

PUBLIC FEEDBACK AND COMMISSION VIEWPOINT ON THE RECOMMENDATIONS PROPOSED BY COMMITTEE (REVIEW OF CONDUCT OF SHAREHOLDER MEETINGS OF LISTED COMPANIES)

	RECOMMENDATIONS OF THE COMMITTEE	PUBLIC FEEDBACK	COMMISSION VIEWPOINT
1	<p>Expansion of Scrutinizer’s role:</p> <p>(i) The scope of work for the Scrutinizer, appointed by a company in a general meeting in which election of directors is to be held, should be expanded to include the scrutiny/verification of nomination papers of candidates contesting the election of directors. The Scrutinizer shall also review due diligence carried out by a company (under section 166 of the Companies Act) on nominations filed for candidates in the independent directors’ category. The acceptance or rejection of nomination of any candidate should be the Scrutinizer’s responsibility. This will enhance the transparency of the process, prevent unjust rejection of nominations and reduce the risk of legal challenges to the election of directors.</p> <p>(ii) The role of the Scrutinizer may be expanded to include that of an independent Observer at the general meetings where the appointment of Scrutinizer is mandated. The independent observer would submit an Observation Report (not the minutes of the meeting) to the company within fourteen (14) working days after the meeting. Subsequently, the company can be mandated to append this Observation Report to the Minutes of the general meeting,</p>	<p>The suggestion was agreed and supported by some. It was also suggested that the final decision for acceptance and rejection of nomination paper shall lie with the company with justified reasons.</p> <p>Some others disagreed with the recommendation as there may risk of conflict between the management and scrutinizer and also increase cost.</p> <p>Other suggestions received were:</p> <ul style="list-style-type: none"> (i) the role of scrutinizer needs to be defined and further elaborated along with adequate training who would be eligible for this role. (ii) the company should manage the proxy acceptance and companies which have history of rejection of proxy and complaint may be directed by SECP for appointment of scrutinizer. (iii) proxy policy of institutions should also be vetted by scrutinizer. (iv) the entities offering ‘share registrar services’ should also be allowed to offer services as ‘Scrutinizer’ 	<p>Reform suggested by the Committee will ensure transparency and adherence to regulatory framework in the process of accepting or rejecting nominations for election of directors and proxies. It will bring discipline and create accountability. Keeping in view the nature of expertise required, the role should be performed by the auditor.</p> <p>In view of the above, public consultation is initiated for amendments in the Companies (Postal Ballot Regulations), 2018 (“Postal Ballot Regulations”). Postal Ballot Regulations already provide for role of the scrutinizer who is a statutory auditor of the company or any other auditor fulfilling requirements stated in Section 247 of the Act and having satisfactory QCR rating from ICAP. Following additional responsibilities are being proposed as per the recommendation of the Committee.</p> <ul style="list-style-type: none"> (i) Scrutiny of Nomination papers filed by the contesting directors for determining compliance with applicable legal and regulatory framework and provide recommendations to the company for accepting or rejecting any nomination. Company shall ensure adherence to the recommendations of the Scrutinizer; (ii) Review of the due diligence carried out by the company for the selection of the independent director and provide recommendations to the company. Company shall ensure adherence to the recommendations of the Scrutinizer; (iii) Review of proxy forms filed and the company secretary’s decision regarding their acceptance or rejection and give comments in the scrutinizers’ report. In the event of any non-compliance with applicable laws and regulations, it must immediately inform the company and company shall take immediate steps to rectify the non-compliance; (iv) Act as independent observer at the general meeting act as independent

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	<p>which are then submitted to SECP/PSX, as required under the law.</p> <p>(iii) In a general meeting where a Scrutinizer is appointed under Regulation 11 of the Postal Ballot Regulations, all proxy forms received by the company shall be provided to the Scrutinizer for review along with the company secretary's decision regarding their acceptance or rejection. The Scrutinizer's report under regulation 11A (2) the Postal Ballot Regulations shall contain his comments on proxy forms accepted and/or rejected by a company.</p>		<p>observer during the general meeting and submit a duly signed observation report on the conduct of the meeting to the Chairman within fourteen (14) working days after the meeting</p> <p>Moreover, the Board shall appoint the scrutinizer not later than twenty-one days before the date of general meeting and notice of the meeting shall provide the information about the scrutinizer, including but not limited to name, qualification, experience and the purpose of appointment.</p> <p>Notification of the proposed changes in Postal Ballot Regulations is attached for feedback (Annexure A).</p>
2	<p>Revision of voting scheme under category voting:</p> <p>The voting scheme under the category voting regime needs to be revised. Instead of distributing a member's total votes (shares held by him/her multiplied by the number of directors to be elected) across the three enumerated categories, he should be assigned votes on consolidated/aggregate basis which he may choose to give to a single candidate in any category or distribute among multiple candidates in the same or different categories. This shall help serve three purposes:</p> <p>i) remove the apparent inconsistency between the Companies Act and the Code of Corporate Governance</p> <p>ii) increase the competition in election of directors across all categories, and</p>	<p>Recommendation was disagreed by few in the feedback mentioning that any further change may lead to complication and distort the mix of directors. It may affect the mandatory election of directors in each category.</p> <p>Other suggested that the requirement for having one-third independent directors should be calculated based on the number of elected directors. Nominee directors should be excluded for calculation of one third members as independent directors.</p> <p>Further, for a separate category for minor shareholder director sponsor should be barred from voting in that category.</p>	<p>Although the category-wise requirement has generally been appreciated by the industry, concerns have been raised that the new mechanism may prevent minority shareholders from getting appropriate representation on the board. e.g. in the female category the candidate backed by the sponsor/majority shareholder will always win and similar pattern can be observed in other categories which have small number of seats. Issue is aggravated in the case of companies having small free floats.</p> <p>After review, it is observed that removing the concept of proportionate voting as recommended by the Committee without any mitigating measures can also adversely affect the interest of minority shareholders. e.g. if there is no candidate from minority shareholders in the female and independent categories, the candidates backed by sponsors will be elected without any reduction in voting rights. On the other hand, if minority shareholder nominates candidates in multiple categories, it will result in dilution of voting rights across different categories.</p> <p>In the light of above, it is considered that elimination of proportionate voting may not be sufficient to address the issues being highlighted and reforms in the primarily law i.e. Companies Act, 2017 may be required to ensure that revised regime does not compromise minority interest.</p>

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	<p>iii) provide a more levelled field for minority shareholders to have board representation.</p> <p>The criteria and process for number of nominee directors on a board should be defined with clarity especially in the context of category voting for election of directors. The appointment of nominee directors either by creditors or other special interests under contractual arrangements must not put minority shareholders at disadvantage by increasing the shareholding threshold required for electing a director. Moreover, a nominee director must possess basic qualification, experience and expertise required to act as a director.</p>		<p>Therefore, public consultation is initiated as to whether the category voting system may be withdrawn and re-introduced after reforms in Companies Act, 2017 and until then the previous system of voting may be reverted.</p> <p>The proposed amendments in the Companies (Code of Corporate Governance Regulations) 2019 (“CCG Regulations”) and Postal Ballot Regulations are attached.</p> <p>Further, it is agreed that for institutional investor, the nominee must possess the requisite experience and expertise.</p>
3	<p>Eligibility criteria of independent director:</p> <p>Section 166 (2c) of the Companies Act should be clarified to explain if a person with 10% or more shareholding of a listed company can contest the election of directors of that company in the independent director category.</p>	<p>Comments received that criteria for determining director’s independence should be further clarified, especially with respect to cross directorship.</p> <p>It was also suggested that directors should have vested interest in the company to hold them accountable for the decisions. Further, a shareholder who owns more than 10% or higher shareholding can’t be treated as minority shareholder as they are substantial shareholder under section 2(7) of the Act.</p> <p>It was also suggested that material business relationship be defined and three-year period as provided in the Section may be reduced to one.</p> <p>Comment was also received that the provisions are clear, one holding 10% shareholding of the body</p>	<p>Independent directors should not have material shareholding in the listed company. This is necessary to prevent conflict of interest, avoid bias in decision making, ensure better oversight of management and strike a balance between financial interest in the company’s success and maintaining the independence and objectivity while taking decisions.</p> <p>It is therefore proposed that the Code of Corporate Governance should provide that any person who holds 1% or more voting shares in a listed company should not be eligible to act as an independent director in the company.</p> <p>Amendment in CCG Regulations is proposed and attached for feedback (Annexure B).</p>

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		having material business relationship cannot contest election in independent category.	
4	<p>Amendment in the CCG regulations for casual vacancy in category of directors</p> <p>A casual vacancy arising in any category of directors should be filled by the board with a director fulfilling the requirements of that category or by adding additional independent/female director. This should be made part of the Code of Corporate Governance.</p>	<p>Recommendation was favored by one feedback provider and commented that there should be specific criteria while it was disagreed by the other and also mentioned the power rests with BOD to fill casual vacancy.</p>	<p>Recommendation agreed. However, no action required at present in view of proposal given to withdraw the category voting of election as detailed in Sr# 2.</p>
5	<p>Early election of directors (before expiry of term) may be allowed where minimum time gap between date of holding of election of directors and date of holding of AGM</p> <p>Where the gap between the date of AGM and the date of election of directors is small, a minimum period may be specified wherein companies may hold election of directors at the AGM, provided that the effective date for the appointment of directors shall be the actual date on which the directors are to be appointed.</p>	<p>The recommendation was favoured by two feedback providers.</p> <p>On the other hand, comment received that the recommendation that the effective date for the appointment of directors shall be the actual date on which the directors are appointed/elected shall be discouraged. In many instances, the companies are not able to conduct elections on date of expiry of previous Board's term, due to public holidays falling on crucial days, or any other unforeseen circumstances. Hence, the companies shall be given flexibility in holding the election prior to the expiry of the term of previous Board. Nevertheless, a timeline may be given to the companies (say e.g. 15 days or 30 days) in which the election can be conducted before expiry of previous Board's term.</p>	<p>Agreed with the recommendation as a reform for ease of doing business.</p> <p>It is proposed that companies may be allowed to hold the election of directors in the AGM where the gap between the date of AGM and the date of election of directors is not more than 15 days. The effective date for the appointment of directors shall be the actual date on which the directors are to be appointed upon completion of term of previous Board. Draft circular for the aforesaid is attached for feedback (Annexure C).</p>

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6	<p>Delays in holding the election of directors Delay in holding of election of directors shall only be permitted under extraordinary circumstances (e.g., natural calamity or court injunction) that are beyond the control of the company. Delay for any other reason should be swiftly penalized by the SECP, and directives shall be issued and enforced by the CRO/SECP for holding of the election by the subject company at the earliest possible date.</p>	<p>A suggestion received was that before penalizing the company should be given opportunity of hearing to assess if the circumstances were beyond their control. Further, the delays due to public holidays should be considered and delay should be explicitly defined.</p> <p>One feedback provider supported the recommendation and suggested penal actions should be taken against chairman and CEO where meetings have been extended without legal grounds.</p>	<p>Reform to ensure proper governance and protect shareholder interest</p> <p>Agreed with the recommendation. SOPs will be developed to ensure a transparent and standardized approach.</p>
7	<p>Voting by postal ballot (i.e. e-voting and by post) may be required for all special businesses. There will be no voting by show of hands by members who attend the meeting physically. All special resolutions should be put to poll and show of hands should be reserved for routine matters only. E-voting and postal ballots should be the preferred methods for voting on resolutions. Electronic voting machines or mobile application may be used to cast votes during the meeting. These measures shall help make the voting process quick and transparent. Paper ballots (in person) or by post may be eventually phased out.</p>	<p>The use of electronic voting machines and mobile applications was not concurred by some and commented that Postal Ballot Regulations are seen as additional compliance requirement.</p> <p>Suggestion received that the compliance with the Postal Ballot Regulations may be required in case of demand for poll only.</p> <p>Further, putting all special resolutions to poll may cause delays in approving critical and time-bound matters. Hence, the existing requirement of the Companies Act, with respect to 'demand for poll' shall remain intact. Besides, the provisions of Postal Ballot Regulations regarding 'e-voting' and 'voting through post' should only apply to general meetings of listed companies upon raising of 'demand for poll' in the general meeting in terms of the Companies Act and in case of election of directors.</p> <p>For the recommendation of the Committee that paper ballots (in person or by post) are recommended in the Report to be eventually phased out, it is suggested that</p>	<p>The suggested reform will bring efficiency, transparency in voting process while ensuring better shareholder participation in decision making over important matters.</p> <p>The recommendation of the Committee will also enable verifiable record of shareholder votes.</p> <p>Therefore, recommendation of the Committee for abolishing voting through show of hands for special business is agreed. For all special business, voting should be conducted through e-voting or ballot paper by post and show of hands to be abolished.</p> <p>It is proposed to notify under section 134(10) that for all businesses classified as special business, voting by members of the listed company shall only be through postal ballot (which includes postal ballot and e-voting). Draft notification is attached for feedback (Annexure D).</p> <p>The use of electronic voting machines, mobile applications, the option of sending a postal ballot through email is not implemented at this stage. Gradually, paper ballots need to be phased out which would reduce costs, minimize environmental impact, and aligns with modern, efficient voting practices.</p>

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		<p>the option of sending a postal ballot through email must always remain available. To ensure that such postal ballots are not missed during counting or recording, the email containing the paper ballot may also be copied to a designated email address of the e-voting service provider or regulator</p>	
8	<p>Mandatory attendance by CEO and quorum of directors</p> <p>The presence of the entire board of directors along with senior management should be encouraged at shareholder meetings particularly at the AGM, while the attendance of independent directors should be made mandatory unless there are compelling reasons for any director for not attending the meeting, which should be notified in writing to the Company Secretary/Chairperson in advance. The attendance record of directors in shareholder meetings should be included in the company's annual report and also published separately on the company website.</p>	<p>A suggestion received was that the Board of directors especially independent directors be encouraged to attend the shareholders meetings- should not be mandatory.</p> <p>Also suggested that it needs to be clarified that attendance of directors at general meeting can be in person or through video link.</p> <p>Further, encouraging full attendance of the board and senior management, along with mandatory attendance for independent directors, strengthens governance, but defining compelling reasons for absence and notification procedures are crucial.</p> <p>One suggestion received was that compulsory attendance of the entire Board's members in General Meeting of Companies is neither desirable nor advisable. Existing procedure and processes are working well.</p> <p>Comment was also received that the attendance records of directors at Annual General Meetings (AGMs) can be presented in a similar format within the annual report similar to attendance of directors at board meetings. However, these annual reports are readily accessible on the company's websites and the data portal of PSX. Publishing separate attendance</p>	<p>Encouraging the presence of the board of directors and senior management at shareholder meetings reinforces the company's commitment to accountability and transparency. Reform will enhance transparency and efficiency in the conduct of General Meetings and allow for better discourse.</p> <p>Further, active participation by the board and senior management at meetings ensures that shareholders have the opportunity to receive comprehensive updates and ask questions to those who are directly involved in the company's operations and governance.</p> <p>Overall, these practices contribute to a more transparent, accountable, and shareholder-focused governance framework.</p> <p>Agreed with the recommendation of the Committee. However, to adopt a balanced approach, it is proposed that mandatory attendance of CEO and directors (representing 1/3 of the board size or 4 directors whichever is greater) in the general meetings may be introduced by amendments in the Code of Corporate Governance. Online Participation may also be allowed for this purpose. Proposed amendment in the CCG Regulations is attached for feedback (Annexure B).</p>

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		records on the website would only result in duplication and could potentially complicate the website's outlook.	
9	All business items to be transacted at a shareholders meeting should be clearly listed on the meeting agenda specified in the notice for general meeting. Companies should not be allowed to transact any business which was not specifically listed in the agenda for meeting contained in the notice sent to shareholders.	<p>The recommendation was mostly not agreed. This restriction may hinder the flexibility necessary for effective decision making and responsiveness to urgent matters.</p> <p>An alternative approach was proposed wherein permission can be sought from shareholders present in meeting to discuss the matter and where majority of shareholders present in meeting consent to and for discussion of 'other business' the same shall be presented for voting.</p>	<p>Enhancing disclosures in notice of meeting would bring transparency in the transactions conducted in the meetings.</p> <p>Section 134 and Section 140 of the Act already provide that notice of the meeting shall specify the business to be transacted, general nature of each business, and in the case of special business, the draft resolution. The requirement of Law to be re-iterated by communicating to all listed companies.</p>
10	Distribution of gifts and serving food/refreshments should not be allowed at shareholder meetings while the annual reports be provided to shareholders through electronic means as approved by SECP or on demand at the time of meeting at (nominal) cost. The notice for a general meeting should clearly state that no gift and food shall be provided at the meeting while the hard copy of annual report shall be provided on payment of a specified charge to recover the report's cost of printing.	Recommendation mostly agreed. Suggested that light refreshment may be allowed and that Annual Reports should be provided to all the shareholders through electronic means as approved by SECP. No physical copies should be distributed on demand at a nominal cost as this would create disturbance in the conduct of the meeting as people may demand free of cost etc.	<p>Agreed with the recommendation of the Committee as it will bring improvement in conduct of shareholder meeting and ensure better and focused discourse on company affairs.</p> <p>Amendments in SRO No. 423(I)/2018 dated April 3, 2018 (issued by the Commission provides requirements relating to adequate disclosures on all special businesses in the notice of meeting) is proposed whereby the disclosure requirements in the statement of material facts attached with the notice of meeting may be enhanced in the following manner:</p> <p>Notice must state that no distribution of gifts and refreshments shall be provided at the meeting while hard copy of annual report be provided on payment of specified charge (if demanded).</p> <p>Further, it has already been allowed under the notifications issued by the Commission under SRO 1196 (I)/2019 and October 3, 2019 and SRO 389(I)/2023 dated March 21, 2023 where the annual report can be downloaded from the website of the Company or through the QR enabled code or Weblink address available in the notice of meeting (<i>for the circulation through QR code consent of shareholders is required</i>)</p>

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			Draft SRO is attached for feedback (Annexure E).
11	The PSX and SECP should ensure that a company's notices for general meetings contain the correct instructions and minimum required disclosures to shareholders for: i) attending meetings and ii) appointment of proxies.	A suggestion received that SECP should issue a standard notice which serve as a guideline for companies	SRO No. 423(I)/2018 dated April 3, 2018 issued by the Commission provides requirements relating to adequate disclosures in the notice of meeting.
12	<p>Guidelines for effective shareholder meeting</p> <p>Incorporate the following fundamental principles for holding effective shareholder meetings in guidelines for corporate governance:</p> <p>a. Provide clear instructions on how to attend and participate in the meeting.</p> <p>b. Ensure shareholders can engage in the business of the meeting whether held physically or in hybrid format.</p> <p>c. Update the meeting on matters raised by stakeholder groups that materially affect strategy, performance and culture.</p> <p>d. Ensure shareholders have the opportunity to raise questions pertinent to the meeting agenda.</p> <p>e. Shareholders must be able to cast their vote in real time or via proxy.</p>	Sub-recommendation (b) was agreed by one feedback provider but proposed that there must be some separate guidelines for the effectiveness of online meetings.	Agreed with the recommendation. It is proposed that Guidelines be issued which will also include chapter on the appointment of proxies and code of conduct for shareholder meeting.

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	f. Ensure transparency with shareholders in relation to matters discussed and issued raised at the meeting.		
13	<p>Code of Conduct and best practice for shareholder meeting:</p> <p>The Conduct of Conduct and Best Practice for Shareholder Meetings issued by the Securities Investors Association of Singapore (“SIAS”) may be adopted in Pakistan. While these guidelines cover the overall conduct of meetings (before, during and after) and applicable on both companies and shareholders, the chapter on “Rules of Etiquette Applicable to Shareholders” is particularly instructive. It lays out the guidelines for maintaining “General Decorum at the Meeting” and for “Speaking at the meeting”.</p>	<p>The proposal of issuance of Code of conduct is strongly supported for maintaining decorum and prevent disruption at or during the meeting. The proposed principles of SIAS be aligned with best practice and will contribute to an improved conduct of shareholder meeting.</p> <p>However, the Commission should be mindful of the practical implications for implementation of such guidelines in Pakistan’s environment. It was also suggested that there is a need to ensure uniform adherence to these guidelines across all listed companies in Pakistan, considering the diverse nature of corporate structures and practices.</p> <p>The recommendation was disagreed by one and stipulated that it may not be suitable due to differing investor bases and economic dynamics in both the countries. Instead, a tailored approach is needed to address specific challenges faced in shareholders meetings held in Pakistan. They further suggested enhancing existing complaints portals of regulators or utilizing registrar/e-voting service provider portals to resolve shareholder grievances effectively within Pakistan's socio-economic context.</p>	<p>Issuance of the Code of Conduct will significantly improve the manner in which shareholder meetings are conducted and address issues which prevent meaningful discourse.</p> <p>Agreed with the recommendation of the Committee. Code of conduct may be made part of the guidelines as discussed above.</p>
14	<p>Audio and video recording of shareholder meetings:</p> <p>(i) Audio and video recordings of all shareholder meetings should be made and archived by companies, and be made readily available to the regulators, if</p>	<p>Mostly did not agree with the recommendation of audio and video recording.</p> <p>However, concurrence by some was also received with a suggestion was received to telecast meeting on SECP’s website as recording will result in more transparency.</p>	<p>To bring transparency, it is proposed that amendment in CCG Regulations may be made where the Chairman of the Board is encouraged to take necessary steps for recording the entire proceedings of the general meeting(s) by audio and visual which shall be archived and made available to the Commission and PSX when required. Proposed amendments in CCG Regulations is attached for feedback (Annexure B).</p>

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	<p>required. Detailed technical requirements (number and positioning of cameras, audio system, capturing video/screen image of speaker, etc.) for effective audio/video recordings should be issued as separate guidelines. The sound system and display screens should be such that participants joining virtually and physically should be able to clearly hear and see each other.</p> <p>(ii) All general meetings whether held in physical, virtual or hybrid format shall be video-recorded with good sound and picture quality. The meeting recordings from all cameras shall be professionally edited and converted into a single recording. It shall be ensured that no speech/dialogue is edited out. The source video recordings and the final edited version shall be kept safe by the company for a period of at least three (3) years.</p>		

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15	<p>Electronic portal/communication channel</p> <p>(i) A mechanism/procedure such as an electronic portal/communication channel should be in place to enable the individual shareholders send questions on agenda items ahead of the general meeting. Questions submitted in advance and answers to such questions should also be presented at the AGM.</p> <p>(ii) The launch of E-Governance portal currently being jointly developed by CDC and PICG will be an interactive and user-friendly platform designed to provide shareholders with easy access to comprehensive information on corporate governance practices. It will serve as a one-stop hub for resources, training, and learning modules, catering to shareholders of various levels of experience and expertise. Furthermore, it will include services to assist in corporate governance functions, such as e-Meetings, e-Voting and e-Proxy, and thus equip the shareholders and issuers with the tools to make sound governance decisions. The portal will be helpful in enhancing shareholder knowledge, fostering engagement and empowering shareholders.</p> <p>(iii) Companies shall be encouraged to provide a communication channel preferably in the meeting notice for shareholders to send in</p>	<p>Some have suggested that only agenda related questions should be entertained which should be time bound.</p> <p>Clarity on the working of E-governance portal was also demanded.</p> <p>The recommendation was not agreed by some feedback provider. It was also emphasized that the security and integrity of the portal should be ensured to prevent manipulation of fraud.</p>	<p>PICG and CDC are already working on the e-governance platform which will be an interactive and user-friendly platform.</p> <p>The subject platform will bring transparency and facilitate greater participation and interaction by the shareholders.</p>

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	<p>their questions regarding items on meeting agenda and sharing other feedback and concerns about the company's policies and strategy. For example, a shareholder may have questions about the annual financial statements to be approved in AGM. The company may choose to address the shareholder questions and concerns ahead of the meeting or during the meeting.</p> <p>(iv) Contesting an election of directors should be made possible via the E-Governance portal to make the process transparent while allowing the shareholders to nominate contestants easily. Complete credentials and profile of contestants should be visible via the directors' database for transparency and effective voting.</p> <p>(v) A digital platform for appointing proxy (e-Proxy system), operated by depository, may be introduced whereby the shareholder could electronically appoint another person as his/her proxy for shares held in CDS. This shall eliminate the risk of wrongful rejection of proxy form by any company while also saving the company time and effort consumed in verification of physical proxy forms.</p>		
16	<p>Electronic voting facility requirement for all resolutions (ordinary and special) Expand the requirement for listed companies to provide electronic voting facility, which is</p>	Not agreed by some. Mentioned that by declaring EVM mandatory, it may lead to bureaucracy and slow down the entire decision-making process.	<p>Reform to improve shareholder participation in decision making</p> <p>As per public feedback received, companies have opposed this suggestion as it will increase cost and in the opinion of companies can affect the decision-</p>

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	<p>presently mandatory for voting on resolutions for special business and for election of directors, to all types of resolutions (ordinary and special). This shall enable the shareholders to cast their votes without physically attending the meetings thereby minimising the need for voting through proxies.</p> <p>The use of technology (E-Proxy and E-Voting) can address the shareholder concerns about rejection of proxy forms and allowing electronic voting on all resolutions (ordinary and special) shall provide greater transparency in the conduct of business during general meetings.</p>	<p>Reprimanding incorrect acceptance of proxy forms by the company secretary as well within this recommendation, in order to discourage wrongful inclusion of voting shares to pass a resolution.</p>	<p>making process. Further, it is observed that the e-voting for special business and election of directors was made mandatory in December 2022. It is therefore suggested that mandatory e-voting for all types of resolutions may be introduced in later half of 2025 to allow for a phased approach.</p>
17	<p>Notice of meeting</p> <p>(i) In addition to sending the notice of general meeting to members by post, companies must ensure distribution of the same through electronic means (emails and website) and maintain verifiable record of its dissemination within the stipulated time period.</p> <p>(ii) The requirement of publishing meeting notices in newspapers may be done away with.</p> <p>(iii) Moreover, companies should be encouraged (or mandated) to add explanatory memoranda to notices (in simple language to the extent possible) particularly when any special business item is on the meeting agenda.</p>	<p>Some agreed with recommendation (i) and (ii).</p> <p>On sub-recommendation (iii), guidance required on creating effective explanatory memoranda and establish verification mechanisms to ensure all shareholders receive meeting notices.</p> <p>Some not supported the sub-recommendation (iv), stating that overly detailed and complex explanations of valuation methodologies and bases may be challenging for non-expert shareholders to understand and grasp, which may impede decision making.</p> <p>Further, requiring detailed explanations for valuation pertaining to merger & acquisitions, investment and disinvestment activities as it might add unnecessary complexity in the process, elongate the process and increase the resources and time required to complete the transactions.</p>	<p>The reforms recommended will ensure timely and efficient communication with shareholders while increasing the quality of reporting.</p> <p>(i) Ensuring that meeting notices are distributed electronically (via email and website) enhances accessibility and timeliness for the meetings. Sending of notices through email with the annual accounts is already covered for annual general meetings in SRO 787 (I)/2014 dated September 8, 2014 subject to certain conditions provided in the said SRO. For all other shareholder meetings, a notification may be issued for sending notice of meeting via email. Draft SRO is attached for feedback (Annexure E).</p> <p>(ii) The recommendation of the Committee is agreed and sending notice through newspaper may be abolished. It will reduce redundant costs and aligns with the shift towards digital communication. This will require amendment in Companies Act.</p> <p>(iii) Agreed. An explanatory memorandum in simple language would help shareholders in understanding the agenda, especially for special business items. Section 134 and Section 140 of the Act already provide that notice of</p>

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	<p>(iv) Furthermore, in case of mergers, acquisitions, investments, divestments, sale of assets, etc., the company should explain the basis for valuation and other considerations that the company's board of directors relied on for its decision. Additional public disclosures may be mandated when the transaction involves related parties.</p>	<p>It was also mentioned that certain aspects of these transactions may involve proprietary and confidential information and may be subject to unnecessary risks. However, summary of key factors considered by the BOD in reaching its decision while safeguarding confidential details can be provided.</p>	<p>the meeting shall specify the business to be transacted, general nature of each business, and in the case of special business, the draft resolution. The requirement of Law may be re-iterated by issuing a letter to all listed companies. Strict enforcement action to be taken in case of non-compliances.</p> <p>(iv) Agreed. Detailed explanations for valuations and considerations in significant transactions (like mergers or acquisitions) enhances transparency and helps shareholders understand the rationale behind the board's decisions. This is especially important for related party transactions, where additional public disclosures safeguard against conflicts of interest and promote trust in the decision-making process. SRO No. 423(I)/2018 dated April 3, 2018 issued by the Commission provides requirements relating to adequate disclosures on all special businesses in the notice of meeting hence, SRO may be amended/updated. Draft SRO is attached for feedback (Annexure E).</p>
18	<p>Short Notice Period for urgent matters:</p> <p>In exceptional situations, a shorter notice period of not less than seven (7) days may be allowed for holding EOGMs when any urgent matter requires faster shareholder approvals. However, the company must disclose valid and verifiable reasons for a shorter notice period.</p>	<p>Generally agreed as it will expedite decision making in urgent matters. However, the company must disclose valid and verifiable reasons for a shorter notice period.</p> <p>Suggestion also received that relaxation in notice period should be allowed with prior consent obtained from certain percentage of shareholders, to protect their rights and ensure their participation. Further, the notice for short period may be sent through emails to shareholders, uploading on website and publication in widely circulated newspapers as well as PSX announcements. It was also suggested that the applicability of e-voting/postal ballot regulations may be either waived or time bound specific requirements should be revised and relaxed.</p> <p>If a shorter notice period for a general meeting is allowed, the applicability of e-voting/postal ballot</p>	<p>A shorter notice period allows the company to address urgent matters promptly, which can be crucial for maintaining operational efficiency and capitalizing on time-sensitive opportunities. Amendment in Companies Act, 2017 will be required.</p>

	RECOMMENDATIONS OF THE COMMITTEE	PUBLIC FEEDBACK	COMMISSION VIEWPOINT
		<p>regulations should either be waived, or time-bound specific requirements should be revised and relaxed accordingly.</p> <p>One disagreed with the recommendation as there might be possible risk that the proposed relaxation may be misused.</p>	
19	<p>Change in the number of directors fixed by the Board</p> <p>If shareholder approval is required for change in the number of directors then it should be sought in a separate general meeting from the one in which election of directors shall take place.</p>	<p>Few did not support the recommendation as it may increase cost and will delay the election. Recommendation supported by one.</p>	<p>Agreed with the recommendations of the Committee. Amendments will be required in Companies Act, 2017. The aforesaid changes will bring transparency and protect minority interest.</p>
20	<p>The term 'ex-officio' director should be clarified and the process of appointment of government officials on SOE boards should be streamlined to remove any procedural hiccups and regulatory deviations.</p>	<p>One comment received that the Government nominee directors may be selected and appointed in line with the procedure laid down under the "State Owned Enterprises (Governance and Operation) Act, 2023". They should not be appointed through election process and their change is at pleasure of the Government.</p>	<p>Agreed. Will require Amendments in Companies Act, 2017 for defining "ex-officio". For matters pertaining to SOEs, recommendations will be shared with Ministry.</p>
21	<p>Information in website of companies</p> <p>The investor information section on a company's website shall carry detailed information about the upcoming general meeting, including: i) date, time and place of meeting; ii) helpline number and email address for any queries regarding the meeting; iii) complete notice of the meeting in html format; iii) additional information/annexures preferably in machine readable/searchable format; iv) profiles of all candidates, in case of directors' elections; v) proxy form in pdf format</p>	<p>No comments</p>	<p>Website maintenance related SRO (S.R.O. 1196 (I)/2019 dated October 3, 2019) will be updated with respect to the code of conduct of meeting with the guidelines being issued on the effective shareholder meeting as discussed in Sr# 13. Other disclosures recommended are already included in the aforesaid SRO.</p>

	RECOMMENDATIONS OF THE COMMITTEE	PUBLIC FEEDBACK	COMMISSION VIEWPOINT
	with editable fields for blanks required to be filled in; and vi) a code of conduct for meeting.		
22	A YouTube channel may be created by PSX, SECP or PICG for creating awareness and educating shareholders on different aspects of general meetings including the applicable regulatory provisions, rights and responsibilities, code of conduct, penalties for misconduct, how to ask questions, etc. The channel shall be promoted via other social media platforms and advertising media.	No comments	For awareness, PSX has created a YouTube channel while SECP also operates a Jama Punji YouTube channel.
23	A calendar/record of director election of all listed companies should be published on PSX website. This shall enhance transparency and provide sufficient lead time to shareholders for preparing and participating in election of directors.	Agreed by one. Suggestion also made that the listed companies may be required to disseminate the announcement for election of directors and fixation of number of directors by the Board immediately after the meeting in which the Board fixes the number of directors and date of general meeting in which elections are to be held.	Agreed with recommendation to ensure better shareholder participation in General Meetings. PSX will be requested to take necessary action.
24	Only PSX's video link service/facilities should be used by listed companies for holding CBS and the latest audio and/or video CBS recordings must be kept available at a centralised online library of PSX and company websites for reference/use of market participants.	<p>Not agreed by some of the companies. Using the PSX video link service may cause disruption during the meeting and difficult for participants to follow the meeting. It will limit flexibility.</p> <p>(i) Using the PSX video link service may cause disruption during the meeting and difficult for participants to follow the meeting. Recommend to continue to use company own link.</p> <p>(ii) Mandating the use of PSX's service for corporate briefings would limit the flexibility of listed companies to choose the platform that best suits their requirements. Therefore, it would be essential not to confine this mandate solely to PSX's service.</p>	For transparency and effective shareholder meeting, the underlined recommendation agreed and PSX will be requested to take necessary action.

	RECOMMENDATIONS OF THE COMMITTEE	PUBLIC FEEDBACK	COMMISSION VIEWPOINT
		(iii) This suggestion may be reconsidered, as restricting the Companies to use only PSX's video facility will add to the costs of the Company's CBS Meetings. Alternatively, the responsibility of the quality of the video facility used by the Company can be pinned upon a designated officer of the Company holding a Statutory position such as the CEO or any other officer. Companies should have the flexibility of managing sessions as per their convenience.	
25	The CBS must be moderated by a company's Investor Relations manager or other executive of the company.	Not agreed by one as it should be left at companies' discretion either to manage the same internally or through some external engagements. Currently this is being moderated by independent analyst without any cost to the company. Managing it internally would attract not only cost but security risk to the company's hardware. Further, independent analysts conduct meetings across the companies listed on PSX and they can attract maximum audience around the globe.	Refer Serial No.23
26	The primary audience for CBS is investment analysts and fund managers and they should be permitted to attend in-person CBS only after registration. No walk-in participation in CBS should be permitted.	Not agreed by some.	Refer Serial No. 23
27	No refreshments should be served and any no gifts/souvenirs distributed at the CBS. This should be clearly stated in the company's announcement for the CBS.	Agreed by one.	Refer Serial No.23
28	In order to streamline the process, guidelines are required to be issued to companies to avoid starting the book closures on the weekends and/or public holidays.	Not agreed by one.	Refer Serial No. 23

	RECOMMENDATIONS OF THE COMMITTEE	PUBLIC FEEDBACK	COMMISSION VIEWPOINT
29	The PICG database of independent directors should be upgraded to make it more user-friendly and it may contain fields/filters to enable companies to select independent directors according to their required expertise and experience.	Some agreed with the recommendation. Also suggested that the criteria should be made more stringent and any false representation may lead to action against the concerned director. Also suggested that the fit and proper criteria for selection and appointment as independent director may also be made available on PSX website.	Agreed with the recommendation. PICG to improve the database of the independent directors to make it user friendly for the companies. Reform will bring efficiency in the manner of selection of the independent director from PICG Databank.
30	The regulatory and corporate governance structure of institutional investors in Pakistan needs overhauling. While asset management companies and insurance companies are already regulated by the SECP, all pension and other employee benefit funds should also be brought under the regulatory domain of the SECP. This could be done by the government mandating that all pension and employee benefit funds can only be managed by a fund manager licensed by the SECP.	Not agreed by one as employee benefit and pension funds are already registered and regulated by FBR in accordance with the Income Tax Ordinance, 2001. The regulation of such funds by SECP would lead to a duplication of requirements with such funds being regulated by different independent bodies.	Reforms in relevant regulations to be initiated may be looked into for Better Regulation and Oversight of Pension and Employee Benefit Funds.
31	With listed companies now required to offer video link facility for all general meetings, institutional investors should be required to ensure participation in as many general meetings of investee companies as possible. In case of overlapping general meetings of investee companies, an institutional investor should prioritise meetings and record the reasons for attending or skipping meetings. The reasons may include the relative size of investment in company, meeting agenda (transaction of special business), election of directors, etc.	No comments	Agreed with the recommendation. Reforms in the relevant regulatory framework to be initiated.

	RECOMMENDATIONS OF THE COMMITTEE	PUBLIC FEEDBACK	COMMISSION VIEWPOINT
32	<p>The participation of institutional investors in general meetings of investee companies shall either be in person through their representative (who must be an employee of the institutional investor and not otherwise associated with the investee company), or by using the video link facility. An institutional investor shall not appoint any third person as proxy for participating in any general meeting of the investee company.</p>	<p>One feedback provider added that restricting the participation of Institutional Investors in general meetings to either be in person through their representative who must be their employees also seems impractical because of;</p> <p>(i) <u>Limited Representation</u>: Forcing Institutional Investors to send only employees as representative may not adequately reflect the interests.</p> <p>(ii) <u>Technological barriers</u>: All institutional investors may have not access to reliable video link facilities particularly those based in remote areas or with limited resources effectively excluding them from participating in meetings.</p> <p>(iii) <u>Proxy Restrictions</u>: Prohibiting institutional Investors from appointing third party proxies limit their ability to efficiently exercise their voting rights.</p> <p>One stated that Institutional Investors may be encouraged to participate and vote at the general meetings but that cannot be mandated or enforced. Moreover, not all Institutional Investors are active/ interested in active participation in the general meetings of investee. Therefore, a careful approach must be taken by not forcing but only encouraging them for participation. Stock Brokers/ AMC may be an exception.</p>	<p>Agreed with the recommendations. Reforms in the relevant regulatory framework to be initiated.</p>

	RECOMMENDATIONS OF THE COMMITTEE	PUBLIC FEEDBACK	COMMISSION VIEWPOINT
33	As listed companies are now required to provide electronic voting facility to members for all businesses classified as special business under the Companies Act and for election of directors, the institutional investors must ensure that they vote electronically on these matters for all companies in their portfolios.	One person commented that casting vote is entirely shareholders right and it is worth contemplation whether it can be made mandatory for shareholders to always vote.	Agreed with the recommendation. Reforms in the relevant regulatory framework to be initiated.
34	The institutional investor's voting policy (prescribed under the stewardship guidelines and/or other regulatory requirements) shall lay out the guidelines/criteria for voting in election of directors of investee companies based on principles of diligence, independence and transparency. The institutional investor shall maintain sufficient documentation to demonstrate compliance with the voting policy.	No specific comments.	Agreed with the recommendation. Reforms in the relevant regulatory framework to be initiated.
35	Institutional investors shall maintain complete record of how they voted on resolutions in the general meetings of investee companies.	No comments	Agreed with the recommendation. Reforms in the relevant regulatory framework to be initiated.
36	There should be a regular independent evaluation of the board's performance at least every three (3) years by an external certified body/organization (e.g., PICG). This evaluation should be based on standardised criteria which may be laid out in the Code of Corporate Governance.	Agreed by one with the recommendation that there is a need for capacity building for such institutes. Others mostly disagreed as it may increase costs and time.	It is encouraged to have regular independent evaluation of the board's performance at least every three years by an external body in accordance with guidelines provided by the Commission. Proposed amendments in the CCG Regulations is attached for feedback (Annexure B) .
37	At least 10 years of experience at senior management level may be required for an individual to be appointed as director of a listed company	Mostly not agreed. However, suggested that that senior management need to be defined.	Recommendation not agreed as per the light of public feedback as it may restrict diversity on the Board and prevent relatively young knowledgeable persons from acting as directors. Moreover, it may undermine the pari passu right of every shareholder to contest the election as a director. It may also be a challenge where companies are run by a family (holding controlling interest).

**Government of Pakistan
Securities and Exchange Commission of Pakistan**

Islamabad, October 9, 2024

NOTIFICATION

S.R.O.1640(I)/2024.- The following draft amendments to the Companies (Postal Ballot) Regulations, 2018, proposed to be made by the Securities and Exchange Commission of Pakistan, in exercise of powers conferred by section 512 read with Section 134 of the Companies Act, 2017 (XIX of 2017), are hereby published for information of all persons likely to be affected thereby and notice is hereby given that objections or suggestions, if any, received within fourteen days from the date of its publication in the official Gazette may be taken into consideration by the Commission, namely:-

DRAFT AMENDMENTS

In the aforesaid Regulations, -

- (1) in regulation 4, for sub-regulation (4) the following shall be substituted, namely:-

“(4) In case of election of directors and transactions specified as special business under the Act, a listed company shall send the required information to members as provided in sub-regulations (2) and (3) not later than seven days before the date of general meeting and the provisions of regulation 7 shall apply.”
- (2) in regulation 10, in sub-regulation (3) the proviso shall be omitted .
- (3) in regulation 11, in sub-regulation (1) for the proviso the following shall be substituted, namely:-

“Provided that the scrutinizer shall be appointed not later than twenty-one days before the date of general meeting and notice of the meeting shall provide the information about the scrutinizer, including but not limited to name, qualification, experience and the purpose of appointment”;
- (4) in Regulation 11A, in sub-regulation (1), in clause (g), the word “and” at the end shall be omitted and thereafter following new clauses shall be added, namely:-
 - “(ga) scrutinize all the nomination papers filed for contesting the election of directors for determining compliance with applicable legal and regulatory framework and provide recommendations to the company for accepting or rejecting any nomination. Company shall ensure adherence to the recommendations of the Scrutinizer;
 - (gb) review the due diligence carried out by the company for the selection of the independent director from the data bank and provide recommendations to the company and the company shall ensure adherence to the recommendations of the Scrutinizer;
 - (gc) review the proxy forms filed with the company, and the company’s decision regarding their acceptance or rejection. In the event of any non-compliance with applicable laws and regulations it must immediately inform the company and company shall take immediate steps to rectify the non-compliance; and

- (gd) act as independent observer during the general meeting and submit a duly signed observation report on the conduct of the meeting to the Chairman within fourteen (14) working days after the meeting; and”;

- (5) For Annexure I and Annexure II, following shall be substituted, namely:-

“Annexure I

[Regulation 8]

Ballot paper for voting through post for poll to be held on (time, date and place of poll)

(Name of Company and Logo)

Complete contact details (including website address)

Designated email address of the Chairman at which the duly filled in ballot paper may be sent:

Name of shareholder/joint shareholders	
Registered Address	
Number of shares held and folio number	
CNIC Number (copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government.)	

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (√) mark in the appropriate box below (delete as appropriate);

Sr. No.	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)

In case of election of directors

Sr. No.	Name of directors	No. of ordinary shares, used for voting in favor of the director	Number of votes (number of voting shares X number of director to be elected)

Signature of shareholder(s)

Place:

Date:

NOTES:

1. Duly filled postal ballot should be sent to chairman ----- (Name, business address, email of chairman).
2. Copy of CNIC should be enclosed with the postal ballot form.
3. Postal ballot forms should reach chairman of the meeting on or before-----(last date of receiving postal ballot). Any postal ballot received after this date, will not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC.
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.";

**“Annexure II
Regulation 10 and 11A
Results of Voting on Resolutions/ Execution Report**

Name of the Company	
Date of the general meeting	
Date of poll	
Dates for casting e-voting	
Last date of receiving postal ballot	
Any other related information	

Resolutions

Resolution 1	Details
Resolution 2	Details
Resolution 3	Details

Vote casted in person or through proxy:

Particulars			Result of resolutions (In case of election of directors amend accordingly)							
Name of member*/ Folio No.	Present in person or through proxy	No. of Shares held or no. of votes	No. of votes casted	No. of invalid votes	Resolution No. 1		Resolution No. 2		Resolution No. 3	
					Favor	Against	Favor	Against	Favor	Against
Total										

**In case of votes casted through proxy, mention the name of the proxy holder besides names of the member.*

Vote casted through e-voting:

Particulars		Result of resolutions (In case of election of directors amend accordingly)				
Name of member*/ Folio No.	Shares held or no. of votes	No. of votes casted	No. of invalid votes	Resolution No. 1	Resolution No. 2	Resolution No. 3

				Favor	Against	Favor	Against	Favor	Against
Total									

Vote casted through post:

Particulars		Result of resolutions (In case of election of directors amend accordingly)							
Name of member*/ Folio No.	Shares held or no. of votes	No. of votes casted	No. of invalid votes	Resolution No. 1		Resolution No. 2		Resolution No. 3	
				Favor	Against	Favor	Against	Favor	Against
Total									

Consolidated result of voting


Sr. No.	Resolutions (In case of election of directors amend accordingly)	Total No. of Shares/ Votes held	Total Number of votes Casted	Total Number of Invalid Votes	Number of Votes Casted in Favor	Number of Votes Casted Against	Percentage of Votes Castes in Favor	Resolution Passed/ Not Passed	Remarks
1.	Resolution 1								
2.	Resolution 2								
3.	Resolution 3								

Signature of Chairman

Place:

Date:]”.

[File No. SMD/PRDD/2(321)/2022]


(Bilal Rasul)
Secretary to the Commission

Government of Pakistan
Securities and Exchange Commission of Pakistan

Islamabad, October 9, 2024

NOTIFICATION

S.R.O.1639(I)/2024.- The following draft amendments to the Listed Companies (Code of Corporate Governance) Regulations, 2019, proposed to be made by the Securities and Exchange Commission of Pakistan, in exercise of powers conferred by section 512 of the Companies Act, 2017 (XIX of 2017), are hereby published for information of all persons likely to be affected thereby and notice is hereby given that objections or suggestions, if any, received within fourteen days from the date of its publication in the official Gazette may be taken into consideration by the Commission, namely:-

DRAFT AMENDMENTS

In the aforesaid Regulations, -

- (1) in regulation 6, after the explanation, the following new explanation shall be added, namely:-

“Explanation (II).- For the purposes of this regulation a person who, directly or indirectly holds more than 1% voting rights in a company shall not be eligible to act as independent director of that company.”;
- (2) regulation 7A shall be omitted;
- (3) in regulation 10,-
 - (a) in sub-regulation (3), in clause (v) after the words “committees” the expressions “ and it is encouraged to have regular independent evaluation of the board’s performance at least every three years by an external body in accordance with guidelines provided by the Commission”; and
 - (b) after sub-regulation (6), following new sub-regulations shall be inserted, namely:-

“(7) It shall be **mandatory** for chief executive officer and the directors of a company, representing 1/3 of the board size or four whichever is greater, to attend its general meeting(s) (ordinary and extraordinary) unless there are compelling reasons for not attending the meeting, which should be notified in writing to the company secretary/ chairman of the Board in advance.

(8) The chairman of the Board is encouraged to take necessary steps for recording the entire proceedings of the general meeting(s) by audio and visual which shall be archived and made available to the Commission and PSX when required.”.

[File No. SMD/PRDD/2(321)/2022]


(Bilal Rasul)
Secretary to the Commission



**Securities and Exchange Commission of Pakistan
Securities Market Division**

Islamabad, , 2024

Circular No. of 2024

HOLDING OF ELECTION OF DIRECTORS

The Companies under the provisions of Sections 158 and 161 of the Companies Act, 2017 (the “Act”) are required to take immediate steps to hold election of directors on expiry of the three years term of office of the directors in the annual general meeting (AGM) or extraordinary general meeting (EOGM) as the case may be. Moreover, as per Section 132 (1) of the Act, the period of holding the AGM is 120 days from the close of the financial year.

2. In compliance with the aforesaid provisions, the companies after holding the AGM hold another EOGM for the election of directors falling due which may be only after few days from the date of the AGM, resulting in administrative difficulties for the companies.

3. The Securities and Exchange Commission of Pakistan, in exercise of powers conferred under section 510 read with Section 458A of the Act i.e. measures for greater ease of doing business and in suppression of Circular No.03/2006, dated February 10, 2006, allows the companies to hold the election of directors falling due in the annual general meeting, where the election of directors is due within seven days after the date of holding the AGM. Provided the effective date for the appointment of directors shall be the actual date on which the directors are to be appointed upon completion of term of the previous Board.

**GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

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Islamabad, the __, 2024

NOTIFICATION

S.R.O. _____(I)/2024.- The Securities and Exchange Commission of Pakistan, in exercise of powers conferred under section 510 of the Companies Act, 2017 (the “Act”) read with sub-section (10) of section 134 of the Act, hereby please to notify that for all businesses classified as special business under the Act, voting by members of the listed company shall only be through postal ballot and for the purpose of this there shall be no voting by show of hands by members of the listed company who attend the general meeting physically:

Provided that members who did not cast their vote through electronic voting facility and by post prior to the date of the general meeting, shall be allowed to cast his/her vote on the day of the general meeting by way of ballot paper only.

The chairman and the scrutinizer appointed under the Companies (Postal Ballot) Regulations, 2018 shall ensure that right of members to vote in the general meeting is not affected and shall also ensure that there is no duplication of vote cast, either manually or electronically.

(Secretary to the Commission)

**GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

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Islamabad, , 2024

NOTIFICATION

S.R.O. /2024.- In exercise of powers conferred by Section 510 of the Companies Act, 2017 (Act No. XIX) and in continuation of S.R.O. 423(I)/2018 dated April 3, 2018 and S.R.O. 389(I)/2023 dated March 21, 2023, the Securities and Exchange Commission of Pakistan (SECP) hereby directs that a company shall, where applicable, while issuing notice of its general meeting, pursuant to section 134 of the Act, detailing, the following information, as applicable upon the Company, namely; -

- i) In case of mergers, acquisitions, investments, divestments, sale of assets, etc., the company shall explain the basis for valuation and other considerations that the company's board of directors relied on for its decision;
- ii) In addition to annual audited financial statements, notice of general meetings shall also be circulated via email;
- iii) Notice of the meeting shall clearly state that no gifts and refreshments shall be distributed at the general meeting;
- iv) Hard copy of annual report be provided on payment of specified charge (if demanded).

Secretary to the Commission