**Before**

**Ali Azeem Ikram, Executive Director/HOD (Adjudication-I)**

**In the matter of Show Cause Notice issued to Meezan Bank Limited**

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| Date of Hearing | September 11, 2020, October 08, 2020, October 27,2020 |

**Order-Redacted Version**

Order dated November 5, 2020 was passed by Executive Director/Head of Department (Adjudication-I) in the matter of Meezan Bank Limited. Relevant details are given as hereunder:

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| **Nature** | **Details** |
| 1. Date of Action | Show cause notice dated July 23, 2019 |
| 1. Name of Company | Meezan Bank Limited |
| 1. Name of Individual\* | The proceedings were initiated against the Company i.e. Meezan Bank Limited |
| 1. Nature of Offence | Regulation 6(1) of the Listed Companies (Code of Corporate Governance) Regulations, 2017 read with 512 of the Companies Act, 2017 |
| 1. Action Taken | Key findings were reported in following manner:  I have gone through the facts of the case, relevant provisions of the law and the record placed before me. Based on the aforesaid, it is evident that the board comprises of ten elected directors and one Chief Executive. Therefore the bank was required to elect three independent directors as per requirements of sub-regulation (1) of Regulation 6 of the CCG Regulations read with Section 512 of the Act. However, the Bank elected only two independent directors in its election held on November 17, 2018. It is important to mention that in terms of section 158 of the Act, on expiry of terms of directors, the directors so retiring are required to hold elections. In the context, I would like to mention here that the bank immediately after the election of director apprised SECP and SBP about appointment of two directors instead of three and convened meeting of board of directors to fulfill the regulatory requirement for appointment of independent directors. Resultantly, the Respondent ratified the default by appointing 3 independent directors on the Board namely \*\*\*\*.  From the above discussion and after careful consideration of all the facts of this case, I am of the view that respondents have acknowledged default in compliance with sub-regulation (1) of Regulation 6 of CCG Regulations read with Regulation 41 of CCG Regulations. However, taking cognizance of the submissions of the Respondents w.r.t ratification of default, I hereby conclude the proceedings with a warning to Respondents with the advice to ensure compliance of law in true letter and spirit in future.  Nothing in this Order may be deemed to prejudice the operation of any provision of the Act providing for imposition of penalties in respect of any default, omission or violation of the Ordinance of the Act. |
| 1. Penalty Imposed | Nil |
| 1. Current Status of Order | No Appeal has been filed by the respondents. |