



PAKISTAN STOCK EXCHANGE LIMITED

PSX/N-241

NOTICE

March 01, 2019

Reproduced hereunder Circular No. 3 of 2019 issued by Securities & Exchange Commission of Pakistan regarding **Relaxation from requirement contained in Regulation 7 of the Listed Companies (Code of Corporate Government) Regulations 2017**, for information of all concerned.



Corporate Supervision Department
Company Law Division

No. EMD/Misc./D-III/2010-92

February 25, 2019

CIRCULAR NO. 3 of 2019

Subject: Relaxation from requirement contained in Regulation 7 of the Listed Companies (Code of Corporate Governance) Regulations, 2017

The Securities and Exchange Commission of Pakistan (the "SECP") through its notification S.R.O. 1216(I)/2017 dated November 22, 2017 (subsequently amended vide S.R.O. 1475(I)/2018 dated December 05, 2018) notified the Listed Companies (Code of Corporate Governance) Regulation, 2017 (the "Regulations") which came into force for the period starting after December 31, 2017.

2. Regulation 7 of the Regulations requires that, the board of directors (BoD) shall have at least one female director **when it is next reconstituted not later than expiry of its current term or within the next one year from the effective date of these Regulations, whichever is later.**

3. The SECP however received applications from listed companies seeking exemptions/relaxation from Regulation 7 of the Regulations where the BoD of the company was reconstituted immediately after the commencement of the Regulations but before the expiry of one year from the effective date the Regulations.

4. The SECP, in exercise of power conferred under section 510 of the Companies Act, 2017 (XIX of 2017) read with regulation 42 of Listed Companies (Code of Corporate Governance) Regulations, 2017, keeping in view the impediments involved and with the aim to facilitate the companies hereby grants general relaxation/exemption to listed companies where the BoD was reconstituted after the commencement of the Regulations but before the expiry of one year from the effective date of the Regulations.

5. Therefore, all such listed companies shall appoint a female director on their respective BoD in the following instances:


- i. *On the date of next election of BoD; or*
- ii. *On occurrence of a casual vacancy on the BoD before the date of next election of BoD.*

6. All such listed companies shall ensure compliance of the circular in due course.

Distribution to;

1. Pakistan Stock Exchange
2. Institute of Chartered Accountants of Pakistan
3. Institute of Cost and Management Accountant of Pakistan
4. All listed companies

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