

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.”.

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(Bilal Rasul)
Secretary to the Commission