GOVERNMENT NOTICE No. 107

SECURITIES ACT

(CAP. 46:06)

SECURITIES (CORPORATE GOVERNANCE REQUIREMENTS FOR SECURITIES MARKET PLAYERS) (AMENDMENT) DIRECTIVE, 2018

IN EXERCISE of the powers conferred by section 67 (1) of the Securities Act, I, DR. DALITSO KABAMBE, Registrar of Financial Institutions, issue the following Directive—

Citation

1. This Directive may be cited as the Securities (Corporate Governance Requirements for Securities Market Players) (Amendment) Directive, 2018.

Amendment of paragraph 2 of the Directive

2. Paragraph 2 of the Securities (Corporate Governance Requirements for Securities Market Players) Directive, 2018 is amended by inserting in their alphabetical order, the following new definitions—

"independent director" means a director who—

(*a*) is not a significant shareholder of a securities market player;

(*b*) is not related or affiliated to a shareholder of a securities market player;

(*c*) has not been employed by the securities market player, its subsidiary or affiliate in any executive capacity for the past two years;

(*d*) is not a member of the immediate family of an individual who in any of the past two years is or has been employed by the securities market player of the group in any executive capacity;

(*e*) is not a professional advisor to the securities market player or the group other than in a director capacity;

(*f*) has no significant contractual relationship with the securities market player or the group;

(*g*) is free from any business or other relationship which could be seen to materially interfere with the individual's capacity to act in an independent manner; and

(*h*) has no material or pecuniary relationship with the securities market player or related persons, except sitting fees;

"non-executive director" means a director who is not a member of management;

"person affiliated to a shareholder" means an employee of the shareholder, an associate of the shareholder or any other person as the Registrar may determine;

"significant contractual relationship" means five percent of the value of the transaction conducted with the securities market player; and

"significant shareholder" means a shareholder who, directly or indirectly, owns five percent or more of the shares or voting rights of the securities market player.

Amendment of paragraph 6 of the Directive

3. Paragraph 6 (2) of the Directive is amended by deleting the words, "non-executive directors" and substituting therefor the following word, "independent".

Amendment of paragraph 9 of the Directive

4. Paragraph 9 (2) of the Directive is amended by deleting the words, "non-executive directors" and substituting therefor the following word, "independent".

Dated this 1st day of November, 2018.

D. KABAMBE, PhD
Registrar of Financial Institutions