



Subject: AMENDMENTS IN THE REGULATIONS GOVERNING OVER-THE-COUNTER (OTC) MARKET

It is hereby notified for information of all concerned that the Karachi Stock Exchange (Guarantee) Limited with the prior approval of the Securities & Exchange Commission of Pakistan, have made the following changes in the Regulations Governing Over-the-Counter (OTC) Market of the Exchange, which have been published through the Official Gazette of Pakistan on March 9, 2005.

1. Clause 12 of the said Regulations shall be substituted as under:

12. Applicability of Listing Regulations and other allied matters:

- (a) All the provisions of Listing Regulations of the Exchange presently in force or as amended from time to time shall be applicable to the Company unless otherwise provided in these Regulations.
- (b) The Company shall be required to comply with the provisions of the Code of Corporate Governance as provided under Schedule-II to these Regulations.
- (c) The Company shall disclose in its offering documents and all subsequent financial statements that the requirement of appointment of Chief Financial Officer (CFO) and Internal Auditor under the Listing Regulations of the Exchange are not applicable on the company.
- (d) The Exchange shall have powers, for reasons to be recorded, to waive or abate the requirements of any of the Regulations in any particular case, with the prior written approval of the Commission.

2. After Schedule-I to the said Regulations, Schedule-II shall be added as under:

SCHEDULE-II

CODE OF CORPORATE GOVERNANCE FOR OVER-THE-COUNTER (OTC) MARKET

All companies listed on the OTC Market shall ensure compliance of the following Code of Corporate Governance.

- (i) The directors of listed companies shall, at the time of filing their consent to act as such, give a declaration in such consent that they are aware of their duties and powers under the relevant law(s) and the listed companies' Memorandum and Articles of Association and the listing regulations of stock exchanges in Pakistan.

Qualification and Eligibility to Act as a Director

- (ii) No listed company shall have as a director, a person who is serving as a director of ten other listed companies.
- (iii) No person shall be elected or nominated as a director of a listed company if:
 - (a) his name is not borne on the register of National Tax Payers except where such person is a non-resident; and