

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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NOTIFICATION

Islamabad, the 1st January, 2018

S.R.O. 3 (I)/2018.— The following draft Companies (Postal Ballot) Regulations, 2017, proposed to be made by Securities and Exchange Commission of Pakistan, in exercise of the powers conferred by sub-section (1) of section 512 read with section 134 of the Companies Act, 2017 (XIX of 2017) is hereby published, as a requirement of proviso to sub-section (1) of the said section 512, for information of all the persons likely to be thereby affected and hereby notice is given that comments, if any, received within fourteen days of the date of this notification will be taken into consideration, namely:-

CHAPTER I
PRELIMINARY

1. Short title and commencement. - (1) These regulations shall be called the Companies (Postal Ballot) Regulations, 2017.

(2) They shall come into force at once.

2. Definitions. - (1) In these regulations, unless there is anything repugnant in the subject or context, -

- (a) “Act” means the Companies Act, 2017 (XIX of 2017);
- (b) “authentication” means authentication through email and SMS codes for ensuring communication with legitimate member;
- (c) “Commission” means the Securities and Exchange Commission of Pakistan established under section 3 of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997);
- (d) “cyber security” includes protecting information, equipment, devices, computer, computer resource, communication device and information stored therein, from unauthorized access, use, disclosures, disruption, modification or destruction;
- (e) “electronic signature” shall be the same as defined under clause (n) of section 2 of the Electronic Transactions Ordinance, 2002 (LI of 2002); and
- (f) “electronic voting or (e-voting)” means voting through electronic mode.

(2) All words and expressions used but not defined in these Regulations shall have the same meanings as in the Act and the Electronic Transactions Ordinance, 2002 (LI of 2002).

3. Applicability. – Companies shall provide right of vote through postal ballot (voting through post or e-voting) to all members of the company subject to the requirements of Sections 143 and 144 of the Act.

CHAPTER II **Electronic Voting**

4. Responsibility of company.- (1) For the purposes of e-voting and related matters the board of directors of the company shall approve procedure for appointment of e-voting service provider in accordance with these regulations and the articles of association of the company.

(2) Subject to the requirements of section 143 and 144 of the Act, where poll is demanded in the general meeting, the company shall within seven days from the day on which it is demanded send all members following details for casting vote in a secure manner along with complete information necessary to enable them to cast vote through e-voting:

- (a) web address, login details, password and other necessary details through email;
- (b) generate security codes through SMS from web portal of e-voting service provider; or
- (c) electronic signature.

(3) The company shall ensure that agenda items are correctly uploaded for which poll was demanded in the web portal of e-voting service provider and resolve any grievances of members to enable them to cast vote through e-voting.

5. E-voting service provider.- For the purposes of e-voting and related matters every company shall appoint e-voting service provider subject to the fulfillment of requirements under these regulations.

6. Eligibility.- Following persons shall be eligible to perform the functions of e-voting service provider :-

- (i) central depository licensed under Securities Act, 2015 (III of 2015); or
- (ii) share registrar and ballotter as registered under the Share Registrars and Ballotters Regulations, 2017, subject to the following minimum requirements –
 - (a) it owns a web portal and secured system based on process of display of electronic ballots, recording of votes of the members and the number of votes polled in favour or against along with text of the resolutions, in such a manner that the entire voting exercised by way of electronic means

get registered and counted in electronic registry in a centralized server with adequate cyber security;

- (b) entire system should be certified by independent external party auditors or expert regarding information security standard (e.g. ISO Certification), penetration testing and cyber security protection, business continuity and disaster recovery arrangements;
- (c) web portal and secured system shall use following security features:
 - (i) electronic signature or authentication for communication with members;
 - (ii) maintenance of passwords in the encrypted mode in the database;
 - (iii) completely automated public turning test to tell computers and humans apart (CAPTCHA) mechanism upon login of e-voting portal;
 - (iv) secure communication by use of hypertext transfer protocol secure (HTTPS) protocol and secure sockets layer (SSL) certificate;
 - (v) significant activity by web portal users shall be logged;
 - (vi) backup of database for data loss prevention;

- (d) it is not an associated company or undertaking.

7. Procedure for e-voting. - (1) The facility for e-voting shall remain open for not less than three days and shall close at 1700 hours on the date preceding the date of the poll.

(2) Identity of the members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.

(3) Members shall cast vote online during the time specified in sub-regulation (1), provided that once the vote on a resolution is cast by a member, he shall not be allowed to change it subsequently.

(4) The e-voting services provider shall be required to keep the result of e-voting confidential and provide access to the chairman of the general meeting in which poll was demanded to unblock result of e-voting on the day of poll.

CHAPTER III VOTING THROUGH POST

8. Responsibility of Company.- (1) Subject to section 143 of the Act, the company shall, within three working days from the day of general meeting, in which poll is demanded, send a ballot paper on the format as provided in **Schedule I** to members containing resolution along with prepaid envelope through traceable and trackable postal

means and security code through email, ensuring that the postal ballot is received by the member at least seven days prior to the date of poll.

(2) The company shall provide following information to the members besides uploading the same on its website:

- (a) business address of chairman of the general meeting in which poll was demanded, where duly filled ballot paper has to be sent by members and his contact details;
- (b) detailed procedure for submission of ballot papers and procedure for members who have not received ballot paper for obtaining a duplicate thereof.

9. Procedure for voting through post.- (1) The members shall ensure that duly filled ballot paper along with copy of Computerized National Identity Card (CNIC) should reach the chairman of the meeting through post or email one day before the day of poll during working hours. The signature on the ballot paper should match with signature on CNIC.

CHAPTER IV **Result of poll**

10. Responsibility of Chairman of meeting.- (1) The chairman of the general meeting shall record the time and date of receipt of ballot papers and keep them in safe custody and ensure that the result remain confidential till voting is concluded in the meeting.

(2) No person shall deface or destroy the ballot paper or declare the identity of the member.

(3) The decision of chairman of the meeting regarding validity of the vote shall be final.

(4) The chairman of the meeting shall immediately after the conclusion of poll, count votes given in person or through video-link or through post, unblock result of e-voting in the presence of a representative of the members demanding the poll.

(5) Voting outcome on poll shall be announced by the chairman of the meeting and the results of the same shall also be published on the company's website at the earliest but not later than twenty four hours from the conclusion of the general meeting.

(6) The chairman, after announcement of result of poll shall send execution report of poll, on the format as provided in **Schedule II**, to the company who shall preserve them safely in accordance with the provisions of Section 151 of the Act.

CHAPTER V MISCELLANEOUS

11. Relaxation of Regulations. - Where the Commission is satisfied that it is not practical to comply with any requirement of these Regulations in case of a company or class of companies, the Commission may, for reasons to be recorded in writing, relax such requirement subject to such conditions as it may deem fit.

12. Repeal.- Companies (E-Voting) Regulations, 2016 issued vide S.R.O 43 (I)/2016 dated January 22, 2016 is hereby repealed.

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Schedule I
[Regulation 8]

Ballot paper for voting through post
(Name of Company and Logo)
Complete contact details (including website address)

Name of shareholder/joint shareholders	
Registered Address	
Number of shares held and folio number	
CNIC Number	
Security code	
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 (v) mark in the appropriate box below:

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)

Signature of shareholder(s)

Place:

Date:

NOTES:

1. Dully filled postal ballot should be sent to chairman -----(Name and business address 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). If any postal ballot received after this date, it will be considered that no reply from such member has been received.
4. Signature on postal ballot should matched with signature on CNIC.
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written postal ballot will be rejected.
6. Postal ballot cannot be exercised by a proxy.

Schedule II
[Regulation 10]

Execution Report

Details

Name of the Company	
Date of the general meeting in which poll was demanded	
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

Result of e-voting

Name of member/Folio No.	Shares held or no. of votes	Result of resolutions		
		Resolution No. 1	Resolution No. 2	Resolution No. 3
		No. of votes in favor or against	No. of votes in favor or against	No. of votes in favor or against
Total		XXXXXXX		XXXXXXX

Result of voting through post

Name of member/Folio No.	Shares held or no. of votes	Result of resolutions		
		Resolution No. 1	Resolution No. 2	Resolution No. 3
		No. of votes in favor or against	No. of votes in favor or against	No. of votes in favor or against

Total		XXXXXXX		XXXXXXX

Vote cast on the day of poll

Name of member/Folio No./name of proxy holder	Shares held or no. of votes	Result of resolutions		
		Resolution No. 1	Resolution No. 2	Resolution No. 3
		No. of votes in favor or against	No. of votes in favor or against	No. of votes in favor or against
Total		XXXXXX		XXXXXXX

Consolidated result of voting

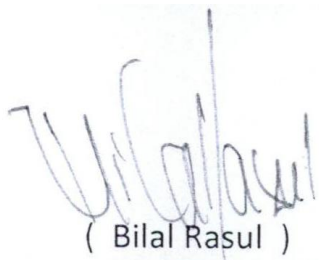
Sr. No.	Resolutions	No of votes in favor of resolution	No. of votes against resolution	Remarks
	Resolution 1			
	Resolution 2			
	Resolution 3			

Signature of Chairman

Place:

Date:

[EMD/MISC/82/2012]


 (Bilal Rasul)
 Secretary to the Commission