

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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Islamabad, the 22nd February 2018

NOTIFICATION

S.R.O. 254 (I)/2018.— In exercise of powers conferred by section 512 read with section 134 of the Companies Act, 2017 (XIX of 2017), the Securities and Exchange Commission of Pakistan hereby makes the following Regulations, the same having been previously published vide S.R.O. 3(I)/2018 dated 1st January 2018 as required by section 512 of the said Act, namely:-

CHAPTER I

Preliminary

1. Short title and commencement. - (1) These regulations shall be called Companies (Postal Ballot) Regulations, 2018.

(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. – The right of vote through postal ballot shall be provided to members of-

- (a) every company, subject to the requirements of sections 143 and 144 of the Act; and
- (b) a listed company in case of election of directors.

CHAPTER II ELECTRONIC VOTING

4. Responsibility of company.-(1) For the purposes of e-voting and related matters a company shall maintain record of email and mobile number of members and the board of the company shall approve:-

- (a) procedure for appointment of e-voting service provider in accordance with these regulations and the articles of association of the company;
- (b) mode of provision of information to foreign shareholders to enable them to cast vote through e-voting.

(2) Subject to the requirements of sections 143 and 144 of the Act, where poll is demanded in the general meeting, a company shall within seven days from the day on which it is demanded send to all members complete information, including but not limited to the following, for casting vote in a secured manner as well as enable them to cast vote through e-voting:-

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

(3) Company shall ensure that agenda items for which poll was demanded are correctly uploaded in the web portal of e-voting service provider and shall 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, company shall appoint e-voting service provider subject to the fulfillment of eligibility and other requirements specified under these regulations.

6. Eligibility of e-voting Service Provider.- Following persons shall be eligible for appointment as e-voting service provider:-

- (a) central depository licensed under Securities Act, 2015 (III of 2015); or
- (b) a share registrar and balloter as registered under the Share Registrars and Balloters Regulations, 2017, subject to the following minimum requirements that –
 - (i) 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 accurately gets registered and counted in electronic registry in a centralized server with adequate cyber security;
 - (ii) its entire system is certified by independent external auditors or expert regarding information security standards (e.g. ISO Certification),

penetration testing, cyber security protection, business continuity and disaster recovery arrangements;

(iii) its 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;

(iv) it is not an associated company or associated undertaking or related party of the company appointing it as an e-voting provider.

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 (Pakistan Standard Time) 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 casted by a member, he shall not be allowed to change it subsequently.

(4) The e-voting service 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 BALLOT PAPER

8. Responsibility of Company.- (1) Subject to sections 143 and 144 of the Act, a company shall, within three working days from the day of general meeting, in which poll is demanded, publish ballot paper in English and Urdu languages at least in one issue each of a daily newspaper of respective language having nationwide circulation substantially on the format as provided in **Annexure I** containing the draft resolution and following information:

- (a) business address and contact details of chairman of the general meeting in which poll was demanded, where duly filled ballot paper has to be sent by members;
 - (b) detailed procedure for submission of ballot papers.
- (2) The Company shall also upload the ballot paper and information given in sub-section (1) on its website.

9. Procedure for voting through ballot paper.-(1) The members shall ensure that duly filled and signed 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 shall match with the signature on CNIC.

(2) In case of foreign members and representatives of a body corporate, corporation and Federal Government, acceptability of other identification documents in lieu of CNIC shall be approved by the board of the company.

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, keep them in safe custody and ensure confidentiality of the result till it is formally announced after the conclusion of the voting in the meeting.

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

(3) The chairman of the meeting shall immediately after the conclusion of poll, count votes cast during time of poll in person, through proxy, video-link and post and in case of e-voting unblock result of e-voting in the presence of a representative of the members demanding the poll.

(4) Result of poll shall be announced in the meeting by the chairman of the meeting and it 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.

(5) The chairman, after announcement of result of poll shall send execution report of poll, substantially on the format as provided in **Annexure II**, to the company who shall preserve it safely in accordance with the provisions of section 151 of the Act.

CHAPTER V ELECTION OF DIRECTORS

11. Election of directors. (1) In case of election of directors, if the number of persons who offer themselves to be elected is more than the number of directors fixed under sub-section (1) of section 159 of the Act, a listed company shall:

- (a) in case of e-voting, send information to members as provided in sub-regulation 2 and 3 of regulation 4, not later than seven days before the date of general meeting and the provisions of regulation 7 shall apply.
- (b) in case of voting through ballot paper, publish the ballot paper and information as provided in regulation 8 in newspapers, shall also upload the ballot paper on its website not later than seven days before the general meeting and the provisions of regulation 9 shall apply.

(2) The chairman of the meeting shall immediately after the conclusion of voting for election of directors, count votes casted during the meeting in person, through proxy, video-link and post and in case of e-voting unblock result of e-voting and announce result in accordance with sub-regulation 4 and 5 of regulation 10.

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

Annexure I

[Regulation 8]

Ballot paper for voting through post for poll to be held on (time, date and place of poll)

(Name of Company and Logo)

Complete contact details (including website address)

Designated email address of the Chairman at which the duly filled in ballot paper may be sent:

Name of shareholder/joint shareholders	
Registered Address	
Number of shares held and folio number	
CNIC Number (copy to be attached)	
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 (delete as appropriate);

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)

In case of election of directors

Sr. No.	Name of directors	No. of ordinary shares, used for voting in favor of the director	Number of votes (number of voting shares X number of director to be elected)

Signature of shareholder(s)

Place:

Date:

NOTES:

1. Dully filled postal ballot should be sent to chairman -----(Name, business address, email 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). Any postal ballot received after this date, will not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC.
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

Annexure 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 (In case of election of directors amend accordingly)		
		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 (In case of election of directors amend accordingly)		
		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 (In case of election of directors amend accordingly)		
		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

Consolidated result of voting

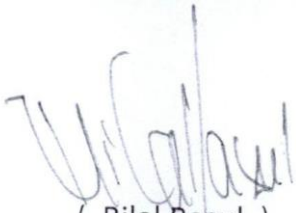
Sr. No.	Resolutions (In case of election of directors amend accordingly)	No of votes in favor of resolution	No. of votes against resolution	Remarks
	Resolution 1			
	Resolution 2			
	Resolution 3			

Signature of Chairman

Place;

Date;

[EMD/MISC/82/2012]



(Bilal Rasul)
Secretary to the Commission