



FREE ZONE AND ADMINISTRATION RULES AND REGULATIONS

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FIRST EDITION

MARCH 2010



DUBAI WORLD CENTRAL FREE ZONE AND ADMINISTRATION RULES AND REGULATIONS

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1. INTRODUCTION

Dubai Aviation City Corporation (the “Corporation”) is a wholly-owned Government of Dubai company established by Dubai Law No. 8/2006 (as amended). The Corporation is responsible for the development and operation of Dubai World Central (“DWC”), a 140 km² development in Jebel Ali, Dubai, centred around the new Al Maktoum International Airport. The Law includes provision for the establishment of a Free Zone for businesses and organisations operating in the aviation and logistics industries.

This document sets out the main rules and regulations applicable within the DWC Free Zone areas (the “Regulations”). In addition, the Corporation, through the Free Zone Department, may issue Notices on specific issues from time to time. The Regulations and the provisions of any Notice are mandatory to all organisations and persons operating within the Free Zone and must be complied with at all times. Ignorance of the Regulations is no excuse for non-compliance. The Regulations come into force on the date of issue and will be reviewed and updated by the Corporation from time to time.

Notices and the latest version of the Regulations can always be obtained online at www.dwc.ae or from the Free Zone Department. It is the duty of any person or firm operating within the DWC Free Zone to check for updates to the Regulations and any Notices.

2. GENERAL

- All organisations or persons (including contractors) working or operating within the DWC Free Zone are subject to and must comply with the Regulations along with all other laws, rules and regulations applicable within DWC and the Emirate of Dubai.
- All organisations and persons undertaking commercial activities within the DWC Free Zone must have a valid Lease and a valid registration and Licence. Licences must be renewed annually and within the time frames set out in Section 7.
- All organisations and persons registered or licensed to undertake commercial activities within the DWC Free Zone (“Free Zone Enterprise”) may only conduct activities which are covered by the terms of the applicable Licence.
- Free Zone Enterprises must conduct all or a substantial part of their business or operations within the DWC Free Zone in order to maintain a valid Licence and registration.
- All DWC Free Zone administration fees are payable in advance in accordance with the rates and charges set out in the Tariff in force from time to time.
- Violations of the Regulations will be subject to the penalties set out in the Tariff and such other remedies as might be available to the Free Zone Department or the Corporation at law or otherwise.

3. DEFINITIONS

In this document the following defined terms have the following meanings:

AED

United Arab Emirates Dirhams, being the lawful currency of the UAE

Aviation City

the area within the DWC Free Zone dedicated to aviation related activities

BCC

Building Completion Certificate

Company Registrar

the registrar of DWC Free Zone Enterprises appointed by the Corporation from time to time

Corporation

Dubai Aviation City Corporation

DLC

Dubai Logistics City, the area within the DWC Free Zone dedicated to logistics activities

Dubai Logistics Corridor

the physical and virtual connection linking the DWC Free Zone to the Jebel Ali Port and Free Zone

DuServe

DuServe DWC-LLC, the Corporation's infrastructure management company

DuServe FM

DuServe Facilities Management DWC-LLC, DuServe's wholly owned facilities management subsidiary

DWC

Dubai World Central

Free Zone Enterprise

an entity of one of the types listed in Section 6.2 registered and licensed to undertake commercial activities within the DWC Free Zone

Free Zone Department

the department of the Corporation responsible for providing the services listed in Section 5 and any other issues of commercial administration concerning the DWC Free Zone

GCC

the Gulf Cooperation Council which is made up of the UAE, Bahrain, Saudi Arabia, Oman, Qatar and Kuwait

JAFZ

Jebel Ali Free Zone

JAFZA

Jebel Ali Free Zone Authority

Lease

a lease of office space, warehouse space or development land within the DWC Free Zone from which a Free Zone Enterprise may undertake the activities specified in its Licence(s)

Licence

a licence issued by the Free Zone Department specifying those business activities which a Free Zone Enterprise is permitted to undertake in either DLC or Aviation City as more fully described in Section 7

Notice

a notice issued by the Corporation pursuant to the Regulations

OFC

Operation Fitness Certificate

Register

The register of Free Zone Enterprises, their shareholders and Licences, Leases, and such other information concerning the DWC Free Zone which is maintained by the Company Registrar as more fully described in Section 6.7

Registered Office

the legal address of a Free Zone Enterprise to which all notices and other communications may be directed

Regulations

the rules and regulations applicable within DWC and the DWC Free Zone areas as set out or referred to in this document and any other rules, regulations or guidelines issued by the Corporation from time to time

Tariff

the tariff of fees, administration charges and penalties applicable to the DWC Free Zone published by the Free Zone Department from time to time

UAE

United Arab Emirates

4. THE FREE ZONE AREAS

Dubai Logistics City

Dubai Logistics City is optimally located alongside the apron of Al Maktoum International Airport and is in close proximity to the Jebel Ali Port and Free Zone. DLC is positioned to serve a wide range of transportation, logistics, and value-added operations within a single-bonded free zone environment. Due to its adjacent location and direct connection with the Jebel Ali Port and Free Zone through the Dubai Logistics Corridor (direct infrastructure connection, custom bonded), DLC will facilitate the transportation of goods from air to sea and vice versa.

DLC offers leases of office space, warehouse space and long term leases of development land enabling Free Zone Enterprises to design and construct their own facilities.

Aviation City

Aviation City is an area of the DWC Free Zone, situated just south of DLC and is also positioned directly adjacent to the apron of the Airport. Aviation City will host light aviation manufacturing and associated industries, Maintenance, Repair and Overhaul (MRO) companies, aviation support services, design and consultancy, research and development, aviation training, products and parts, light manufacturing units and high-technology industries. Aviation City also benefits from a direct connection to Jebel Ali Port and Free Zone through the Dubai Logistics Corridor.

Aviation City will include various components such as executive jet terminal facilities, a Maintenance, Repair and Overhaul (MRO) centre; a Heliport Zone; an Academic Zone and an Industrial Zone providing an integrated infrastructure for the warehousing of aircraft components and parts supply.

Aviation City offers leases of office space, warehouse space, and long term leases of development land enabling Free Zone Enterprises to design and construct their own facilities.

5. FREE ZONE DEPARTMENT

The Free Zone Department is responsible for providing the following services:

Registration Services

- Formation of a new legal entity as a limited liability DWC Free Zone company with the designation “DWC-LLC”
- Formation of a Branch company of an entity lawfully existing outside of the DWC Free Zone (whether legally existing in the UAE or abroad)
- Amendment, cancelation or termination of registrations

Lease & Licence Services

- Issuance and renewal of Licences and Leases
- Amendment of Licence terms
- Cancelation of Licenses (at the applicant's request)
- Suspension or revocation of Licenses (at the Corporation's direction)

General Administration Services

- Maintenance of the Register
- Personnel services regarding employee affairs such as (but not limited to):
 - entry permits
 - visa sponsorship
 - work permits
 - medical/fitness arrangements/examinations
 - health and safety at work

The Free Zone Department is open from 07:00 hours to 15:00 hours Sunday to Thursday except for public holidays.

The contact details for the Free Zone Department are contained in **Schedule 3**.

6. FREE ZONE REGISTRATION

6.1 General

All applicants wishing to operate from the DWC Free Zone are required to register as a Free Zone Enterprise of one of the types specified in **Section 6.2** and hold and maintain a Licence (even if the applicant holds an existing UAE licence and registration outside of the DWC Free Zone).

Applicants that are seeking a lease of warehouse space or development land within either Aviation City or DLC must also submit a business plan for initial approval to operate within the DWC Free Zone as described in **Section 6.3**. Once the initial approval has been granted applicants will then be able to commence the registration and Licence process and then enter into an agreement for a Lease.

This Section 6 provides an overview of the DWC Free Zone registration process. Full details of the registration process can be found at www.dwc.ae. Leases within the DWC Free Zone are discussed in more detail in **Section 8**.

6.2 Types of Registration

Any corporate entity (i.e. a company), association, partnership or natural legal person (i.e. an individual) or any combination of the foregoing may apply to register a Free Zone Enterprise.

All Free Zone Enterprises will be registered as one of the following:

- as a Dubai World Central limited liability company with the designation DWC-LLC
- as a Branch of a company/organisation registered and existing outside of the DWC Free Zone (i.e. a branch of an overseas company/organisation or a branch of a UAE registered company)

All Free Zone Enterprises will be private enterprises. No Free Zone Enterprise may issue an invitation to the public to subscribe for any shares, stock or debentures in the Free Zone Enterprise.

6.3 Initial Approval

As mentioned in **Section 6.1**, applicants that are seeking a lease of warehouse space or development land must submit a business plan (in the format specified by the Corporation from time to time) and other background information to the Free Zone Department for

review prior to applying for the incorporation and registration of a Free Zone Enterprise. Details of the application process, the business plan template format and the required background information can be found online at www.dwc.ae. The initial submission documentation will be reviewed by the Corporation and, if approved, the applicant will be notified in writing and asked to submit an application for the incorporation and registration of a Free Zone Enterprise.

Applicants that are seeking to only lease of office space are not required to submit a business plan.

The Free Zone Department will review all applications in light of the registration criteria set by the Corporation from time to time. The Free Zone Department will endeavour to complete its review of an application within 15 working days from the date the application was received however, in certain situations a longer period of review may be required. As part of the review process applicants may be required to clarify aspects of their applications or submit additional documentation in a specified format or manner.

Applicants will be notified in writing if their application is granted or rejected. If an application is rejected the Free Zone Department may, at its sole discretion, decide to disclose the reasons for such rejection but it shall have no liability towards the applicant(s) or any other third party should it choose not to do so.

6.4 Company Registrar

The Company Registrar will be responsible for all matters relating to the registration and licensing of a Free Zone Enterprise in accordance with the Regulations.

6.5 Registration Process

All applications for the registration of a Free Zone Enterprise must be made in conjunction with an application for a Licence. All applications must:

- be made in writing, in the format and manner specified by the Free Zone Department from time to time;
- contain full details of the applicant (or applicants) accompanied by such supporting documentation as the Free Zone Department may require;
- specify the type of Licence being applied for (see **Section 7**) and describe the activities the applicant proposes to undertake as a Free Zone Enterprise;
- include such other documentation or particulars as the Free Zone Department may specify; and
- be accompanied by the relevant (non-refundable) fee as specified in the Tariff.

6.6 Shares

All Free Zone Enterprises registered as DWC limited liability companies must have a share capital denominated in UAE Dirhams. The minimum capital of a DWC limited liability company will be AED 300,000 or such other amount as the Corporation may prescribe from time to time.

The share capital will be divided into shares of AED 1 each or such other amount as the Corporation may prescribe from time to time. Each issued share will be consecutively numbered. No shares will be issued in bearer form.

The consideration for which a share in a Free Zone Establishment is issued may take the form of cash or non cash consideration. If the shares in the Free Zone Establishment are issued for any consideration other than cash, then the auditors of the Free Zone Establishment must certify that the fair market value of the non cash consideration at the time of issue of the shares is not less than the nominal value of the shares issued.

The share capital of a DWC limited liability company may, subject to any limitations set out in the Regulations, be altered by a Board Resolution of the company.

No share in any DWC limited liability company may be transferred without a Board Resolution approving the transfer. Transfers must be made by a instrument of transfer prescribed by the Corporation from time to time. The instrument of transfer, once duly executed, must be delivered to the Company Registrar who will update the Register with the details of the transfer and the transferee. A transfer will be legally effective from the date of transfer recorded in the Register.

6.7 Free Zone Register

The Corporation, through the Company Registrar, will maintain the Register in such form as it may determine from time to time. Once an application to register a Free Zone Enterprise has been approved and all required documents and materials have been received by the Company Registrar, along with payment of the specified share capital (if registering a DWC limited liability company) and all other applicable fees as set out in the Tariff, the Company Registrar will enter the details of the Free Zone Enterprise in the Register and issue:

For a DWC limited liability company:

- a certificate of incorporation duly executed on behalf of the Corporation specifying **(i)** the name of the company; **(ii)** the registration number; **(iii)** the Registered Office address; and **(iv)** the date of incorporation;
- individual share certificates duly executed on behalf of the Corporation for each shareholder which specifies the number and value of shares held by that shareholder;

- the Memorandum of Association of the company; and
- the Articles of Incorporation of the company.

For a Branch:

- a certificate of registration duly executed on behalf of the Corporation specifying **(i)** the name of the Branch; **(ii)** the registration number; **(iii)** the Registered Office address; and **(iv)** the date of registration.

From the date of incorporation a DWC limited liability company will be a body corporate capable of exercising all functions of an incorporated company but with such liability on the part of the shareholders limited to the amount of the share capital for which they have subscribed, save that the liability of the shareholders will not be limited in cases of fraud.

From the date of registration of a Branch, the Branch will be capable of exercising all functions of its parent company/organisation but it will not be endowed with a legal personality separate from that of its parent.

The Register will be open to the public for inspection subject to the Corporation's prior approval and the payment of the appropriate fee as set out in the Tariff.

6.8 Naming and Commercial Communications

The Company Registrar will review and be responsible for approving all Free Zone Enterprise names. The Company Registrar will reject applications which include names that:

- refer to “Dubai” or any abbreviation or acronym (such as DXB) which refers or could be taken to refer to an official connection with Dubai and/or the Government of Dubai;
- infringe or may infringe the intellectual property rights of a third party;
- are contrary to public policy, the culture or laws of Dubai or the UAE;
- are deemed to be offensive, misleading or deceptive; or
- are, for any other reason, deemed unacceptable to the Corporation.

Once incorporated, a Free Zone Enterprise may change its name by a Board Resolution provided that the new name has been approved by the Company Registrar in advance. All

applications for approval for a change of name should be submitted (together with the appropriate fee as set out in the Tariff) to the Company Registrar who will review and either approve or reject the application. Once an application for a change of name has been approved, the new name will be reserved in the Register by the Company Registrar. A copy of the signed Board Resolution supporting such change of name should then be passed to the Company Registrar who will arrange to update the Register and issue a "Certificate of Change of Name". A change of name will only have legal effect from the date specified in the Certificate of Change of Name.

Free Zone Enterprises registered as DWC limited liability companies must state on all stationary and all transaction documents, contracts, advertisements, bills, correspondence, publications and other material (whether in hard copy or electronic format or otherwise) that they are registered in the DWC Free Zone and that they are of a limited liability by including the following designation: "DWC-LLC" at the end of their trading name, together with their Registered Office address. Free Zone Enterprises registered as Branches must state that they are registered in the DWC Free Zone together with their Registered Office address.

Every Free Zone Enterprise must ensure that it has a name plate affixed (at all times) to all offices or premises in the DWC Free Zone where it operates from (even if operating from temporary premises). The name plate should be of a type and size specified by the Corporation from time to time, be clear and legible, and be located in a conspicuous, unobstructed position.

6.9 Registered Office

Each Free Zone Enterprise must hold and maintain a Registered Office within the DWC Free Zone whose details will be as recorded in the Register. Any change in the address of the Registered Office must be communicated in writing to the Company Registrar within 5 working days of such change.

DWC limited liability companies may open branches outside of the DWC Free Zone subject to the rules, regulations and/or applicable laws of the jurisdiction where the branch is to be created.

6.10 Board of Directors and Secretary

All DWC limited liability companies must have an effective Board of Directors and a Secretary that are natural legal persons. The number of Directors will be not less than one (1) and not more than seven (7). The offices of Director and Secretary may be held jointly by a single person. However, the offices of Chairman and Chief Executive Officer must not be held by the same person. The first Director(s) and Secretary must be stated in the

registration application.

Details of each Director and Secretary will be maintained in the Register. All DWC limited liability companies must provide the Company Registrar with the full name, nationality and residential address of each Director and Secretary together with a certified copy of their passports and their specimen signatures. Any changes of Directors or Secretary must be notified to the Free Zone Department within 30 days of the change being made.

6.11 Memorandum of Association and Articles of Incorporation

All DWC limited liability companies will be incorporated in accordance with the DWC Free Zone's standard Memorandum of Association and Articles of Incorporation. No amendment of the Memorandum of Association or Articles of Incorporation will be effective unless it complies with the Regulations and is made pursuant to a unanimous resolution of the shareholders.

In the event of any conflict or inconsistency between the Regulations and any provision of the Memorandum of Association or the Articles of Incorporation, the Regulations will prevail.

6.12 Objects of Business

The objects of a Free Zone Enterprise will be to carry out such activities within the DWC Free Zone set out in the Free Zone Enterprise's Memorandum of Association (or, in the case of Free Zone Enterprise registered as a Branch, as set out in the parent company's Memorandum of Association) and Licence(s), subject to any conditions that may be imposed by the Corporation from time to time.

Any act of a Free Zone Enterprise which is outside of the scope of the activities permitted by the relevant Licence or which is not covered by the Free Zone Enterprise's Memorandum of Association (or, in the case of Free Zone Enterprise registered as a Branch, the parent company's Memorandum of Association) will be void.

6.13 Records and Minutes

All DWC limited liability companies must maintain an up to date record of all shareholders, Directors and the Secretary. Such record must include, in the case of shareholders which are companies, properly certified copies of all incorporation documentation and certified copies of the passport and residence visa (if applicable) together with specimen signatures of any person that is or has been a shareholder, Director or Secretary of the company.

Additionally, a DWCLimited liability company must keep:

- a written record of all proceedings at all general meetings or meetings of the Board of Directors and of any committees appointed by them;
- copies of all resolutions passed by the Board of Directors and the findings or reports of all committees appointed by them; and
- such other books and records as may be necessary or desirable in the opinion of the Board of Directors to reflect the business dealings and financial position of the company.

The Secretary will be the person responsible for maintaining a record of all resolutions, minutes, reports and other books and records unless otherwise stated. The minutes of each meeting must be signed by the person presiding over such meeting and be placed in the company's books kept at its Registered Office. Unless evidence to the contrary is established, the minutes, once signed, shall be conclusive evidence of the business and proceeding transacted at a meeting and that the meeting was validly held and convened.

The minute books must be available for inspection at the Registered Office upon reasonable notice and during normal working hours by any current shareholder or current Director of the company (subject to any reasonable restrictions which the company may impose). Alternatively, a current shareholder or a current Director may request to receive copies of the minute books (subject to any reasonable restrictions or administrative expenses which the company may impose).

If a company fails to provide copies of the minute books or allow for their inspection as stated above, a current shareholder or current Director may refer the matter to the Corporation and the Corporation may order the company to immediately arrange for inspection or provide copies of the minute books.

6.14 Accounts

Every Free Zone Enterprise must keep proper records of account prepared in accordance with International Financial Reporting Standards (IFRS) and be sufficient to show and explain: **(i)** the assets and liabilities of the Free Zone Enterprise; and **(ii)** all transactions which show money received and expended by the Free Zone Enterprise on a day to day basis together with information sufficient to identify and explain such receipts and expenditure.

The records of account must be kept at the Registered Office and shall be available for inspection. If a Free Zone Enterprise fails to allow for inspection of the records of account the matter may be referred to the Corporation and the Corporation may order the Free Zone Enterprise to immediately arrange for inspection of the records of account.

The first financial year of a Free Zone Enterprise will commence on the date of its incorporation or registration. The first financial year may not exceed 18 months, thereafter each successive financial year may not exceed 12 months or be shorter than 6 months.

No later than 18 months after the incorporation or registration of the Free Zone Enterprise, and for every financial year thereafter, the Free Zone Enterprise must prepare a balance sheet and a profit and loss account (as at the last day of the financial year) which will form part of the Free Zone Enterprise's financial statements. The Free Zone Enterprise's financial statements must be drawn up so as to give an accurate and fair view of the profits or losses of the Free Zone Enterprise and the state of affairs of the Free Zone Enterprise, in each case, for the financial period in question.

Where a DWC limited liability company owns 50% or more or otherwise controls another Free Zone Enterprise or other incorporated entity, the DWC limited liability company should prepare group accounts on a consolidated basis.

The annual accounts of each DWC limited liability company must be approved by the Board of Directors and signed off by at least one Director within 3 months of the end of each financial year before being presented to the shareholders. A copy of the signed annual accounts (together with the auditors' report set out in Section 6.15) must then be delivered to the Free Zone Department within 30 days of such approval and signature. The Corporation may, in its absolute discretion, agree to extend the aforementioned periods.

6.15 Auditors

Each Free Zone Enterprise must have one or more independent auditors.

The auditor(s) will be granted such access to information, material, documents, records, personnel and officers of the Free Zone Enterprise along with such other things as they might reasonably require in order for the proper performance of the duties of the auditor(s).

The auditor(s) will be responsible for, amongst other things, examining the annual accounts of the Free Zone Enterprise and stating by means of a written report whether or not the profit and loss account and balance sheet present an accurate and fair view of the state of affairs of the Free Zone Enterprise at the end of the financial year in question and whether or not all of the information and explanations sought by the auditor(s) has been obtained. Such written report must be annexed to the annual accounts as presented to the shareholders.

The auditor(s) of a DWC limited liability company will be entitled to receive notice of and attend any shareholders' meeting at which the annual accounts of the company are to be presented for discussion.

6.16 Net Assets

If the net assets of a Free Zone Enterprise fall to 50% or less of the Free Zone Enterprise's share capital (or the share capital of the parent company in the case of a Branch registration), the Directors (or in the case of a Branch, the Directors of the parent company) must, as soon as they become aware of this fact, immediately notify the Company Registrar in writing and the Board of Directors must meet within 7 days of such notification to discuss the issue and agree to take such steps as may be economically reasonable in the circumstances to remedy the situation. If the Board of Directors believe that it is unable to remedy the situation or that a remedy is not economically reasonable it must immediately notify the Free Zone Department in writing.

6.17 Dividend Distribution

No DWC limited liability company may declare or pay a dividend, whether interim or final, except out of profits. Any dividend payment must be made by a resolution of the Board of Directors.

No dividend may be declared or paid unless the Directors determine that immediately after payment the company will continue, in the normal course of business, to be able to satisfy its liabilities as they become due and the realisable value of the company's assets will not be less than the total sum of its liabilities and of its share capital as shown in the company's books of account.

6.18 Inspection of Records

The Corporation may, at any time, acting unilaterally or upon the request of a Governmental Authority, shareholder, Director or any other person that can establish, to the Corporation's reasonable satisfaction, that they have a specific and justifiable interest in the affairs of the Free Zone Enterprise (a "Connected Person"), appoint one or more competent persons to inspect the records and affairs of a Free Zone Enterprise.

Any such request from a shareholder, Director or Connected Person must be supported by such evidence as the Corporation may request to satisfy the Corporation that the inspection request is not based upon conjecture or hearsay, false information or malicious or vindictive motives.

Before instigating any inspection at the request of a shareholder, Director or Connected Person, the Corporation may require such shareholder, Director or Connected Person to provide a bond, guarantee or such other security for the costs of such inspection as the Corporation may specify. All costs of an inspection requested by a shareholder, Director or Connected Person shall be borne by such shareholder, Director or Connected Person unless the Corporation directs that such costs are to be borne by the Free Zone Enterprise in question.

Any inspector appointed by the Corporation in accordance with this Section 6.18 will have the power and authority to interview all officers and inspect such books, documents and other records of a Free Zone Enterprise as the Corporation may specify and a Free Zone Enterprise must extend all reasonable cooperation to the inspector.

Failure to cooperate with an inspection may attract a fine or other sanction from the Corporation in accordance with the Tariff.

The inspector will prepare and deliver a written report to the Corporation of his findings upon conclusion of the inspection. Following its review of the inspector's report the Corporation may, in its sole discretion:

- withhold the contents of the report;
- disclose the contents of the report (in full or in part);
- produce a summary of the report;
- refer the report to a Governmental Authority; or
- take any other action in respect of the findings of the report as the Corporation sees fit.

6.19 De-Registration

A Free Zone Enterprise may be removed from the Register:

(a) by the Corporation if the Free Zone Enterprise:

- is found to have wilfully provided false, inaccurate or misleading information regarding its business or operations;
- has acted or is acting in breach of, or in a manner which is contrary to, the terms of the applicable Licence;
- has violated one or more provisions of the Regulations or a condition of its Licence;
- has or is behaving in a manner which shows a disregard to the Regulations, the Corporation or any applicable laws;
- is not operating or otherwise carrying on any business; or
- is or has acted in a manner which the Corporation believes is detrimental or prejudicial to the interests of the Corporation, the DWC Free Zone or the interests of any other Free Zone Enterprise;

(b) following the order of any Court in the UAE; or

(c) in the case of a DWC limited liability company, upon a resolution of the shareholders passed in accordance with the provisions of the Free Zone Enterprise's Articles of Association.

Where the Corporation has the power to de-register a Free Zone Enterprise under paragraph (a) above, the Corporation will first issue a notice in writing to the Free Zone Enterprise highlighting such matter and requesting the Free Zone Enterprise take immediate action to remedy the situation. If, after 15 working days from the date of such notice, the Free Zone Enterprise has failed to remedy the situation or has failed to otherwise demonstrate to the reasonable satisfaction of the Corporation that it is taking effective steps to remedy the situation then the Corporation may, upon a further written notice, de-register the Free Zone Enterprise and revoke its Licence without any liability to the Free Zone Enterprise or its shareholders/owners.

In the case of de-registration of a DWC limited liability company, immediately following such de-registration the company must cease all business and the Board of Directors must appoint an accountant licensed to conduct business in the Emirate of Dubai as a liquidator to ensure the affairs of the company are wound up in a prompt and orderly manner in accordance with applicable law.

7. FREE ZONE LICENCES

7.1 General

Various categories of Licence are available for Free Zone Enterprises operating within DLC or Aviation City. If an applicant's proposed business model spans more than one (or overlaps any) of the categories set out in **Section 7.2** or **Section 7.3** the applicant is advised to apply for separate Licences (e.g. an applicant who wishes to carry out both trading and manufacturing should apply for two Licences - one for the trading activity and the other one for the manufacturing activity).

7.2 Categories of Licence within DLC

The categories of Licence available within DLC are as follows:

Logistics Licence:

allows the holder to carry out specified logistics services (e.g. storage, transportation, distribution, sorting, forwarding and clearing activities, order management, inventory management etc.). The licence holder will be able to pick up and deliver (but not sell) products within the UAE.

Industrial Licence:

allows the holder to carry out a specified light manufacturing activity (e.g. blending, mixing, purifying, assembling forming, repacking, or wrapping of products) by utilising hand labour or quiet machinery in a manner which does not produce smoke, gas fumes, heat, light or other effects which may cause a disturbance or nuisance to others. Industrial Licences will not be issued without proof that an Environmental Impact Assessment for the project has been carried out and approved by Dubai Municipality (see **Section 9.4**).

Trading Licence:

allows the holder to import, export, sell, distribute and store items specified in the Licence. However, Free Zone Enterprises holding a Trading Licence may only sell completed products in the UAE market through a local distributor or a commercial agent which is properly registered in the UAE.

Service Licence:

allows the holder to carry out services specified in the Licence within the DWC Free Zone and elsewhere in the UAE (although additional local licenses may be required in some Emirates). Service Licences are issued to Free Zone Enterprises supporting the logistics industry and will include services such as consulting, software, training, repair, catering,

insurance, and human resources services.

Education Licence:

allows the holder to carry out educational and social services, educational aid training, and educational consultancy services.

7.3 Categories of Licence within Aviation City

Free Zone Enterprises operating within Aviation City may hold all categories of license as described in **Section 7.2** except for a Logistics Licence.

7.4 Application Process

All applications for a new or additional Licence must:

- be made in the format and manner specified by the Free Zone Department from time to time;
- contain full details of the applicant (or applicants) accompanied by such supporting documentation as the Free Zone Department may require;
- specify the type of Licence being applied for (see **Section 7.2** and **Section 7.3**) and describe the activities the applicant proposes to undertake under the applicable Licence (a detailed list of activities for each Licence category can be found online at **www.dwc.ae**);
- specify the name and contact details (24/7) of a General Manager who will be responsible for all activities undertaken by the Licensee in the DWC Free Zone in accordance with the general principles set out in **Section 7.8**;
- include such other documentation or particulars as the Free Zone Department may specify; and
- be accompanied by the relevant (non-refundable) fee as set out in the Tariff.

The application process for Licences within DLC and Aviation City can be found online at **www.dwc.ae**.

7.5 Licence Validity

Licences are valid for a period of 12 months from the date of issue. Licences must be renewed annually in accordance with the provisions at **Section 7.11**.

7.6 Conditions of Grant

To qualify for and to hold a Licence, the applicant must:

- hold a valid registration as a Free Zone Enterprise;
- be in possession of a valid Lease for either office space, warehouse space, or development land within the DWC Free Zone;
- appoint and keep appointed a General Manager in accordance with **Section 7.8**;
- be able to demonstrate that it has sufficient liquidity in a trading account or access to funding to ensure that it is a going concern;
- not materially deviate from the business plan submitted to and approved by the Free Zone Department (where applicable – see **Section 6.3**); and
- not be in contravention of any aspect of the Regulations or any other laws, rules and regulations applicable within DWC and the Emirate of Dubai.

7.7 General Manager

All Free Zone Enterprises must appoint and maintain a General Manager who is resident in the UAE. The General Manager will be a natural person and the principal representative of the Free Zone Enterprise. The General Manager will be responsible for the day to day business and affairs and all activities undertaken by the Free Zone Enterprise in the DWC Free Zone (subject to any limitations specified by the Free Zone Enterprise in its Licence application and recorded in the relevant Licence). The General Manager will be the first point of representation for the Free Zone Enterprise in relation to dealings with the Free Zone Department and/or the Corporation.

7.8 Authorised Signatories

All Free Zone Enterprises must submit a “Certificate of Authorisation” which specifies the Free Zone Enterprise's authorised signatories that have the right to request services from the Free Zone Department (e.g. licence amendments, personnel applications such as entry permits, visas etc.) together with the authorised signatories' specimen signatures.

Free Zone Enterprises must ensure that any change to such authorised signatories are notified to the Free Zone Department immediately following the change coming into effect by the issue of a new Certificate of Authorisation. If a Free Zone Enterprise fails to properly notify the Free Zone Department of a change of authorised signatories, neither the Free Zone Department nor the Corporation or any of its affiliates will have any liability for acting on the instructions of a signatory who may have had his or her authority withdrawn.

7.9 Licence Restrictions

The Free Zone Department may, upon the grant of a Licence or at any time thereafter, issue a written notice to the licence holder that a Licence is subject to one or more conditions or restrictions that it believes are necessary or desirable to protect the interests of the DWC Free Zone, other Free Zone Enterprises and/or the Corporation along with a written statement explaining the imposition of any such conditions or restrictions.

A Free Zone Enterprise may apply in writing to the Free Zone Department for the variation or removal of any condition or restriction if the Free Zone Enterprise believes it can demonstrate to the reasonable satisfaction of the Free Zone Department that the reasons for imposing any conditions or restrictions no longer exist or should no longer be a concern due to a change of circumstances including any remedial, preventative or mitigating actions implemented by the Free Zone Enterprise.

The final decision as to apply, vary or remove any condition or restriction to a Licence will remain with the Free Zone Department whose decision will be final and binding.

7.10 Amendment or Variation of Licence

The Free Zone Department must be notified immediately of any changes which impact upon the accuracy of a Licence (e.g. change of address, telephone numbers, General Manager, list of approved products for trading, etc.). A written notice specifying such change must be submitted to the Free Zone Department (along with the appropriate non-refundable fee as specified in the Tariff) together with a request to the Free Zone Department to issue an updated Licence.

If a Free Zone Enterprise wishes to delete or substitute or make any other changes to the activities covered by its Licence an application for change of activity must be submitted to the Free Zone Department for review. Such application must:

- be made in the format and manner specified by the Free Zone Department from time to time;

- describe in detail the amendments the licence holder wishes to be made to the Licence accompanied by such supporting documentation as the Free Zone Department may require;
- include such other documentation or particulars as the Free Zone Department may specify; and
- be accompanied by the relevant (non-refundable) fee as specified in the Tariff.

No Free Zone Enterprise may undertake any activities covered by the change of activity application unless and until the Free Zone Department has approved the amendment and issued a new Licence.

7.11 Licence Renewal

Free Zone Licences will be valid for 12 months and must be renewed annually no later than 30 days prior to the date of expiry of the then current Licence. Administration services (such as immigration services) cannot be processed without a valid Licence.

In applying for a Licence renewal the Free Zone Enterprise must provide:

- copies of valid policies of insurance as specified in the lease agreement (as applicable);
- in the case of Free Zone Enterprises holding a lease of development land or warehouse space, a copy of a valid OFC (see **Section 8.5**);
- evidence that the Free Zone Enterprise is not in arrears in respect of any rent, service or other charges that may be due and payable in connection with its lease; and
- the renewal fee as specified in the Tariff.

7.12 Cancellation, Revocation or Suspension of a Licence

Cancellation

The Free Zone Department may cancel or revoke a Licence immediately upon written notice to a Free Zone Enterprise either upon the Free Zone Enterprise's request or if the Corporation is ordered to do so by a Court or other Governmental Authority.

Suspension

If a Free Zone Enterprise:

- is found to have provided inaccurate or misleading information regarding its business or operations;

- has acted or is acting in breach of, or in a manner which is contrary to, the terms of the applicable Licence;
- has violated one or more provisions of the Regulations or a condition of its Licence;
- has or is behaving in a manner which shows a disregard to the Regulations, the Corporation or any applicable laws;
- is not operating or otherwise carrying on any business; or
- is or has acted in a manner which the Corporation believes is detrimental or prejudicial to the interests of the Corporation, the DWC Free Zone or the interests of any other Free Zone Enterprise;

then the Free Zone Department will issue the Free Zone Enterprise with a written notice providing specifics of the issue complained of and requiring the Free Zone Enterprise to remedy the issue within 15 working days of the date of such notice. If the issue has not been remedied within such 15 working day period the Free Zone Department may suspend the applicable Licence(s) until the issue has been remedied.

If the issue has not been remedied within 30 working days of the date the suspension commenced or such other period set by the Free Zone Department then the Free Zone Department may cancel or revoke the relevant Licence(s) immediately upon written notice.

If a Licence is cancelled all outstanding administration issues (including but not limited to payment of outstanding dues) must be settled in coordination with the Free Zone Department regardless of whether the cancellation process is initiated by a Free Zone Enterprise or the Corporation/Free Zone Department.

8. FREE ZONE LEASES

8.1 General

All applications for a Licence must be made in conjunction with an application for a Lease of either office space, warehouse space or development land within the DWC Free Zone from which the Free Zone Enterprise can operate. During the Licence application and review process the Free Zone Enterprise may apply to reserve leased premises upon terms and conditions agreed with the Corporation. The full lease agreement will only be issued once the application has been approved and the applicant has finalised its registration, received its Licence and paid all applicable fees.

8.2 Types of Lease

Leases are available within both the DLC and Aviation City areas of the DWC Free Zone. Different types of Leases are available within these areas such as leases for office space, warehouse space and development land. The rent, service charge and all other charges and terms and conditions of the Lease will be as specified in the Lease agreement.

Office Space

- A DWC Free Zone registration and a Licence is required for Leases of office space within DLC or Aviation City, even if the lessee holds an existing UAE licence and registration outside of the DWC Free Zone.
- Office space within both DLC and Aviation City is available as either “shell and core” or fitted offices. Free Zone Enterprises leasing office space on a “shell and core” basis must ensure that the office space is fitted out in accordance with DWC's Fit-Out Works Guidelines (available online at www.dwc.ae).
- ☐ Office space leased on a “shell and core” basis must obtain an Operation Fitness Certificate prior to commencing business operations (see **Section 8.5**).
- Free Zone Enterprises leasing office space should ensure that their offices are physically functional and attended during normal office hours. Offices should be fully operational within 60 days (or such other time as may be agreed) from the commencement date specified in the Lease agreement.

Development Land

- Free Zone Enterprises wishing to construct their own facilities to their own specification and design can do so by leasing a plot of prepared land of the required area for that purpose. All construction works must be in accordance with DWC's Planning

Regulations and Development Guidelines and DWC's Construction Health, Safety and Environment (HSE) Guidelines (available online at www.dwc.ae) and completed so that premises are physically functional and operationally ready no later than 18 months (or such other time as may be agreed) from the commencement date of the Lease.

Warehouse Space

- Free Zone Enterprises leasing warehouse space must ensure that their unit is fitted out in accordance with DWC's Fit-Out Works Guidelines and physically functional no later than 90 days (or such other time as may be agreed) from the commencement date of the Lease.

8.3 Utilities and Infrastructure

Free Zone Enterprises leasing shell and core office space or warehouse space within DWC will be responsible for the costs of connection and consumption of electricity, water, sewage, air conditioning and telecommunication services in addition to the payment of rent and service charges. Free Zone Enterprises leasing fitted office space will only be responsible for the costs of connection and consumption of telecommunications services - electricity, water, air conditioning and sewage costs for fitted offices will be covered by the service charge specified in the Lease agreement.

Free Zone Enterprises leasing development land will be responsible for the connection and consumption costs of all electrical, water, sewage and telecommunications services.

Free Zone Enterprises leasing development land will be required to pay: (a) a one-off electrical infrastructure charge (based on the agreed estimated KVA usage requirements) for connection to the DWC electrical infrastructure; and (b) a one-off infrastructure development fee in respect of general infrastructure development. Such charges will be calculated in accordance with the rates specified in the Tariff.

8.4 Building Completion Certificate (BCC)

Free Zone Enterprises constructing their own facilities must liaise with DuServe to obtain the necessary inspections and approvals once construction work has been completed (see the Planning Regulations and Development Guidelines and the Construction HSE Guidelines for further details). Once the construction works have been approved DuServe will issue a Building Completion Certificate ("BCC"). Receipt of the BCC will then allow occupation of the building and the authorisation for the connection of all services (e.g. electricity, water, sewage and telecommunications). A BCC will not be issued if any re-submission or other related fees are outstanding.

If a Free Zone Enterprise has received permission for the construction of additional structures or the alteration or extension of existing premises it will also need to apply for a BCC once the related construction works have been completed.

8.5 Operation Fitness Certificate

Only Free Zone Enterprises that have constructed their own facilities on development land or who have fitted out warehouse space or “shell and core” office space are required to hold an Operation Fitness Certificate (“OFC”) before commencing operations.

If a Free Zone Enterprise is required to hold an OFC for the premises it operates from, it may not, under any circumstances, commence business operations unless it is in receipt of a valid OFC. OFCs will be issued by DuServe in accordance with the Planning Regulations and Development Guidelines, the Construction HSE Guidelines and the Operational HSE Regulations (also available online at www.dwc.ae).

Free Zone Enterprises requiring an OFC must develop and submit an HSE Plan (see **Section 9.2**) and apply to DuServe for an Operation Fitness inspection as soon as they have completed fit out and installation of all fixtures and fittings, plant and machinery or land preparation.

Free Zone Enterprises that have fitted out “shell and core” office space are not required to annually renew their OFC. In all other cases OFCs are valid for 12 months from the date of issue. Free Zone Enterprises requiring OFCs must arrange with DuServe for re-inspection and renewal of the OFC at least 30 days prior to the date of expiry of the OFC. Licences will not be renewed without a valid OFC.

If a Free Zone Enterprise holding an OFC carries out internal civil modifications or installs additional plant or machinery or applies to add or amend any activity listed in their Licence after receiving such OFC the Free Zone Enterprise must re-apply for an Operation Fitness inspection and a new OFC once the changes have been completed. A Free Zone Enterprise may be granted temporary permission to continue its business operations based on the original OFC during such re-application process in order to minimise disruption. Such temporary permission will be subject to such conditions as the Corporation may apply in the circumstances.

8.6 Fit-Out Works for Offices and Warehouses

All office space which is not provided on a “shell and core” basis will be supplied with lighting fixtures, clean walls (either painted or wallpaper), carpet tiles, floor boxes in a standard layout and nameplates free of charge.

Free Zone Enterprises leasing office space which is not provided on a “shell and core” basis may not upgrade the fixtures or fittings or make any alterations to the standard layouts without first obtaining the prior written approval from DuServe. Once approved, all alterations must be in accordance with the Fit-Out Works Guidelines and the Planning Regulations and Development Guidelines and carried out at the Free Zone Enterprises' sole cost and expense.

Free Zone Enterprises leasing development land may not make any extensions or alterations to any premises which the Free Zone Enterprise may have constructed upon the leased land without first obtaining the prior written approval of DuServe. All approved extensions or alterations must be in accordance with the Planning Regulations and Development Guidelines and the Construction HSE Guidelines and carried out at the Free Zone Enterprise's sole cost and expense.

8.7 Inspection of Premises

The Corporation may conduct inspections of a Free Zone Enterprise's premises from time to time to monitor compliance with the Regulations, the terms of the applicable Licence, and any Lease or other agreement between the Corporation and the Free Zone Enterprise. The Corporation will endeavour to arrange any such inspection so that the potential for disturbance or disruption to the Free Zone Enterprise's business is minimised.

However, the Corporation reserves the right to enter a Free Zone Enterprise's premises at any time and without prior notice:

- in the event of fire or flood or any other matter which presents an actual or suspected threat to the safety and security of the DWC Free Zone or Al Maktoum International Airport or any person or property within these areas;
- in the event there is a discharge of substances from the premises which are or are believed to be noxious or otherwise offensive;
- if the Corporation has reason to suspect that the Free Zone Enterprise is in serious breach of the terms of its Licence(s), Lease or any of the provisions of the Regulations;
- if the Corporation reasonably believes such entry is justified in order to protect the interests of the Corporation or any other Free Zone Enterprise.

Neither the Corporation nor its authorised agents or employees shall be held liable for any loss or damage resulting from the proper performance of their duties.

Inspections of a Free Zone Enterprise's premises or any other part of the DWC Free Zone by third parties or outside organisations (other than Governmental Authorities) are expressly prohibited unless the Corporation has given prior written consent to such inspection. If a Free Zone Enterprise is approached by a third party or outside organisation for inspection

of its premises, the DWC Free Zone or Al Maktoum International Airport (or any part thereof) it should notify the Free Zone Department immediately.

A Free Zone Enterprise must extend and ensure that its officers and employees extend, all such cooperation and assistance as the Corporation's authorised agents or employees may require to properly perform their duties in relation to any entry and inspection. Any Free Zone Enterprises that fails to extend cooperation or assistance to the Corporation's authorised agents or employees or otherwise seeks to obstruct or hinder such persons from performing their duties in any way will be liable for a fine as specified in the Tariff.

8.8 Infrastructure and Facility Management Services

All suppliers of cleaning, pest control and security services ("IFM Services") must be approved by and registered with the Free Zone Department before they can provide IFM Services within the DWC Free Zone. Applications for IFM Service registration must:

- be made in writing, in the format and manner specified by the Free Zone Department from time to time;
- contain full details of the service provider accompanied by such supporting documentation as the Free Zone Department may require;
- describe the IFM Services the service provider wishes to offer/deliver;
- include such other documentation or particulars as the Free Zone Department may specify; and
- be accompanied by the relevant (non-refundable) fee as specified in the Tariff.

Registrations must be renewed each year. DuServe FM, is the preferred supplier of IFM Services within the DWC Free Zone.

Free Zone Enterprise with leases of serviced office space will receive IFM Services from DuServe FM as part of the service charge specified in the applicable Lease agreement except where a maintenance requirement arises due to the tenant's act or omission (e.g. a broken window).

A full list of IFM Services provided by DuServe FM is available online at **www.dwc.ae**. All IFM Service enquiries should be directed to DuServe FM through its website or at the address in **Schedule 3**.

8.9 Termination of a Lease

The termination process for a Lease requires that all outstanding administration issues (including but not limited to payment of outstanding dues) must be settled in coordination with the Free Zone Department. Such administration issues may include, for example, obtaining Non-Objection Certificates from Dubai Customs or other Dubai or Federal Governmental Authorities. For the avoidance of doubt, the requirements of the termination process will apply regardless of whether the termination process is initiated by a Free Zone Enterprise or the Corporation/Free Zone Department (i.e. where a Free Zone Enterprise is in material breach of a condition of the Lease).

In the event of Lease termination, it is the responsibility of the Free Zone Enterprise to ensure that the leased premises are fully vacated and all furnishings, plant, equipment, debris, waste material and other tangible items are removed from the leased premises and that the premises are restored to and handed back in their original condition by the termination date (unless otherwise agreed with the Corporation). Any waste material/contaminated soil must be properly and safely disposed of in accordance with Dubai Municipality regulations.

Once a Free Zone Enterprise has vacated and cleared the leased premises it must issue a written notice to the Free Zone Department who will arrange for inspection of the leased premises as soon as reasonably possible following receipt of the Free Zone Enterprise's notice. If the inspection confirms vacation and clearance of the leased premises the Free Zone Department will issue a written notice to the Free Zone Enterprise confirming termination of the Lease and the release of any further obligations or liabilities in respect of the Lease. If the inspection reveals that the leased premises have not been fully vacated or properly cleared the Corporation may, amongst other things, continue to charge rent.

9. HEALTH, SAFETY AND ENVIRONMENT (HSE)

9.1 General

All organisations or persons (including contractors) working or operating within the DWC Free Zone must comply with the rules, regulations and guidelines set out in the DWC Operational HSE Regulations. The Operational HSE Regulations provide a basic framework for ensuring excellence in health, safety and environmental performance and the protection of persons and property within the DWC Free Zone.

9.2 HSE Plan

All Free Zone Enterprises that have leased development land must develop and submit an HSE Plan to DuServe for review utilising the template available online at www.dwc.ae.

9.3 HSE Management System

All Free Zone Enterprises that have leased development land must utilise the online HSE Management System provided by DuServe at www.dwc.ae.

9.4 Environmental Impact Assessment

All Free Zone Enterprises seeking an Industrial Licence and whose business operations may have pollutant discharges or generate hazardous and/or industrial waste must conduct an Environmental Impact Assessment ("EIA") in accordance with the requirements of Dubai Municipality from time to time. Dubai Municipality's technical guidelines which provide details on what should be considered as part of an EIA are available at <http://www.environment.gov.ae/environment/major/technicalguidelines>.

The EIA must be conducted prior to commencement of development works and will be subject to review and approval by Dubai Municipality and other concerned authorities. Industrial Licenses will not be issued without proof of an approved EIA.

9.5 Sustainable Development

All Free Zone Enterprises that have leased development land are required to comply with the Green Building Regulations issued by Dubai Municipality.

In addition, all Free Zone Enterprises are expected to address the following sustainable concepts in their operations:

- conservation of water and energy;
- usage of non-conventional/renewable energy sources, where possible;
- use of eco-friendly products;
- use of intelligent building systems; and
- reduction in waste generation.

All Free Zone Enterprises are expected to monitor their operations and be able to demonstrate that their operations meet or improve upon the standards for sustainability established by DuServe and Dubai Municipality from time to time.

9.6 Emergencies and Accident Reporting

Emergencies

All Free Zone Enterprises are required to provide Dubai Civil Defence and DuServe with written details of an authorised person that may be contacted 24/7 in the event of any fire, flood, or other emergency. Such contact may be either the Free Zone Enterprise's General Manager or another authorised individual.

In the event an emergency situation arises and the Free Zone Enterprise's premises are unmanned, unguarded, closed or locked the Corporation reserves the right to make a forced entry to such premises where there is reasonable justification to do so or where a failure to act could result in significant losses or damage.

Accidents

All accidents which occur at a Free Zone Enterprise's premises and which result in a person needing medical attention must be reported to DuServe within 3 days of the date of the accident.

The accident report must be submitted online using the provided HSE Management System referred to at **Section 9.3**.

Following receipt of an accident report DuServe may carry out a site investigation in order to determine:

- the cause or causes behind the accident;
- the severity and scale of the actual or potential harm;
- whether action has been taken or needs to be taken to prevent a recurrence and to secure compliance with the Regulations; and
- lessons to be learnt from the incident.

If such investigation reveals that an accident has occurred due to a breach of the Regulations the Corporation may issue a violation notice and/or impose a fine in accordance with the Tariff.

9.7 Waste Management

General

All Free Zone Enterprises and other organisations operating within the DWC Free Zone must adhere to Dubai Municipality regulations concerning waste management. These regulations are available online from the Dubai Municipality website at <http://www.environment.gov.ae/environment/major/technicalguidelines>. Waste may only be disposed of at authorised locations. Any person, company or organisation found to be dumping waste at an unauthorised location anywhere in the DWC Free Zone will be reported to the concerned Government Authorities and will be liable for a fine as set out in the Tariff.

Waste Management Strategy

All Free Zone Enterprises and other organisations operating within the DWC Free Zone must develop and implement an integrated waste management strategy which covers the following:

- waste reduction;
- waste segregation at source;
- waste recovery and re-use; and
- waste recycling.

Municipal Waste

All municipal waste from normal office operations generated inside office premises leased from the Corporation must be disposed of in the appropriate containers provided by the Corporation.

Hazardous and Industrial Waste

All waste which is classified by Dubai Municipality as being hazardous waste or industrial waste must be handled and disposed of expressly in accordance with the requirements for such waste types established by Dubai Municipality.

All Free Zone Enterprises that are producing or likely to produce hazardous waste must declare the same to DuServe in writing in the form and manner prescribed by DuServe from time to time. Once such declaration has been reviewed and approved by DuServe the declaration must be submitted to the Environment Department of Dubai Municipality for further processing.

Commercial Waste Collection, Recycling and Disposal

All Free Zone Enterprises producing commercial waste from a developed facility or warehouse space must arrange for collection, recycling or disposal of such waste through a supplier approved and licensed by Dubai Municipality. DuServe offers an integrated waste management solution on commercial rates and interested Free Zone Enterprises may contact DuServe at the address set out in **Schedule 3** for further details.

9.8 Sewerage, Irrigation and Water Drainage

All Free Zone Enterprises must comply with the sewerage, irrigation and storm drainage regulations issued by Dubai Municipality from time to time. Such regulations are available online from the Dubai Municipality website at <http://www.environment.gov.ae/environment/major/technicalguidelines>.

9.9 HSE Violations

Regular HSE inspections shall be carried out by DuServe. If such inspections reveal any violations of the Regulations or unsafe practices, DuServe may issue an HSE Violation Notice (HVN) to the concerned party. Such notice may be accompanied by fine in accordance with the Tariff depending on the severity of the violation.

In case of serious violations or repeated incidents which may place personnel at risk of harm, the Corporation may order all work or operations associated with such risk to be stopped immediately until proper corrective action is taken by the party concerned.

10. SECURITY

10.1 Access to the Free Zone

There are two distinct areas of the DWC Free Zone – the customs bonded area (the “Bonded Area”) and the office park (the “Non-Bonded Area”). The Bonded Area is marked on the plan attached to these Regulations at **Schedule 2**. The Bonded Area is segregated from the Non-Bonded Area by a fence.

Access to the Bonded Area is restricted to personnel that are required to conduct business within the Bonded Area. All personnel moving in and out of the Bonded Area are required to have an appropriate access pass which must be conspicuously displayed at all times. Any persons found to be in the Bonded Area without the appropriate documentation or authorisation will be moved or escorted out of the Bonded Area and may also be subject to a penalty as set out in the Tariff.

All vehicles accessing the Bonded Area will be associated with the driver of that vehicle who must hold an access pass for the Bonded Area.

10.2 Access Passes

There are three categories of access passes:

- Employee
- Frequent Visitor
- Occasional Visitor

Employees

All personnel employed within the DWC Free Zone by a Free Zone Enterprise will be issued with an Employment Card by the Free Zone Department (see Section 12.4). The Employment Card will serve as an access pass to the different areas of the DWC Free Zone. Employment Cards will be colour coded to differentiate between those employees that are permitted to access the Bonded Area and those employees that are limited to the Non-Bonded Area.

Employment Cards must be immediately returned to the Free Zone Department for cancellation in the event of any termination or expiry of employment or completion of assignment or project in the DWC Free Zone. Failure to do so may attract a penalty in accordance with the Tariff.

Frequent Visitors

Frequent visitors to the DWC Free Zone must be notified to the Free Zone Department in advance by completing and submitting a Visitor Notification Form and providing a valid form of photographic identification. Visitor Notification Forms can be downloaded online at www.dwc.ae.

The maximum duration of a frequent visitor pass is 12 months from the date of issue. The Free Zone Department will review all applications and may, in its absolute discretion, reject an application based on security or other concerns. The Free Zone Department shall have no liability towards the applicant(s) or any other third party should it reject a frequent visitor access pass application. Payment of the appropriate (non-refundable) fee as per the Tariff must be made upon issuance of the frequent visitor access pass.

Frequent visitor access passes will be colour coded to differentiate between persons that are permitted to access the Bonded Area and persons that are limited to the Non-Bonded Area.

Occasional Visitors

Occasional visitor access passes are required only for the Bonded Area.

Occasional visitors can be notified to the Free Zone Department in advance by completing and submitting a Visitor Notification Form along with a valid form of photographic identification. Visitor Notification Forms can be submitted online at www.dwc.ae. Alternatively, occasional visitors can obtain an access pass at the security gate.

Occasional visitor passes are valid for the date of issue. Applications for occasional access passes will be reviewed and entry may be refused on security concerns or other grounds. Payment of the appropriate (non-refundable) fee as per the Tariff must be made upon issuance of the occasional visitor access pass.

Replacement Passes

If an Employment Card or access pass is, or is believed to have been, lost or stolen the loss or theft must be reported to the Free Zone Department immediately. Replacement Employment Cards/access passes will be issued subject to the payment of the applicable fee as specified in the Tariff.

10.3 Security Checks

Access passes must be produced on demand to DWC security staff, the police or any other authorised person. All personnel (whether visitors or employees) must comply at all times with the directions of DWC Security staff, the police and any other authorised person.

All vehicles and personnel seeking to enter or exit the Bonded Area shall be subject to search/security checks at the security gates and at other points within the Bonded Area.

10.4 Fencing

All Free Zone Enterprises that have constructed their own facility must erect and maintain suitable fencing or a walled enclosure around that facility in accordance with the Planning Regulations and Development Guidelines.

10.5 Security Guards

The Corporation provides security guards at designated areas throughout the DWC Free Zone but has no obligation or liability with respect to a Free Zone Enterprise's premises.

All security guards engaged by a Free Zone Enterprise must be properly licensed by the Department of Protective Systems (Dubai Police) trained and experienced and be provided with a means of communication to raise an alarm or report emergency incidents.

Security guards must either be (a) employees of the Free Zone Enterprise; or (b) engaged under a service contract with a provider approved by and registered with the Free Zone Department in accordance with **Section 8.8**.

10.6 CCTV

All closed-circuit television ("CCTV") system installations (and the maintenance thereof) must be carried out by a firm or company that is registered and properly licensed by the Department of Protective Systems (Dubai Police). Signs warning that an area is being monitored by CCTV must be visible wherever a CCTV system is in operation.

The Corporation may require a Free Zone Enterprise to disclose recordings from its system where the Corporation reasonably believes such disclosure is necessary for the protection of persons, property or the integrity of the DWC Free Zone. The Corporation recognises that sensitive trade or personal information may be captured by CCTV recordings; the Corporation will not use CCTV recordings in an unfair or unlawful way and will only use or disclose such recordings to the extent necessary to protect persons, property or the integrity of the DWC Free Zone.

10.7 Photography and Film

Photography and video recording of the DWC Free Zone is prohibited without the advance written approval of the Corporation. This does not apply to restrict or prohibit a Free Zone Enterprise's installation and use of CCTV recording equipment (see **Section 10.6**).

10.8 Firearms, Ammunitions and Explosives

Except in the case of authorised Governmental Authorities, firearms, ammunition and explosives are not permitted anywhere within the DWC Free Zone. All violations will be notified to the relevant Governmental Authorities.

11. INSURANCE

All Free Zone Enterprises are required to hold and maintain valid policies of insurance as set out in their Licence and/or the Lease agreement and the Regulations.

11.1 Insurance of Corporation Property

The Corporation will arrange property all-risks insurance and third party liability insurance in respect of all property owned by the Corporation. Free Zone Enterprises leasing Corporation owned properties will be liable to pay the deductible on such insurance policies in the event of any claim in respect of the Free Zone Enterprise's occupation of such property.

11.2 Insurance of Non-Corporation Property

Free Zone Enterprises are required to maintain their own policy of insurance in accordance with the terms of their lease to cover the contents of any leased property and the Free Zone Enterprises' vehicles. Neither the Corporation, its affiliates, business units or any of their employees, officers or agents will be liable for any loss or damage to any property from any leased premises or vehicles, due to any reason, including, without limitation, theft or natural calamity.

Free Zone Enterprises leasing development land must ensure that the Corporation and its affiliated companies are included as a named assured on all policies of insurance together with a waiver of subrogation in favour of the Corporation and its affiliated companies in accordance with the terms of the lease.

Policies of insurance concerning property must include sufficient provision to cover likely clearance and clean up costs relating to any loss or damage to any structure, fixtures and fittings. Copies of such policies must be deposited with the Free Zone Department before the OFC can be issued.

11.3 Third Party Liability/Public Liability Insurance

All Free Zone Enterprises must hold and maintain a valid Third Party Liability (or Public Liability) Insurance policy in respect of their business operations.

The Third Party Liability/Public Liability Policy must be in accordance with the following limits:

- (i) for Free Zone Enterprises employing up to 19 employees - not less than AED 500,000 per occurrence;
- (ii) for Free Zone Enterprises employing 20 or more employees – not less than AED 1,000,000 per occurrence.

In each case there must be no limit in the policy on the number of occurrences in aggregate or in any one year.

A copy of the Third Party Liability/Public Liability Policy must be forwarded to the Free Zone Department together with a certificate issued by the insurance provider advising of the date of expiry.

11.4 Workman's Compensation Insurance

All Free Zone Enterprises must hold and maintain a valid Workmen's Compensation insurance policy.

The Workman's Compensation Policy must be in an amount of not less than AED 500,000 per occurrence (with no limit on the number of occurrences in aggregate or in any one year) to cover permanent injury/disability and all related medical expenses in accordance with the provisions of the Labour Law.

A copy of the Workman's Compensation policy must be forwarded to the Free Zone Department together with a certificate issued by the insurance provider advising of the date of expiry.

12. EMPLOYMENT AFFAIRS

12.1 General

The Free Zone Department will be responsible for providing employment related services to Free Zone Enterprises. Such services include, without limitation, the processing of entry permits, employee sponsorship and visa services, work permits and other matters concerning employees. Requests for employment related services must be made in writing by the Free Zone Enterprise's authorised signatory in the form and manner specified by the Free Zone Department from time to time.

Employees of a Free Zone Enterprise may not ordinarily work outside of the DWC Free Zone (e.g. as a specialist consultant) without the prior written approval of the Free Zone Department.

12.2 Employee Sponsorship

Establishment Card System

All Free Zone Enterprises will be issued with an "Establishment Card" by the Department of Naturalisation and Residency Dubai ("DNRD"). The Establishment Card will allow Free Zone Enterprises to apply for different immigration services from the DNRD in accordance with the requirements of UAE immigration law through the Free Zone Department. The fee for the Establishment Card will be as per the Tariff. The Free Zone Administration Department will automatically apply for the Establishment Card on behalf of the Free Zone Enterprise once the Free Zone Enterprise has been issued with a valid registration and Licence.

Sponsored Employees

All employees that are not UAE citizens or covered by the alternative sponsorship options listed below must have a local sponsor in accordance with the requirements of UAE immigration law. The Corporation will stand as sponsor for all Free Zone Enterprises employees that are required to be sponsored under UAE immigration law ("Sponsored Employees") and will arrange for the procurement of entry permits, residence visas and the like for Sponsored Employees and, if applicable, their dependents.

Such sponsorship does not confer any obligation of an employer on the Corporation. Free Zone Enterprise will, at all times, remain the employer of all Sponsored Employees and will be primarily responsible for the payment of wages, benefits and all other obligations and duties owed to the Sponsored Employees under the terms of the employment contract or at law. The Corporation will not be liable to a Free Zone Enterprise under any circumstances for any act, default or omission on the part of a Sponsored Employee

including, without limitation, any breach by a Sponsored Employee of any restraint of trade or non-competition covenant that may be contained in the employment contract.

Free Zone Enterprises must ensure that all employees (not just Sponsored Employees) comply with the general laws and customs of the UAE. In the event that a Sponsored Employee has committed an offence involving moral turpitude or a crime of which a Free Zone Enterprise becomes aware the Free Zone Enterprise must promptly notify the Free Zone Department in writing and take such corrective action as it deems appropriate in the circumstances.

The Corporation may terminate the sponsorship of any Sponsored Employee on reasonable written notice to the Free Zone Enterprise if:

- the Free Zone Enterprise has failed to renew its Licence or Lease;
- the Free Zone Enterprise becomes insolvent or otherwise enters into liquidation;
- the Free Zone Enterprise is not operating or otherwise carrying on any business; or
- the Sponsored Employee has failed to abide by the laws of the UAE or is or has acted in a manner which the Corporation reasonably believes is detrimental or prejudicial to the reputation and interests of the Corporation, the DWC Free Zone or the Emirate of Dubai.

Alternative Sponsorship Options

A Free Zone Enterprise may employ personnel who are not under the Free Zone Enterprise's direct sponsorship, either on a temporary or permanent basis, if that person:

- is a female residing in the UAE under the sponsorship of her spouse or parents;
- is seconded from the parent company of the Free Zone Enterprise and such parent company is validly registered and licensed within the UAE; or
- sponsored by a sister company of the Free Zone Enterprise.

UAE Citizens and Non-Sponsored Employees

The provisions on employee sponsorship mentioned above do not apply to persons that are UAE citizens.

No Free Zone Enterprise may employ any person (other than in the capacity of an independent contractor) that is not sponsored by the Free Zone Enterprise or covered by one of the alternatives mentioned above unless such person is a UAE citizen.

Limits on Employees

The Corporation may, in its absolute discretion, set limits on the number of employees for a particular Free Zone Enterprise.

12.3 Entry Permits and Visas

The Free Zone Department will, upon request, arrange for the procurement of entry permits and residence visas for employees and, if applicable, their dependants on behalf of all Free Zone Enterprises. The fees applicable for processing such permits will be as per the Tariff and will be payable in advance at the time of submitting the permit application.

There are certain travel documents and passports which are not acceptable for entry into the United Arab Emirates. If in doubt, clarification on such restrictions should be obtained through the Free Zone Department or the DNRD (see <http://www.dnrd.ae/DNRD>) prior to applying for an entry permit or residence visa.

Free Zone Enterprises wishing to employ personnel, other than nationals of GCC countries are required, in the first instance, to apply for an Entry Permit. All unused Entry Permits (visit or employment) must be returned to the Free Zone Department for cancellation.

12.4 Employment Cards

All employees of a Free Zone Enterprise will be issued with an Employment Card which provides a unique identification for each employee. The Employment Card also serves as permit to work in the DWC Free Zone, allows access into the DWC Free Zone (although access to certain parts of the DWC Free Zone may be restricted). Employment Cards will be issued automatically at the time of issue of the residence visa (or upon request for employees that are sponsored under the alternative sponsorship arrangements listed in **Section 12.2**). Employment Cards will be valid for a period of 3 years from the date of issue. The Employment Card will not replace the National Identity Card (see **Section 12.5**).

Free Zone Enterprises must immediately notify the Free Zone Department of the cessation of an employee's contract of employment so that the Employment Card can be cancelled. All Employment Cards, access passes and other identification or access documentation relating to the DWC Free Zone which have been issued to an employee must be returned to the Free Zone Department promptly following the cessation of the employee's employment.

If an Employment Card or any other pass or identification or access documentation relating to the DWC Free Zone is lost or stolen this must be immediately notified to the Free Zone Department. Replacement Employment Cards will be issued subject to the payment of the applicable fee as specified in the Tariff.

12.5 National Identity Card

All UAE residents above 15 years of age are required to hold a National Identity Card issued by the Emirates Identification Authority in accordance with UAE Federal Law. Further details on the National Identity Card and the application process are available online at www.emiratesid.ae.

12.6 The Relationship of Employer and Employee

Free Zone Enterprises will be responsible for discharging all of their duties in relation to their employees in accordance with Federal Law No. 8 of 1980 (as amended) (the “Labour Law”). The Labour Law can be viewed online or downloaded (in Arabic and in English) from www.mol.gov.ae. The Labour Law will apply to all persons employed in the DWCFree Zone in addition to the provisions of this **Section 12**.

Recruitment

All costs of recruitment and other employment related services must be born solely by the Free Zone Enterprise. Under no circumstances may a Free Zone Enterprise, recruitment agent, subcontractor or other third party working directly or indirectly on behalf of the Free Zone Enterprise recharge or pass all or any part of such costs to a recruited employee as part of a “transfer fee”, “visa fee” or any other claim, charge or expense whatsoever.

The Free Zone Department may investigate any claim that employees had paid or were required to pay any fees or charges to a Free Zone Enterprise, recruitment agent, subcontractor or other third party working directly or indirectly on behalf of the Free Zone Enterprise, either by its own volition or as a result of any complaint by an employee or any other third party. If the Free Zone Department's investigation substantiates such claims the Corporation may, among other things:

- impose a fine upon the Free Zone Enterprise in accordance with the Tariff; and/or
- require the Free Zone Enterprise to immediately reimburse the recruited employee an amount equal to any fees or charges paid by the recruited employee together with such interest and other compensation as the Corporation may consider to be fair and reasonable in the circumstances.

Contract of Employment

A Free Zone Enterprise must have a written contract of employment with each employee. The terms and conditions of such contract of employment are a matter of negotiation between the Free Zone Enterprise and employee. The contract of employment must, as a minimum, comply with the provisions of the Labour Law.

Working Hours and Overtime

All Free Zone Enterprises will be bound by the provisions of the Labour Law in relation to working hours (including provisions relating to overtime, Ramadan timing and summer working).

Basic Work Rules

All Free Zone Enterprises should establish a set of basic work rules for the benefit of all employees. As a minimum, such work rules should include details on working hours, employee health and safety in the workplace, employee conduct and the Free Zone Enterprise's grievance and disciplinary procedures.

Employee Passports

All Free Zone Enterprises are reminded that employee passports are the property of the issuing country. No Free Zone Enterprise may hold the passport of an employee without that employee's prior and genuine consent. Where an employee has consented to a Free Zone Enterprise holding his or her passport the Free Zone Enterprise must have effective procedures and controls in place to ensure that retained passport are held in a safe and secure facility and can and will be returned to the employee promptly at the employee's request.

Medical Insurance

All Free Zone Enterprises must procure and maintain a medical insurance policy for all of its employees in accordance with applicable Law. Evidence of a valid medical insurance policy must be provided to the Free Zone Department upon request.

12.7 Termination of Employment

Where an employee's contract of employment is terminated or expires and is not renewed both the Free Zone Enterprise and the employee must deliver a signed letter of confirmation, in such format as may be specified by the Free Zone Department from time to time, confirming that the employment has terminated and that the Free Zone Enterprise has paid and the employee has received all sums due and owing to the employee (including, without limitation, any applicable end of service gratuity payment).

12.8 Absconding Employees

If an employee is absent from work without approval for 7 consecutive days or is otherwise believed to have absconded from his or her employment the Free Zone Enterprise must promptly file a report of such unauthorised absence with the Free Zone Department. The Free Zone Enterprise will be liable to pay all applicable fines (e.g. immigration fines) and fees (as set out in the Tariff) in relation to such absconding employee.

If an employee is absent from work without approval for 7 consecutive days or is otherwise believed to have absconded from his or her employment the Free Zone Enterprise must promptly file a report of such unauthorised absence with the Free Zone Department. The Free Zone Enterprise will be liable to pay all applicable fines (e.g. immigration fines) and fees (as set out in the Tariff) in relation to such absconding employee.

Failure by the Free Zone Enterprise to promptly notify the Free Zone Department of an absconding employee will attract a fine as set out in the Tariff.

13. TRAFFIC AFFAIRS

13.1 Driver and Vehicle Licensing

The roads within the DWC Free Zone are treated as public highways for licensing and registration purposes. All drivers or persons operating any vehicle or equipment within the DWC Free Zone must be in possession of a valid licence issued by the Dubai Roads and Transport Authority ("RTA") or other UAE Governmental Authority for the class of vehicle or equipment being driven or operated. Likewise, all vehicles and mobile equipment such as forklift trucks and mobile elevated platforms (including those whose operation and use is confined to the Free Zone Enterprise's premises) must be properly registered and licensed within the UAE before they are put into use.

The Free Zone Department may request a Free Zone Enterprise produce evidence that all drivers, operators and vehicles or mobile equipment are properly licensed and registered.

13.2 Vehicle Condition and Operation

All vehicles and trailers must be roadworthy and in compliance with all applicable laws, rules and regulations in the UAE pertaining to vehicle safety.

Vehicles and trailers must not be overloaded beyond the manufacturer's rated load capacity. All loads must be safely secured with the weight of the load distributed evenly throughout the vehicle. No vehicle may be driven carrying a load which unsafely extends beyond the dimensions of the vehicle. Vehicles in the DWC Free Zone which are suspected of being overloaded, inappropriately secured or pulling a trailer of more than the authorised weight may be stopped, asked to produce weighing information and held until the situation is corrected.

Tyres should always be inspected for proper inflation, damage and wear before any loading. Any tyres found to be damaged or worn below safe driving levels must be immediately replaced.

Vehicles that drip fluids, spill waste or otherwise cause damage to road surfaces must be removed from operation and repaired. The Corporation may recharge the cost of clean up or repair of any damage to roads in the DWC Free Zone to the owner of the offending vehicle.

All vehicles must be fitted with fully operational lighting. Vehicle lighting must be used when the vehicle is being driven at night or in conditions of reduced visibility such as fog or sand/dust storms. Vehicle lighting must not be used in such a way that would dazzle or cause discomfort to other road users. Front and rear fog lights must be used in conditions of reduced visibility. Such lights must be turned off when conditions improve so as not to dazzle other road users. Hazard lights must only be used on stationary vehicles which are temporarily obstructing traffic or to warn other road users of another hazard or obstruction ahead. Hazard lights must not be used when driving in conditions of reduced visibility or as an excuse for dangerous or illegal parking.

Drivers must always be fit to drive. Drivers should not operate any vehicle if the driver feels sleepy, tired, drowsy or under the influence of alcohol or drugs. All drivers and passengers must wear seatbelts if fitted to the vehicle they are travelling in.

13.3 Vehicular Access and Roads

All vehicles seeking access to the DWC Free Zone will be subject to the regulations concerning security in accordance with **Section 10**. Personnel working in the DWC Free Zone are strictly prohibited from taking private vehicles into or around the Cargo Terminals.

It is prohibited for learner drivers (of all categories) to practice driving on roads within the DWC Free Zone.

During peak working hours (06:00 hours to 18:00 hours) oversize trucks or trucks transporting very heavy equipment will not be allowed to enter, exit or move around on public roads inside the DWC Free Zone. All such truck movements should be arranged to be undertaken during non-peak working hours with a security escort to ensure the safe passage of vehicles and their cargoes. All such truck movements must be notified to the Free Zone Department at least 24 hours in advance. Security escorts will be subject to the payment of the relevant fee as set out in the Tariff.

No roads, walkways or pathways (or any part thereof) within the DWC Free Zone may be sealed off, obstructed, restricted or excavated without the express written authorisation of the Corporation. Any person or organisation found to be in violation of this **Section 13.3** will be subject to a penalty as set out in the Tariff and will also be liable to pay all costs and expenses incurred by the Corporation in rectifying any damage sustained by such violation.

13.4 Driving and the Environment

Vehicles must not be parked unattended with the engine running. Where vehicles are stationary and likely to remain so for more than a couple of minutes (other than in traffic or for the diagnosis of faults) drivers should apply the vehicle's parking brake and switch off the engine so as to reduce emissions and noise pollution.

Drivers and passengers must not throw anything out of a vehicle (such as cigarettes, cans, bags, paper or other trash). All trash from vehicles must be disposed of properly.

13.5 Parking

Vehicles may only be parked in those areas within the DWC Free Zone which are specified or designated for vehicle parking. The Corporation may impose fines in accordance with the Tariff for any vehicle or vehicles which are found to be parked illegally and/or arrange for the towing away and impounding of the offending vehicle (at the vehicle owner's risk and expense).

No loading or off-loading activities may be undertaken in public parking areas.

All car parks within a Free Zone Enterprises' facility must be used as the primary location for employee and visitor vehicle parking. Car parks must not be used as a workshop area or for the storage of goods, materials or equipment.

Parking on pavements, any landscaped area or lawn or obstructing a fire hydrant is strictly prohibited. Offending vehicles will be subject to a fine in accordance with the Tariff and immediately clamped or towed and impounded by the Corporation at the vehicle owner's risk and expense. The vehicle owner will also be liable to pay for any damage sustained to any landscaped area or lawn caused by illegal parking.

Handicapped parking bays may only be used by vehicles which are properly registered and authorised to use handicapped parking facilities. Vehicles found to be parked in a handicapped parking bay which do not clearly display registration and authorisation for handicapped parking will be subject to a fine in accordance with the Tariff and may be clamped or towed and impounded by the Corporation at the vehicle owner's risk and expense.

Vehicles must not be parked in a haphazard manner or parked in such a way as to obstruct entrance and exit either from access gates or parking areas. Offending vehicles will be subject to a fine in accordance with the Tariff and may be clamped or towed and impounded by the Corporation at the vehicle owner's risk and expense.

No motor vehicle or trailer of any type shall be repaired in any roads or parking areas within the DWC Free Zone (including within the boundary of a Free Zone Enterprises' own facility) except for minor repairs or emergency repairs to the extent necessary to enable the vehicle or trailer to be moved to a proper repair facility.

No vehicle, trailer, boat or other recreational vehicle within the DWC Free Zone shall be used as an office or living area.

13.6 Road Usage and Road Safety

Drivers must always drive carefully, with due care and attention and with reasonable consideration for other road users. Vehicles must not be driven on or over a walkway or footpath except to gain lawful access to a property or in the case of an emergency. Pedestrians always have the right of way on all walkways, footpaths and designated road crossings. Vehicles must not be parked or stationary over designated pedestrian crossings.

The maximum speed limit on all public roads within the DWC Free Zone is as per the posted speed limit signs. The speed limit is the absolute maximum and does not mean that it is safe to drive at such speed irrespective of driving conditions. Drivers must pay attention at all times to: construction works, road layouts and other conditions which may present hazards (such as shed loads, damaged roads or sharp bends), other road users, and weather and lighting conditions and reduce driving speed accordingly.

Large trucks, vehicles towing trailers and other slow moving traffic must keep to the lanes on far right of the road. In slow moving traffic drivers should not frequently change lanes to overtake traffic as this will lead to further congestion.

Drivers must also maintain safe stopping distances from the vehicle in front, even if in stationary or slow moving traffic. Large vehicles need a greater distance to stop.

The operation of dirt bikes, quad bikes, sand buggies, off-road vehicles and non-licensed motor vehicles is strictly prohibited in the DWC Free Zone.

Drivers caught violating any provisions of this **Section 13.6** will be reported to the Dubai Police and may be subject to penalties imposed by the RTA and/or Dubai Police.

13.7 Breakdowns, Obstructions and Traffic Incidents

Vehicles which break down must be moved off of the road or manoeuvred so as to minimise obstruction to other road users (if possible). If a broken down vehicle is causing an obstruction appropriate warnings should be given to other road users by activating the vehicle's hazard lights and situating a safety triangle or other warning device a safe distance behind the broken down vehicle. Drivers should then immediately seek breakdown or recovery assistance if necessary. Drivers and passengers should remain at a safe distance from the road and the broken down vehicle while waiting for assistance.

If anything falls from a vehicle on to the road the driver should stop the vehicle in a safe location and attempt to retrieve the obstruction only if safe to do so. Where it is unsafe to retrieve the obstruction or the driver is unable to do so the driver must seek assistance from DWC Security or the emergency services.

Vehicles must always give way to emergency or incident support vehicles (such as the police or ambulance or civil defence vehicles) that may be attending the scene of an incident. Drivers which are involved in a traffic incident must stop where safe to do so (without causing an obstruction), turn off the vehicle's engine and call Dubai Police on **999** and wait for assistance from the emergency services and do not smoke. Persons without injury or only minor injury should be moved to safety away from the scene of the incident. Injured persons should not be moved without the assistance of emergency services unless there is an immediate risk of danger. If an incident involves a vehicle carrying dangerous or hazardous goods as much information as possible about the labels or markings on the vehicle should be provided to the emergency services and injured persons should only be moved by emergency services personnel. Mobile telephones should not be used close to any vehicle carrying a flammable or combustible load.

Drivers approaching the scene of a traffic incident must follow any directions given by Dubai Police or other emergency services. Drivers passing the scene of a traffic incident should not stop or slow down unnecessarily to observe the scene as this may cause a collision or contribute to further congestion.

13.8 Construction Traffic

Subject to the restrictions in **Section 13.3** regarding the use of oversize trucks or trucks carrying heavy equipment, nothing in this **Section 13** will prevent the reasonable operation or temporary use of construction trailers, vans, light machinery and equipment or other facilities maintained during and used exclusively in connection with any construction works in the DWC Free Zone which have been approved by the Corporation.

14. GOODS AND CUSTOMS

14.1 General

Free Zone Enterprises may only import, export and trade in authorised goods in accordance with the commercial activities applicable to their Licence. The import of goods into and the export of goods from the DWC Free Zone will be, at all times, subject to the notices, policies and procedures of Dubai Customs and Federal and Dubai Law. No goods may move in or out of the DWC Free Zone without proper customs declaration and approval.

The DWC Free Zone is part of the territory of Dubai but, as a free trade zone, it is considered to be outside of the local customs territory and is therefore subject to slightly different customs rules and procedures. Certain rules and procedures are described below however, for further information please visit www.dubaicustoms.ae.

14.2 Required Approvals

Required Approvals

Free Zone Enterprises wishing to engage in the import, export, transportation and storage of certain types of goods described in this Section 14 should apply first to the Free Zone Department for a letter of non-objection. Such letter of non-objection must then be presented to the concerned Governmental Authority for approval of the relevant activity.

All applications for such letters of non-objection must:

- be made in writing, in the format and manner specified by the Free Zone Department from time to time;
- contain full details of the applicant (or applicants) accompanied by such supporting documentation as the Free Zone Department may require;
- specify the type of goods the applicant wishes to import, export, transport and/or store;
- the market or markets (i.e. local, GCC or other) where the use or consumption of such goods is intended;
- include such other documentation or particulars as the Free Zone Department may specify; and
- be accompanied by the relevant (non-refundable) fee as specified in the Tariff.

14.3 Inventory Management

All Free Zone Enterprises engaged in the importation/exportation of goods in or from the DWCFreeZone must employ a fully computerised and auditable inventory control system which meets the requirements of Dubai Customs. Such inventory management system should record the description, quantity and weight of goods in accordance with the Harmonised Commodity Description and Coding System developed and maintained by the World Customs Organisation.

14.4 Storage and Handling

Goods brought into the DWC Free Zone must be unloaded from the means of transportation and properly stored as soon as reasonably practicable. Goods may not be stored outside of a Free Zone Enterprises' premises (whether in containers, on pallets or otherwise) without prior the written approval of the Free Zone Department. Any such approval, if granted, will be for a temporary period only.

Packaging must always be safe, secure and fit for the purpose of the articles or substances to be contained within such packaging. Any vehicles found to be carrying damaged or leaking containers will be denied entry to the DWCFreeZone.

14.5 Restricted Goods

“Restricted Goods” mean any goods for which the import or export is restricted in accordance with the provisions of the Common Customs Law of the GCC States or Federal or Dubai Law.

It is prohibited to import, store or transport any items in the DWC Free Zone which are classified as Restricted Goods without the prior written approval of the Corporation and the concerned Governmental Authority.

Free Zone Enterprises wishing to import, store or transport any items which are classified as Restricted Goods must first submit an application to the Free Zone Department for a letter of non-objection in accordance with **Section 14.1**.

14.6 Prohibited Goods

“Prohibited Goods” mean any goods for which the import or export is prohibited in accordance with the provisions of the Common Customs Law of the GCC States or Federal or Dubai Law.

It is prohibited to import, store or transport any items in the DWC Free Zone which are classified as Prohibited Goods. Dubai Customs have the power to detain anyone suspected to have committed or attempted to have committed an offence of smuggling

or the acquisition, storage or transportation of Prohibited Goods.

Additionally, the Prohibited Goods and any means of concealment or transportation of the Prohibited Goods will also be subject to seizure by Dubai Customs. Offences will be prosecuted to the full extent of the applicable law.

14.7 Dangerous Goods

“Dangerous Goods” are as classified by the Code of Practice for the Management of Dangerous Goods in the Emirate of Dubai and other rules and regulations issued by Dubai Municipality or any other Governmental Authority from time to time.

All persons and entities in the DWC Free Zone that are involved in the movement or handling of cargoes of hazardous materials or Dangerous Goods must comply with and should clearly understand all laws and regulations on the same, in particular (but not limited to) the DWC Operation Fitness Regulations, UAE Federal Law 24 of 1999 concerning the Protection and Development of the Environment, the Code of Practice for the Management of Dangerous Goods (the “Code”) in the Emirate of Dubai and Technical Guidelines No. 46 concerning the Clearance of Dangerous Goods and No. 61 concerning the Development of Emergency Response Procedures for Accidents Involving Dangerous Goods.

Free Zone Enterprises wishing to import, store or transport any items which are classified as hazardous materials or Dangerous Goods must first submit an application to the Free Zone Department for a letter of non-objection in accordance with **Section 14.1**. Advance approvals will from concerned Governmental Authorities (such as Dubai Civil Defence) will also be required in advance of the commencement of business operations in accordance with the Code.

Certain Dangerous Goods such as fireworks may only be transported with a security escort from the concerned Governmental Authorities. In addition, the driver of any vehicle transporting hazardous materials or Dangerous Goods must carry the Material Safety Data Sheet (MSDS) for the hazardous materials or dangerous goods in question. A copy of must also be retained by the transport company and be easily available in the event of an emergency or accident. The MSDS must include details concerning the nature and dangers of the goods in question, the hazards involved in the event of any leakage, spill or human exposure and the applicable emergency procedures. The MSDS must be produced to DWC security personnel, the Police or Emergency Services upon request.

The Corporation may, at the cargo owner's cost and expense, confiscate and destroy any hazardous or dangerous cargoes which have not been properly declared.

14.8 Pharmaceuticals and Medical Goods

Free Zone Enterprises wishing to import, store or transport any pharmaceutical products, or medical goods must first submit an application to the Free Zone Department for a letter of non-objection in accordance with **Section 14.1**.

All warehouses and vehicles involved in the storage or transportation of pharmaceutical products or medical goods must be inspected and certified fit for the purpose by the Ministry of Health.

14.9 Food and Beverages

Free Zone Enterprises wishing to import, store or transport food or beverages must first submit an application to the Free Zone Department for a letter of non-objection in accordance with **Section 14.1**.

All warehouses and vehicles involved in the storage or transportation of food or beverage products must be inspected and certified fit for the purpose by the Ministry of Health.

14.10 Alcohol

Alcohol is specifically controlled within the UAE. Alcohol may be brought into and stored within the DWC Free Zone subject always to all applicable laws, rules and regulations. Free Zone Enterprises wishing to import and store alcohol in the DWC Free Zone for re-export outside of the UAE or for import into the local market must first apply to the Free Zone Department for a letter of non-objection in accordance with **Section 14.1** and then obtain formal approvals from both Dubai Police and Dubai Customs.

14.11 Direct Retail/Marketing

Trading Licences issued to Free Zone Enterprises are only valid to undertake such activities in the DWC Free Zone. No Free Zone Enterprise with a Trading Licence may market or sell their products directly in the local market (except thorough authorised trade exhibitions). However, potential customers may view the products within the DWC Free Zone.

Free Zone Enterprise holding a Trading Licence that want to market products directly in the local market must do so through a properly authorised and locally registered distributor/retailer.

14.12 Lost Property and Abandoned Goods

Lost Property

All Free Zone Enterprises should have a suitable policy in place to reunite lost property with its lawful owner.

Any property lost within the common areas of the DWC Free Zone should be reported to the Free Zone Department in writing in the form and manner prescribed by the Free Zone Department from time to time. The Free Zone Department will take all reasonable steps to reunite items of lost property which have been handed into the Free Zone Department with their lawful owner. Certain property such as plant, equipment, machinery or vehicles will not be classified as “lost property”. An assumption would be made that such property has been stolen and an appropriate report should be filed with Dubai Police. If items have been reported as lost but are subsequently found an update must be provided to the Free Zone Department.

If the Free Zone Department has not been able to identify a lawful owner or the lawful owner has not claimed the property after a period of 12 months from the date it was handed in, the Free Zone Department may dispose of such lost property as it thinks fit. The Corporation will have no liability in the event an attempt to claim ownership is made after such 12 month period.

Abandoned Goods

If any goods appear to be left and abandoned upon a Free Zone Enterprise's premises the Free Zone Department shall issue a written notice to Free Zone Enterprise of the intention to treat such goods as “abandoned”.

Such notice will specify a date by which such goods must be cleared and removed from the premises. The given date will take into consideration the nature of the goods (e.g., refrigerated, perishable) and hence urgency of removal.

If the abandoned goods have not been removed by the date specified in the notice title in such abandoned goods will automatically transfer to the Corporation and the Free Zone Department may arrange for the removal and disposal of the abandoned goods without further reference to the Free Zone Enterprise. All costs and expenses incurred by the Free Zone Department in doing so will be recharged to the Free Zone Enterprise.

The Corporation may, at its discretion, auction the abandoned goods to expedite clearance of the facility and/or to recover any outstanding dues.

The Corporation will have no liability whatsoever to any Free Zone Enterprise or any other third party where it has undertaken the removal or disposal of abandoned goods in accordance with the Regulations.

14.13 Customs

Free Zone Enterprises needing to move goods in or out of the DWC Free Zone should register for Dubai Custom's Mirsal 2 system. Mirsal 2 enables the online and paperless processing of customs declarations 24/7 and without the need to submit hard copy documentation. Transactions can be pre-cleared through Mirsal 2 enabling improved service delivery times and the ability to amend and cancel declarations online.

To use Mirsal 2 a Free Zone Enterprise must first register with Dubai Trade (see **www.dubaitrade.ae**). A digital certificate must also be obtained to ensure the authenticity of declarations made through the Mirsal 2 system.

Whilst Mirsal 2 provides a fully electronic solution for customs processing Free Zone Enterprises must keep the original supporting documentation for not less than 5 years. More information on the registration and use of Mirsal 2 along with the customs declarations applicable to free zones can be found on the Dubai Customs website at **www.dubaicustoms.ae**.

GCC Customs Exemption

Goods which are refined, produced, manufactured or assembled in the DWC Free Zone will be exempted from import duties applicable in the GCC States provided that the goods are clearly marked with the name of the producer or manufacturer and the country of production or manufacture and are accompanied by a certificate of origin from either the UAE Ministry of Economy and Commerce or the Dubai Chamber of Commerce.

Certificates of origin for certain goods will be granted subject to the qualification requirements set by the concerned Governmental Authorities from time to time.

15. VIOLATION OF REGULATIONS

15.1 General

Ignorance of any provision of the Regulations, Licence or any agreement or contract with the Corporation will not be accepted as an excuse for lack of compliance with such provisions.

Any Free Zone Enterprise which is found to be in violation of any provision of the Regulations shall be guilty of an offence which, if not remedied within the time frame and to the satisfaction of the Free Zone Department, shall render the Free Zone Enterprise liable to sanctions in accordance with the Regulations, or such other sanctions the Corporation may implement from time to time.

All fines, charges or other financial penalties imposed upon a Free Zone Enterprise in accordance with the Regulations, if unpaid after a period of 90 days, may be set off from any money owed by the Corporation or its subsidiaries to the Free Zone Enterprise, added to the Free Zone registration/Licence renewal fees or recovered from the Free Zone Enterprise as a debt.

The Corporation reserves the right to prohibit the entry of a Free Zone Enterprises personnel, goods or vehicles to the DWC Free Zone and to prohibit the exit of a Free Zone Enterprise's goods or vehicles (but not personnel) from the DWC Free Zone if the Free Zone Enterprise is found to be in violation of a material provision of the Regulations and such Free Zone Enterprise has failed to remedy such violation to the Corporation's satisfaction.

15.2 HSE Violations

Violations of health, safety and environmental rules and regulations are divided into two classifications Minor HSE Violations and Serious HSE Violations.

Minor HSE Violations are defined as any violation of HSE rules and regulations which does not necessarily cause or lead to physical injury or damage to property such as (without limitation):

- unavailable First Aid kit
- working without appropriate Personal Protective Equipment (PPE)
- failure to renew maintenance contracts for Fire Alarm System, pest control services etc.

- causing noise pollution
- unsafe storage of goods/materials
- failure to maintain cleanliness

The escalation provisions set out in **Section 15.3** apply to all Minor HSE Violations.

Serious HSE Violations:

Serious HSE Violations are defined as any violation of HSE rules and regulations which causes or contributes to physical injury or property damage, which cause or have the potential to cause damage or contamination of the environment or which concerns Restricted Goods, Prohibited Goods or Dangerous Goods.

All Serious Violations are automatically subject to a fine as specified in the Tariff and/or suspension of Licence. The escalation provisions set out in **Section 15.3** will not apply to Serious Violations.

15.3 Repeated Administrative or Minor HSE Violations

In the event that an administrative or Minor HSE Violation is repeated one or more times in a period of 12 consecutive months the following will apply:

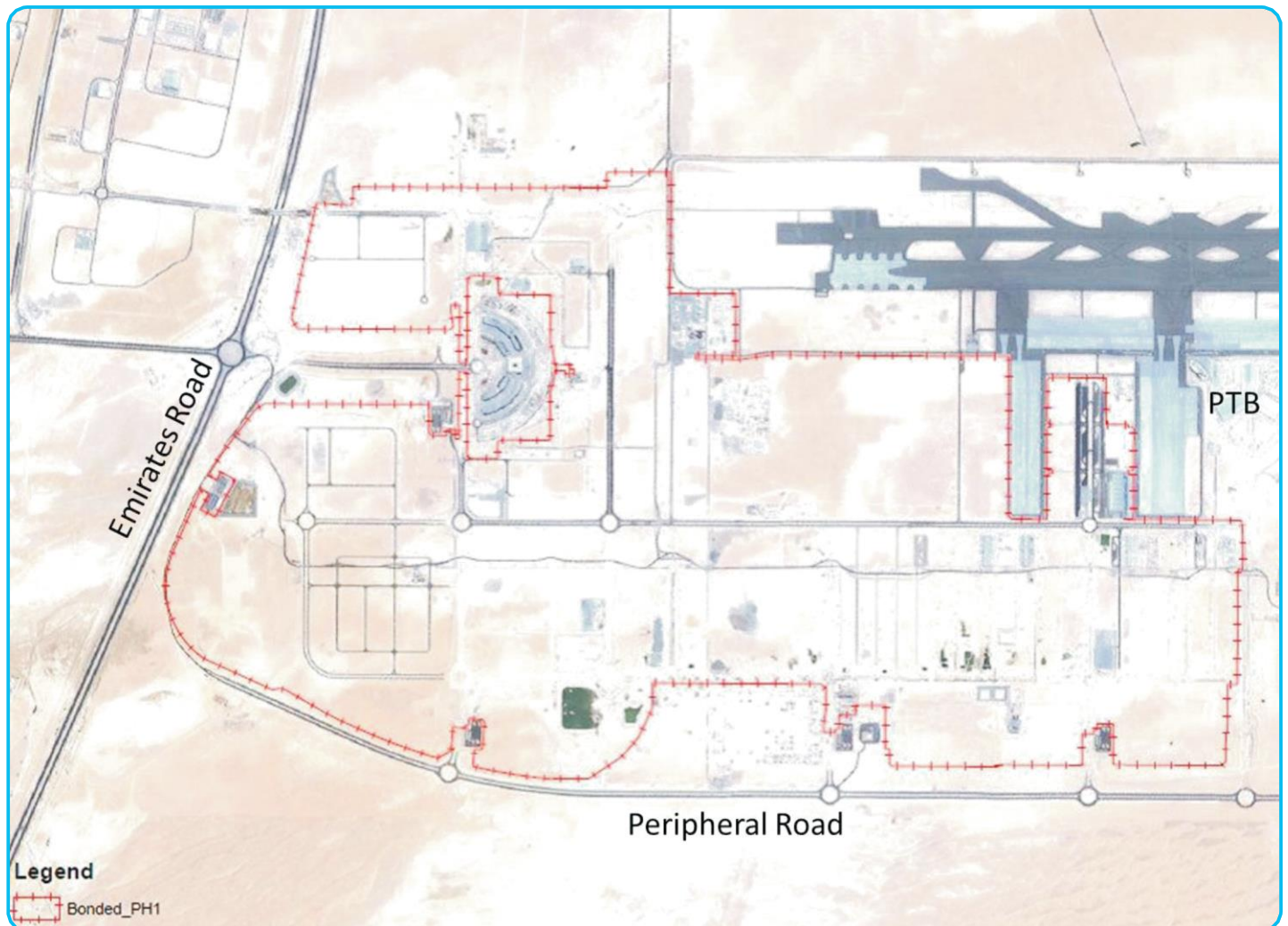
- **First violation** - formal warning letter/HSE Violation Notice
- **Second violation** - issue of fine as per Tariff
- **Third violation** - doubling of fine as per Tariff
- **Fourth violation** - potential suspension of Licence.

15.4 Immigration Violations

Violations of immigration rules and regulations will be subject to a fine as specified in the Tariff.

SCHEDULE 1

CUSTOMS BONDED AREA OF DWC FREE ZONE



SCHEDULE 2

DWC CONTACT DETAILS

FREE ZONE DEPARTMENT

Address: PO Box 282228, Dubai, UAE
Email:
Tel: +9714 814 1111
Fax: +9714 814 1366

DUBAI LOGISTICS CITY

Address: PO Box 282228, Dubai, UAE
Email: sales.dlc@dwc.ae
Tel: +9714 814 1111
Fax: +9714 814 1366

AVIATION CITY

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DUSERVE FM DWC-LLC

Address: PO Box 282228, Dubai, UAE
Email:
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DUSERVE DWC-LLC (HSE)

Address: PO Box 282228, Dubai, UAE
Email: hse@dwc.ae
Tel: +97150 900 8030
Fax: +9714 814 1224

DUSERVE DWC-LLC (Planning & Permissions)

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Tel: +9714 814 1111
Fax: +9714 814 1224

SCHEDULE 3

REFERENCES

1. Planning Regulations and Development Guidelines
2. Construction Health, Safety and Environment (HSE) Guidelines
3. Operational Health, Safety and Environment (HSE) Regulations
4. Fit-Out Works Guidelines

