



DIRECTIVE

10 December 2020

No. SEC/CMRRCD/2009-193/15/Admin/112—Whereas, the Bangladesh Securities and Exchange Commission (hereinafter referred to as the ‘Commission’) deems it fit that the consent already accorded by the Commission, or to be accorded by it in future, to the issue of capital in Bangladesh, or public offer of securities for sale, and the Central Depository Bangladesh Limited (CDBL), shall be subject to certain further conditions or directions, as the case may be, in the interest of investors and the securities market;

Now, therefore, in exercise of the power conferred by the section 2CC and section 20A of the Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969), and in continuation of the Notification No. BSEC/CMRRCD/2009-193/217/Admin/90 dated 21 May 2019, the Commission hereby imposes the following:-

If the sponsor(s) and director(s) of any listed company fail to jointly hold minimum 30% (thirty percent) shares of the paid up capital of a company at all time, the following actions imposed by the Commission in addition to the existing conditions shall be taken immediately:

1. The Board of Directors of the company shall appoint additional 02 (two) independent directors subject to prior approval of the Commission and such provision of appointment shall continue till compliance of 30% (thirty percent) shareholding requirement:

Provided that the independent directors such appointed shall serve to oversee the compliance of 30% (thirty percent) shareholding requirement and remain in the board upto the end of the tenure which shall not be for more or less than 01(one) term, unless not removed or resigned.

2. A committee comprising independent directors including the independent directors under clause 1(one) shall be formed to oversee the progress of 30% shareholding compliance.
3. The independent directors appointed under clause 1 (one) shall submit quarterly report within 10 (ten) days of quarter end to the Commission on progress of compliance towards 30% shareholding requirement.
4. Such company shall conduct its general meeting (AGM or EGM) using Hybrid System (i.e. in combination of physical presence and digital platform) ensuring the rights of its shareholders within 45 (forty-five) working days from the issuance of this Directive or any other instruction of the Commission, as applicable.



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5. The Board of CDBL shall form a 03 (three) members election commission (EC) headed by a Chief Election Commissioner to conduct the election for the position of director (s) of the company, and the EC shall declare election schedule for conducting election in the general meeting of the shareholders.
6. CDBL shall provide a list of eligible candidates (mentioning name of shareholders and percentage (%) of shareholding position) to the concerned company who hold individually at least 2% shares of the paid-up capital of the company as per record date of relevant meeting for the election of the position of director(s) of the company, and publish the same list along with a voters' list and other relevant information for voting in advance in their website with intimation to the shareholders through SMS.
7. Upon the list provided by CDBL under clause 6, the board of directors of the company shall recommend the name of eligible candidates for the election of the position of director(s) of the company through e-voting system subject to compliance with the Companies Acts, 1994 (Act No. 18 of 1994) and other relevant laws:

Provided that, for the purpose of compliance of 30% shareholding requirement, in case of non-existence of board of directors of the company or non- recommendation by the existing board of directors, the list provided under clause 6 shall be considered as the recommended names of eligible candidates for election of the position of director(s) of the company.

8. CDBL shall provide on-line/e-voting platform/system or any other digital platform for all the shareholders holding shares either in paper or dematerialized form, and the company shall facilitate for pre-registration of shareholders in the said platform or system for integration with CDBL.
9. The platform or system provided by CDBL under clause 8 shall ensure the following rights or facilities of members/shareholders of the Company:
 - (a) The facility of on-line/e-voting platform/system or digital platform shall be for the shareholders holding shares in paper or dematerialized form to exercise shareholder's voting right on the appointment of director(s) or on any other resolution proposed to be considered in the general meeting;



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- (b) For the purpose of attending in the general meeting and casting vote(s) on behalf of the entitled shareholder(s) at the venue either by physical electronic ballot or e-voting, the issuer company shall send proxy form in hard/ soft through online to shareholders mentioning that a holder may vote either for or against each resolution;
- (c) The facility for on-line (real time)/ e-voting shall be agenda-wise voting option either for/ or against each resolution and shall be open, not less than 01(one) and not more than 3 (three) days prior to the meeting;
- (d) On-line (real time)/e-voting shall be kept open up to the closure of meeting on the day of the general meeting;
- (e) The due process of election and detailed information of voting results shall be authenticated by CDBL and shall be reported to the Commission for approval within 48 (forty-eight) hours of completion of the respective company's general meeting;
- (f) The stock exchange may appoint any official (not below the position of Assistant General Manager or equivalent) of the exchange as an "Observer" in the general meeting of shareholders.
- (g) The EC shall resolve any dispute, if any, related to the election.
- (h) The Commission shall act as the appellate authority regarding any decision of the EC, and the Commission's decision shall be final and conclusive.

This Directive shall have immediate effect.

By order of the Bangladesh Securities and Exchange Commission

Professor Shibli Rubayat-Ul-Islam
Chairman.