



SECURITIES AND EXCHANGE COMMISSION

CIRCULAR NUMBER: SEC/CIR/001/2002

APPOINTMENT OF DIRECTORS OF LICENCED DEALING MEMBERS/STOCKBROKERS TO BOARDS OF PUBLIC COMPANIES

PREAMBLE

It has come to the notice of the Commission that some directors or executive officers of Licensed Dealing Members (LDMs) have also been appointed as directors of listed and other public companies.

The Commission considers that this is not in the interest of the investing public as it could give rise to conflict of interest, insider trading, and other types of market manipulation.

In the light of above, and pursuant to its functions under section 9 (d), (f) (g) and (i) of PNDCL 333 as amended, the Commission hereby directs all LDMs/Stockbrokers (hereinafter referred to as "Licenced Operators") and public companies as follows:

DIRECTIVES

- i. Henceforth, no director or executive officer of a Licensed Operator shall concurrently serve on the board of a public company (listed or unlisted).
- ii. No public company shall accept the appointment of any person who is a director or executive officer of a Licenced Operator.
- iii. Any director or executive officer of a Licensed Operator currently serving on the board of a public company (listed or unlisted) shall take steps to resign as a director of that company by the 15th of July 2002, and thereafter notify the Commission accordingly.

SANCTIONS

The Commission will sanction any Licenced Operator or any officer or director of such Licenced Operator and a public company who violates the above directives.

DISTRIBUTION

1. ALL PUBLIC COMPANIES (LISTED AND UNLISTED)
2. GHANA STOCK EXCHANGE
3. LICENSED OPERATORS

Dated : May 31, 2002