



বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন
সিকিউরিটিজ কমিশন ভবন
ই-৬/সি আগারগাঁও, শের-ই-বাংলা নগর প্রশাসনিক এলাকা, ঢাকা-১২০৭
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NOTIFICATION

1 September 2020

No. SEC/CMRRCD/2009-193/07/Admin/.....- Whereas, the Bangladesh Securities and Exchange Commission (hereinafter referred to as the 'Commission') deems it fit that the issuer company listed with the stock exchange(s) but remains in "Z"-category in accordance with the respective regulations of the stock exchange(s) (hereinafter referred to as the 'Listed Companies, traded under "Z"-category) shall be subject to certain further conditions in the interest of investors and the securities market;

Now, therefore, in exercise of the power conferred by section 2CC of the Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969), the Commission hereby imposes the following further conditions to the consent already accorded by it to the issuer company listed with the stock exchange(s) but remains under "Z"-category in accordance with the respective regulations of the stock exchange(s), namely:-

1. The sponsors and existing directors of "Z"-category companies shall not be able to execute any type of buy or sale or transfer or transmission or pledge of shares after placement of the company in "Z"-category without prior approval of the Commission.
2. The Board of Directors of a "Listed Company trading under "Z"-category" shall be reconstituted, within 45 (forty five) working days from the first day of placement of the company to the "Z"-category, by the existing Board of Directors from the shareholders to be eligible for director(s), and the Commission shall nominate or appoint one or more Independent Director(s).
3. All the Listed Companies trading under "Z"-category shall hold Annual General Meeting (AGM) within 6 (six) months immediate to the closing of the financial year subject to the limitations and compliances in other regulatory frameworks.
4. All the Listed Companies trading under "Z"-category shall conduct its general meeting of shareholders (AGM or EGM) through physical presence or using digital platform or using Hybrid System (in combination of physical presence and digital platform) ensuring the following rights or facility of its members or shareholders subject to the limitations and compliances in other regulatory framework:

- (1) The issuer company shall provide a facility for e-voting through on-line platform or system or digital platform for the shareholders holding shares in physical and



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dematerialized form to exercise shareholder's voting right on any resolution proposed to be considered at the general meeting.

- (2) In case of attending in the general meeting on behalf of the entitled shareholders and casting their vote at the venue either by physical electronic ballot or e-voting, the issuer company shall send proxy form in hard or soft or online to the holders of shares mentioning that a holder may vote either for or against each resolution.
 - (3) The facility for on-line (real time) or e-voting shall be agenda-wise voting option either for or against each resolution and shall remain open for not less than 1(one) day but not and more than 3 (three) days prior to the meeting.
 - (4) On-line (real time) or e-voting shall be kept open up to the closure of meeting on the day of the general meeting.
 - (5) The issuer company shall provide one-way live or live streaming or webcast of the proceedings of all shareholders' meetings.
 - (6) In case of e-voting (off-line), the detailed information of voting results shall be authenticated by an independent scrutinizer as approved by the Commission and shall report to the Exchange(s) within 48 (forty-eight) hours of conclusion of its General Meeting.
 - (7) An entity enlisted with the Commission shall provide the service of digital platform for conducting general meetings of shareholders and on-line or e-voting platform or system.
 - (8) The stock exchanges may nominate any senior official of the exchange as an observer in the general meeting of shareholders.
5. In case of failure to reconstitute the Board of Directors of the "Listed Companies" as above, or the "Listed Companies trading under "Z"-category" for a continuous period of 2 (two) years, or more, the following measures may be taken by the Commission:
- (1) All the sponsors and existing directors of the company shall not be allowed to represent or be elected as a director in the Board of any listed company or in any Board of the exchange(s) or in the Board of any market intermediary of capital market.
 - (2) The Commission shall appoint auditor(s) at the cost of the Commission for conducting special audit of its financial statements and the affairs of the issuer company.
 - (3) Upon the auditors' special audit report as appointed under sub-condition (2) and observation thereof, the Commission may nominate any official of the Commission not below the 5th Grade of National Pay Scale, or any person, or assign any competent existing independent director, as an observer to observe the affairs of the issuer company



and in the meeting of the Board of Directors, for the purpose of reconstitution of its Board of Directors.

6. The reconstituted Board of Directors shall:

(1) Within 6 (six) months from the said reconstitution,-

- (a) identify the specific reasons for the company's failure in operating and performing profitably, and also identify the person(s) of the company, if any, responsible for the said failure;
- (b) take appropriate measures, including legal measures, if applicable, against the person(s) identified for the company's failure, as mentioned in clause (a) above;
- (c) prepare specific and/or detailed proposals for appropriate action plans or business plan for improving the operational and financial performance with a view to running the company profitably:

Provided that any sale or replacement or transfer of assets of the company, if required under the business plan, shall be included in details in the action plans or business plan.

- (2) Place the matters as mentioned at sub-condition(1), including action plans or business plan, through directors' report, for the shareholders approval, in the next general meeting:

Provided that any sale or replacement or transfer of assets of the company shall not be executed without approval of the shareholders in the general meeting.

- (3) Simultaneously submit the copies of minutes of all meetings of the Board of Directors as well as the directors' report to the stock exchange(s).

7. The exchange(s) shall monitor every phase of activities of the issuer company as mentioned in condition 6 and shall report the matter to the Commission in due course.

8. If the reconstituted Board of Directors fails to show improvement in operational and financial performance of the company within 04 (four) years from the date of reconstitution of the board, the exchange(s) shall take appropriate measures for delisting the securities as per provisions of the applicable securities laws:

Provided that the periods of calculation would be excluded at the event of *force majeure*.

9. The directors of the existing or the reconstituted Board of the issuer company, the depository and the exchange(s), as the case may be, shall individually and collectively be responsible for (due compliance of the above conditions.



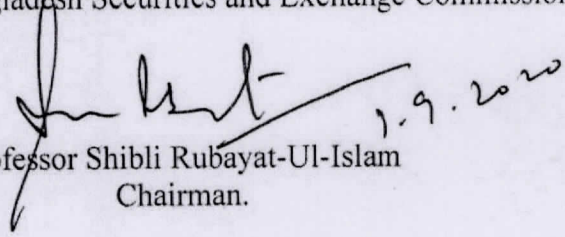
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10. This Notification shall supersede the Notification No. SEC/CMRRCD/2001-14/Admin/03/06 dated 1 August 2002.

This Notification shall have immediate effect.

By order of the Bangladesh Securities and Exchange Commission


Professor Shibli Rubayat-ul-Islam
Chairman.