



SUPPLEMENT No. 2

TO

THE CYPRUS GAZETTE No. 3450 OF 4TH AUGUST, 1949
LEGISLATION.

THE STATUTE LAWS OF CYPRUS

No. 25 OF 1949.

**A LAW TO PROVIDE FOR THE FORMATION AND
INCORPORATION OF COMPANIES LIMITED
BY GUARANTEE.**

R. E. TURNBULL,]

[3rd August, 1949.

Officer Administering the Government.

BE it enacted by His Excellency the Officer Administering the Government and Commander-in-Chief of the Colony of Cyprus as follows:—

1. This Law may be cited as the Companies (Limited by Guarantee) Law, 1949, and shall be read in conjunction with the Companies (Limited Liability) Laws, 1922 to 1944 (hereinafter referred to as "the principal Law").

Short title.
18 of 1922
16 of 1931
4 of 1934
20 of 1938
17 of 1940
15 of 1943
45 of 1944

Interpreta-
tion.

2. In this Law, unless the context otherwise requires—

“ articles ” means the articles of association of a company, as originally framed or as altered by special resolution, including, so far as they apply to the company, the regulations contained (as the case may be) in Table B or Table C ;

“ company ” means a company formed and registered under the principal Law or by virtue of this Law ;

“ company limited by guarantee ” means a company having the liability of its members limited by the memorandum to such amount as the members may respectively thereby undertake to contribute to the assets of the company in the event of its being wound up ;

“ company limited by shares ” means a company having the liability of its members limited by the memorandum to the amount, if any, unpaid on the shares respectively held by them ;

“ memorandum ” means the memorandum of association of a company, as originally framed or as altered in pursuance of the principal Law ;

Formation
and registra-
tion of
companies
limited by
guarantee.

3.—(1) Notwithstanding anything contained in the principal Law, a company may, after the coming into operation of this Law, be formed and registered as a company limited by guarantee.

(2) Any existing company may, at any time after the coming into operation of this Law, register as a company limited by guarantee upon complying with the provisions of this Law, applicable to such companies :

Provided that no such company shall register without the assent of a majority of such of its members as are present in person or by proxy (in case where proxies are allowed) at a general meeting summoned for the purpose and the production of such assent to the Registrar accompanied by a resolution declaring that each member undertakes to contribute to the assets of the company, in the event of its being wound up while he is a member, or within one year after he ceases to be a member, for payment of the debts and liabilities of the company contracted before he ceased to be a member, and of the costs and expenses of winding up and for the adjustment of the rights of the contributories among themselves, such amount as may be required, not exceeding a specified amount.

4. Save in so far as other provision is made in this Law, the provisions of the principal Law shall, as far as circumstances admit, apply to a company limited by guarantee as if the company had been formed and registered under the principal Law as a company limited by shares.

Provisions of principal Law to apply to companies limited by guarantee.

MEMORANDUM AND ARTICLES OF ASSOCIATION.

5. The memorandum of a company limited by guarantee must state that the liability of its members is limited and that each member undertakes to contribute to the assets of the company in the event of its being wound up while he is a member, or within one year after he ceases to be a member, for payment of the debts and liabilities of the company contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for adjustment of the rights of the contributories among themselves, such amount as may be required, not exceeding a specified amount.

Requirements with respect to the memorandum.

6.—(1) The articles of a company limited by guarantee must state the number of members with which the company proposes to be registered.

Requirements with respect to the articles.

(2) Where a company limited by guarantee has increased the number of its members beyond the registered number, it shall, within fifteen days after the increase was resolved on or took place, give to the Registrar of Companies notice of the increase and the Registrar shall record the increase.

If default is made in complying with this sub-section, the company and every officer of the company who is in default shall be liable to a fine not exceeding one pound for every day during which the default continues.

7.—(1) In the case of a company limited by guarantee and not having a share capital, every provision in the memorandum or articles or in any resolution of the company purporting to give any person a right to participate in the divisible profits of the company, otherwise than as a member, shall be void.

Void provisions in memorandum and articles.

(2) For the purpose of the provisions of the principal Law relating to the memorandum of a company and of this section, every provision in the memorandum or articles, or in any resolution, of a company limited by guarantee purporting to divide the undertaking of the company into shares or interests, shall be treated as a provision for a share capital notwithstanding that the nominal amount or number of the shares or interest is not specified thereby.

Statutory forms of memorandum and articles.

8. The form of—

(a) the memorandum and articles of a company limited by guarantee and not having a share capital ;

(b) the memorandum and articles of a company limited by guarantee and having a share capital, shall be respectively in accordance with the forms set out in Tables B and C in the Schedule to this Law or as near thereto as circumstances admit :

Schedule.

Provided that the Governor in Council may add to, alter or substitute for, any of the provisions therein contained.

WINDING UP.

Liability of contributories in winding up.

9.—(1) In the event of a company limited by guarantee being wound up, no contribution shall, subject to the provisions of sub-section (2) of this section, be required from any member exceeding the amount undertaken to be contributed by him to the assets of the company in the event of its being wound up.

(2) In the winding up of a company limited by guarantee which has a share capital, every member of the company shall be liable, in addition to the amount undertaken to be contributed by him to the assets of the company in the event of its being wound up, to contribute to the extent of any sums unpaid on any shares held by him.

SCHEDULE.

(Section 8.)

TABLE B.

FORM OF MEMORANDUM AND ARTICLES OF ASSOCIATION OF A COMPANY LIMITED BY GUARANTEE, AND NOT HAVING A SHARE CAPITAL.

Memorandum of Association.

1st. The name of the company is "The Cyprus School Association, Limited".

2nd. The registered office of the company will be situate in Nicosia, Cyprus.

3rd. The objects for which the company is established are the carrying on a school for boys in Cyprus and the doing all such other things as are incidental or conducive to the attainment of the above object.

4th. The liability of the members is limited.

5th. Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while he is a member, or within one year afterwards, for payment of the debts and liabilities of the company contracted before he ceases to be a member, and the costs charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding ten pounds.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company, in pursuance of this memorandum of association.

Names, Addresses and Descriptions of Subscribers.

- | | |
|------------|---------------|
| 1. A.B. of | Schoolmaster. |
| 2. C.D. of | " |
| 3. E.F. of | " |
| 4. G.H. of | " |
| 5. I.J. of | " |
| 6. K.L. of | " |
| 7. M.N. of | " |

Dated the.....day of.....19.....

Witness to the above signatures,
X.Y. of.....

ARTICLES OF ASSOCIATION TO ACCOMPANY PRECEDING MEMORANDUM OF ASSOCIATION.

Interpretation.

1. In these articles—

“the Law” means the Companies (Limited Liability) Laws, 1922 to 1944, and the Companies (Limited by Guarantee) Law, 1949.

Unless the context otherwise requires, words or expressions contained in these articles shall bear the same meaning as in the Law or any statutory modification thereof in force at the date at which these articles become binding on the company.

Members.

2. The number of members with which the company proposes to be registered is.....but the directors may from time to time register an increase of members.

3. The subscribers to the memorandum of association and such other persons as the directors shall admit to membership shall be members of the company.

General Meetings.

4. A general meeting shall be held once in every year at such time (not being more than fifteen months after the holding of the last preceding general meeting) and place as may be prescribed by the company in general meeting, or, in default, at such time in the month following that in which the anniversary of the company's incorporation occurs, and at such place, as the directors shall appoint. In default of a general meeting being so held, a general meeting shall be held in the month next following, and may be convened by any two members in the same manner as nearly as possible as that in which meetings are to be convened by the directors.

5. The above-mentioned general meetings shall be called ordinary meetings; all other general meetings shall be called extraordinary.

6. The directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or, in default, may be convened by such requisitionists, being members of the company representing not less than one-tenth of the total voting rights of all the members having on that date a right to vote at general meetings. If at any time there are not within Cyprus sufficient directors capable of acting to form a quorum, any director or any two members of the company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the directors.

Proceedings at General Meeting.

7. Seven days' notice at the least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place, the day, and the hour of meeting and, in case of special business, the general nature of that business shall be given in manner hereinafter mentioned, or in such other manner, if any, as may be prescribed by the company in general meeting, to such persons as are, under the regulations of the company, entitled to receive such notices from the company; but the non-receipt of the notice by any member shall not invalidate the proceedings at any general meeting.

8. All business shall be deemed special that is transacted at an extraordinary meeting, and all that is transacted at an ordinary meeting, with the exception of sanctioning a dividend, the consideration of the accounts, balance-sheets, and the ordinary report of the directors and auditors, the election of directors and other officers in the place of those retiring by rotation, and the fixing of the remuneration of the auditors.

9. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as herein otherwise provided, three members personally present shall be a quorum.

10. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place, and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

11. The chairman, if any, of the board of directors shall preside as chairman at every general meeting of the company.

12. If there is no such chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the members present shall choose some one of their number to be chairman.

13. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for ten days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

14. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands demanded by at least three members, and, unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.

15. If a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

16. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

17. A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.

Votes of Members.

18. Every member present in person shall have one vote.

19. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, administrator of his property, or other person in the nature of a committee or administrator of his property appointed by that court, and any such committee, administrator of his property, or other person may, on a poll, vote by proxy.

20. No member shall be entitled to vote at any general meeting unless all money presently payable by him in respect of shares in the company have been paid.

21. On a poll votes may be given either personally or by proxy.

22. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing, or, if the appointor is a corporation, either under the common seal, or under the hand of an officer or attorney so authorized. No person shall act as a proxy unless either he is entitled on his own behalf to be present and vote at the meeting at which he acts as proxy, or he has been appointed to act at that meeting as proxy for a corporation.

23. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a copy of that power or authority certified by a Registrar of a District Court or public notary shall be deposited at the registered office of the company not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

24. An instrument appointing a proxy may be in the following form, or in any other form which the directors shall approve:—

Company, Limited.

“ I _____ of _____ being a
 member of the _____ Company, Limited, hereby appoint
 _____ of _____ as my proxy to vote for me and on
 my behalf at the [ordinary or extraordinary, as the case may be]
 general meeting of the company to be held on the _____ day
 of _____ and at any adjournment thereof.”

Signed this _____ day of _____

Directors.

25. The number of the directors and the names of the first directors shall be determined in writing by a majority of the subscribers of the memorandum of association.

26. The remuneration of the directors shall from time to time be determined by the company in general meeting.

Powers and Duties of Directors.

27. The business of the company shall be managed by the directors, who may pay all expenses incurred in getting up and registering the company, and may exercise all such powers of the company as are not, by the Law, or any statutory modification thereof for the time being in force, or by these articles, required to be exercised by the company in general meeting, subject nevertheless to any regulation of these articles, to the provisions of the Law, and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the company in general meeting; but no regulation made by the company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

28. The directors may from time to time appoint one or more of their body to the office of managing director or manager for such term, and at such remuneration as they may think fit, and a director so appointed shall not, while holding that office, be subject to retirement by rotation, or taken into account in determining the rotation of retirement of directors; but his appointment shall be subject to determination *ipso facto* if he ceases from any cause to be a director, or if the company in general meeting resolve that his tenure of the office of managing director or manager be determined.

29. The directors shall duly comply with the provisions of the Law, or any statutory modification thereof for the time being in force, and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the company, or created by it, and to keeping a register of the directors, and to sending to the Registrar of Companies an annual list of members, and a summary of particulars relating thereto, and copies of special resolutions, and a copy of the register of directors and notifications of any changes therein.

30. The directors shall cause minutes to be made in books provided for the purpose—

- (a) of all appointments of officers made by the directors;
- (b) of the names of the directors present at each meeting of the directors and of any committee of the directors;
- (c) of all resolutions and proceedings at all meetings of the company, and of the directors, and of committees of directors,

and every director present at any meeting of directors or committee of directors shall sign his name in a book to be kept for that purpose.

Disqualification of Directors.

31. The office of director shall be vacated, if the director—

- (a) holds any other office of profit under the company except that of managing director or manager; or
- (b) becomes bankrupt; or
- (c) is found lunatic or becomes of unsound mind; or
- (d) is concerned or participates in the profits of any contract with the company:

Provided, however, that no director shall vacate his office by reason of his being a member of any company which has entered into contracts with or done any work for the company of which he is director: but a director shall not vote in respect of any such contract or work, and if he does so vote his vote shall not be counted.

Rotation of Directors.

32. At the first ordinary meeting of the company the whole of the directors shall retire from office, and at the ordinary meeting in every subsequent year one-third of the directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office.

33. The directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

34. A retiring director shall be eligible for re-election.

35. The company at the general meeting at which a director retires in manner aforesaid may fill up the vacated office by electing a person thereto.

36. If at any meeting at which an election of directors ought to take place the places of the vacating directors are not filled up, the meeting shall stand adjourned till the same day in the next week at the same time and place, and, if at the adjourned meeting the places of the vacating directors are not filled up, the vacating directors, or such of them as have not had their places filled up, shall be deemed to have been re-elected at the adjourned meeting.

37. The company may from time to time in general meeting increase or reduce the number of directors, and may also determine in what rotation the increased or reduced number is to go out of office.

38. Any casual vacancy occurring in the board of directors may be filled up by the directors, but the person so chosen shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director.

39. The directors shall have power at any time, and from time to time, to appoint a person as an additional director who shall retire from office at the next following ordinary general meeting, but shall be eligible for election by the company at that meeting as an additional director.

40. The company may by extraordinary resolution remove any director before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead; the person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director.

Proceedings of Directors.

41. The directors may meet together for the despatch of business, adjourn, and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chairman shall have a second or casting vote. A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the directors.

42. The quorum necessary for the transaction of the business of the directors may be fixed by the directors, and unless so fixed shall (when the number of directors exceeds three) be three.

43. The continuing directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to the regulations of the company as the necessary quorum of directors, the continuing directors may act for the purpose of increasing the number of directors to that number, or of summoning a general meeting of the company, but for no other purpose.

44. The directors may elect a chairman of their meetings and determine the period for which he is to hold office; but, if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the directors present may choose one of their number to be chairman of the meeting.

45. All acts done by any meeting of the directors, or by any person acting as a director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.

The Seal.

46. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the board of directors, and in the presence of at least two directors and of the secretary or such other person as the directors may appoint for the purpose; and those two directors and secretary or other person as aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

Accounts.

47. The directors shall cause true accounts to be kept—

Of the sums of money received and expended by the company and the matter in respect of which such receipt and expenditure takes place, and

Of the assets and liabilities of the company.

48. The books of account shall be kept at the registered office of the company, or at such other place or places as the directors think fit, and shall always be open to the inspection of the directors.

49. The directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to the inspection of members not being directors, and no member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by Law or authorized by the directors or by the company in general meeting.

50. Once at least in every year the directors shall lay before the company in general meeting a profit and loss account for the period since the preceding account or (in the case of the first account) since the incorporation of the company, made up to a date not more than six months before such meeting.

51. A balance-sheet shall be made out in every year and laid before the company in general meeting made up to a date not more than six months before such meeting. The balance-sheet shall be accompanied by a report of the directors as to the state of the company's affairs.

52. A copy of the balance-sheet and report shall, seven days previously to the meeting, be sent to the persons entitled to receive notices of general meetings in the manner in which notices are to be given hereunder.

Audit.

53. Auditors shall be appointed and their duties regulated in accordance with the Law, or any statutory modification thereof for the time being in force.

Notices.

54. A notice may be given by the company to any member either personally or by sending it by post to him to his registered address, or (if he has no registered address in Cyprus) to the address, if any, within Cyprus supplied by him to the company for the giving of notices to him.

Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and unless the contrary is proved to have been effected at the time at which the letter would be delivered in the ordinary course of post.

55. If a member has no registered address in Cyprus and has not supplied to the company an address within Cyprus for the giving of notices to him, a notice addressed to him and advertised in a newspaper circulating in the neighbourhood of the registered office of the company, shall be deemed to be duly given to him on the day on which the advertisement appears.

56. Notice of every general meeting shall be given in some manner hereinbefore authorized to (a) every member of the company except those members who (having no registered address within Cyprus) have not supplied to the company an address within Cyprus for the giving of notices to them, and also to (b) every person being a legal representative or a trustee in the bankruptcy of a member, who, but for his death or bankruptcy, would be entitled to receive notice of the meeting. No other persons shall be entitled to receive notices of general meetings.

Names, Addresses and Descriptions of Subscribers.

1. A.B. of	Schoolmaster.
2. C.D. of	"
3. E.F. of	"
4. G.H. of	"
5. I.J. of	"
6. K.L. of	"
7. M.N. of	"

Dated the..... day of....., 19.....

Witness to the above signatures,

X.Y. of.....

TABLE C.
MEMORANDUM AND ARTICLES OF ASSOCIATION OF A COMPANY LIMITED BY GUARANTEE AND HAVING A SHARE CAPITAL.
Memorandum of Association.

1st. The name of the company is "The Tourist Hotel Company, Limited".

2nd. The registered office of the company will be situate in Nicosia, Cyprus.

3rd. The objects for which the company is established are the facilitating travelling in Cyprus by providing hotels and conveyances by sea and by land for the accommodation of travellers, and the doing all such other things as are incidental or conducive to the attainment of the above object.

4th. The liability of the members is limited.

5th. Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while he is a member, or within one year afterwards, for payment of the debts and

liabilities of the company, contracted before he ceases to be a member, and the costs, charges and expenses of winding up the same and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required, not exceeding twenty pounds.

6th. The share capital of the company shall consist of five hundred thousand pounds, divided into five thousand shares of one hundred pounds each.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company, in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

<i>Names, Addresses and Descriptions of Subscribers.</i>	<i>Number of shares taken by each Subscriber.</i>
1. A.B. of <i>Merchant</i>
2. C.D. of "
3. E.F. of "
4. G.H. of "
5. I.J. of "
6. K.L. of "
7. M.N. of "
Total shares taken	

Dated the.....day of....., 19.....
 Witness to the above signatures,
 X.Y. of.....

ARTICLES OF ASSOCIATION TO ACCOMPANY PRECEDING MEMORANDUM OF ASSOCIATION.

1. The number of members with which the company proposes to be registered is 50, but the directors may from time to time register an increase of members.

2. The regulations of Table A under the principal Law shall be deemed to be incorporated with these articles and shall apply to the company.

<i>Names, Addresses and Descriptions of Subscribers.</i>	<i>Merchant.</i>
1. A.B. of	"
2. C.D. of	"
3. E.F. of	"
4. G.H. of	"
5. I.J. of	"
6. K.L. of	"
7. M.N. of	"

Dated the.....day of....., 19.....
 Witness to the above signatures,
 X.Y. of.....

H. G. RICHARDS,
Acting Colonial Secretary.

3rd August, 1949.