

excluded from company meetings. The Petitioner maintained that the company had no board and that no Annual General Meetings had been held since incorporation. He also alleged that the company failed to prepare, audit, and file financial statements. Additionally, he claimed that the Respondents acquired the shares of Dr. Denis Kinene without the Petitioner's participation.

6. The Respondents denied the Petitioner's allegations. They averred that, as a shareholder, the Petitioner had the right to call meetings but did not exercise it. Further that the Petitioner persistently absented himself from management functions despite being duly invited. They denied the allegations of any resolutions being illegally passed.

C. Petitioner's case.

7. The Petitioner, under paragraphs 1 and 2 of his Statutory Declaration supporting the Petition, contended that he is a founding shareholder and a non-executive director of the company and conversant with the facts of the petition.
8. Under paragraphs 3 and 4 of his statutory declaration, the Petitioner averred that the Company was incorporated on 14th February 2017 under Registration No. 8002000089044, with its registered office at Plot 120–122 Bukoto Street, Kamwokya, Kampala. He further stated that, at incorporation, the shareholding comprised Dr. Mark Muyingo Tamusange, Dr. Davis Rujumba, Dr. Dennis Kinene, Dr. Robert Busingye Bazaare, and Enoch Mwanje, each holding 16 shares.
9. The Petitioner contended in paragraphs 5 and 6 of his Statutory Declaration that since incorporation, the affairs of the company were conducted in a manner unfairly prejudicial, oppressive and contrary to sound corporate governance to his detriment as a shareholder. He contended that the second Respondent, as a managing director, assumed unilateral control of the company and excluded the Petitioner from shareholder deliberations.

10. Under paragraphs 7, 8, and 9 of his statutory declaration, the Petitioner averred that no board or annual general meetings had been convened since the company's incorporation, in contravention of Section 134 of the Companies Act Cap 106. He further contended that the company had failed to prepare, audit, and file financial statements in accordance with its Articles of Association and sections 150–152 of the Act, despite his repeated requests for transparency, thereby denying him and other shareholders access to the company's true financial position, dividends, and accountability for funds received and expended.
11. The Petitioner contended under paragraphs 10 and 11 of his statutory declaration that the Respondents secretly authorised the transfer of 16 shares previously owned by Dr. Kinene Denis, an initial shareholder at the company's incorporation, to themselves without notice or consent from the Petitioner. He further contended that the Respondents failed to keep proper books of account, which led to discrepancies between the bank statements and the company's general ledger.
12. The Petitioner further averred under paragraphs 12 and 13 of his Statutory Declaration that, in an effort to promote transparency, he commissioned a forensic audit by Almention Intelsys Company Ltd, which issued a report dated 16th September 2024 that revealed material discrepancies in the financial statements, the absence of asset registers and reconciliations, failure to account for shareholder-contributed assets, and refusal by management to cooperate with the auditors. The Petitioner attached a copy of the forensic audit report in support of these averments. The Petitioner added that his requests for disclosure of the company records and cooperation with auditors were consistently ignored by the second Respondent.
13. The Petitioner argued in paragraph 14 of his statutory declaration that the Respondents' acts and omissions amounted to oppression of a minority

shareholder, breach of fiduciary duty, and mismanagement, contrary to the Companies Act.

14. The Petitioner averred under paragraphs 15 and 16 of his statutory declaration that, through various letters and a notice of intention to sue dated 15th April 2024, he brought his concerns to the attention of the Respondents, who failed or neglected to act. He attached copies of the said correspondence and notice in support of these averments. The Petitioner added that the company's governance structure had collapsed, with no functional board oversight, financial accountability or shareholder engagement.

15. Under paragraphs 17, 18, and 19 of his statutory declaration, the Petitioner stated that the continued mismanagement has frustrated the original purpose of the company with its affairs being conducted in a manner contrary to the principles of transparency and good faith expected of directors under the Companies Act. The Petitioner prayed that the Registrar investigate the affairs of the company, compel the company to comply with the Companies Act and issue appropriate directions to protect shareholders from continuing oppression. He contended that unless the Registrar intervened, the Respondents would continue to mismanage the company and prejudice his interests as a shareholder and director.

D. Respondents' Case

16. The Respondents' case was presented by Dr. Mark Musingo Tamusange, the second Respondent, who averred under paragraphs 3 and 4 of his reply that paragraphs 1–4 of the Petitioner's statutory declaration, relating to his status as a shareholder and the company's incorporation, location, and initial shareholding, were not in dispute. The Respondent, however, contended that the Petitioner was not a non-executive director but was appointed Chairperson of the Board, thereby requiring his active involvement in the affairs of the company.

17. The Respondent averred under paragraph 4 of his reply that, in response to paragraph 5 of the Petitioner's statutory declaration alleging that the affairs of the company were conducted in a manner that was unfairly prejudicial, oppressive, and contrary to sound corporate governance, Section 14 (2) of the Companies Act, Cap 106, imposes corporate governance obligations only on public companies, and that private companies such as Neogenesis Fertility Centre Ltd are not required to comply with a prescribed corporate governance code. Accordingly, the second Respondent maintained that the Petitioner's reliance on the alleged absence of corporate governance was misconceived in law and fact.
18. The Respondent averred under paragraph 5 of his reply that the Petitioner's allegations of exclusion from meetings, and the findings of the financial audit were untrue. He contended that the Petitioner was not excluded from shareholder deliberations and, as the designated Chairman of the Board, the Petitioner was mandated to call and convene board and Annual General Meetings. He further asserted that the Petitioner failed to discharge these responsibilities, thereby breaching his fiduciary duties.
19. The second Respondent further averred under paragraph 6 of his reply that, under the Companies Act, shareholders are entitled to convene meetings at any time. He contended that the Petitioner never invoked this right, and that any alleged exclusion from meetings was a consequence of his own inaction.
20. The second Respondent contended under paragraph 7 of his reply that Petitioner persistently absented himself from management functions despite formal and informal invitations and that his non-participation and voluntary withdrawal are evidenced by his own decision to exit the company's shareholders' WhatsApp group.
21. Under paragraphs 8 and 9 of his reply, the second Respondent contended that the allegations regarding failure to keep proper books of account, present audited

financial statements, and maintain proper financial records, were untrue. He contended that the company had maintained proper records and that the Petitioner had not been denied access, as he had previously requested and been furnished with audited accounts, financial statements, asset lists, and other records the year before.

22. The Respondent further argued that the Petitioner's prayer for inspection was moot and misleading, given that he had already accessed the documents he claimed were being withheld. He further averred that no dividends had been declared as the company had not realised distributable profits, nor had any been recommended by the Board of Directors. He added that, given the capital-intensive and specialised nature of the industry, substantial investments had been made in procuring machinery, with profits consistently reinvested in essential equipment, staff development, and strategic expansion to build sustainable, long-term value for all shareholders.
23. The second Respondent contended under paragraphs 10 and 11 of his reply that the allegations regarding the company's dependence on the Managing Director and the alleged improper transfer of 16 shares formerly held by Dr. Dennis Kinene were unfounded. He asserted that the transfer was effected in accordance with Regulation 32 of the Companies Regulations, 2023, duly approved by the Board, and was not objected to by the Petitioner at the material time. He further stated that the transfer complied with the company's pro rata pre-emption rights extended to all existing shareholders, and that the Petitioner's exclusion was an unintended administrative omission, which the Respondents were willing to remedy by offering him the opportunity to purchase a proportional allotment of shares on the same terms.
24. The Second Respondent averred, under paragraph 12 of his reply, that with respect to the forensic audit conducted by Almention Intelsys Company Ltd at the

Petitioner's request, the auditor had been provided with all relevant information. However, the auditor was advised to await clarification from the company's accountant but failed to do so, and instead proceeded to prepare and issue the audit report attached to the Petition which in the Respondents' view was not thorough.

25. Under paragraphs 13, 14 and 15 of his reply, the second Respondent, in response to paragraphs 3 to 9 of the Petition, averred that the Petitioner was not subjected to any unfair treatment. He contended that in 2023, the Petitioner expressed a desire to have his shares bought out, and negotiations were undertaken accordingly, but that the Petitioner declined multiple offers made by the shareholders without justification, despite having access to the company's books of account. The second Respondent attached email correspondence in support of this averment. He further averred that, during the buyout discussions, a meeting was held in early 2026 at which the Petitioner was present, and that the only outstanding issue for determination was the share price. He contended that this demonstrated that the company engaged the Petitioner in good faith. The second Respondent further added that Article 12 of the company's Articles of Association expressly provided that, in the event of a disagreement among shareholders regarding the valuation or price of shares in a buyout, an arbitrator is to be appointed to determine the fair value. He contended that the Petitioner had never invoked this mechanism.

26. In response to the entire Petition, the second Respondent maintained that no resolutions passed by the company were illegal or void, as they complied with quorum and procedural requirements. He denied the Petitioner's claim that he was unaware of meetings or that the alleged exclusion, if any, was unlawful or prejudicial to the Petitioner. He reiterated that the Petitioner voluntarily failed to discharge his duties as a director, shareholder, and Chairman of the Board. The

second Respondent further denied that the company's affairs were conducted in a manner that was oppressive to the Petitioner, maintaining that the company operated transparently and afforded all shareholders and directors equal opportunity to participate. He also opposed the prayer for cancellation of the share transfers, asserting that they were undertaken in good faith, for value, and in accordance with the law. He consequently asserted that the Petitioner was not entitled to any of the reliefs sought and prayed that the Petition be dismissed with costs as it was misconceived and an abuse of court process.

27. Under paragraph 17 of his reply, the second Respondent further averred that the Petition was incompetent as it offended the rule in *Foss v Harbottle* (1843), which provides that where wrongs are alleged to have been done to a company, the proper plaintiff is the company itself and not an individual shareholder or director. He contended that the Petitioner's allegations, related to mismanagement and corporate governance failures, which constituted alleged wrongs to the company rather than to the Petitioner personally and thus were not maintainable except under recognised exceptions which did not apply in this matter.

28. Under paragraphs 18 and 19 of his reply, the second Respondent argued that the legal meaning of oppression or unfair prejudice, as derived from case law, requires a member to be compelled to submit to conduct that is burdensome, harsh, wrongful or patently unfair, which the Petitioner did not demonstrate. The Respondent suggested that, in the alternative, the Respondents were offering to purchase the Petitioner's shares.

E. Schedules

29. Considering that both parties had submitted their respective pleadings, including the statutory declarations pursuant to Section 286 of the Companies Act Cap 106, I directed both counsel to submit written submissions and provided schedules as outlined below;

- a) *Written submissions from the Petitioner were to be filed and served by the 10th day of April, 2026.*
- b) *Written submissions from the Respondents were to be filed and served by the 24th day of April 2026.*
- c) *Any submissions in rejoinder were to be filed and served by the 30th day of April 2026.*

I informed the parties that the ruling would be issued on notice.

F. Issues

30. The following issues were agreed upon with the legal representatives of the parties as sufficient to determine this dispute;

- a) *Whether the arbitration clause in the Company's Articles of Association is binding in the context of this dispute?*
- b) *Whether there was, oppression occasioned to the Petitioner pursuant to section 243 of the Companies Act, Cap 106?*
- c) *What remedies are available to the parties?*

G. Determination

a) **Whether the arbitration clause in the company's Articles of Association is binding in the context of this dispute?**

31. Both Counsel for the Petitioner and the Respondents informed the Registrar that, following unsuccessful attempts at an amicable settlement, the parties had engaged in discussions exploring a buyout of the Petitioner's shareholding as a practical resolution to the dispute. However, those discussions did not yield agreement, principally due to a disagreement on the valuation of the Petitioner's shares.

32. The documentary record, particularly the email correspondence annexed to the Second Respondent's reply, demonstrates the extent of that divergence. The Petitioner proposed to sell his shares at a price of USD 200,000, whereas the Second Respondent counteroffered UGX 200,000,000/=, an offer which the Petitioner

rejected. This significant disparity in the proposed figures underscores the absence of consensus on what constitutes the fair value of the shares.

33. Further, during the proceedings, although the Respondents reiterated their willingness to purchase the Petitioner's shares, the Petitioner maintained that any such buyout should be preceded by a formal audit of the Company and an independent valuation of his shareholding to ascertain its true worth. Notwithstanding this position, the parties were unable to agree on the appointment of a mutually acceptable independent valuer or audit firm to undertake that exercise.
34. In the circumstances, it is evident that while both parties were amenable in principle to a buyout arrangement, the process was frustrated by the lack of agreement on valuation methodology and the identity of the valuer, thereby necessitating regulatory intervention to ensure an objective and equitable determination of the share value.
35. Counsel for the Respondents relied on Article 12 of the Company's Articles of Association and submitted that it provides a clear contractual mechanism for resolving disputes relating to the valuation or pricing of shares in the context of a proposed transfer or buyout. She submitted that where parties are unable to agree on the consideration payable for shares, the Article contemplates the appointment of an arbitrator or independent expert to determine the fair value, thereby ensuring an objective and binding resolution of the dispute.
36. Counsel further submitted that this provision reflects the intention of the members, as embodied in the Company's Articles of Association, to have valuation disputes in regard to share price resolved through an agreed internal mechanism rather than through protracted litigation or regulatory intervention. In her view, the disagreement between the parties regarding the value of the Petitioner's shares fell squarely within the ambit of Article 12, given that both

parties had, in principle, expressed willingness to proceed with a buyout but had failed to agree on price.

37. It was therefore argued that the appropriate course would be to invoke Article 12 and trigger the arbitral or expert determination process provided therein, as this would give effect to the contractual arrangements binding on the parties while ensuring a fair and impartial valuation of the shares. Counsel maintained that recourse to this mechanism would facilitate an efficient resolution of the dispute and align with the principles of party autonomy and corporate governance embodied in the Company's Articles of Association.

38. Article 12 of the Company's Articles of Association provides verbatim that;

"Every shareholder or trustee in bankruptcy who may desire to sell or transfer any shares, and every personal representative of a deceased shareholder who may desire to sell or transfer any shares of such deceased shareholder shall give notice in writing to the Directors that he desires to make such sale or transfer, such notice shall constitute the Board his agent for the sale of such shares to any member or members of the Company at a price to be agreed upon between the Party giving such notice and the Board, or in case of difference by two arbitrators one to be appointed by the selling member and the other by the Directors under the provisions of the laws of arbitration for the time being in force in Uganda"

39. Counsel for the Petitioner, however, submitted that Article 12 of the Company's Articles of Association was inapplicable in the present circumstances. She submitted that the said provision governs situations where a shareholder voluntarily elects to transfer or dispose of his shares in the ordinary course of business. In contrast, Counsel maintained that the Petitioner's situation did not arise from a voluntary or commercially motivated decision to sell his shares.

40. It was contended that the Petitioner had not, of his own free will, sought to exit the Company but had been compelled to consider a disposal of his shareholding

as a consequence of the oppressive conduct allegedly perpetrated by the Respondents. Counsel submitted that the Petitioner's attempt to sell his shares was therefore not the cause of the dispute, but rather a reaction to an already untenable situation marked by exclusion, frustration, and breakdown in the relationship between the parties.

41. On that basis, Counsel argued that it would be legally and equitably improper to invoke Article 12 so as to subject the Petitioner to procedural constraints designed for voluntary transactions, when in fact the proposed sale arose from circumstances of compulsion. She emphasized that the Petition was grounded in allegations of oppression under the Companies Act, and that any eventual transfer of shares should be treated as a remedial outcome of that oppression rather than a voluntary transaction governed by the Company's internal transfer provisions.

Analysis

42. Upon careful reading of Article 12 of the Company's Articles of Association, I find that its applicability is limited to a situation where;
- a) A shareholder of the company desires to transfer or sell their shares.
 - b) The shareholder has issued written notice to the company directors.
 - c) The shareholder and the board of directors fail to agree on the share price/valuation.
43. From the foregoing, it is evident that Article 12 of the Company's Articles of Association is confined in scope to disputes arising from the valuation of shares in the context of a proposed voluntary sale or transfer by a shareholder. The provision is triggered where a member has elected to dispose of his shares and a disagreement arises as to the price or valuation, in which case the Articles provide a mechanism—such as arbitration or expert determination—to resolve that narrow issue.

44. In the present matter, however, although the parties had, through prior correspondence, explored the possibility of a share buyout, the substance of the dispute before the Registrar does not arise from a valuation disagreement in the ordinary course of a voluntary transfer. Rather, the Petition is grounded in allegations of denial of statutory and proprietary rights, exclusion from participation in the affairs of the Company, restricted access to company information, and broader claims of oppressive conduct. These complaints go to the manner in which the Company's affairs have been conducted and the protection of the Petitioner's rights as a member, which are matters falling squarely within the statutory jurisdiction of the Registrar under the Companies Act.

45. Furthermore, the procedural preconditions for invoking Article 12 were not satisfied. In particular, there is no evidence that the Petitioner issued a formal written notice to the Board of Directors expressing an intention to sell his shares, as required under the Article to trigger its operation. The absence of such notice reinforces the conclusion that the present dispute did not crystallize within the framework contemplated by Article 12. In the circumstances, the alleged oppressive acts and governance complaints extend beyond the limited ambit of valuation disputes envisaged under Article 12 and are not amenable to resolution through the arbitral mechanism provided therein. They instead call for regulatory intervention and determination on their merits.

46. Accordingly, I find that the arbitration clause contained in Article 12 of the Company's Articles of Association is not applicable or binding in respect of this Petition. The clause is restricted to disputes concerning valuation in voluntary share transfers in the ordinary course of business, whereas the present matter concerns allegations of oppression and infringement of participatory rights, which properly fall for determination by the Registrar of Companies.

b. Whether there was, oppression occasioned to the Petitioner pursuant to Section 243 of the Companies Act Cap 106?

47. The Petitioner alleged that the company's affairs were conducted in an oppressive and prejudicial manner, citing his exclusion from meetings, lack of notice of meetings, failure to hold meetings, and the absence of proper accounting records and audited financial statements. The Respondents denied any oppression, asserting that the company's affairs were conducted regularly and that the Petitioner, as Chairman and shareholder, had the authority to convene meetings but failed to do so. They maintained that the transfer of Dr. Kinene's shares was lawful and they offered the Petitioner an opportunity to purchase proportional shares.

48. The Petitioner contended that since incorporation, the Company has failed to convene Board or Annual General Meetings, in contravention of the Companies Act and its Articles of Association, and has failed to prepare and present audited financial statements. He alleges exclusion from shareholder deliberations, improper transfer of shares flouting preemption rights, failure to maintain proper books of account, and persistent non-disclosure of material company information. The Petitioner further relies on an audit report carried out by Almention Intersys, which highlights material discrepancies in financial records of the Company and a lack of cooperation from management. The Petitioner's legal representative during the hearings submitted that these actions collectively amounted to oppression, breach of fiduciary duty, and mismanagement, and sought intervention of the Registrar of Companies to protect the Petitioner's interests.

49. The Respondents conceded the Petitioner's status as a shareholder and the Company's incorporation details, but disputed the Petitioner's allegations of exclusion, mismanagement, and financial impropriety. They contended that the Petitioner, as appointed Chairperson of the Board, was responsible for convening

meetings and failed to do so, and that it was not true that he was denied access to company records. The Respondents' legal representative further argued that the share transfer from Dr. Kinene to the Respondent's was effected in accordance with the law and company Articles of Association, specifically Article 11, that provided verbatim that, '*no shares in the capital of the Company shall be sold or transferred by any shareholder or trustee in bankruptcy or personal representative of any shareholder unless and until the rights of pre-emption hereinafter conferred shall have been exhausted.*' The Respondents' legal representative argued that it was not true that the Petitioner was unaware of the proposed transfer of Dr. Kinene's shares but rather, that he choose not to purchase the shares when offered.

50. It was also argued that any exclusion of the Petitioner was inadvertent and remediable. The Respondents challenged the competence of the audit report presented by the Petitioner and maintained that the Company's actions were transparent and in good faith. They argued that the Petition offended the rule in *Foss v Harbottle* and that any relief claimed was misconceived.

Analysis

51. The Respondents argued that the Petition contravened the rule in *Foss v Harbottle (1843) 2 Hare 461, 67 ER 189*, which provides that where a wrong is done to a company, the proper plaintiff/claimant is the company itself. However, exceptions to this rule arise where:

- a) the conduct complained of is oppressive or unfairly prejudicial to minority shareholders; or
- b) those in control of the company prevent the company from seeking redress.

52. The Petitioner in the instant case, alleges exclusion, mismanagement, and oppressive conduct. These claims fall within recognised exceptions to the rule. Accordingly, I find that the Petition is properly before the Registrar of Companies

and the rule in *Foss V Harbottle* is not applicable to minority member oppression claims.

53. I shall now proceed to resolve whether any oppression was occasioned to the Petitioner.

54. Claims of oppression are provided under section 243 of the Companies Act, Cap 106 which provides as follows;

“Alternative remedy to winding up in cases of oppression

(1) A member of a company who complains that the affairs of the company are being conducted in a manner oppressive to a part of the members including himself or herself or in a case falling within section 174(5), may make a complaint to the Registrar by petition for an order under this section.

(2) Where on any petition under subsection (1) the Registrar is of the opinion

(a) that the company's affairs are being conducted as referred to in subsection (1); and (b) that to wind up the company would unfairly prejudice that part of the members but otherwise the facts would justify the petitioning for a winding up order on the ground that it was just and equitable that the company should be wound up, the Registrar may, with a view to bringing to an end the matters complained of, make such order as he or she thinks fit whether for regulating the conduct of the company's affairs in future or for the purchase of the shares of any members of the company by other members of the company or by the company and in the case of a purchase by the company, for the reduction accordingly of the company or by the company's capital, or otherwise.

55. The Supreme Court of Uganda, in the case of *Matthew Rukikaire Mathew v. Incafex (U) Ltd (Civil Appeal No. 03 of 2015)*, elaborated on what constitutes oppressive conduct. The Court held that for conduct to be deemed oppressive, it must affect the shareholder in their capacity as a member of the company, not in any other role. For instance, the Court found that the removal of a petitioner from

the position of Executive Director did not amount to oppression within the meaning of the Companies Act. However, actions such as wrongfully excluding a shareholder from company meetings were considered oppressive. In *Matthew Rukikaire (supra)*, the Learned Justice Lillian Tibatemwa Ekirikubinza of the Supreme Court cited with approval an old High Court decision in the Case of *Re Nakiuboo Chemists (U) Ltd [1977] HCB 311*, where the court laid the principle as follows;

“For the petitioner to succeed under section 211 (now section 243) of the Companies Act Cap 106) of the Companies Act, he must show not only that there has been oppression of the minority shareholders of a company but also that it has been the affairs of the company which have been conducted in an oppressive manner. The oppression must be to a person in his personal capacity as a shareholder and not in any other capacity.”

56. In the instant case, the Petitioner is a minority shareholder holding 16 shares, following the redistribution of Dr. Dennis Kinene’s 16 shares among the Respondent shareholders, each of whom acquired an additional 5.3 shares to their initial 16 shares. While section 243 of the Companies Act Cap 106 does not expressly define “minority,” it is evident that the Petitioner, holding a lesser proportion of shares and lacking control over decision-making, falls within the category of a minority shareholder for purposes of protection against oppressive conduct.

57. Regarding the alleged oppressive conduct, the Petitioner asserted that he was excluded from the management and affairs of the company, denied notice of meetings, and that no board or annual general meetings were convened since incorporation. Upon perusal of the company file, there are several filed resolutions from incorporation to date that prove that meetings were held by the company

and resolutions filed thereto without the Petitioner's signature, who is said to have been a Chairperson of the Board. This is suggestive of the Petitioner's exclusion.

58. Notably, the Respondents did not adduce evidence that notices were issued to the Petitioner inviting him to participate in meetings. Section 136 of the Companies Act Cap 106 is to the effect that meetings shall be called by a twenty-one (21) days' notice in writing. The same position is indicated under Article 24 of the company's Articles of Association which stipulates verbatim that, '*subject to the provisions of the Act relating to special resolutions, twenty one days' at least (exclusive of the day on which the notice is served or deemed to be served but inclusive of the day for which notice is given) specifying the place, the day and the hour of meeting and in the case of special business shall be given in a manner as may be prescribed by the Company...*' There are a number resolutions on file endorsed without the Petitioner's signature. While his participation could be ascertained through the company minutes or attendance lists, there were no signed minutes or meeting attendance lists adduced to prove that the Petitioner was involved in these meetings or was notified of the same.

59. Section 148 of the Companies Act, Cap. 106 provides that;

(1) *Every company shall cause minutes of all proceedings of general meetings and of all proceedings at meetings of its directors to be entered in books kept for that purpose.*

(2) *Any minute referred to in subsection (1)...shall be evidence of the proceedings.*

(3) *Where minutes have been made in accordance with the proceedings at any general meeting of the company or meeting of directors then, until the contrary is proved, the meeting shall be taken to have been duly held and convened...*

60. The interpretation of Section 148 of the Companies Act Cap 106 is that companies are required to maintain accurate minutes of all proceedings at general meetings and directors' meetings, which serve as the official record of decisions and deliberations. These minutes, when properly recorded, are considered *prima facie*

evidence of the proceedings and create a legal presumption that the meetings were duly held and convened. This presumption protects the company and its record of persons that participated in such meetings. No minutes or attendance records were attached to prove the Petitioners involvement or participation in company meetings further proving his exclusion. The Respondents instead sought to shift responsibility to the Petitioner in his capacity as a Board Chairman and a shareholder of the company to call meetings. In *Matthew Rukikaire v. Incafex (U) Ltd (Civil Appeal No. 03 of 2015)*, excluding a shareholder from company meetings was considered oppressive conduct. Additionally, in *Elder vs Elder & Watson Ltd. [1952] SC 49*, Lord Cooper noted that *'...oppression requires a visible departure from standards of fair dealing and an infringement on the aggrieved party's proprietary or participatory rights.'* Exclusion from participation in company affairs cannot be termed as fair dealing rather it amounts to an infringement of an aggrieved party's participatory rights. The Petitioner's exit from the Directors' WhatsApp group in 2022 did not extinguish or waive his statutory and participatory rights to receive notice of, attend, and participate in company meetings.

61. The Petitioner has demonstrated, primarily through his statutory declaration and the attached audit prepared by Almention Intelsys, that there were significant lapses in the Company's governance that occasioned oppression to him in his capacity as a member, including failure to convene statutory meetings and to maintain and disclose financial records. While the Respondents contend that the Petitioner was responsible for convening meetings, it is the collective responsibility of directors to ensure compliance with the Companies Act and the Company's Articles of Association. The Respondents' offer to remedy the exclusion from share acquisition is noted, but does not fully address the broader concerns over transparency and participation.

62. The audit report, while challenged by the Respondents, was produced by an independent firm and raises serious concerns regarding the management of the Company's finances and records, which have not been adequately addressed or rebutted by the Respondents in a corresponding independent audit report.
63. Oppression involves conduct that is burdensome, harsh, wrongful, or lacking in probity. Justice Stephen Musota in the case *Edward Ssentenza and another V Donnie Company Limited and another HCT-00-CV-CI-0005-2016* distinguished oppressive conduct under Section 243 and unfairly prejudicial conduct under Section 244 of the Companies Act Cap 106 observing that;
- a. *If the complaint is that the minority shareholders are oppressed because decisions that are "burdensome, harsh and wrongful" against them are being made by the management of the Company and the acts complained of would as a test amount to grounds for winding up on just and equitable grounds, then the remedy is under S. 247 (now 243) before the Registrar of Companies.*
 - b. *If the complaint is simply that the affairs of the Company are being managed in a manner unfairly prejudicial to the interest of the members then the remedy is under S. 248 (now 244) of the Companies Act Cap 106 before the High Court.*
64. The totality of the evidence in this case shows not just an isolated event of oppressive conduct but a pattern of conduct that excluded the Petitioner from participation in the company's affairs, denied him access to information, and failed to observe proper procedures for share transfers flouting the rights of preemption enshrined in the Company's Articles of Association. This amounts to oppression under Section 243 of the Companies Act Cap 106. The breakdown in shareholder relations and governance is severe enough that continued association is untenable and may justify winding up the company on equitable grounds. The remedy/remedies offered under Section 243 of the Companies Act Cap 106, serve as an alternative to winding up.

65. In this case, the evidence before the Registrar demonstrates a breakdown in shareholder relations arising from oppressive conduct occasioned to the Petitioner. Correspondence presented indicates that the Petitioner and the Respondents participated in buyout negotiations further cementing the view that the Petitioner and the Respondents cannot work together anymore. The continued existence of the dysfunction between the members will affect the ability of the company to continue in operation and will most likely result in the winding up of the company. The Registrar in these circumstances may, pursuant to Section 243 of the Companies Act Cap 106, with a view to bringing to an end the matters complained of; make such order as he/she thinks fit whether for regulating the conduct of the company's affairs in future or for the purchase of the shares of any members of the company or by the company.

66. In view of the irretrievable breakdown in the relationship between the parties, I find that a share buyout constitutes the most practical and appropriate remedy for the parties.

c) What remedies are available to the parties?

56. Having found that the affairs of Neogenesis Fertility Centre Ltd were conducted in a manner oppressive to the Petitioner within the meaning of Section 243 of the Companies Act, Cap. 106, the Registrar is vested with the jurisdiction to grant such reliefs as are necessary to bring an end to the matters complained of. The purpose of such intervention is not merely to censure past conduct, but to provide a practical and forward-looking remedy that safeguards the Petitioner's rights as a member, restores proper corporate governance, and ensures that the Company's affairs are conducted in accordance with the law and its constitutive documents.

57. Section 243(2) of the Companies Act confers broad and flexible discretionary powers upon the Registrar, including the authority to regulate the conduct of the company's affairs, to make orders for the purchase of shares of any member by

other members or by the company, and to grant any other relief deemed just and equitable in the circumstances. These powers are intended to enable the Registrar to fashion remedies that are tailored to the specific facts of each case, particularly where continued association between the parties has become untenable.

58. In the present case, the evidence points to a complete and irretrievable breakdown in the relationship between the Petitioner and the Respondents, characterised by loss of trust, breakdown in communication, and persistent disputes over the management and direction of the Company. In such circumstances, it would be impractical and contrary to the interests of the Company to compel the parties to continue in a strained corporate relationship. A buyout of the Petitioner's shares therefore emerges as the most equitable and commercially sensible remedy, as it brings finality to the dispute while allowing the Company to continue its operations without disruption.

59. Furthermore, the record shows that the parties themselves contemplated a buyout arrangement as a possible resolution of their differences. However, this did not culminate in an agreement, principally due to disagreement on the valuation of the Petitioner's shares. This reinforces the appropriateness of a structured buyout with an independent valuation mechanism to ensure fairness and objectivity to both parties.

60. I shall issue orders under Section 243 of the Companies Act Cap 106 with a view to bringing to an end the oppressive conduct complained of, restoring compliance with the Companies Act, and ensuring an equitable exit for the Petitioner. The buyout of the Petitioner's shares provides a fair, efficient, and legally sound resolution to the dispute. The parties are strongly encouraged to cooperate in good faith to bring closure to this dispute and restore stability to the Company.

61. Upon completion of the valuation, the First Respondent Company shall have the first option to purchase the shares. Granting the First Respondent Company the

first option to purchase the shares serves to ensure that the company retains control over its shareholding structure and can manage any changes in ownership internally. Should the company exercise this option, the purchased shares will revert to the status of unissued shares. The Company can subsequently use such shares as a source of financing particularly known as equity financing. If the Respondent company chooses not to exercise this right, the second, third and fourth Respondents will then have the opportunity to acquire the shares, either individually or collectively, at an independently determined fair value.

62. The purpose of relief under Section 243 is not punitive but remedial. It aims to bring to an end to oppressive conduct while preserving the viability of the company. Considering the First Respondent's role in the health sector and the interests of the other shareholders that are still interested in pursuing the business, winding up the Company would be disproportionate and prejudicial not just to the shareholders but also to other stakeholders, including employees, financiers, and the public that benefit from the health services of the first Respondent company. Accordingly, a buyout of the Petitioner's shares is the most just and expedient solution.

63. In order to bring this dispute to a just and final resolution, pursuant to Section 243 of the Companies Act Cap 106 and Regulation 32 of the Companies (Powers of the Registrar) Regulations SI No. 71 of 2016, I make the following orders:

- a) *I find that the affairs of Neogenesis Fertility Centre Ltd were conducted in a manner oppressive to the Petitioner contrary to Section 243 of the Companies Act, Cap. 106.*
- b) *It is hereby ordered that the Petitioner's shares in the First Respondent Company shall be bought out at a fair value, either by the Respondent Company, or in the alternative by the 2nd 3rd and 4th Respondents jointly or severally.*

- c) *A qualified and independent valuer shall be appointed within thirty one (31) days from the date of this ruling by mutual agreement of the parties, and in default of agreement by a competent Court, for purposes of determining the fair value of the Petitioner's shareholding and contributions in the Company.*
- d) *The valuation shall be conducted in accordance with internationally accepted valuation principles and standards, taking into account the Petitioner's shareholding, his capital contributions, historical participation, and any other relevant equitable considerations necessary to arrive at a fair and just valuation.*
- e) *The valuation report shall be completed and submitted to the parties within ninety (90) days from the date of appointment of the independent valuer.*
- f) *Upon receipt of the valuation report, the purchase price shall be paid to the Petitioner within one hundred eighty (180) days, unless otherwise agreed by the parties in writing.*
- g) *Upon full payment of the purchase price, the Petitioner shall execute all necessary transfer instruments and documents to effect the transfer of his shares, and the Company shall update all statutory records accordingly.*
- h) *Pending completion of the buy-out process, all parties shall maintain the status quo and shall refrain from any acts likely to prejudice the Company's operations, assets, financing arrangements, employees, contractual obligations, or commercial reputation.*
- i) *The costs of the valuation shall be borne by the Company.*
- j) *Each party shall bear its own costs.*

I so order.

Given under my hand this 05th day of May 2026

Daniel Nasasira

Assistant Registrar of Companies