THE REPUBLIC OF UGANDA

IN THE MATTER OF THE COMPANIES ACT CAP. 106

AND

IN THE MATTER OF THE COMPANIES (POWERS OF THE REGISTRAR) REGULATIONS SI NO. 71 OF 2016

AND

IN THE MATTER OF BRIGHT DENTAL SOLUTIONS LTD

COMPANY PETITION NO. 11230 OF 2026

BRN: 80034894711230

ABED FARUG :: PETITIONER

VERSUS

1. AL SAMAWI FARES ALI HAMOOD

2. BAKAYANA MARGARET :: RESPONDENTS

RULING

Before: Daniel Nasasira - Assistant Registrar of Companies

A. Representation.

1. *Counsel Harold Turigye and Bridget Wanyana from C.R Amanya Advocates represented the Petitioner, whereas Counsel Wetaka Arnold and Nagawa Eve from Wetaka, Bukenya & Kintu Advocates represented the Respondents.*

B. Introduction and Background

2. The Petitioner is a male adult and a founding shareholder of Bright Dental Solutions Limited, holding 350 shares.
3. The first and second Respondents are registered shareholders in Bright Dental Solutions Limited with the first Respondent owning 300 shares and the second Respondent holding 350 shares.
4. Bright Dental Solutions Limited is a registered Company incorporated on 07th November 2023 under registration number 80034894711230.

5. The Petitioner filed the case alleging member oppression and sought several remedies, including full access to Company premises, financial records, assets, and statutory documents. He also requested an independent audit by mutually agreed auditors with full management cooperation, and an order restraining the Respondents from further acts of oppression, harassment, exclusion, or violence. Alternatively, the Petitioner sought a buy-out of his shares at a fair value determined by an independent valuer, along with any other orders necessary to protect his rights and ensure proper Company governance.
6. The Respondents argued to the contrary that the petition should be dismissed with costs as it was based on falsehoods, ill motive, and was frivolous and vexatious. They contended that it was filed in bad faith to disrupt the Company's operations and further described the Petitioner as difficult to work with.

C. Petitioner's Case

7. The Petitioner deposed a statutory declaration wherein he stated that he was a founding shareholder of Bright Dental Solutions Limited, holding 350 shares, and that he contributed substantial capital towards the establishment and operation of the Company amounting to approximately UGX 583,486,595.
8. The Petitioner averred under paragraph three of his statutory declaration that before incorporation, he financed all expenses of Al Samawi Fares Ali Hamood – the first Respondent, including costs associated with bringing him to the country as the Company Dentist including accommodation and supporting his entire family.
9. That at the time of incorporation, it was mutually agreed that all shareholders, including the Petitioner, would participate in the management affairs of the Company.
10. The Petitioner argued that at the beginning, he was charged with being the sole signatory to the Company Bank Accounts and he would receive money from the Respondents and Bank the same into the Accounts and also replenish the

expenses by processing the agreed upon expenditure. He attached copies of the Bank statements for the UGX and Dollar Company accounts as Annexures "A" and "B" respectively.

11. It was argued that contrary to the said understanding, the Respondents started conducting the affairs of the Company in a manner that is oppressive and unfairly prejudicial against the Petitioner.
12. The Petitioner contended that he has deliberately and persistently been excluded from the management and decision-making processes of the Company despite being a director and founder shareholder.
13. The Petitioner averred that he has been denied access to the Company premises without lawful justification, thereby preventing him from exercising his rights of supervision and participation in the Company's affairs. He averred that this fact is not denied by the Respondents.
14. The Petitioner deposed under paragraph nine of his statutory declaration that the Respondents have refused and/or failed to provide him with access to the Company's financial records, including mobile money statements, income statements, and other statutory records.
15. The Petitioner contended that this denial is in violation of his statutory rights as a shareholder and has prevented him from assessing the financial position and performance of the Company.
16. That in an effort to safeguard his investment and ensure accountability, he engaged independent auditors, ESMAC & Associates Certified Public Accountants who he had introduced to the Respondents prior, to review the Company's accounts. However, the said auditors were denied access to the financial records and were subjected to hostility and obstruction, thereby frustrating any attempt at transparency and accountability.
17. The Petitioner stated under paragraph twelve of his statutory declaration that he has never received any dividends, financial reports, or formal communication regarding the performance of the Company.

18. That on the 26th day of November 2025, he attempted to exercise his statutory right to requisition an Extraordinary General Meeting. However, that when he together with an advocate Rugwisagye Baryomunsi, went to serve the requisition notice, they were met with hostility, threats, and physical confrontation. The matter was reported to Kabalagala Police Station and recorded accordingly, to which the Petitioner gave his statement.
19. The Petitioner argued that the Respondents have subjected him to persistent harassment, verbal abuse, and intimidation, creating a hostile environment and making it unsafe for him to access the Company premises. The Petitioner attached a copy of the video recording of the harassment by the first Respondent Al Samawi Ali Hamood as Annexure "C".
20. The Petitioner argued that such conduct goes beyond mere commercial disagreement and constitutes oppressive conduct aimed at forcing him out of the Company and denying him the benefit of his investment.
21. The Petitioner contended that the conduct of the Respondents lacks probity, transparency, and good faith, which are essential in the management of a Company, especially one formed on mutual confidence. The Petitioner deposed in his statutory declaration that unless the Registrar intervenes, he will continue to suffer irreparable financial loss, denial of his rights, and exclusion from the Company's affairs.
22. The Petitioner reiterated his prayers in the Petition arguing that the declaration was made in support of his Petition seeking reliefs of access to Company records, independent audit, protection from further oppressive conduct and a fair buy-out of his shares.
23. The Petitioner's legal representatives further relied on a statutory declaration sworn by Rugwisagye Baryomunsi of C/O CR. Amanya Advocates & Solicitors. In his declaration, he stated that he had been instructed by the firm to assist the Petitioner in effecting service of a notice requisitioning an Extraordinary General Meeting of Bright Dental Solutions Limited. He averred that on 26th

November 2025, he accompanied the Petitioner to the Company's premises for the purpose of serving the said notice upon the Respondents.

24. That upon arrival, the first Respondent and other persons acting on their behalf became hostile, aggressive, and confrontational. Rugwisagye deposed that during the incident, both the Petitioner and himself were verbally abused, threatened, and physically confronted and that due to the escalation of the situation and concerns for personal safety, they were forced to withdraw from the premises.
25. That the incident was subsequently reported to Kabalagala Police Station and a copy of the police report proving the incident has been obtained and was attached to his statutory declaration as Annexure "A".
26. The Petitioner's legal representatives further presented a statutory declaration deposed by Nelson Mpagi Andrew a qualified Auditor practicing at ESMAC & Associates Certified Public Accountants of Uganda.
27. Mr. Nelson Mpagi Andrew deposed that the firm, ESMAC & Associates Certified Public Accountants of Uganda, was engaged by the Petitioner, a shareholder of Bright Dental Solutions Limited, to conduct an audit of the Company's financial records based on the records he had shared with the firm. A copy of the Audit Report was attached to his statutory declaration as annexure "A".
28. Mr. Nelson Mpagi Andrew stated that on the 11th day of September 2025, he proceeded to the Company premises to carry out the audit and inspect the financial records. However, upon arrival, the firm officials were denied access to the premises and to all financial and statutory records of the Company by individuals present at the premises.
29. Additionally, that while the Petitioner was delayed, when he arrived, they were both assaulted and treated in a degrading manner and chased out of the Company premises.

30. That during the said visit, the individuals, including the first Respondent - Al Samawi Fares Ali Hamood, acted in a hostile, abusive, and obstructive manner, and the firm was unable to perform its professional duties.
31. Mr. Nelson Mpagi Andrew averred that the information in the audit report was solely based on the documents and records provided to them by the Petitioner. That the Company did not provide any financial documents, including but not limited to mobile money statements, accounting records, or supporting documentation necessary to conduct the audit.
32. Mr. Nelson Mpagi Andrew deposed that the condescending conduct demonstrated by the first Respondent and Company officials showed lack of transparency and deliberate obstruction of an independent audit process.
33. Mr. Nelson Mpagi Andrew stated further that he attended a meeting with the Petitioner at Cafesserie Arena Mall and it was agreed to have an audit entry meeting with management of the Company who are the Respondents in question to discuss the audit objectives, audit scope and the necessary documentation required for the audit. However, the meeting never took place following its frustration by the Respondents.

D. Respondents' Case

34. In his statutory declaration, the first Respondent acknowledged that he, the second Respondent and the Petitioner, were co-shareholders in M/S Bright Dental Solutions Ltd, as averred in the petition. He, however, disputed the Petitioner's claim that he contributed the greater portion of the Company's start-up capital. Instead, he maintained that the shareholding structure reflected on the subscription page of the Memorandum and Articles of Association accurately represented the parties' respective capital contributions and ownership interests in the Company.
35. The first Respondent further contended that the assertions contained in paragraphs 3(b) and 3(c) of the Petition were inaccurate. He denied that the Petitioner's total investment in the Company amounted to UGX 583,486,594

and further disputed the claim that such investment had been verified and confirmed by the Respondents. He also denied that he and the Petitioner were joint signatories to the Company's bank account maintained with DTB Bank, as alleged in the Petition.

36. That given the deficiency of dental services in Uganda, the first Respondent was convinced by the Petitioner who is not a dental practitioner to join him in establishing a dental Clinic within Kampala.
37. That as a condition, the first Respondent asked the Petitioner to first purchase certain equipment essential in starting up the dental business and these included; dental chairs, sterilization equipment and x-ray machines.
38. He further averred that, owing to the substantial cost of the equipment required for the business and the stringent regulatory and licensing requirements involved, the Petitioner enlisted the second Respondent to contribute expertise, support, and resources necessary to facilitate the acquisition of equipment and compliance with the applicable licensing processes.
39. He stated that, upon the acquisition and installation of some of the necessary equipment, the three parties proceeded to incorporate M/S Bright Dental Solutions Limited. At incorporation, the first Respondent was allotted 300 shares, while the Petitioner and the second Respondent were each allotted 350 shares, reflecting the agreed shareholding structure of the Company.
40. That based on mutual trust, a resolution was passed by the Company appointing the Petitioner as the sole signatory to the Company's Shillings and USD Bank account held with DTB Bank Ltd - Isbat branch, as well as the Company's MTN/Airtel mobile money platforms accessed by only him.
41. That all was well until sometime in May, 2025 when the Petitioner who was in charge of most of the administrative instruments started to behave suspiciously.

42. That he, for example, started treating the Respondents as if they were his employees preferring to monitor the Company's operations remotely through updates from the Company employees. That he also became more passive in his participation in the Company affairs.

43. He further averred that the first Respondent's requests for him to regularly attend office meetings and corporate engagements were consistently disregarded. He stated that requests for funds to facilitate the Company's day-to-day operations, including the payment of salaries, procurement of consumables, and settlement of other operational expenses, often went unanswered for extended periods, notwithstanding the fact that the Company's obligations and business activities required continuous and timely execution.

44. That despite the first Respondent's complaints, the first Respondent soon discovered that the Petitioner was instead visiting the Company premises in the wee hours of the night where he would scrutinize the Company books of accounts, the records and the staff offices.

45. He further stated that, upon becoming aware of the foregoing circumstances, the first Respondent confronted the Petitioner and urged him to be transparent and forthright in his conduct and dealings relating to the Company's affairs. According to the deponent, these concerns were disregarded by the Petitioner. Consequently, the first Respondent instructed the Company's security guard not to grant the Petitioner access to the premises during the late-night and early-morning hours.

46. The first Respondent averred that he requested access for the credentials to the Company's official email account and the Uganda Revenue Authority (URA) portal, and also sought a revision of the operating mandate governing the Company's bank accounts.

47. The first Respondent further deposed that, instead of complying with the requests he had made, the Petitioner dispatched individuals unknown to him

to the Company's premises with the purported intention of conducting an audit of the Company's affairs. He stated that he objected to the exercise on the grounds that it had not been properly authorised and consequently directed the individuals to vacate the Company premises.

48. That following this incident, a letter was issued to the first Respondent from the Petitioner's lawyers alleging a break down in the working relationship between the Petitioner and the Respondents and suggesting a meeting at their chambers in Ntinda, to which the Respondents agreed.
49. The first Respondent further stated that during the meeting held on 24th September 2025, the Petitioner, among other concerns, accused the Respondents of excluding him from the management and operations of the business. The Petitioner also proposed that his shareholding be bought out, a proposal, which the Respondents indicated they were willing to consider.
50. That the 24th September 2025 meeting was adjourned to the 28th October, 2025 when the parties would each present their investment records for purposes of working out how much was payable to the Petitioner as a buy-out.
51. That during the 28th October, 2025 meeting, there was a disagreement on how much the Petitioner and Bakayana had each invested in the business in which case the parties agreed to carry out a valuation of the Company's assets to ascertain a figure which would be divisible amongst the three shareholders to determine the amount payable to the Petitioner.
52. The first Respondent further deposed that, as the discussions progressed, it appeared that the Petitioner had reconsidered his position. He stated that on 17th November 2025, the Petitioner failed to attend a scheduled meeting, thereby frustrating the ongoing discussions and efforts to resolve the matter.
53. The first Respondent further stated that on 26th November 2025, the Petitioner arrived at the Company's premises accompanied by several individuals unknown to him. He averred that one of those individuals proceeded to record

both the first Respondent and the Company premises without his consent or any prior authorisation.

54. That the first Respondent's request to cease the recording was disregarded, and as a result, he confiscated the mobile phone that was being used to record him and requested that the Petitioner and his men promptly vacate the Company premises. Upon their departure, they submitted a complaint of assault to the police against the first Respondent. Presently, investigations regarding this matter are ongoing.
55. The first Respondent stated that, based on the foregoing facts and on the advice of his lawyers, M/S Wetaka, Bukenya & Kizito Advocates, any funds spent prior to the Company's incorporation are not recoverable in relation to the proposed buy-out.
56. The first Respondent further asserted that it was false and inconsistent for the Petitioner to claim that he and the Respondents remained joint signatories to the Company's accounts or that they all had full access to them.
57. The first Respondent stated in his answer that the contents of paragraphs 3 (e) and (f) of the petition demonstrate that the Petitioner does not consult the Respondents on Company matters, but instead acts unilaterally.
58. The first Respondent further contended that the allegations contained in paragraph 3(g) of the Petition are unfounded, implausible, and devoid of factual basis. He argued that the assertion that the Petitioner had contributed 85% of the Company's investment, coupled with claims regarding the Company's profitability, is unrealistic given that the Company has been in existence for only two years and has not yet fully installed all the equipment necessary for its operations. He maintained that such assertions are speculative and unsupported by credible evidence.
59. The first Respondent stated that the contents of paragraphs 3 (h) and (i) of the Petition are false and reflect the Petitioner's ill intent, noting that a response had been issued confirming attendance at the proposed EGM date. However,

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Daniel Nasasira
REGISTRAR

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the Petitioner instead appeared unannounced at the Company's premises with strangers and caused disruption. Additionally, concerning the scheduled EGM, the Petitioner neither attended nor provided any explanation for his absence.

60. The first Respondent further submitted that the allegation contained in paragraph 3(k) of the Petition is untenable, asserting that the Petitioner was the sole signatory to the Company's only bank account and, as such, could not reasonably claim to have requested bank statements from the Respondents.

61. The first Respondent maintained that, having regard to the foregoing circumstances, the Petition was instituted in bad faith and was intended to interfere with and disrupt the Company's operations. He further described the Petitioner as being a very difficult person to work with in the management of the Company's affairs and consequently urged that the Petition be dismissed with costs in the interests of justice.

62. Muwanguzi Nelson Lutalo, who identified himself as a brother of the second Respondent, also swore a statutory declaration in support of the Respondents' case. He substantially reiterated the facts set out by the first Respondent and expressed the view that it would be fair, just, and equitable for the Petition to be dismissed with costs.

E. <u>Petitioner's Rejoinder</u>

63. In rejoinder, the Petitioner reiterated the contents of paragraphs 1 to 4 of the Petition and in further reply to the Respondent's answer to the Petition, stated that the contents of paragraphs 3, 4 and 5 of the answer to the Petition were vehemently denied in their entirety and the Respondents would be put to strict proof thereof.

64. In specific reply to paragraphs 3, 4 and 5 of the answer to the petition, the Petitioner maintained that he contributed the largest portion of the capital required for the incorporation of Bright Dental Solutions Limited and for the commencement of its business operations. The petitioner averred that the first

Respondent was allotted shares in the Company solely on account of his professional qualification as a dentist, the said shares being intended to represent and compensate his professional expertise and services to the business.

65. In further reply to paragraphs 3, 4 and 5 of the said Reply, the Petitioner averred that he holds 350 shares in Bright Dental Solutions Limited, the second Respondent holds 350 shares, and the first Respondent holds 300 shares in the Company. The Petitioner further maintained that he invested substantial capital in the business amounting to UGX 583,486,595 (Uganda Shillings Five Hundred Eighty-Three Million Four Hundred Eighty-Six Thousand Five Hundred Ninety-Five Only). The said investment had been verified by the Respondents and is further evidenced by the documentation, receipts, and bank transfer records annexed to the Petition. The Petitioner therefore argued that the Respondents' assertions were therefore false and misleading.

66. The contents of paragraphs 6, 7, 8, 9 and 10 of the said answer to the Petition were noted in so far as they acknowledged that the Petitioner purchased essential equipment for the Company, including dental chairs, sterilization equipment and X-ray machines. The Petitioner further averred that it was he who personally brought on board the first Respondent, Al Samawi Fares Ali, on account of his professional expertise to support the operations of the business.

67. The contents of paragraphs 11,12,13,14,15 and 16 of the Reply were denied in their entirety. In specific reply to paragraphs 11, 12, 13, 14, 15 and 16 of the reply to the Petition, the Petitioner argued that himself and the Respondents, remained directors and authorized signatories to the Company's bank accounts maintained at Diamond Trust Bank. The Petitioner further averred that, by virtue of his position in the Company, he actively participated in the affairs and operations of the Company.

68. In further reply to paragraphs 11, 12, 13, 14, 15 and 16 of the Reply to the Petition, the Petitioner averred that in the course of monitoring the daily operations of the Company, he discovered that the Respondents had become uncooperative and had begun unlawfully excluding him from the affairs and management of the Company, in violation of his rights and legitimate interests as a shareholder of Bright Dental Solutions Limited.

69. The Petitioner contended that on several occasions he had been denied access to the Company premises without any reasonable cause, despite his legitimate entitlement to participate in the affairs, oversight and supervision of the Company's operations. The Petitioner further averred that this conduct was deliberately orchestrated by the Respondents, thereby preventing him from effectively exercising his rights and responsibilities as a shareholder.

70. In further reply to paragraphs 11, 12, 13, 14, 15 and 16 of the Reply to the Petition, the Petitioner averred that notwithstanding the fact that he has been a shareholder in Bright Dental Solutions Limited for over two years, he had never been invited to attend any meeting relating to the affairs of the Company, nor had he received any dividends or returns on his investment. The Petitioner further averred that he had been unfairly excluded from the business despite having invested heavily in the Company, contributing over 85% of the capital that facilitated its operations.

71. The Petitioner reiterated in rejoinder that all his attempts and requests to access the Company's financial records in order to ascertain the financial standing of the Company were unjustifiably frustrated by the Respondents and without any lawful basis. The Petitioner further averred that he had been completely denied access to inspect the Company's documents, contrary to his rights and entitlements as a majority shareholder in the Company.

72. The Petitioner further argued that on several occasions he requested from the Respondents and their proxy, copies of the Company's bank statements, income statements, balance sheets, mobile money statements, and profit and

loss statements, but the said requests were ignored. The Petitioner argued that the Respondents had persistently frustrated his efforts to participate in the affairs of the Company, and that his attempts to obtain accountability had been met with insults and threatening conduct.

73. The contents of paragraphs 17, 18, 19, 20, 21, 22, 23 and 24 of the Reply to the Petition were vehemently denied in their entirety. In specific reply to paragraphs 17, 18, 19, 20, 21, 22, 23 and 24 of the said Reply, the Petitioner averred that, in the exercise of his rights as a shareholder in Bright Dental Solutions Limited, he attempted to serve a requisition for an Extraordinary General Meeting (EGM) at the Company premises on 26th November 2025. The Petitioner further argued that when he went to the Company premises to serve the Respondents with the said notice, he and the lawyers acCompanying him were physically and verbally assaulted. The Petitioner deposed that he managed to escape from the premises and thereafter reported the matter at Kabalagala Police Station.

74. In rejoinder, the Petitioner maintained that the Respondents frustrated and unfairly prejudiced him as a shareholder from engaging in the affairs, management and decision-making process of the Company.

75. The Petitioner averred that, despite his lawful status and rights as a shareholder, all his requests for information, participation in meetings, and involvement in the affairs of the Company had either been ignored or met with inhumane and obstructive conduct by the Respondents.

76. The contents of paragraphs 25, 26, 27, 28, 29, 30, 31, 32 and 33 of the Reply to the Petition were vehemently denied in their entirety. In specific response to paragraphs 25, 26, 27, 28, 29, 30, 31, 32 and 33 of the Reply, the Petitioner averred that the Respondents consistently acted with suspicion and lack of integrity in their dealings within the Company. As a result of this conduct, the Petitioner engaged an independent audit firm, ESMAC & Associates Certified Public Accountants of Uganda, to review the Company's accounts. However,

the auditors were denied access to the Company premises, were subjected to assault, and were refused the information necessary to conduct the audit. The Petitioner averred that these actions demonstrated deliberate concealment, a lack of transparency, and an intent to prevent accountability within the Company. The Petitioner further argued that when the auditors visited the clinic, the first Respondent refused to provide any information and instead subjected them to insults and assault.

77. The Petitioner contended that the allegations contained in paragraph 29 of the Reply to the Petition were false. The Petitioner further argued that he and his lawyers have, on several occasions, sought to engage the Respondents regarding his continued unlawful exclusion from the affairs of the Company, in clear contravention of his rights as a shareholder. The Petitioner argued that despite his legitimate interest and entitlement to participate in the management and oversight of the Company's operations, he has been denied access to the Company premises and physically assaulted at every attempt.

78. The Petitioner maintained that it is fair and just and in the interest of justice that the petition is allowed.

F. <u>Schedules</u>

79. At the closure of the hearing of this matter, I instructed both counsel to present written submissions and issued schedules as follows;

    a) *A joint scheduling memorandum signed by both sides was to be filed at the registry by the 07th day of April 2026.*

    b) *Written submissions from the Petitioners lawyers were to be filed and served by the 17th day of April 2026.*

    c) *Written submissions from the Respondents lawyers were to be filed and served by the 24th day of April 2026.*

    d) *Any submissions in rejoinder were to be filed and served by the 29th day of April 2026*

80. The parties were informed that the ruling would be issued on notice.

G. ***Issues***

81. The parties having presented their cases, I find that two issues are sufficient to address the concerns in this matter.

    a. *Whether the conduct of the Respondents, in view of the acts complained of, constitutes oppression within the meaning of Section 243 of the Companies Act Cap 106?*

    b. *What remedies, if any, are available to the parties?*

H. ***Determination***

a. ***Whether the conduct of the Respondents, in view of the acts complained of, constitutes oppression within the meaning of Section 243 of the Companies Act Cap 106?***

82. This Petition arises from a dispute among shareholders of Bright Dental Solutions Limited, with the Petitioner alleging acts of oppression, exclusion, and lack of transparency in the management of the Company, and seeking various reliefs including access to Company records, an independent audit, protection from further oppressive conduct, and in the alternative, a fair buy-out of his shares.

83. The Petitioner contends that he is a founding shareholder holding 350 shares and that he contributed substantial capital towards the establishment and operation of the Company. He asserts that it was agreed that all shareholders would participate in management, but that he has since been excluded from decision-making, denied access to Company premises and financial records, and subjected to harassment and intimidation. He further avers that his attempts to convene an Extraordinary General Meeting and to conduct an independent audit were frustrated by the Respondents, and that such conduct amounts to member oppression.

84. The Respondents, on the other hand, deny the allegations and contend that the Petition is filed in bad faith. They argue that the shareholding structure reflects the true contributions of the parties and deny that the Petitioner invested the sums claimed. They further assert that the Petitioner, who was the sole signatory to the Company's accounts, acted unilaterally, failed to cooperate in the Company's operations, and engaged in disruptive conduct, including bringing strangers to the Company premises. The Respondents maintain that they were open to a buy-out arrangement but that the process was frustrated by the Petitioner's conduct. They therefore pray that the Petition be dismissed with costs.

85. From the pleadings and evidence on record, the central issue for determination is whether the conduct of the Respondents amounts to oppressive conduct against the Petitioner as a shareholder/member of Bright Dental Solutions Limited within the meaning of Section 243 of the Companies Act Cap 106.

86. It is not in dispute that the parties are shareholders and directors of the Company. It is also not disputed that the Petitioner was at some point a signatory to the Company's bank accounts and played a role in its establishment. However, there is a sharp conflict as to the extent of his financial contribution and the nature of his involvement in the Company's operations.

87. On the issue of exclusion, the Petitioner alleges that he was denied access to the Company premises and records. The Respondents, while disputing the characterization of events, admit to restricting his access under certain circumstances, particularly in relation to his conduct and the presence of third parties at the premises. By his own deposition, the first Respondent admitted that the Respondents have found it particularly difficult to work with the Petitioner. The first Respondent also deposed in paragraph 19 of his reply, that in a meeting which took place on the 24th of September, 2025, the Petitioner among others things accused the Respondents of locking him out of the business and suggested a buy-out for his shareholding, which idea was

welcomed by the Respondents. During the hearing of this matter, it was also clear that efforts had been taken by the legal representatives of both the Petitioner and the Respondents to settle the matter but the efforts to reach a settlement to resolve the parties' disagreements failed prompting the Petitioner to seek the intervention of the Registrar of Companies. Evidence from both parties therefore indicates that the relationship between the shareholders deteriorated significantly, resulting in mistrust and breakdown in communication.

88. From the deposition of the first Respondent in paragraph 19 of his reply and the prayers sought by the Petitioner in this matter, it is clear that both parties are agreeable to a share buy out of the Petitioner. The only disagreement appears to be with how much the Petitioner is entitled to. While the Petitioner claims to have invested a total of Ugx 583,486,594, the first Respondent argued that it was not true that the Petitioner's total investment was Ugx 583,486,594 or that that amount was verified and confirmed by the Respondents. Indeed, I find that while the Petitioner claims to have made this investment in the business, he did not attach sufficient evidence in proof of the same. However, the first Respondent under paragraph seven of his sworn affidavit deposed that as a condition for him to come and operate at the dental facility he asked the Petitioner to first purchase certain equipment essential in starting up the dental business and these included; dental chairs, sterilization equipment and x-ray machines. That given the expensive nature of the equipment as well as the rigorous processes of licensing, the Petitioner brought on board the second Respondent to support in the above stated areas. The first Respondent therefore recognizes a substantial contribution on the part of the Petitioner in establishing the facility.

Analysis

89. 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.

90. The Supreme Court of Uganda, in the case of *Rukikaire Mathew v. Incafex (U) Ltd (Civil Appeal No. 03 of 2015),* elaborated 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 or unlawfully taking away their shares were considered oppressive. The position as to what amounts to and constitutes oppressive conduct is what was stated by the Supreme Court in the Mathew Rukikaire case cited above. In that case, the Learned Justice Lillian Tibatemwa Ekirikubinza of the Supreme Court, cited with approval, an

old High Court decision in the Case of *Re Nakivubo Chemists (U) Ltd [1977] HCB 311* where court laid the principle as follows;

"For the petitioner to succeed under section 211 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."

91. In the instant case, the issued share capital of Bright Dental Solutions Limited stands at 1,000 shares, of which the Petitioner holds 350 (35%), the first Respondent holds 300 (30%), and the second Respondent holds 350 (35%). Section 243 of the Companies Act, Cap 106 does not itself use or define the term ***"minority shareholder";*** rather, it speaks more broadly of a member who complains that the Company's affairs are conducted in a manner ***"oppressive to a part of the members including himself or herself."*** That formulation is deliberately wider than a strict arithmetic minority test, and the jurisdiction it creates has consistently been understood, both in this jurisdiction and in comparable Commonwealth authorities, to protect a member or bloc of members who lack the voting strength to control the conduct of the Company's affairs, assessed against those who do. In a persuasive decision of the House of Lords,' the treatment of the analogous ***"just and equitable"*** jurisdiction in ***Ebrahimi v Westbourne Galleries Ltd [1973] AC 360*** is instructive: there, a shareholder who had originally held equal shares with one co-shareholder was reduced to a minority once that co-shareholder's son was brought in as a director and allotted shares, after which the two acting together removed the petitioner from the board. The House of Lords treated the company as a quasi-partnership and held that the petitioner's minority status was to be assessed by reference to his practical capacity to participate in and influence the governance of a Company founded on mutual trust, not by a rigid count of any single holding in isolation.

92. Applying that principle here, although the second Respondent's individual holding of 350 shares is numerically identical to the Petitioner's, the relevant comparison for purposes of Section 243 is between the Petitioner standing alone and the first and second Respondents acting jointly as a shareholder bloc allied against him, which is how the evidence in this case shows them to have in fact acted throughout the dispute. The conclusion that the first and second Respondents acted as an allied shareholder bloc is not merely inferential but is positively established by the evidence on record. Notably, the second Respondent did not file an independent statutory declaration setting out her own account of events, nor did she at any point during the proceedings adopt a position distinct from that of the first Respondent. Instead, the second Respondent's interest was advanced through the statutory declaration of Muwanguzi Nelson Lutalo, who identified himself as her brother and representative. Muwanguzi's declaration did not introduce any independent facts, fresh perspective, or qualifying position on behalf of the second Respondent. Rather, it substantially corroborated and adopted the entirety of the first Respondent's account, reinforcing his narrative without reservation or nuance.

93. This is significant for two related reasons. First, it demonstrates that the second Respondent, despite holding a shareholding numerically equal to that of the Petitioner, exercised no independent judgment in this dispute and aligned herself entirely with the first Respondent's position. A shareholder who independently assessed the dispute and reached the same conclusion as a co-shareholder would ordinarily be expected to say so in their own voice, addressing the specific allegations that touched on her own conduct and investment. The second Respondent did neither. Second, the fact that both Respondents were represented by the same firm of advocates — M/S Wetaka, Bukenya & Kintu Advocates — throughout the proceedings, without any suggestion of a conflict of interest between them or any divergence in their

respective instructions to counsel, further confirms that they prosecuted a common and unified defence. Shared legal representation in adversarial proceedings is a strong indicator of a unity of interest and purpose, particularly where, as here, the allegations of the Petitioner were directed at both Respondents jointly and neither sought to distance herself or himself from the other.

94. Taken together, the absence of an independent declaration by the second Respondent, her reliance on a family representative, who also works at the dental facility and advances/protects her interest in the business and whose evidence mirrored that of the first Respondent in every material respect, and the shared conduct of the defence through common legal representation, constitute cogent evidence that the two Respondents acted in concert throughout the period of the dispute and in the conduct of these proceedings. It follows that, for the purposes of the Section 243 analysis, the combined shareholding of the first and second Respondents — amounting to 650 shares or 65% of the issued share capital — must be treated as a single controlling bloc. Against that bloc, the Petitioner's 350 shares, representing 35% of the issued capital, placed him in a position of practical minority, incapable of influencing any ordinary resolution or day-to-day management decision without the concurrence of at least one Respondent — a concurrence that the evidence demonstrates was consistently withheld. It is that structural vulnerability, confirmed by the conduct of both Respondents acting in unity, that brings the Petitioner squarely within the class of members Section 243 of the Companies Act, Cap. 106 is designed to protect.

95. On that basis, the Respondents collectively hold 650 shares (65%) against the Petitioner's 350 (35%). That margin, while short of the 75% ordinarily required to pass a special resolution under the general scheme of the Act, is comfortably sufficient to carry every ordinary resolution and every day-to-day management and governance decision without recourse to the Petitioner's vote — which is

precisely the terrain on which the conduct complained of in this Petition ***(exclusion from premises, withholding of records, refusal to convene meetings)*** took place. The Petitioner accordingly falls within the class of member Section 243 is designed to protect: one whose comparatively weaker voting position leaves him exposed to having the Company's affairs conducted by the controlling bloc in disregard of his legitimate interests as a shareholder.

96. Member oppression connotes actions that are burdensome, harsh, or wrongful, and which violate a member's reasonable expectations of how the Company should be run. 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*'. For the Petitioner to succeed on a claim of oppression under the Companies Act, he must show not only that he has been oppressed as a shareholder of a Company, but also that it has been the affairs of the Company that have been conducted in a manner oppressive towards him/her. The oppression complained of must be to a person in their capacity as a member and not in any other capacity. In *Re: Five Minutes Car Wash Services Ltd. [1966] 1 ALL ER 242 at pp 246-247,* Buckley J held that a member claiming oppression *'...must have established that at the time when his petition was presented, the affairs of the Company were being conducted in a manner oppressive of himself, or of a part of the members including himself, and unless a petitioner in his petition alleges facts capable of establishing that the Company's affairs are being conducted in such a manner, the Petitioner will disclose no ground for granting any relief and will be dismissed as being demurrable. First, the matters complained of must affect the person or persons alleged to have been oppressed in his or their character as a member or members of the Company. Harsh or unfair treatment of the member in some other capacity, as for instance a director or creditor of the Company, or as a person doing business or having dealings with the Company, or in relation to his personal affairs apart from the Company, cannot entitle him to any relief.* Furthermore, in ***Cliff Masagazi v Afriland First Bank Uganda Ltd***

(Company Cause No. 08 of 2020) Justice Musa Ssekaana observed that '*Oppressive conduct …necessitates a course of conduct, not mere isolated acts… involving an invasion of legal rights, displaying lack of probity on the part of those conducting the Company's affairs, and affecting the Petitioner in his capacity as a member.'*

97. The foregoing authorities, together with a proper interpretation of Section 243 of the Companies Act, Cap 106, establish that for a petitioner to succeed in a claim of oppression, he or she must demonstrate that:
    a) the affairs of the company were conducted in a manner that was oppressive;
    b) the oppressive conduct affected the petitioner in his or her capacity as a shareholder or member of the company;
    c) the oppressive conduct constituted a continuous course of conduct rather than isolated or sporadic acts; and
    d) the circumstances are such that they would otherwise justify the winding up of the company on the just and equitable ground, but that such winding up would unfairly prejudice the petitioner.
98. Accordingly, the determination of whether oppression has been established requires the Registrar to examine not merely whether disagreements exist among shareholders, but whether there has been a sustained course of conduct by those controlling the affairs of the company that departs from the standards of fair dealing, infringes the petitioner's rights and legitimate expectations as a member, and creates circumstances that would otherwise warrant the winding up of the company on the just and equitable ground. The burden rests upon the petitioner to prove each of these elements on a balance of probabilities.
99. In the instant case, the Petitioner contended that the Respondents of denied him access to the dental facility and averred that on one occasion he was physically confronted and threatened by the first Respondent. The Petitioner attached a CCTV footage demonstrating an altercation at the premises denying

access to the facility. The Petitioner further relied on a statutory declaration deposed by Mr. Rugwisagye Baryomunsi, who stated that when he visited the facility for purposes of serving a notice requisitioning an Extraordinary General Meeting of the Company to discuss emerging issues affecting the Company, he and the Petitioner were verbally abused, threatened, and physically confronted by the first Respondent and his agents, forcing them to withdraw from the premises due to concerns for their personal safety. During the hearing, when I asked whether the Petitioner could access the Company premises, the representative of the second Respondent and legal Counsel confirmed that the Petitioner was not permitted access to the company premises. I find that this conduct was directed at the Petitioner in his capacity as a shareholder and director seeking to participate in the affairs of the Company and exercise his rights as a member. The denial of access to the Company premises, where the affairs of the Company are conducted, constitutes conduct capable of amounting to oppression within the meaning of Section 243 of the Companies Act, Cap 106.

100. The foregoing conduct cannot be viewed in isolation. The evidence before me further shows that the Petitioner and auditors from ESMAC & Associates Certified Public Accountants of Uganda were denied access to the Company's financial records, assets, and statutory documents. With regard to access to the Company's financial information, while the Petitioners lawyers did not attach a company resolution authorizing the audit, the unilateral action and the manner through which the Respondents denied the auditors access despite the knowledge that they were acting on behalf of a member, goes against a settled principle of company law that members, have a legitimate interest in the affairs of the company and are entitled, subject to the provisions of the law and the Company's constitutional documents, to inspect and obtain access to company records where such access is necessary for the protection of their rights and interests.

101. I have carefully considered the allegations levelled against the Petitioner, including that he failed to attend meetings, exercised sole control over the Company's bank accounts, and was alleged to have visited the Company's premises at unusual hours. Even if these allegations were assumed to be true, they could not, either individually or collectively, justify the Respondents' decision to resort to self-help measures by excluding the Petitioner from the management and affairs of the Company. The law does not permit parties to take unilateral action that infringes the proprietary and participatory rights of a shareholder or director merely because disputes have arisen. Where concerns exist regarding the conduct of a shareholder or director, the appropriate recourse is to invoke the procedures prescribed by the Companies Act, the Company's Articles of Association, resort to ADR mechanisms to resolve the dispute or seek the intervention of a competent court. Any alleged misconduct must be addressed through due process and not by arbitrary exclusion from the Company's affairs.

102. Accordingly, even if the allegations against the Petitioner had merit, they did not confer upon the Respondents the legal authority to deny him access to the Company's management, records, or participation in its affairs. Such exclusion was neither sanctioned by law nor consistent with the principles of natural justice and principles of good corporate governance.

103. Furthermore, the Respondents contended that the Petitioner retained control over the Company's bank accounts, mobile money platforms, official email account, and URA credentials. However, this assertion is difficult to reconcile with their admitted conduct in denying the Petitioner and the auditors from ESMAC & Associates access to the Company's financial records, statutory documents, and other information necessary to ascertain the true state of the Company's affairs.

104. If indeed the Petitioner had unrestricted control of, and access to, the Company's financial and administrative records as alleged by the Respondents,

there would have been little justification for the Respondents to resist his requests for access to those same records or to obstruct the auditors engaged to review the Company's affairs. The Respondents' conduct in withholding information and restricting access undermines the credibility of their assertion that the Petitioner remained in effective control of the Company's records and systems. Even assuming the Petitioner controlled the bank accounts, that would not justify excluding him from access to this information. Furthermore, the Respondents did not produce any documentary evidence demonstrating that the Petitioner continued to exercise exclusive control over the bank accounts, mobile money platforms, official email account, or URA portal at the material time. On the contrary, the evidence before me demonstrates a pattern of exclusion and resistance whenever the Petitioner sought access to information relating to the Company's affairs.

105. In the circumstances, I find the Petitioner's account of events to be more probable and persuasive. On a balance of probabilities, the evidence supports the conclusion that the Petitioner had been excluded from meaningful participation in the affairs of the Company and was denied access to information to which he was entitled in his capacity as a shareholder and director.

106. This lack of transparency, coupled with the admitted exclusion of the Petitioner from the Company premises, demonstrates a continuing course of conduct rather than isolated or sporadic acts. I therefore find that the affairs of the Company were conducted in a manner that was oppressive to the Petitioner and that such conduct directly affected him in his capacity as a shareholder and member of the Company.

107. The incidents reported at the Company premises, including allegations of hostility, confrontation, and police involvement, further demonstrate a dysfunctional working relationship among the parties. While each side attributes blame to the other, the overall effect is that the Petitioner has been

effectively shut out from participating in the affairs of the Company. The evidence reveals a complete breakdown of mutual trust and confidence among the shareholders, rendering the continued conduct of the Company's affairs in their present form impracticable. In my view, the circumstances disclose a situation that would ordinarily justify the winding up of the Company on the just and equitable ground. However, given that such a remedy would unfairly prejudice the parties and jeopardise the continued operation of the business, particularly where an alternative remedy is available, this is an appropriate case for the exercise of the powers conferred under Section 243 of the Companies Act.

108. I find that the cumulative effect of denying the Petitioner access to the Company premises, failing to provide financial information, and frustrating attempts at independent audits, amounts to conduct that is oppressive to him as a shareholder. The Company appears to have been formed on mutual trust and understanding, and the breakdown of that relationship, coupled with the exclusionary conduct, justifies intervention. I also note that the relationship between the parties has irretrievably broken down, making continued co-existence in the Company impracticable. In such circumstances, a buy-out is an appropriate remedy to bring finality to the dispute.

109. From the above, I therefore find as follows;

(i) The Respondents admit to restricting the Petitioner's access at the Company premises and rejecting the auditors' access, citing the Petitioner's conduct as justification. However, such exclusion and denial of information, especially without lawful justification and in the absence of any contrary Company resolution, amounts to oppressive conduct contrary to the principles of good corporate governance and the mutual confidence required in closely held companies.

(ii) The alleged misconduct by the Petitioner, if any, ought to have been addressed through proper corporate processes, not through unilateral exclusion.

(iii) The Respondents' conduct has rendered it impracticable for the Petitioner to continue his involvement in the Company, and there is a risk of irreparable loss if the status quo persists.

(iv) 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.

(v) 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 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.

b. <u>What remedies, if any, are available to the parties?</u>

110. The Petitioner sought a buy-out of his shares at a fair value to be determined by an independent valuer. I find that, in light of the irretrievable breakdown in the relationship between the parties, a buy-out is the most practical and appropriate remedy. The only point of contention remains the valuation. In this regard, I hold that a qualified independent valuer should determine the fair value of the Petitioner's shares as at the date of delivery of this ruling, in accordance with internationally accepted share valuation principles.

111. Section 243(2) of the Companies Act Cap 106, 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.

112. 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 buy-out 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.

113. 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 buy-out 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.

114. Upon completion of the valuation, the Respondents shall have the first option to acquire the Petitioner's shares, either jointly or severally, at the independently determined fair value. In a closely held company such as Bright Dental Solutions Ltd, it is a well-established principle of company law that, where reasonably practicable, existing shareholders should be afforded the first opportunity to acquire the shares of a departing member before the shares are acquired by the Company or offered to any other person. This principle, commonly reflected through pre-emption rights, preserves the existing ownership structure, protects the legitimate expectations of the continuing shareholders, and avoids the introduction of changes to the Company's shareholding that may further disrupt its management and operations.

115. Should the Respondents decline or be unable to exercise that option within the prescribed period, the Company shall have the second option to purchase the Petitioner's shares, provided that such acquisition is undertaken in accordance with the provisions of the Companies Act, Cap. 106 governing a company's acquisition of its own shares. In that event, the transaction shall constitute a share buy-back and any consequential reduction of the Company's share capital shall be effected in compliance with the applicable provisions of the Act and all statutory requirements relating to the protection of creditors and the maintenance of capital.

116. This sequential approach gives effect to the remedial purpose of Section 243 of the Companies Act, Cap. 106, which empowers the Registrar to order the purchase of a member's shares either by the other members or by the Company as an alternative to winding up the Company. Affording the Respondents the first opportunity to acquire the Petitioner's shares promotes continuity of ownership and management, while the Company's secondary option ensures that the oppressive circumstances are brought to an end even where the remaining shareholders are unable or unwilling to complete the acquisition. The approach therefore achieves an equitable balance between protecting the Petitioner's right to a fair exit, preserving the continued existence and commercial viability of the Company, and avoiding the disproportionate consequences that would result from winding up the Company.

117. The relief contemplated under Section 243 is fundamentally remedial rather than punitive in nature. Its primary objective is to bring an end to conduct that is oppressive, unfairly prejudicial, or detrimental to the interests of a member, while at the same time safeguarding the continued existence, stability, and commercial viability of the Company. Considering the Company's role in the health sector and the interests of the Respondents that are still interested in pursuing the business, winding up the Company would be disproportionate and prejudicial not just to the Respondents but also to

other stakeholders, including employees, financiers, and the public that benefit from the dental health services of Bright Dental Solutions Ltd. Accordingly, a buy-out of the Petitioner's shares is the most just and expedient solution.

118. Accordingly, I order that a valuation be undertaken of the Petitioner's shares, upon which either the Respondents or the Company shall buy out the Petitioner. Section 243 grants wide discretion to the Registrar. I quote the relevant paragraph from the section, "***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***"

119. Having found that the Respondents engaged in a sustained course of conduct that excluded the Petitioner from participation in the affairs of the Company, denied him access to information to which he was entitled as a member, frustrated attempts at accountability, and destroyed the mutual confidence upon which the Company was founded, I am satisfied that the Petitioner has established all the statutory elements of oppression under Section 243 of the Companies Act on a balance of probabilities. The circumstances would otherwise justify the winding up of the Company on the just and equitable ground. However, such a remedy would unfairly prejudice both the Company and its stakeholders. Accordingly, the appropriate remedy is to order the purchase of the Petitioner's shares at their fair value.

120. While it is a well-established principle that costs follow the event, such that a party who substantially succeeds is ordinarily entitled to recover costs from the unsuccessful party, that principle is not absolute and yields to the court's, or in this case the Registrar's, equitable discretion where the circumstances warrant a different outcome. I decline to award costs to the

Petitioner notwithstanding his success on the question of oppression, for two related reasons.

121. First, although I have found that the Respondents' conduct in excluding the Petitioner from the Company's premises and records was oppressive within the meaning of Section 243, the evidence also discloses that the Petitioner's own conduct contributed to the deterioration of the parties' relationship and to the events giving rise to this Petition, including his unannounced visits to the Company premises at irregular hours as can be seen in the CCTV footage attached as evidence in his statutory declaration, his engagement of an audit firm without the benefit of a Company resolution authorizing the exercise, and his arrival at the Company premises with persons unknown to the Respondents in circumstances that precipitated confrontation. None of this conduct justified the Respondents' resort to self-help exclusion, as I have already found. It is, however, conduct properly weighed at the costs stage. A finding that a party suffered oppression does not establish that the same party's conduct was wholly without fault, and a Registrar exercising the broad discretion conferred under Section 243 is entitled to reflect a petitioner's own contribution to the breakdown in the costs order rather than in the substantive finding on liability. This approach finds support in a persuasive English authority ***Re Elgindata Ltd (No 2) [1992] 1 WLR 1207)*** on unfair prejudice petitions, where a petitioner's own conduct, though insufficient to defeat the petition, was held to be a legitimate basis for withholding or limiting a costs award notwithstanding success on the merits.

122. Second, a finding of oppression under Section 243 does not carry the same finality as an ordinary judgment between unconnected litigants who part ways once the matter is resolved. The parties to this Petition remain bound to one another, at least until the share buy-out directed by this ruling is completed, by the practical necessity of cooperating in the valuation exercise, in the orderly transfer of the Petitioner's shares, and in the continued operation

of the Company in the interim. An award of costs against the Respondents at this stage, on top of the financial obligation of the buy-out itself, risks deepening the acrimony between the parties precisely when their cooperation is most required, and is liable to provide a disincentive to the constructive engagement the orders given below demand. As already observed, the relief available under Section 243 is fundamentally remedial rather than punitive in character, and a costs award in the Petitioner's favour in these circumstances would introduce a punitive consequence not justified by the matters before me.

123. For these reasons, each party shall bear its own costs of the Petition. The costs of the valuation, however, shall be borne by the Company, both as a proper expense of the Company in resolving a dispute among its own shareholders, and so as not to burden the Petitioner with the cost of a process he is being directed to undergo as the principal remedy granted in his favour.

124. 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, in light of the circumstances of this case and with a view to bringing the dysfunction and matters complained of to an end, I make the following orders;

(i) It is declared that the affairs of Bright Dental Solutions Limited were, during the period material to this Petition, conducted in a manner oppressive to the Petitioner within the meaning of Section 243 of the Companies Act, Cap. 106.

(ii) The Respondents, whether personally or through their agents, servants, or persons acting on their instructions, shall forthwith cease and desist from any act of exclusion, harassment, or intimidation directed at the Petitioner. The Petitioner shall likewise refrain from any confrontational, disruptive, or retaliatory conduct towards the Respondents, their agents, or employees. This order shall subsist until completion of the buy-out process below, without prejudice to such other lawful remedies as either party may pursue in the event of its breach.

(iii) *The Respondents shall, within seven (7) days of any written request, grant the Petitioner and/or his duly authorized representatives access to all Company records, including financial statements, bank and mobile money statements, and other statutory documents, during normal business hours, for the purpose of exercising his rights as a shareholder and director. Such access shall subsist pending completion of the buy-out process.*

(iv) *The Petitioner's 350 shares shall be bought out at their fair value, determined as set out below, by the Respondents in the first instance and, failing that, by the Company.*

(v) *Within fourteen (14) days of receipt of the valuation report referred to in paragraph (viii), the Respondents shall jointly notify the Petitioner in writing whether they elect to exercise the first option to purchase his shares. If both Respondents elect to exercise the option, they shall acquire the shares in proportion to their existing shareholding (300:350), unless they agree otherwise in writing. If only one Respondent so elects, that Respondent may acquire the whole of the Petitioner's shareholding. If neither Respondent notifies an election within the stipulated period, the first option shall be deemed waived, and the Company shall thereupon be obliged to exercise the second option under paragraph (vi).*

(vi) *Should the Company exercise, or become obliged to exercise, the option to acquire the Petitioner's shares, the acquisition shall be effected as a share buy-back in full compliance with the Companies Act, Cap. 106, including any consequential reduction of share capital and all statutory requirements for the protection of creditors.*

(vii) *A qualified and independent valuer, being a member in good standing of a recognized professional accountancy or valuation body with no existing or prior relationship with any party that could give rise to a conflict of interest, shall be appointed within thirty-one (31) days of this ruling by mutual agreement of the parties. In default of agreement within that period, either party may apply to a*

competent court with a list of suggested valuers/valuation firms, for the purposes of appointment of a valuer, who shall thereupon be final and binding on the parties.

(viii) *The valuation shall be conducted as at the date of delivery of this ruling, in accordance with internationally accepted valuation principles, having regard to the Company's assets, earnings, and prospects. The valuer shall value the Petitioner's shareholding on a pro-rata basis of the Company as a whole, without applying any discount for lack of control or want of marketability, it being inappropriate that the Petitioner's exit value should be reduced on account of the very minority position that gave rise to this Petition. The valuer shall consider the net asset share value methodology given the Company's early-stage status.*

(ix) *The valuer shall submit a written report to the parties within ninety (90) days of appointment.*

(x) *The purchase price determined in the report shall be paid to the Petitioner in full within one hundred eighty (180) days of its receipt, unless the parties agree otherwise in writing. Any sum remaining unpaid after that period shall attract interest at fifteen percent (15%) per annum from the date of default until payment in full, without prejudice to the Petitioner's right to apply for such further relief before a competent Court, including enforcement, as may be appropriate.*

(xi) *Payment of the purchase price and transfer of the shares shall be effected simultaneously, through an escrow arrangement agreed between the parties' respective advocates, or, in default of agreement, through such other mechanism as a competent court may direct on application.*

(xii) *Should the Petitioner fail or refuse, without reasonable cause, to execute the share transfer instruments within fourteen (14) days of confirmed receipt of full payment, the Company Secretary is authorized to execute the said instruments*

on his behalf and to update the register of members and all other statutory records accordingly.

(xiii) *Pending completion of the buy-out, the Petitioner shall continue to be recognized as a shareholder and director of the Company, entitled to notice of and attendance at general and board meetings and to any dividend declared, rateably with the other shareholders. For the avoidance of further confrontation, the Petitioner's attendance at the Company's premises for any purpose other than the record inspection contemplated under paragraph (iii) shall be by prior appointment with the Respondents.*

(xiv) *Pending completion of the buy-out, all parties shall refrain from any act or omission likely to prejudice the Company's operations, assets, financing arrangements, employees, contractual obligations, or commercial reputation.*

(xv) *The costs of the valuation shall be borne by the Company.*

(xvi) *Each party shall bear its costs of the Petition.*

I so Order.

Given under my hand this 19th day of June 2026

URSB
UGANDA REGISTRATION SERVICES BUREAU
Daniel Nasasira
REGISTRAR

Digitally signed by Daniel Nasasira
Location: Uganda Registration Services Bureau
Date: 2026.06.19 11:18:09 +03'00'

Daniel Nasasira

Assistant Registrar of Companies