

## **THE CHITTAGONG STOCK EXCHANGE ELECTION REGULATIONS 1999**

In exercise of the Powers conferred and delegated by Article 33 of the Articles of Association of the Chittagong Stock Exchange Ltd., the Board, as has been unanimously resolved in their meeting dated 31.10.98 is pleased to frame and adopt the following Regulations, namely:

1. These Regulations may be called the Chittagong Stock Exchange Limited Elections Regulations, 1999.
2. These Regulations shall come into force on 31.10.1998 (the date of Board Resolution adopting the Regulations).
3. Definitions – (1) Unless there be something in the subject or context inconsistent therewith:
  - (a) “ Articles of Association ” means the Articles of Association of the Chittagong Stock Exchange Limited;
  - (b) “ Board ” means the Board of Directors of CSE ;
  - (c) “ Ballot ” means casting of vote in person in accordance with these Regulations ;
  - (d) “ Exchange ” means the Chittagong Stock Exchange Limited ;
  - (e) “ Nominated Director ” means the director of a Corporate Member of the Exchange who is nominated under Article 13(b) of the Articles of Association to represent its Membership in the Exchange ;
  - (f) “ Member ” means a member as defined in Article-1 of the Articles of Association of the Exchange;
  - (g) “ Candidate ” means a person contesting for election for an office in the Board of Directors of the Exchange ;
  - (h) “ Defaulting Member ” means a member who has not paid his Annual Subscription in full within the time specified by the Exchange and/or whose trade has remained suspended by the Defaulters Committee in the Exchange for any reason as on the date of publication of Notice of Election, or who has been declared a “ Defaulter ” by the Board and has remained so on or before the date of publication of notice of Election ;
  - (i) “ Office ” means the registered office of the Exchange ;
  - (j) “ Regulations ” means the Chittagong Stock Exchange Limited Election Regulations, 1999.
- (2) The Articles referred to in the Regulations shall refer to the Articles as incorporated in the Articles of Association of the Exchange.

(3) The words and expression not defined herein shall have the same meaning as assigned thereto under the Articles of Association of the Exchange.

(4) Date of Election- For the purpose of election of its members under Article the Board of Directors shall -

(a) determine, in accordance with the provisions of Articles of Association of CSE the number of members to be elected for the Board of Directors, and

(b) fix the date of such election so that the election is completed before one month of the expiry of the term of the Board of Directors.

#### **4. Notice of Election –**

(i) The Board shall, pursuant to Articles 28, give notice of the ballot for election to the Board at least 30(Thirty) days before the date of the Election.

(ii) Such notice shall be approved by the Board at a previous meeting and be circulated among the members in the same manner as are provided in the Articles of Association for sending Notices.

(iii) Such notice shall among other matters as may be considered relevant by the Board, state the name of the retiring directors and the number of the vacant offices of the Directors to be filled in by the Election.

(iv) Such notice shall also require the corporate members to notify the Exchange in writing, within 5 (Five) days of the date of such notice, the name of the nominated director of each Corporate Member to confirm that the appointment of the nominated director as has already been furnished to the Exchange, shall remain valid or indicate any new/fresh nominated director/representative or the purpose of election.

#### **5. Eligibility of Candidate:**

(a) Only a nominated director of a Corporate member shall be eligible for being elected as a Director of the Exchange. Such nominated director shall be a natural person.

(b) A retiring Director shall be eligible for re-election.

(c) All dues/subscription should be cleared by a cut-off date to be decided by the Board.

#### **6. Non-eligibility of the candidate –**

(1) A person shall not be capable of being appointed director of the Exchange, if –

(a) he has been found to be of unsound mind by competent court and the finding is in force, or

(b) he is an undischarged insolvent; or

(c) he has applied to be adjudicated as an insolvent and his application is pending; or

- (d) the Corporate Member which has nominated such person has not paid any call in respect of shares of the Exchange held by such member, whether alone or jointly with others, and 6 (six) months have elapsed from the last day fixed for the payment of the call or if such corporate member has been declared a defaulting member by the Exchange or the committee formed therefor, or if its membership has been suspended as per the Rules and Regulations or the Articles of Association of the Exchange, or if such Corporate member is in the course of winding up as per provision of the Companies Act 1994 or any other law for the time being in force.
  - (e) He is a minor,
  - (f) He has been nominated by a Corporate Member of the Exchange which has not been a member of the Exchange for at least 2(two) years immediately preceding the date of election (Article 33) or if such member does not hold the qualification share.
- (2) An individual member or allottee of shares in the Exchange having required to form a company to take over his membership as per Article 6(c), such a person in the status of individual member, shall not be eligible for seeking elections.
- (3) A member being a Board Member of any other Stock Exchange in Bangladesh (in order to help/avoid conflict of interest) .

## **7. Eligibility of Voters-**

- (i) Corporate Member shall vote only through its nominated director present in person and in respect of whom notice has been given to the Exchange as per Regulation 4(iv) ;
- (ii) A defaulting or suspended member shall not be eligible to vote ;
- (iii) An individual person admitted to be membership of the Exchange, shall not be entitled to vote if he neglects, fails or refuses to comply with the requirements of Articles 6 (c) ;
- (iv) The Exchange shall, within 3 (Three) days of the notice of election, prepare a provisional list of voters containing the name of the nominated director in the case of a corporate member and of the individual member who appears eligible to attend and vote in the meeting in which the directors are proposed to be elected ;
- (v) The provisional list of the voters shall be posted in the Notice Board of the Exchange at least 25 (Twenty five) days previous to the date of election. Copy of such list shall be sent to the eligible members in the same manner as the Articles of Association provides for sending notices. Besides, such list shall be open to inspection by the eligible members ;

Explanation: Eligible members mean the members who are eligible to attend and vote in the meeting in which the directors are proposed to be elected.

- (vi) Objections, if any, as to the finalization of Voter list as per the provisional list, shall be communicated to the exchange in writing, by an eligible member, within 4(Four) days of the posting of the provisional list and such objection shall specifically state the grounds for the objection. An objection which is not signed or which does not contain specific ground or which appears vague on its face or which is submitted after the time specified above, shall not be admissible ;
- (vii) The Exchange shall, after inquiring into and disposing of the objection if any received as per the preceding rule, prepare a final list of voters and post the same in the Notice Board of the Exchange at least 20(Twenty) days previous to the Election. A copy of the final list shall be sent to each eligible member in the same manner as in respect of sending notices ;
- (viii) A corporate member cannot change its nominated director after the publication of the final list of eligible voters. However, in case of death, vacation of office or suspension/termination/ dismissal/discharge / removal of a nominated director only if such appointment is communicated to the Exchange at least 2(two) working days before the date of the meeting in which the directors are proposed to be elected.

#### **8. Election Committee-**

- (i) The Board shall appoint two (2) members of the Exchange, not being member of the Board to act as scrutinizers at elections (as per Article 35).
- (ii) The Board shall appoint the Auditor of the Exchange, or, in absence the Law Consultant of the Exchange, to be the Commissioner/Chairman of the Election Committee.
- (iii) A member of the Election Committee cannot be a candidate for the Election.
- (iv) Member of the Election Committee shall neither propose nor second the nomination of a candidate for election.
- (v) The Election Committee shall be provided with necessary personnel and other assistance by the Board for holding Election to the Board of Directors.
- (vi) The Election Committee shall, inter alia, perform the following functions :
  - (a) Scrutinize nomination papers, announce final list of candidates
  - (b) Decide validity or otherwise of Nomination of Candidates by Proposer and Seconder.
  - (c) Finalize list of candidates
  - (d) Circulate the list and particulars of candidates to the members
  - (e) Arrange counting of votes

- (f) Scrutinize validity of votes cast
- (g) Determine whether valid election has taken place or not
- (h) Declare result of election and submit its report to the Board (through the CEO)
- (vii) The Election Committee may be assisted by the CSE Secretariat in carrying out and conducting a free and fair election of Directors to the Board of CSE.
- (viii) The Election Committee may either of its own motion or upon receiving any objection, or information, conduct such enquiry as it may think fit and reject any nomination paper if it is satisfied that :
  - (a) the candidate is not qualified to be elected to the Board ;
  - (b) the proposer or the seconder is not entitled to vote ;
  - (c) any provision of the Regulations or Articles have not been complied with ;
  - (d) the signature of the proposer or the seconder is not genuine or has been obtained by force or fraud or has been forged.

Provided that –

- i) The rejection of a nomination paper shall not invalidate the nomination of a candidate by any other valid nomination paper within the specified time;
- ii) The Election Committee will not reject nomination paper on the ground of any defect which is not of substantial nature and may allow such defect to be remedied forthwith ;
- iii) The Election Committee will not enquire into the correctness or validity of any entry in the voter list prepared by CSE Secretariat ;
- iv) The Election Committee will endorse its acceptance or rejection on every nomination paper and will, in the case of rejection, record a brief reasons therefor ;
- v) The Election Committee may, on account of circumstances beyond its control, change any of the programme of election set out by it under clause, and upon any such change, the new programme shall be duly notified.

## **9. Proposal for candidature**

- (1) Notice of intention to propose any person eligible for election to the Board shall be given to the Chief Executive Officer in writing 15(Fifteen) days prior to the date of the Election.

- (2) Such notice of proposal must be in the form “ A ” prescribed hereunder and be signed by one proposer and one seconder, i.e. the proposer and the seconder shall be two different members of the Exchange.
- (3) Such notice of proposal must be accompanied by a written notice addressed to the Exchange and signed by the candidate expressing his consent to act as a Director of the Exchange, if appointed.
- (4) A member cannot be a proposer to more than one candidate, but can be a seconder to more than one candidate.
- (5) A defaulting or suspended member shall neither propose nor second a candidate. Similarly, an individual member who has neglected, failed or refused to comply with Article 6(c) of the Articles of Association shall neither propose nor second any candidate.
- (6) A retiring director, who is not otherwise ineligible to seek election, shall only address a notice in writing to the Chief Executive Officer, 15(Fifteen) days before the date of the Election, intimating his candidature for the office of the Director. Such notice shall accompany his written consent, addressed to the Exchange, to act as a director, if appointed, but shall not be required to be proposed and seconded in the manner as per Article 31.

#### **10. Provisional list of candidates :**

- (1) After the scrutiny of the nominations the Election Committee will, within 2(Two) days from the date of such scrutiny, prepare a provisional list of valid candidates and post in the CSE Notice Board mentioning the names of candidates membership number, full address and their proposer and seconders, thirteen days prior to the date of Election and such provisional list shall open for inspection by the eligible members.
- (2) If any eligible member has any objection in respect of any candidate whose name appears in provisional list, such member shall communicate the specific grounds of objection in writing and duly signed by him to the Election Committee within 2 days or the posting of the provisional list.
- (3) The Election Committee shall, after enquiring into and disposing of the objection, if any, received as per the preceding rule, prepare the final list of the candidates by specifically stating their name with reference to the Corporate member which the candidate presents, as well as, the names of their proposer and of their seconder and shall post or cause the same to be posted on the notice board of the Exchange 10 (Ten) days prior to the date of the Election.(Article 32)

#### **11. Withdrawal**

A candidate may by notice in writing signed by him and delivered to the CSE Secretariat within 2(Two) days of the posting of the provisional List of Candidates in the Notice Board, withdraw his/her candidature.

## **12. Publication of Final List of candidates:**

The Election Committee shall within two days from the date of expiry of withdrawal date, publish a final list of contesting candidates, and shall also transmit the list to all members who are entitled to attend and vote, in the same manner as are provided in the Articles of Association for sending notices.

## **13. Death or Cessation of Membership before a election :**

If a candidate whose nomination has been accepted as valid by the Election Committee, dies or if the Member Company or ceases to be a member of the Exchange before the date of election, the election shall be conducted amongst the remaining candidates only. Provided that if as a result the number of candidates becomes equal to the number of vacancies, then no election shall take place and Regulation no. 18 will apply.

## **14. Ballot:**

- (i) Election to the Board of Directors shall be held by secret ballot of the members who are entitled to attend and vote in the general meeting in which the directors are proposed to be elected;
- (ii) The Ballot paper shall be in the prescribed Form "B" which will bear the seal of the Chairman, Election Committee ;
- (iii) The name of the candidates in the Ballot paper shall be printed in alphabetical order ;
- (iv) A member entitled to vote shall put a cross (x) mark in the vacant space of the ballot paper against the names of as many candidates as there are seats in the Board to be filled in ;
- (v) No member shall be entitled to give more than one vote to any particular candidate nor shall he be entitled to give a smaller or greater number of votes than the number of candidates to be elected ;
- (vi) A ballot paper shall be invalid if –
  - (i) it does not bear the Common seal of the Commissioner/ Chairman, Election Committee.
  - (ii) the cross (X) mark is put in between the names.
  - (iii) the number of votes cast is more or less than the number of vacancies in the Board.
  - (iv) the member has written such words or given such signs on the ballot paper whereby he/she can be identified .
  - (v) Voting by proxy is not allowed .
  - (vi) Postal ballot is not allowed.

## **15. Counting of Votes**

The Election Committee shall with the help of the CSE Secretariat:

- (a) Open the Ballot box or boxes in the presence of the CEO or the Company Secretary ;

- (b) Count the valid votes cast in favor of each candidate ;
- (c) Prepare a statement showing the number of votes cast in favor of each contesting candidate and reconcile the total number of votes cast with the total number of valid and invalid votes;
- (d) Authenticate the statement by putting their signature and thereafter hand it over to the CEO.

#### **16. Determination and declaration of election results**

- (1) Such number of candidates as there are vacancies to be filled receiving the highest number of votes shall be declared elected by the Election Committee.
- (2) In the event of an equality of votes between two or more candidates for the last vacancy, lots shall be drawn by the Election Committee and the candidate in whose favor lot is drawn shall be declared elected.

#### **17. Publication of Election Results**

- (1) The Election Committee shall hand over the Result to the CEO and post a list of successful candidates in the CSE Notice Board.
- (2) The Result declared by the Election Committee shall be final.

#### **18. Disciplinary action against members in relation to Elections**

A member of the Exchange shall be liable for disciplinary action by the Election Committee if he adopts one or more of the following practices directly and /or indirectly with regard to the election to the Board, namely :

- (1) bribery, that is to say, any gift, offer or promise by a candidate or by any other person with the connivance of a candidate of any gratification to a person whomsoever, with the object, directly or indirectly, of inducing —
  - (i) a member to stand or not to stand as or to withdraw from being a candidate at an election; or
  - (ii) a member to vote or refrain from voting at an election, or as a reward to-
    - (a) a member for having so stood or not stood, or for having withdrawn his candidature; or withdrawn his candidature; or
    - (b) a member for having voted or refrained from voting at an election; Explanation- For the purpose of this clause, the term “ **gratification** ” is not restricted to pecuniary gratification or gratification estimable in money, but includes all forms of entertainment and all forms of employment for reward; but it does not include the payment of any expenses incurred at, or for the purpose of, any election;
- (2)(i) issuing manifesto or circulars in the nature of manifestos; or

- (ii) organising parties to entertain voters;
- (iii) undue influence, that is to say, any direct or indirect interference
- (iv) or attempt to interfere, on the part of a candidate or of any other person with the connivance of the candidate, with the free exercise of any right relating to an Election.

(3) If the Election Committee receives any written complaints about any parties referred to in sub-regulation (1 & 2), within 24 hours of completion of the counting as per regulation 15, from any candidate, the complaint being signed by him and specifically stating the rounds of objection as has been mentioned in sub-regulation (1&2) , then the Election Committee shall postpone the determination and publication of election results as per Regulations no. 16 and 17, such time not exceeding 5 working days for making proper enquiry into the matter and shall determine and publish the election result thereafter as per Regulation 16 and 17.

(4) if the Election Committee, finds that the complaints made were baseless or frivolous or harassing then it may declare the complaint disqualified to become a candidate or proposer or seconder or voter or in respect of more than one of such sights, for any term not exceeding 5(five) years. On the other hand, if the allegations brought against the candidate is established to the satisfaction of the Election Committee, then Committee shall declare such candidate not elected and also may declare him disqualified in the same manner and for the same term.

## **19. Uncontested Election**

- (1) If the number of candidates does not exceed the number of vacancies to be filled, no ballot shall be necessary and such candidates shall be deemed duly elected, and if there be still any vacancies the Board may fill them by co-option (Article –29)
- (2) In the event of the above, the Election Committee shall inform the CEO in writing mentioning the names of candidates who are deemed to have been elected uncontested.

## **20. Tenure of the Election Committee :**

The tenure of the Election Committee shall be from the date of their appointment for one year and they shall act as such committee until they have accomplished all of their functions under the Regulations.

## **21. Saving as to the time limit and service of the notice etc:**

Failure to maintain the time limit specified in respect of preparation, posting or publication of the provisional or final voter lists, lists of candidates, dispatch of the list or of the election notice etc, by the Exchange or the Election Committee due to any situation beyond their controls or the accidental omission or non-receiving of the any notice or of any of the Election a any step taken or acts done by the Exchange or the Election Committee pursuant to the Regulations or Articles of Exchange.

**22. Indemnity:** - No suit or proceeding shall lie against any member of the Election Committee or against the Exchange, or any members of the Board or any employee of the Exchange for anything done in good faith by them or it or under their instruction pursuant to the Regulations or Articles of Association of the Exchange and the Exchange shall keep them indemnified and harmless for the acts done by them in good faith and in accordance with the Regulations and Articles of Association.

**23. Secret Chamber:** There shall be a secret chamber or chambers at each polling station for marking ballot paper by a voter.

**24. Polling Hours :** No voter shall be allowed to cast his/her vote at a polling station on the election day except between 10.00 am to 5.00 p.m.

**25. Identification of voter:** Every person claiming to be a voter, the Polling officer may, if he/she has reasons to doubt the identity of the person or his/her right to vote at the election, and shall, if so required by a contesting candidate or his/her polling agent, satisfy himself/herself in any manner as he/she may deem advisable as to the identity of the voter.

If the polling officer is not satisfied as to the identity of the person claiming to be a voter, he/she may refuse to allow such person to vote in the Election. Where a person is not allowed to vote, the reason therefor shall be recorded and objection to such refusal, if made in writing shall also be recorded.

**26. Manner of recording of votes:** On receiving the ballot paper the voter shall forthwith proceed to the secret chamber and shall record his/her vote on the ballot paper by putting X (cross) marks against the names of the contesting candidates in whose favor he/she casts his votes, fold it and thereafter drop the ballot paper in the ballot box.

Presence of a candidate or his agent at polling station – A contesting candidate or his polling agent, who shall be a voter and duly authorised by the candidate, shall be entitled to be present at the polling station during the polling hours. Provided that when a voter is admitted to the polling station before expiry of the polling hours but has not been able to cast his vote for no fault of his own, he shall be given an opportunity to vote even after 5.00 p.m.

**27. Ballot Box –**

(1) The Election Committee shall provide sufficient number of ballot boxes, copies of voters' list and other papers and materials.

(2) Before proceeding to giving ballot papers to voters, the polling officer shall ensure that the ballot box is empty, show it to the persons entitled to be present there and shall keep it in front of him after putting his seal and signature thereon.

**28.** In case of any situation or contingencies covered by the Articles of Association the course provided for in the relevant article shall be followed.

## **29. Provisions for amendment and making further Regulations –**

The Board shall, in the interest of the Exchange and to ensure proper and fair conduct of the election have power to amend, alter omit add to or substitute the existing Regulations, as well as, to make new Regulations, provided that no Regulations shall be made, amended, altered, omitted, added or substituted with retrospective effect unless such effect is required to be given to bring the regulation in conformity to or to avoid any inconsistency with the Articles of Association, or with the provisions of the Companies Act or any other law, or lawful directives of any competent authority or Court etc.

**CHITTAGONG STOCK EXCHANGE LTD  
NOMINATION FORM  
FOR ELECTION AS A DIRECTOR TO THE BOARD OF CSE**

The Chief Executive Officer  
Chittagong Stock Exchange Ltd  
CSE Building, 1080 Sk.Mujib Road,  
Agrabad, Chittagong.

Dear Sir,

I hereby **Propose** the name of Mr./Ms. \_\_\_\_\_ Director of  
\_\_\_\_\_ Membership Code . \_\_\_\_\_ (a  
Corporate Member of Chittagong Stock Exchange Limited), FOR ELECTION AS A DIRECTOR TO THE  
BOARD OF CSE FOR .....

Signature : \_\_\_\_\_

Place : \_\_\_\_\_ Name (Nominated Director) : \_\_\_\_\_

Company : \_\_\_\_\_

Date : \_\_\_\_\_ Membership Code No: \_\_\_\_\_  
.....

I hereby **Second** the name of Mr./Ms. \_\_\_\_\_, Director of  
\_\_\_\_\_ Membership Code No. \_\_\_\_\_, (a Corporate Member  
of Chittagong Stock Exchange Limited), FOR ELECTION AS A DIRECTOR TO THE BOARD OF CSE FOR  
.....

Signature : \_\_\_\_\_

Place: \_\_\_\_\_ Name (Nominated Director) : \_\_\_\_\_

Company : \_\_\_\_\_

Date : \_\_\_\_\_ Membership Code No: \_\_\_\_\_  
.....

I, Director of \_\_\_\_\_ Membership Code No. \_\_\_\_\_ being eligible for election do  
hereby give my consent to my nomination to contest as a Candidate FOR ELECTION AS A DIRECTOR TO  
THE BOARD OF CSE FOR .....

Signature : \_\_\_\_\_

Place: \_\_\_\_\_ Name (Nominated Director) : \_\_\_\_\_

Company : \_\_\_\_\_

Date : \_\_\_\_\_ Membership Code No : \_\_\_\_\_  
.....

Note : 1) This FORM duly completed needs to be submitted to CSE by **5.00 pm**,.....  
2) The Proposer & Secunder shall not be the same Member and a Member cannot be a proposer to  
more than one candidate, but can be a secunder to more than one candidate.

