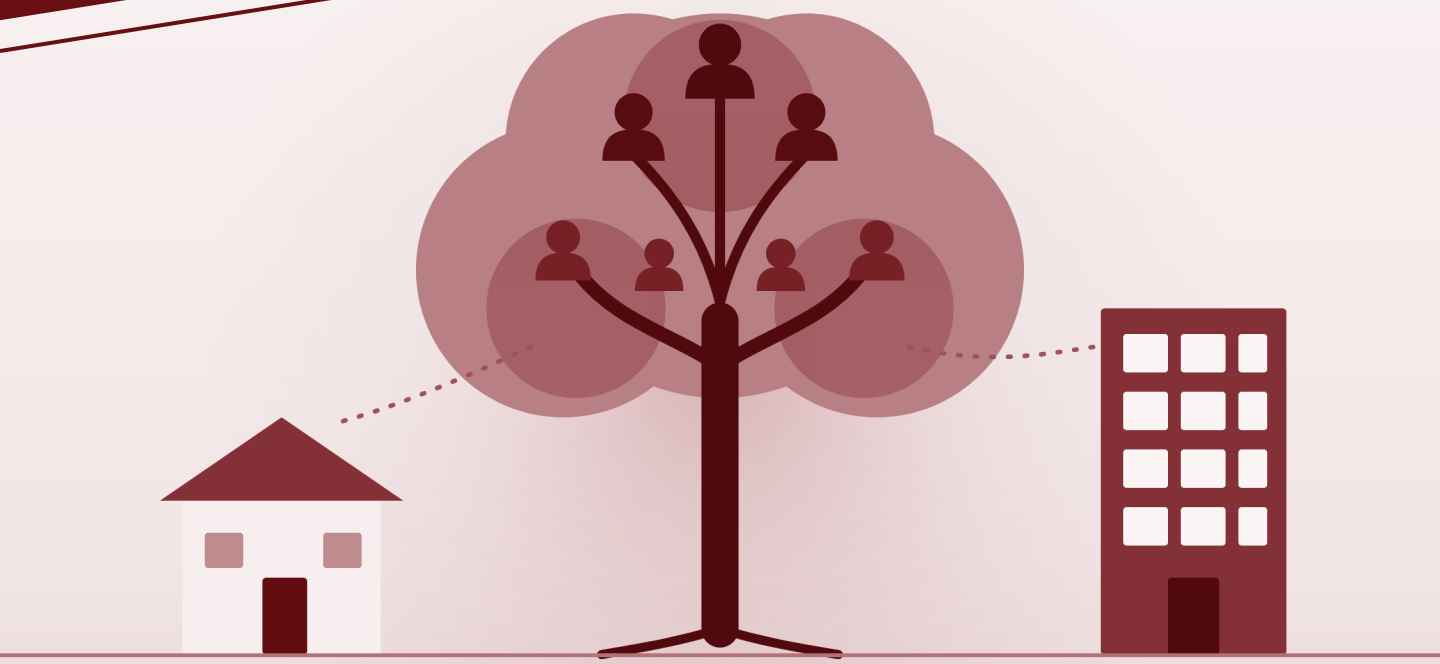
ETIHAD

PRACTICE OVERVIEW

Family Business

LEGACY · GOVERNANCE · SUCCESSION · GROWTH

Protecting the business and the family's vision for the future



Family Business

At Etihad, we understand the unique challenges that family-owned enterprises face, from preserving a shared legacy to navigating complex governance and succession issues. Our dedicated team combines deep corporate and tax expertise with a nuanced appreciation of family dynamics to deliver pragmatic, long-term legal solutions.

Whether you are structuring ownership, planning generational transfers or resolving intra-family disputes, we are committed to safeguarding your business and your family's vision for the future. Family businesses are the backbone of the Iraqi private sector, and many are now passing to a second or third generation, often with family members, assets and partners in more than one country.

Why Families Work With Us

- **Discretion**

  Sensitive family and financial matters handled confidentially, by a small senior team.

- **Sharia and Iraqi Law**

  Succession and estate solutions that respect Sharia inheritance rules and Iraqi personal status law.

- **Law and Family Together**

  Corporate, tax, inheritance and dispute lawyers who understand that the family and the business affect each other.

- **Long-term Partner**

  Advice that follows the family across generations, not one transaction at a time.

Our Family Business Practice

- **Governance and Ownership**

  Family constitutions, councils, boards and ownership structures.

- **Shareholder and Family Agreements**

  Share transfers, buy-outs, exits and deadlock rules.

- **Asset Protection**

  Separating business and family wealth, and managing risk.

- **Growth and Transactions**

  Financing, acquisitions, partnerships and new markets.

- **Succession and Estate Planning**

  Leadership transfer, wills, inheritance and lifetime gifts.

- **Real Estate Structuring**

  Holding and protecting family land and property.

- **Tax and Compliance**

  Tax structuring, compliance reviews and corporate housekeeping.

- **Dispute Resolution**

  Mediation, arbitration and litigation, with discretion.

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Our Approach

From crafting bespoke family constitutions and shareholder agreements that reflect your values, to designing tax-efficient succession strategies that minimise family discord and fiscal burdens, we tailor every solution to your long-term vision.

Family business work is different from ordinary corporate work. The client is both a company and a family, decisions affect relationships as much as balance sheets, and the right answer often depends on timing. We take the time to understand both sides before we advise, and we stay with the family as circumstances change.

Our Principles

- **Confidentiality First**

  Family and financial information is handled by a small senior team and shared only with those the family authorises.

- **Every Generation Heard**

  We listen to founders, the next generation and in-laws, so that the solution has support across the family and is not imposed by one side.

- **Business First, Family Always**

  Structures that keep the business competitive and well managed, while protecting relationships between family members.

- **Plain-language Documents**

  Constitutions, agreements and wills written clearly in Arabic and English, so every family member understands what they sign.

- **Coordinated advisers**

  We work alongside the family's accountants, bankers, auditors and foreign lawyers, so advice is joined up rather than contradictory.

How An Engagement Runs

1. **Family & Business Review**
2. **Agree Priorities**
3. **Plan Design**
4. **Draft & Sign Documents**
5. **Implement & Review**

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Governance & Family Ownership

Clear governance is what allows a family business to outlive its founder. We design governance frameworks that reflect each family's values and long-term objectives, and that separate family matters from business decisions.

From crafting bespoke family constitutions and protocols to establishing robust corporate governance, we tailor every solution to your long-term vision, and keep it up to date as the family and the business grow.

How We Help

1 Family Constitutions and Protocols

Draft family constitutions that set out shared values, roles, employment of family members, dividends and how decisions are made.

2 Family Councils and Assemblies

Setting up family councils and assemblies, with clear mandates and links to the company's board.

3 Corporate Governance Frameworks

Board composition, independent directors, committees, delegations of authority and board charters.

4 Ownership Structures

Structuring how shares are held across branches and generations of the family.

5 Internal Audit and Controls

Setting up and overseeing internal audit functions and financial reporting controls.

6 Training For Families and Boards

Workshops for family councils and boards on governance best practice, and facilitating family retreats and strategy sessions.

Build Family Governance Framework

1. Family Interviews
2. Shared Values & Objectives
3. Constitution & Charters
4. Councils & Boards
5. Periodic Review

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Next Generation & Family Employment

The transition to the next generation is where most family businesses succeed or fail. We help families prepare successors early, set fair rules for family members who work in the business, and give those who do not a clear and respected role as owners.

Clear, written rules on who can join the business, on what terms and with what accountability reduce tension between family branches and reassure non-family managers, lenders and investors that the business is run on merit.

How We Help

1 Family Employment Policies

Policies on which family members can join the business, required qualifications and experience, and how roles are filled.

2 Remuneration and Benefits

Fair pay, benefits and dividend policies that distinguish between family members who work in the business and those who are owners only.

3 Development and Mentoring

Development plans, outside experience requirements and mentoring for future leaders, and next-generation councils or shadow boards.

4 Performance and Accountability

Applying the same performance standards to family and non-family managers, with clear reporting lines.

5 Related-party Dealings

Rules on conflicts of interest and transactions between the business and family members.

6 Exits and Departures

Fair processes when family members leave the business, sell their shares or move to other ventures.

> *Succession is a process, not an event. The earlier it starts, the smoother it runs.*

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Succession Planning

We guide family businesses through leadership and ownership transfers with sensitivity to both the legal and the relational dynamics involved.

Leadership and ownership do not always pass to the same people. A successful plan decides who will run the business, who will own it, and how decisions will be made in between, and it sets these rules while the founder can still explain and support them.

How We Help

1 Continuity and Succession Plans

Designing and implementing succession plans for leadership and ownership, with clear timelines and responsibilities.

2 Emergency Succession

Arrangements for sudden death or incapacity of a key family member, including powers of attorney, interim management and signing authorities.

3 Separating Management and Ownership

Structures that allow professional or family managers to run the business while ownership is shared across the family.

4 Lifetime Transfers

Gifts, share transfers and sales during the founder's lifetime, structured to avoid later challenge and to reduce tax and fiscal burdens.

5 Retirement Of The Founder

Defining the founder's future role, income and influence, for example as chair or honorary president.

6 Communicating The Plan

Explaining the plan to the family, managers, banks and partners, so the transition is understood and accepted.

Typical Succession Journey

1. **Assess Current Position**
2. **Choose Successors**
3. **Transfer Roles Gradually**
4. **Transfer Ownership**
5. **Review & Adjust**

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Wills, Inheritance & Estate Administration

We craft wealth-protection strategies, including wills, estate plans and inheritance structures, that respect Sharia and tax requirements and keep the family business intact.

In Iraq, inheritance follows Sharia rules under the personal status law, so without planning, shares and property can fragment quickly between heirs and decisions can stall. Company structures, shareholder agreements and lifetime arrangements, prepared in advance, give heirs their rights while protecting the business.

How We Help

Wills

Drafting wills within the limits allowed by Sharia and Iraqi law, and coordinating them with company documents.

Inheritance Certificates

Obtaining inheritance certificates and supporting heirs through court and registry procedures.

Division of the Estate

Negotiating and documenting the division of the estate between heirs, including buy-outs of heirs who wish to exit.

Inheritance Structures

Structures that allocate shares and property to heirs while keeping control and management of the business together.

Transfer of Shares and Property

Registering inherited shares with the Companies Registrar and property with the real estate registry.

Cross-border Estates

Coordinating with advisers abroad where family members or assets are outside Iraq.

KEY LEGISLATION

- **Personal Status Law No. 188 of 1959:** Inheritance, wills and family matters.
- **Civil Code No. 40 of 1951:** Ownership, gifts, contracts and transfers of property.
- **Companies Law No. 21 of 1997:** Transfer of shares and the effect of a shareholder's death.

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Ownership Structure & Agreements

We structure the companies and agreements that hold a family's business together, so ownership is clear, transfers are controlled and exits do not destabilise the group.

Many family groups have grown company by company, with informal arrangements between relatives. We bring these into a coherent structure, often under a holding company, and document the rules that bind the family as shareholders.

How We Help

Holding Structures

Holding companies and investment vehicles in Iraq and, where appropriate, foreign holding companies, trusts and foundations.

Share Transfers and Buy-outs

Pre-emption rights, buy-out mechanisms and valuation formulas for family members who wish to exit, so departures do not force a sale of the business.

Restructurings and Spin-offs

Corporate restructurings, mergers and spin-offs to separate business lines or family branches, with fair valuation and minimal disruption.

Shareholder and Family Agreements

Agreements covering voting, dividends, board seats, family employment and information rights, so every family member knows their rights as a shareholder.

Deadlock and Exit Rules

Deadlock resolution, drag-along and tag-along rights, and protection of minority family shareholders.

Corporate Secretarial

Preparing and reviewing corporate documents, minutes and statutory filings to keep every company in good standing.

> *A good shareholder agreement is written while the family agrees, so that it still works when they do not.*

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Real Estate & Asset Protection

Land and property are often a family's most valuable and most disputed assets. We help families hold, manage and protect them, and keep business risk away from family wealth.

We craft wealth-protection strategies that separate operating businesses from family assets, address assets held across borders, and comply with local and international rules.

Real Estate Structuring

- **Property Holding Structures**

  Holding family land and buildings through companies or agreed co-ownership arrangements, with clear management rules.

- **Title and Registration**

  Due diligence on title, registration with the real estate registry and resolving inherited co-ownership.

- **Leasing and Development**

  Leases, development agreements and joint ventures on family land, with terms that protect the family's long-term ownership.

Asset Protection

1. **Separating Business and Family Assets**

   Holding structures and agreements that keep family homes, savings and investments apart from the liabilities of the operating business.

2. **Legal Due Diligence**

   Thorough legal due diligence on family-owned assets and corporate structures, identifying gaps in title, licences and documents before they become problems.

3. **Cross-border Assets**

   Holding and compliance for assets held outside Iraq, working with foreign advisers so local and international rules are both met.

4. **Risk Management**

   Risk-management frameworks covering insurance, key-person and succession risk, and cyber-security compliance across the family group.

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Tax & Compliance

We advise family businesses on tax structuring and compliance, so that succession, restructuring and growth do not create avoidable tax costs or penalties.

We also act as a legal “health check” for the family group, reviewing governance documents, licences and filings regularly and coordinating with regulators, such as the Central Bank of Iraq for family-owned banks and financial companies, on licensing, reporting and approvals.

How We Help

Tax Structuring

1

Structuring ownership, transfers and transactions with corporate income tax, withholding tax and indirect taxes in mind.

Tax Compliance

2

Tax registration, annual returns and tax clearances with the General Commission for Taxes, and responding to assessments and objections.

Tax On Succession and Transfers

3

Tax implications of share and property transfers between family members and generations.

Compliance Reviews

4

Periodic legal health checks of the family group, with internal-audit support to keep governance documents up to date.

Regulatory Approvals

5

Licensing, reporting and regulatory approvals with sector regulators, including the Central Bank of Iraq where the family owns financial businesses.

Statutory Housekeeping

6

Preparing minutes, resolutions and statutory filings, and keeping company records, licences and registrations current.

KEY LEGISLATION

- **Income Tax Law No. 113 of 1982:** Corporate and personal income tax, and withholding.
- **Companies Law No. 21 of 1997:** Company formation, governance, filings and records.

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Growth, Financing & Transactions

Whether you are entering new markets, launching products, acquiring a business or bringing in a partner, we help family businesses grow without losing control of what they have built.

We lead target identification, due diligence and deal execution, and structure transactions so that family ownership, governance and succession plans remain intact after the deal.

Transactions

1. **Acquisitions and Partnerships**

   Target identification, due diligence, structuring and deal execution for acquisitions, joint ventures and strategic partnerships.

2. **Bringing In Investors**

   Private placements and minority investments, protecting the family's control and governance rights.

3. **Market Entry and New Products**

   Licences, agency and distribution agreements, and company set-up for new markets and product lines.

4. **Brands and Intellectual Property**

   Registering and protecting family names, trademarks and brands in Iraq and abroad as the business grows into new markets.

Financing

1. **Capital-raising Strategies**

   Advising on capital raising, including shareholder loans and private placements, and on how each option affects family control.

2. **Bank and Investor Financing**

   Negotiating and drafting bespoke financing agreements with banks and investment partners, including guarantees and security.

3. **Restructuring**

   Corporate restructurings, mergers or spin-offs to optimise operational efficiency and prepare the group for investment or succession.

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Strategy, Operations & Performance

Legal structure and business strategy go together. We work alongside the family, its management and its financial advisers to put the legal framework behind corporate plans, operations and performance. This includes the policies, contracts and controls that turn strategy into day-to-day practice, and the legal side of valuation, capital allocation and digital transformation.

Corporate and Financial Strategy

1. **Corporate and Financial Plans**
   Developing overarching corporate and financial plans with the family and putting the legal structure behind organisational design and capital allocation.
2. **Valuations and Portfolios**
   Business valuations for share transfers and buy-outs, and reviewing and optimising the family's investment portfolios.
3. **Cost-effectiveness**
   Reviewing contracts, suppliers and group structures to enhance cost-effectiveness across operations.

Operations and Performance

1. **Organisation and Supply Chain**
   Organisation structures for agility and growth, and supply, logistics and outsourcing contracts.
2. **Reporting and Controls**
   Establishing financial reporting, controls and metrics, and performance-management systems to monitor progress against the family's plans.
3. **Technology and Data**
   Technology and information-management contracts, fintech integrations and data-privacy compliance.
4. **Marketing and Sales**
   Brand protection, distribution, agency and sales agreements, and advice on advertising rules to support sales-force effectiveness.

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Philanthropy & Family Office

Many families want their wealth to serve the community as well as the next generation. We establish philanthropic vehicles and family offices that are well governed and compliant. We advise on foundations, endowments and grant-making under applicable charity laws, and develop bespoke family-office governance policies and operating manuals.

Philanthropy

1. **Foundations and Ngos**
   Establishing and registering charitable foundations and organisations, with governance that separates them from the family business.
2. **Endowments (Waqf)**
   Setting up endowments for charitable or family purposes, and advising on their administration and the role of trustees.
3. **Grant-making Policies**
   Grant-making policies, approval processes and reporting for philanthropic vehicles under applicable charity laws.
4. **Strategic Philanthropy**
   Aligning giving with the family's values and business, and involving the next generation in the family's philanthropy.

Family Office

1. **Family-office Set-up**
   Structuring and establishing family offices to manage investments, administration and services for the family.
2. **Governance and Manuals**
   Bespoke family-office governance policies, investment committees and operating manuals.
3. **Digital Transformation**
   Advising on digital transformation for family offices, including fintech integrations and data-privacy compliance.

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Family Business Health Check

We conduct ongoing legal “health checks”, compliance reviews and internal-audit support to keep governance documents up to date and to catch problems before they become disputes. A health check usually starts with a short set of questions. Where the answer is “no” or “not sure”, we recommend practical next steps and the documents needed to close the gap.

Governance and Ownership

1. **Is there a written family constitution?**
   and does it cover family employment, dividends and how family decisions are made?
2. **Is there a shareholder agreement?**
   Covering share transfers, buy-outs, deadlock and the exit of a family member?
3. **Are board and family roles separate?**
   Does the board meet regularly, with minutes and clear authority?

Succession and Assets

1. **Is there a succession plan?**
   Including what happens if a key family member dies or cannot work suddenly?
2. **Are wills and powers of attorney in place?**
   and are they consistent with the company documents?
3. **Are business and family assets separated?**
   and is title to land and property properly registered?

Compliance

1. **Are licences, filings and tax clearances current?**
   Across every company in the family group?
2. **Are related-party dealings documented?**
   Between the business, family members and family companies?

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Dispute Resolution

Should conflicts arise, our litigators and mediators step in to preserve relationships and reputations, guiding families through mediation, arbitration or court proceedings with discretion and a clear strategy. Family disputes are rarely only legal. We look for solutions that protect the business and keep the family together where possible, and we litigate firmly where that is not possible.

What We Handle

Shareholder Disputes

Disputes between family shareholders over control, dividends, management and exits, including claims by minority family members.

Deadlock and Governance Disputes

Board and shareholder deadlock, and challenges to company decisions, appointments and removals.

Mediation

Structured, confidential mediation between family members and branches, aiming for agreements that last.

Inheritance and Estate Disputes

Disputes between heirs over the division of shares, property and other assets, and challenges to wills and lifetime gifts.

Disputes With Partners

Disputes with joint-venture partners, investors and lenders, protecting the family's position and reputation.

Arbitration and Litigation

Arbitration and court proceedings in Iraq, and enforcement of awards and judgments.

How We Work

1. **Listen to all Sides**
2. **Assess Rights and Risks**
3. **Mediation and Negotiation**
4. **Arbitration or Court**
5. **Settlement and Implementation**

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Key Contacts

Our family business team handles sensitive family and business matters confidentially. Please contact any of us to discuss your family's business, succession or inheritance planning.



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Advises family-owned businesses on corporate structuring, restructuring and share transfers, and on inheritance, the determination of heirs and the property matters that affect family assets.



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Advises family businesses on commercial contracts and supplier arrangements, and delivers coaching on corporate governance, board responsibilities and crisis management.



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Represents family businesses in disputes between family members and shareholders, negotiates buy-outs and exits of family partners, and handles the sale, leasing and eviction matters of family-owned properties.



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Conducts title due diligence on family property portfolios, structures the transfer and partition of jointly-owned family real estate, drafts and negotiates development and joint venture agreements for family land, and liaises with land registries, municipalities and planning bodies on approvals.

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ETIHAD

Experienced Lawyers.
Unique Approach.

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MANCHESTER · DUBAI

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