



CIRCULAR No: 2 OF 2020

TO: ISSUERS, BROKERS, DEALERS, INVESTMENT ADVISORS, TRANSFER SECRETARIES, SECURITIES EXCHANGES AND THE CENTRAL SECURITIES DEPOSITORIES

SUBJECT: GUIDANCE ON POSTPONEMENT OF ANNUAL GENERAL MEETINGS DUE TO HEALTH CONCERNS OVER THE COVID-19 PANDEMIC

DATE: 18th March 2020

1.0 INTRODUCTION

1.1 The Securities and Exchange Commission has been monitoring the developments over the ongoing Coronavirus disease (COVID-19) global outbreak. According to information provided by the Ministry of Health officials, the outbreak has now spread to at-least 162 countries and territories around the world.

2.0 STATUS UPDATE FROM THE MINISTRY OF HEALTH

2.1 In Zambia, the latest position as at 18th March 2020 was that there were two confirmed cases of the disease. As at 17th March 2020, the Minister of Health, Dr. Chitalu Chilufya advised the public on the restrictions effected with respect to public mass gatherings. In this regard, the Minister stated as follows:

*“We are **restricting public mass gathering and social distancing** mandated to prevent infections. Organisations within country have been **requested to reschedule public events or use technology** to advance their agenda.”*

2.2 The Commission wishes to advise that it is subject to the guidance as given by the Ministry of Health authorities.

2.3 In line with this guidance and the provisions of Statutory Instruments Nos. 21 and 22 of 2020, we wish to guide that, in compliance with the aforementioned, issuers are encouraged to consider postponing the holding of Annual General Meetings to a later

date as may be allowed or determined by the public health authorities unless it is possible to use technology to undertake the meeting without physical attendance of persons in a public mass gathering.

3.0 OPTION TO HOLD MEETING BY USE OF TELECONFERENCING OR OTHER ELECTRONIC MEANS

3.1 The holding of annual general meetings or extraordinary general meetings by teleconferencing or other electronic means is permissible under section 56 of the Companies Act, No. 7 of 2017. The section provides as follows:

“56. (1) In this Part, unless the context otherwise requires, “meeting” means any of the following meetings of a company:

- (a) an annual general meeting;*
- (b) an extraordinary general meeting; or*
- (c) a class meeting.*

(2) A meeting called in accordance with this Part, at which voting will be conducted or documents tabled, may be held by teleconferencing or other electronic means.”

3.2 In an event that an issuer opts to use teleconferencing or other electronic means, the issuer will be required to provide evidence to the Commission on the measures that have been put in place to ensure that all shareholders have been sufficiently and timeously notified to enable their full participation in the meeting.

4.0 OPTION TO POSTPONE MEETING

4.1 However, should an issuer opt to postpone the meeting in line with the Statutory Instruments and the Directive by the Minister of Health, the postponement does not preclude the issuer from disclosing or providing financial and other information to the shareholders and other stakeholders as required by the Securities Act and Rules made thereunder.

4.2 The postponement shall be effected for an initial period up to 30th June 2020 and may be reviewed further depending on the advice from the public health authorities. However, in an event that the Ministry of Health authorities make a declaration to the effect that it is now safe for public mass gatherings to be held, all issuers that could have postponed Annual General Meetings in line with this Circular will be required to hold the meeting within 28 days of the declaration.

5.0 SEEKING CLARIFICATIONS

- 5.1 Where in doubt, an issuer or its advisors are encouraged to contact the Commission and other relevant authorities in advance in order to obtain clarification on the requirements for complying with this Circular and the measures being implemented by the Ministry of Health authorities.

Dated at Lusaka this 18th day of March 2020.



Phillip K. Chitalu
CHIEF EXECUTIVE OFFICER