

CIRCULAR NO. 17

DATED 29 SEPTEMBER 2025

RULES AND REGULATIONS REGARDING CREATION OF DIFFERENT SHARE CLASSES FOR COMPANIES ESTABLISHED WITHIN DUBAI WORLD TRADE CENTRE FREE ZONE

This Circular relates to the Dubai World Trade Centre Authority [Authority] Free Zone Rules and Company Regulations issued pursuant to Law No. 9 of 2015.

With effect from the date of this circular and pursuant to **Rule 4.6** of the Authority Free Zone Rules and Regulations [‘DWTCA Rules’] and **Clause 134** of the Authority Company Regulations [‘DWTCA Company Regulations’], the DWTCA Company Regulations will be amended and updated as follows:

Regulations 15.8, 15.9, 15.10, 15.11, 15.12 and 15.13 of the existing DWTCA Company Regulations shall be deleted and replaced with the following new Regulations, with immediate effect:

15.8 ISSUANCE OF DIFFERENT CLASSES OF SHARES BY A COMPANY

15.8.1 Notwithstanding Regulation 15.1, a Company may issue different classes of shares having varying rights and restrictions, provided that the rights and restrictions attaching to such classes of shares are stipulated in the Company’s Memorandum of Association. The Memorandum of Association may prescribe the issuance of [subject to the limitations stated below]:

- a) preference shares, with priority being given to distribution of profits or dividends;
- b) shares with enhanced, limited or no voting rights per share, subject to the maximum number of votes per share not exceeding ten (10);
- c) shares subject to restrictions or limitations on the transferability of such shares; and/or
- d) such other types or classes of shares as may be approved by the Authority.

15.8.2 All the shares of any particular class authorised by a Company shall have identical preferences, rights, limitations and other terms to those of other shares in the same share class, as stipulated in the Memorandum of Association.

15.8.3 Notwithstanding a Company’s share capital being divided into different classes, with the exception of shares with no voting rights, Shareholders shall be entitled to only one vote per share in relation to the following key decisions of the Shareholders of a Company:

- a) Resolutions relating to the appointment of the auditors of the Company;

- b)** Resolutions relating to the amendment of the Company's Memorandum of Association except where such amendment is for a variation in class rights; and
- c)** Any resolution to wind up the Company.

15.9 POWER TO ISSUE REDEEMABLE SHARES

15.9.1 Subject to the provisions of this Regulation and to the terms and conditions of the Memorandum of Association, a Company may issue shares that can be redeemed, or convert existing non-redeemable shares into redeemable shares, either in accordance with their terms or at the option of the Company or the relevant Shareholder. Such shares must be fully paid up.

15.9.2 A Company must have a minimum of at least 10% of its issued share capital which are not redeemable shares.

15.9.3 When shares are redeemed pursuant to this Regulation, such shares shall be treated as cancelled and the amount of the Company's share capital shall be reduced accordingly by the nominal value of the shares redeemed.

15.10 POWER OF A COMPANY TO ACQUIRE ITS OWN SHARES

15.10.1 Subject to the provisions of this Regulation and to the terms and conditions of the Memorandum of Association, a Company may purchase its own shares, provided that such shares are fully paid up. The purchase must be authorised by a Special Resolution of the Company.

15.10.2 A Company may not purchase its own shares if as a result of the purchase, there would not be: (i) a Shareholder of the Company holding shares other than the Company; or (ii) shares other than redeemable shares or treasury shares. Further a company may only purchase its own shares if the purchase is from the following sources:

- a)** in the case of the nominal value of the shares to be purchased, from the paid-up share capital, share premium and other reserves of the company; and
- b)** in the case of any premium on the shares to be purchased, from realised or unrealised profits, share premium or other reserves of the company.

15.10.3 If a Company purchases its own shares, those shares will automatically be cancelled (unless the Company has elected to hold the shares as treasury shares pursuant to Regulation 15.11) and in such instance of cancellation, the amount of the Company's share capital will be reduced by the nominal value of those shares.

15.11 POWER OF A COMPANY TO HOLD TREASURY SHARES

15.11.1 Subject to the provisions of this Regulation 15.11 and to the terms and conditions of the Memorandum of Association, a Company may if authorised by Ordinary Resolution hold treasury shares, provided that the total number of shares in treasury shall not at any time exceed fifty percent (50%) of the total issued share capital of the Company.

15.11.2 Shares held in treasury shares shall not include: (i) any voting rights; (ii) any rights to dividends or other distributions of any kind; and (iii) any other rights of Shareholders. In all other respects, the Company is free to hold, transfer, sell or cancel the treasury shares as it deems appropriate.

15.11.3 If a Company cancels shares held in treasury, the Company's share capital will be reduced by the nominal value of those shares.

15.12 CONVERSION OF SHARES INTO SHARES OF A DIFFERENT CLASS

15.12.1 Subject to these Regulations, where a Company's share capital is divided into shares of different classes, the Memorandum of Association may authorise the conversion of one class of shares into another class of shares provided that:

- a) any conversion(s) of shares from one class to another class must be approved by a Special Resolution of the Shareholders (including a Special Resolution of the Shareholders owning shares of the class which is to be converted); and
- b) the Company's share capital shall be fully paid up.

15.13 ADMINISTRATION STEPS FOR DIFFERENT SHARE CLASSES

15.13.1 Unless the Memorandum of Association provides otherwise, rights attaching to a class of a Company's shares may only be varied if either: (i) the Shareholders of at least 75% of the nominal value of the shares of that class consent in writing; or (ii) a Special Resolution is passed at a separate meeting of the Shareholders of that class approving the variation. Any amendment to the Memorandum of Association which varies the rights attached to a particular class of shares shall be treated as a variation of those rights.

15.13.2 Regulation 15.13.1 shall not be applicable in relation to any of the Company's issued shares held as treasury shares.

15.13.3 Where any shares in a Company are redeemed, sold, transferred, cancelled or converted pursuant to Regulations 15.9, 15.10, 15.11, 15.12 and/or 15.13.1, the Company shall notify the Registrar of the redemption, sale, transfer, cancellation or conversion of such shares within thirty (30) days from the date on which the shares are redeemed, sold, transferred, cancelled or converted, and such notification shall be in the form and manner, and shall include such details as may be prescribed by the Authority.

15.14 POWER TO ISSUE ADDITIONAL REGULATIONS

15.14.1 The Authority may, in its discretion and from time to time, modify the DWTCA Company Regulations and/or issue additional Regulations pertaining to different classes of shares.

Terms defined in the DWTCA Free Zone Rules & DWTCA Company Regulations shall have the same meaning in this Circular.



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Rule 19 of DWTCA Rules shall apply to this Circular as if set out in full herein.

For further clarification, please contact the Dubai World Trade Centre Authority Free Zone Department at:

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For and on behalf of Dubai World Trade Centre Authority

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