



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

**PRESS RELEASE**

**FOR IMMEDIATE RELEASE**

No. PR/MCCD/2014-37

## **Listed companies allowed to hold meetings through videoconferencing**

ISLAMABAD, April 17: In order to facilitate shareholders and to ensure their participation in meetings the Securities and Exchange Commission of Pakistan (SECP) is allowing listed companies to hold general meeting through video conferencing facility.

Listed companies can hold general meetings through videoconferencing with a view to providing larger participation and lowering attendance costs for shareholders. The facility will allow shareholders residing at different locations to participate in meetings.

Videoconferencing can be used to enhance shareholders' involvement during general meetings. The use of videoconference appears to be the best option as it allows face-to-face interaction among various people at different locations. Shareholders' general meeting through videoconference has been allowed in other jurisdictions such as India, Hong Kong, the US, and Denmark.

General meeting is an important event for the shareholders, since it is a forum where main aspects of the corporate and financial life of the company are deliberated and approved. For a minority shareholder, such meeting is often the only forum to obtain information on the company's operations and question the management regarding the company's affairs. The benefits envisioned from shareholder participation in the affairs of a company can only be realized through maximum attendance. Accordingly, the need to facilitate maximum shareholders participation and the use of modern means of communication for quick, efficient and cost-effective communication between shareholders and management/ board has been realized globally.

In this connection, the SECP will shortly issue a circular detailing the requirements and procedures for listed companies to provide video conference facility to its shareholders in general meetings. Firstly, listed companies may provide videoconference facility during their general meetings to members after considering the geographical dispersal of its members and choose locations where at least 10% members are residing and the notice of the general meeting shall state the places where video conferencing facilities can be provided. Secondly, where members holding 10% or more shareholding at a geographical location subject to availability of video conference facility, opts for videoconferencing, the company shall inform the members regarding venue of videoconference facility 5 days before the date of the general meeting, along with complete information necessary to enable the members to access such facility.

Thirdly, in a general meeting where the shareholders are allowed to participate through videoconferencing, the chairman of the meeting as well as the quorum required for the meeting shall be present in person at the place of meeting. Fourthly, the chairman shall ensure that no one other than the shareholder or proxy holder is attending the meeting through videoconference and shall take any further steps necessary to maintain the integrity of such meetings. And lastly, the chairman of the meeting shall ensure the availability of adequate facilities at specified locations without any interruption and distortion.