-Graduate Medical Education Program that has been approved by the Academic and Research Council;

Arrangement includes a reorganization of the share capital of a Company by the consolidation of shares of different classes or by the division of shares into shares of different classes or by both these methods;

Articles of Association means the Articles of Association of a Company as originally passed or as in force from time to time;

Branch means the branch of a company or any other Entity or body formed outside DHCC under the laws and regulations applicable in its place of incorporation and authorized to conduct business through this branch inside DHCC;

Chairperson means the Chairperson of the DHCA appointed under Article (8) of the Law;



Clinical Operating Permit means the authorization issued by the Registry of Companies to a healthcare operator allowing it to conduct one or more Clinical Activities;

Commercial Companies Law means the UAE Law No. (8) of 1984 (as amended) in respect of Commercial Companies;

Commercial Services means services provided by a Licensed Commercial Company;

Commercial Services Licensing Regulation means the DHCC Commercial Services Licensing Regulation No. (9) of 2013, as in force from time to time;

Company means a company incorporated under this Company Regulation;

Company Regulation means the DHCC Company Regulation No. (8) 2013, as in force from time to time;

Complementary and Alternative Medicine Professionals Regulation means the DHCC Complementary and Alternative Medicine Professionals Regulation No. (3) of 2013, as in force from time to time;

Continuing Medical Education Program means a program of continuing education for Licensed Healthcare Professionals;

Continuing Healthcare Education Program, means a program of continuing education for Licensed Healthcare Professionals but does not include a Continuing Healthcare Education Program;

Court means the Dubai Courts;

Degree Granting Healthcare Program means an Education Program that refers to the period of didactic and if appropriate clinical experience in a healthcare setting culminating in certification, certificate, diploma or degree;

DHCA means the Dubai Healthcare City Authority established under Article (4) of the Law, and comprises the Chairperson, the DHCC Board of Directors and the Executive Body;

DHCA Services means the services provided by the DHCA in carrying out the objectives and functions of the DHCA and include the services provided by the Agencies, and any Entity established by the DHCA for the purposes of providing such services;

DHCC means the Dubai Healthcare City established in the Emirate of Dubai under Resolution No. (9) of 2003;

DHCC Board of Directors means the board established under Article (10) of the Law;

Debenture includes debenture stock, bonds and any other securities of a Company whether constituting a charge on the assets of the Company or not;

Document and **Documentation** means information stored in any form of writing, code or visual depiction and the manner in which such information is stored is irrelevant for the purpose of deeming the information to constitute a "document" for the purpose of this definition. A "document" includes summons, notice, order or other legal process and registers;



Education Permit means the authorization issued by the Registry of Companies to an Entity under the Education Regulation and the applicable Rules, Standards and Policies allowing it to conduct one or more Education Programs in the DHCC;

Education Program means a program to educate or train persons in one or more areas, including a:

- (1) Post-Graduate Medical Education Program;
- (2) Post-Graduate Healthcare Education Program;
- (3) Continuing Medical Education Program;
- (4) Continuing Healthcare Education Program;
- (5) Degree Granting Healthcare Program;
- (6) Non-Degree Granting Healthcare Program;
- (7) High School Education Program; and
- (8) Pre-School Education Program;

Education Regulation means the DHCC Education Regulation No. (5) of 2013, as in force from time to time;

Electronic Record means a record generated, communicated, received or stored by electronic, magnetic, optical or other means in an information system or for transmission from one information system to another;

Electronic Signature means any letters, characters, numbers or other symbols in digital form attached to or logically associated with an Electronic Record, and executed or adopted with the intention of authenticating or approving the Electronic Record;

Entity means an organization, institution, or corporation other than a natural person;

Executive Body means the Executive Body of the DHCA established under Article (12) of the Law and is presently known as Dubai Healthcare City Regulatory Authority (“DHCR”);

High School Education Program means any high school education for children provided by qualified teachers and professionals, culminating in certification, certificate or diploma.

Financial Year means, in respect of a Company, each successive period of twelve months commencing immediately after the end of the previous Financial Year provided that:

- (1) the first Financial Year of a Company shall commence on the date of its incorporation and shall be for a period of not less than 6 months, nor more than 18 months as determined by the Company and as notified to the Registry of Companies in the form prescribed within 3 months of the date of incorporation of the Company; and
- (2) a Company may, by notice to the Registry of Companies in the form prescribed, specify a new Financial Year provided that in no case may the Financial Year of a Company exceed 18 months or be shorter than 6 months.

Governing Regulation means the DHCC Governing Regulation No. (1) of 2013, as in force from time to time;

Health Data Protection Regulation means the DHCC Health Data Protection Regulation No. (7) of 2013, as in force from time to time;

Healthcare Operators Regulation means the DHCC Healthcare Operators Regulation No. (4) of 2013, as in force from time to time;



Healthcare Professionals Regulation means the DHCC Healthcare Professionals Regulation No. (2) of 2013, as in force from time to time;

Healthcare Services means the healthcare and medical services provided by Licensed Healthcare Professionals, Licensed Complementary and Alternative Medicine Professionals and Licensed Healthcare Operators, and includes, but is not limited to, diagnosis, treatment, advice, service or goods provided in respect of the physical or mental health of a person;

Inaugural Meeting means the meeting required to be held under section 69;

Law means Dubai Healthcare City Law No. (9) of 2011, issued by the Ruler of Dubai, establishing Dubai Healthcare City Authority, and any amendments or variations to that Law

License means a license issued by the Licensing Board with regard to healthcare professionals and Complementary and Alternative Medicine professionals or a license or permit issued by the Registry of Companies with regard to commercial companies, including Clinical Operating Permits, Non-Clinical Operating Permits, Research Permits and Education Permits;

Licensed Commercial Company means a company registered under this Company Regulation and licensed under the Commercial Services Licensing Regulation to provide Commercial Services within DHCC;

Licensee means a Licensed Healthcare Professional, Licensed Complementary and Alternative Medicine Professional, a Licensed Healthcare Operator, an Approved Education Operator, an Approved Research Operator, a Licensed Commercial Company, or a Non-Clinical Operating Permit Holder;

Licensing Board means the Licensing Board as established by Part Six of the Governing Regulation;

Memorandum means the Memorandum of association of a Company, as originally delivered in writing to the Registry of Companies or as lawfully altered from time to time;

Miscellaneous Permit means the authorization issued by the Registry of Companies to an Entity or a person allowing it to conduct one or more activities that is not a Healthcare Service, research activity or education activity on a short-term basis;

Non-Degree Granting Healthcare Program means an Education Program that refers to the period of didactic and if appropriate clinical experience in a healthcare setting which does not culminate in certification, certificate, diploma or degree, and includes a residency training program and a house-officer training program;

Non-Clinical Operating Permit means the authorization issued by the Registry of Companies to a Licensed Commercial Company allowing it to conduct one or more activities that are not Healthcare Services, research activities or education activities, and includes a public health permit;

Non-Clinical Operating Permit Holder means an Entity holding a Non-Clinical Operating Permit;

Officer in relation to a body corporate, includes a director, and if one has been appointed, the secretary;

Ordinary Resolution means a resolution passed by a simple majority of such Shareholders who (being entitled to do so) vote in person or, where proxies are allowed, by proxy, at a general meeting of which notice specifying the intention to propose the resolution as an ordinary resolution has been duly given;



Parent means, with respect to a Branch, an Entity that has been legally formed outside DHCC, under the applicable law of the jurisdiction of formation, of which the Branch is a division, provided that a Branch is not a legal Entity separate from the Parent;

Penalty means the penalty imposed on a Licensee in accordance with the applicable Regulations;

Policy means a defined course of action determined by the DHCA and adopted in accordance with the provisions of the Governing Regulation, on the position, strategy or standing on a subject that shall be followed by those identified within the policy;

Post-Graduate Healthcare Education Program means the period of didactic and clinical training in a healthcare specialty that follows the completion of a recognized undergraduate healthcare education program and which prepares the Trainee for the independent practice of a healthcare specialty, but does not include a Post-Graduate Medical Education Program;

Post-Graduate Medical Education Program means the period of didactic and clinical training in a medical specialty that follows the completion of a recognized undergraduate medical education program and which prepares the Trainee for the independent practice of a medical specialty;

Pre-School Education Program means any non-compulsory pre-school education for children provided by qualified teachers and professionals with the primary objective of promoting structured educational experiences based on learning through play and social interaction;

Records means all papers, records, recorded tapes, photographs, statistical tabulations or other documentary materials or data, regardless of physical form or characteristics, including in written or electronic form;

Register means the register of Licensees maintained by the Registry of Companies under the Commercial Services Licensing Regulation or the register of Companies maintained by the Registry of Companies under this Company Regulation, including the register of Shareholders;

Registrar means the Registrar appointed under the Governing Regulation with the responsibilities specified in the Governing Regulation and other applicable Regulations;

Registry of Companies means the Registry of Companies established by Part Seven of the Governing Regulation;

Regulation means any regulation approved by the Chairperson under the Law, including any amendments to any such regulation;

Research Permit means the authorization issued by the Registry of Companies to an Entity under the Research Regulation and the applicable Rules, Standards and Policies allowing it to conduct one or more research activities in DHCC;

Research Regulation means the DHCC Research Regulation No. (6) of 2013, as in force from time to time;

Rules means the rules approved by the Chairperson or DHCC Board of Directors as provided for under the Governing Regulation and any other Regulation, and include the rules as in force from time to time;



Standard means a specification that defines materials, methods, processes or practices and that is used to provide a basis for determining consistent and acceptable minimum levels of quality, performance, safety and reliability;

Share means a share in the authorized share capital of a Company;

Shareholder means the subscriber to the Memorandum of a Company who is deemed to have agreed to become Shareholder of the Company and on its registration with the Registry of Companies shall be entered as Shareholder in the Register and every other person who agrees to become a Shareholder of a Company, and whose name is entered in its Register of Shareholders;

Special Resolution means a resolution passed by a majority of not less than three-fourths of such Shareholders who (being entitled to do so) vote in person or, where proxies are allowed, by proxy, at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given.

Trainee means a person who is participating in an Approved Post-Graduate Medical Education Program, an Approved Post-Graduate Healthcare Education Program or an Approved Non-Degree Granting Healthcare Program;

UAE means the United Arab Emirates.

15 Provisions of Commercial Companies Law specifically excluded

Save for under Part Eight of this Regulation, the provisions of the Commercial Companies Law are specifically inapplicable if there is any express provision contrary to such law in this Company Regulation.

16 Obligations, duties and acts apply to directors

Wherever in this Company Regulation an obligation or duty is placed on a Company or a Company is authorized to do any act, then unless it is otherwise provided, such obligation, duty or act may be carried out by the directors of the Company.

17 Regulations include amendments

References in this Company Regulation, or any other Regulations, to the Regulations are to be read as references to any of such Regulations as in force from time to time.

18 Headings

The headings used in this Company Regulation are included for convenience of reference only and shall be ignored in the construction or interpretation of this Company Regulation.

19 Time periods

References in Regulations to time periods are to be construed in accordance with the Gregorian calendar. Whenever Regulations reference a period of time, such period shall include every calendar day, except that:

- (1) when the last day of the period falls on a Friday or a Saturday, the period shall end instead on the next Sunday; and
- (2) subject to subsection (1), when the last day of the period falls on a UAE or Dubai public holiday, the period shall end instead on the next day that is not a

UAE or Dubai public holiday.

20 Gender

Pronouns indicating male gender are used to refer to persons of both genders.

21 Documents in languages other than English

A person who wishes to submit an original document, a photocopy or an electronic version of a document written in a language other than English shall also submit a notarized translation into English of such document prepared by a legal translation service acceptable to the Officer, employee or agent providing the DHCA Services to whom the document is submitted.

22 Documents in writing

- (1) Unless otherwise specifically stated, references in the Regulations to any requirement for a document or notice to be submitted to the Registry of Companies, the Licensing Board or any other Agency in writing shall be satisfied if such document or notice is submitted in the form of an Electronic Record.
- (2) Unless otherwise specifically stated, references in the Regulations to any requirement for a signature on any document or notice to be submitted to the Registry of Companies, the Licensing Board or any other Agency is to be construed as being satisfied by an Electronic Signature that may be proved in a manner satisfactory to the Registry of Companies.

23 Meaning of Person

Unless the context otherwise requires, any reference in the Regulations to a "person" includes a reference to a natural person, and to a body corporate, limited liability company, association or partnership and to the legal or personal representatives, legal successors and lawful assigns of any such person.

24 Reference to sections

Unless otherwise specifically stated, references in the Regulations to a section and subsection mean the section and subsection of that Regulation.

Part Three Powers and Responsibilities

25 Appointment of Registrar

- (1) A Registrar of the Registry of Companies (“**the Registrar**”) shall be appointed in accordance with section 123 of the Governing Regulation.
- (2) The Registrar shall be a public officer and shall have overall supervision over the Registry of Companies. The Registrar shall have the powers and shall discharge the duties conferred or imposed upon him under the Governing Regulation, this Company Regulation and any applicable Rules, Policies and Standards.
- (3) The provisions of Part Seven of the Governing Regulation shall apply with regard to the office of the Registry of Companies and to the Registrar.



Part Four Incorporation of Company

26 Mode of forming a Company

- (1) Any one or more persons, by subscribing their names to a Memorandum and otherwise complying with the requirements of this Company Regulation, may apply to form a Company with limited liability.
- (2) The maximum number of Shareholders in a Company shall not exceed 30 at any time.
- (3) A Company shall be considered formed only when its name is entered on the Register.
- (4) Such a Company shall be a Company having the liability of its Shareholders limited by the Memorandum.
- (5) Each such Company formed under this Company Regulation shall have UAE nationality, but this does not necessarily lead to the Company being entitled to privileges reserved for UAE nationals.

27 Registration of a Company

- (1) Any application by an Entity to be registered as a Company shall be made in such form and shall include all such information and documents as may be stipulated by the Registry of Companies from time to time.
- (2) No company shall be registered without the consent of the Registry of Companies, which, subject to this Company Regulation, shall be granted in its absolute discretion, and
- (3) Subject to such other Regulation and to any waiver which the Registry of Companies may exercise from time to time, any application under subsection (1) shall:
 - (a) be made to the Registry of Companies in such form and manner as the Registry of Companies may require from time to time;
 - (b) include details of the first directors and, if applicable, the Company secretary;
 - (c) include the Memorandum and Articles of Associations of the Company;
 - (d) meet the Company share capital requirements set out in section 51;
 - (e) include payment of the relevant registration fee as determined by the Registry of Companies from time to time, where applicable; and
 - (f) include such other documents or information as the Registry of Companies may in its absolute discretion require from time to time.

28 Certificate of incorporation to be issued

Following the approval of the application to form a Company, the Registry of Companies shall issue a certificate evidencing incorporation of the Company.

29 Continuation of incorporation inside DHCC

- (1) A company incorporated outside DHCC may, if authorized by the laws of the jurisdiction in which it is incorporated, apply to the Registry of Companies for

continuation as a Company.

- (2) Such application shall be made in such form and shall include:
 - (a) payment of the relevant registration fee as determined by the Registry of Companies from time to time; and
 - (b) all such information and documents as may be stipulated by the Registry of Companies from time to time.

30 Certificate of continuation to be issued

- (1) Following the approval of the application for continuation, the Registry of Companies shall issue a provisional certificate of continuation on such terms and conditions as the Registry of Companies considers appropriate. The Company shall, within such time as may be stipulated, file with the Registry of Companies the certificate evidencing that the Company has ceased to be incorporated under the laws of the jurisdiction of its former operation.
- (2) If the Registry of Companies is satisfied that the Company has ceased to be incorporated under the laws of the jurisdiction of its former operation, the Registry of Companies shall issue a final certificate of continuation on such terms and conditions as the authority considers appropriate.
- (3) The final certificate of continuation shall be effective from the date of continuation stated in the provisional certificate of continuation.
- (4) From the date of continuation stated in the provisional certificate of continuation or final certificate of continuation:
 - (a) The memorandum of continuation and articles of continuation shall become the Memorandum and Articles of Association of the Company;
 - (b) The certificate of continuation shall be treated as the certificate of incorporation of the Company;
 - (c) The Company shall be subject to this Company Regulation and all applicable Regulations as if it had been incorporated as a Company under this Company Regulation.

31 Continuing rights and liabilities

Where a company is continued as a Company under this Company Regulation, the Company shall:

- (1) continue to have all the property, rights and privileges and be subject to all the liabilities, disabilities and debts that it had before the continuation; and
- (2) remain a party in any legal proceedings commenced in any jurisdiction in which it was a party before the continuation.

32 Continuation of incorporation outside DHCC

- (1) A Company may, if authorized by the Registry of Companies, apply to the competent authority outside DHCC to seek continuation of the Company outside DHCC.
- (2) Such application shall be made in such form and shall include all such information and documents as may be stipulated by the Registry of Companies from time to time. The Company shall apply to the Registry of Companies using the application form prescribed by the Registry of Companies.

- (3) Such application shall include:
 - (a) payment of the relevant registration fee as determined by the Registry of Companies from time to time, where applicable; and
 - (b) all such information and documents as may be stipulated by the Registry of Companies from time to time.
- (4) A Company shall not apply to be continued outside DHCC unless:
 - (a) The laws of the jurisdiction in which continuation is sought provides that the Company shall, after continuation in that jurisdiction:
 - (i) continue to have all the property, rights and privileges and be subject to all the liabilities, disabilities and debts that it had before the continuation; and
 - (ii) remain a party in any legal proceedings or disciplinary proceedings commenced in any jurisdiction in which it was a party before the continuation.
 - (b) The Company places a legible and comprehensible notice of intention to continue the Company outside DHCC for at least 3 consecutive days in 1 English language daily newspaper and 1 Arabic language daily newspaper published and having wide circulation in the UAE 45 days prior to making the application for continuation outside DHCC.
- (5) Following the approval of the application for continuation outside DHCC and upon the Registry of Companies' receipt of the instrument of continuation issued by a competent authority of the jurisdiction of continuation, the Registry of Companies shall strike the Company from the Register.

33 No right of appeal

The Company has no right to seek an appeal of the Registry of Companies' decision to refuse to grant its consent for the registration or continuation of a Company inside or outside DHCC.

34 Requirement to be Licensed

No Company may provide Commercial Services or Healthcare Services at DHCC without the applicable License granted by the Registry of Companies pursuant to Part Seven of the Governing Regulation and any other applicable Regulation.

35 Requirements of Memorandum

- (1) The Memorandum of every Company shall be in English or if written in any language other than English, be accompanied by a certified English translation and shall state:
 - (a) the name of the Company which in all cases shall be followed by the word "FZ LLC" as the last word of the name;
 - (b) that the liability of its Shareholder(s) is limited;
 - (c) the objects of the Company set out with such degree of specificity as the Registry of Companies may from time to time require;
 - (d) the names, addresses and nationalities of the persons who subscribe their names to the Memorandum;
 - (e) the period, if any, fixed for the duration of the Company, or the event, if



- any, on the occurrence of which the Company is to be dissolved;
- (f) the amount of authorized share capital with which the Company proposes to be registered, which shall be in AED, and which shall be divided into Shares of a fixed amount; and
 - (g) that the persons who subscribe their names to the Memorandum agree to take such number of Shares of the Company as may be allotted to them respectively by the directors, not exceeding the number of shares for which they respectively subscribe.
- (2) The Memorandum of every Company shall be signed by each subscriber referred to in subsection 1(g) in the presence of a staff of the Registry of Companies.
 - (3) A Company may not alter the provisions of its Memorandum except in a manner provided for in this Company Regulation.

36 Prohibition of registration of Companies with undesirable names

- (1) No Company shall be registered with a name which in the opinion of the Registry of Companies is undesirable or contradicts the purpose for which the Company is registered.
- (2) Without prejudice to the generality of section 36(1), no Company shall, except with the express approval of the Registry of Companies, be permitted to be registered with a name which:
 - (a) is identical to the name by which another Company is already registered or incorporated under this Company Regulation or so nearly resembles that name as to be likely to deceive unless that Company signifies its consent in such manner as the Registry of Companies may require;
 - (b) contains words which in the opinion of the Registry of Companies suggests or is likely to suggest the patronage of prominent local persons with no real connection, or connection with any government or authority whether in DHCC, UAE or elsewhere;
 - (c) contains the word "Dubai", "Emirates", "UAE", "municipal" or "chartered";
 - (d) any other name which the Registry of Companies shall from time to time prescribe as "sensitive";
 - (e) does not contain the word "FZ LLC";
 - (f) the use of which would constitute a violation of the laws of the UAE applicable to intellectual property rights; or
 - (g) specifies words or expressions for which approval is required from the Registry of Companies for use by a Licensee in DHCC.
- (3) If, through inadvertence or otherwise, a Company on its first registration with a new name is registered with a name which in the opinion of the Registry of Companies too closely resembles the name by which a Company in existence is already registered, or a name in respect of which the law applicable to intellectual property rights affords prior protection, the first mentioned Company shall, with the approval of the Registry of Companies, change its name.

37 Change of name of a Company

- (1) Subject to sections 36(1) and 36(2), a Company may by Special Resolution change its name if the Registry of Companies has, on application, approved in writing, the proposed name.
- (2) When a Company has passed a Special Resolution for a Company's change of



name, it shall, within 14 days of the passing of the Special Resolution and the Registry of Companies' approval, give notice of the said resolution by advertisement in a newspaper prescribed by the Registry of Companies.

- (3) The Registry of Companies shall, on receipt of a certified copy of the special resolution and evidence of notice referred to in section 37(2) together with such fees as may be prescribed by the DHCA from time to time, where applicable:-
 - (a) enter the new name on the Register in place of the former name;
 - (b) enter on the Register the effective date of the change of name which shall be the date of entry of the new name on the Register; and
 - (c) issue a new certificate evidencing the change of name.
- (4) The change of name of a Company shall not affect any rights or obligations of the Company, or render defective any legal proceedings by or against the Company, and any legal proceedings that might have been continued or commenced against it in its former name may be continued or commenced against it in its new name.

38 Powers and objects of a Company ultra vires

No act of a Company shall be invalid by reason only of the fact that the Company was without capacity or power to perform the act.

39 Procedures for alteration of Memorandum

- (1) A Company may, by Special Resolution passed at a general meeting of Shareholders of which due notice has been given, amend the provisions of its Memorandum but the amendment shall only take effect if and when the same has been accepted for registration by the Registry of Companies.
- (2) Section 27 shall apply to a Company wishing to change its Memorandum as if the Company were applying to be registered.

40 Articles of Association

- (1) The administration of every Company shall be regulated by Articles of Association and a Company may in its Articles of Association make provision for any matter including, but not limited to, the matters set out in subsection (2).
- (2) A Company's Articles of Association shall be in English or if written in any language other than English, accompanied by a certified English translation and shall provide for:
 - (a) the transfer of Shares and the registration of estate representatives of deceased Shareholders;
 - (b) a general meeting of the Company at least once in every calendar year;
 - (c) the keeping of its accounts and the laying of financial statements before general meetings of the Company;
 - (d) an audit of the accounts of the Company for each Financial Year by an auditor appointed at the general meeting;
 - (e) the duties of the directors and secretary to the Company;
 - (f) the number of Shareholders required to constitute a quorum at any general meeting of the Shareholders of the Company; and
 - (g) the appointment of a chairman for any general meetings.
- (3) In addition, a Company may at the time of incorporation, or from time to time



thereafter, amend its Articles of Association if appropriate to regulate:

- (a) the transfer of shares (subject to due compliance with the requirement of registration of any such transfers in accordance with this Company Regulation);
 - (b) the declaration and payment of dividends;
 - (c) the duties and responsibilities of its board of directors and of any other Officers with special responsibilities or duties;
 - (d) the manner of appointment of alternate directors;
 - (e) the appointment, functions, duties, remuneration and removal of all agents, Officers, and servants of the Company, and the security, if any, to be given by them to the Company;
 - (f) the date on which the annual meetings of the Company shall be held;
 - (g) the calling of meetings of the Company, and of the board of directors, the requirements as to proxies and requisite majorities (save where the requisite majority is specified by this Company Regulation) in voting on any particular matter or class of matters and the procedure to be adopted at such meetings;
 - (h) the quorum at meetings of directors; and
 - (i) the conduct in all other particulars of the affairs of the Company, as well as for the application of its funds and profits.
- (4) The persons subscribing their names to the Memorandum of a Company shall likewise subscribe their names to the Articles of Association.
- (5) Subject to an express provision in the Articles of Association to the contrary and subject to subsection (6), the directors of a Company may after its incorporation propose to amend the Articles of Association and any such proposal shall be submitted to a general meeting of the Company and to the extent they are approved by a Special Resolution at such meeting, shall only then take effect if and when the same has been accepted for registration by the Registry of Companies.
- (6) Section 27 shall apply to a Company wishing to change its Articles of Association as if the Company was applying to be registered.

41 Registration and re-registration of Companies

- (1) The Registry of Companies shall maintain a Register of Companies in such form as it may determine in accordance with the Governing Regulation.
- (2) Where the Registry of Companies consents to the registration of a Company under section 27(1) and has received or waived the documents under section 27(2), the Registry of Companies may, if it is satisfied that the Company shall be in compliance with this Company Regulation, register the Memorandum and Articles of Association in accordance with section 27 and shall then issue one or more certificates showing the name and date of incorporation of the Company and any other items the Registry of Companies may from time to time consider appropriate.

42 Company referred to by name in Memorandum

From the date of the registration of a Company by the Registry of Companies, the subscribers to the Memorandum, together with such other persons as may from time to time become Shareholders of the Company, shall be a body corporate by the name



contained in the Memorandum, capable forthwith of exercising all the functions of an incorporated Company, and having perpetual succession but with such liability on the part of the members to contribute to the assets of the Company in the event of its being wound up limited as is mentioned in this Company Regulation.

43 Certificate of registration to be conclusive evidence

No defect in the formalities leading up to the incorporation of a Company shall affect the validity of its incorporation and the certificate of registration shall be conclusive evidence of the due incorporation of the Company and the date of its incorporation.

44 Effect of Memorandum and Articles of Association

- (1) Subject to this Company Regulation, the Memorandum and the Articles of Association when registered, shall bind the Company and the Shareholders thereof to the same extent as if they respectively had been signed by each Shareholder and contained covenants on the part of each Shareholder to observe all the provisions of the Memorandum and the Articles of Association.
- (2) All money payable by any Shareholder to the Company under the Memorandum or Articles of Association shall be a debt due from him to the Company.
- (3) If any Company fails to file a Memorandum and Articles of Association or its amendments in accordance with this Company Regulation, it shall be required to file such Memorandum and Articles of Association or amendments within a period of 10 calendar days from the date it is notified by the Registry of Companies to do so and the Company may be required to pay to the Registry of Companies a Penalty as may be stipulated by the Registry of Companies from time to time. Any amendments made to the Memorandum and Articles of Association and not filed in accordance with this Company Regulation shall not be enforceable against the Registry of Companies and third parties.

45 Alterations to increase liability of Shareholders to contribute to authorized share capital

Notwithstanding anything in the Memorandum or Articles of Association of a Company, any alteration in the Memorandum or Articles of Association that has the effect of increasing the liability of Shareholders to contribute to the authorized share capital of the Company shall require the unanimous consent of all Shareholders.

46 Copies of Memorandum and Articles of Association to be given to Shareholders

- (1) A Company shall, on being so required by a Shareholder, send such Shareholder a copy of the Memorandum and Articles of Association, including all alterations to the Memorandum or Articles of Association of the Company, subject to the payment by the Shareholder of the cost thereof.
- (2) If a Company defaults in complying with subsection (1), the Company and every Officer of the Company may be required to pay to the Registry of Companies a Penalty as may be stipulated by the Registry of Companies from time to time.

47 Form of contracts

- (1) Contracts on behalf of a Company may be made in written or other form by any person acting under its authority, express or implied.



- (2) A contract made according to this section shall be effectual in law and shall bind the Company and its successors and all other parties thereto.
- (3) A contract made according to this section may be varied or discharged in the same manner in which it is authorized by this section to be made.
- (4) Where a contract purports to be made by a Company or by a person as agent for a Company, at a time when the Company has not yet been formed, then subject to any agreement to the contrary, the contract shall have effect as a contract entered into by the person purporting to act for the Company or as agent for it and such person shall be personally liable on the contract.
- (5) Any contract purported to be made in the manner set out in subsection (4) may subsequently be unilaterally adopted by the Company and the Company shall thereupon become a party thereto to the same extent as if the contract had been made after the incorporation. Any adoption of such contracts shall have the effect of discharging all liability of the agent or person purporting to act on the Company's behalf in entering into the contract.

48 Bills of exchange and promissory notes

A bill of exchange or promissory note shall be deemed to have been made, accepted or endorsed on behalf of a Company if made, accepted or endorsed in the name of, or by or on behalf of or on account of the Company by any person acting under its authority and if so endorsed, the person signing the endorsement shall not be liable thereon.

49 Execution of instruments abroad

- (1) A Company may empower any person, either generally or in respect of any specified matters, as its agent, to execute documents, agreements, deeds or others similar on its behalf in any place whether within or outside DHCC.
- (2) A document, agreement, deed or other similar instrument signed by such an agent on behalf of the Company shall bind the Company and have the same effect as if it had been executed by the Company itself.

50 Authentication of documents

A document or proceeding requiring authentication by a Company may be signed by a director, secretary or other authorized Officer of the Company.



Part Five Share Capital, Share Transfer and Dividends

51 Company share capital requirements

- (1) The minimum authorized share capital of a Company shall be determined by the Registry of Companies from time to time.
- (2) The share capital of a Company shall be of one class of Shares, with all Shares being of an equal value, and all Shares holding the same rights as to voting, dividends, redemptions and distributions or, subject to the approval of the Registry of Companies, divided into several classes or otherwise subdivided into any other forms of rights to, or interests in, Shares, or in a form of not carrying any voting rights.
- (3) The Registry of Companies shall have the discretion to waive the requirement that the amount of authorized share capital of a Company be fully paid up.
- (4) The Registry of Companies shall issue a Company with a certificate in accordance with section 28 or 30 if, on an application made to it by the Company in the prescribed form, it is satisfied that the Company's share capital is not less than the prescribed minimum, and there is delivered to it a declaration complying with the following Regulation.
- (5) The declaration shall be in the prescribed form and be signed by the Shareholders of the Company and it shall state that the Company's share capital is not less than the prescribed minimum together with such evidence as the Registry of Companies may require that an amount representing such capital has been deposited for the benefit of the Company in an account opened in the name of the Company under formation with a bank in the UAE holding a commercial banking license from the UAE Central Bank.
- (6) Unless the Registry of Companies shall otherwise specifically approve, all capital of a Company shall be subscribed in cash only.

52 Issue at a premium

Shares may be issued at a premium (i.e. for a price greater than their nominal value).

53 Application of premiums received on issue of Shares

- (1) Where a Company issues Shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to an account, to be called the "share premium account".
- (2) The provisions of this Company Regulation relating to the reduction of the authorized share capital of a Company shall, except as provided in this section, apply as if the share premium account were paid-up share capital of the Company provided that in the case of an exchange of Shares the excess value of the shares acquired over the nominal value of the shares being issued may be credited to a contributed surplus account of the issuing Company.
- (3) The share premium account may, notwithstanding anything in subsection (1) be applied by the Company:
 - (a) in paying up un-issued Shares of the Company to be issued to Shareholders of the Company as fully paid bonus Shares; or
 - (b) in writing off:



- (i) the preliminary expenses of the Company; or
- (ii) the expenses of, or the commission paid or discount allowed on, any issue of Shares or Debentures of the Company; or
- (c) in providing for the premiums payable on redemption of any Shares or of any Debentures of the Company.

54 Power to issue Shares

Subject to this Company Regulation and without prejudice to any rights attached to any existing shares, any Share may be issued with such rights or restrictions as provided for in a Company's Articles of Association and approved by the Registry of Companies.

55 Power of Company to alter its share capital

- (1) Subject to provisions in this Company Regulation, a Company, if authorized by a Special Resolution and by its Articles of Association, may increase its authorized share capital by issuing new Shares of such amount as it thinks expedient.
- (2) A Company may not without the consent of the Registry of Companies create a share capital denominated in a currency other than AED.

56 Reduction of authorized share capital

- (1) A Company, if authorized by a Special Resolution may, subject to any order made by the Registry of Companies under section 27, and to its Memorandum and Articles of Association, on such terms as it may decide, reduce its authorized share capital in any way, and in particular, without prejudice to the generality of the foregoing power, by:
 - (a) either with or without extinguishing or reducing liability on any of its Shares cancel any paid up capital that is lost or underrepresented by available assets; or
 - (b) either with or without extinguishing or reducing liability of any of its Shares and either with or without reducing the number of such Shares pay off any capital that is in excess of the requirements of the Company.
- (2) No Company shall reduce the amount of its authorized share capital by virtue of subsection (1) unless on the date from which the reduction is to have effect a letter addressed to the Registry of Companies shall be signed by all the directors of the Company declaring either that on that date the Company is solvent or that all the creditors of the Company on that date have expressed in writing their concurrence in the reduction.
- (3) Where a Company reduces the amount of its authorized share capital, then within 14 days after the date from which the reduction has effect, the Company shall file a Memorandum, with a copy of the letter referred to in subsection (2) annexed thereto with the Registry of Companies stating that this section has been duly complied with.

57 Nature and transfer of Shares

- (1) Subject to such other Regulations as may be made by the Registry of Companies the Shares or other interests of any Shareholder in a Company shall be personal estate, transferable in a manner provided by the Articles of Association of the Company and subject only to the restrictions provided therein.
- (2) Notwithstanding anything in the Articles of Association of a Company, it shall not



be lawful for the Company to register a transfer of Shares in the Company unless a proper instrument of transfer has been delivered to the Company and the Shares transferred have been registered by the Registry of Companies.

- (3) Nothing in this section shall prejudice any power of the Company to register as Shareholder any person to whom the right to any Shares of the Company has been transmitted by operation of law.
- (4) Subject to such other Regulations as may be made by the Chairperson, a pledge over the Shares or other interests of any Shareholder in a Company may be created pursuant to the provisions of the applicable laws of UAE.

58 Transfer by estate representative

A transfer of the Share or other interest of a deceased Shareholder of a Company made by such person's estate representative shall, although the estate representative is not himself a Shareholder of the Company, be as valid as if he had been such a Shareholder at the time of the execution of the instrument of transfer.

59 Certificate to be evidence of title

A certificate of the Company specifying any Shares held by any Shareholder, shall be prima facie evidence of the title of the Shareholder to the Shares.

60 Bearer Shares Prohibited

It shall not be lawful for any Company to issue bearer shares.

61 Dividends and other distributions

- (1) A Company shall not declare or pay a Dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that:
 - (a) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or
 - (b) the realizable value of the Company's assets would thereby be less than the aggregate of its liabilities and its share capital and share premium accounts.
- (2) For the purposes of this section, contributed surplus includes proceeds arising from donated Shares, credits resulting from the redemption or conversion of Shares at less than the amount set up as nominal capital and donations of cash and other assets to the Company.

Part Six Management and Administration

62 Registered office of a Company

- (1) A Company shall at all times have a registered office in DHCC to which all communications and notices may be addressed.
- (2) Notice of every change to the registered office shall be given to the Registry of Companies on the prescribed form (if any) within 14 days of the Company making such change but the change shall only be effective as of the date of registration.

63 Service of documents

A document served in relation to any matter under this Company Regulation may be served on a Company by leaving it at the registered office of the Company in DHCC.

64 Publication of name and registered office of Company

- (1) Every Company shall have its name and registered office mentioned in legible characters in all business letters of the Company and in all notices and other official publications of the Company, and in all bills of exchange, promissory notes, endorsements, cheques and orders for money or goods purporting to be signed by or on behalf of the Company, and in all invoices, receipts and letters of credit of the Company.
- (2) If default is made in complying with this section, the Company may be required to pay to the Registry of Companies a Penalty as may be stipulated by the Registry of Companies from time to time.

65 Restriction on commencement of business

- (1) No Company or Branch shall commence or carry on business within the DHCC unless licensed to do so by the Registry of Companies pursuant to Part Seven of the Governing Regulation and any other applicable Regulation. .
- (2) If default is made in complying with subsection (1), the Company may be required to pay to DHCA a Penalty as may be stipulated by Registry of Companies from time to time to be paid to the DHCA. The Registry of Companies may further take the decision, after notifying the Company in writing, to strike the Company off the Register.

66 Power of the Registry of Companies to rectify Register

- (1) The person aggrieved in the situations outlined in this section, or any Shareholder of the Company, may apply to the Registry of Companies for rectification of the Register maintained by the Registry of Companies when:
 - (a) the name of any person is, without sufficient cause, entered in or removed from the Register of Shareholders of a Company maintained by the Registry of Companies;
 - (b) default is made or unnecessary delay takes place in entering on the Register the fact of any person having ceased to be a Shareholder; or
 - (c) any other error or mistake concerning a Company is apparent on the



Register.

- (2) Where an application is made under this section the Registry of Companies may either deny the application or may rectify the Registry of Companies.
- (3) On an application under this section the Registry of Companies may decide any question relating to the title of any person who is a party to the application to have his name entered in or removed from the Register, whether the question arises between a Shareholder or alleged Shareholders, or between Shareholders or alleged Shareholders on the one hand and the Company on the other hand, and generally may decide any question necessary or expedient to be decided for rectification of the Register.

67 Register to be evidence

The Register shall be prima facie evidence of any matters by this Company Regulation directed or authorized to be inserted therein.

68 First directors

The persons who are nominated as such in the Memorandum or Articles of Association of the Company or in the absence thereof, in the official completed application forms for incorporation of the Company with the Registry of Companies shall be the first directors of the Company.

69 Inaugural Meeting of Shareholders to confirm election of directors

- (1) Unless the Memorandum or Articles of Association of the Company provide otherwise, the first directors as defined in section 68 shall convene the Inaugural Meeting which shall be a general meeting of the Shareholders of the Company for the purpose of confirming the identity of those who shall serve as directors of the Company.
- (2) At least 5 days notice in writing of the Inaugural Meeting shall be given to each Shareholder of the Company unless the Shareholders unanimously agree to waive such notice; the notice shall specify the place, date and hour at which the meeting is intended to be held and shall state that at the meeting, the Shareholders present or represented by proxy shall elect the new board of directors.
- (3) The procedure at a meeting called under this section shall be the same as that for an Annual General Meeting called under section 70.
- (4) The quorum for a meeting called under this section shall be a majority of the members of the Company, present in person or by proxy.
- (5) A meeting called under subsection (1) shall be deemed to be the Annual General Meeting for the year in which it is convened.

70 Meetings

- (1) A meeting of Shareholders of a Company shall be convened at least once in every calendar year; this meeting shall be referred to as the "Annual General Meeting". The exception to this is where the Company only has one Shareholder, in which case a resolution signed by or on behalf of such Shareholder by his duly appointed representative shall serve in place of any requirement to hold or determine any matter at a general meeting.



- (2) The director(s) may, whenever they think fit, convene a general meeting; all meetings other than Annual General Meetings shall be called special general meetings.
- (3) Notice of all general meetings shall specify the place, day and hour of the meeting and the general nature of the business to be considered.
- (4) The accidental omission to give notice of a meeting to or the non-receipt of a notice of a meeting by any persons entitled to receive notice shall not invalidate the proceedings of the meeting.

71 Failure to hold Annual General Meeting or to elect directors

- (1) If default is made in calling or holding a general meeting in accordance with section 70(1), the directors shall use their best endeavours to call or hold the meeting at the earliest practicable date.
- (2) If an Annual General Meeting is not held within three months of the date it should have been held or the required number of directors have not been elected at such a meeting, the Company may apply to the Registry of Companies to sanction the holding of a general meeting to put the affairs of the Company in order.
- (3) Upon receipt of such an application made under subsection (2), the Registry of Companies may, in its discretion, make an order allowing the application under such conditions as it thinks fit to impose including ordering the date by which the affairs of the Company shall be put in order.
- (4) Subject to subsection (2), if default is made in calling an Annual General Meeting in accordance with section 70 or to elect the required number of directors at such meeting, any creditors or Shareholder of the Company may apply to the Registry of Companies to order the winding-up of the Company.

72 Position when election of directors does not take place

If the Annual General Meeting or the election of any directors does not take place at the proper time, it shall be lawful for the Company to continue its business and for the existing directors to continue in office.

73 Convening of special general meeting on requisition

- (1) The directors of a Company, notwithstanding anything in its Articles of Association, shall, on the requisition of Shareholders of the Company holding at the date of deposit of the requisition not less than 10 percent (%) of the paid-up capital of the Company which, as at the date of the deposit, carries the right of voting at general meetings of the Company, forthwith duly proceed to convene a special general meeting of the Company.
- (2) The requisition shall state the purposes of the meeting, and shall be signed by the requisitors and deposited at the registered office of the Company, and may consist of several documents in like form each signed by one or more requisitors.
- (3) If the directors do not, within 21 days from the date of the deposit of the requisition duly proceed to convene a meeting, the requisitors, or any of them representing more than 10 percent (%) of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of 3 months from the said date.
- (4) A meeting convened under this section of the requisitions shall be convened in



the same manner, as nearly as possible, as that in which meetings are to be convened by directors.

- (5) Any reasonable expenses incurred by the requisitioners by reason of the failure of the directors to duly convene a meeting shall be repaid to the requisitioners by the Company, and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration in respect of their services to such directors as were in default.

74 Length of notice for calling meetings

- (1) An Annual General Meeting shall be called by not less than 21 days notice in writing and a special general meeting called for the passing of a Special Resolution shall be called by not less than 21 days notice in writing.
- (2) All other special general meetings shall be called by not less than 14 days notice in writing.
- (3) The notice given under subsections (1) and (2) shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, day and time of the meeting, and, in the case of a special general meeting, the general nature of the business to be considered.
- (4) A meeting of a Company shall, notwithstanding that it is called by shorter notice than that specified in subsections (1) or (2), be deemed to have been duly called if it is so agreed:
 - (a) in the case of a meeting called as the Annual General Meeting, by all the Shareholders entitled to attend and vote; and
 - (b) in the case of any other meeting, by a majority in number of the Shareholders having a right to attend and vote at the meeting, being a majority together holding not less than 94 percent (%) in nominal value of the shares giving a right to attend and vote at the meeting.

75 Form of meeting

Unless the Articles of Association otherwise provide, a meeting of directors or of committee of directors or of the Shareholders or any class thereof may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously, and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

76 Power of the Registry of Companies to order meeting

- (1) If for any reason it is impracticable to call a meeting of a Company in any manner in which meetings of that Company may be called, or to conduct the meeting of the Company in a manner prescribed by the Articles of Association or this Company Regulation, the Registry of Companies on the application of any director of the Company or of any Shareholder of the Company who would be entitled to vote at the meeting, order a meeting of the Company to be called, held and conducted in such manner as the Registry of Companies thinks fit, and where any such order is made may give such ancillary or consequential directions as it thinks expedient.
- (2) Any meeting called, held and conducted in accordance with an order under subsection (1) shall for all purposes be deemed to be a meeting of the Company, duly called, held and conducted.



77 Voting at meetings

- (1) Subject to the provisions of this section, the Articles of Association of the Company and to any rights or restrictions lawfully attached to any different classes of Shares if any, at any general meeting, each Shareholder of the Company shall be entitled to one vote for each Share held by him; such votes may be given in person or by proxy.
- (2) Unless otherwise specified in this Company Regulation, at any general meeting of a Company any question proposed for consideration shall be decided on a simple majority of votes or by such majority as the Articles of Association of the Company may prescribe, and such majority shall be ascertained in accordance with this section.
- (3) Subject to subsection (5), it shall be lawful for any question proposed for consideration at a general meeting of a Company to be decided on a show of hands and in any such case, and subject to any rights or restrictions for the time being lawfully attached to any different classes of Shares if any, every Shareholder present in person or by proxy at such meetings shall be entitled to one vote and shall cast such vote by raising his hand.
- (4) At any general meeting of a Company a declaration by the chairman that a question proposed for consideration has, on a show of hands, been carried or carried unanimously or by a particular majority or lost and an entry to that effect in a book containing the minutes of the proceedings of the Company shall, subject to subsection (5), be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour or against such question.
- (5) Notwithstanding subsection (3), at any general meeting of a Company, it shall be lawful, in respect of any question proposed for the consideration of the members, whether before or on the declaration of the result of a show of hands as provided for in subsection (3) for a poll to be demanded by any of the following persons:
 - (a) the chairman of such meetings; or
 - (b) at least two Shareholders present in person, or represented by proxy and entitled to vote; or
 - (c) any Shareholders present in person or represented by proxy and holding between them not less than 10 percent (%) of the total voting rights of all the Shareholders having the right to vote at such meeting.
- (6) Where, in accordance with subsection (5), a poll is demanded, and subject to any rights or restrictions for the time being lawfully attached to any different classes of Shares if any, every Shareholder present in person or by proxy at such meetings shall have one vote for each share of which such person is the holder or for which such person holds a proxy and such votes shall be counted in such manner as the Articles of Association of the Company may provide or, in default of such provision, as the chairman may direct and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded and shall replace any previous resolution upon the same matter which has been the subject of a show of hands.
- (7) A poll demanded, in accordance with subsection (5), for the purpose of electing a chairman, or on a question of adjournment, shall be taken forthwith and a poll demanded on any other question shall be taken at such time at such meeting as the chairman may direct.
- (8) In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which such show of hands takes place, or at which such poll is demanded, shall, unless the Articles of Association of the Company otherwise provide, be entitled to a second or casting vote.
- (9) Nothing contained in this section shall be construed as prohibiting a member who



is the holder of two or more Shares from appointing more than one proxy to represent him and vote on his behalf, whether on a show of hands or on a poll, at a general meeting of the Company or at a class meeting.

78 Resolution in writing

- (1) Subject to subsection (4), anything which may be done by resolution of a Company in a general meeting may, without a meeting and without any previous notice being required, be done by resolution in writing signed by, or in the case of a Shareholder that is a corporation whether or not a Company within the meaning of these Regulations, on behalf of, all the Shareholders of the Company who at the date of the resolution would be entitled to attend the meeting and vote on the resolution.
- (2) A resolution in writing may be signed by, or, in the case of a Shareholder that is a corporation whether or not a Company within the meaning of these Regulations, on behalf of, all the Shareholders of a Company, in as many counterparts as may be necessary.
- (3) A resolution in writing made in accordance with this section is as valid as if it had been passed by the Company in a general meeting or by a meeting of the relevant class of members of the Company, as the case may be and any reference in any enactment to a meeting at which a resolution is passed or to members voting in favour of a resolution shall be construed accordingly.
- (4) Subsections (1) to (3) shall not apply to:
 - (a) a resolution passed pursuant to section 89(3); or
 - (b) a resolution passed for the purpose of removing a director before the expiration of his term of office under section 96.
- (5) A resolution in writing signed by all the directors entitled to receive notice of a meeting of the directors or signed by all Shareholders entitled to receive notice of a meeting of a committee is as valid as if it had been passed at a meeting of directors or, as the case may be, at a meeting duly called and constituted and any reference in any enactment to a meeting at which a resolution is passed or to directors or a committee of directors voting in favour of a resolution shall be construed accordingly. Such resolution may be in as many counterparts as are necessary.
- (6) For the purposes of this section, the date of the resolution is the date when the resolution is signed by, or on behalf of, the last, as the case may be, director to sign and any reference in any enactment to the date of passing of a resolution is, in relation to a resolution made in accordance with this section, a reference to such date.
- (7) A resolution in writing made in accordance with this section shall constitute minutes for the purposes of sections 82 and 0.

79 Representation of corporation at meetings

- (1) A corporation, whether a Company within the meaning of this Company Regulation or not, may:
 - (a) if it is a member of another corporation, authorize such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting, of any class of Shareholders of the Company; and
 - (b) if it is a creditor (including a holder of Debentures) of another corporation, authorize such person as it thinks fit to act as its representative at any



meeting of any creditors of the Company held in pursuance of this Company Regulation or any applicable Rules, Standards or Policies, or in pursuance of the provisions contained in any Debenture or trust deed, as the case may be.

- (2) A person authorized as aforesaid shall be entitled to exercise the same powers on behalf of the corporation which it represents as that corporation could exercise if it were an individual Shareholder, creditor or holder of Debentures of that other Company.

80 Circulation of Shareholder resolution

- (1) Subject to this section it shall be the duty of a Company, on the requisition in writing of such number of Shareholders as is hereinafter specified, at the expense of the requisitioners unless the Company otherwise resolves:
 - (a) to give to Shareholders of the Company entitled to receive notice of the next Annual General Meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and
 - (b) to circulate to Shareholders entitled to have notice of any general meeting sent to them any statement with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.
- (2) The number of Shareholders necessary for a requisition under subsection (1) shall be:
 - (a) either any number of Shareholders representing not less than 10 percent (%) of the total voting rights of all the Shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates; or
 - (b) not less than 5 Shareholders.
- (3) Notice of any such intended resolution shall be given, and any such statement shall be circulated, to Shareholders of the Company entitled to have notice of the meeting sent to them by serving a copy of the resolution or statement on each such Shareholder in any manner permitted for service of notice of the meeting, and notice of any such resolution shall be given to any other Shareholders of the Company by giving notice of the general effect of the resolution in any manner permitted for giving him notice of meetings of the Company provided that the copy shall be served, or notice of the effect of the resolution shall be given, as the case may be, in the same manner and, so far as practicable, at the same time as notice of the meeting and, where it is not practicable for it to be served or given at that time, it shall be served or given as soon as practicable thereafter.

81 Conditions to be met before Company bound to give notice of resolution

A Company shall not be bound under section 80 to give notice of any resolution or to circulate any statement unless a copy of the requisition signed by the requisitioners, or two or more copies which between them containing the signatures of all the requisitioners, is deposited at the registered office of the Company:

- (1) requiring notice of a resolution, not less than 21 days before the meeting;
- (2) in the case of any other requisition, not less than 1 week before the meeting; and
- (3) there is deposited or tendered with the requisition a sum reasonably sufficient to meet the Company's expenses in giving effect thereto, provided that if, after a copy of the requisition requiring notice of a resolution has been deposited at the registered office of the Company, an Annual General Meeting is called for a date

21 days or less after the copy has been deposited.

82 Minutes of proceedings to be kept

- (1) Every Company shall cause minutes of all proceedings of general meetings and of all proceedings of meetings of its directors to be entered in books kept for that purpose and such minutes shall be signed by the person presiding over the proceedings.
- (2) Minutes prepared in accordance with subsection (1) shall be kept by the secretary or other Officer of the Company at the registered office of the Company and shall be evidence of the proceedings and until the contrary is proved, the proceedings shall be deemed to have been duly held and convened and the business conducted thereat shall be deemed to be valid.
- (3) If default is made in complying with subsection (1) the Company may be required to pay to the Registry of Companies a Penalty as may be stipulated by the Registry of Companies from time to time.

83 Inspection of minute books

- (1) Minutes of general meetings and meetings of the board of directors of a Company shall be open for inspection by any director of the Company without charge for not less than 2 hours during business hours each day, subject to such reasonable restrictions as the Company may impose.
- (2) Any Shareholder or director shall be entitled to be furnished, within 7 days after it has made a request to the Company, with a copy of any such minutes on the payment of a reasonable charge sufficient to meet the Company's expenses in giving effect thereto.
- (3) In the case of any such refusal or default, the competent Court may by order, compel an immediate inspection of the minutes or direct that the copies required shall be sent to the persons properly requiring them.

84 Keeping of books of account

- (1) Every Company shall cause to be kept proper records of account with respect to:
 - (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place;
 - (b) all sales and purchases of goods by the Company; and
 - (c) the assets and liabilities of the Company.
- (2) The records of account shall be kept at the registered office of the Company and shall at all times be open to inspection by the directors.
- (3) In the case of records of account not being made available for inspection by a director, the Registry of Companies may by order compel immediate inspection of such records.
- (4) If a Company fails to comply with this section the Company may be required to pay to the Registry of Companies a Penalty as may be stipulated by the Registry of Companies from time to time.
- (5) The records of account shall be kept for at least five years following the end of the Financial Year related thereto.



85 Duty to prepare Company accounts

- (1) The directors of every Company shall prepare for each Financial Year of the Company:
 - (a) a balance sheet as at the last day of the year; and
 - (b) a profit and loss account in the form prescribed in the Company's Article of Association. Such annual Company accounts shall form part of the Company's financial statements.
- (2) In the case of a failure to comply with this section every person who was a director of the Company immediately before the end of the period for delivery accounts and reports for the Financial Year in question is guilty of an offence and may be liable to pay to the Registry of Companies a Penalty as may be stipulated by the Registry of Companies from time to time.

86 Financial statements to be laid before General Meeting

- (1) The directors of every Company shall, for each Financial Year, lay before the Company in general meeting:
 - (a) financial statements for such period which shall include:-
 - (i) a statement of the results of operations for such period (i.e. a profit and loss account);
 - (ii) a statement of retained earnings or deficit;
 - (iii) a balance sheet at the end of such period;
 - (iv) a statement of changes in financial position for such period;
 - (v) notes to the financial statements and the notes thereto shall be in accordance with subsection (2); and
 - (vi) such further information as required by this Company Regulations, any applicable Rules, Standards and Policies and the Company's own Memorandum and Articles of Association; and
 - (b) the report of the auditors as set out in section 90(2) in respect of the financial statements described in subsection (1)(a).
- (2) The notes mentioned in subsection (1)(a)(v) shall include a description of the generally accepted accounting principles used in the preparation of the financial statements, which principles shall be such accepted accounting principles as may be appointed by the Registry of Companies under subsection (5) and where the generally accepted accounting principles used are other than those of DHCC, the notes shall identify the generally accepted accounting principles so used.
- (3) Financial statements shall, before being laid before a general meeting of a Company, be signed on the balance sheet page by at least one of the directors of the Company.
- (4) Notwithstanding subsection (1), if at a general meeting at which financial statements should be laid, the statements have not been so laid, it shall be lawful for the chairman to adjourn the meeting for a period of up to 90 days or such longer period as the Shareholders may agree.
- (5) The Registry of Companies may stipulate generally accepted accounting principles promulgated by an accounting standard setting body which may be either the International Accounting Standards (IAS) or such other standards as the Registry of Companies may determine from time to time.

87 Right to receive copies of financial statements



A copy of the financial statements of a Company, including every document required by this Company Regulations or the Articles of Association of the Company shall be made available to every Shareholder of the Company and, if such financial statements and other documents are not sent to each Shareholder 7 days before the general meeting, any Shareholder may move a resolution at the general meeting that it be adjourned for 7 days provided that this subsection shall not require the making available of the financial statements and other documents to:

- (1) any person not entitled to receive notices of general meetings;
- (2) more than one of the joint holders of any Shares; and
- (3) any person whose address is not known to the Company.

88 Copy of financial statements to be submitted to the Registry of Companies

- (1) A copy of the financial statements of a Company, including every document required by this Company Regulations or the Articles of Association of the Company shall be submitted every year to the Registry of Companies, subject to any waiver of this requirement which the Registry of Companies may exercise from time to time.
- (2) The Company shall be liable to pay to the Company a Penalty as may be stipulated by the Registry of Companies from time to time if it fails to comply with the provisions of subsection (1).
- (3) The Registry of Companies shall have the discretion to waive compliance with this section.

89 Appointment of auditor

- (1) The Shareholders of a Company at the Inaugural Meeting shall appoint one or more auditors to hold office until the close of the next Annual General Meeting, and, if the Shareholders fail to do so, the directors shall forthwith make such appointment or appointments.
- (2) The Shareholders of a Company at each Annual General Meeting shall appoint one or more auditors to hold office until the close of the next Annual General Meeting, and, if an appointment is not so made, the auditor already in office shall continue in office until a successor is appointed.
- (3) The Shareholders, by a Special Resolution cast at a general meeting of which notice specifying the intention to pass such resolution was given, may remove any auditor before the expiration of his term of office, and shall by a majority of the votes cast at that meeting appoint another auditor in its stead for the remainder of its term.
- (4) The remuneration of an auditor appointed by the Shareholders shall be fixed by the Shareholders or by the directors, if they are authorized to do so by the Shareholders, and the remuneration of an auditor appointed by the directors shall be fixed by the directors.
- (5) No person shall be appointed as auditor of a Company who is an Officer or employee of that Company or of an affiliated Company or who is a partner, employer or employee of any such Officer or employee.
- (6) No natural person or Entity shall be appointed as an auditor of a company unless his/its name is registered in the Schedule of Practicing Auditors kept by the Ministry of Economy & Commerce in accordance with Federal Law No. 22 of 1995 Regarding Organization of the Auditing Profession.



90 Audit

- (1) The auditor shall audit any financial statements to be laid pursuant to section 86 as shall enable the auditor to report to the Shareholders.
- (2) Based on the results of the audit under subsection (1) which audit shall be made in accordance with generally accepted auditing standards as defined in section 86(5), the auditor shall make a report to the Shareholders.
- (3) The generally accepted auditing standards referred to in subsection (2) may be such generally accepted auditing standards as may be stipulated by the Registry of Companies under section 86(5) for the purpose of this subsection (3) and where the generally accepted auditing standards used are other than those of DHCC, the report of the auditor shall identify the generally accepted auditing standards used and the auditor's opinion of this appropriateness and of the general nature, extent and effect of the same.
- (4) No action shall lie against an auditor in the performance of any function as an auditor contemplated by this Company Regulations except in the instance of:
 - (a) the Company who engaged the auditor to perform such function; or
 - (b) any other person expressly authorized by the auditor to rely on his work.

91 Election of directors

- (1) The affairs of the Company shall be managed by one or more directors who shall be individuals elected in the first place by ordinary resolution at the Inaugural Meeting and thereafter by ordinary resolution at each Annual General Meeting of the Company.
- (2) A general meeting of a Company may by ordinary resolution authorize the directors of the Company to elect or appoint on their behalf an individual or individuals to act as directors up to a maximum determined by the members by ordinary resolution in a general meeting but which shall not be more than 4.
- (3) Any individual may be appointed as an alternate director by or in accordance with an ordinary resolution of the Shareholders in such manner as may be provided in the Articles of Association, and the individual so appointed shall have all the rights and powers of the director for whom he is appointed in the alternative, except that he shall not be entitled to attend and vote at any meeting of the directors otherwise than in the absence of such director.
- (4) An alternate director shall only be a director for the purposes of this Company Regulation and shall only be subject to the provisions of this Company Regulation insofar as they relate to the duties and obligations of a director when performing the functions of the director for whom he is appointed in the alternative.
- (5) So long as a quorum of directors remains in office, unless the Articles of Association of a Company otherwise provide, any vacancy occurring in the board of directors may be filled by such directors as remain in office. If no quorum of directors remains, the vacancy shall be filled at a general meeting of Shareholders.

92 Representation of director by another director

- (1) Subject to any express provision to the contrary in the Articles of Association of the Company, a director of the Company may appoint another director of the Company to represent him and to vote on his behalf at any meeting of the directors of the Company provided that a director so appointed:



- (a) shall not be entitled to vote at any such meeting on behalf of the director who appointed him if the director who appointed him is himself present at that meeting; and
 - (b) may, subject to subsection (1)(a) vote at any such meeting on his own behalf as well as on behalf of the director who appointed him.
- (2) An appointment made under subsection (1):
- (a) shall not have effect unless notice thereof is given in writing to the secretary of the Company or in the absence of a secretary to the person authorized in accordance with section 94(2), by the director making the appointment;
 - (b) may be either general or in respect of a particular meeting or meetings specified in the notice of appointment; and
 - (c) may be revoked at any time by notice in writing given to the secretary of the Company or in the absence of a secretary to the person authorized in accordance with section 94(2), by the director making the appointment.

93 Directors entitled to receive notice of meetings

- (1) The directors of a Company shall upon written request deposited at the registered office of the Company be entitled to receive notice of, and to attend and be heard at, any or all general meetings.
- (2) Notwithstanding section 74, a notice given under subsection (1) shall be valid if in all the circumstances, such notice is reasonable.

94 Appointment of secretary

- (1) The directors of a Company may appoint a secretary to the Company who may also be a director of the Company and who shall hold office in accordance with the Articles of Association.
- (2) Anything required or authorized to be done by or to the secretary may, if the office is vacant or there is for any other reason no secretary capable of acting, be done by or to any assistant or deputy secretary or, if there is no assistant or deputy secretary capable of acting, by or to any Officer of the Company authorized generally or specially in that regard by the directors.

95 Register of directors and Officers

- (1) Every Company shall keep at its registered office a register of directors and Officers and the register shall, with respect to the particulars to be contained in it of those persons, comply with subsection (5).
- (2) The Company shall enter on its Register the particulars of the following changes, within the period of 14 days from the occurrence of:
 - (a) any change among its directors or Officers; or
 - (b) any change in the particulars contained in the Register,
- (3) The Register shall, during the business hours (subject to such reasonable restrictions as the Company may impose, so that not less than 2 hours in each day be allowed for inspection), be open for inspection by Shareholders and directors.
- (4) In the case of a refusal or default, the Registry of Companies may, by order, compel an immediate inspection of the Register.



- (5) The Register shall contain the following particulars with respect to each director and:
 - (a) in the case of an individual, his first name, surname and address; and
 - (b) in the case of a Company, its name and registered office.
- (6) Each Company shall file with the Registry of Companies, in a manner to be prescribed by the Registry of Companies, details of any change in the persons or the particulars of the persons who are directors and Officers of the Company within 14 days of such change taking place.

96 Removal of directors

- (1) Subject to its Articles of Association, the Shareholders of a Company may, at a special general meeting called for that purpose, remove by ordinary resolution a director, provided that notice of any such meeting shall be served on the director concerned not less than 14 days before the meeting and such director shall be entitled to be heard at such meeting and provided further that nothing in this section shall have effect to deprive any person of any compensation or damages which may be payable to him in respect of the termination of his appointment as a director or of any other appointment with the Company.
- (2) A vacancy created by the removal of a director at a special general meeting may be filled at that meeting by the election of another director in his place or in the absence of any such election by the other directors.

97 Undischarged bankrupt not to take part in management of a Company

No undischarged bankrupt in any country may act as director of, or directly or indirectly take part in or be concerned in the management of, any Company except with the leave of the Registry of Companies.

98 Prohibition of loans to directors without consent of Shareholders

- (1) Without the consent of any Shareholders holding in the aggregate not less than 90 percent (%) of the total voting rights of all the Shareholders having the right to vote at any meeting of the Shareholders it shall not be lawful for a Company to make a loan to any person who is its director or a director of its holding Company, or to enter into any guarantee and/or indemnity or provide any security in connection with a loan made to such person as aforesaid by any other person provided that nothing in this section shall apply either:
 - (a) subject to subsection (2), to anything done to provide any such person as aforesaid with funds to meet expenditure incurred or to be incurred by him for the purposes of the Company or for the purpose of enabling him to properly perform his duties as an Officer of the Company; and
 - (b) in the case of a Company whose ordinary business includes the lending of money or the giving of guarantees in connection with loans made by other persons, to anything done by the Company in the ordinary course of that business.
- (2) The provision stated at subsection (1) shall not authorize the making of any loan, or quasi-loan or the entering into any guarantee and/or indemnity or credit transaction, or the provision of any security, except either:
 - (a) with the prior approval of the Company given at a general meeting at which the purposes of the expenditure and the amount of the loan or quasi loan or the extent of the guarantee and/or indemnity, credit transaction or



- security, as the case may be, are disclosed; or
- (b) on condition that, if the approval of the Company is not given as aforesaid at or before the next following Annual General Meeting, the loan shall be repaid or the liability under the guarantee and/or indemnity, credit transaction or security shall be discharged, as the case may be, within 6 months from the conclusion of that meeting.
- (3) Where the approval of the Company is not given as required by any such condition, the directors authorizing the making of the loan or quasi loan, or the entering into the guarantee and/or immunity, credit transaction or the provision of the security, shall be jointly and severally liable to indemnify the Company against any loss arising thereof.
- (4) A loan shall be deemed to be a loan to a director if it is made to:
- (a) the spouse or children of a director; or
- (b) a Company (other than a Company which is a holding Company or subsidiary of the Company making the loan) which a director, his spouse or children own or control directly or indirectly more than 20 percent (%) of the capital or loan debt.
- (5) For the purposes of this section a loan shall not be deemed to have been made in the ordinary course of business of a Company if it has not been made on normal commercial terms in respect of interest rates, repayment terms and security.

99 Duty of care of Officers

- (1) Every Officer of a Company, whether a director, secretary or any other key Officer, in exercising his powers and discharging his duties shall:
- (a) act honestly and in good faith with a view to the best interests of the Company;
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
- (c) not make a secret profit and shall avoid putting themselves in a position where their interests conflict with those of the Company; and
- (d) exercise their powers only for the purpose for which they were given.
- (2) Every Officer of a Company shall comply with this Company Regulation and the Articles of Association of the Company and with the terms of any service contract entered into between the Company and the Officer.
- (3) Without in any way limiting the generality of subsection (1) an Officer of the Company shall be deemed not to be acting honestly and in good faith if:
- (a) he fails on request to make known to the auditors of the Company full details of:
- (i) any emolument, pension or other benefit that he has received or it is agreed that he should receive from the Company or any of the Company's subsidiaries; or
- (ii) any loan he has received or is to receive from the Company or any of its subsidiaries;
- (b) he fails to disclose at the first opportunity at a meeting of directors or by writing to the directors:
- (i) his interest in any material contract or proposed material contract with the Company or any of its subsidiaries; or
- (ii) his material interest in any person that is a party to a material contract or proposed material contract with the Company or any of



its subsidiaries.

- (4) For the purposes of this section:
 - (a) a general notice to the directors of a Company by an Officer of the Company declaring that he is an Officer of or has a material interest in a person and is to be regarded as interested in any contract with that person is a sufficient declaration of interest in relation to any such contract;
 - (b) the word "material" in relation to a contract or proposed contract shall be construed as relating to the materiality of that contract or proposed contract in relation to the business of the Company to which disclosure shall be made;
 - (c) an interest occurring by reason of the ownership or direct or indirect control of not more than 10 percent (%) of the capital of a person shall not be deemed material.
- (5) An Officer is not liable under subsection (1) if he relies in good faith upon:
 - (a) financial statements of the Company represented to him by another Officer of the Company; or
 - (b) a report by a legal advisor, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by him.
- (6) Nothing in this section shall be taken to prejudice any provision of the Articles of Association of a Company restricting Officers of a Company from having any interest in contracts with the Company.

100 Exemption, indemnification and liability of Officers

- (1) Subject to subsection (2), a Company may in its Articles of Association or in any contract or arrangement between the Company and any Officer, or any person employed by the Company as auditor or other key Officer, exempt such Officer or person from, or indemnify him in respect of any claims relating to his position in the Company to the extent that such claims are not the result of a gross negligence, default, breach of duty or breach of trust of which the Officer or person may be guilty in relation to the Company or any subsidiary thereof.
- (2) Any provision, whether contained in the Articles of Association of a Company or in any contract or arrangement between the Company and any Officer, or any person employed by the Company as auditor, exempting such Officer or person from, or indemnifying him against any liability which by virtue of any rule of law would otherwise attach to him in respect of any fraud or dishonesty of which it may be guilty in relation to the Company shall be void.
- (3) notwithstanding anything in this section a Company may, in pursuance of any such provision as aforesaid indemnify any such Officer or person against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which it is acquitted or when relief is granted to him by a court of competent jurisdiction.

101 Insurance of Officers

A Company may purchase and maintain insurance for the benefit of any Officer of the Company against any liability incurred by him under section 100 in his capacity as an Officer of the Company or indemnifying such an Officer in respect of any loss arising or liability attaching to him by virtue of any Rule or law in respect of any negligence, default, breach of duty or breach of trust of which the Officer may be guilty in relation to the Company or any subsidiary thereof and nothing in this Company Regulation shall make void or avoidable any such policy.



102 Liability of auditor or Officer

- (1) Where an auditor or an Officer is found liable to any person for damages arising out of the performance of any function as such auditor or Officer as contemplated by this Company Regulation, then the following provisions of this section shall apply.
- (2) An auditor or Officer may be liable jointly and severally only if it is proved that he knowingly engaged in fraud or dishonesty.
- (3) In any case other than that contemplated by subsection (2), the liability of the auditor or Officer, as the case may be, shall be determined as follows:
 - (a) the Court shall determine the percentage of responsibility of the plaintiff, of each of the defendants, and of each of the other persons alleged by the parties to have caused or contributed to the loss of the plaintiff. In considering the percentages of responsibility, the Court shall consider both the nature of the conduct of each person and the nature and extent of the causal relationship between the conduct and the loss claimed by the plaintiff;
 - (b) the liability of the auditor or Officer, as the case may be, shall be equal to the total loss suffered by the plaintiff multiplied by the auditor's or Officers, as the case may be, percentage of responsibility as determined under this subsection.
- (4) No auditor or Officer whose liability is determined under subsection (3) hereof shall have any liability in respect of any judgment entered against any other party to the action.
- (5) Except where agreed in writing between the parties, where the liability of an auditor or Officer has been determined in accordance with subsection (3), no other person shall have any right to recover from such auditor or Officer any portion of any judgment entered against such other person in respect of the action.

103 Personal interest

- (1) If a director has a personal interest (direct or indirect) in any matter to be discussed at a board meeting, he shall formally declare to the other directors in a board meeting that he has such an interest.
- (2) A director shall be prevented from voting and counting in the quorum on any matter in which he has an interest and it has been declared in accordance with this subsection.

104 Director service contracts

- (1) The terms of any service or employment contract for a director shall be approved by an ordinary resolution of the Shareholders in a general meeting.
- (2) Any service or employment contract that provides for notice periods of more than 3 months shall be disclosed in the annual report of the directors.

Part Seven Amalgamations

105 Amalgamation of Companies

2 or more Companies which are incorporated in DHCC may, subject to the consent of the Registry of Companies given in its absolute discretion and pursuant to the provisions of this Company Regulation, amalgamate and continue as one Company and, if a License has been granted to one or more of these companies, this Company Regulation governing such License shall continue in effect for the surviving Company, subject to the Registry of Companies' consent.

106 Survival of Company on amalgamation of one or more Companies

- (1) One or more companies and one or more bodies incorporated outside of DHCC may apply to the Registry of Companies for consent to amalgamate and continue as a Company registered in DHCC to which the provisions of this Company Regulation and any other applicable Regulations shall apply.
- (2) An application for consent under subsection (1) shall be in such form, and be accompanied by an application fee where applicable, and such documents, as the Registry of Companies may determine, including documentary proof, satisfactory to the Registry of Companies, that the Company has obtained all necessary authorizations required under the laws of the country in which it was incorporated to enable it to make the application.

107 Survival of DHCC Company on Amalgamation of one or more Companies

- (1) One or more outside companies and one or more DHCC Companies may apply to the Registry of Companies for consent to amalgamate and continue as a DHCC Company which the provisions of the laws of the jurisdiction of incorporation of the surviving corporation shall apply.
- (2) An application for consent under this section shall be in such form, and shall be accompanied by an application fee where applicable, and supported by such documents as the Registry of Companies may determine and such documents shall include:
 - (a) a certified copy of a resolution of the Shareholders of each amalgamating Company (in this section referred to as an "amalgamating Company") passed in a general meeting; or
 - (b) if so authorized by the Articles of Association, a certified copy of a resolution of the board of directors of each amalgamating Company approving the amalgamation and naming the country or jurisdiction outside DHCC of the surviving Company; and
 - (c) a declaration signed by an Officer of each amalgamating Company declaring that there are reasonable grounds for believing that:
 - (i) the amalgamating Company is, and the surviving Company shall be, able to pay its liabilities as they become due;
 - (ii) the realizable value of the surviving Company's assets shall not be less than the aggregate of its liabilities and issued capital of all classes; and
 - (iii) either no creditor shall be prejudiced by the amalgamation or adequate notice has been given to all known creditors of such Company and no creditor objects to the amalgamation otherwise

than on grounds that are frivolous or vexatious; and

- (d) documentary proof, satisfactory to the Registry of Companies, that each amalgamating Company being a DHCC Company has obtained all necessary authorizations required under the laws of the country or jurisdiction in which it was incorporated to enable it to make the application.

108 Registry of Companies' Refusal to Grant Consent

Where the Registry of Companies refuses to grant its consent under sections 106 or 107 it shall not be bound to assign any reason therefore, and its decision shall not be subject to appeal or review in any competent Court.

Part Eight Winding Up

109 Modes of winding up

- (1) The winding up of a Company shall be made in accordance with the Commercial Companies Law and such other applicable UAE federal laws in respect of commercial companies as if the Company were a limited liability company formed pursuant thereto, with the exception that all rights and responsibilities vested in the competent authority thereunder shall instead be vested in the Registry of Companies and all references to the commercial register shall be to the Register maintained by the Registry of Companies.
- (2) For the avoidance of doubt, however, no Company shall be considered a limited liability company with regard to any other provisions of such Commercial Companies Law.



Part Nine Investigation of Company Affairs and Protection of Minorities

110 Investigation of Company affairs

- (1) Any Shareholders or creditors or Officers of the Company may make an application to the Court by petition for an order to appoint one or more competent inspectors to investigate the affairs of a Company and to report on them as the Court may direct.
- (2) The Court may, before appointing inspectors, require the applicant, to give security, to an amount as may be prescribed for payment of the costs of the investigation.
- (3) This section applies whether or not the Company is being wound up.
- (4) Subsection (1) above shall apply in order to investigate the affairs of a Company.
- (5) All Officers and agents of the Company shall produce to the inspector all books and documents in their custody or power.
- (6) An inspector may examine the Officers and agents of the Company in relation to its business.
- (7) On the conclusion of the investigation the inspector shall report his opinion to the Court, and a copy of the report shall be forwarded by the Court to the Company and a further copy may in the Court's discretion, at the request of the applicants for the investigation, be delivered to them.
- (8) All expenses of and incidental to the investigation shall be defrayed by the applicants, unless the Court directs that they be paid by the Company.

111 Alternative remedy to winding up in cases of oppressive or prejudicial conduct

- (1) Any Shareholder of a Company who complains that the affairs of the Company are being conducted or have been conducted in a manner oppressive or prejudicial to the interests of the Company or of some part of the Shareholders, including himself, the Shareholder may make an application to the Court by petition for an order under this section.
- (2) If on any such petition the Court is of the opinion:
 - (a) that the Company's affairs are being conducted or have been conducted as aforesaid; and
 - (b) that to wind up the Company would unfairly prejudice that part of the Shareholders, but otherwise the facts would justify the making of a winding up order on the ground that it was just and equitable that the Company should be wound up, the Court may, with a view to bringing to an end the matters complained of, make such order as it thinks fit, whether for regulating the conduct of the Company's affairs in the future, or for the purchase of the Shares of any Shareholders of the Company by other Shareholders of the Company or by the Company and, in the case of a purchase by the Company, for the reduction accordingly of the Company's capital, or otherwise.
- (3) Where an order under this section makes an alteration in or addition to any Company's Memorandum or Articles of Association, then, notwithstanding anything in any other section of this Company Regulation, but subject to the

provisions of the order, the Company concerned shall not have power without the leave of the Court to make further alteration in or addition to the Memorandum or Articles of Association as so altered or added to accordingly.

Part Ten Company Branches

112 Branch not to carry on business at DHCC without a License

- (1) No Branch shall provide or purport to provide Commercial Services or Healthcare Services in DHCC, except under and in accordance with the applicable Regulations and the terms of the License issued under the applicable Regulations.
- (2) A person who contravenes this section shall be subject to such sanctions as may be specified under this Regulation from time to time.

113 Registration of Branch

- (1) A company incorporated outside DHCC that wishes to establish a Branch in DHCC shall apply to the Registry of Companies for prior approval to establish a Branch in DHCC.
- (2) Subject to any other applicable Regulations and to any waiver which the Registry of Companies may exercise from time to time, an application for approval to establish a Branch in DHCC shall:
 - (a) be made to the Registry of Companies in such form and manner as the Registry of Companies may require from time to time; and
 - (b) be accompanied by the following documents, verified in such manner as the Registry of Companies may require:
 - (i) a copy of the constituent documents of the company;
 - (ii) if so required by the Registry of Companies, a copy of the audited accounts of the company for the preceding 2 years, save where the applicant has been in existence for less than 2 years, in which case a copy of the most recent audited accounts may be required;
 - (iii) a copy of a resolution of the board of directors of the company to establish a Branch in DHCC;
 - (iv) a power of attorney from the company in favour of the principal representative of the Branch;
 - (v) such other documents or information as the Registry of Companies may in its absolute discretion require from time to time; and
 - (vi) be accompanied by such fees as may be prescribed by the DHCA from time to time, where applicable.

114 Grant or denial of application to register a Branch

- (1) The Registry of Companies may, upon receipt of an application duly made in accordance with section 113 and after being provided with (or after having waived the requirement to be provided with) all such information, documents and reports as required under the applicable Regulations, grant or deny the application.
- (2) Where the Registry of Companies grants an application to the applicant under subsection (1) it shall issue to the applicant a certificate of registration of the Branch in DHCC and such certificate shall be admissible in evidence in proceedings under this Company Regulation without further proof and shall be prima facie evidence of the facts certified or specified therein.

- (3) Where the Registry of Companies denies an application to establish a Branch it shall give written notice of that fact to the applicant but shall not be bound to provide any reason for its refusal.
- (4) The applicant shall have no right of appeal from a decision of the Registry of Companies under this section.

115 Name and activities of a Branch:

- (1) A Branch shall have the same name as its Parent incorporated outside DHCC, with the addition of “– DHCC branch”.
- (2) No Branch shall be registered with a name which in the opinion of the Registry of Companies is undesirable.
- (3) The Registry of Companies shall publish from time to time the segments or categories of activities which may be undertaken by a Branch in DHCC.

116 Principal representatives

- (1) Every Branch shall appoint and maintain a principal representative in DHCC and shall give notice in writing to the Registry of Companies of such particulars of its principal representative as the Registry of Companies may determine.
- (2) If any particulars of a principal representative required by subsection (1) to be notified to the Registry of Companies are altered, the Branch shall give in writing to the Registry of Companies particulars of the alteration.

117 Register of Branch

The Registry of Companies shall keep a Register of Branches in such form as it shall determine but which shall show:

- (1) the name of the Branch and its Parent; and
- (2) the principal place in DHCC from which the Branch engages in or carries on any trade or business in DHCC and the address of its registered office outside DHCC;
- (3) the date and place of incorporation of its Parent; and
- (4) a copy of its in-principle approval of registration.

118 Records to be kept by Branch

Every Branch shall keep at the principal place in DHCC from which it provides Commercial Services or Healthcare Services in DHCC such records of its acts and financial affairs as shall show adequately the trade or business it is engaging in or carrying on or has engaged in or carried on in DHCC.

119 Letterheads and service of process of Branch

- (1) Every Branch shall have the following particulars on all letters sent from a place of business in DHCC in connection with its business:
 - (a) its full name as appears on the License obtained from the Registry of Companies to operate in DHCC; and

- (b) the place of incorporation of its Parent; and
 - (c) the principal place and address in DHCC from which the Branch engages in or carries on any trade or business in DHCC.
- (2) For the purposes of this Company Regulation, any process or notice required to be served on a company shall be sufficiently served if served on any person named in the list of persons delivered to the Registry of Companies or if left at a place of business notified to the Registry of Companies.
- (3) The principal place and address in DHCC or the approved place and address outside DHCC from which the Branch engages in or carries on any trade or business in or outside DHCC shall be deemed its domicile. The activities it practices shall be subject to the applicable Regulations and Rules.

Part Eleven Registers, Fees and Administration Requirements

120 Form of Registers

- (1) Any book or paper required by this Company Regulation or any other Regulations, whether public or private, to be kept and maintained by the Registry of Companies or a Company may be kept by recording the matters in question in bound books, held in electronic form or in any other permanent manner.
- (2) The Registry of Companies may in the manner prescribed by it, provide a copy of any entry (and may certify the same) in the Register to any person who asks for it on payment of the fee prescribed by the Registry of Companies, where applicable.
- (3) Adequate precautions shall be taken for guarding against falsification and facilitating its discovery and where the book or paper is kept in a form otherwise than legible it shall be capable of being reproduced in a legible form.
- (4) Where provision is made for the inspection or reproduction of any book or paper in this Company Regulation or such other applicable Regulations, it shall be treated as a provision to allow inspection or reproduction in a legible form.

121 Retention of information

Copies of minutes referred to in section 82 and financial statements referred to in section 86 shall be preserved in the registered office of the Company for a period of not less than 5 years from the date when they were first required.

122 The Registry of Companies and its Officers may inspect books at any time without charge

The Registry of Companies and any person acting on its behalf shall be exempt from the payment of any fee or charges for inspecting, or copying the Register or any books or papers of a Company when lawfully entitled so to do.

123 Production and inspection of books when offence suspected

- (1) Where, on an application to Registry of Companies, it appears to the Registry of Companies that a breach under this Company Regulation may have been committed, and that evidence relating to the commission of such breach may be found in any books or papers of or under the control of the Company, a direction in writing may be made by the Registry of Companies requiring the secretary to the Company or such other Officer or person as may be named in the direction to produce the said books or papers or any of them to a person named in the direction at a place and time so named.
- (2) When a direction has been made under subsection (1), the person named in the direction to whom the said books or papers are to be produced, shall inspect and may take copies thereof for the purpose of investigating and obtaining evidence of any breach of this Company Regulation.
- (3) A person to whom books and papers are produced pursuant to subsection (1) shall on completion of his investigation forward a report of the results thereof to Registry of Companies together with all copies of documents made by him pursuant to section 117.



124 Suits and actions against Registry of Companies

No suit or action shall lie against Registry of Companies or any person acting on its behalf in respect of anything done or omitted to be done in its official capacity in good faith without negligence.

125 Registry of Companies to be indemnified in respect of DHCC suits

The Registry of Companies shall not be required to prosecute, defend or take part in any proceedings outside the jurisdiction of DHCC unless it is indemnified by or on behalf of the person who wishes the Registry of Companies to act against any judgment, order or costs that may be awarded against him by deed, guarantee or deposit, as it may require.

126 Applications to court

- (1) The Registry of Companies shall, at its absolute discretion, be entitled, at any time, to refer any matter or question that it deems appropriate to a court or arbitral body of its choice.
- (2) Any application to such a court or arbitral body under this Company Regulations shall be made in the manner prescribed by the relevant court or arbitral body (as the case may be).
- (3) Without prejudice to subsection (1), an application may in the first place be heard when the relevant court may direct that the proceedings shall be served on such persons, if any, as it shall think fit and that the application shall be supported by such evidence as the Court shall require.

127 Power to enforce

Orders made by any court or arbitral body under this Company Regulation may be enforced as orders made in an action pending therein.

128 Rules, Standards and Policies

- (1) Without prejudice to the specific powers in certain sections of this Company Regulation to prescribe matters or issue decisions or Rules, Standards and Policies and notwithstanding the absence of such powers in certain other sections of this Company Regulation, the Registry of Companies may propose Rules, Standards and Policies from time to time to prescribe any matter for the carrying out of this Company Regulation.
- (2) The Registry of Companies may propose amendments to this Company Regulation and any Rules, Standards and Policies at any time.
- (3) The DHCA shall publish from time to time the applicable fees and Penalties for any function or offence performed under this Company Regulation.

129 Fees

- (1) The fees payable under this Company Regulation shall be prescribed by the DHCA from time to time.
- (2) The Registry of Companies may by order require the payment to the Registry of Companies of such fees as may be prescribed by the DHCA from time to time in respect of the performance by the Registry of Companies of such functions under this Company Regulation as may be specified in the order, including the receipt by

him of any document under this Company Regulation which is required to be delivered to him.

- (4) Where a fee is provided for or charged under this Company Regulation for the performance of an act or duty by the Registry of Companies, no action need be taken by him until the fee is paid, and where the fee is payable on the receipt by him of a document required to be delivered to him he shall be deemed not to have received it until the fee is paid.
- (5) The Registry of Companies may prescribe forms to be used for any of the purposes of this Company Regulation and the manner in which any document to be delivered to the Registry of Companies is to be authenticated.
- (6) Unless otherwise provided by or under this Company Regulation, any document delivered to the Registry of Companies by a Company under this Company Regulation shall be signed by an Officer or the secretary of the Company.

130 Enforcement of Company's duty to make returns

- (1) If a Company, having failed to comply with a provision of this Company Regulation which requires it to deliver to the Registry of Companies any document, or to give notice to him of any matter, does not make good the failure within 14 days after the service of a notice on the Company requiring it to do so, the Registry of Companies may make an order directing the Company and any Officer of it to make good the failure within a time specified in the order.
- (2) Nothing in this section prejudices the operation of any section in this Company Regulation imposing Penalties on a Company or its Officers in respect of a failure mentioned above.

131 Registry of Companies may strike defunct Company or Branch off Register

- (1) If the Registry of Companies has reason to believe that a Company or Branch is not carrying on business or is not in operation, he may send to the Company by post a letter inquiring whether the Company is carrying on business or in operation.
- (2) If the Registry of Companies receives an answer to the effect that the Company is not carrying on business or is not in operation, or does not within 1 month after sending the letter receive an answer, send to the Company by post, a notice that at the end of 3 months from the date of that notice the Company, unless reason is shown to the contrary, be struck off the Register and the Company shall be dissolved by a competent Court.
- (3) If, where a Company is being wound up in a creditors' winding up, the Registry of Companies has reason to believe either that no liquidator is acting, or that the affairs of the Company are fully wound up, and the returns required to be made by the liquidator have not been made for a period of 6 consecutive months, the Registry of Companies shall send to the Company or the liquidator (if any) a notice similar to that provided for in subsection (2).
- (4) At the end of the period mentioned in the notice the Registry of Companies may, unless reason to the contrary is previously shown by the Company or a Shareholder, creditor or liquidator of it, strike its name off the Register;

and on the striking off, the Company shall be regarded by the Registry as a dissolved Company, but the liability (if any) of every director and Shareholder of the Company continues and may be enforced as if the Company had not been dissolved by a competent Court.

132 Registry of Companies may strike Company or Branch off Register

- (1) Where it appears to the Registry of Companies that:
 - (a) a Company or Branch is acting in breach of restrictions on activities; or
 - (b) it is necessary to protect the good repute of DHCC as a city for business activities that a Company should be struck off the Register,

the Registry of Companies may send to the Company a letter setting out the reasons for that belief and requesting the Company to show reason why it should not be struck off.
- (2) If within 1 month after sending the letter the Registry of Companies does not receive an answer, the Registry of Companies may send to the Company by post, a notice that at the end of the 3months from the date of the notice the Company shall unless reason is shown to the contrary be struck off the Register and the Company shall be regarded by the Registry of Companies as a dissolved Company.
- (3) At the end of the period mentioned in the notice the Registry of Companies may, unless reason to the contrary is previously shown by the Company or a Shareholder, creditor or liquidator of it, strike its name off the Register, and on the striking off, the Company shall be regarded by the Registry of Companies as a dissolved Company, but the liability (if any) of every director and Shareholder of the Company continues and may be enforced as if the Company had not been dissolved.
- (4) Where a Company has been dissolved under sections 131 or 132, the Registry of Companies may, on an application made for the purpose by a liquidator of the Company or by any other person appearing to the Registry of Companies to be interested, make an order, on such terms as the Registry of Companies thinks fit, declaring the dissolution to be void and the Registry of Companies may by the order give such directions and make such provisions as seem just for placing the Company and all other persons in the same position as if the Company had not been dissolved. Thereupon, such proceedings may be taken which might have been taken if the Company had not been dissolved by a competent Court.

133 Registry of Companies may strike Company or Branch off Register for non-payment of fees

- (1) If a Company or Branch has failed to pay any fees or Penalties required to be paid to the Registry of Companies under this Company Regulation, the Registry of Companies may send to the Company a letter requiring the Company to make the required payment within 30 days, failing which the Company may be struck off the Register.
- (2) If the Company fails to pay the applicable fee due under section 129 before the expiration of 2 months from the time specified in subsection (1), the Registry of Companies may strike the Company off the Register.
- (3) A Company which has been struck off the Register under subsection (2) remains liable for all claims, debts, liabilities and obligations of the Company, and the striking off does not affect the liability of any of its Shareholders, directors, Officers or agents.
- (4) If a Company has been struck off the Register under subsection (2), the Company, a creditor, member, or liquidator of the Company may, within 2 years following the date of the striking off, apply to the Registry of Companies to have the Company restored to the Register. Upon payment of all fees due under section 129 and any Penalties imposed by the Registry of Companies, the Registry of Companies shall

restore the Company to the Register, and the Company shall be deemed not to have been struck off the Register.

134 Obligation to vacate premises

- (1) Any Company which License has been revoked or struck off the Register, shall immediately vacate the premises and restore them in the same condition they were in at the time of its entry into its lease agreement.
- (2) Failure to comply with the provisions of subsection (1) shall entitle the Registry of Companies to enter the premises and act to vacate the premises in accordance with section 58(4) of the Commercial Services Licensing Regulation.

135 Miscellaneous

- (1) Any fee or Penalty incurred under this Regulation shall be prescribed by the DHCA from time to time and paid to the Registry of Companies in accordance with the applicable Rules, Standards and Policies.
- (2) Any fee or Penalty payable under this Company Regulation that remains unpaid for 30 days immediately following the date on which demand for payment is made by the Registry of Companies is recoverable at the request of the DHCA before the Court in civil proceedings as a debt due to the Registry of Companies notwithstanding the amount sought to be recovered.
- (3) In case of wrongdoing or any default by the Company's Shareholders, directors, Officers or liquidator in contravention of this Company Regulation, or any other conditions or restrictions set by Registry of Companies. The aggrieved parties shall have the right to apply to the Court or an appropriate body to order an investigation.
- (4) In the case of any breach by the Company or its Shareholders, directors, Officers or liquidator of this Company Regulation or any Rules, Standards or Policies or the conditions or restrictions of the Company's License, sale and purchase agreement, lease agreement or any other conditions or restrictions issued by the Registry of Companies, the Registry of Companies may, in addition to all other rights and privileges hereunder, impose a Penalty as may be stipulated by the DHCA from time to time on the Company and/or the Shareholders, directors, Officers, or liquidator during the period of such non-compliance.
- (5) Each Company shall be required to comply with all relevant Regulations, Rules, Standards and Policies, the terms of the License and any applicable lease agreement and sale and purchase agreement issued or to be issued by Registry of Companies in relation to the Company in question.
- (6) The penal responsibility for the violations committed by a Company and stipulated in this Company Regulation shall be directed to the legal representative of the Company.
- (7) The Registry of Companies may propose Rules, Standards and Policies for carrying out the purposes of this Company Regulation.
- (8) The Registry of Companies may also waive, either in whole or in part and either unconditionally or subject to such conditions as it deems appropriate, any or all of a fee or Penalty, or any or all of the requirements specified in this Company Regulation or any Rules, Standards or Policies if it considers it appropriate to do so.