



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 THE COMMUNITY DEVELOPMENT RESOURCE
NETWORK LIMITED
COMPANY PETITION NO. 04771 OF 2026
BRN: 80010000304771

- 1. MARY MUSIRIKA
- 2. MARY NANNONO
- 3. JOHN DE CONINCK:.....PETITIONERS

VERSUS

- 1. ANYURU MAX ALFRED
- 2. JOY SALOME AWIDI
- 3. THERESA AUMA EILU :.....RESPONDENTS

RULING

Before: Daniel Nasasira - Assistant Registrar of Companies

A. Representation.

- 1. *Andrew Wandera of Amber Solicitors & Advocates represented the Petitioners, while Michael Owiny of Kaganzi & Co. Advocates represented the First Respondent. George Okitoi of Taslaf Advocates represented the Second and Third Respondents.*

B. Introduction and Background.

- 2. The Community Development Resource Network Limited is a Company limited by guarantee without share capital, duly incorporated under the laws of Uganda on 28th February 1995 under Registration Number 80010000304771 (hereinafter referred to as “the Company”).

3. The Petitioners are founder subscribers and members of the Company who subscribed to its Memorandum and Articles of Association at the time of incorporation.
4. The first Respondent is registered as a director and member of the Company, while the second and third Respondents are former directors who served between 2015 and 2024 before retiring from office and are also registered as members in the Company.
5. The Petitioners filed this Petition on 1st April 2026, alleging that the Respondents unlawfully and fraudulently orchestrated their removal from the Company's records as subscribers and members, caused unauthorised persons to be registered as members and directors of the Company, and disposed of Company property without lawful authority.
6. The first Respondent denied the Petitioners' allegations and contended that, by reason of the Petitioners' prolonged silence, acquiescence, and complete inaction for a period allegedly exceeding two decades, the Company and its directors legitimately conducted the affairs of the Company, admitted new members, and complied with their statutory obligations in reliance on what had become a settled state of affairs.
7. The second and third Respondents likewise denied the allegations against them. They asserted that they accepted appointment and registration as directors and subscribers of the Company solely for the purpose of ensuring compliance with statutory requirements, including the filing of annual returns and declarations relating to the Company's directors. They maintained that these actions became necessary because the Petitioners had allegedly been absent from the affairs and operations of the Company for more than twenty years.

C. Petitioners' Case

8. The second Petitioner, Mary Nannonno, swore a Statutory Declaration in support of the Petition wherein she deposed under paragraphs 2 and 3 that, 'The Community Development Resource Network Limited,' a Company limited by Guarantee Without Share Capital was duly incorporated in Uganda on 28th February 1995 with Mary Musirika, John De Coninck and herself (collectively referred to as the Petitioners) as the three founding subscribers/members having subscribed to the Memorandum and Articles of Association of the Company at the time of incorporation.
9. The second Petitioner averred that by virtue of Article III(1) of the Company's Articles of Association, the three original/founding members constituted a Committee of Directors acting as the governing body of the Company, responsible for all administrative, disciplinary, and financial management of the Company. That the Petitioners simultaneously held the positions of founder subscribers, original members, and founder directors of the Company upon incorporation.
10. The second Petitioner deposed under paragraphs 5 and 6 that at no time did any of the Petitioners resign, retire, become incapacitated, become bankrupt, or otherwise cease to be members of the Company as contemplated under Article II(1) of the Company's Articles of Association. In addition, that the Petitioners never issued any notice of resignation or voluntary retirement as required under Article II(1)(f) of the Company's Articles of Association, which requires at least three (3) months' written notice to the other Directors.
11. The second Petitioner asserted that the first Respondent, Anyuru Alex Alfred, became a director of the Company on the 27th of January 2009 and has since then unlawfully and fraudulently orchestrated the removal of the Petitioners from the Company's records as subscribers and members, caused unauthorised persons to be registered as members and directors, and disposed of Company property without authority. The Petitioners in this regard specifically challenged;

- a) A Special Resolution dated 22nd September 2022 and filed on 14th October 2022 purportedly removing the Petitioners as Members and Subscribers.
 - b) Amended Memorandum and Articles of Association dated and filed on 14th October 2022, alleged to have been fraudulently procured, indicating the Respondents as members of the Company.
 - c) A Board Resolution dated and filed on 27th May 2024 purporting to authorise the sale of Company property.
12. The second Petitioner intimated that the Respondents, in procuring the said resolution removing the Petitioners as members/subscribers in the Company, falsely represented that the Petitioners had resigned/exited from the Company, whereas they had not.
13. The Second Petitioner further stated under paragraph 9 of her Statutory Declaration that, as per the Company's original Articles of Association at incorporation, Article I(2) provides that new members may only be admitted by the collective consensus of the original members (the Petitioners). She intimated that no such consensus was ever sought or obtained from the Petitioners for the admission of the Respondents or any other persons as members or directors of the Company.
14. That second Petitioner asserted that the Respondents' actions of unlawfully registering themselves as members and subscribers rendered all corporate governance decisions made by them illegal and of no legal effect, as they had no authority under the Company's Articles of Association to make such decisions. She further stated that the Respondents caused to be filed with the Registrar of Companies resolutions containing false representations without the knowledge or consent of the Petitioners as the sole lawful members of the Company.
15. The second Petitioner deposed under paragraph 13 of her Statutory Declaration that the Respondents have completely excluded the Petitioners from management

of the Company, disposed of Company assets and made false representations to the Registrar of Companies, which, she argued, constitutes systematic oppression of the Petitioners as the sole lawful members of the Company.

16. Furthermore, she claimed that proceeds from the purported sale of Company property were never deposited into any of the Company's bank accounts, which in her view strongly suggested that the Respondents and their associates received benefits in their personal capacities from transactions conducted in the Company's name, contrary to the objectives of the Company.

17. The Petitioners prayed that the Registrar of Companies make the following orders, declarations, and directions;

- a) *A declaration that any and all purported alterations to the Register of Members, records, or Company filings removing the Petitioners from their positions and all purported introductions of new members, subscribers, or directors, are unlawful, null and void ab initio and of no legal effect whatsoever.*
- b) *A declaration that all purported Company Resolutions, to wit: the ones filed on 15th October 2009, 30th March 2011, and 14th October 2022 by the Respondents and/or the purported directors without authority of the lawful members, are null and void and of no legal effect, and an order for their expungement from the Company file and records.*
- c) *An order seeking rectification of the register to remove filings that made the Respondents Members of the Company and Directors, and the disqualification of the Respondents and all the persons they have since appointed without lawful authority.*
- d) *An order for the reinstatement of the original Memorandum and Articles of Association of the Company.*
- e) *An order seeking rectification of the register to restore and reinstate Mary Musirika, Mary Nannono and John De Coninck as the lawful, rightful and subsisting founder subscribers and members of the Company, with all rights, powers and entitlements thereunto belonging.*

- f) *A declaration that all purported Company resolutions filed by the Respondents and/or the purported directors passed without the authority of the lawful members are null and void and of no legal effect, and an order for their expungement from the Company file and records.*
- g) *An order reinstating the Petitioners as the lawful Committee of Directors/Governing body of the Company in accordance with Article III(1) of the Articles of Association, with full authority to manage, administer and govern the Company.*
- h) *An order directing the Respondents and all persons acting under their direction to (a) render a full and audited account of all proceeds received from the purported sale of Company land and all other transactions conducted in the Company's name, (b) forthwith pay or retribute all such proceeds plus interest in the Company's bank accounts.*
- i) *An order directing the Respondents to cease all interference with the affairs of the Company and its assets.*
- j) *An order directing an investigation into the affairs of the Company.*
- k) *An order that the costs of this Petition be borne by the Respondents.*

D. First Respondent's Case

18. The first Respondent swore a Statutory Declaration in Reply to the Petition, wherein he argued under paragraph 2 that the Petition was fatally defective and barred by the equitable doctrine of *laches*, in that the Petitioners sought to challenge events that occurred as far back as 2009, 2011, and 2022, yet they filed this Petition only in 2026 without any explanation for the delay.
19. The first Respondent deposed under paragraph 3 of his Statutory Declaration in reply to the Petition that by reason of the Petitioner's prolonged silence, acquiescence and complete inaction exceeding two decades, the Company and its directors legitimately conducted its affairs, admitted new members, and complied with statutory obligations in reliance on the settled state of affairs. He further

stated that granting the Petition now would cause grave prejudice and injustice to the Company and to third parties who have acted in good faith on the Company's registered status.

20. The first Respondent in paragraphs 5 and 7 stated that he joined the Company as a Director in 2005 and was appointed as the Chairperson of the Board of Directors in 2009, while the second and third Respondents joined the Company as Directors in April 2015 and left in December 2024. He further stated that when the then Executive Director suffered a stroke in August 2018, and the Company was struggling yet it had a loan obligation guaranteed by the first Respondent, the Board requested that the first Respondent step in as Executive Director to rescue the Company and ensure that the Company met its loan obligations, a position that he still holds today.
21. The first Respondent contended that by the time he joined the Company in 2005, the first and second Petitioners had long ceased to be directors, and the third Petitioner had just exited. Other persons had been appointed as directors, thus constituting the committee of Directors and acting as the governing body of the Company.
22. The first Respondent averred under paragraphs 8 and 9 of his Statutory Declaration that although the Petitioners remained nominal members of the Company, they completely disengaged from the Company's affairs between 2005 and 2022, and their whereabouts were unknown. He further intimated that, upon the advice of his lawyers, Kaganzi & Co. Advocates, such prolonged and complete inactivity amounted to abandonment of membership and constructive retirement under common law and equitable principles, even in the absence of formal written notice under Article II(1)(f) of the Company's original Articles of Association.
23. The first Respondent indicated that throughout this period (2005 to 2022), the Company was run by the Committee of Directors and that various directors joined

and left the Company. That where necessary, new directors were appointed under Article XII(3) of the Company's original Articles of Association.

24. The first Respondent argued that under the Company's original Articles of Association, members of the Company are required to pay an annual membership fee of UGX 100,000, which he claimed the Petitioners had never done.
25. In addition, the first Respondent argued that under Article I(4) of the Company's original Articles of Association, members of the Association are required to take an active part in the implementation of the objectives and aims of the Company but that the Petitioners apparently had neither taken part in the Company's affairs, nor had they shown interest whatsoever by visiting the premises of the Company to acquaint themselves with the activities of and developments in the Company since 2005.
26. The first Respondent contended that throughout the period of their membership, the Petitioners had the option of requisitioning an Annual General Meeting or an Extraordinary General Meeting to challenge the various decisions of the directors, but that they chose not to.
27. The first Respondent deposed under paragraph 14 that contrary to the allegations in the Petition, the Petitioners were not "unlawfully or fraudulently removed" from the Company but rather, they abandoned the Company by their own conduct. That the resolutions passed in 2009, 2011, and 2022 merely recognised and regularised the factual and legal reality of their longstanding abandonment.
28. The first Respondent asserted that, in particular, the resolution of 14th October 2022 was passed because the Uganda Registration Services Bureau (URSB) required the Company to update its records. That the Petitioners could not be located, and their continued absence rendered the Company unable to comply with Statutory requirements, thereby intimating that the 2022 resolution was a necessary administrative act to preserve the Company's legal existence.

29. The first Respondent stated that, as a result of the above circumstances and in a bid to update the Company's information, the Respondents caused themselves to be registered in place of the guarantors. That the registration became necessary to regularise the Company's governance structure, comply with statutory requirements, and ensure the continued operation of the Company.
30. The first Respondent contended that Article II(1)(f) of the Company's original Articles of Association provides for the voluntary retirement of members upon three months' written notice. Further, the Petitioners gave no such notice. However, the first Respondent argued that equity permits a finding of constructive retirement where a member's conduct is unequivocally inconsistent with continued membership for a prolonged period, allegedly approximately twenty (20) years in this case. Further, that Article I(2) of the Company's original Articles of Association requires a collective consensus of the original members for admission of new members, however, the first Respondent argued that where original members are untraceable and have abandoned the Company for two decades, the requirements for collective consent cannot be applied so as to defeat the continued legal existence of the Company. He asserted that the Petitioners were removed as members in order to allow the continued operation of the Company.
31. Regarding the sale of Company property, the first Respondent stated that a resolution was indeed passed authorising the possible sale of Company property for the purposes of renovation and development. However, that to date, no sale of the property has taken place. He averred that the land remains registered in the name of the Company, and that the Respondents have taken steps to protect the Company's property from encroachment and third-party interference. The first Respondent contended that the Petitioners' allegations in this regard were misleading, speculative and unsupported by evidence.

32. The first Respondent claimed that, contrary to the Petitioners' allegations, the organisation under the stewardship of his team and himself acquired more property, tremendously increasing the value of the Company. He further asserted that the Petitioners were not genuinely interested in the Company's welfare but rather that they had woken up after a 20-year slumber, having failed to discharge their obligations as members. The first Respondent contended that the Petitioners only resurfaced after learning that the Company possessed valuable assets. They argue that the Petitioners seek to benefit from those assets rather than ensuring that they are used for the Company's operations.
33. The first Respondent denied any allegations of fraud, illegality or misrepresentation, stating that the Respondents acted in good faith, transparently, within the law, and in what they reasonably believed to be the best interests of the Company. He further contended that the Petitioners had come before the Registrar with unclean hands, considering they abandoned the Company for over twenty years, neglected their fiduciary duties, and now seek equitable relief only after learning of potential assets. That their delay was unexplained and their conduct inconsistent with any genuine concern for the Company's welfare.
34. The first Respondent prayed that all orders and declarations sought in the Petition be dismissed.

E. Second and Third Respondents' case

35. The second and third Respondents denied the allegations against them in their entirety, stating under paragraphs 2 and 3 of their joint reply to the Petition that they had never seen the original Memorandum and Articles of Association of the Company in which the Petitioners were listed as members until they were served with the Petition and further that they had no knowledge or notice of the first Respondent's alleged unlawful and fraudulent activities.

36. The second and third Respondents asserted that they were invited to join the Company as directors in 2015 by a one Mr. Ssuna Joseph, having been preceded by more than three previous Boards of Directors, and exited the Company in 2024. They intimated that they had no interest or benefit to gain from the removal of the founder members of the Company, and that they neither challenged the rights/powers of the original founder directors nor stopped them from performing their duties in any way. They stated that they were not privy to any prior knowledge requiring the collective consensus of the original members, nor were they responsible for the procedure admitting them to the Board of the Company.
37. The second and third Respondents averred under paragraphs 6 and 7 of their Response to the Petition that during their ten-year tenure from 2015 to 2024 as directors, they did not see or meet the Petitioners on the Company premises, nor did they see any of them perform their duties as required by the Companies Act. In addition, that the third Respondent only got to know about the Petitioners after receiving a phone call from the third Petitioner who she knew from other professional circles, asking if the Board was involved in the sale of the Company's land in Bujuko.
38. The second and third Respondents averred under paragraph 11 of their Response to the Petition that it was never their intention to join the Company as subscribers. They stated they only intended to join the Company as Directors, serve their term, and leave. That they did not hold any personal or professional interest in the affairs of the Company and that any such previous interest expressed for purposes of serving as directors ceased with the end of their tenure and should therefore be terminated, if not already terminated.
39. Regarding the alleged sale of Company property, the second and third Respondents aver that the motivation for the sale of the Company land was not based on interest for personal enrichment but rather based on the needs of the

Company submitted by the first Respondent. Furthermore, that while the Board of Directors considered the reasons presented as justification for the sale of the said Company land, there were further conditions given for the Team Leader/Executive Director (the first Respondent) to ensure that the sale was in compliance with the Company processes such as “that the sale be concluded when the Board is fully constituted and a Board committee is put in place to handle the disposal process.”

40. The two Respondents stated in their Response to the Petition under paragraph 15 that a Board meeting was held on 14th February 2023, wherein the Board resolved to consult and include the founder members of the Company about the sale of the Company's land in Bujuko, in the spirit of transparency, accountability, and consistency of vision.
41. The second and third Respondents contended that, with the support of other Board members, a special meeting was held with the founder members on 12th April 2024, wherein two founder members, Mary Musirika and John De Coninck, were in attendance. The discussion revolved around the need to strengthen the governance of the Company, implement the sale of the Bujuko land, and, in addition, the two founder members in attendance were requested to return to the Board of Directors of the Company as the tenure of the second and third Respondents was coming to an end.
42. That following the Board resolution of 10th March 2024, which resolved that the sale of the Company land be concluded when the Board is fully constituted, and a Board committee is put in place to handle the disposal process, in April 2024, the third Respondent went ahead and sent a request for three qualified professionals to join the Company as new members of the Board of Directors .
43. That the third Petitioner, John De Coninck, was among those who were requested and willingly submitted his CV for onward submission to the Company secretariat

to be considered for the position of a director, however, that the process was later halted by the first Respondent in his capacity as Executive Director/Team Leader, stating that it was erroneous.

44. In response to the entire allegation that the second and third Respondents orchestrated the removal of the Petitioners as subscribers of the Company, the second and third Respondents stated that the reason of their acceptance to be registered as directors and subscribers of the Company was for the purposes of complying with the legal requirement to file annual returns and make declarations of Company directors from time to time, given that the Petitioners had been absent from Company business allegedly for over 20 years.

45. The second and third Respondents reemphasized that their tenure with the Company ended in 2024 and that this was brought to the attention of the Registrar of Companies.

46. They argued that the Petitioners erroneously included them in the Petition and have labelled them with defamatory accusations such as systematic oppression of their powers as founder members, excluding them from the affairs of the Company, fraudulently selling off Company land, and personally benefiting from it, which actions they vehemently deny ever committing. The second and third Respondents prayed that the Registrar make the following orders and declarations;

a) All orders and declarations sought against the second and third Respondents be dismissed.

b) A declaration that the name THERESA AUMA ODUR EILU be removed from the list of Directors of the Company, and as a subscriber or guarantor of the Company, since her tenure expired in 2024, and be removed from the Company's register.

- c) *A declaration that the name SALOME JOY AWIDI be removed from the list of Directors of the Company, and as a subscriber or guarantor of the Company, since her tenure expired in 2024, and be dissociated from the Company.*
- d) *An order that the second and third Respondents be excluded and exonerated from a forensic audit of the Company.*
- e) *Each party bears their own costs of the Petition.*

F. Third Petitioner's Rejoinder

47. The third Petitioner, John De Coninck, swore a Statutory Declaration in rejoinder to the first Respondent, where he maintained under paragraph 5 that the Petitioners were never notified of the resolutions passed in 2009, 2011, and 2022, nor of the first Respondent's decision to remove them from the Register of Members. In reply to the first Respondent's assertion that the present Petition was fatally defective and barred by the equitable doctrine of *laches* as the Petitioners sought to challenge events that transpired as far back as 2009, 2011 and 2022, the third Petitioner stated that it was only upon the Petitioners' recent discovery of these acts that they now sought redress. In addition, he stated that the oppression in question was not merely historical but a continuing wrong and illegality, as the Petitioners remain wrongfully excluded from the Company Register of Members and governance structures to this day.

48. The third Petitioner, under paragraphs 6 and 7 of his Statutory Declaration in Rejoinder, denied the first Respondent's assertion that the Petitioners' reduced engagement with the day-to-day Company activities constituted abandonment of membership or constructive retirement, arguing that the Company's Articles of Association under Article II(1) specified the grounds upon which membership in the Company terminated of which reduced engagement or absence from activities was not among them. He further emphasised that the Petitioners remained, at all material times, lawful members of the Company.

49. The third Petitioner further denied the first Respondent's assertion that the Petitioners' alleged failure to pay for the annual membership fee of UGX 100,000/= constituted a basis for termination of membership or otherwise affected the validity of their membership. He stated that Article I(3) of the Company's original Articles of Association provides for the annual fee but does not prescribe any consequence of automatic cessation of membership, nor does it confer upon the Board any power to remove a member on account of non-payment and that further to that, no demand for payment was ever made to any of the Petitioners, no notice of default was ever issued, and no lawful process for removal on account of non-payment was ever invoked.
50. The third Petitioner deposed under paragraph 9 of his Statutory Declaration in rejoinder that the first Respondent excluded the Petitioners from participating in the Company Affairs, including barring them from accessing the Company offices and getting any updates or information in the dealings of the Company.
51. The third Petitioner asserted that none of the Petitioners ever communicated an exit, resignation or retirement from the Company. Furthermore, the third Respondent stated that Article II(1)(f) of the Company's original Articles of Association expressly provides that a member who intends to retire voluntarily must give at least three months' written notice to the other directors or to the Committee of Directors, arguing that no such notice was ever given by any of the three Petitioners, and none had been produced by the Respondents.
52. In response to the first Respondent's assertion that the original members were untraceable and had abandoned the Company for two decades, the third Petitioner contended that such a claim was untrue, averring in paragraph 13 of his Statutory Declaration in Rejoinder that the first Respondent at all times knew the whereabouts of the Petitioners and that he barred them from accessing the Company offices or obtaining information of the Company's dealings. The third

Petitioner intimated that he was on the Board of Directors of the Land Equity Movement of Uganda with the first Respondent and that they would meet from time to time.

53. The third Respondent contended that the Board Resolution dated 10th March 2024 and filed with the Registrar of Companies on 27th May 2024, purporting to authorise the disposal of 13 acres of Company land comprised in Mengo district, was signed by persons who were not lawfully appointed as directors of the Company, and argued that they had no authority to pass such a resolution.

54. In response to the first Respondent's assertion that the Company has acquired further property and increased in value under his stewardship, the third Petitioner contended that the first Respondent would be put to strict proof thereof. In addition, he intimated that the property where the Company's headquarters are situated and where the Company obtained a lease is on the verge of being reclaimed by the lessor since the lease has since expired with arrears, following the first Respondent's failure to renew the lease.

55. The third Petitioner pointed out resolutions attached to the Petition and marked "C" and collectively as "E" which, in his view, demonstrated a sustained and systematic pattern of unlawful conduct by the first Respondent and those acting under his direction. They include;

a) *The Special Resolution dated 22nd September 2022, by which the first Respondent and the second Respondent (Salome Joy Awidi) purported to remove the Petitioners as members and record changes in directorship without the knowledge or consent of the lawful members and without complying with the Articles of Association.*

b) *The Board Resolution dated 15th June 2023, in which the first Respondent appointed himself as Executive Director and Principal signatory of all Company bank accounts held with Standard Chartered Bank.*

- c) *The Special Resolution dated 7th July 2023 purporting to record the current directorship of the Company and filed with the Uganda Registration Services Bureau listing persons who are alleged to have never been lawfully admitted as directors.*
- d) *The Board Resolutions dated 30th April 2025 directing the closure of Company accounts at Standard Chartered Bank, and the opening of new accounts at DFCU Bank, Housing Finance Bank and Centenary Bank, all passed and executed without the knowledge, participation or authority of the Petitioners.*
56. The third Petitioner asserted that the foregoing resolutions were passed and executed without the knowledge, participation or authority of the lawful members of the Company, which he claimed amounted to usurpation of the governance and financial management of the Company.
57. The third Petitioner maintained that the Petitioners are the lawful founder subscribers and original members of the Company and that they have legitimate, subsisting and legally protected interests in the governance and proper management of the Company.
58. The third Petitioner maintained that the first Respondent acted with unclean hands when he admitted himself as a member without the authority required under Article I(2) of the Company's Articles of Association, procured the removal of the lawful members allegedly through false representations, purportedly fraudulently amended the Company's constitutional documents, purported to authorise the disposal of Company property, and allegedly made other false representations to the Registrar of Companies.
59. In Rejoinder to the second and third Respondents' Response to the Petition, the third Petitioner deposed that the second and third Respondents were fully aware that the Petitioners were founder members of the Company and that they willingly and voluntarily allowed themselves to be registered as members and directors of

the Company. He asserted that their claim that they never ever saw the Memorandum and Articles of Association of the Company until served with the Petition was implausible, arguing that the Articles of Association are public documents filed with and maintained by the Registrar of Companies and are binding on all members and directors of the Company, whether or not they have personally inspected them.

60. The third Petitioner averred that the second and third Respondents were co-directors and acted alongside the first Respondent in passing resolutions and conducting affairs of the Company from 2015 onwards. He further contended that the second and third Respondents had an interest in or benefit from the removal of the founder members as it permitted the Respondents to exercise complete and unrestrained control over the Company, including its land and assets, without accountability to the original members.
61. The third Petitioner asserted that the reason neither the second nor the third Respondents had ever seen the Petitioners on the Company premises was that the first Respondent had barred the Petitioners from accessing the offices of the Company. In addition, that the individuals who purported to invite the second and third Respondents to join the Board of Directors of the Company did not have the authority to do so.
62. The third Petitioner, while referring to a land sale agreement, maintained under paragraph 16 of his Rejoinder to the Respondents' Answer to the Petition that the Respondents have sold off Company assets without authority for their personal benefit.
63. The third Respondent argued that all three Respondents operated as a collective governing body during the material period and that the conduct of any of them, whether by commission or omission, binds them all jointly.
64. He prayed that the reliefs sought in the Petition be granted.

G. First Respondent's Surrejoinder

65. The first Respondent filed a surrejoinder specifically in response to the Petitioners' assertion that the Respondents had sold Company assets without authority for their personal benefit. He vehemently denied those allegations, contending that the signatures attributed to the Respondents on the purported sale agreement relied upon by the Petitioners were fabricated. He maintained that neither he nor the other Respondents had ever sold any Company land to the alleged purchaser, a one Muhoozi Samuel.

66. The first Respondent further asserted that Muhoozi Samuel, together with other unidentified individuals, had attempted to fraudulently acquire the Company's land. He contended that the alleged fabrication was not limited to the contested sale agreement but also extended to a purported Board Resolution authorising the sale of the land, which he likewise maintained was fabricated.

H. Schedules

67. At the closure of the hearing of this matter and considering that both parties had filed their Statutory Declarations pursuant to Section 286 of the Companies Act Cap 106, both counsel were instructed to present written submissions, and schedules were issued as follows;

- a) Written submissions from the Petitioners were to be filed and served by the 1st day of June 2026.*
- b) Written submissions from the Respondents were to be filed and served by the 10th day of June 2026.*
- c) Any submissions in rejoinder were to be filed and served by the 15th day of June 2026.*

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

I. Issues

69. During the scheduling of this matter, the parties agreed to the issues below as sufficient to address the concerns in this matter.

- a) *Whether the Preliminary Objections Raised by the Respondents are valid?*
- b) *Whether the Petition was properly brought against the second and third Respondents?*
- c) *Whether the contested documents were validly passed?*
- d) *Whether there was oppression occasioned to the Petitioners pursuant to Section 243 of the Companies Act, Cap. 106?*
- e) *What remedies are available to the parties?*

J. Determination

- a. **Whether the Preliminary Objections Raised by the Respondents are valid?**

70. The Respondents raised two preliminary objections in their written submissions following the conclusion of the hearing of this matter. The first objection was that the Petitioners lacked *locus standi* to bring this Petition, while the second was that the Petition was time-barred.

71. A preliminary objection is a pure point of law raised at the outset of proceedings which, if successfully argued, may dispose of the suit or application without the need to consider evidence on the merits. Such an objection ought to be raised before the substantive hearing commences or at the earliest opportunity during the proceedings.

72. The law is settled that a preliminary objection, being a threshold issue capable of disposing of a matter, should be raised and determined before the court or tribunal embarks on the substantive merits of the dispute. In *Mukisa Biscuit Manufacturing Co. Ltd v West End Distributors Ltd [1969] EA 696*, Court observed that "A preliminary objection consists of a point of law which has been pleaded, or which arises by clear implication out of pleadings, and which if argued as a preliminary point may dispose of the suit."

73. In the present case, the Respondents raised their preliminary objections only after the hearing had concluded. In my view, this was procedurally improper, as the Respondents had ample opportunity to raise the objections before or at the commencement of the hearing. Nevertheless, given the nature of the objections raised, I shall address each of them.

Whether the Petitioners have locus Standi?

74. The Respondents argued that the Petitioners lacked the requisite standing to bring this Petition under Section 243 of the Companies Act, Cap. 106, on the basis that the section only affords relief to members of a Company.

75. They further relied on **Section 45** of the **Companies Act, Cap. 106**, and the decision of the Supreme Court in *Matthew Rukikaire v Incafex Limited, Civil Application No. 11 of 2015*, that both provide that membership in a Company is acquired either by subscribing to the memorandum at incorporation or by agreeing to become a member after incorporation and having one's name entered in the register of members.

76. There is no dispute that the Petitioners were founding subscribers to the Company's Memorandum and Articles of Association at the time of incorporation. However, the Respondents contended that the Petitioners abandoned and thereby exited the Company, and consequently ceased to be members capable of invoking the protection afforded under Section 243.

77. The Petitioners denied that assertion, maintaining that they had never ceased to be members of the Company and that their purported removal did not conform to any of the circumstances under which membership could terminate under the Company's Articles of Association.

78. The crux of this Petition is the legality and validity of the process by which the Petitioners were purportedly removed from the Company's records as members and subscribers. The Petitioners challenge the authenticity, propriety, and legal

effect of the resolutions and statutory filings relied upon to effect that removal, contending that they were undertaken in contravention of the Companies Act and the Company's governing instruments. In these circumstances, the question of whether the Petitioners remain lawful members is itself a substantive issue for determination and cannot be resolved as a preliminary basis for denying them standing. To hold otherwise would be to permit the impugned actions to conclusively determine the very rights that are under challenge. Such an approach would be both illogical and contrary to the principles of natural justice, as it would deny the Petitioners an opportunity to contest the legality of the acts that allegedly deprived them of their membership. Accordingly, where a petitioner seeks to challenge the validity of resolutions or filings purporting to extinguish his or her membership rights, the alleged removal cannot, without prior adjudication, be relied upon to defeat standing. The Petitioners therefore possess a sufficient and direct interest in the subject matter of the dispute to invoke the jurisdiction of the Registrar and seek redress in respect of the alleged unlawful conduct.

79. The dispute concerning the Petitioners' membership status lies at the very heart of the present Petition. The Petitioners contend that resolutions were improperly passed and subsequently filed with the Companies Registry with the effect of unlawfully removing them as members of the Company. They further seek orders for the expungement of those resolutions from the Company's register. These allegations are sufficient, on their face, to confer the requisite standing upon the Petitioners to invoke the jurisdiction of the Registrar under Section 243 of the Companies Act, Cap. 106.

80. Indeed, where individuals claim that they have been wrongfully deprived of their membership rights through actions alleged to be illegal, irregular, or oppressive, they are entitled to seek the intervention of the Registrar to inquire into the legality and propriety of such actions. To hold otherwise would permit the very conduct

being challenged to defeat the right to seek redress. Accordingly, the Petitioners' assertion that they were unlawfully removed as members raises a justiciable controversy that falls squarely within the Registrar's mandate to determine whether the impugned resolutions were validly passed and filed, and whether the conduct complained of constitutes oppression within the meaning of Section 243 of the Companies Act Cap 106.

81. I therefore find that the Petitioners possess the requisite *locus standi* to bring this Petition. Accordingly, this preliminary objection fails.

Whether the Petition is Time-Barred?

82. The second and third Respondents further argued that the Petition was time-barred and that the Petitioners had acquiesced to the changes in membership by failing to challenge them from as early as 2005, when the first cohort of new members was allegedly introduced into the Company.

83. In considering this objection, it is important to distinguish between membership and directorship within a Company, as these are separate legal concepts with distinct functions and implications.

84. While the Respondents contend that changes in the Company's membership commenced as early as 2005, the evidence before the Registrar does not support that assertion. The record demonstrates that, following the incorporation of the Company, the first and only documented alteration to its membership occurred in 2022 through a disputed Special Resolution, which purported to remove the Petitioners as members on the allegation that they had exited the Company and simultaneously introduced the Respondents as members. No credible documentary evidence was availed to establish that any prior changes to the membership register were effected between 2005 and 2022. In the absence of such evidence, the Respondents' argument that the Petitioners acquiesced in, consented to, or failed to challenge membership changes dating back to 2005 is unsustainable.

Rather, the evidence suggests that the impugned 2022 resolution constitutes the sole and operative act through which the Petitioners' membership was purportedly altered, thereby giving rise to the present dispute. Consequently, any allegation of acquiescence based on alleged historical membership changes lacks a factual foundation and cannot be relied upon to defeat the Petitioners' claim.

85. The evidence does, however, indicate that changes in directorship began as early as 2005 and continued over the years preceding the filing of this Petition.

86. The Petitioners further testified that they only became aware of the impugned actions shortly before instituting these proceedings and promptly sought redress upon discovering them.

87. In any event, the doctrines of acquiescence and *laches* cannot be invoked to legitimise an illegality. The Registrar of Companies is charged with maintaining the integrity of the Companies Register and ensuring that it reflects accurate and lawful filings that can be relied upon by the government, investors, the general public and other stakeholders. Thus where it is established that resolutions, Company forms, or other filings were procured unlawfully or irregularly, the Registrar has the authority to rectify the register and expunge such filings so as to preserve the accuracy and integrity of the register pursuant to Regulation 8 of the Companies (Powers of the Registrar) Regulations SI No. 71 of 2016.

88. Accordingly, I find that the objection based on limitation and acquiescence is without merit and equally fails.

89. In the result, both preliminary objections raised by the second and third Respondents are dismissed. I will proceed to determine the matter on its merits.

b. Whether the Petition was properly brought against the second and third Respondents?

90. The second and third Respondents denied the allegations against them in their entirety. Under paragraphs 2 and 3 of their Joint Reply to the Petition, they stated

that they had never seen the original Memorandum and Articles of Association of the Company, in which the Petitioners were listed as members, until they were served with the Petition. They further contended that they had no knowledge of, or involvement in, the first Respondent's alleged unlawful and fraudulent activities.

91. The two Respondents asserted that they were invited to join the Company as directors in 2015 by a one Mr. Ssuna Joseph, having been preceded by more than three Boards, and that they ceased serving as directors in 2024. They maintained that they had no interest in, or benefit to derive from, the removal of the founder members of the Company and that they neither challenged the rights and powers of the original founder directors nor prevented them from performing their duties. They further stated that they were not privy to the requirement that new members could only be admitted through the collective consensus of the original members and that they were not responsible for the procedure through which they were admitted to the Board.
92. The second and third Respondents averred under paragraphs 6 and 7 of their Response to the Petition that, during their tenure as directors between 2015 and 2024, they neither met nor saw the Petitioners on the Company's premises, nor did they witness any of them perform duties in relation to the Company. The third Respondent additionally stated that she only became aware of the Petitioners after receiving a telephone call from the third Petitioner, whom she knew through other professional engagements, inquiring whether the Board had been involved in the purported sale of the Company's land in Bujuko.
93. They further averred under paragraph 11 of their Response that it was never their intention to join the Company as subscribers. According to them, they only intended to serve as directors for a specified term and thereafter leave the Company. They stated that they held no personal or professional interest in the

affairs of the Company and that any such interest ceased upon the expiry of their tenure as directors.

94. Consequently, they argued that the Petitioners had erroneously joined them to the Petition and had levied against them defamatory allegations, including systematically oppressing the founder members, excluding them from the affairs of the Company, fraudulently disposing of Company land, and personally benefiting therefrom. They denied those allegations and prayed that they be excluded from the proceedings and exonerated from any forensic audit of the Company.

95. In essence, the second and third Respondents sought to distance themselves from all the actions complained of by the Petitioners and contended that any wrongdoing, if established, was attributable solely to the first Respondent, to which I disagree.

96. First, the second and third Respondents served as directors of the Company between 2015 and 2024, a period during which several of the impugned resolutions and filings were made. As directors, they were under a duty to acquaint themselves with the Company's constitutional documents, including its Memorandum and Articles of Association, which formed the basis upon which the Company was governed. Due diligence required that they familiarise themselves with those governing instruments in order to properly discharge their responsibilities as directors.

97. I therefore find it difficult to accept their assertion that they had never seen the original Memorandum and Articles of Association until they were served with the present Petition. This is particularly so given that the amended Memorandum and Articles only emerged in 2022, approximately seven years after they had assumed office and while they were still serving as directors of the Company. In my view, directors who serve on a board for nearly a decade cannot reasonably avoid

responsibility by claiming complete ignorance of the foundational documents governing the entity whose affairs they were entrusted to oversee.

98. Secondly, as a matter of Company law, the affairs of a Company are managed through its Board of Directors acting collectively. A duly passed Board resolution is ordinarily regarded as a decision of the Board and not merely of the individual director who proposed it. In *Re City Equitable Fire Insurance Co Ltd [1925] Ch 407*, the Court emphasised that directors exercise their powers as members of a board and act collectively rather than individually.

99. Thus, where decisions are made through resolutions and corporate filings during the tenure of directors, those decisions are *prima facie* attributable to the Board as a whole. A director cannot ordinarily avoid responsibility by merely asserting, subsequently, that another director was the driving force behind the impugned actions unless evidence is adduced demonstrating that he or she neither participated in, consented to, nor acquiesced in the conduct complained of. The relevant inquiry in such circumstances is whether the directors were serving at the time the impugned resolutions were passed, whether they participated in meetings, signed resolutions, consented to filings, benefited from the actions taken, or raised any objection or recorded dissent thereto.

100. In the present case, the evidence demonstrates that the second and third Respondents served as directors during the period when resolutions were passed removing the Petitioners from membership, admitting new members, altering the governance structure of the Company, and undertaking other actions now challenged in this Petition. More importantly, there is no evidence that either of them opposed, dissented from, or objected to those actions.

101. More so, the contested Special Resolution dated 22nd September 2022 and filed on 14th October 2022, which purported to remove the Petitioners as members and subscribers and introduce the Respondents as members of the Company,

bears the signature of the second Respondent. At no point did the second Respondent allege that her signature on the resolution was fabricated or otherwise improperly obtained. That resolution expressly states that: *“The original members and/or subscribers of the Company exited from the Company in 2005”* and further states that: *“That new members were admitted to the Company to wit: Max Alfred Anyuru (2005), Salome Joy Awidi (2015). Theresa Auma Eilu (2015)”*

102. Furthermore, the register indicates a Board Resolution dated 10th March 2024 and filed on 27th May 2024, signed by both the second and third Respondents, authorizing the disposal by sale of approximately 13 acres of Company land comprised in Block 41, Plot 6, Mengo District, with the proceeds thereof to be directed towards office renovation works.

103. The significance of this evidence is that the second and third Respondents were not merely passive observers of the events complained of. By appending their signatures to resolutions effecting fundamental changes to the Company's membership structure and disposing of Company land, they participated in processes that directly affected the rights of the Petitioners. In those circumstances, it becomes difficult to accept the contention that the second and third Respondents were entirely unaware of the matters giving rise to this Petition.

104. This principle was reinforced in *Re Westmid Packing Services Ltd [1998] 2 BCLC 646*, where the Court observed that directors cannot simply abdicate their responsibilities to another director and thereafter escape accountability by claiming that they merely followed instructions. Directors have an ongoing duty to exercise independent judgment and to supervise the affairs of the Company. A director who knowingly permits unlawful acts to occur, or who acquiesces in them, cannot readily evade responsibility for the consequences of those acts.

105. The second and third Respondents sought to distance themselves from the impugned actions by asserting that it was the first Respondent who orchestrated

the events complained of. While it may well be that the first Respondent played a central role in the affairs of the Company, that fact alone does not absolve the second and third Respondents from scrutiny regarding actions undertaken during their tenure as directors.

106. The evidence before me shows that the impugned actions were not isolated personal acts of the first Respondent. Rather, they involved corporate decisions and filings affecting the membership, directorship, governance structures, constitutional documents, bank mandates, and property of the Company. Such actions were undertaken through the organs of the Company and during the period in which the second and third Respondents served as directors.

107. Significantly, the second and third Respondents did not place before me any evidence demonstrating that they opposed, dissented from, objected to, or sought to reverse any of the impugned actions. No minutes, correspondence, recorded dissents, or other evidence were produced to show that they disassociated themselves from the decisions complained of by the Petitioners. Their defence is therefore limited to the assertion that the first Respondent was the principal actor.

108. In my view, that assertion is insufficient. The law does not permit directors to wholly disassociate themselves from decisions undertaken during their tenure merely by attributing responsibility to one member of the Board. To hold otherwise would permit directors to enjoy the authority and privileges of office while disclaiming responsibility for actions undertaken through that office whenever those actions are subsequently challenged.

109. I am therefore satisfied that the second and third Respondents were proper parties to these proceedings. The allegations raised by the Petitioners concern actions undertaken during the period in which the second and third Respondents served as directors of the Company and relate to decisions attributable to the

governance structures of the Company during that time. Whether or not they bear the same degree of responsibility as the first Respondent is a separate question. However, the evidence before me does not justify their exclusion from these proceedings or their complete exoneration from scrutiny in relation to the affairs of the Company during their tenure.

110. Accordingly, I find that the Petition was properly brought against the second and third Respondents.

c. Whether the contested documents were validly passed?

111. The Petitioners in this matter are the founder subscribers and members of the Company, having subscribed to the Memorandum and Articles of Association of, 'The Community Development Resource Network Limited,' at the time of its incorporation. They challenge several filings on the Company's file at the Companies Registry on the grounds that they were passed and/or filed by persons who lacked the authority to do so, were fraudulently procured, and were filed without the knowledge, consent, or participation of the Petitioners as the lawful members and directors of the Company.

112. At the heart of this Petition is the allegation that the Respondents unlawfully and fraudulently orchestrated the removal of the Petitioners from the Company records as subscribers and members, caused unauthorised persons to be registered as members and directors, and disposed of Company property without the authority of the Petitioners.

113. The first Respondent denied the Petitioners' allegations and contended that, by reason of the Petitioners' prolonged silence, acquiescence, and complete inaction allegedly exceeding two decades, the Company and its directors legitimately conducted its affairs, admitted new members, and complied with statutory obligations in reliance on what had become a settled state of affairs.

114. On the other hand, the second and third Respondents intimated that it was the first Respondent who orchestrated the alleged fraudulent events. They stated that their acceptance to be registered as directors and subscribers of the Company was solely for the purpose of complying with legal requirements relating to the filing of annual returns and declarations of directors, given that the Petitioners had allegedly been absent from the affairs of the Company for over twenty years.

115. Accordingly, this office is tasked with determining whether the contested filings were duly passed in accordance with the Company's Articles, requisite procedures, and by persons with the authority to do so. The Petitioners challenge filings that altered the membership and directorship of the Company and those that purported to dispose of Company property and alter bank mandates. I shall address each aspect in turn.

Membership

116. It is not disputed that, 'The Community Development Resource Network Limited,' was duly incorporated in Uganda on 28th February 1995, with the Petitioners as its three founding subscribers and members, having subscribed to the Memorandum and Articles of Association at the time of incorporation.

117. By virtue of Article III(1) of the Company's original Articles of Association, the three founding members constituted the Directors acting as the governing body responsible for the management of the Company. The Petitioners now challenge;

- a) A Special Resolution dated 22nd September 2022 and filed on 14th October 2022 purportedly removing the Petitioners as Members and Subscribers and introducing the Respondents as members.
- b) Amended Memorandum and Articles of Association dated and filed on 14th October 2022, alleged to have been fraudulently procured, indicating the Respondents as members of the Company.

118. The Petitioners contended that the Respondents procured the impugned resolution removing them as members and subscribers of the Company through a false and misleading representation that they had resigned from, withdrawn from, or otherwise ceased to be associated with the Company. The Petitioners maintained that they had never tendered any resignation, executed any instrument of withdrawal, or taken any action evidencing an intention to relinquish their membership or subscriber status.

119. Indeed, a review of the contested Special Resolution reveals that it expressly states that *“the original members and/or subscribers of the Company exited from the Company in 2005,”* and relies on that assertion as the justification for removing the Petitioners from the Company’s records. The Petitioners argued that this statement is factually inaccurate and unsupported by any documentary evidence. They further asserted that the resolution was founded on a misrepresentation of material facts, with the effect of unlawfully extinguishing their rights and interests in the Company without their knowledge, consent, or due process. According to the Petitioners, the alleged exit was neither voluntary nor documented in accordance with the requirements of Company law and the Company’s governing instruments, rendering the impugned resolution irregular, unlawful, and liable to be set aside.

120. Relying on Article II of the Company's original Articles of Association, the Petitioners contend that none of the grounds for cessation or termination of membership had been satisfied and that they could not therefore be deemed to have ceased being members of the Company.

121. A review of the Company’s original Articles of Association, Article (II)(1) titled *‘Termination of Membership’* provides as follows:

“A person shall cease to be a member of this Company in the following situations;

- (a) *If s/he is proved to have embezzled or stolen any of the Association's funds or properties*
- (b) *If s/he is convicted of any criminal offence(s) under the provisions of the Penal Code Act of the laws of Uganda or is convicted of any criminal offence committed in a foreign country.*
- (c) *If s/he fails to perform the functions of her/his office enjoined to him/her by this memorandum of Association arising either due to infirmity of the body or of the mind.*
- (d) *If s/he becomes insane*
- (e) *By death*
- (f) *By voluntary retirement*
- (g) *When one is declared a bankrupt in accordance with the laws relating to bankruptcy in Uganda.*

PROVIDED THAT in the case of voluntary retirement, a member so retiring shall be required to give at least a three months' notice of his intention to do so to the other directors of the committee of Directors of the Company."

122. The above provisions exhaustively set out the circumstances under which membership may be terminated. The second Petitioner deposed that at no time did any of the Petitioners resign, retire, become incapacitated, become bankrupt, or otherwise cease to be members in any of the ways contemplated under Article II(1). She further stated that none of the Petitioners ever issued a notice of resignation or voluntary retirement as required by Article II(1), which requires at least three (3) months' notice to the other directors.

123. Significantly, the Respondents did not produce any evidence demonstrating that the Petitioners ceased to be members through any of the recognised methods provided for under the Articles of Association.

124. Instead, the first Respondent asserted that the Petitioners were not *'unlawfully or fraudulently removed'* but had abandoned the Company through their own conduct. He deposed that, by reason of the Petitioners' prolonged silence, acquiescence, and complete inaction for more than two decades, the Company and its directors legitimately conducted its affairs, admitted new members, and complied with statutory obligations in reliance on that state of affairs.

125. The first Respondent further asserted that the resolution filed on 14th October 2022 removing the Petitioners as members was passed because the Uganda Registration Services Bureau required the Company to update its records. According to him, the Petitioners could not be located and their continued absence rendered the Company unable to comply with statutory requirements, making the 2022 resolution a necessary administrative measure intended to preserve the Company's legal existence. The first Respondent argued that equity permits a finding of constructive retirement where a member's conduct is unequivocally inconsistent without continued membership for a prolonged period, allegedly approximately twenty (20) years in this case.

126. Whereas the Respondents alleged that the Petitioners had abandoned the Company and could not be traced for two decades, no evidence was presented to demonstrate any efforts made to contact, locate, or engage them. In my view, such efforts would have been the logical and necessary first step in substantiating the allegation that the Petitioners were untraceable. A party that asserts that another person could not be found must ordinarily demonstrate the steps taken to find that person. No such evidence was placed before me.

127. Furthermore, the third Petitioner averred in his rejoinder that the first Respondent was, at all material times, aware of the Petitioners' whereabouts and was therefore in a position to contact them whenever necessary. In support of this assertion, he stated that he and the first Respondent served together on the Board

of Directors of the Land Equity Movement of Uganda and regularly interacted in the course of that engagement. According to the third Petitioner, their continued professional association and periodic meetings made it implausible for the first Respondent to claim ignorance of the Petitioners' whereabouts or an inability to reach them.

128. While no documentary evidence was adduced to substantiate the alleged board membership or the frequency of such interactions, it is significant that the first Respondent did not specifically deny or challenge these assertions in his surrejoinder to the third Petitioner's rejoinder. The absence of a direct rebuttal to a material factual allegation may, in the circumstances, be taken as lending some credence to the assertion, particularly where the matter lies within the personal knowledge of the parties and could readily have been disputed if untrue. Consequently, the allegation remains uncontroverted on the record and is relevant in assessing the credibility of the Respondents' claim that they were unable to locate or communicate with the Petitioners.

129. In those circumstances, I find it difficult to be persuaded by the Respondents' contention that the Petitioners had disappeared or were untraceable for over two decades.

130. The first Respondent also argued that the members of the Company were required under the Articles of Association to pay an annual membership fee of UGX 100,000 and that the Petitioners had failed to do so. In response, the third Petitioner pointed out that Article I(3) of the original Articles of Association merely provides for the annual membership fee but does not prescribe automatic cessation of membership as a consequence of non-payment, nor does it confer upon the Board any power to remove a member on that basis. He further stated that no demand for payment was ever made, no notice of default was ever issued,

and no lawful process for removal on account of non-payment was ever initiated, to which I agree.

131. Even if the first Respondent intended to rely on non-payment of membership fees, there is no evidence that any demand was made, any default communicated, or any procedure invoked to address such non-payment.

132. Having carefully considered the evidence before me, I am satisfied that the Petitioners' removal from the Company as members was tainted by procedural and substantive irregularities. No evidence was adduced demonstrating that any of the recognised grounds for termination of membership under the Articles of Association had arisen. Consequently, the Petitioners did not cease to be members of the Company and remain its lawful members.

133. Having reached that conclusion, I now turn to the status of the Respondents as members. The Respondents are currently reflected on the Company's records as members, a position challenged by the Petitioners. Article I(2) of the Company's original Articles of Association on Membership provides verbatim *"New members with the same ideological commitment and interest in participatory community development activities may be admitted into the Association by the collective consensus of the original members."* The second Petitioner deposed that no such consensus was ever sought from or obtained from the Petitioners regarding the admission of the Respondents or any other persons as members of the Company.

134. The Respondents maintained that they were registered as subscribers/members of the Company for the purposes of complying with the legal requirement to file annual returns, given that the Petitioners had been absent from Company business allegedly for over 20 years. However, as already observed, no cogent evidence was presented to establish that the Petitioners had in fact abandoned the Company or could not be traced.

135. The requirement for admission of new members by the collective consensus of the original members is clear and mandatory. No evidence was produced showing that this requirement was complied with.

136. Accordingly, I find that the Respondents' admission as members of the Company was procedurally defective and irregular.

Directorship

137. The Petitioners further contend that the Respondents caused unauthorised persons to be registered as directors of the Company and that such appointments were made without lawful authority.

138. The first Respondent deposed that he joined the Company as a director in 2005 and became Chairperson of the Board in 2009, asserting that by the time he joined, the Petitioners had already ceased being directors. The Petitioners, however, maintain that the first Respondent only became a director in 2009. There is therefore a clear inconsistency regarding the date of his appointment.

139. The second and third Respondents stated that they joined the Company as directors in 2015 and exited in 2024. Their position was supported by the first Respondent.

140. A review of the Company's file at the Companies Registry reveals a number of irregularities concerning the appointment and removal of directors during the material period. Under **Regulation 8(1) of the Companies (Powers of the Registrar) Regulations, S.I. No. 71**, the Registrar is charged with maintaining an accurate register. Where irregularities are identified, it becomes necessary to rectify the register to ensure that it reflects the true and correct position.

141. For that reason, it is necessary to trace the directorship of the Company in order to identify and address the irregularities.

142. As previously observed, Article III(1) of the Company's original Articles of Association vested the management and control of the Company in its three

founding members, who also constituted its initial Board of Directors . In addition, Article XII(3) expressly confers upon the directors the power to appoint other persons to the Board. The exercise of such a power would ordinarily require a formal decision of the Board, evidenced by a duly passed resolution recording the appointment and its effective date.

143. Although the parties are in agreement that the first Respondent became a director of the Company sometime between 2005 and 2009, the record contains no board or members' resolution evidencing his appointment. Instead, the first documentary indication of his status as a director appears in Company Form 8 (Notification of Change of Directors) filed in 2009, wherein he is listed among the Company's directors. While the filing of Form 8 serves as notice to the Registrar of changes in the composition of the Board, it does not, in itself, constitute the corporate act by which a director is appointed. Rather, it is intended to record and communicate a decision that has already been validly made in accordance with the Company's constitutional documents.

144. Under the Articles of Association, the appointment of a director must originate from a valid resolution of the Board or other competent corporate organ, after which the prescribed notification is lodged with the Registrar. The filing of a statutory form is therefore consequential upon, and not a substitute for, the underlying corporate resolution. In the absence of any resolution authorising or approving the first Respondent's appointment, there is no evidence demonstrating that the appointment process complied with the requirements of the Company's governing instruments. Consequently, the evidentiary record discloses a gap between the appearance of the first Respondent's name in the statutory filings and proof of the corporate authority under which he was appointed, raising legitimate questions as to the procedural regularity of that appointment.

145. It is important to note that a Company communicates and expresses its decisions through resolutions. Consequently, the validity of corporate decisions is ordinarily established by reference to duly passed and filed resolutions.

146. In the present case, there are no resolutions on file evidencing the appointment of directors between 1995 and 2015, including the first Respondent and other individuals who purportedly served during that period. It was only in 2015 that a Board Resolution was filed appointing directors, including the second and third Respondents.

147. In light of the foregoing, the directorship of the Company requires rectification to ensure that there is a proper and lawful record of appointments and removals. The objective is to maintain an accurate register supported by filings that comply with the procedural requirements of both the law and the Company's governing instruments.

148. I therefore find that any purported directorship in the Company, other than that of the founding members/directors, was procured irregularly and cannot stand. The Petitioners accordingly remain the recognised directors of the Company.

Other Resolutions

149. The Petitioners also challenged filings made at the Companies Registry, including resolutions relating to the opening and closing of bank accounts, alteration of bank mandates, securing loan facilities and disposal of Company property. Having found that the Petitioners remained the lawful members, subscribers, and directors of the Company, it follows that any resolutions passed without their participation or involvement were passed by persons lacking the requisite authority.

150. In *Fang Min v Uganda Hui Neng Mining Limited & 5 Others*, HCCS No. 318 of 2016, Justice David Wangutusi, while referring to the decision of Justice

Geoffrey Kiryabwire in *Seremba Mark v Isanga Emmanuel & 3 Others (In the Matter of Greenvine College Ltd)*, *Companies Cause No. 27 of 2004*, observed that: ‘resolutions passed by persons without authority, and meetings convened without notifying the relevant members are null and void. Consequently, such meetings render their outcomes worthless.’

151. Applying that principle to the present matter, all resolutions passed without notification to, participation by, or involvement of the Petitioners, as the lawful members, subscribers, and directors of the Company, were passed by persons lacking the requisite authority and are therefore null and void *ab initio*.

152. However, the consequences of such a finding must be considered in light of the nature of the particular transactions involved and the rights of third parties who may have relied on the Company's public records and representations.

153. Among the contested filings is a Board Resolution dated 6th August 2009 and filed on 15th October 2009, authorizing the Company to obtain loan facilities for the purpose of completing the purchase of buildings on Balintuma Road.

154. While the resolution is to be expunged, the implications of nullifying a resolution that authorised borrowing from a third party, who advanced funds on the strength of Company resolutions executed by persons appearing to act as directors and officers of the Company must be carefully considered.

155. In this regard, the Indoor Management Rule is applicable. The rule protects third parties dealing with a Company in good faith from being prejudiced by internal irregularities within the Company's affairs. In *Royal British Bank v Turquand (1856)*, it was established that external parties are entitled to presume that a Company complies with its internal procedures and regulations unless they have knowledge to the contrary. The rule therefore protects third parties dealing with companies against undisclosed internal irregularities. Furthermore, in *Mahony v East Holyford Mining Co (1875)*, it was observed that persons dealing

with individuals appearing to act in the management of a Company are not affected by internal mismanagement or procedural irregularities, provided the acts appear consistent with the Company's Articles of Association.

156. Therefore, where a third party, particularly a financial institution, reasonably believed that the Company Director and Secretary possessed authority to act on behalf of the Company based on the Company's public documents, including the particulars contained in Company Form 20, a search letter, and various resolutions executed by the same individuals, the Company is bound by those resolutions notwithstanding any internal procedural irregularities, unless it is demonstrated that the third party/financial institution, knew or ought to have known of the irregularities.

157. Consequently, any credit facilities or loans advanced to the Company in reliance on the Board Resolution dated 6th August 2009 cannot be invalidated merely because the resolution has now been found to have been passed by persons lacking proper authority under the Company's governing instruments.

158. I therefore find that, although the said resolution forms part of the chain of irregular corporate actions identified in this ruling and is liable to be expunged from the register, such expungement shall not operate retrospectively so as to invalidate, discharge, or otherwise affect any loan facilities, credit arrangements, securities, obligations, or liabilities previously incurred by the Company in reliance on that resolution. Those obligations, if any, remain binding upon the Company.

159. However, upon its expungement from the register, the resolution shall cease to have any legal effect going forward and may not be relied upon as authority for the acquisition of future credit facilities, borrowing arrangements, or related transactions on behalf of the Company.

160. There are also contested resolutions relating to the sale or transfer of land, although the Respondents contend that no actual sale occurred. The Petitioners have placed a caveat on the land in question in order to prevent further dealings.
161. The Registrar of Companies does not have jurisdiction over land disputes. Consequently, resolutions dealing with the land shall not be expunged from the register until a pronouncement is made by the Registrar of Lands as the relevant authority, or by a court of competent jurisdiction.
162. Alternatively, the Petitioners may apply to a court of competent jurisdiction for an order directing the Registrar of Companies to expunge the contested resolutions from the register. **Regulation 8(2)(g) of the Companies (Powers of the Registrar) Regulations, S.I. No. 71 of 2016** provides that the Registrar may expunge from the register any information or document which a court has ordered to be expunged. The resolutions in question are;
- a) *A Board Resolution dated 4th March 2011 and filed on 30th March 2011 authorizing the Company to transfer 5 acres from its 15 acres private mailo land located at Block 41, Plot 6, Mengo district, Mawokota County, Ssabagabo sub-county to the rightful owners.*
 - b) *A Board Resolution dated 10th March 2024 and filed on 27th May 2024, authorizing the disposal by sale of approximately 13 acres of Company land comprised in Block 41, Plot 6, Mengo District.*
163. All other contested filings are to be expunged.
- d. **Whether there was oppression occasioned to the Petitioners pursuant to Section 243 of the Companies Act, Cap. 106?**
164. The Petitioners contend that the actions of the Respondents amounted to oppression within the meaning of Section 243 of the Companies Act, Cap. 106. The second Petitioner deposed under paragraph 13 of her Statutory Declaration that the Respondents completely excluded the Petitioners from the management of the

Company, disposed of Company assets, and made false representations to the Registrar of Companies, which, she argued, constituted systematic oppression of the Petitioners as the sole lawful members of the Company.

165. The first Respondent did not specifically respond to the allegation of oppression in his statutory declaration. However, in the written submissions, the first Respondent's legal counsel, relying on *Baldwin Vs. Sanders [1967-68] PNGLR 95*, argued that member oppression law does not apply to members of a Company limited by guarantee. I respectfully do not agree with Counsel's submission. The plain reading 243 of the Companies Act. Cap 106 indicates that member oppression claims apply to all oppressed members of a Company whether a Company is limited by shares or guarantee.

166. A Company limited by guarantee is a distinct corporate form under the Companies Act, Cap. 106. Unlike a Company limited by shares, it has no share capital. Its members do not hold shares; instead, they undertake to contribute a specified amount to the Company's assets in the event of winding up. Membership is typically conferred by admission in accordance with the Company's Articles of Association or Constitution, and members' rights are defined by those constitutional documents rather than by shareholding. Companies limited by guarantee are predominantly used for non-profit, charitable, religious, educational, and civil society purposes — which is precisely the character of the Company in this petition, being a Company incorporated to contribute to the development of a socially economically empowered society that defends the rights of vulnerable people and advocates for justice, peace, social equity and sustainable development.

167. This structural difference raises a question that must have been Counsel's issue in finding that a member oppression claim does not apply to companies limited by guarantee. The question is whether the oppression remedy under

Section 243 of the Companies Act, Cap. 106, which speaks of the purchase of shares of members as a possible remedy, applies to a Company that by its very nature has no shares to purchase?

168. Section 243(1) of the Companies Act, Cap. 106 provides that:

"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... may make a complaint to the Registrar by petition for an order under this section."

169. The provision uses the word "*member*" throughout, not "*shareholder*." This is deliberate and significant. The Companies Act itself distinguishes between members and shareholders — a shareholder is a species of member in a Company limited by shares, but membership is a broader concept that extends to guarantee companies. Section 243(1) is therefore textually capable of applying to any member of any Company, regardless of whether that Company has a share capital. This interpretation finds support in the definition of "member" under Section 45 of the Companies Act, Cap. 106, which includes persons who have agreed to become members and whose names are entered in the register of members — a definition that applies equally to guarantee and share companies.

170. The principal challenge in applying Section 243 to a guarantee Company arises at the remedial stage. Section 243(2) empowers the Registrar to order "*the purchase of the shares of any members of the Company by other members or by the Company.*" In a Company limited by guarantee, there are no shares to purchase. This creates an apparent lacuna between the finding of oppression and the remedy ordinarily available. However, this difficulty does not defeat the jurisdiction to hear the petition. It requires the Registrar to exercise the broader discretionary powers also conferred by Section 243(2), which empower the making of "*such order as he or she thinks fit*" — including orders "*for regulating the conduct of the Company's affairs in future*" or "*otherwise.*" The word "*otherwise*"

is a deliberate savings provision that equips the Registrar to fashion remedies beyond share purchase where the circumstances demand it.

171. In my considered opinion, the appropriate remedies available in a guarantee Company oppression petition would therefore include:

- a) *Orders regulating the future conduct of the Company's affairs.*
- b) *Rectification of the register to expunge any illegally or wrongfully obtained filings on the Company register.*
- c) *Orders compelling access to records and financial information.*
- d) *Orders restraining oppressive conduct.*
- e) *In appropriate cases, an order that the oppressed member's membership be terminated on terms, with compensation equivalent to the value of their contribution and any legitimate financial interest they hold in the Company's assets.*

172. The application of oppression remedies to guarantee companies has been considered in comparable Commonwealth jurisdictions. In a persuasive Irish case of *Re Westwind Holding Company Ltd [1974] IR 197*, the court confirmed that the oppression jurisdiction was not confined to companies with share capital and could be exercised in respect of any registered Company whose affairs were conducted oppressively against a member, with the court fashioning remedies appropriate to the Company's structure.

173. The second and third Respondents argued that the Petitioners had erroneously included them in the Petition and had levelled against them defamatory accusations, including allegations that they systematically oppressed the Petitioners in their capacity as founder members, excluded them from the affairs of the Company, fraudulently sold Company land, and personally benefited therefrom. They vehemently denied those allegations.

174. The third Petitioner further asserted that the oppression complained of was not merely historical but constituted a continuing wrong, as the Petitioners remain wrongfully excluded from the Company's Register of Members and governance structures to date.
175. From the pleadings and evidence before me, the issue for determination is whether the conduct complained of amounts to oppressive conduct against the Petitioners in their capacity as members of the Company, as contemplated under Section 243 of the Companies Act, Cap. 106.
176. Section 243, titled "Alternative remedy to winding up in cases of oppression," provides that: "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 ... may make a complaint to the Registrar by petition for an order under this section."
177. It is important to note that the threshold under Section 243 is not met merely because a member disagrees with decisions made by those managing the affairs of a Company. Rather, the conduct complained of must amount to oppression of the member in his or her capacity as a member. The remedy under Section 243 is intended to address conduct that is sufficiently serious to warrant intervention as an alternative to winding up the Company.
178. In *Edward Ssentenza & Another v Donnie Company Limited & Another HCT-00-CV-CI-0005-2016*, the Court observed that oppressive conduct encompasses decisions and actions that are "burdensome, harsh and wrongful" against members and which are of such gravity as to justify the winding up of the Company or, in the alternative, intervention of the Registrar of Companies under Section 243 of the Companies Act, Cap. 106.
179. Similarly, the Supreme Court of Uganda in *Rukikaire Mathew v Incafex (U) Ltd, Civil Appeal No. 03 of 2015*, elaborated on the nature of oppressive

conduct under the Companies Act. The Court held that for conduct to amount to oppression, it must affect a person in his or her capacity as a member of the Company and not in some other capacity. The Court distinguished between grievances arising from employment or management positions and those arising from membership rights. It observed that while removal from a managerial position may not necessarily amount to oppression, conduct such as wrongfully excluding a member from Company meetings or unlawfully depriving a person of membership rights may constitute oppression.

180. Oppression has also been described as conduct that violates a member's reasonable expectations as to how the affairs of a Company should be conducted. In *Elder v Elder & Watson Ltd [1952] SC 49*, Lord Cooper stated that: “...oppression requires a visible departure from standards of fair dealing and an infringement on the aggrieved party's proprietary or participatory rights”.

181. The oppression complained of must therefore affect the person in his or her capacity as a member and not in any other capacity. Likewise, in *Re Five Minutes Car Wash Services Ltd [1966] 1 All ER 242* at pages 246–247, Buckley J held that: “...the Petitioner 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.”

182. Further, in *Cliff Masagazi v Afriland First Bank Uganda Ltd, Company Cause No. 08 of 2020*, Hon. Justice Musa Ssekana 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.*”
183. The foregoing authorities establish three key principles. First, the conduct complained of must affect the petitioner in his or her capacity as a member. Second, the conduct must amount to a visible departure from standards of fair dealing and corporate propriety. Third, oppression ordinarily involves a continuing course of conduct rather than a single isolated act.
184. Applying those principles to the present matter, the Petitioners contend that the Respondents removed them from the Company's records as members and subscribers, excluded them from participation in the affairs of the Company, and replaced them with other persons.
185. Whereas the Petitioners also alleged that they were barred from accessing the Company's premises by the first Respondent, that particular allegation was not proved. The Petitioners did not adduce sufficient evidence demonstrating any attempts to access the premises or any acts by the first Respondent preventing such access. Nevertheless, the finding of oppression is not dependent on that allegation alone, as the Petitioners allege other acts that could establish oppression, such as unlawfully excluding the Petitioners from the membership, governance, and affairs of the Company.
186. As already found under the preceding issue, the Petitioners are the founding subscribers, members, and directors of the Company. The Respondents failed to adduce any evidence demonstrating that the Petitioners ceased to be members through any of the methods recognised under Article II of the Company's Articles of Association. There was no evidence of resignation,

voluntary retirement, death, bankruptcy, incapacity, or any other recognised ground for termination of membership. Consequently, I have already found that the Petitioners remain lawful members of the Company.

187. Notwithstanding this position, a Special Resolution was passed and filed in 2022 purporting to remove the Petitioners as members and subscribers on the basis that they had allegedly exited the Company. No evidence was produced to support that assertion. I have already found that the removal of the Petitioners was undertaken contrary to the Articles of Association and was therefore unlawful and irregular.

188. I further found that the Respondents were admitted as members of the Company without compliance with Article I(2) of the Articles of Association, which required the collective consensus of the original members before new members could be admitted. Consequently, the Petitioners were removed from membership contrary to the governing instruments of the Company and replaced by persons whose admission was itself procedurally defective.

189. The evidence also demonstrates that the Petitioners were excluded from participation in the affairs of the Company. Resolutions were passed affecting membership, directorship, bank mandates, Company property, and amendments to the Memorandum and Articles of Association without notification to, participation by, or involvement of the Petitioners. The result was that the Petitioners were effectively stripped of their ability to participate in the governance and management of the Company they had founded.

190. Importantly, the conduct complained of directly affected the Petitioners in their capacity as members. This is not a case where the Petitioners complain merely of removal from a management position or some other role within the Company. Rather, the evidence shows that they were removed from the Company's records as members, denied participation in the affairs of the Company, excluded from

decision-making processes, and deprived of the rights and privileges that attach to membership itself. The conduct therefore falls squarely within the category of actions contemplated by Section 243 and the authorities discussed above.

191. In addition, the impugned conduct was not limited to a single event. The removal of the Petitioners from the Company's records was followed by the admission of new members, amendment of the Company's constitutional documents, alteration of bank mandates, and resolutions relating to the disposal of Company property, all undertaken without their involvement. The evidence therefore discloses a continuing course of conduct rather than an isolated act. Indeed, as observed by the third Petitioner, the effects of that conduct continue to date, given that the Petitioners remain excluded from the Company's register and governance structures.

192. The cumulative effect of the Respondents' actions was to deprive the Petitioners of the rights attaching to their membership and directorship in the Company. They were removed from the register without a lawful basis, excluded from decision-making processes, and replaced by persons whose admission lacked the approval required by the Articles of Association. In my view, such conduct cannot be characterised as a mere procedural irregularity. It amounted to a sustained course of conduct directed at the Petitioners in their capacity as members and had the effect of denying them the benefits, rights, and privileges of membership.

193. I am therefore satisfied that the conduct complained of constituted a visible departure from the standards of fair dealing expected in the management of a Company and displayed a disregard for the rights of the Petitioners as members. The actions were burdensome, harsh and wrongful to the Petitioners. They amounted to an invasion of the Petitioners' membership rights and effectively excluded them from the affairs of the Company without lawful justification.

194. Accordingly, I find that the actions of the Respondents occasioned oppression against the Petitioners within the meaning of Section 243 of the Companies Act, Cap. 106.

e. What remedies are available to the parties?

195. The relief granted in these proceedings is necessarily shaped by the nature of the jurisdiction being exercised and the character of the wrongs established on the evidence. Having found that the Petitioners remained, at all material times, the lawful founding subscribers, members, and directors of the Company, and that the impugned resolutions and filings were procured and lodged at the Companies Registry by persons who lacked the requisite authority under the Company's governing instruments and the Companies Act, Cap. 106, the primary and most appropriate remedy in the circumstances is the expungement of those documents from the Companies Register and the restoration of the Company's records to the position that lawfully subsisted prior to their filing.

196. This approach is grounded in three related principles. First, the Registrar of Companies is charged, under Regulation 8 of the Companies (Powers of the Registrar) Regulations, S.I. No. 71 of 2016, with maintaining an accurate, complete, and reliable register of companies. That mandate necessarily implies a corresponding power and duty to correct the register where it has been rendered inaccurate through the filing of documents that were unlawfully, irregularly, or fraudulently procured. A register that reflects a state of affairs brought about by unauthorised and impugned corporate acts does not represent the true and lawful position of the Company and cannot be permitted to stand as an accurate public record upon which third parties, creditors, regulators, and the state are entitled to rely. The integrity of the register is not merely an administrative concern; it is a matter of public interest, since the register serves as the authoritative source of

information about the legal constitution, governance, and membership of every Company registered under the laws of Uganda.

197. Second, where a document filed at the Companies Registry is found to have been procured in contravention of a Company's constitutional documents, without the authority of its lawful members, or on the basis of false or misleading representations, the legal consequence is that the document is void *ab initio* — that is, it is to be treated as having had no legal effect from the moment of its filing. In *Fang Min v Uganda Hui Neng Mining Limited & 5 Others*, HCCS No. 318 of 2016, the Court affirmed that resolutions passed by persons without authority and meetings convened without notifying the relevant members are null and void, rendering their outcomes of no legal consequence. Where a document is void *ab initio*, the only legally coherent response is to treat it as though it were never filed and to restore the register to the position that preceded it. Permitting such a document to remain on the register — even in circumstances where its invalidity has been judicially established — would allow an unlawful act to continue producing legal consequences and would perpetuate the very wrong that has been condemned. That outcome is inconsistent with the rule of law and with the remedial purpose of these proceedings.

198. Third, and most fundamentally, the remedy of expungement and restoration directly addresses the oppression established in these proceedings. As found above, the Petitioners were oppressed in their capacity as founding members of the Company through a systematic course of conduct that deprived them of their membership rights, excluded them from the governance and affairs of the Company, and replaced them with persons whose admission lacked the consent required by the Company's Articles of Association. The root cause and continuing instrument of that oppression is the series of documents filed at the Companies Registry, which, taken together, created and perpetuated a false

corporate record portraying the Respondents as the lawful members, directors, and governors of the Company in place of the Petitioners. Expunging those documents and restoring the register to the position that existed before their filing is therefore not merely a technical or administrative remedy. It is the most direct and proportionate means of bringing the oppressive state of affairs to an end, restoring the Petitioners to the membership and governance rights of which they were unlawfully deprived, and ensuring that the Companies Register once again reflects the true and lawful constitution of the Company.

199. Accordingly, the orders made herein are primarily directed at the expungement of each of the impugned documents from the Companies Register and the consequential restoration of the Company's membership, directorship, constitutional documents, and governance structure to the position that lawfully subsisted at incorporation and prior to the filing of the first of the impugned documents. Where specific documents raise jurisdictional questions — particularly those touching on transactions affecting land, which fall within the competence of the Registrar of Lands or a court of competent jurisdiction — those documents are addressed separately, and the orders in respect of them are appropriately qualified. Save for those qualifications, and subject to any lawful changes demonstrated to have been effected in strict compliance with the Company's governing instruments and the Companies Act, the register shall be restored to reflect the Petitioners as the sole lawful subscribers, members, and directors of the Community Development Resource Network Limited, with all rights, powers, and entitlements pertaining thereto.

200. Having determined that the Petitioners remained the lawful members, subscribers, and directors of the Company at all material times, it follows that any resolutions purportedly passed without notice to them, and without their participation, consent, or involvement, were undertaken by persons who lacked

the requisite legal authority to act on behalf of the Company. Such resolutions were therefore not merely irregular, but were void ab initio, being incapable of conferring any rights, obligations, or legal consequences from the outset.

201. Further, having found that the Respondents' conduct effectively excluded the Petitioners from the affairs and management of the Company, deprived them of their proprietary and participatory rights, and subjected them to unfairly prejudicial and oppressive treatment, I am satisfied that the acts complained of fall squarely within the ambit of oppression contemplated under Section 243 of the Companies Act, Cap. 106. The cumulative effect of the Respondents' actions was to undermine the Petitioners' legitimate interests in the Company and to usurp corporate control through processes that were neither authorised by the Company's governing instruments nor consistent with the principles of corporate fairness and good governance.

202. Accordingly, in exercise of the powers conferred upon the Registrar under Section 243 of the Companies Act, Cap. 106, and Regulations 8 and 32 of the Companies (Powers of the Registrar) Regulations, S.I. No. 71 of 2016, and for the purpose of bringing to an end the oppressive conduct established in these proceedings and restoring the lawful corporate position, I hereby make the following orders:

- 1) *I find that the actions of the Respondents were oppressive towards the Petitioners contrary to Section 243 of the Companies Act, Cap. 106.*
- 2) *The Respondents shall cease any acts of exclusion against the Petitioners.*
- 3) *The Special Resolution dated 22nd September 2022 and filed on 14th October 2022, purportedly removing the Petitioners as Members and Subscribers and introducing the Respondents as members, is to be expunged for being inaccurate, misleading and having been wrongfully obtained.*

- 4) *The Amended Memorandum and Articles of Association dated and filed on 14th October 2022, indicating the Respondents as members of the Company, is to be expunged for being inaccurate, misleading and having been wrongfully obtained.*
- 5) *The Board Resolution dated 6th August 2009 and filed on 15th October 2009 authorising the Company to obtain loan facilities for the purpose of completing the purchase of buildings on Balintuma Road is to be expunged for having been wrongfully obtained.*
- 6) *The Company Form No. 7 (Particulars of Directors and Secretary) filed on 15th October 2009 is to be expunged for having been wrongfully obtained.*
- 7) *The Company Forms No. 8 (Notification of Change of Directors or Secretary) all filed on 28th October 2009 for the years 2001, 2004, and 2005 are to be expunged for having been illegally or wrongfully obtained.*
- 8) *The Company Form No. A.9 (Notice of Situation of Registered Office and Registered Postal Address) filed on 28th October 2009 is to be expunged for having been wrongfully obtained.*
- 9) *The Board Resolution dated 6th August 2009 and filed on 30th November 2009 authorizing the Company to open up a bank account with Max Alfred Anyuru, Paul Bateeze and Joseph Mugisha-Bitature as signatories is to be expunged for having been wrongfully obtained.*
- 10) *The Board Resolution dated 1st April 2010 and filed on 26th April 2010 authorizing the Company to open up three bank accounts in Standard Chartered Bank Uganda Limited with Max Alfred Anyuru, Paul Bateeze, Arthur Larok and Martin Mwondha as signatories is to be expunged for having been wrongfully obtained.*
- 11) *The Board Resolution dated 1st April 2010 and filed on 26th April 2010, altering the bank mandate, is to be expunged for having been wrongfully obtained.*

- 12) *The Board Resolution dated 3rd September 2010 and filed on 21st September 2010, altering the bank mandate regarding Acc. No. 0121160169500 is to be expunged for having been wrongfully obtained.*
- 13) *The Board Resolution dated 3rd September 2010 and filed on 21st September 2010 authorizing the Company to open a reserve bank account with Standard Chartered Bank Uganda Limited with Max Alfred Anyuru, Paul Bateeze, Arthur Larok and Martin Mwondha as signatories is to be expunged for having been wrongfully obtained.*
- 14) *The Board Resolution dated 4th March 2011 and filed on 30th March 2011 authorizing the Company to open a savings bank account in DFCU Bank with Max Alfred Anyuru, Paul Bateeze, Arthur Larok and Martin Mwondha as signatories is to be expunged for having been wrongfully obtained.*
- 15) *The Board Resolution dated 11th August 2011 and filed on 22nd August 2011 authorizing the Company to open a reserve-savings account with Standard Chartered Bank Uganda and close the reserve-current account (0102010676503) is to be expunged for having been wrongfully obtained.*
- 16) *The Board Resolution dated 17th April 2015 and filed on 16th June 2015, altering the directorship of the Company to admit Pascal Odoch and Theresa Auma Odur Eilu, is to be expunged for having been wrongfully obtained.*
- 17) *The Company Form No. 8 (Notification of Change of Directors or Secretary) filed on 16th June 2015 for that year, introducing the second and third Respondents as directors in the Company, is to be expunged for having been wrongfully obtained.*
- 18) *The Board Resolution dated 17th April 2015 and filed on 10th July 2015, altering the directorship of the Company to admit Joy Salome Awidi, Pascal Odoch and Theresa Auma Odur Eilu, is to be expunged for having been wrongfully obtained.*

- 19) *The Board Resolution dated 22nd September 2022 and filed on 14th October 2022 appointing the first Respondent, Max Alfred Anyuru, as the Company secretary is to be expunged for having been wrongfully obtained.*
- 20) *The Ordinary Resolution dated 22nd September 2022 and filed on 14th October 2022, further altering the directorship of the Company to appoint Lydia Kiriire, Rose Taremwa, Henry Nickson Ogwal and Simon Akwetaireho, is to be expunged for having been wrongfully obtained.*
- 21) *The Company Form 20 (Notification of Appointment of Director and Secretary) dated 22nd September 2022 and filed on 14th October 2022 listing Lydia Kiriire, Rose Taremwa, Henry Nickson Ogwal and Simon Akwetaireho as directors of the Company is to be expunged for being inaccurate and wrongfully obtained.*
- 22) *The Board Resolution dated and filed on 7th July 2023 listing the Respondents as well as Lydia Kiriire, Rose Taremwa, Henry Nickson Ogwal and Simon Akwetaireho as directors of the Company is to be expunged for being inaccurate and wrongfully obtained.*
- 23) *The Company Form 20 (Notification of Appointment of Director and Secretary) dated and filed on 7th July 2023, indicating the Respondents as well as Lydia Kiriire, Rose Taremwa, Henry Nickson Ogwal and Simon Akwetaireho as directors of the Company, is to be expunged for being inaccurate and wrongfully obtained.*
- 24) *The Board Resolution dated 15th June 2023 and filed on 10th July 2023, altering the bank mandate of all Company bank accounts held by Community Resource Development Network, is to be expunged for having been wrongfully obtained.*
- 25) *The Company Form 18 (Notice of Situation of Registered Office) dated and filed on 7th July 2023, indicating the Company's location as Rugaba Division, Plot 433 Balintuma Road, is to be expunged for having been wrongfully obtained.*
- 26) *The Board Resolution dated 30th April 2025 and filed on 7th May 2025, ceasing all Company banking activities of The Community Resource Development Network*

Limited with Standard Chartered Bank and authorizing the Company to open up two (2) bank accounts with DFCU Bank, Housing Finance Bank and Centenary Bank, is to be expunged for having been wrongfully obtained.

27) The Board Resolution dated 30th April 2025 and filed on 9th May 2025, disappointing certain directors and inviting potential directors to submit CV's for consideration, is to be expunged for having been wrongfully obtained.

28) The Company Form 20 (Notification of Appointment of Director and Secretary) dated 2nd May 2025 and filed on 9th May 2025, indicating Henry Nickson Ogwal, Simon Akwetaireho and Anyuru Max Alfred as the directors of The Community Resource Development Network Limited, is to be expunged for being inaccurate and wrongfully obtained.

29) It is hereby ordered that the Petitioners are the lawful subscribers, members, and directors of The Community Development Resource Network Limited. Accordingly, the Company's records shall revert to the position that existed at the time of incorporation, subject to any lawful changes subsequently effected in accordance with the Company's governing instruments and the law.

30) It is hereby ordered that all resolutions passed and filings made without notification to, participation by, involvement of, or consent of the Petitioners, as the lawful members, subscribers, and directors of the Company, are null and void ab initio and shall be expunged from the Companies Register for having been unlawfully and irregularly procured.

31) It is further ordered that the Company shall, within thirty-one (31) days from the date of this ruling, file fresh and compliant documentation reflecting the lawful status of the Company, including its membership, directorship, and any other relevant corporate particulars, for the purpose of ensuring proper record-keeping and maintaining an accurate register.

32) I make no order as to costs

I so Order.

Given under my hand this 22nd day of June 2026

Daniel Nasasira

Assistant Registrar of Companies