

Government of Pakistan
Securities and Exchange Commission of Pakistan

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Islamabad, July 7, 2023

NOTIFICATION

S.R.O. 906 (I)/2023. - In exercise of the powers conferred by section 512 read with section 134 of the Companies Act, 2017 (XIX of 2017), the Securities and Exchange Commission of Pakistan, hereby makes the following amendments in the Listed Companies (Code of Corporate Governance) Regulations, 2019, the same having been previously published in the official Gazette vide S.R.O. 227(I)/2023, dated February 24, 2023 for public consultation, namely:

AMENDMENTS

In the aforesaid Regulations, after regulation 7, the following new regulation shall be added, namely, -

“7A. Voting in separate categories for female and independent directors in the election of directors. - (1) Subject to section 154, 159 and section 166 of the Act and for the purpose of compliance with the requirements of regulation 6 and regulation 7 of these regulations, it is mandatory that voting for the election of directors of the listed company shall be held separately for the following three categories, -

- (i) the election of female directors;
- (ii) independent directors; and
- (iii) other directors.

(2) For the purpose of the election in the female category, the maximum number of seats in female category shall be one and for the independent director category the maximum number of seats shall be 2 or 1/3rd of the total board size, whichever is higher, provided that there will be no restriction on the total number of female or independent directors that can be elected on the board of the company in all categories combined.

(3) The member on his/her discretion may cast the vote to any candidate in each category of female, independent and other directors contesting the election of directors.

(4) The division of votes available to each member for a category shall be in proportion to the number of seats of directors under such category.

(5) If the number of persons who offer themselves to be elected in a category is not more than the number of directors to be elected in such category, such persons will be elected unopposed without the voting process.

(6) Where no nomination is received under the female category; and the independent directors or other directors are elected unopposed without voting process as mentioned in sub-regulation (5) which also include a female director, then voting for female category shall not be mandatory.

(7) The number of votes for each category of female, independent and other directors shall be counted separately after the completion of voting process.

(8) For the purposes of sub-regulation (1), any member who seeks to contest for election in the category of independent director or a female director, as the case may be whether retiring or otherwise, file with the company not later than fourteen days before the date of the meeting at which the elections are to be held, a notice of intention and select any one category in which he/she intends to contest for the election of director.

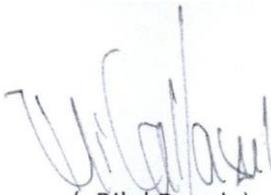
(9) For the category of the Independent Director, all the notices received by the Company under sub-regulation (8), shall be subject to due diligence by the Company as prescribed under section 166 of the Act and the Companies (Manner and Selection of Independent Directors) Regulations, 2018:

Provided that where any person has filed his/her notice of intention to contest election as independent director and after diligence by the Company under section 166 of the Act, such person is not selected, the Company shall communicate in writing the reasons for not selecting such person, clearly mentioning the legal requirement which was not met by such person, atleast seven days before the meeting in which elections are to be held.

(10) All notices received by the Company under sub-regulation (8), subject to the requirements prescribed under sub-regulation (9), shall be transmitted to all members not later than seven days before the date of meeting in the same manner in which the notice of meeting is circulated under the Act and such notice shall be published at least in one issue each of daily newspaper having nationwide circulation in English and Urdu languages with the following information for the independent and female members contesting for the election of director:

- (i) Names along with the profile and the category for which he/she is contesting for the election of director.
- (ii) Justification for selecting the candidate for the appointment of independent director.”.

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


(Bilal Rasul)
Secretary to the Commission