

PRESS RELEASE

Listed Companies Allowed to Place their Quarterly Accounts on their Websites

ISLAMABAD – 15 April 2004: The Securities and Exchange Commission of Pakistan (SEC) has allowed listed companies, subject to the prior approval of the SEC and fulfillment of certain conditions, to place their quarterly accounts on their websites in lieu of transmitting them to the shareholders by post as required under the Companies Ordinance, 1984.

Section 245 of the Companies Ordinance provides that every listed company shall, within one month of the close of the first, second and third quarter of its year of accounts, transmit to its members its accounts at the end of each quarter.

The SEC received some proposals from listed companies suggesting that circulating periodic accounts to all the shareholders by mail was a costly and cumbersome exercise and the objective of the statutory provisions in the said Section 245 would be achieved if companies were instead allowed to place the quarterly accounts on their websites. This would also ensure timely availability of information to the shareholders and investors.

After due consideration, the SEC has decided that a listed company may place its quarterly accounts on its website which will be treated as compliance with the provisions of Section 245 of the Companies Ordinance subject to fulfillment of the following conditions:

- i. The companies intending to place the quarterly accounts on their websites, instead of sending the same by post to the members, shall seek the consent of their shareholders in a General Meeting and also consult the respective stock exchanges.
- ii. The companies shall seek prior permission of the SEC for transmitting their quarterly accounts through their websites. The application made by a company for this purpose shall indicate its website address, which shall not be changed except with the approval of the SEC.
- iii. The company, after obtaining the requisite permission, shall inform its shareholders through an advertisement in the press that the subsequent quarterly accounts would be transmitted to them through the company's website.
- iv. The respective Stock Exchanges and the SEC shall be informed in writing, by post.
- v. The companies shall also transmit their periodic accounts electronically to the concerned stock exchange(s) so as to place the same on their website.

- vi. The requirement of filing the prescribed number of copies of periodic accounts with the SEC and the Stock Exchange(s) by post shall be fulfilled, in addition to transmission of the same through the website of the SEC and the Stock Exchange(s).
- vii. The listed companies shall supply the copies of the quarterly accounts to the shareholders, on demand, at their registered addresses free of cost, within one week of such demand.
- viii. A group of companies under the same management may maintain a single website instead of having an independent website for each company. Such a website however, would display the link to each company at a prominent place on its website.
- ix. The Enforcement Department of the SEC would maintain a list of companies who have been granted such permission and this list would be placed on the SEC's website.
- x. The listed companies shall also intimate the SEC, through e-mail, that quarterly accounts have been placed on their websites by the due date.