

Memorandum of Association

of

[Family Business Name]

This Memorandum of Association (“Memorandum”) is made and entered into at the date stated on the notary seal, as follow:

By and between:

1- Mr. [*], nationality [*], holder of passport No.: [*], born in [*], domiciled at [*]. (Hereinafter referred to as “First Party”),

2- Mr. [*], nationality [*], holder of passport No.: [*], born in [*], domiciled at [*]. (Hereinafter referred to as “Second Party”),

and

3- Mr. [*], nationality [*], holder of passport No.: [*], born in [*], domiciled at [*]. (Hereinafter referred to as “Third Party”).

(Hereinafter referred to jointly as “Partners” or “Parties” and individually as “Partner”).

Preamble:

The purpose of the Memorandum of Association (“Articles of Association”) is to govern the management of [Family Business Name] (“the Company”), which has been established to promote and support the interests of the [Family Surname] family (“the Family”) across generations. This Memorandum sets forth principles of governance, shareholder rights, company management, dispute resolution, and other fundamental matters to ensure the continued success and harmony of the Family and the Company.

Article 1: General Provisions

- 1- The terms "share" and "stock" shall have the same meaning, depending on the type of family business.
- 2- Any obligations relating to the commercial register and the updating of data shall apply to the family business register wherever the Memorandum of Association so provide, and the same obligation shall be fulfilled with respect to the family business register.

Article 2: Form and Nationality of the Company

It is agreed that the Company shall be registered as a in the Emirate of [*] in the United Arab Emirates, in accordance with the established rules, and shall be governed by the provisions of this Articles of Association and the laws and regulations applicable in the United Arab Emirates, including Federal Decree-Law No. (32) of 2021 on Commercial Companies and Federal Decree-Law No. (37) of 2022 on Family Businesses.

Article 3: Company's Name and Legal Form

The Company's name shall be:

[Company's Name]

Its legal form shall be Limited liability company / company limited by shares / private joint stock company.

Article 4: Company's Objects

4-1: The Company's primary object is to (-----) including all activities pertaining to the Company upon the competent authority's approval.

4-2: To achieve the foregoing objects, the Company shall have the right to enter into commercial and financial transactions, sign and perform contracts and other obligations, withdraw, accept, and negotiate tradable instruments, open and operate bank accounts, borrow money for any period of time, with or without security, on any of the Company's assets, issue guarantees, invest funds and deal with such investments in its

own name, generally, to establish, participate in, or promote commercial and profitable ventures of all kinds related to the business of the Company, and to do all such other acts and actions as may be incidental or conducive to the attainment of the foregoing objects or any of them.

4-3 The object of the Company, as set forth above, shall be construed broadly and not narrowly.

4-4 The Company may carry out its objects and exercise the abovementioned businesses and acts both within and outside the United Arab Emirates, and may from time to time expand its business pursuant to a resolution of the Extraordinary General Meeting in accordance with the provisions of the Commercial Companies Law.

4-5 The Company shall not engage in the business of insurance or banking.

4-6 The Company may acquire interests in, or participate in any manner with, companies and other entities that carry on businesses similar to those of the Company, or entities that can assist the Company in achieving its objects, whether in the United Arab Emirates or abroad.

4-7 The Company may also merge with or acquire such entities in accordance with the provisions of the Commercial Companies Law and other relevant commercial legislation, subject to the approval of the competent authorities.

Article 5: Company's Principal Office

5-1 The principal office of the Company shall be in the Emirate of [*]. The Company may establish subsidiaries, branches, representative offices, and/or agencies within or outside the United Arab Emirates.

5-2 The principal office of the Company may be relocated to any other place within the Emirate of [*] pursuant to a resolution of the General Assembly or of the Board of Directors, whenever it is authorized to do so.

Article 6: Company's Duration

6-1 The Company shall have a duration of ninety-nine (99) years from the date of registration of this Memorandum in the commercial register. This duration shall be automatically renewed for successive periods of the same length unless otherwise decided by Partners. Additionally, this duration may be extended or shortened by a decision of Partners.

6-2 Any extension or shortening of this duration shall require a resolution passed by not less than seventy-five percent (75%) of the shareholders represented at the General Assembly meeting.

6-3 Any extension of the duration shall be subject to all the provisions of this Memorandum.

Article 7: Company's Capital

- 1- The capital of the Company shall be [* AED] divided into [*] [*] shares, with a value of [AED] per share.
- 2- **Classes of Shares:** The Company may issue different classes of shares with such rights, privileges, and restrictions as may be determined by the Board of Directors and approved by [] of the shareholders.
- 3- **Voting Rights:** Each share shall carry one vote, except as otherwise provided in these Articles of Association.

Article 8: Classes of Shares

1. **The Company shall issue two classes of shares to Partners:**
 - a. Class (A) Shares: Entitle the holder to receive dividends and to vote at the General Assembly of the Company; and
 - b. Class (B) Shares: Entitle the holder to receive dividends only, with no voting rights.
2. The General Assembly of the Company shall, by a resolution representing [%] of the total partners, determine the terms and conditions for the conversion of Class B Shares into Class A Shares or vice versa, subject to the lapse of time, the number of votes of each class, or the dividends allocated to each class. The total of such shares shall equal the total shares of the Company.
3. In addition to the provisions of paragraphs (1) and (2) of this Article, the General Assembly may, by the aforementioned majority, issue other classes of shares with different values, voting rights, dividends, preferential rights, and other rights or privileges, provided that the liability of each partner shall be proportionate to the rights and privileges allocated to each class of shares, and subject to the requirements of the competent authorities.
4. Shares shall be distributed as follows:

Number	Name of shareholder or partner	Number of shares	Value of shares in dirhams	Number of shares	Class of shares	Percentage

- 4- Partners may agree to increase the capital of the Company to a level exceeding that specified in this Memorandum if Partners deem it necessary to maintain a debt-to-equity ratio acceptable to external lenders, and each partner undertakes to subscribe to these new shares and pay for them in cash in proportion to their current shareholding.
- 5- The capital of the Company may be increased or decreased only by a resolution approved by 75% of Partners represented at the General Assembly in all cases.
- 6- The financial obligations of Partners may only be increased by unanimous consent, not by majority vote.
- 7- All shares shall be non-divisible and non-transferable. In the event that more than one person owns a single share, the provisions of the Commercial Companies Law shall apply.

Article 8: Increase and Decrease of Capital

- 1- If an increase in the Company’s capital is necessary to save the Company from liquidation or to settle debts owed to a third party, based on the Company’s financial and audit reports, and if the Company does not have sufficient liquidity to settle such debts or to achieve the ratio stipulated in Article 7, then any partner shall have the right to resort to the courts to obtain a summary judgment to increase the capital by the amount necessary to save the Company or to settle the debts. In the event that any partner is unable to settle the obligations resulting from the increase, any other partner shall have the

right to settle on their behalf. In such a case, the number of shares in the Company shall be calculated based on the amount paid by them on behalf of themselves and the other partner.

- 2- A decrease in the Company's capital shall be carried out in a manner deemed appropriate and in accordance with the provisions of the Commercial Companies Law. Such a decrease shall be carried out either by reducing the number of shares, or by redeeming and reducing some shares, or by reducing the nominal value of the shares.
- 3- No decision to reduce the Company's capital shall be valid unless it is approved by the Board of Directors and then submitted to the General Assembly of the Company for a decision. The legal documents related thereto and any amendments thereto shall be submitted at the commercial registry.

Article 9: Purchase of Own Shares by the Family Business

1. The family business may purchase no more than (30%) of its own shares in the following cases:
 - a. To reduce its capital.
 - b. To purchase or redeem some or all of the shares of a partner who wishes to sell or is bankrupt, and there is no buyer or redeemer of such shares among the partners.
2. In all cases, the purchase shall be approved by Partners representing a majority of the shares represented at the General Assembly meeting of the family business, unless the Memorandum of Association stipulates a higher percentage or a higher percentage is agreed upon at the General Assembly meeting. The purchased or redeemed shares shall have no voting rights at General Assembly meetings.

Article 10: Exit of Partners and Transfer of Shares

- 1- Voluntary Transfer:** Any partner wishing to exit from the Company shall first offer their shares to the existing partners or the Company. If no partner accepts the offer within a period of 3 months, the partner, who desires to exit, may offer their shares to a third party (a non-partner family member, and then to any other person after a period of days without any family member expressing interest in purchasing), subject to the approval of at least --- % of the partners. A partner may also transfer their shares, with or without consideration, to any first-degree family member or their spouse without the need for the approval of the partners. Partners may agree to allow a non-family member to acquire shares, provided that such shares are of Class (B) and do not carry voting rights.

- 2- Involuntary Transfer:** In cases of death, permanent disability, or any other reasons for involuntary exit, the shares shall be offered to the existing partners or the Company for repurchase at a fair market value determined by an independent valuation expert.
- 3- Fair Market Value:** The fair market value of the shares shall be determined by an independent auditor or a valuation expert registered with the Ministry of Economy, appointed by the Board of Directors.
- 4- Transfer of Shares:** No transfer shall be valid as against the Company or third parties until it is registered in the Company's register and the commercial register. The Company may not refuse to register a transfer in the Company's register unless it is contrary to the provisions of these Articles of Association or the Commercial Companies Law.

Article 11: Partners' Register

- 1- The Company shall maintain a special register of partners (Company Register) at its principal office containing the following:
 - a. The full name, place of domicile, address, occupation, and nationality of each partner.
 - b. The number and value of shares held by each partner.
 - c. Details of all transactions relating to shares, together with their dates.
- 2- The manager and the Board of Directors shall be responsible for maintaining this register and the accuracy of its contents.
- 3- The aforementioned register shall be available for inspection by any partner and any party entitled to do so under the applicable laws of the United Arab Emirates.

Article 12: Family Council

- 1- **Family Council:** The Family Council shall consist of [number] family members to provide advice and oversight on matters affecting the Company. The Family Charter shall outline the framework and governance of the Family Council's roles.
- 2- **Meetings:** The Family Council shall meet at least [frequency] to discuss and resolve issues related to the family's involvement in the Company.

- 3- **Succession Planning and Company Continuity:** The Family Council shall develop and maintain a succession plan to ensure the continuity of the Company.

Article 13: Board of Directors

- 1- **Board of Directors:** The Company shall be managed by a Board of Directors consisting of [number] directors, of whom at least [number] shall be non-family members to ensure objectivity and sound governance.

- 2- **Convening of Board Meetings:**

- **Prior Notice:** A notice of the meeting and the agenda shall be sent at least two weeks prior to the meeting. The notice shall include all documents and materials necessary to discuss the items on the agenda.

- **Emergency Meetings:** In the case of emergency meetings, the notice period may be shortened provided all Board members agree.

- **Means of Notice:** Notices may be sent by email, fax, or any other means of communication approved by the Board.

- 3- **Governance of Board Meetings:**

- **Agenda:** A clear and detailed agenda shall be prepared and distributed to members well in advance of the meeting. The agenda shall include all items to be discussed.

- **Chairing the Meeting:** The Chairman or Vice-Chairman of the Board shall chair the meeting. In the absence of both the Chairman and Vice-Chairman, the members shall elect one of their number to chair the meeting.

- **Time Commitment:** The meeting shall adhere to the scheduled time and conclude at the designated time, with sufficient time allocated for discussion of each agenda item.

- 4- **Decision-Making:**

- **Voting:** Decisions shall be made by voting. Votes shall be counted by majority, and in the event of a tie, the Chairman shall have the casting vote.

- **Minutes:** All decisions made shall be recorded in the minutes of the meeting and signed by the Chairman and the Secretary.

- **Implementation and Follow-up:** Responsibilities and tasks arising from the decisions made shall be identified, and their implementation shall be monitored at subsequent meetings.

5- Role of the Company Secretary:

- **Documentation:** The Board Secretary shall be responsible for accurately recording the minutes of meetings, including discussions and decisions made, and ensuring that they are properly documented. The Secretary shall be appointed by a resolution of the Board.

- **Distribution of Minutes:** The Secretary shall distribute minutes of meetings to all members within a specified time period after the meeting.

- **Record Keeping:** The Secretary shall maintain all minutes and related documents in an organized and secure manner.

6- Board Observations:

- **Collecting Observations:** Observations of Board members regarding the meeting and the topics discussed shall be collected and recorded in the minutes by the Secretary.

- **Review of Observations:** Observations shall be reviewed at the beginning of each new meeting to follow up on any open or unresolved issues from previous meetings.

7- Appointment of Board Members:

- Board members shall be appointed by a majority vote of the shareholders at the General Assembly meeting.

Article 14: Company Management

1. Subject to the Board of Directors' authority to manage the Company, the appointment of the Company's manager shall be by a decision of Partners representing no less than [---] % of the shares represented at the General Assembly meeting. This manager may be one or more persons, whether from among Partners themselves or from outside, and may also be a legal person. In the event that there is more than one manager of the Company, at least one of them shall be a natural person.
2. It is permissible to combine membership of the Board of Directors with the position of company manager, but it is not permissible to combine the chairmanship of the board with the position of company manager.
3. The manager or member of the Board of Directors shall be a fully capable adult of good character and conduct, possessing the knowledge and experience that can reasonably be expected of another person in the same position.

Article 15: Powers and Duties of the Board of Directors

1. Enter into contracts for the lease, purchase, sale, or management of lands, residential or commercial buildings, facilities, equipment, or vehicles of any kind for the purposes of the Company, upon such terms and conditions as it may deem fit, and to do all such acts as may be necessary to achieve such purposes, and to acquire and dispose of all kinds of movable and immovable property as it may deem fit and necessary for the purposes of the Company.
2. Sell, purchase, give, transfer, lease, sublease, maintain, and settle matters relating to lands, residential and commercial properties, and other properties of all kinds, and to buy, sell, mortgage all movable or immovable assets, cash, receivables, and goods of all kinds, and dispose of the same, including but not limited to motor vehicles. Give or receive gifts from any party, and to execute deeds of gift, transfer, sale, purchase, or any other agreements before land departments or any government or non-government authorities.
3. Negotiate, agree, sign, and perform any agreement or correspondence of any kind, and sign any document that may be required, and do any act or thing which it may deem necessary or expedient to carry out all or any of the objects or powers relating to the transfer, disposal, acquisition, business, assets, liabilities, employees, contracts, products, and intellectual property rights, and for that purpose may sign all documents; including, but not limited to, transfer agreements, asset purchase

agreements, assignment agreements, offer agreements, tripartite agreements for employees, termination notices, settlement agreements, license agreements, and additions or amendments to agreements, documents or correspondence as may be appropriate.

4. Deal with all matters relating to the protection of the Company's trademarks and all other intellectual property rights.
5. Approve the establishment, registration, and incorporation of branches, subsidiaries, or the purchase or incorporation of companies or the purchase of any shares in any companies incorporated in the United Arab Emirates or abroad in the name of and on behalf of the Company, and on behalf of the Company sell or assign any of the shares owned by the Company and implement the decision of Partners to increase or decrease the capital of any of the companies in which the Company holds shares, or issue a decision on behalf of the Company to terminate or liquidate any company in which the Company holds shares and take all necessary measures therefor, and sign all agreements, resolutions, and additions necessary to implement these decisions before all competent authorities in the United Arab Emirates or abroad, including but not limited to the notary public, the management, the Ministry of Economy, the Chamber of Commerce and Industry, and all local and federal departments; to implement the Company's decision to form joint ventures with any other person, branch, institution, company, or subsidiary, for the purpose of carrying on business similar to or connected with the business of the Company or for the purpose of acquiring any going venture; to sign on behalf of the Company the memorandum of association, and any subsequent additions or amendments thereto, share purchase and transfer agreements and all shareholders' resolutions of such company/companies or joint ventures in which the Company may acquire shares. Act as an agent for companies, institutions, and international organizations related to the objects of the Company and represent them in the UAE and abroad; and to conduct any other business related to the objects of the Company, through other companies or through a person (persons) dealing in the same field of activity.
6. Borrow or obtain any credit facilities for any period of time (whether exceeding three years or not), including by way of loans, overdrafts, letters of credit, guarantees, bonds, discounting bills of exchange, and facilities in the name of the Company against such securities (as may be required by

the bank/banks), including by way of possessory pledge, charge, lien or mortgage on any property and assets of the Company to secure or provide for the performance of its obligations or the obligations of its shareholders or any third party, and to execute all documents required in favor of the bank(s), as it may deem fit.

Article 16: Powers and Responsibilities of the Company Manager

The Manager shall have the necessary authority to conduct the day-to-day business of the Company and shall exercise, individually, all the powers of the Company necessary for its day-to-day business. Such powers shall include, but not be limited to, the following, subject to the limits of the authority as defined by the Board of Directors:

1. To manage the day-to-day operations of the Company, sign on behalf of the Company, deal with, manage, and do all that is necessary or incidental to the affairs of the Company, inside or outside the United Arab Emirates, within the limits of the authority defined by the Board of Directors.
2. To represent the Company before all third parties, including government and semi-government entities.
3. To sign application forms and other documents with the Immigration and Naturalization Department to obtain transit visas, visit visas, and other types of visas, or entry permits on behalf of the Company, and to sign and submit any document, contract, or other papers that may be required by the General Directorate of Residency and Foreigners Affairs and the Ministry of Human Resources and Emiratization.
4. To hire, employ, dismiss, or replace employees, agents, consultants, and special advisors of the Company, on such terms as it deems appropriate, to determine the salaries of employees, their terms of employment, to define their job descriptions, to supervise their performance, to amend or terminate employment, and to settle their dues, as well as those of consultants, agents, and advisors.
5. To obtain and maintain insurance policies to cover the Company's assets against damage, destruction or loss from fire, theft, and other risks, to file insurance claims, receive the corresponding compensation, sign receipts, and make the necessary disbursements.

6. To manage all procedural aspects of the Company's trademarks and all other intellectual property rights. This includes registering with relevant authorities in the UAE and others, to take all necessary steps to protect, defend, assign, or cancel the Company's trademarks, copyrights, patents and/or commercial/industrial property.
7. To initiate lawsuits, raise criminal complaints and file necessary reports on behalf of the Company, as plaintiff or defendant, before all courts, and to consent to arbitration, and retain legal counsel for these and other purposes related to the Company.
8. To agree to arbitration, to submit the Company to arbitration in respect of any matter, or to enter into an arbitration agreement on behalf of the Company.
9. To act on behalf of the Company in any and all claims and lawsuits brought by or against the Company, and to represent and appear on behalf of the Company before all courts of any type, level, jurisdiction and competence, including but not limited to courts of first instance, courts of appeal, courts of cassation, execution courts, the Federal Supreme Court, traffic courts, public prosecution, police stations, notaries public, all federal and local government ministries and departments, including municipalities, land departments, corporations, public and private institutions, judicial committees, or any other committees established to resolve civil or commercial disputes or rental committees, in any matter, and to file criminal complaints and follow them up before the competent authorities, to waive, abandon, or settle such complaints, to receive money, to initiate legal proceedings, to follow them up, to execute them, and to perform any other act or procedure, or claims, or requests before all courts, to file appeals, to object to default judgments (objection), and all other petitions, to file appeals before the Federal Supreme Court, courts of cassation, and execution courts, to file defenses, and to appear in appeals filed against the Company in general, to file requests to transfer cases and proceedings from one court to another, to execute judgments to recover any debt and receive it on behalf of the Company, to file requests, to sign and accept service, to accept service of papers and documents related to any claim, to attend hearings, to sign and accept service, to deny, amend, settle, arbitrate, admit, and waive a judgment in part or in whole, and to abandon proceedings. To deny, contest on the grounds of fraud or otherwise, and defend on behalf of the Company; to issue notices, serve all pleadings, summonses, counterclaims, preliminary motions,

papers, documents, pleadings, briefs, and receive the same; to intervene as a third party and to file a motion to intervene; to file a motion to refer matters to arbitration, to agree to arbitration, to file a motion to appoint and remove experts and arbitrators, to appear before them and present arguments and comments, to move to confirm or vacate their appointment, to appoint and remove judicial receivers, to subpoena evidence, to limit the scope thereof, to provide evidence, to challenge and reject evidence, to request data and surveys, to request all types of oaths and object thereto, to challenge judges, experts, arbitrators, and adverse parties. To waive, and to file objections to execution, summary proceedings, and orders on demand; to file applications for provisional and executive seizures and to lift them; to file applications for the appointment of receivers from third parties and to cancel them; to file applications for the bankruptcy and insolvency of third parties, and to participate in the bankruptcy and insolvency proceedings of third parties at all stages of the proceedings; to act on our behalf in the proceedings to execute the judgment issued in our favor and to receive the amounts subject to such execution. To file applications for provisional seizure of any assets, or for the arrest, seizure, or restraint of any assets or persons.

10. To represent the Company in any court or arbitral tribunal in the United Arab Emirates or any other international arbitral tribunal, with the authority to institute, prosecute, and pursue all types of actions or legal proceedings; to commence lawsuits and appeals in an exemplary manner, or to alter the course of or withdraw proceedings; to claim damages, defend against counterclaims, intervene in lawsuits as a third party, refer matters to arbitration, appoint arbitrators and experts, compel third parties to litigate, issue execution orders, follow up on proceedings, and collect awarded sums; to reach any settlement that waives litigation or abandons a judgment in whole or in part or through any appellate channel, or to lift a lien or waive security while the remaining debt remains unpaid, or to allege forgery, or to accept or reject a judge, arbitrator, or expert; or to accept or reject a genuine offer, or to take any and all other actions that require specific authorization under the law.
11. To pay fees, provide guarantees, receive and make payments, acknowledge, discharge, settle, agree amicably, set off, issue and receive receipts, receive monies and checks, make offers, deposit, and sign all papers and legal summonses; to pay or receive deposited funds due to the Company in court or in relation to a judgment in favor of the Company.

12. To file a motion to transfer the proceedings from one court to another and to request a waiver or postponement of the payment of fees; to file a motion for a retrial and release from custody; to seek bail and to act on behalf of the company in relation to any claim of any kind whatsoever, even if not specifically identified.
13. To carry out the procedures for the registration and incorporation of branches and subsidiaries, or the purchase or incorporation of companies, or the purchase of any shares in any company incorporated in the United Arab Emirates or abroad, in the name of and on behalf of the Company; to sell or transfer any shares owned by the Company and to implement the partners' decision to increase or decrease the capital of any company in which the Company holds shares, or to issue a decision on behalf of the Company to terminate or liquidate any company in which the Company holds shares and to take all necessary steps in this regard, and to sign all agreements, resolutions, and additions necessary to implement these decisions before all competent authorities in the United Arab Emirates or abroad, including but not limited to the notary public, the management, the Ministry of Economy, the Chamber of Commerce and Industry, and all local and federal departments; to implement the Company's decision to form joint ventures with any other person, branch, institution, company, or subsidiary, for the purpose of carrying on business similar to or related to the Company's business or for the purpose of acquiring any business as an ongoing venture; to sign on behalf of the Company the memorandum of association, and any subsequent additions or amendments, share purchase and transfer agreements, and all shareholders' resolutions of such company/companies or joint ventures in which the Company may acquire shares. To act as an agent for companies, institutions, and international organizations related to the Company's objects and to represent them in the UAE and abroad; and to conduct any other business related to the Company's objects, through other companies or through a person (persons) engaged in the same field of activity.
14. To open and operate bank accounts in the name of the Company, locally and internationally, for the head offices or any branches and/or subsidiaries (locally or internationally), to sign any checks, withdrawals, and deposits, to deposit and withdraw funds, to sign checks, to draw, accept, and endorse promissory notes, bills of exchange, remittances, and instruments of credit of any kind, and deposits with any bank, and power of attorney documents (including the use of internet and

electronic banking channels) and other negotiable instruments, and to conduct all banking transactions in the name of and on behalf of the Company, and to close any bank account and sign all banking relationships with any banking or financial institution (locally or internationally); to add and remove signatories from banks, and to issue corporate guarantee documents on behalf of the Company to third parties, in favor of banks and/or other third parties, in order to secure facilities granted by banks to third parties.

15. To instruct the bank(s) to issue letters of credit, guarantees, and bonds on behalf of the Company for any period of time (whether exceeding three years or not) and to execute requests, forms, documents, and counter-guarantees for signature, and to request the opening or amendment of letters of credit and the execution of documents of any kind in relation to letters of credit and the settlement of their amounts.
16. To defend any amicable agreement, settlement, or waiver of any legal or administrative proceedings, and to accept service of legal process on behalf of the Company, and to submit to the jurisdiction of any court or arbitration, and to provide security and indemnity for costs; to pay money into court and to receive money paid into court.
17. To represent the Company before the Federal Tax Authority ("FTA"); to settle any and all concerns, and to sign, prepare, submit, review, and resubmit all required documents including but not limited to application forms, tax forms, tax returns, agreements, and to take any and all appropriate action(s) that may be required (mandatory/voluntary) for compliance related to Value Added Tax or as may be required by the Federal Tax Authority.
18. To sign any documents that may be required by the Roads and Transport Authority and other relevant authorities for the purchase and sale of vehicles on behalf of the Company.
19. To delegate any of the powers mentioned above to any person deemed fit by the Manager.

Article 17: Manager's Duties and Obligations:

1. Subject to the obligations stipulated in the Companies Law, the Board of Directors and the Company Manager shall exercise due diligence and care. In particular, they shall be bound by the following:
 - a. Neither directly nor indirectly, on their own behalf or on behalf of third parties, shall they own or manage any economic activity that competes with the business of the Company or its subsidiaries,

- (unless the Memorandum of Association provides otherwise or a majority of Partners agree otherwise).
- b. They shall submit an annual report to Partners on their management of the Board.
 - c. They shall not borrow in their personal name using the assets of the family business as collateral.
 - d. They shall not dispose of the Company's assets except to the extent that serves the Company's purposes and under the Memorandum of Association.
 - e. Any other obligations stipulated in the Memorandum of Association.
2. In exercising their powers and duties, the Company Manager shall ensure the following:
 - a. They shall be fair in their dealings with all Partners and shall not favor one Partner over another.
 - b. They shall be independent in their judgment, free from bias and personal interests, and shall place the interests of the Company above all other considerations.
 3. Without prejudice to the penalties stipulated under the applicable laws of the State, if a Company Manager is found to have violated any of the obligations or responsibilities stipulated in this Decree-Law or the Companies Law, the court may order their dismissal or compel them to pay compensation, if applicable, (unless the Memorandum of Association provides otherwise).

Article 18: Removal of the Board of Directors and Manager

The removal of the Board of Directors and the Manager shall be in accordance with the terms specified in the appointment contract or in the articles of association and subject to the same conditions under which they were appointed. If the appointment of the Board of Directors or the Managing Director is for an indefinite term, as expressly stated in the Memorandum of Association, they may not be removed except by a majority required for amending the Memorandum of Association.

Article 19: Financial Management

- 1- The Company Manager shall prepare the company's balance sheet and income statement with the assistance of professional experts in this field. They shall also prepare an annual report on the Company's activities, financial position, and a proposed distribution of profits. All of the foregoing shall be completed within three (3) months of the end of the company's fiscal year.
- 2- The balance sheet and income statement shall be submitted to the Board of Directors for approval.
- 3- If the Board of Directors does not approve the balance sheet and income statement within the period specified in paragraph (1) of this article, the manager shall submit a proposal to convene a meeting of

the Board of Directors within seven (7) days, calculated from the date of expiration of the period specified in paragraph (1) of this article, to consider approving the balance sheet and income statement. The request for approval shall be decided upon within a period not exceeding ten (10) days from the date of notification of the Board of Directors, and a copy of the balance sheet shall be deposited in accordance with the dates specified in the approval decision or in accordance with the applicable procedures.

- 4- The Company shall prepare accounts on a regular basis in accordance with International Accounting Standards so as to reflect the true and fair view of the Company's profit or loss for the fiscal year and the Company's position at the end of the fiscal year, and shall comply with any requirements stipulated in the Commercial Companies Law and the resolutions issued in implementation thereof. The company shall apply International Accounting Standards when preparing its interim and annual accounts and determining the profits that may be distributed.
- 5- The Company's business and accounts shall be audited by an auditor licensed in the State who shall be appointed by the Company's General Assembly.

Article 20: General Assembly

- 1- The Company shall have a General Assembly consisting of all Partners. The General Assembly shall be convened by the Board of Directors at least once a year on the date and at the place specified in the notice within four (4) months following the end of the fiscal year, and this meeting shall be referred to as the "Annual General Assembly" and at any other time if requested by Partners holding not less than ten percent (10%) of the Company's share capital ("General Assembly").
- 2- Except for the General Assembly that has been adjourned for lack of a quorum, notice of a General Assembly may be given by registered mail or to the last known domicile of the person concerned or by sending a notification by email, provided that the notice of the General Assembly shall be sent at least twenty-one (21) days before the date of the meeting. The Company shall notify the competent authority and the concerned parties and submit a copy of the notice of the General Assembly.
- 3- The notice shall include the agenda, the place, date, and time of the first meeting and the second meeting (in case the quorum is not met for the approval of the first meeting).

- 4- If the notice of the General Assembly is given less than the period specified in Article (93) of the Commercial Companies Law before the date of the meeting, the notice of the General Assembly shall be deemed valid if it is approved by the Partners.
- 5- Each partner shall have the right to attend the general meeting regardless of the number of shares held. Partner may: by proxy, authorize another partner who is not a member of the board of directors or the Company manager, or any other person, to represent him at the General Assembly. Each partner shall have a number of votes equal to the number of shares held or represented.
- 6- Matters to be Considered and Decided on by the Annual General Assembly:
 - (a) Review the manager's report on the Company's activities and financial position during the past year and the auditors' report.
 - (b) Discuss and ratify the balance sheet and income statement.
 - (c) Amend the articles and memorandum of association. A special resolution, in accordance with the procedures set forth in the articles of association, is required for this matter.
 - (d) Dissolve the company and liquidate its assets.
 - (e) Merge the company with another or convert it into a different legal form.
 - (f) Increase or decrease the company's capital.
 - (g) Appoint or remove the manager(s), limit their powers, and determine their remuneration, where such authority has not been delegated to the board of directors.
 - (h) Appoint or remove one or more auditors and determine their fees.
 - (i) Determine the dividends to be distributed to Partners.
 - (j) Any other matter within its competence in accordance with the provisions of the Commercial Companies Law or the articles of association.
- 7- The General Assembly may not discuss matters not included in the agenda unless serious issues requiring discussion are revealed at the meeting. If a partner requests that a particular matter be included in the agenda, the board of directors shall do so. However, if the board fails to do so, the partner shall have the right to submit their request directly to the General Assembly.
- 8- Every shareholder has the right to discuss matters included in the agenda. The board is obligated to answer any question from a partner provided that it is not detrimental to the interests of the

Company. If a partner considers the board's response insufficient, they may appeal to the General Assembly, whose resolutions shall be binding.

- 9- A quorum for the General Assembly, shall be constituted by the attendance of Partners representing not less than 75% of the company's share capital. If a quorum is not present at the first meeting, the General Assembly, shall call a second meeting to be held within at least five (5) days (or at most fifteen (15) days) from the date of the first meeting. The second meeting shall be valid if attended by shareholders regardless of their share capital.
- 10- Resolutions of the General Assembly shall not be valid unless adopted by at least 75% of Partners represented at the General Assembly. Any written decisions of Partners shall be valid as a resolution adopted at the General Assembly.
- 11- Members of the board of directors or the Company manager shall not participate in voting on decisions related to their discharge from liability for the management of the company.
- 12- Minutes shall be prepared summarizing the discussions of the General Assembly. Minutes and resolutions of the General Assembly shall be recorded in a special register at the company's principal office. Any partner may inspect the register in person or by an attorney. They may also inspect the Company's balance sheet, income statement, and annual report.
- 13- Without prejudice to the rights of third parties acting in good faith, where a resolution of the General Assembly is passed in contravention of the provisions of the Commercial Companies Law or the articles of association and such resolution benefits certain partners or harms other partners without regard to the interests of the Company, it shall be void. In such a case, only those partners who objected to the said resolution or were unable to object for justifiable reasons may request the annulment of the resolution, and in such a case, the resolution shall be considered void ab initio for all partners.
- 14- General Assembly meetings may be held and special resolutions may be issued by means of remote communication systems, subject to the conditions specified in the regulations adopted by the General Assembly. In the absence of such regulations, the procedures applicable to joint stock companies pursuant to the Companies Law and the relevant regulatory decisions shall be followed.

Article 21: Fiscal Year

The Company's fiscal year shall commence on the first day of January and end on the thirty-first day of December of each year, except for the first fiscal year which shall commence on the date of the Company's registration in the commercial/family register and end on the 31st of December of the same year. No fiscal year shall exceed eighteen (18) months nor be less than six (6) months in duration.

Article 22: Profit and Loss Distribution

- 1- The Company shall allocate 5% of its net profits each year to form a statutory reserve. Partners may cease allocating net profits to the statutory reserve when the reserve reaches half of the share capital. Partners may allocate additional reserves as they deem appropriate.
- 2- Partners shall allocate any other amounts from the Company's net profits each year to form any additional reserves. Partners may cease these reserves as they deem appropriate.
- 3- The dividends shall be declared by a resolution of Partners in a general assembly representing not less than seventy-five percent (75%) of the Company's share capital and shall be paid by bank transfer or any other form of immediately available funds to each partner registered in the company's register immediately before the meeting or the holding of the General Assembly at which such dividends are declared. Payment shall be made by the Company within thirty (30) days of each resolution of the General Assembly. The right to dividends shall be due on the date of the declaration of such dividends.
- 4- Partners shall be liable only to the extent of the amount of the Company's share capital.

Article 23: Company's Auditor

- 1- The Company shall have one or more auditors registered in the Emirate of [*], and the General Assembly shall appoint them and determine their fees. The auditor shall be registered with the ministry and licensed to practice the profession by the competent authority. An auditor shall be appointed for a period of one renewable year during which they shall audit the accounts of the fiscal year. The auditor shall exercise their duties from the end of this meeting until the end of the following Annual General Assembly. The auditor(s) shall be subject to the same provisions as auditors of public

joint stock companies as stipulated in the Commercial Companies Law and the resolutions issued in implementation thereof.

- 2- The auditor shall at all times have the right of access to all information, records, books, registers, documents, and other company documents, and may request any clarifications they deem necessary to perform their duties. The auditor shall also verify the assets, rights, and obligations. If the auditor is unable to exercise their powers and perform their duties, they shall state this in writing in a report to be submitted to the board of directors. If the board of directors does not enable the auditor to perform their duties, the auditor shall send a copy of the report to Partners. If auditor is unable to perform their duties, they shall address their report to the competent authority, the concerned parties, and the general assembly to inform them thereof.
- 3- The auditor shall submit to the general meeting a report containing the data and information stipulated in the Commercial Companies Law.
- 4- The auditor shall attend the General Assembly and read their report at the general meeting, explaining therein any obstacles or interference from the board of directors or company manager during the performance of their work, and their report shall be independent and impartial, and they shall declare so. They shall express their opinion at the meeting on all matters relating to their work, especially the Company's balance sheet, their observations on the Company's accounts and financial position, and any irregularities therein. The auditor shall be responsible for the accuracy of the data contained in their report. Partners may, during the general meeting, discuss the auditor's report and request clarification of its contents.

Article 24: Amendments

The memorandum of association may be amended only by a special resolution passed by a vote of not less than seventy-five percent (75%) of Partners represented at the General Assembly meeting.

Article 25: Termination of Family Business Status or Removal from the Register:

1. The Company shall cease to be a family business if persons outside the family acquire a majority of its voting shares pursuant to the provisions of this Decree-Law. In such a case, the family business shall be struck off the register at the request of any interested party or by a decision of the competent authority. The Company shall continue in the form it existed before acquiring the status of a family business, and its

memorandum of association shall be amended accordingly. Any disputes related to this transitional process shall be referred to the committee.

2. For the termination of a family business' status under paragraph (1) of this article, where part of its share capital consists of Class (B) shares, the Company shall be required to offer to purchase these shares at the price determined by the committee unless the seller and the Company agree on another price. In the absence of agreement, the Company shall regularize its situation in accordance with the Companies Law.
3. The status of a family business shall not cease upon the death, incapacity, bankruptcy, or insolvency of a partner, unless otherwise agreed in the memorandum of association. In such a case, Partners shall be given a period of three (3) months from the date of death, imposition of incapacity, declaration of bankruptcy, or insolvency to amend the Company's status in accordance with this Decree-Law and the Companies Law. This period may be extended by a decision of the competent authority.
4. If Partners holding not less than three-quarters of the share capital of the family business decide to do so, they may request the ministry to strike the family business off the register pursuant to the provisions of this Decree-Law.

Article 26: Code of Conduct

The Company shall adopt a code of conduct that sets forth the ethical and professional standards expected of all members of the board of directors, officers, and employees.

Article 27: Family Charter

- 1- The family shall adopt a family charter to ensure the continuity and success of the family business across generations.
- 2- The charter shall specify any additional detailed regulatory provisions as the family business may desire.
- 3- In the event of any conflict between the family charter and the articles of association, the articles of association shall prevail.

Article 28: Fair Valuation Criteria for Shares in a Family Business

The following criteria aim to ensure that the valuation process for shares in a family business is conducted fairly and transparently, and in a manner that is equitable to all shareholders:

1- Valuation Criteria:

1- **Fair Market Value:** The valuation of the share shall be based on its fair market value, which can be determined through market analysis and comparison with similar companies.

2- **Multiple Methods:** Multiple valuation methods, such as discounted cash flow, market approach, and asset-based approach, should be used to ensure the accuracy of the valuation.

3- **Transparency:**

- **Financial Disclosure:** Full disclosure of all the Company's financial data, including revenues, expenses, assets, and liabilities, is required.

- **Periodic Reports:** Periodic financial reports should be provided to shareholders, containing the details necessary to understand the Company's financial position.

4- **Independence:**

- **Independent Advisors:** It is preferable to engage independent financial advisors to conduct valuations to ensure integrity and impartiality.

Separation of Ownership and Management: There should be a clear separation between ownership and management to ensure objective valuation decisions and good governance.

5- **Legal Proceedings:**

- **Compliance with Laws:** The valuation process shall comply with relevant local and international laws and regulations.

- **Legal Review:** A legal review shall be conducted to ensure that all aspects of the valuation are in compliance with legal requirements.

6- **Economic Factors:**

- **Market Analysis:** The current and future market conditions and their impact on the share shall be analyzed.

- **Financial Projections:** The Company's future financial projections shall be considered when valuing the share.

7- Consultation and Approval:

- **Shareholder Involvement:** Shareholders shall be involved in the valuation process and provided with all necessary information to understand the valuation process.

- **Shareholder Approval:** A [%] approval of shareholders is required for the final valuation results.

8- Documentation of the Valuation Process:

- **Full Documentation:** All steps and decisions made during the valuation process shall be documented to maintain transparency and accountability.

- **Analysis and Results:** All analyses and results obtained during the valuation process shall be documented and submitted to shareholders.

9- Periodic Valuation:

- **Regular Valuation:** The share shall be valued periodically to ensure that the value reflects the current situation of the Company and market conditions.

- **Continuous Update:** The valuation methods and criteria used shall be updated regularly to ensure their accuracy and relevance.

10- Valuation Costs:

The seller shall bear the costs of the valuation, except in cases where the holder owns 95% or more of the company, in which case the buyer shall bear the costs of the valuation.

Article 29: Company's Dissolution:

The Company shall be dissolved in any of the following cases:

(a) Expiration of the Company's term as stated in the company's articles of association, unless renewed;

(b) Fulfillment of the purpose for which the Company was established;

(c) Merger of the Company in accordance with the Commercial Companies Law;

(d) A decision by Partners to terminate the Company;

- (e) Exhaustion of all or most of the Company's assets, rendering further investment in the remaining assets, if any, impractical;
- (f) A court order for the dissolution of the company.

Article 30: Company's Liquidation

- 1- Partners shall appoint one or more liquidators at the General Assembly meeting and in accordance with the provisions of the Commercial Companies Law, unless Partners agree otherwise upon dissolution of the Company.
- 2- If the liquidation is due to a court order issued in the Emirate of [*], then the court shall determine the method of liquidation and appoint the liquidator, and the powers of the board of directors and the Company manager shall cease upon the appointment of the liquidator.

Article 31: Indemnification

- 1- **Indemnification of Directors and Senior Management:** The Company shall indemnify its directors and senior management for any and all liabilities arising out of the performance of their duties, except in cases of gross negligence, fraud, or willful misconduct. Any specific details regarding this provision shall be set forth in the family charter (or may be included in the memorandum of association).
- 2- **Insurance:** The Company shall maintain directors' and officers' liability insurance to provide coverage for such indemnification.

Article 32: Dispute Resolution

The family charter shall outline the procedures for resolving disputes arising among the Company's partners and the methods for their resolution prior to resorting to litigation. Partners shall exert their best efforts to reach a settlement of disputes and avoid resorting to litigation.

Article 33: General Provisions

- 1- **Governing Laws:** These articles shall be governed by and construed in accordance with the laws of [Jurisdiction].

2- **Severability:** If any provision of these articles is held to be invalid or unenforceable, the remaining provisions shall continue in full force and effect.

We, the undersigned, as partners in the company known as [Company Name], hereby agree to establish a family business in accordance with the provisions of Federal Decree-Law No. 37 of 2022 concerning family businesses.

Therefore, we undertake to register our company in the dedicated family businesses register in accordance with the requirements and procedures set forth in the aforementioned decree.

Each partner undertakes to comply with all financial and legal obligations related to the establishment and management of this family business in accordance with the provisions of the decree.

This Memorandum shall come into force upon execution by all participating partners.

IN WITNESS WHEREOF, Partners have signed this Memorandum as of the date written below and have caused it to be duly sealed with the notary seal.

Date: [Date of Signature]

Signature:

Partner Name	Signature

Reference Guide