

Uganda

## Uganda Cement Corporation Act Chapter 324

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# Uganda

## Uganda Cement Corporation Act Chapter 324

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**An Act to establish a cement corporation for Uganda and to provide for other matters connected therewith or incidental thereto.**

### Interpretation

#### 1. Interpretation

In this Act, unless the context otherwise requires—

- (a) "**chairperson**" means the chairperson of the board appointed under [section 4](#);
- (b) "**custodian board**" means the Departed Asians' Property Custodian Board established by the Assets of Departed Asians Act;
- (c) "**Minister**" means the Minister responsible for industry.

### Establishment and functions of the corporation

#### 2. Establishment and seal of the corporation

- (1) There is established a corporation to be known as the Uganda Cement Corporation.
- (2) The corporation shall have perpetual succession and a common seal, and may sue or be sued in its corporate name, and may, in connection with the purposes of this Act, purchase, hold, manage and dispose of any property, and enter into such contracts, as may be necessary or expedient.
- (3) The application of the seal of the corporation shall be authenticated by the signatures of the chairperson, the general manager and a member of the board designated in that behalf by the board.
- (4) In the absence of the chairperson, two other members may be appointed by the board to sign in his or her place, and any person performing the functions of the general manager may sign in the absence of the general manager.
- (5) Every document purporting to be an instrument issued by the board and to be sealed with the seal of the board authenticated in the manner provided by this section shall be received and be deemed to be such an instrument without further proof unless the contrary is shown.

#### 3. Functions of the corporation

- (1) The function of the corporation shall be to promote the cement industry in Uganda.

- (2) Without prejudice to the generality of subsection (1), the corporation may, in the performance of its function under this Act, do any or all of the following—
- (a) establish cement works or factories;
  - (b) acquire shareholdings in any undertaking for the production of cement;
  - (c) organise and control the management and staff of any company specified in the Schedule to this Act, hereafter referred to as a "specified company";
  - (d) distribute and market cement; and
  - (e) do such other things as are necessary or incidental to the effective performance of the foregoing functions of the corporation.
- (3) The power to organise and control the management of the specified companies shall include the power—
- (a) to supervise and, as far as possible, to coordinate the affairs and activities of the specified companies;
  - (b) to provide such technical and managerial services to the specified companies as would enhance the efficiency of those companies;
  - (c) to ensure that a specified company conducts its business on sound commercial principles;
  - (d) to ensure, in respect of the trading activities of a specified company, that the company—
    - (i) takes such steps as may be necessary, including the adoption of sound principles of pricing and cost structures, to avert excessive costs to the consumer;
    - (ii) avoids undue shortages in the normal supply of cement in Uganda;
  - (e) to advise on the criteria for the appointment and promotion of staff in the service of the specified companies, the terms and conditions of staff and the deployment of staff in, or for the purposes of, any specified company;
  - (f) to assist any specified company in the formulation of the annual and long-term plans of the company, including the preparation of estimates and the investment of funds by the company;
  - (g) to give advice, not inconsistent with the regulations of any specified company, relating to the financial administration and accounting procedures of the company and to inspect at all reasonable times the accounts and financial records of the specified company;
  - (h) to require any specified company to which the board has provided any service to pay to the board such fees as the Minister may, after consultation with the Minister responsible for finance, approve.
- (4) A specified company to which the board gives any advice shall comply with the advice, and any officer responsible for any failure by any such company to comply as required by this section is liable to such disciplinary measures as the Minister may deem fit.
- (5) In the exercise of its functions under this Act, the board shall not give any advice which has the effect of mixing the funds of any specified company with those of another or diverting funds from one such company to another.
- (6) Where an officer of a specified company decides not to comply with any lawful advice given by the board, he or she shall, within fourteen days of receiving the advice of the board, notify the Minister of his or her decision together with his or her reasons; and the Minister shall, after that notification, decide whether the advice of the board shall prevail or not.
- (7) For the purposes of subsections (4) and (6), "officer" has the same meaning as assigned to it in the Companies Act.

## The board

### 4. Board of the corporation

- (1) The governing body of the corporation shall be a board.
- (2) The board shall consist of a chairperson and not less than four nor more than six other members.
- (3) The chairperson and the other members shall be appointed by the Minister upon such terms and conditions as may be specified in the instruments of appointment and shall serve for a period of two years.
- (4) Any member of the board may resign his or her office by writing under his or her hand addressed to the Minister, or may be removed from office by the Minister for inability to perform the functions of his or her office or for any other sufficient reason.
- (5) Any member of the board ceasing to hold office shall be eligible for reappointment.

### 5. Meetings of the board

- (1) The board shall meet for the discharge of its functions under this Act at least once every two months at such time and place as the chairperson may appoint or upon the request in writing to the chairperson of at least three members of the board.
- (2) The chairperson shall preside at all meetings of the board; and in his or her absence, such member of the board as the members present shall appoint shall preside.
- (3) The board may invite any number of persons to act as consultants or advisers at any of its meetings as it may think fit.
- (4) Questions proposed at a meeting of the board shall be determined by a simple majority of the members of the board present and voting; and in the case of an equality of votes, the person presiding at the meeting shall have a second or casting vote.
- (5) Four members shall form a quorum.
- (6) Any member of the board who has any personal interest in any transaction of the board or any matter before the board shall disclose the nature of his or her interest to the board and shall be disqualified from taking part in the deliberations of the board with respect to that transaction or matter; and the failure to make any disclosure required by this section may constitute a sufficient reason for the removal of the member from the board.
- (7) Where the failure to make the disclosure required by this section results in such material or financial loss as is mentioned in section 307 of the Penal Code Act, the removal of the member from the board shall not preclude any legal proceedings that may be taken against the member in respect of any such loss.
- (8) Subject to subsections (1) to (7), the board may regulate its own procedure.

### 6. Remuneration of board members, etc.

The chairperson and the other members of the board and any other person attending any meeting of the board may be paid such remuneration or allowances as the Minister may, after consultation with the Minister responsible for finance, determine.

## Staff

### 7. General manager

- (1) The corporation shall have a general manager who shall be appointed by the Minister for such period and upon such terms and conditions as the Minister may determine.
- (2) The board may, with approval of the Minister, appoint the secretary, the chief accountant, heads of department and other officers and employees as may be necessary for the proper and efficient discharge of the functions of the corporation.
- (3) Every employee of the corporation shall devote his or her full time to the affairs of the corporation.
- (4) Subject to this Act and to the general control of the board on matters of policy, the general manager shall be responsible for the management of the funds, property and business of the corporation and for its administration and organisation and the control of the staff of the corporation.

### 8. Staff of the corporation

- (1) The board may, subject to [section 7](#), from time to time, and on such terms and conditions as it thinks fit, appoint such officers and employees as may be necessary for the proper and efficient discharge of the functions of the corporation, and may also delegate to the general manager either alone or together with other persons the power to appoint such class of employees as it may specify.
- (2) Public officers may be seconded to the corporation or otherwise give assistance to it.
- (3) The board may, with the approval of the Minister, grant pension, gratuities or retiring benefits to the officers and other employees of the corporation and may require them to contribute to any pension, provident fund or superannuation scheme.
- (4) No matter or thing done by any employee of the corporation shall, if it is done *bona fide* for the purposes of executing any provision of this Act, subject any such employee or any person acting by his or her direction to any civil liability.

## Financial provisions

### 9. Funds of the corporation

The funds of the corporation shall consist of—

- (a) any grant of a capital nature from the Government;
- (b) any loan raised by the corporation for the purposes of its functions under this Act;
- (c) any monies that may become payable to the corporation in the discharge of its functions under this Act.

### 10. Borrowing powers

- (1) The corporation may, subject to the approval of the Minister, in consultation with the Minister responsible for finance, borrow sums required by it for meeting any of its obligations or discharging any of its functions under this Act.
- (2) An approval given under subsection (1) may be either general or limited to a particular borrowing or otherwise and may be either unconditional or subject to conditions.
- (3) A person lending money to the corporation shall not be bound to inquire whether the borrowing of money is within the power of the corporation.

## 11. Estimates

- (1) The corporation shall, within such period from the end of each financial year as the Minister shall determine, make and submit to the Minister for his or her approval estimates of the income and expenditure of the corporation for the next ensuing year.
- (2) No expenditure shall be made out of the funds of the corporation unless the expenditure has been approved by the Minister under the estimates for the year in which the expenditure is to be made or in any other estimates supplementary to those estimates.

## 12. Corporation to operate on sound financial principles

In the discharge of its functions under this Act, the corporation shall so conduct its business that taking one transaction with another, and taking one year with another—

- (a) its revenue is sufficient for meeting all charges, including interest on capital and loans properly chargeable to revenue account;
- (b) sufficient provision is made to provide for depreciation of assets; and
- (c) where any loss or bad debt arises in respect of any transaction, provision is made in respect of other transactions, whether of similar nature or otherwise, to offset the amount of that loss or debt.

## 13. Investments

The corporation may invest any monies under its control in any investment or project approved by the Minister in consultation with the Minister responsible for finance.

## 14. Accounts and audit

- (1) The corporation shall keep proper books of account and proper records in relation to them.
- (2) For the purposes of this section, proper books of account shall be deemed not to have been kept with respect to the business of the corporation if there are not kept such books as are necessary to give a true and fair view of the state of the affairs of the corporation and to explain its transactions.
- (3) The accounts shall, in respect of every financial year, be subject to audit by the Auditor General or an auditor appointed by him or her.
- (4) The Auditor General shall deliver to the Minister a copy of the audited accounts of the corporation not later than six months from the end of the financial year to which they relate.
- (5) The Minister shall lay before Parliament a copy of the audited accounts delivered under subsection (4).
- (6) In this section, "financial year" means the period of twelve months ending on 31st December, or such other period of twelve months as the Minister, by writing under his or her hand, may authorise the corporation to adopt as its financial year.

## Miscellaneous provisions

### 15. Transfer of property

- (1) The whole of the shares in each of the specified companies except those owned by any individual, immediately before the commencement of this Act, are transferred to the board, subject to the following conditions—
  - (a) in respect of any shares held by an individual, for the avoidance of doubt only, any rights in the company, including the rights to participate in the management of the company conferred by those shares, shall not be affected by the transfer;
  - (b) in respect of any shares held by the custodian board, the transfer shall operate, subject to such terms and conditions regarding periodic payments as may be stipulated by the custodian board;
  - (c) except as provided in paragraph (b) of this subsection, no monies shall become payable to any other statutory corporation, whether by way of compensation or otherwise, on account of the transfer effected by this section.
- (2) For the avoidance of doubt, the transfer of shares effected by this section shall not affect the continuance of any specified company as a separate entity or any liability or obligation owed by such company and, pursuant to [section 4\(3\)](#), each specified company shall maintain its separate accounts, subject to the Companies Act and the direction of the corporation.
- (3) The Minister may, in consultation with the custodian board and the Minister responsible for finance, by statutory instrument, amend the Schedule to this Act.

### 16. Minister's power of direction

The Minister may, subject to this Act, give to the corporation written directions of a general or specific nature relating to the functions of the corporation, and the corporation shall be bound to comply.

### 17. Annual reports

The corporation shall, not later than six months after the end of each financial year, make and submit to the Minister a report showing the performance of the corporation during that financial year, including the extent to which any direction given by the Minister during that financial year has been carried out.

### 18. Regulations

The Minister may, in consultation with the board, make regulations—

- (a) requiring that the export and marketing of cement outside Uganda is carried out through or by the corporation exclusively; and
- (b) generally for better carrying out the provisions and principles of this Act.

### 19. Byelaws

- (1) The board may, with the prior approval of the Minister, make byelaws not inconsistent with this Act generally for the conduct of the business of the corporation, including the control of the management and staff of the specified companies.
- (2) Notwithstanding the Interpretation Act, it shall not be necessary to publish in the *Gazette* the byelaws made by the board under this section, but those byelaws may be published in such manner as the board, with the approval of the Minister, may think fit.



**Schedule (Section 3)**

**Specified companies**

Dogra Engineering Company Limited Spun

Pipes Construction Company Limited

Uganda Cement Industry Limited