



People Planet *Prosperity*

Good Governance = Sustainable Returns

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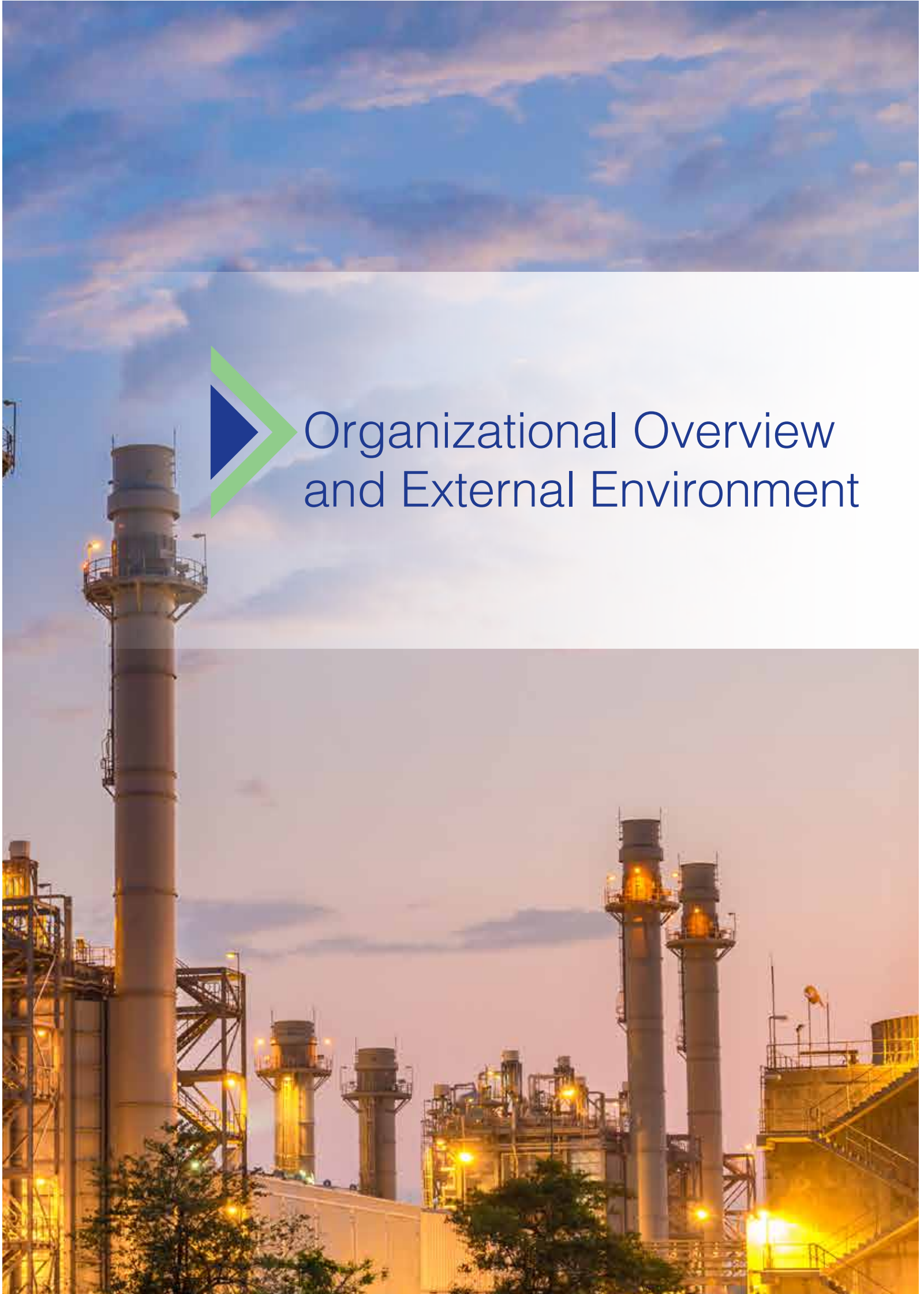
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Organizational Overview and External Environment



Our Vision

Enable good governance that creates shared prosperity, an ethical society and an inclusive, sustainable economy.



Our Mission

To create awareness of the benefit of good governance to business and society thereby catalysing best practice for long term sustainability

Company Information

Board of Directors

Dr. Shamshad Akhtar
Mr. Ahson Iqbal
Mr. Muhammad Ashraf Bawany
Mr. Wasif A. Rizvi
Mr. Faisal Akhtar
Dr. Fakhara Rizwan
Ms. Musarat Jabeen
Mr. Saleem Ullah
Mr. Yousaf Hussain
Mr. Ahsan Jamil

Chairperson and Independent Director
Independent Director
Independent Director
Independent Director
Non Executive Director
Non Executive Director
Non Executive Director
Non Executive Director
Non Executive Director
CEO and Executive Director

Chief Financial Officer

Sajid Siddiqui

External Auditors

EY Ford Rhodes Chartered Accountants

Acting Chief Operating Officer

Shafaq Fauzil Azim

Internal Auditors

BDO Ebrahim & Co Chartered Accountants

Company Secretary

Rana Mustansir

Bankers

Faysal Bank Limited

**Board Nomination Committee**

Dr. Shamshad Akhtar (Independent Chair)
Yousaf Hussain
Musarat Jabeen
Ahsan Jamil

Board Audit Committee

Muhammad Ashraf Bawany (Independent Chair)
Dr. Fakhara Rizwan
Ahson Iqbal
Saleem Ullah

**Board Investment Resource Mobilization
& Business Development Committee**

Yousaf Hussain (Non Executive Chair)
Musarat Jabeen
Faisal Akhtar
Saleem Ullah
Ahsan Jamil

**Board Human Resource
& Remuneration Committee**

Musarat Jabeen (Non Executive Chair)
Muhammad Ashraf Bawany
Dr. Fakhara Rizwan
Faisal Akhtar
Ahsan Jamil

**Board Research Advocacy
& Strategy Committee**

Wasif Rizvi (Independent Chair)
Yousaf Hussain
Dr. Fakhara Rizwan
Musarat Jabeen
Ahsan Jamil

FY21 Events Timeline July 2020 - June 2021

● July

- Webinar on Third Party Risk Management
- Virtual Board and Committee Meeting

● August

- Virtual Roundtable by ACCA, CERB and PICG.
- Director Training Program

● September

- Director Training Program

● October

- Board HR Committee Workshop
- Board Strategy Committee Workshop
- Board Risk Committee Workshop
- Governance in SMEs Workshop
- Director Training Program
- Webinar on Women on Board and in Business Leadership CERB/PICG collaboration

● November

- Company Secretary Development Program
- Effective Minute Taking Workshop
- Board Evaluation Workshop
- Director Training Program

● December

- Governance in the Public Sector Workshop
- Director Training Program

January

- Board Audit Committee Workshop
- Board HR Committee Workshop
- Board Strategy Committee Workshop
- Board Risk Committee Workshop
- Director Training Program

February

- Habib University Career Connect
- Director Training Program

March

- Company Secretary Development Program
- Effective Minute Taking Workshop
- Board Evaluation Workshop
- Governance in the Public Sector Workshop
- Public Sector Program
- Director Training Program
- Ring the Bell for Gender Equality

April

- Director Training Program

May

- ESG 101 Workshop
- Ethical Dilemmas Workshop
- Sexual Harassment Workshop
- Director Training Program

June

- Governance in the Public Sector Workshop
- Governance in SMEs Workshop
- Anti-Money Laundering Workshop
- Sexual Harassment Workshop
- Director Training Program





Governance



Board of Directors



Dr. Shamshad Akhtar
Chairperson & Independent Director
Chairperson Pakistan Stock Exchange



Mr. Muhammad Ashraf Bawany
Independent Director
President Ghani Global Group



Mr. Wasif Rizvi
Independent Director
President Habib University



Mr. Ahson Iqbal
Independent Director
CFO Rupali Polyester Limited



Ms. Musarat Jabeen
Non Executive Director
ED Securities & Exchange Commission of Pakistan



Mr. Yousaf Hussain
Non Executive Director
President & CEO Faysal Bank Limited



Dr. Fakhara Rizwan
Non Executive Director
Company Secretary and Head of Legal &
Corporate Affairs Pakistan Stock Exchange



Mr. Saleem Ullah
Non Executive Director
ED & CFO State Bank of Pakistan



Mr. Faisal Akhtar
Non Executive Director
MD BASF Pakistan



Mr. Ahsan Jamil
CEO & Executive Director
Pakistan Institute of Corporate Governance

Why I Joined the PICG Board



“As SECP's nominee on PICG Board, I have been entrusted to relay the Commission's expectations and guidance to the Board. Being one of the founding members and being a chief proponent of adoption of good governance practices in the country, my responsibility is to contribute towards sustainability and growth of PICG and ensure close coordination between SECP and PICG. Moreover, it is an honour for me to have been bestowed the position of Chair of HR committee by my fellow peers, and I will ensure that Commission's inclusive style of leadership is engendered in the strategic direction of PICG, as gender-diverse management teams have been proven to consistently perform better than those lacking diversity.”

--- Musarat Jabeen



“My purpose to serve on the board of PICG is to back and assist the institute in promotion of its' mission of Corporate Governance in the Business Arena with fresh infusions, insights, intellectual challenge, and impactful right calls.”

--- Ahson Iqbal



"I take pride in my nomination by Pakistan Stock Exchange on the Board of PICG – the only Institute in Pakistan having the vision to promote good corporate governance practices at organisations across the country. In recent times, empirical evidence has emerged showing a correlation between corporate governance and the stock market performance of listed companies. Therefore, applying corporate governance principles have become a prerequisite to reaping investors' confidence and unleashing shareholders' value. With my insight, combined with diversified exposure to corporate governance, I endeavour to widen the outlook of governance in Pakistan through my contribution to PICG's Board and play an imperative role in achieving the strategic objectives of the Institute."

--- **Dr. Fakhara Rizwan**



"PICG is contributing significantly in improving the governance systems and practices in the country's corporate sector. As the PICG Board member I intend to contribute my bit in this noble cause."

--- **Saleem Ullah**

Benefits of Good Corporate Governance

Quotes

“ We all need to work together, because there are no jobs on a dead planet; there is no equity without rights to decent work and social protection, no social justice without a shift in governance and ambition, and, ultimately, no peace for the peoples of the world without the guarantees of sustainability. ”

Sharan Burrow, General Secretary of the International Trade Union Confederation.

Innovation is a mind-set, and that's where governance comes in.

Pearl Zhu, Author of 'Digital Master'

“ The board is responsible for sharing a culture that is focused on long term value creation of the company and its business. ”

Jaap van Manen, Chairman of the Dutch Monitoring Committee

“ The time is always right to do right ”

Nelson Mandela, President of South Africa

“ The proper governance of companies will become as crucial to the world economy as the proper governing of countries ”

James D. Wolfensohn, President of the World Bank, 1999

“ Governance and leadership are the yin and yang of successful organizations. If you have leadership without governance you risk the tyranny, fraud and personal fiefdoms. If you have governance without leadership you risk atrophy, bureaucracy and indifference. ”

Mark Goyder, CEO & Founder of Tomorrow's Company

ESG Phenomenon: Driver of Good Governance

- 1) The S&P Global Market Intelligence data shows that from Dec. 31, 2020, to May 17, 2021, 16 of 27 ESG exchange-traded funds performed better than the S&P 500. Those outperformers rose between 11% and 29.3% over that period. In comparison, the S&P 500 increased 10.8%.

More broadly, of the studies reviewed, the researchers found a positive relationship between ESG and corporate financial performance 58% of the time.
- 2) Record demand to invest in sustainable investment funds saw the sector's total assets rise 19% to a fresh high of nearly \$2 trillion in the first quarter, data from industry tracker Morningstar showed.
- 3) An analysis of Fortune 500 companies conducted by Catalyst, found that organizations with high levels of gender equality in management positions had 35% better return on equity than firms that hadn't taken similar steps to facilitate female integration at the management level.
- 4) According to a Deloitte report, 200 new funds are expected to be launched in the United States with an ESG investment mandate over the next three years, more than doubling the activity from the previous three years.
- 5) ESG funds have outperformed their non-ESG peers in 7 out of the last 10 years according to Morningstar data.
- 6) McKinsey's Global Institute reports that advancing women's equality in businesses has the potential to add \$12 trillion to global GDP
- 7) ESG-mandated assets in the United States could grow almost three times as fast as non-ESG-mandated assets to comprise half of all professionally managed investments by 2025, Deloitte report.
- 8) Below are the results of a poll conducted by PwC for business leaders, employees and consumers in the UK, Brazil, Germany, US and India:

91% of 1257

business leaders believe their company has a responsibility to act on ESG issues.

86% of 2510

employees prefer to support or work for companies that care about the same issues they do.

83% of 5005

consumers think companies should be actively shaping ESG best practices.
- 9) "Net zero is the new organizing principle for business and leaders will be measured against their deviation from it, not their aspiration toward it."

Dickon Pinner, McKinsey senior partner and co-leader of McKinsey Sustainability (COP26)

Chairperson's Review

FY2020-21

On behalf of the Board of Directors, I am pleased to present to you my review of the performance of Pakistan Institute of Corporate Governance (PICG) for the financial year 2020-21.

We are living in complex times and a stressful socio-economic environment with profound impacts of Covid-19 on lives and livelihoods. Our authorities endeavor to manage vaccinations and impose timely smart lock downs and offer adequate relief to people and industry which has helped mitigate the impact of the virus. The IMF's Covid-19 Policy Tracker reports that the Government has fully vaccinated about 3.0 million people as of July 1, 2021 and has ambitious targets to vaccinate large numbers of people by the end of 2021.

On its part, the State Bank of Pakistan's offered regulatory relaxation to facilitate the import of COVID-19-related medical equipment and medicine as well as refinancing at concessional rates to critical sector through the banks to stimulate economic activity. The Securities and Exchange Commission of Pakistan relaxed regulatory deadlines amid the pandemic allowing companies extension in holding Annual General Meetings (AGMs) and directors' elections. In keeping with global regulatory trends, the Commission also allowed listed companies to hold virtual AGMs giving companies and investors a first round of experience to see how virtual AGMs can best work out. Pakistan Stock Exchange's (PSX) business continuity was well managed respecting the pandemic protocols, and companies and investors' confidence grew as evident from new equity and debt offerings.

At the Pakistan Institute of Corporate Governance (PICG), the Board and Management encouraged pandemic standard operating procedures upholding staff's health and safety. Management switched to a work from home schedule on a needs basis and alternatively implemented a plan to operate with 50% staff from office and 50% from home on weekly rotational basis. The Board has also ensured that PICG adapts itself to managing risks in line with the changing business environment by supporting Management strategy to transition the Institute's entire training portfolio, including the Director Training program, to a virtual platform. Besides its positive impact to keep the virus contained, PICG prudent policies generated costs saving despite enhanced activity that contributed to improvements in financial statements.

Board Change

After the last board introduced the needed legal reform that facilitated effective restructuring of the Board, the New Board took over its role right after PICG's annual general body elections that were held on May 10, 2021. Restructuring of the Board brought in consolidation of the Board achieving healthy balance of renewal and continuity for the organization by way of ensuring that PICG has right sized board that involved a reduction from 15 to 10 members with 5 first time Directors and 5 continuing directors including the CEO; and most of all ensuring PICG takes the first few steps to adopting gender parity. Despite the pandemic challenges, PICG managed good performance supported by the Board and Management's endeavors so as to not lose momentum. The Institute's immediate challenges were recognized and some midcourse adjustments were made to the strategic direction of the Institute. Board diversity is a notable achievement as one-third of the newly elected members of the board are women and the overall enthusiasm of Board members to contribute and served on various subcommittees of the Board is commendable.

Report of the Board Nomination Committee

Last year, the Board constituted a Nomination Committee in line with best practices and the provisions of the Code of Corporate Governance, in order to have a formal procedure to drive a rigorous and transparent Board constitution process, leading to the right Board appointments for a balanced, diverse and independent board. To enable the Nomination Committee's agenda, significant amendments had to be made to the Institute's Articles of Association that were well deliberated and finally approved by the Board and the members at the AGM.

Mr. Mehmood Mandviwalla of Mandviwalla & Zafar and Mr. Badaruddin F. Vellani of Vellani & Vellani reviewed and finalized the proposed amendments in PICG Articles enabling the Institute to move forward on its progressive governance agenda to reduce elected board size to nine, require 1/3rd independent directors as well as an independent Chair, a participatory voting procedure giving all Classes of membership the right to vote – and most significantly the requirement of inducting a minimum of 1/3rd women directors on the Institute's board.

PICG has been at the forefront of driving gender parity on boards with the Institute's Task Forces on the Review of the Code of Corporate Governance recommending the mandatory provision of having one woman director on all publicly listed company boards. By having 1/3rd women inducted on its own board made mandatory, PICG has led the way by example for more women leadership on corporate boards. PICG would be leading on this front.

Business Activity

In response to Covid-19 restrictions, the Institute quickly expanded its range of online programming. The Institute launched three new specialized trainings on anti-money laundering, environmental, social and governance (ESG) issues, and workplace harassment. All three programs are of current relevance to our member as well as non-member companies. PICG recognizes its role in keeping the governance community abreast of latest issues and mega-trends in corporate governance.

Finance

PICG's finances were prudently managed with effective oversight of the Board Audit Committee and the Board Investment Committee as well as both the Institute's internal (BDO) and external auditors (EY) who diligently provide their services. The Board has reviewed the Annual Report and Financial Statements and is pleased to confirm that it considers that the report and financial statements, taken as a whole, are fair, balanced, and understandable.

Future Outlook

Going forward, we are in the process of transforming PICG.

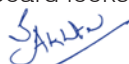
First, Management is focused on developing a new strategy for PICG and will hold multi-stakeholder consultation to solicit industry feedback. Core objective of the strategy will be to promote corporate governance of the membership of PICG by developing modern and upgraded Corporate Governance courses, inducting a competent and experienced new generation of deliverers. Corporate Governance courses and tools and modalities of delivery will be in line with OECD standards and best practices. Among others, PICG will promote awareness and understanding of the rights of minority shareholders within its mandate. At the same time, PICG will develop special training modules for SMEs.

Under PICG's digital transformation plan the Institute will increasingly leverage technology that enhances its reach to SMEs. Second, PICG will collaborate with the business schools and accounting professional bodies etc. to draw on their research, while encouraging new research, advocacy and capacity building. PICG will strive both in terms of enhancing the number of programs but ensuring diversity and quality of the subject matter under its mandate of Corporate Governance.

Third, in line with international trends, corporate governance agenda will be augmented and enhanced to go beyond shareholders' emphasis on growth and profitability to stakeholders' concerns by assessing their environmental, social, and governance (ESG) agenda and moving forward to be involved in development of ESG rating for companies based on the leading International Rating agencies.

For this purpose, PICG is partnering with PSX, ICAP and other institutions to develop best practice ESG frameworks and will encourage listed companies to mainstream the ESG agenda and in this context PICG will work to develop an approach and methodology for promoting ESG standards at the company level. To this end, PICG and PSX have joined hands to serve as a secretariat for launching technical work of ESG and are engaging Technical Partners.

Our Vision at PICG is to build this Institute as a Center of Excellence for Corporate Governance expanding its purview to mainstream and recognizing the merits of ESG for sustainability of businesses and people. The Board looks forward with confidence to the year ahead.



Dr Shamshad Akhtar
Chairperson

چینرپرسن کا جائزہ برائے مالی سال 2020-21

مجھے بورڈ آف ڈائریکٹرز کے طرف سے پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس (پی آئی سی جی) کی کارکردگی برائے مالی سال 2020-21 پر اپنا جائزہ پیش کرنے پر خوشی ہے۔

ہم پیچیدہ اوقات اور سماجی-معاشی دباؤ سے شکار شدہ ماحول میں رہے ہیں۔ لوگوں کی زندگیوں اور معیشت پر کووڈ-19 کا گہرا اثر پڑا ہے۔ ہمارے حکام نے لوگوں کو ویکسین لگانے کی کوشش کی۔ مناسب اوقات میں اسمارٹ لاک ڈائون لگائے اور لوگوں اور انڈسٹری کو موقوف ریلیف دیا جس سے وائرس کے منفی اثرات کو کم کرنے میں مدد ملی۔ آئی ایم ایف کے کووڈ-19 کے پالیسی ٹریکر نے رپورٹ کیا ہے کہ حکومت یکم جولائی 2021 تک 3 ملین لوگوں کو ویکسین لگا چکی تھی اور اس کا 2021 کے اختتام تک لوگوں کی ایک بڑی تعداد کو ویکسین لگانے کا حدف ہے۔

اسٹیٹ بینک آف پاکستان نے اپنے طور پر ریگولیٹری چھوٹ دے کر کووڈ-19 سے متعلق آلات اور ادویات کی درآمد میں سہولت دی۔ اور اس کے ساتھ ساتھ بینکوں کے ذریعے حساس سیکٹرز کو ریاتی نرخوں پر ری فنانسنگ کی سہولت دی تاکہ معاشی سرگرمی میں تیزی لائی جائے۔ اسکیوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے پیئڈیمک کے دوران کمپنیوں کو اپنے سالانہ جنرل اجلاس اور ڈائریکٹرز کے انتخابات کرانے کی حتمی تاریخ میں چھوٹ دی۔ عالمی ریگولیٹری رجحان کو مدنظر رکھتے ہوئے لیسٹڈ کمپنیوں کو ورچوئل سالانہ جنرل اجلاس کے انعقاد کی اجازت دی۔ جس سے کمپنیوں اور سرمایہ کاروں کو فرسٹ رائونڈ تجربہ ہوا کہ ورچوئل اجلاس کا انعقاد کتنے بہترین طریقے سے کام کر سکتا ہے۔ پاکستان اسٹاک ایکسچینج (پی ایس ایکس) کا کاروبار پیئڈیمک کے تمام پروٹوکول کا خیال رکھتے ہوئے جاری رہا اور کمپنیوں اور سرمایہ کاروں کے اعتماد میں اضافہ ہو جو کہ ایکویٹی اور ڈیٹ آفرنگز سے شائد ہے۔

پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس (پی آئی سی جی) کے بورڈ اور مینیجمنٹ نے اسٹاف کی صحت اور حفاظت کی خاطر پیئڈیمک کے اسٹینڈرڈ آپریٹنگ پروسیجرز کی حوصلہ افزائی جاری کی۔ مینیجمنٹ نے ورک فرام ہوم کے شیڈیول پر ضرورت کی بنیاد پر عمل کیا اور متبادل طور پر ہفتہ وار روٹیشنل بنیادوں پر 50 فیصد اسٹاف دفتر میں اور 50 فیصد گھر سے کام کرنے کے منصوبے پر عمل کیا۔ بورڈ نے اس بات کو بھی یقینی بنایا کہ پی آئی سی جی اپنے آپ کو کاروباری ماحول میں تبدیلی سے پیدا ہونے والے چیلنجز کو مینیج کرنے کے لیے تیار کرے اور مینیجمنٹ کی انسٹی ٹیوٹ کے مکمل تربیتی پورٹ فولیو جس میں ڈائریکٹر ٹریننگ پروگرام شامل ہے کو ورچوئل پلیٹ فارم پر منتقل کرنے کی حکمت عملی کو اسپورٹ کرے۔ وائرس کو کنٹین رکھنے کے مثبت اثرات کے ساتھ ساتھ پی آئی سی جی کی محتاط پالیسیوں نے اخراجات میں بچت کی باوجود اس کے کہ بڑھتی ہوئی سرگرمی سے مالی گوشواروں میں بہتری آئی ہے۔

بورڈ میں تبدیلی

سابقہ بورڈ نے بورڈ میں ضروری قانونی ریفارم متعارف کروائیں جس سے بورڈ کی تنظیم نو عمل میں لائی گئی۔ اس کے بعد نئے بورڈ نے پی آئی سی جی کے 10 مئی 2021 کو منعقد ہونے والے جنرل باڈی کے انتخابات کے فوراً بعد اپنا چارج سنبھال لیا۔ بورڈ کی تنظیم نو بورڈ میں انضباط لانے کی خاطر کی گئی ہے تاکہ اس سے ادارے میں "رینیوول اور کنٹونیوٹی" کا ایک صحتمندانہ توازن حاصل ہو جس کا مقصد یہ یقینی بنانا تھا کہ بورڈ کا ایک ٹھیک سائز ہو۔ اس کے تحت ممبران کی تعداد 15 سے کم کر کے 10 کی گئی۔ اس میں 5 "فرسٹ ٹائم" اور 5 "کنٹونیوٹی" ڈائریکٹرز سی ای او کے ساتھ شامل ہیں۔ اور سب سے اہم اس بات کا یقینی بنانا تھا کہ پی آئی سی جی جینڈر پیرٹی کی جانب چند ابتدائی اقدام اٹھائے۔

پیئڈیمک کے چیلنجز کے باوجود پی آئی سی جی نے ایک اچھی کارکردگی دکھائی۔ جس کو بورڈ اور مینیجمنٹ کی کاوشوں کی مدد حاصل تھی تاکہ یہ ترقی کی اس رفتار کو کھو نہ دے۔ انسٹی ٹیوٹ کے چیلنجز کو فوری طور پر جانا گیا اور دوران راہ اس کی اسٹریٹیجک ڈائریکشن کی جانب ایڈجسٹمنٹ کی گئیں۔ بورڈ کی ڈائریکٹری اس کی ایک قابل ذکر کامیابی ہے جس کے تحت اب ایک تنہا منتخب ہونے والے نئے ممبران خواتین ہیں۔ مجموعی طور پر بورڈ کے ممبران کا مختلف سب کمیٹیوں میں اپنی خدمات پیش کرنے اور حصہ داری کا جوش و جذبہ قابل تعریف ہے۔

بورڈ کی نامینیشن کمیٹی کی رپورٹ

گزشتہ سال بورڈ نے ایک نامینیشن کمیٹی بنائی۔ کمیٹی کا قیام بہترین پریکٹسز اور کوڈ آف کارپوریٹ گورننس کے کوڈ کی دفعات کے مطابق تھاکمیٹی کا قیام بورڈ بنانے کے عمل کو شفاف سخت بنانے کے لیے باقاعدہ پروسیجر بنانے کے لیے تھا جو کہ بورڈ کو متوازن، ڈائریکٹرز اور آزاد بنانے کی طرف لے جائے۔ نامینیشن کمیٹی کے ایجنڈے کو عمل میں لانے کے لیے انسٹی ٹیوٹ کے آرٹیکلز آف ایسو سی ایشن میں خاطر خواہ تبدیلیاں لانا ضروری تھیں۔ ان کا با غور جائزہ لیا گیا اور آخر کار بورڈ اور ممبران نے ان کو سالانہ جنرل اجلاس میں منظور کیا۔

مانڈی والا اینڈ ظفر کے جناب محمود مانڈی والا اور ویلانی اینڈ ویلانی کے جناب بدرالدین ویلانی نے پی آئی سی جی کے آرٹیکلز میں مجوزہ تبدیلیوں کا جائزہ لیا اور ان کو اختتامی شکل دی تاکہ انسٹی ٹیوٹ اپنے گورننس کے پروگریسو ایجنڈا کی طرف بڑھ سکے جس میں بورڈ کے سائز میں 9 ممبران تک کمی، ایک تنہائی آزاد ڈائریکٹرز اور اسکے ساتھ آزاد چیئر، ایک پارٹیسپیٹری

ووٹنگ کا پروسیجر جس میں ممبرشپ کی تمام کلاسز کو ووٹ کا حق اور سب سے اہم یہ کہ انسٹی ٹیوٹ کے بورڈ پرایک تہائی ڈائریکٹرز خواتین کا ہونا شامل ہے۔

پی آئی سی جی بورڈز پر جینڈر پیرٹی کو پرموٹ کرنے میں سب سے آگے رہا ہے کوڈ آف کارپوریٹ گورننس کو ریویو کرنے پر انسٹی ٹیوٹ کی ٹاسک فورسز نے ایک ضروری دفعہ کی سفارش کی ہے جس میں تمام پبلک لیسٹڈ کمپنیوں کے بورڈز میں ایک خاتون ڈائریکٹر ہونا لازمی ہے۔ پی آئی سی جی نے اپنے بورڈ میں ایک تہائی خواتین شامل کر کے کارپوریٹ بورڈز پر زیادہ خواتین لیڈرشپ کی بطور ایک مثال راستہ ہموار کیا ہے۔ پی آئی سی جی اس معاذ پر سب سے آگے ہو گا۔

کاروباری سرگرمی

کوڈ-19 کی پابندیوں کے جواب میں انسٹی ٹیوٹ نے بہت جلدی اپنے تربیتی پروگرام کی آن لائن توسیع کردی۔ انسٹی ٹیوٹ نے ایٹمی منی لائٹرننگ، ماحولیات، سماجی اور گورننس معاملات اور ورک پلیس ہراسمنٹ پر تین نئے مخصوص تربیتی پروگراموں کا آغاز کیا۔ تینوں پروگرام ہماری ممبران کمپنیوں اور جو ممبران نہیں ہیں ان کے لیے مجودہ حالات کے مطابق ہیں۔ پی آئی سی جی کمپنیوں کو کارپوریٹ گورننس میں میگا ٹرینڈز اور نئے معاملات کے متعلق آگاہ رکھنے کے لیے اپنے کردار سے باخوبی واقف ہے۔

مالیات/فنانس

پی آئی سی جی کی فنانسز کو بہت محتاط طریقے سے مینج کیا گیا۔ ان کو بورڈ کی آڈیٹ کمیٹی اور بورڈ کی انوسٹمنٹ کمیٹی اور اس کے ساتھ ساتھ انسٹی ٹیوٹ کے انٹرنل (بی ڈی او) اور بیرونی آڈیٹرز (ایف وائی) کی اور سائٹ حاصل تھی۔ ان سب نے بہت جانبداری سے اپنی خدمات سرانجام دیں۔ بورڈ نے سالانہ رپورٹ اور مالی گوشواروں کی جانچ پڑتال کی ہے اور اس کو یہ کنفرم کرتے ہوئے خوشی ہے کہ ہمارے خیال میں یہ رپورٹ اور مالی گوشوارے، مجموعی طور پر، مناسب، متوازن اور قابل فہم ہیں۔

مستقبل کا رحجان/فیوچر آؤٹ لک

آگے بڑھتے ہوئے ہم پی آئی سی جی کو ٹرانسفارم کرنے کے عمل میں ہیں۔

سب سے پہلے مینیجمنٹ پی آئی سی جی کے لیے ایک نئی حکمت عملی بنانے پر فوکس ہے اور اس کے لیے ایک ملٹی اسٹیک ہولڈرز کی مشاورت کرے گی تا کہ انڈسٹری کا فیڈ بیک لے سکے۔ اس کا بنیادی مقصد پی آئی سی جی کی ممبرشپ میں کارپوریٹ گورننس کو فروغ دینا ہے جس کے لیے مائٹرن اور اپ گریڈڈ کارپوریٹ گورننس کے کورسز تیار کیئے جائیں گے۔ اس میں نئی جنریشن کے انتہائی قابل اور تجربہ کار تربیت کار شامل کیئے جائیں گے۔ کارپوریٹ گورننس کے کورسز اور ٹولز اور کورسز کی ڈیلوری کا طریقہ کار آوی سی ڈی اسٹینڈرڈز اور رواج بہترین پریکٹسز کے مطابق ہونگے۔ اس کے ساتھ پی آئی سی جی اپنے مینڈیٹ کے اندر رہتے ہوئے منارٹی شیئر ہولڈرز کے حقوق کے متعلق آگاہی اور فہم رسائی کو فروغ دے گا۔

پی آئی سی جی ایس ایم ایز کے لیے مخصوص تربیتی موڈیولز تیار کرے گی۔ پی آئی سی جی کے ڈیجیٹل ٹرانسفمیشن پلان کے تحت ایس ایم ایز تک اپنی پہنچ بڑھانے کے لیے انسٹی ٹیوٹ زیادہ سے زیادہ ٹیکنالوجی پر انحصار کرے گا۔

دوسرا یہ کہ پی آئی سی جی بزنس اسکولز اور اکاونٹنگ باڈیز سے تعاون کرے گا تاکہ ان کی ریسرچ حاصل کرے اور نئی ریسرچ، ایڈوکیسی اور اہلیت کاری کی حوصلہ افزائی کرے۔ پی آئی سی جی کوشش کرے گا کہ پروگراموں کی تعداد میں اضافہ کیا جائے تاہم اس کے کارپوریٹ گورننس کے مینڈیٹ کے اندر پروگراموں کے عنوان میں تنوع اور معیار کو یقینی بنائے گا۔

تیسرا یہ کہ عالمی رجحانات کے مطابق کارپوریٹ ایجنڈا کو بڑھا اور بہتر بنا کر اس کو اسٹیک ہولڈرز کے ترقی اور منافعہ پر فوکس سے آگے لے جانا ہے۔ اس میں اسٹیک ہولڈرز کی توجہ کو ماحولیات، سماجی اور گورننس (ای ایس جی) کے ایجنڈا پر مرکوز کرنا ہے تاکہ وہ آگے بڑھتے ہوئے کمپنیوں کے لیے انٹرنیشنل ریٹنگ ایجنسیوں کی ای ایس جی ریٹنگز کی ڈیولپمنٹ کے عمل میں شریک ہو سکیں۔

اس مقصد کے لیے پی آئی سی جی ای ایس جی فریم ورکس کی بہترین پریکٹسز کی تیاری کے لیے پی ایس ایکس، آئی کیپ اور دوسرے اداروں سے اشتراک کر رہا ہے اور لیسٹڈ کمپنیوں کی ای ایس جی کے ایجنڈا کو مین اسٹریم میں لانے کی حوصلہ افزائی

کرے گا۔ اس سلسلے میں پی آئی سی جی ایک ایروچ اور میتھڈالوجی کو تیار کرنے کے لیے کام کرے گا تاکہ ای ایس جی اسٹینڈرڈز کو کمپنی کی سطح پر فروغ دیا جائے۔ اس کی جانب بڑھتے ہوئے پی آئی سی جی اور پی ایس ایکس نے بطور ایک سیکریٹیریٹ کے پی ایس جی پر کام کرنے اور ٹیکنیکل پارٹنرز کو سامنے لانے کے لیے اشتراک کیا ہے۔

ہمارے ویژن اس انسٹی ٹیوٹ کو کارپوریٹ گورننس کے لیے ایک سینٹر آف ایکسیلینس بنانا ہے اور اس کو مین اسٹریم میں لانہ ہے تاکہ ای ایس جی بزنس اور لوگوں کی پائیدار ترقی کے میرٹس کی پہچان ہو۔

بورڈ آئینہ سال کے بارے میں بہت پر اعتماد ہے۔

ڈاکٹر شمشاد اختر

چینر پرسن

Directors Report to the Members

Directors Report to the Members of Pakistan Institute of Corporate Governance (PICG) for the Year Ended 30 June 2021

The Board of PICG is pleased to issue its report on the affairs of your Institute for the year 2020-2021.

Overview:

This year has seen the completion of very important and progressive amendments to the Institutes Articles of Association under which the election of a new right sized board of nine elected (down from 14) members with one third mandatory women members, was held in early May 2021.

A proud first for the institute was electing its first woman Chair of the Board in the person of Dr. Shamshad Akhtar.

Near the outset of the year (mid- July 2020) also saw the induction by the board of Ahsan Jamil as the new President & CEO of PICG after a thorough and rigorous hiring process.

The year under review has been one of the most successful financial performance years with a notable turnaround for PICG from an operating deficit in FY2020 (-Rs.0.7m) to exceeding FY2021 budget targets significantly (to Rs.21.5m).

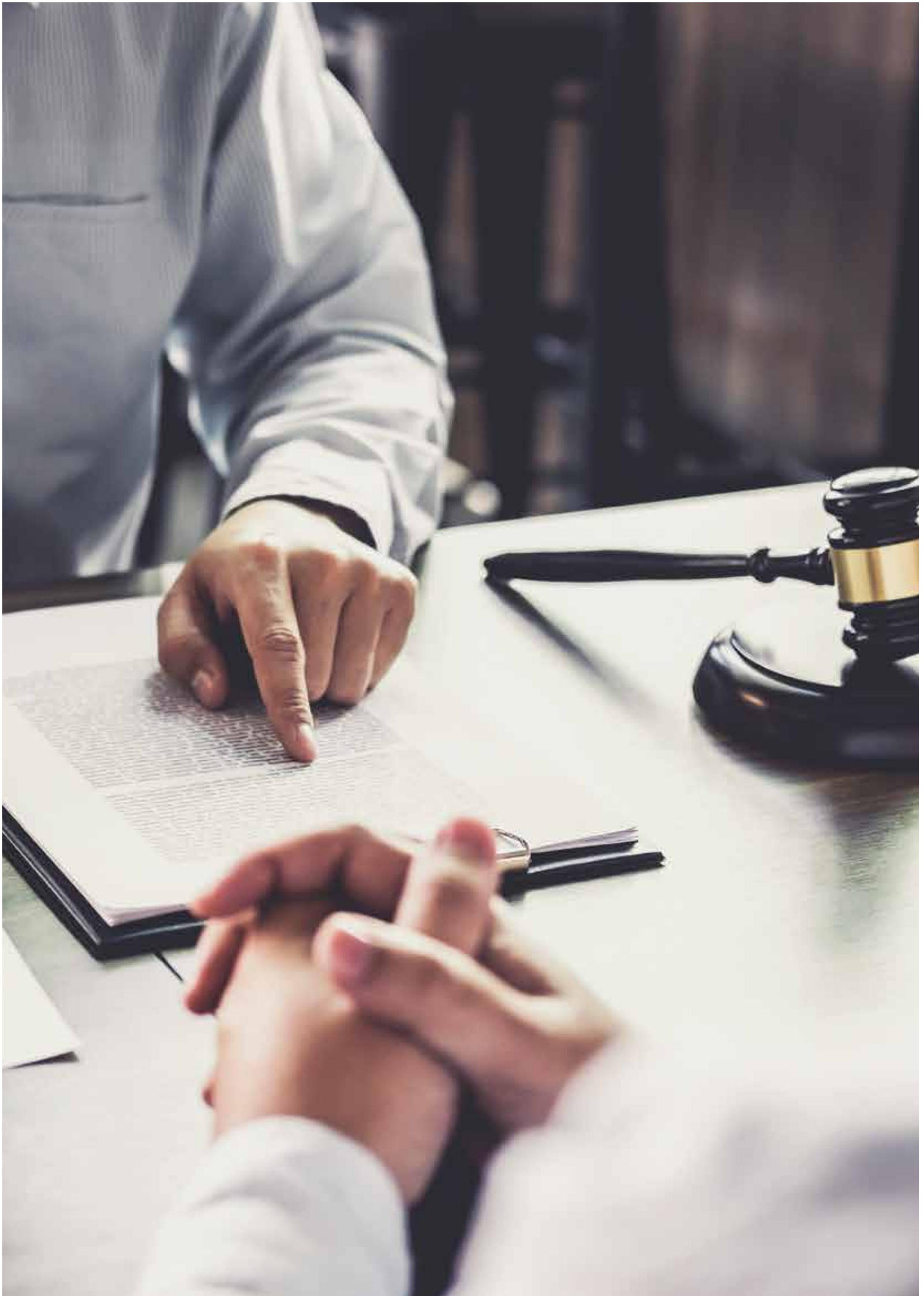
An ESG Task Force was approved by the board this year, co-founded in a PSX-PICG partnership; with Dr Shamshad as its Chair purposefully leading to convene and elevate the disparate local efforts on ESG; to combine through partnerships, to build-up and focus in bringing standardized ESG reporting for corporates and create a Pakistan ESG index. This aims to also build the absorptive capacity of our corporates to attract their fair share of the fast-growing global capital, now in the trillions of dollars and increasingly sensitive to Corporate ESG practices, into Pakistan's economy. This aspires to herald the new era of holistic Governance integrating E&S into the Governance lens; the criticality of which the unprecedented Covid-19 pandemic, global fires and floods have awoken us to with the urgency of acting now!

Appointment of New Board

The Institute's Election of Directors ushered in the new Board able and willing to carry out their responsibilities for the progress and future success of the Institute. The election process was postponed as the Outgoing Board was considering several forward looking amendments in the Institute's Articles of Association with a view to suitably amend the provisions with respect to board composition, members' voting rights, induction of 1/3rd Independent directors, and most significantly induction of minimum 1/3rd women directors. The proposed amendments were approved by the Board in their 84th Meeting held consecutively on 21st and 25th January , 2021. An Impediment Report filed with the SECP under Sub-section (2) of Section 158 of the Companies Act, 2017 granted further extension for holding election of directors up to May 15, 2021.

With the support of its general body, who approved the proposed amendments to the Institute's Articles of Association in the Extra Ordinary General Meeting held on 19th March 2021, the Institute was enabled to move forward on its progressive governance agenda to reduce board size to nine, induct 1/3rd independent directors as well as an independent Chair, 1/3rd women directors on the Institute's board, and a participatory procedure for voting.





In their 86th meeting held on 2nd April 2021, the Board of Directors fixed the number of Directors to be elected in the general meeting at nine (9) subject to the provisions of section 154 of the Companies Act, 2017. The notice of the EOGM being circulated to all members on 19th April 2021, both via email and courier, the Extra Ordinary General Meeting for election of directors was held on 10th May 2021 at 10:00 A.M. via Zoom videoconferencing. Following the consecutive withdrawal on 3rd and 4th May 2021 of one nomination from Class 'A' and one from Class 'C' respectively, the number of candidates - who had offered themselves to be elected in each of the classes, i.e., three (3) candidates to be elected in Class 'A', and four (4) candidates to be elected in Class 'B' and Class 'C' - being equal to the number of directors to be elected, all candidates in both Class A and Classes B and C were deemed to be elected unopposed in terms of Article. 31 of the Institute's Articles of Association.

As a consequence the following Directors were declared at the EOGM to be the Directors of the Pakistan Institute of Corporate Governance for a term of three years commencing from 10th May 2021:

CLASS A (by election)

Dr. Fakhara Rizwan	Pakistan Stock Exchange
Mr. Faisal Akhtar	Overseas Investors Chamber of Commerce & Industry
Mr. Yousaf Hussain	Pakistan Banks Association

CLASS A (by nomination)

Ms. Musarat Jabeen	Nominee Securities and Exchange Commission of Pakistan
Mr. Saleem Ullah	Nominee State Bank of Pakistan

CLASS B

Mr. Ahson Iqbal	Lifetime Individual Member (Independent)
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CLASS C

Dr. Shamshad Akhtar	Honorary Lifetime Member (Independent)
Mr. Wasif A. Rizvi	Corporate Member (Independent)
Mr. Muhammad Ashraf Bawany	Corporate Member (Independent)

In their 88th meeting held post EOGM on 10th May, 2021, the new Board of Directors unanimously elected Dr. Shamshad Akhtar as the new Chairperson of the Board.

Board Composition and Remuneration

The Institute's New Board is now composed of ten members, including three women directors and the CEO. There are four Independent Directors, five Non-executive Directors, and the CEO is the only Executive Director.

The Board has five sub-committees – Audit Committee, Human Resource and Remuneration Committee, Nomination Committee, Investment Resource Mobilization and Business Development Committee; and Research Advocacy and Strategy Committee. The Board has recently finalized the constitution of one new Board sub-committee which is the Research Advocacy and Strategy Committee which held its first meeting in Q1 of 2021-2022. The Board Investment Committee has been reconstituted as the Board Investment Resource Mobilization and Business Development Committee. The names of the Board Members, and composition of Board's sub-committees are given in the Statement of Compliance with the Listed Companies (Code of Corporate Governance Regulations) 2019. No remuneration is paid to the directors as they serve on the Board pro bono with the exception of the President & CEO.

Macroeconomic Outlook

As an immediate response to COVID-19, the Socio-economic Impact Assessment and Response Plan developed by the Government of Pakistan, relevant ministries and UN agencies proposed five work streams connected by a strong environmental sustainability imperative.

The Board had been deliberating how the pandemic had highlighted ESG preparedness of those organizations that were ahead of the curve on integrating sustainability risks and opportunities into their business operations and corporate reporting. The resultant of these discussions was the creation of the ESG Task Force conceptualized by the Outgoing PICG Board and co-founded by the Pakistan Stock Exchange and PICG under a memorandum of understanding with Dr. Shamshad Akhtar leading the Task Force as Chair.

The Task Force is being steered by the Chairperson's vision to enhance the quality and comparability of the ESG information provided by corporate issuers in Pakistan. The intention is to integrate various ESG factors increasingly relevant to different stakeholders particularly the global investors' process by developing an ESG Index of businesses in Pakistan.

The Task Force has received enormous support from stakeholders with the Securities and Exchange Commission, the State Bank, and The Institute of Chartered Accountants of Pakistan as well as leading Pakistani corporates and banks promptly nominating their representatives on the Task Force to facilitate its work.

The Institute will keep members duly informed on the proceedings of the Task Force to widen the scope of this important endeavor that PICG has jointly undertaken with PSX under the leadership of Dr. Shamshad Akhtar and with the full support of Board Members.

Institute's Operations

Director Training Program

In the COVID-19 scenario, the Institute successfully launched its first ever virtual Directors Training Program and successfully transitioned its entire training schedule including its specialized workshops to the new online world. The transition to a virtual training platform has boosted the Director Training Program (DTP) with enhanced participation rates. During the year ended 30 June 2021, the Institute conducted 11 DTPs with 178 participants compared to 11 programs last year with 115 participants.

Specialized Training Programs

The Institute has also started diversifying its revenue sources through specialized training workshops on related topics. In keeping with its efforts towards program diversification, the Institute continued to develop other programs in addition to those held last year. These include the Anti-Money Laundering workshop necessitated by the proactive AML/CFT regulatory regime in Pakistan driven by SECP's AML/CFT Guidelines and the State Bank's AML/CFT/CPF Regulations. The workshop addresses money laundering as a potential indicator of terrorist funding and other global crimes, making AML training even more necessary. The other significant specialized training program rolled out this year is Harassment of Women in the Workplace which presents a positive approach for organizations seeking to understand and prevent sexual harassment in the workplace. The Institute's objective in launching this program is to encourage mandatory and regular anti-harassment training as an essential part of organizational HSE policies.

The third most important training is the ESG 101 workshop, a natural corollary to the ESG Task Force, developed to raise corporate awareness on how an organization can manage risks and opportunities that shifting market and non-market conditions create with ESG. An ESG 202 training is underway to introduce participants to frameworks for measuring ESG at industry oversight level.

Board Evaluations Service

Pricing slabs have been set with long overdue increases commensurate with size of organization. The number of board evaluations completed this year were 37 (48%) compared to 25 last year in spite of price increases. Board Evaluations as an offering is positioning itself as a value accretive proposition to our customers and is a growing revenue generating product; as the assessment measures boards' performance against established criteria over time, and generates a comprehensive results report focusing on critical areas of improvement in board competence. Databank of Independent Directors As PICG has been assigned to develop and maintain the Independent Directors Databank by the Securities and Exchange Commission, the Institute has become the point of contact for individuals interested in board appointments as independent directors and companies seeking to enhance their Boards' capabilities

through experienced, independent board members. As of June 30, 2021, total registrants on the Databank increased to 2901 individuals (16%) and 563 companies (41%) over 2505 individuals and 400 companies last year; both reflecting sharp increases due to the pro bono pricing plus the efficacy of the Databank. A need to charge for this or a freemium model is under consideration at PICG.

Memberships

This year the Institute inducted 23 new members, 7 corporate members and 16 individual members compared to 10 new members, 4 corporate members and 6 individual members last year. The approval criteria for members has been significantly enhanced by SECP vide SRO No 733 (1)/2018, applicable to charitable organizations and not for profit companies. This requires companies to ensure that their members comply with the fit & proper criteria as laid down in the regulations.

Financial Review

The total revenue for the year from operations increased by Rs.29.81m (57%) to Rs.81.41m from last year. The main reasons for the increase in revenue is i) the increase in Director Training Program revenues of Rs.42.97m (56% increase); ii) Board Evaluation revenues of Rs.10.15m. (190% increase); and (iii) the increase in members fee (88% increase). Income from investments stood at Rs.10.50m compared to Rs.11.00m last year. The surplus for this year, after charging all expenses increased by 270% to Rs.29.91m compared to Rs. 8.08m last year.

Appointment of Auditors

The statutory auditors of the Institute M/s EY Ford Rhodes Chartered Accountants have completed their audit of the financial statements and the Statement of Compliance with the Code of Corporate Governance for the financial year ending 30 June 2021. EY Ford Rhodes were reappointed to act as external auditors of the Institute for the financial year ending June 30, 2020 in the AGM held on October 27, 2020. Although not mandatory for the Institute, the Board in compliance with best practices of the Code of Corporate Governance and reasons of cost had recommended that new auditors be appointed in their place.

Governance & Human Resource Management Renewal of NPO Certification

PICG has successfully renewed its NPO Certification up to FY2023 through the Pakistan Centre for Philanthropy (PCP) in order to avail tax credit under section 100(c) of Income Tax Ordinance 2002. The PCP is notified by the FBR to act as a Certification Agency for Non-Profit Organizations abiding by rules 211 to 220B of the Income Tax Rules 2002.

The certification renewal process was an extensive six month exercise that required the Institute's management team to work closely with the PCP certification team to furnish detailed reports with regard to the Institute's operational, financial, and strategic performance during the preceding three financial years. The process culminated in a full day evaluation visit by the PCP team at PICG's offices following which, the Institute's renewal application was approved by the PCP Certification Panel certifying that PICG meets the standards set by the FBR.

Approval of Policies and Procedures

With focus on broad policy concerns, the Board oversaw the policy-making process by the Executive Management Team led by the CEO. The Institute has successfully developed and implemented a complete portfolio of company policies and procedures, including CEO and Board performance evaluation, information technology, marketing, recruitment and selection, and compensation and benefits.

In response to the SECP's Circular No.7 of 2021 dated March 12, 2021 recommending the development and implementation of Board level policies for gender diversity and combating workplace harassment, PICG developed its own comprehensive 'Anti-Harassment & AntiDiscrimination Policy' which is based on the Protection Against Harassment of Women at Workplace Act, 2010 which serves as a template for organizations seeking to enforce workplace safety and the Institute is geared to assist companies develop their own anti-harassment policies and processes.

Chairman of the Outgoing Board and Board Members were instrumental in guiding Management to develop the Institute's governance and HRM policies.

Implementing HR Best Practices

The COVID-19 pandemic has caused the Institute to rethink many aspects of its operations. Prioritizing workplace safety, the Institute allowed remote work to all employees while continuing uninterrupted business activity using internal communication software tools like Zoom. The transition to a virtual training platform has emerged from the Institute's focus on protecting the health and safety of staff, faculty, and members.

In their 90th annual budget meeting held on June 22, 2021 your New Board evaluated critical areas where increased investment will have the biggest impact, and approved an annual recruitment budget of Rs. 11.0m. To ensure talent acquisition and retention and fair compensation practices, Recruitment & Selection and Compensation & Benefits policies have been developed and approved by the Board.

Management's approach to human resource, wholly supported by the Board, is to focus on hiring the best people, training them well, managing their performance, compensating them fairly in terms of salary and benefits, and creating solid processes for recognition and promotion.

Internal Controls, Strategy and Risk Mitigation

The Board has an effective Internal Control framework in place that ensures the accuracy of accounting information and financial reporting and the Institute's compliance with laws and regulations. The Institute's internal auditors BDO evaluate the effectiveness of the internal controls and address internal and external risks. The Board actively discusses and implements recommendations from the Board Audit Committee. The Institute has an internal audit function that ensures the flow of accurate and timely information to the Audit Committee. A strong external audit function ensures the credibility of financial statements. An MIS is in place to provide concise and meaningful information.

The next phase for the Institute is the implementation of a digitization of its operations to streamline the Institute's business processes. Management is proactively exploring the right sized ERP and solution set along with hiring the right level of technology competence to support this digital transformation goal. This will help build an efficient system for reaching out to and engaging with corporate audiences for lifelong learning, embedding social media capabilities and CRM to build stronger relationships with new supporters and donors, and establishing a real-time accounting and budgeting system that increases internal communication and teamwork.

The main strategic risk to the Institute's sustainability is uncertainty created by the current fluid business environment. However, the Management in consultation with the Board of Directors is developing short to medium term strategies to revamp the DTP, new program creation, hiring of people with relevant skill sets, and investment in technology. The Board expects these strategies to take shape in the coming year.

Stakeholder Engagement

As the COVID-19 crisis has tested board and executive leadership, the Institute has been widening its mandate of holistic governance by engaging with members through structured capacity building trainings on macro themes - directors' duties and accountability, the governance of culture and most significantly, ESG.

With the engagement of new Board Members representing both apex and frontline regulators, the Institute is being encouraged to take a leadership role in contemporary governance debates like minority shareholder rights, and development of SME and NPO governance toolkits. New Board Members are also leveraging their networks to promote the Institute's linkages with reputable international universities, global development institutions, local technology providers, and corporate donations and technical expertise for the Institute's ESG agenda.

The Institute is also reengaging with the International Finance Corporation (IFC) to align with the IFC's ESG work in emerging markets through access to the IFC Toolkit on Transparency and Disclosure and ESG Progression Matrix. The IFC's ESG agenda in South and Southeast Asia is to integrate ESG norms into investment decisions, corporate governance frameworks such as codes, and stock exchange activities and corporate reporting. The Institute has also refreshed its partnerships with the International Corporate Governance Network (ICGN) and the Global Network of Director Institutes (GNDI).

Business Continuity

The Board is pleased to report that throughout the several waves of the pandemic, the Institute's Management has been adaptable and responsive, and the Institute has continued to operate business as usual while limiting its health impacts on staff. Our members have played their part in this by stewarding their organizations through this extremely difficult time and continuing to participate in the Institute's programs and availing the Institute's services online.

Corporate Social Responsibility

The Board has adopted corporate social responsibility into the Institute's programming by offering a discounted DTP fee structure to women aspiring to board positions as well as for some board members of not for profit organizations. Discounted fee structure will now also be offered to board and senior management of small and medium sized businesses, particularly women-led SMEs. This CSR policy is embedded in the Institute's agenda to promote diversity and inclusion.

Compliance with the Code of Corporate Governance

As required under the Listed Companies (Code of Corporate Governance) Regulations 2019 the Directors are pleased to state as follows:

- The financial statements of the Institute present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of accounts of the Institute have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment. Proper accounting records have been maintained by the Institute.
- International Financial Reporting Standards, as applicable to the Institute, have been followed in preparation of financial statements and deviation, if any, from these have been adequately disclosed and explained.
- The Chief Executive Officer and the CFO have reviewed the financial statements and the Chairman's Review and Directors Report. They acknowledge their responsibility for true and fair presentation of the financial statements, accuracy of reporting, compliance with regulations and applicable accounting standards.
- The system of internal control is sound in design and effectively implemented and monitored.
- There are no significant doubts about the Institute's ability to continue as a going concern.
- The Institute has issued a statement of compliance with the code of corporate governance which has also been reviewed by the auditors of the Institute.
- There has been no material departure from the best practices of corporate governance.
- The Board of Directors of the Institute is committed to good corporate governance and appropriate steps are taken to comply with best practices.
- Comply and Explain on the Chair of the BHRR Committee not being an independent Director: having a woman chair for gender balance in committee leadership was deemed more important by the board. Moreover, as a not for profit we are not required by law to comply or explain but do so in the spirit and practice of Good Governance.

Future Outlook

As part of enhancing the Institute's brand equity and broadening the Institute's policy agenda, the Outgoing Board had approved changes in the PICG logo and the vision and mission statements. A significant shift underlies the new vision and mission statements which read as follows:

Our Vision

Enable good governance that creates shared prosperity, an ethical society and an inclusive, sustainable economy.

Our Mission

To create awareness of the benefit of good governance to business and society thereby catalysing best practice for long term sustainability.

The Institute's vision is to urge our membership as well as our corporate clients to adopt a new governance paradigm that emphasizes a long-term, sustainable investment horizon. Thus, the integration of ESG into the Institute's capacity building and policy advocacy agenda, broadly applicable across all companies and industry sectors, is meant to provide an opportunity for institutional investors to identify and invest in Pakistani companies where ESG is at the center of the business process.

The Institute's mission is to develop contemporary directors possessing the relevant director skills and a thorough understanding of director duties and responsibilities, who will become valuable assets to the boards of Pakistani businesses. In furtherance of this mission, the Institute is aligning its team of experienced faculty and a range of external resources such as advanced corporate governance toolkits to revamp the Institute's flagship Director Training Program. The new course will comprise online and offline resources and face-to-face facilitation that bring it at par with the best global director training programs.

Lastly, a prudent investment policy, approved by the Board, gives stakeholders confidence that the Institute's assets are being managed in an appropriate and risk-adjusted manner.

Acknowledgement

The Board wishes to acknowledge the contribution made by all stakeholders including directors, employees and members, faculty and the apex and frontline regulators, the Securities and Exchange Commission of Pakistan, the State Bank of Pakistan, and the Pakistan Stock Exchange.



Chairman Audit Committee
September 4, 2021



President/CEO & Director

پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس (پی آئی سی جی) کے ممبران کے لیے ڈائریکٹرز رپورٹ برائے مالی سال 2020-2021

پی آئی سی جی کے بورڈ آف ڈائریکٹرز کو آپ کے انسٹی ٹیوٹ کے معاملات پر رپورٹ برائے سال
2020-2021 پیش کرنے پر خوشی ہے۔

عمومی جائزہ/اور ویو

یہ سال انسٹی ٹیوٹ کے آرٹیکلز آف ایسوسی ایشن میں اہم اور پروگریسو ترامیم مکمل کرنے کا سال تھا جس کی تحت نئے ٹھیک سائز بورڈ کا انتخاب عمل میں آیا۔ نئے بورڈ کا سائز 14 ممبران سے کم کر کے 9 منتخب ممبران کیا گیا ہے۔ اس میں ایک تہائی خواتین ممبران کا انتخاب کیا گیا ہے۔ انتخاب مئی 2021 کے شروع میں منعقد ہوئے۔

بورڈ کے لیے ایک قابل فخر عمل اس کی پہلی چیئر آف بورڈ ڈاکٹر شمشاد اختر کا انتخاب تھا۔ سال کی شروع میں (جولائی 2020 کے درمیان میں) بورڈ نے ایک جامع اور ان تھک پراسس کے بعد احسن جمیل کو پی آئی سی جی کے نئے صدر اور چیف ایگزیکٹو آفیسر کے طور پر انڈکٹ کیا۔

زیر غور سال مالی کاردگی کے اعتبار سے کامیاب سالوں میں سے ایک تھا جس میں سب سے قابل ذکر پی آئی سی جی کا پچھلے مالی سال (2020) کے منفی زیرو اشاریہ سات ملین (7-0 ملین) کے آپریٹنگ خسارے سے نکل کر سولہ اشاریہ چھ ملین (6-16 ملین) کے ساتھ بجٹ ٹارگٹس میں شاندار اضافہ تھا۔

بورڈ نے ایک ای ایس جی ٹاسک فورس کی منظوری دی۔ جس کو پی ایس ایکس اور پی آئی سی جی کے اشتراک سے قائم کیا گیا۔ ڈاکٹر شمشاد اس کی چیئر ہیں جس کا مقصد ای ایس جی پر مقامی کوششیں کرنا اور آگے بڑھنا ہے۔ پارٹنرشپ کے ذریعے کمبائنڈ کرنا اور اسٹینڈرڈائزڈ ای ایس جی کارپوریٹ رپورٹنگ پر فوکس کرنا اور ایک پاکستان ای ایس جی انڈکس کا قیام ہے۔ ای ایس جی کے قیام کا ایک اور مقصد ہماری کارپوریٹس کی جاذب اہلیت کاری ہے تاکہ وہ تیزی سے بڑھتے ہوئے عالمی سرمایہ میں سے پاکستان کی اکنامی میں ایک مناسب حصہ لاسکیں۔ یہ سرمایہ بڑھ کر ٹریلین ڈالرز تک پہنچ چکا ہے اور تیزی سے کارپوریٹ ای ایس جی پریکٹسز کے متعلق احساس ہے۔ اس سے مجموعی گورننس کے ایک نئے دور کا آغاز ہوا ہے اور ای ایس جی کو گورننس کے لینس میں انٹگریٹ کر لیا ہے۔ اس کی احساسیت کووڈ-19 پینڈیمک، عالمی آتشزدگی کے واقعات اور سیلاب نے ہمیں جگا دیا ہے اور ان پر ابھی سے ایکٹ کرنے کی جلدی پیدا کر دی ہے۔

نئے بورڈ کی تعیناتی

انسٹی ٹیوٹ کے ڈائریکٹرز کے انتخاب سے ایک نئے بورڈ کا آغاز ہوا جو کہ انسٹی ٹیوٹ کی ترقی اور مستقبل کی کامیابی کے لیے اپنی ذمہ داریوں کو ادا کرنے کے اہل اور تیار ہیں۔ انتخابات کا عمل ملثوی کیا گیا کیونکہ ختم ہونے والے بورڈ کو انسٹی ٹیوٹ کے آرٹیکلز آف ایسوسی ایشن میں مستقبل کے حوالے سے کئی ترامیم کرنی تھیں۔ اس میں بورڈ کی ساخت کے متعلق کئی دفعات میں مناسب تبدیلیوں،

ممبران کے ووٹنگ کے حقوق، ایک تہائی آزاد ڈائریکٹرز کی شمولیت اور سب سے اہم یہ کہ کم از کم ایک تہائی خواتین ڈائریکٹرز کی شمولیت کو مد نظر رکھنا تھا۔ بورڈ نے مجوزہ ترامیم کی اپنے 21 اور 25 جولائی 2021 کو ہونے والے چوراسیویں (84) اجلاس میں منظوری دی۔ انسٹی ٹیوٹ کو کمپنیز ایکٹ 2017 کی سیکشن 158 اور سب سیکشن (2) کے تحت ایس ای سی پی کو دی جانے والی ایک ایمپیڈیمنٹ رپورٹ میں 15 مئی 2021 تک ڈائریکٹرز کے انتخاب کرنے کی مہلت مل گئی

جنرل ہاڈی کی اسپورٹ کے ساتھ، جس نے 19 مئی 2021 کو ہونے والے غیر معمولی جنرل اجلاس میں انسٹی ٹیوٹ کے آرٹیکلز آف ایسو سی ایشن میں مجوزہ ترامیم کی منظوری دی، انسٹی ٹیوٹ اپنے پروگریسو گورننس کے اینجنڈے پر گامزن ہونے کے قابل ہوا۔ اس اینجنڈے میں بورڈ کا سائز کم کر کے 9 ڈائریکٹرز، ایک تہائی آزاد ڈائریکٹرز کی تعیناتی، اس کے ساتھ ساتھ ایک آزاد چیئر، ایک تہائی خواتین ڈائریکٹرز کی شمولیت اور ووٹنگ کے لیے پارٹی اسپیٹری طریقہ کار شامل ہے۔

بورڈ آف ڈائریکٹرز نے 2 اپریل 2021 کو ہونے والے چھیاسیویں (86) اجلاس میں ڈائریکٹرز کی تعداد کو 9 فکس کر دیا جن کو اگلی جنرل اجلاس میں منتخب ہونا تھا۔ اس کا اطلاق کمپنیز ایکٹ 2017 کی سیکشن 154 کی دفعات سے تھا۔ ای او جی ایم کے نوٹس کو 19 اپریل 2021 پر ای میل اور کوریئر سروس کے ذریعے ممبران کو بھیجا گیا۔ ڈائریکٹرز کے انتخاب کے لیے ایکسٹرا آرڈینری جنرل میٹنگ 10 مئی 10-00 اے ایم زوم ویڈیو کانفرنسنگ کے ذریعے منعقد ہوئی۔ 3 اور 4 مئی 2021 کلاس اے اور کلاس سی سے ایک ایک نامینیشن کے نکل جانے کے بعد ہر کیٹیگری میں جن امیدواروں نے اپنے آپ کو انتخاب کے لیے پیش کیا وہ یوں تھے: تین (3) امیدوار کلاس اے، چار (4) امیدوار کلاس بی اور سی۔ یہ تعداد منتخب کیے جانے والے ڈائریکٹرز کی تعداد کے برابر تھی۔ اس طرح انسٹی ٹیوٹ کے آرٹیکلز آف ایسو سی ایشن کے آرٹیکل 31 کے تحت کلاس اے، بی اور سی میں تمام امیدواروں کو بلا مقابلہ ڈائریکٹرز منتخب جانا گیا۔

اس کے نتیجے میں ای او جی ایم پر مندرجہ ذیل ڈائریکٹرز کو 10 مئی 2021 سے تین سال کی مدت کے لیے پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس کے ڈائریکٹرز ہونے کا اعلان کیا گیا

کلاس اے (انتخابات کے ذریعے)

ڈاکٹر فاخرہ	پاکستان اسٹاک ایکسچینج
جناب فیصل اختر	اوور سیز انوسٹرز چیمبر آف کامرس اینڈ انڈسٹری
جناب یوسف حسین	پاکستان بینکس ایسو سی ایشن

کلاس اے (نامینیشن کے ذریعے)

محترمہ مسرت جبین	نامنی اسکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان
جناب سلیم اللہ	نامنی اسٹیٹ بینک آف پاکستان

کلاس بی

جناب احسن اقبال	لائف ٹائم انفرادی ممبر (آزاد)
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کلاس سی

ڈاکٹر شمشاد اختر اعزازی لائف ٹائم ممبر (آزاد)
جناب واصف اے رضوی کارپوریٹ ممبر (آزاد)
جناب محمد اشرف باوانی کارپوریٹ ممبر (آزاد)
بورڈ آف ڈائریکٹرز نے ای او جی ایم کے بعد 10 مئی 2021 کو ہونے والی اپنی اٹھاسویں میٹنگ میں ڈاکٹر شمشاد اختر کو متفقہ طور پر بورڈ کی نئی چیئر پرسن منتخب کر لیا۔

بورڈ کی ساخت اور معاوضہ

انسٹی ٹیوٹ کا نیا بورڈ اب 10 ممبران پر مشتمل ہے۔ اس میں تین خواتین ڈائریکٹرز اور سی ای او شامل ہے۔ چار آزاد ڈائریکٹرز ہیں، بانچ نان ایگزیکٹو ڈائریکٹرز ہیں اور صرف سی ای او ایگزیکٹو ڈائریکٹر ہے۔

بورڈ کی پانچ سب کمیٹیاں ہیں: آڈیٹ کمیٹی، ایومن ری سورش اور ری میونریشن کمیٹی، نامی نیشن کمیٹی، انوسٹمنٹ ری سورش مو بلانزیشن کمیٹی، بزنس ڈیولپمنٹ کمیٹی اور ریسرچ ایڈوکیسی اینڈ اسٹریٹیجی کمیٹی۔ بورڈ نے حال ہی میں ایک نئی سب کمیٹی کی تشکیل کو اختتامی شکل دی ہے جو کہ ریسرچ ایڈوکیسی اور اسٹریٹیجی کمیٹی ہے۔ اس نے اپنا اجلاس 2021-2022 کی پہلی سہ ماہی میں منعقد کیا ہے۔ بورڈ انوسٹمنٹ کمیٹی دوبارہ تشکیل دی گئی ہے۔ اب یہ بورڈ انوسٹمنٹ ری سورش موبلائزیشن اینڈ بزنس ڈیولپمنٹ کمیٹی ہے۔ بورڈ ممبران کے نام اور بورڈ کی سب کمیٹیوں کے نام لیسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس ریگولیشن) 2019 سے منسلک اسٹیمنٹ آف کمپلائنس میں دیے گئے ہیں۔ صدر اور سی ای او کے علاوہ ڈائریکٹرز کو کوئی معاوضہ نہیں دیا جاتا کیونکہ وہ پرو بونو کے طور پر بورڈ پر اپنی خدمات پیش کر رہے ہیں۔

بڑے معاشی رجحانات (ماکرو اکنامک آؤٹ لک)

کووڈ-19 کے فوری جواب میں سوشو-اکنامک ایمپیکٹ ایسسمنٹ پلان جو کہ حکومت پاکستان، متعلقہ وزارتوں اور یو این کی ایجنسیوں نے تیار کیا، نے پانچ اسٹریٹجی کی تجویز دی جس کو ایک مضبوط ماحولیاتی پائیداری کی شرط سے منسلک تھی۔

بورڈ اس بات پر غور کر رہا تھا کہ پینڈیمک نے کس طرح سے ان اداروں کی ای ایس جی کی تیاری کو اجاگر کیا ہے جو کہ اس موڑ میں سب سے آگے تھے۔ اور کس طرح سے پائیداری کے رسکس اور مواقعوں کو ان کے بزنس آپریشنز اور ری پورٹنگ سے جوڑ دیا ہے۔ اس بحث کا نتیجہ یہ تھا ای ایس جی پر ایک ٹاسک فورس بنائی جائے جو کہ جاتے ہوئے پی ای سی جی کے بورڈ کا ایک تصور تھی اور اس کو پاکستان اسٹاک ایکسچینج اور پی ای سی جی نے ایک یادداشت کے تحت مشترکہ طور پر بنا یا۔ ڈاکٹر شمشاد اختر اس ٹاسک فورس کی چیئر ہیں۔

ٹاسک فورس کو چیئر پرسن کے ویژن کے تحت آگے بڑھا یا جا رہا ہے کہ کارپوریٹ ایشوئرز کی طرف سے ای ایس جی پر دی گئی انفارمیشن کو کس طرح سے معیار اور معاضے کو فروغ دیا جائے۔

اس کا ارادہ یہ ہے کہ پاکستان میں ایک ای ایس جی انڈکس آف بزنس بناتے ہوئے کس طرح سے ای سی جی کے مختلف فیکٹرز کو آپس میں جوڑا جائے جو کہ مختلف اسٹیک ہولڈرز کے متعلق ہیں۔ اس میں خاص طور پر عالمی انوسٹرس کا پراسس ہے۔

ٹاسک فورس کو اسٹیک ہولڈرز کی جانب سے بہت زیادہ اسپورٹ ملی ہے۔ اس میں اسکیوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک اور دی انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کے ساتھ ساتھ نمایاں پاکستانی کارپوریٹس اور بینکس شامل ہیں جنہوں نے ٹاسک فورس پر کام کی سہولت کاری کے لیے فور طور پر اپنے نمائندے نامی نیٹ کیے ہیں۔

انسٹی ٹیوٹ ٹاسک فورس کی پروسیڈنگز کے متعلق ممبران کو معلومات فراہم کرتا رہے گا تاکہ اس اہم کاوش جو اس نے ڈاکٹر شمشاد اختر کی لیڈرشپ اور بورڈ ممبران کی اسپورٹ میں پی ایس ایکس سے مل کر کی ہے کا دائرہ کار بڑھایا جائے۔

انسٹی ٹیوٹ کے آپریشنز

ڈائریکٹر ٹریننگ پروگرام

کووڈ-19 کی صورت حال کے پیش نظر انسٹی ٹیوٹ نے بڑی کامیابی سے اپنے سب سے پہلے ورچوئل ڈائریکٹر ٹریننگ پروگرام کا آغاز کیا اور انتہائی کامیابی سے پورے تربیتی شیڈول جس میں مخصوص ورکشاپ شامل ہیں کو آن لائن دنیا میں منتقل کیا۔ ووجوئل ٹریننگ پروگرام سے ڈائریکٹر ٹریننگ پروگرام کو خاطر خواہ تقویت ملی ہے۔ اس میں شرکاء کی تعداد میں اضافہ ہوا ہے۔ 30 جون 2021 کو ختم ہونے والے سال کے دوران انسٹی ٹیوٹ نے 11 ڈی ٹی پی کا انعقاد کیا جس میں 178 شرکاء تھے جبکہ پچھلے سال 11 پروگراموں میں شرکاء کی تعداد 115 تھی۔

مخصوص تربیتی پروگرامز

انسٹی ٹیوٹ نے متعلقہ عنوان پر مخصوص تربیتی ورکشاپس کے ذریعے ریونیو کے ذرائع میں تنوع پیدا کرنے کی شروعات کی ہے۔ اس کی کوششوں کو جار رکھتے ہوئے انسٹی ٹیوٹ نے پچھلے سال میں ہونے والے تربیتی پروگرام کو جاری رکھنے کے علاوہ نئے پروگرام کی تیاری جاری رکھی ہے۔ اس میں انٹی منی لائڈرنگ ورکشاپ شامل ہے۔ اس کی ضرورت ایس ای سی پی کے اے ایم ایل/سی ایف ٹی اور اسٹیٹ بینک کے اے ایم ایل/سی ایف ٹی/سی پی ایف کے ریگولیشنز کے نتیجے میں پاکستان کے پرو ایکٹیو اے ایم ایل/سی ایف ٹی ریگولیٹری ماحول سے پیدا ہوئی۔ ورکشاپ میں منی لائڈرنگ سے جڑے ممکنہ دہشت گردی کی فنڈنگ رسک اور دوسرے جرائم جس نے اے ایم ایل کی تربیتی کو مزید ضروری بنا دیا ہے، کو زیر موضوع رکھا گیا۔ اس سال کئی نئے تربیتی پروگراموں کا آغاز کیا گیا ہے۔ اس میں خواتین کی کام کرنے کی جگہ پر ہراسمنٹ شامل ہیں۔ جس میں اداروں کی تربیت کاری ہے کہ وہ کس طرح مثبت رویہ اپنا کر خواتین کی ورک پلیس پر جنسی ہراسمنٹ پر سمجھا اور روکا جا سکتا ہے۔ انسٹی ٹیوٹ کا اس پروگرام کے آغاز کا بڑا مقصد اداروں کی حوصلہ افزائی کرنی ہے کہ

وہ اپنی ایچ ایس ای پالیسیز کے لازمی حصے کو طور پر انٹی-ہراسمنٹ کی لازمی اور باقاعدہ تربیت کریں۔

تیسری سب سے اہم تربیت ای ایس جی 101 ورکشاپ ہے۔ جو کہ ای ایس جی ٹاسک فورس کا قدرتی ملاپ ہے۔ اس کو کارپوریٹ آگائی پیدا کرنے کے لیے تیار کیا گیا ہے، کہ ایک ادارہ کس طرح ان رسکس اور مواقعوں کو مینیج کر سکتا ہے جو تبدیل ہوتی ہوئی مارکیٹ اور نان مارکیٹ کنڈیشنز ای ایس جی کے ساتھ پیدا کرتی ہیں۔ ایک اور ای ایس جی 202 تربیت جاری ہے جو کہ شرکاء کو ان فریم ورکس سے متعارف کرائے گی کہ وہ کس طرح ای ایس جی کو ایک انڈسٹری اوورسائٹ کی سطح پر ناپ سکے ہیں۔

بورڈز کی ایویلیویشن سروس

قیمتوں کے سلیبز کو اداروں کے سائز کے مطابق لمبے عرصے سے باقی بڑھتیوں کے حساب سے سیٹ کیا گیا ہے۔ اس سال مکمل کی جانے والی بورڈ ایویلیویشنز کی تعداد 37 (48%) جو کہ پچھلے سال 25 تھیں۔ قیمتوں میں اضافے کے باوجود یہ ہدف حاصل کیا گیا ہے۔ بورڈ ایویلیویشن نے ایک ویلیو پیدا کرنے والی پروڈکٹ کے بطور پوزیشن قائم کر لی ہے اور ایک ریونیو جنریٹ کرنے کا ذریعہ کے طور پر ترقی کر رہی ہے۔ یہ ایسمنٹ بورڈ کی پرفارمنس کو اسٹابلشڈ کرائٹیریا کے مخالف ناپتا ہے اور ایک جامع ری زلٹ رپورٹ جنریٹ کی جاتی ہے جس میں بورڈ کی اہلیت کو بہتر بنانے کی خاطر احساس نقات پر فوکس کیا جاتا ہے۔

آزاد ڈائریکٹرز کا ڈیٹا بینک

جیسا کہ اسکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے پی آئی سی جی کو آزاد ڈائریکٹرز کا ایک ڈیٹا بینک ڈیولپ اور مینٹین کرنے کا کام سونپا ہے، انسٹی ٹیوٹ ایسے افراد جو کہ بطور آزاد ڈائریکٹرز کے اپنی خدمات پیش کرنے کے خواہش مند ہیں ان کے ایک پوائنٹ آف کنٹیکٹ بن گیا ہے۔ انسٹی ٹیوٹ اسی طرح ان کمپنیوں کے لیے ایک پوائنٹ آف کنٹیکٹ ہے جو اپنے بورڈز کی صلاحیتوں کو تجربہ کار اور آزاد بورڈ ممبران کے ذریعے بڑھانا چاہتی ہیں۔

30 جون 2021 تک ڈیٹا بینک میں کل رجسٹرڈ افراد کی تعداد 2901 تھی (16%) اور 563 (41%) کمپنیاں تھیں۔ پچھلے سال 2505 افراد اور 400 کمپنیاں ڈیٹا بینک میں رجسٹرڈ تھیں۔ دونوں کیٹیگریز میں بہت تیزی سے اضافہ ہوا جس کی وجہ پروبونو پرائسنگ اور ڈیٹا بینک کا انتہائی موثر ہونا ہے۔ اس میں تبدیلی کے ضرورت اور ایک پریمیم ماڈل پی آئی سی جی کے زیر غور ہے۔

ممبر شپس

اس سال انسٹی ٹیوٹ نے 23 نئے ممبران شامل کیے ہیں۔ اس میں 7 کارپوریٹ اور 16 انفرادی ممبران ہیں۔ پچھلے سال 10 نئے ممبران شامل کیے گئے تھے۔ اس میں 4 کارپوریٹ ممبران اور 6 انفرادی ممبران تھے۔ ایس ای سی پی نے ایس آراو نمبر 733 (1)/2018 کے ذریعے ممبر شپ کے منظوری

کا کرائٹیریا بہت تبدیل کیا ہے جو کہ رضاکارانہ اور منافع نہ کمانے والے اداروں پر لاگو ہے۔ اس میں کمپنیوں سے یہ مطلوب ہے کہ ان کے ممبران ریگولیشنز میں واضح کیے گئے فٹ اور مخصوص کرائٹیریا پر عمل درآمد کریں۔

مالی جائزہ/فنانشل ریویو

اس سال کے لیے آپریشنز سے حاصل ہونے والا کل ریونیو پچھلے سال کے مقابلے میں 28-80 ملین روپے (55%) بڑھ کر 81-41 ملین روپے ہو گیا ہے۔ ریونیو میں اضافے کی بڑھی وجہ: (1) ڈائریکٹر ٹریننگ پروگرام کے ریونیوز میں اضافہ 42-97 ملین روپے (56%)، (2) بورڈ ایویلیویشن ریونیوز 10-15 ملین روپے (193%) اور (3) ممبران کی فیس میں اضافہ (88%) ہے۔ سرمایہ کاری سے حاصل ہونے والی آمدنی 10-50 ملین روپے تھی۔ پچھلے سال یہ 11-00 ملین روپے تھی۔ اس سال کے لیے سرپلس تمام اخراجات کے بعد 210% کے اضافے کے ساتھ 25-02 ملین روپے تھا۔ پچھلے سال کا سرپلس 8-08 ملین روپے تھا۔

آڈیٹرز کی تعیناتی

انسٹی ٹیوٹ کے اسٹیٹیوٹری آڈیٹرز ایم/ایس ای وائی فورڈز رپورٹرز چارٹرڈ اکاؤنٹنٹس نے فنانشل اسٹیٹمنٹس اور اسٹیٹمنٹ آف کمپلائنس اور کوڈ آف کارپوریٹ گورننس کا 30 جون 2021 کو ختم ہونے والے مالی سال کے لیے اپنا آڈٹ مکمل کر لیا ہے۔ ای وائی فورڈز کو 30 جون 2020 کو ختم ہونے والے مالی سال کے لیے انسٹی ٹیوٹ کے بطور بیرونی آڈیٹرز کام کرنے کی خاطر 27 اکتوبر 2020 کو نے والی اے جی ایم میں دوبارہ سے تعینات کیا گیا تھا۔ اگرچہ یہ مینڈیٹری نہیں ہے، بورڈ نے کوڈ آف کارپوریٹ گورننس کی بہترین پریکٹسز پر کمپلائنس کو مد نظر رکھتے ہوئے اور معاوضہ کی وجوہات پر ان کی جگہ نئے آڈیٹرز تعینات کرنے کی سفارش کی ہے۔

گورننس اینڈ ایومین ریسورس مینیجمنٹ

این پی او کی تجدید

پی آئی سی جی نے پاکستان سینٹر آف فیلن تھراپی (پی سی پی) سے اپنے این پی او کی فنانشل سال 2023 تک کامیابی سے تجدید کرائی ہے۔ جس سے اس کو انکم ٹیکس آرڈیننس 2002 کی سیکشن 100(سی) کے تحت ٹیکس کریڈٹ حاصل ہے۔ پی سی پی کو ایف بی آر نے نوٹیفائی کیا ہے۔ یہ منافع نہ کمانے والے اداروں کے لیے انکم ٹیکس رولز 2002 کے رول 211 سے لیکر 220 بی پر عمل کرتے ہوئے سرٹیفیکیشن ایجنسی کے طور پر کام کرتا ہے۔

سرٹیفیکیشن کی تجدید کا پراسس ایک چھ مہینے کی طویل مشق تھی۔ اس میں انسٹی ٹیوٹ کی مینیجمنٹ نے پی سی پی کی سرٹیفیکیشن ٹیم کے ساتھ مل کر کام کیا۔ گزشتہ تین سال کی انسٹی ٹیوٹ کی آپریشنل، فنانشل اور اسٹریٹیجک کارکردگی پر تفصیلی رپورٹس جمع کرائیں۔ اس پراسس کے دوران پی سی پی کی ٹیم نے پی آئی سی جی کے دفتر کا ایک روزہ دورا کیا جس کے بعد پی سی پی کے سرٹیفیکیشن

پینل نے انسٹی ٹیوٹ کی این پی او کی تجدید کی درخواست کو منظور کر لیا اور سرٹیفائی کیا کہ پی آئی سی جی ایف بی آر کی جانب سے سیٹ کردہ معیار پر اترتا ہے۔

پالیسیوں اور پروسیجرز کی منظوری

وسیع پالیسی خدشات پر فوکس کرتے ہوئے، بورڈ نے ایگزیکٹو مینیجمنٹ کی سی ای او کی لیڈرشپ میں پالیسی بنانے کے عمل کی نگرانی کی ہے۔ انسٹی ٹیوٹ نے بڑی کامیابی کے ساتھ کمپنی پالیسیز اور پروسیجرز کے ایک مکمل پورٹ فولیو تیار کیا اور ان پر عمل درآمد کرایا ہے۔ اس میں سی ای او اور بورڈ کی کردگی کی ایویلیویشن، انفارمیشن ٹیکنالوجی، مارکیٹنگ، ریکروٹمنٹ اور سلیکشن اور کمپنیشن اور بینیفٹس شامل ہیں۔

12 مارچ 2021 کو ایس ای سی پی کے سرکولر نمبر 7، 2021 کے جواب میں پی آئی سی جی نے اپنی ایک جامع انٹی ہراسمنٹ اور انٹی ڈسکریمینیشن پالیسی تیار کی ہے۔ ایس ای سی پی کے سرکولر میں سفارش کی گئی تھی کہ جینڈر ڈائورسٹی اور ورک پلیس پر خواتین کے خلاف ہراسمنٹ کی روک تھام کے لیے بورڈ لیول کی پالیسیز بنائی جائیں اور ان پر عمل درآمد کرایا جائے۔ پی آئی سی جی کی انٹی ہراسمنٹ اور انٹی ڈسکریمینیشن پالیسی پروٹیکشن انگیسٹ ہراسمنٹ آف ویمن ایٹ ورک پلیس ایکٹ 2010 پر مشتمل ہے۔ یہ ایکٹ ان اداروں کے لیے بطور ایک ٹیمپلیمنٹ کام کرتا ہے جو کہ ورک پلیس سیفٹی پر عمل درآمد کرنا چاہتے ہیں۔ اور انسٹی ٹیوٹ کمپنیوں کو اپنے انٹی ہراسمنٹ پالیسیز اور پراسسز تیار کرنے میں مدد کرنے کے لیے کوشاں ہے۔

گذشتہ بورڈ کے چیئرمین اور ممبران مینیجمنٹ کو انسٹی ٹیوٹ کی گورننس اور ایچ آر ایم کی پالیسیز تیار کرنے میں رہنمائی کرنے میں آلہ کار تھے۔

بہترین ایچ آر پریکٹسز پر عمل درآمد

پینڈیمک انسٹی ٹیوٹ کو اپنے آپریشنز کے کئی پہلوؤں پر پھر سے غور کرنے کی وجہ بنی ہے۔ ورک پلیس کی سیفٹی کو مد نظر رکھتے ہوئے انسٹی ٹیوٹ اپنے ملازمین کو ریموٹ کام کرنے کی اجازت دی۔ جس سے کاروباری سرگرمی بغیر کسی خلل کے جاری رہی۔ اس کے لیے انسٹی ٹیوٹ نے اپنے اندورنی کمیونیکیشن سافٹ ویئر ٹولز جیسا کہ زوم کا استعمال کیا۔ اسٹاف، فیکلٹی اور ممبران کی صحت اور حفاظت پر فوکس انسٹی ٹیوٹ کے لیے اپنے ٹریننگ پروگرام کو ورچوئل پلیٹ فارم پر منتقل کرنے کی سب سے بڑی وجہ بنا۔ 22 جون 2021 کو اپنے نوے (90) سالانہ بجٹ اجلاس میں آپ کے نئے بورڈ نے احساس شعبوں کا جائزہ لیا جن میں زیادتی سرمایہ کاری ایک بڑا مثبت اثر چھوڑے گی اور 11-0 ملین سالانہ ریکروٹمنٹ بجٹ کی منظوری دی۔ ٹیلنٹ کولانے اور ریٹین کرنے اور مناسب معاوضہ دینے کے لیے ریکروٹمنٹ اینڈ سلیکشن اینڈ کمپنیشن اینڈ بینیفٹس پالیسیز تیار کی گئی ہیں اور ان کو بورڈ منظور کیا ہے۔

مینیجمنٹ کی ایومن ریسورس اپروچ کو بورڈ مکمل طور پر اسپورٹ کرتا ہے۔ اس اپروچ کا فوکس بہترین لوگوں کو ریکروٹ کرنا ہے۔ ان کی اچھی تربیت کاری کرنی ہے۔ ان کی کارکردگی کو اچھی

طرح سے مینیج کرنا ہے۔ ان کو اچھی تنخواہیں اور فائدے دینے ہیں اور ان کی خدمات کا سرانے اور ان کو ترقی دینے کے لیے ایک ٹھوس پراسس تیار کرنا ہے۔

اندرونی کنٹرولز، حکمت عملی اور رسک کی تخفیف

بورڈ کا ایک موثر اندرونی کنٹرول کا فریم ورک ہے جو کہ اکاؤنٹنگ کی انفارمیشن کو ٹھیک ہونے اور فنانشل رپورٹنگ اور انسٹی ٹیوٹ کی قوانین اور ریگولیشنز پر عمل درآمد کو یقینی بناتا ہے۔ انسٹی ٹیوٹ کے اندرونی آڈیٹرز بی ڈی او اندرونی کنٹرول کے موثر ہونے کا جائزہ لیتے ہیں اور اندرونی اور بیرونی رسک کو ٹھیک کرتے ہیں۔ بورڈ بورڈ آڈیٹ کمیٹی کی سفارشات پر متحرک انداز میں بحث کرتا اور ان پر عمل درآمد کرتا ہے۔

انسٹی ٹیوٹ کا ایک اندرونی آڈیٹ کا نظام ہے جو آڈیٹ کمیٹی کو ٹھیک اور بروقت انفارمیشن کی ترسیل کو یقینی بناتا ہے۔ ایک مضبوط بیرونی آڈیٹ کا نظام فنانشل اسٹیٹمنٹس کی ساکھ کو یقینی بناتا ہے۔ ایک ایم آئی ایس موجود ہے جو مختصر اور معنی خیز انفارمیشن فراہم کرتا ہے۔

انسٹی ٹیوٹ کے لیے اگلے مرحلہ اس کے آپریشنز کی ڈیجیٹائزیشن پر عمل درآمد کرنا ہے تاکہ اس کے بزنس آپریشنز کو اسٹریم لائن کیا جائے۔ مینیجمنٹ اس انفارمیشن ٹرانسفارمیشن کی منزل کے حصول کو اسپورٹ کرنے کے لیے ایک ٹھیک سائز کے ای آر پی اور سولوشن سیٹ کے ساتھ ٹھیک لیول کی ٹیکنالوجی کی اہلیت کی تلاش کے لیے متحرک ہے۔

اس سے ایک تیز ترین نظام تیار کرنے میں اسپورٹ ملے گی جو کی کارپوریٹ آڈینس تک پہنچنے اور ان کے ساتھ جڑنے میں مدد کرے گا۔ اس کا مقصد لائف لائن لرننگ، سوشل میڈیا اور سی آر ایم کی صلاحیتوں کو اس میں شامل کرنا ہے تاکہ نئے اسپورٹرز اور ڈونرز سے ایک مضبوط ریلیشن شپ قائم ہو اور ایک رئیل ٹائم اکاؤنٹنگ اور بجٹنگ کا نظام بنایا جائے جس میں اندرونی کیمپونیکیشن اور ٹیم ورک بڑھ سکے۔

انسٹی ٹیوٹ کی پائیداری کا بنیادی اسٹریٹجک خطرہ موجودہ سیال کاروباری ماحول کی وجہ سے پیدا ہونے والی غیر یقینی صورتحال ہے۔ تاہم بورڈ آف ڈائریکٹرز کے ساتھ مشاورت سے انتظامیہ مختصر سے درمیانی مدت کی حکمت عملیاں تیار کر رہی ہے تاکہ وہ ڈی ٹی پی، نئے پروگرام کی تخلیق اور متعلقہ مہارت کے سیٹ والے لوگوں کی خدمات حاصل کرے اور ٹیکنالوجی میں سرمایہ کاری کرے۔ بورڈ توقع کرتا ہے کہ آنے والے سال میں یہ حکمت عملی شکل اختیار کرے گی۔

اسٹیک ہولڈرز سے روابط

جیسا کہ کووڈ-19 کے بحران نے بورڈ اور ایگزیکٹو قیادت کو چیلنج کیا ہے، انسٹی ٹیوٹ اپنی جامع گورننس کے مینڈیٹ کو پھیلا رہا ہے۔ اس کے لیے اس نے ایک اسٹرکچرڈ تھیمز پر اہلیت کاری کے تربیت کے ذریعے ممبران، ڈائریکٹرز کی ذمہ داریاں، گورننس کے کلچر اور سب سے اہم ای ایس جی کو اس میں شامل کیا ہے۔ نئے بورڈ ممبران جو دونوں اعلیٰ اور فرنٹ لائن ریگولیٹرز کی نمائندگی کرتے ہیں کی مشغولیت کے ساتھ، انسٹی ٹیوٹ کو حوصلہ افزائی کی جارہی ہے کہ وہ اقلیتی حصص

یافتگان کے حقوق ، اور ایس ایم ای اور این پی او گورننس ٹول کٹس کی تیاری جیسے عصری گورننس کے مباحثوں میں قائدانہ کردار ادا کرے۔

بورڈ کے نئے ممبران بھی انسٹی ٹیوٹ کے ای ایس جی ایجنڈے کے لئے انسٹی ٹیوٹ کے معروف بین الاقوامی یونیورسٹیوں، عالمی ترقیاتی ادارے ، مقامی ٹکنالوجی فراہم کرنے والے اور کارپوریٹ عطیات اور تکنیکی مہارت کے ساتھ روابط کو فروغ دینے کے لئے اپنے نیٹ ورکس کا فائدہ اٹھا رہے ہیں۔ انسٹی ٹیوٹ انٹرنیشنل فنانس کارپوریشن کے ساتھ بھی دوبارہ رابطہ کر رہا ہے۔ جس کا مقصد شفافیت اور انکشاف اور ای ایس جی پروگریس میٹرکس پر آئی ایف سی ٹول کٹ تک رسائی کے ذریعے ابھرتی ہوئی مارکیٹوں میں آئی ایف سی کے ای ایس جی کام کے ساتھ آلائن کرنا ہے۔

آئی ایف سی کا جنوب اور جنوبی مشرقی ایشیاء میں ای ایس جی ایجنڈا ای ایس جی کے اصولوں کو سرمایہ کاری کے فیصلوں ، کارپوریٹ گورننس فریم ورک جیسا کہ کوڈ اور اسٹاک ایکسچینج کی سرگرمیوں اور کارپوریٹ رپورٹنگ میں ضم کرنا ہے۔ انسٹی ٹیوٹ انٹرنیشنل کارپوریٹ گورننس نیٹ ورک (آئی سی جی این) اور گلوبل نیٹ ورک آف ڈائریکٹر انسٹی ٹیوٹس کے ساتھ اپنی شراکت کو بھی تازہ دم کیا ہے۔

کاروبار کا جاری رہنا

بورڈ کو یہ اطلاع دیتے ہوئے خوشی ہے کہ پینڈیمک کی متعدد لہروں میں انسٹی ٹیوٹ کی مینجمنٹ موافقت پذیر اور ذمہ دار رہا ہے اور انسٹی ٹیوٹ نے اسٹاف پر اس کی صحت کے اثرات کو محدود رکھتے ہوئے معمول کے مطابق کاروبار جاری رکھا ہے۔ ہمارے ممبران نے اس انتہائی مشکل وقت میں اپنی تنظیموں کو آگے بڑھا یا اور انسٹی ٹیوٹ کے پروگراموں میں حصہ لینا جاری رکھا ہے اور انسٹی ٹیوٹ کی آن لائن خدمات حاصل کی ہیں۔

سماجی کارپوریٹ ذمہ داری

بورڈ نے انسٹی ٹیوٹ کے پروگرامنگ میں کارپوریٹ سماجی ذمہ داری اپنائی ہیں۔ اس کے لیے بورڈ پر مختلف پوزیشن میں کام کرنے والی خواہشمند خواتین کے ساتھ ساتھ منافع نہ کمانے والے اداروں کو فیس میں رعایت فراہم کرنا ہے۔ چھوٹے اور درمیانے درجے کے کاروبار جس میں خاص طور پر خواتین کی لیڈرشپ میں ایس ایم ایز کے بورڈ اور سینئر مینجمنٹ کو بھی اب رعایتی فیس کا ڈھانچہ پیش کیا جائے گا۔ یہ سی ایس آر پالیسی انسٹی ٹیوٹ کے ایجنڈے میں شامل ہے جس کا مقصد تنوع اور شمولیت کو فروغ دینا ہے۔

کوڈ آف کارپوریٹ گورننس پر تعمیل

جیسا کہ ایسٹڈ کمپنیوں (کارپوریٹ گورننس کا کوڈ) ریگولیشنز 2019 کے تحت درکار ہے ڈائریکٹرز مندرجہ ذیل بتانے پر خوش ہیں:

- انسٹی ٹیوٹ کے مالی گوشوارے اس کے معاملات، اس کے آپریشنز کے نتائج، کیش فلوز اور ایکویٹی میں تبدیلی کے حالات کو مناسب طور پر پیش کرتے ہیں۔

- انسٹی ٹیوٹ کے اکاؤنٹس کی بکس کو مناسب طور پر برقرار رکھا گیا ہے۔

- مناسب اکاؤنٹنگ پالیسیاں مالی گوشواروں کی تیاری میں مستقل طور پر اپلائی کی گئی ہیں اور اکاؤنٹنگ کے تخمینے معقول اور محتاط فیصلوں پر مبنی ہیں۔ انسٹی ٹیوٹ نے اکاؤنٹنگ کے مناسب ریکارڈز برقرار رکھے ہیں۔

- بین الاقوامی مالیاتی رپورٹنگ معیارات ہر ، جیسا کہ انسٹی ٹیوٹ پر لاگو ہوتا ہے ، مالی گوشواروں کی تیاری میں عمل کیا گیا ہے ، اور ان سے انحراف ، اگر کوئی ہے تو ، معقول طور پر اس کا انکشاف کیا گیا ہے اور اس کی وضاحت کی گئی ہے۔

- چیف ایگزیکٹو آفیسر اور سی ایف او نے مالی گوشواروں ، چیئرمین کا ریویو اور ڈائریکٹرز رپورٹ کا جائزہ لیا ہے۔ انہوں نے مالی گوشواروں کی صیح اور مناسب پیشی ، رپورٹنگ کا درست ہونے اور ریگولیشنز اور لاگو شدہ اکاؤنٹنگ معیارات پر تعمیل کے متعلق ان کی ذمہ داری کو تسلیم کیا ہے۔

- اندرونی کنٹرول کا نظام اپنے ڈیزائن میں ٹھوس ہے اور اس پر موثر طریقے سے عمل کیا گیا ہے اور اس کو مانیٹر کیا گیا۔

- انسٹی ٹیوٹ کی آگے بڑھتے ہوئے ایک ادارے کے طور پر اہلیت کے بارے میں کوئی خاص شکوک نہیں ہیں۔

- انسٹی ٹیوٹ نے کارپوریٹ گورننس کے کوڈ کے مطابق اسٹیٹمنٹ آف کمپلائنس جاری کی ہے جس کو انسٹی ٹیوٹ کے آڈیٹرز نے بھی ریویو کیا ہے۔

- کارپوریٹ گورننس کی بہترین پریکٹسز سے کوئی موادی انحراف نہیں کیا گیا ہے۔

- انسٹی ٹیوٹ کا بورڈ آف ڈائریکٹرز اچھی کارپوریٹ گورننس سے وابستہ ہے اور بہترین پریکٹسز پر تعمیل کے لیے موضوع اقدامات کیے گئے ہیں۔

بی ایچ آر آر کمیٹی پر چیئر کا ایک آزاد ڈائریکٹر نہ ہونے پر تعمیل اور وضاحت: بورڈ نے جینڈر بیلنس کی خاطر ایک کمیٹی کی لیڈرشپ کے لیے ایک خاتون کے رکھنے کو بہت ضروری سمجھا۔ مزید برآں منافع نہ کمانے والے ادارے کے طور پر ہمیں اس کی وضاحت کی ضرورت نہیں ہے تاہم ہم نے ایک اچھی گورننس کے اصولوں کے پیش نظر اس کی وضاحت کی ہے۔

مستقبل کا رجحان/فیوچر آؤٹ لک

انسٹی ٹیوٹ کے برانڈ ایکویٹی کو آگے لے جانے اور انسٹی ٹیوٹ کے پالیسی اینجڈا کو وسیع کرنے کی خاطر سابقہ بورڈ نے پی آئی سی جی کے لوگو اور ویژن اور مشن اسٹیٹمنٹ میں تبدیلی کی منظوری دی ہے۔ یہ خاطر خواہ تبدیلی نئے ویژن اور مشن کو اجاگر کرتی ہے جو کہ یو پڑی جائیں گی:

ہمارہ ویژن

اچھی گورننس کو فعال بنائیں جو حصہ داری کی خوشحالی، ایک اخلاقی معاشرہ اور ایک جامع اور پائیدار معشیت تخلیق کرے۔

ہمارہ مشن

کاروبار اور معاشرے کو گڈ گورننس کے فوائد کے بارے میں شعور پیدا کرنا اور اس طرح طویل مدتی پائیداری کے لیے بہترین پریکٹسز کو کیٹلانز کرنا ہے

انسٹی ٹیوٹ کا وژن ہماری رکنیت کے ساتھ ساتھ ہمارے کارپوریٹ کلائنٹس کو تاکید کرنا ہے کہ وہ کارپوریٹ گورننس کا نیا نمونہ اپنائیں جو طویل مدتی، پائیدار سرمایہ کاری کے افق پر زور دیتا ہے۔ اس طرح انسٹی ٹیوٹ کی اہلیت کاری اور پالیسی ایڈوکیسی ایجنڈا، جو کہ تمام کمپنیز اور انڈسٹری سیکٹرز پر لاگو ہے، میں ای ایس جی کے اضمام کا مقصد انسٹی ٹیوشنل سرمایہ کاروں کو موقع فراہم کرنا ہے کہ وہ پاکستانی کمپنیوں میں سرمایہ کاری کے مواقعوں کی نشاندہی کریں اور ان میں سرمایہ کاری کریں۔ جبکہ ای ایس جی کا بزنس پراسس میں مرکزی مقام ہے۔

انسٹی ٹیوٹ کا مشن ایسے عصری ڈائریکٹرز کی تیاری ہے جو کہ متعلقہ اسکلز اور ڈائریکٹرز کی ڈیولپمنٹ اور ذمہ داریوں کی جامع سمجھ رکھتے ہوں۔ جو پاکستانی بزنسز کے بورڈز کے لیے ایک قابل قدر اثاثہ ہوں گے۔ اپنے اس مشن کو آگے بڑھاتے ہوئے، انسٹی ٹیوٹ اپنی تجربہ کار فیکلٹی کی ٹیم کو بیرونی ریسورسز جیسا کہ ایڈوانس کارپوریٹ گورننس ٹول کٹس کے ساتھ لائن کر رہا ہے تاکہ انسٹی ٹیوٹ کے جھنڈا بردار ڈائریکٹر ٹریننگ پروگرام کو نیا کرسکے۔ نیا کورس آن لائن اور آف لائن ریسورس اور آمنے سامنے کی سہولت کاری پر مشتمل ہو گا جو اس کو بہترین عالمی ڈائریکٹر ٹریننگ پروگراموں کے مقابلے لا کھڑا کرے گا۔

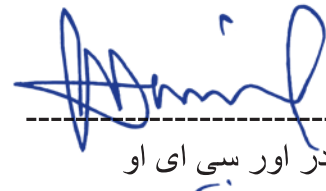
آخر میں، سرمایہ کاری کی ایک محتاط پالیسی، جو کہ بورڈ سے منظور شدہ ہے، اسٹیک ہولڈرز کو اعتماد دیتی ہے کہ انسٹی ٹیوٹ کے اثاثے ایک مضبوط انداز میں اور رسک کو ایڈجسٹ کرتے ہو مینیج کیے جارہے ہیں۔

اعتراف/اکنالجمنٹ

بورڈ یہاں اس حصہ داری کا اعتراف کرنے کا خواہشمند ہے جو کہ تمام اسٹیک ہولڈرز کی طرف سے ہے۔ جس میں ڈائریکٹرز، ملازمین اور ممبران، فیکلٹی اور ایپیکس اور فرنٹ لائن ریگولیٹرز، اسکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیک بینک آف پاکستان اور پاکستان اسٹاک ایکسچینج شامل ہیں



چیئرمین آڈٹ کمیٹی
ستمبر 4، 2021



صدر اور سی ای او

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 Pakistan Institute of Corporate Governance Year Ended June 30, 2021

This statement is being presented to voluntarily comply with the Listed Companies (Code of Corporate Governance) Regulations 2019 and establishes that Pakistan Institute of Corporate Governance ("the Institute") is managed in compliance with the best practices of corporate governance. The Institute is not required to comply with the provisions of the Code of Corporate Governance which are applicable to listed companies. However, to ensure the implementation of best practices in its own operations, the Board of Directors of the Institute have decided to measure its governance against the requirements of the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the Institute complies with such provisions of the Code that specifically relate to its activities and operations.

1. The total number of directors are 10 (9 elected directors and the CEO) comprising the following:

- a. **Males: 7**
- b. **Females: 3**

2. The composition of the Board is as follows:

i. Independent Directors – 4

- ◆ Dr. Shamshad Akhtar (Chairperson)
- ◆ Mr. Ahson Iqbal
- ◆ Mr. Muhammad Ashraf Bawany
- ◆ Mr. Wasif Akbar Rizvi

ii. Non-Executive Directors – 5

- ◆ Mr. Faisal Akhtar
(Founding Director - OICCI)
- ◆ Dr. Fakhara Rizwan
(Founding Director – Pakistan Stock Exchange)
- ◆ Ms. Musarat Jabeen
(Founding Director – Securities & Exchange Commission of Pakistan)
- ◆ Mr. Saleem Ullah
(Founding Director – State Bank of Pakistan)
- ◆ Mr. Yousaf Hussain
(Founding Director – Pakistan Banks Association)

iii. Executive Director - 1

- ◆ Mr. Ahsan Jamil (President & CEO)

iv. Female Directors – 3

- ◆ Dr. Shamshad Akhtar
- ◆ Dr. Fakhara Rizwan
- ◆ Ms. Musarat Jabeen

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/members as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairperson and, in his/her absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. No remuneration is paid to the Directors except for the Executive Director for whose remuneration the Board has a formal policy and transparent procedure in accordance with the Act and these Regulations
9. The Board is in compliance with the requirement of Directors' Training program as the following Directors have completed their Directors Training or have been exempted from the requirement under provisions of the Code:

Dr. Shamshad Akhtar
Mr. Ahson Iqbal
Mr. Ahsan Jamil
Mr. Faisal Akhtar
Dr. Fakhara Rizwan
Mr. Muhammad Ashraf Bawany
Ms. Musarat Jabeen
Mr. Wasif Akber Rizvi (Exempted)
Mr. Yousaf Hussain
10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

a) Audit Committee

Mr. Muhammad Ashraf Bawany	(Independent Chairman)
Mr. Ahson Iqbal	(Independent Director)
Dr. Fakhara Rizwan	(Non-executive Director)
Mr. Saleem Ullah	(Non-executive Director)

b) HR and Remuneration Committee

Ms. Musarat Jabeen	(Non-executive Chairperson)
Dr. Fakhara Rizwan	(Non-executive Director)
Mr. Faisal Akhtar	(Non-executive Director)
Mr. Muhammad Ashraf Bawany	(Independent Director)
Mr. Ahsan Jamil	(Executive Director)

c) Nomination Committee

Dr. Shamshad Akhtar	(Independent Chairperson)
Ms. Musarat Jabeen	(Non-executive Director)
Mr. Yousaf Hussain	(Non-executive Director)
Mr. Ahsan Jamil	(Executive Director)

d) Investment Resource Mobilization & Business Development Committee

Mr. Yousaf Hussain	(Non-executive Chairman)
Mr. Faisal Akhtar	(Non-executive Director)
Ms. Musarat Jabeen	(Non-executive Director)
Mr. Saleem Ullah	(Non-executive Director)
Mr. Ahsan Jamil	(Executive Director)

e) Board Research Advocacy & Strategy Committee

Mr. Wasif Akbar Rizvi	(Independent Chairman)
Dr. Fakhara Rizwan	(Non-executive Director)
Ms. Musarat Jabeen	(Non-executive Director)
Mr. Yousaf Hussain	(Non-executive Director)
Mr. Ahsan Jamil	(Executive Director)

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

- a) Audit Committee (Five (5) meetings were held during the year ended June 30, 2021)
 - b) HR and Remuneration Committee (Three (3) meetings were held during the year ended June 30, 2021)
 - c) Nomination Committee (Two (2) meetings were held during the year ended June 30, 2021)
 - d) Investment Committee (One (1) meeting was held during the year ended June 30, 2021)
15. The Board has outsourced the internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;
 16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
 17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
 18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
 19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below (if applicable):

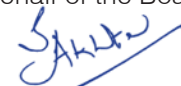
Regulation 19. Directors' Training

Institute did not arrange training for one female executive under the Directors' Training program from year July 2020 as per Regulation 19 on account of major staff transition with the exit of two key employees. As the Institute comprises a relatively small team, one female executive had to take on the added responsibility of Acting COO. The Institute is committed to completion of Directors' Training for a female executive in 2021-22.

Regulation 28. Human Resource and Remuneration Committee

Chair of the Human Resource and Remuneration Committee not being an Independent Director as per Regulation 28 owes to the Institute's commitment to having a woman chair for gender balance in committee leadership which was deemed more important by the Board. Moreover, as a not for profit we are not required by law to comply or explain but do so in the spirit and practice of good governance.

On behalf of the Board



DR. SHAMSHAD AKHTAR
CHAIRPERSON

Review Report to the Members



EY Ford Rhodes
Chartered Accountants
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Pakistan

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DRAFT

To the members of Pakistan Institute of Corporate Governance

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Pakistan Institute of Corporate Governance (the Institute) for the year ended 30 June 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Institute. Our responsibility is to review whether the Statement of Compliance reflects the status of the Institute's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Institute's personnel and review of various documents prepared by the Institute to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Institute's corporate governance procedures and risks.

The Regulations require the Institute to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Institute's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Institute for the year ended 30 June 2021.



Chartered Accountants

Place: Karachi

Date:

Interview with Professor Alexandre de Miceli da Silveira - The Importance of Governance and Ethics



Alexandre Di Miceli da Silveira, Ph.D.

Prof. Dr. Alexandre Di Miceli is an author, professional speaker, consultant, and researcher entirely devoted to corporate governance and business ethics since 2000.

He is the founder of Virtuous Company, a top management consultancy firm, providing state-of-the-art knowledge on corporate governance, ethics, diversity, leadership, and purpose to its clients through advisory and executive education. He is also a full professor at Alvares Penteado School of Business in Sao Paulo.

Dr. Alexandre is the author of “The Virtuous Barrel: How to Transform Corporate Scandals into Good Businesses” as well as of several best-selling management books in Brazil, including “The Resilient Company: Thriving in a Changing World”,

“Corporate Governance in Brazil and in the World”, “Behavioral Business Ethics: Solutions for Management in the 21st Century”, and “Corporate Governance: The Essentials for Leaders”.

He has been a short-term consultant with the IFC (International Finance Corporation, World Bank Group) since 2015 in projects and trainings related to ethics and corporate governance. He is a member of the committee that prepared the Brazilian Code of Best Corporate Governance Practices and professor of IBGC’s course for board members since 2005. He was also a professor at the University of Sao Paulo (2005-2016), independent consultant for the OECD (Organisation for Economic Cooperation and Development), and vice-president of the Brazilian Society of Finance.

Dr. Alexandre holds a Ph.D. and M.S. degrees in management from the University of São Paulo and has been a visiting professor at Cornell University and Université Catholique de Louvain. He has published more than 25 papers on peer-reviewed journals and presented more than 50 papers at international conferences. For his contributions to corporate governance and business ethics in Brazil, Dr. Alexandre is the recipient of several awards.

1) What are the implications of today's fast-paced and unpredictable world for corporate governance?

The emergence of Covid-19 confirmed what many people had known for a long time: we live in the age of unpredictability.

The only certainty we have is that the level of unpredictability will not decrease. In the coming years, we will continue to experience a succession of shocks caused by the enormous technological, environmental and social transformations underway.

On top of this, the other hallmark of our times is the increase in stakeholder expectations regarding the role of companies in society. Making money is not enough: businesses need to actively contribute to a more ethical, fair, inclusive and sustainable society.

All of this has big implications for boards. In my view, there are 10 main implications of the ongoing transformations on the role, functioning, culture and composition of the boards of directors:

► Dimension	► 10 Implications of Megatrends for Boards of Directors	
► Role of the Board	1	More focus on the future, less on the past
	2	New topics on the Board's agenda, with an emphasis on the human factor
	3	Need for greater optimization of the Board's time
► Board Processes and Culture	4	A more continuous and fluid performance of the board
	5	More time for debates, less for one-sided transmission of information
	6	More emphasis on continuous learning and individual assessment
	7	More transparency and better communication with stakeholders
► Composition Chair of the Board	8	Balance between expertise in emerging issues and industry experience
	9	Diversity with inclusion and camaraderie
► Chairs of the Board	10	From a cerebral and liturgical approach to a human and cultural one

As a result of these implications, I strongly recommend boards to reflect on the questions below in order to stay relevant and add more value to their organizations in the 21st century:

- Does our board spend considerably more time (70% or more of the meetings) discussing strategic issues about the future of the organization instead of operational issues of everyday life or from its past, such as the retrospective analysis of financial indicators or the traditional “budget vs. actual” analysis?
- Does our board regularly discuss, based on objective indicators, issues related to: The purpose, values, and culture of the organization? Human capital management, mental health, employee engagement and the creation of an environment characterized by high psychological safety that is conducive to ethics, experimentation and innovation? The growing social activism of stakeholders and the investors' demands for better environmental, social and governance (ESG) standards? Artificial intelligence, digitalization of the economy, cyber risks, data management and privacy, and potentially disruptive technologies?
- Does our board provide high transparency on its functioning to shareholders and other key stakeholders through a report that explains how our board has been adding value to the organization?
- Does our board have adequate diversity in its most varied dimensions as well as provide an inclusive environment in which all directors – especially the youngest, those recently appointed to the board or those belong to minorities – are equally heard?
- Does our board have an education program that ensures directors continuous learning on both soft skills as well as on emerging and critical issues for businesses in the 21st century?
- Collectively, does our board have the human capital appropriate to the challenges that our organization is going to face in the next five to ten years? (e.g. directors with expertise in emerging issues critical to the future of the organization, such as organizational culture, leadership, digital technologies, data science and environmental issues).

2) In your view, what are the main qualities and characteristics of an ethical company?

Ethical behavior results from the ability to reflect on the consequences of our acts and to control our selfish impulse for the common good.

The same reasoning applies to companies.

An ethical company continuously considers the impacts of its actions on its stakeholders. It assesses the merits of its decisions not only from the commercial, legal and technical perspectives, but – mainly – from the ethical perspective.

“Is this an ethical decision?”, “What are the consequences of what we are doing?”, and “Is this the right thing to do?” are questions ethical companies do on a daily basis.

Ethics is not limited, however, to reflection. It is above all about action. As Aristotle wrote, the goal of ethics is to practice virtue, not just being aware of what is the right thing to do.

For this reason, business ethics refers primarily to behaviors rather than corporate documents.

An ethical company has three main attributes: values-based decisions and behaviors, ethical culture, and a virtuous leadership style at all levels of the organization.

Let's start with values. Roy E. Disney, former chairman of Disney's board of directors, once said that "It is not hard to make difficult decisions when you know what your values are."

He nailed it. This is the main usefulness of values: they identify the principles or motivators that should guide people's choices and behaviors in everyday life.

Virtually all companies have a set of noble values with references to topics such as integrity, honesty, transparency, respect for customers and employees. For most, however, there is an ocean of distance between stated or aspirational values (how they would like to live) and their daily decisions and operations (how they currently live).

The supreme value of many companies, in practice, is just how much money they make. When this happens, sooner or later there will be serious ethical problems.

The second condition for an ethical company is, of course, being able to establish an ethical culture. This requires the full alignment of two systems.

- 1) The formal or tangible system. That is, what is established in the organization's documents and procedures, such as its code of conduct, mission statement, and policies for hiring, evaluating, promoting and dismissing people.
- 2) The informal or intangible system. It represents the implicit signals about the expected behaviors in everyday corporate life. This includes the company's social norms, the unwritten rules for surviving and thriving in the organization, the corridor stories, and the attitudes of senior managers.

When the two systems point in the same direction, the company turns ethical decisions and behaviors into something natural, automatic and habitual. When there is a significant discrepancy between the two systems, however, formal rules become irrelevant and tacit norms and everyday habits prevail.

What is needed to build an ethical culture? Obviously, there is a good overlap with the qualities of the "learning organization" that mentioned before, such as psychological safety and intrinsic motivation.

Leadership is the critical ingredient to build and sustain an ethical culture. In particular, organizations need virtuous leaders who see themselves as curators of their organizations with a mission to hand them over better than they received them.

This is the third attribute of an ethical company.

At all levels, companies need leaders who seek to: 1) serve instead of being served; 2) coach and develop people; and, 3) create an inspiring, fair, inclusive, safe, and emotionally positive workplace. These leaders must be able to provide their team members with two categories of experiences: one of universality and another of singularity.

The experience of universality means making people feel united in the search for something bigger and broader than themselves, that they realize that together they can reach achievements that they would never achieve individually, and that they understand the importance of their work and the daily impacts they have on the lives of others.

The experience of singularity, in turn, means to make each person feel that he or she is treated as a unique human being, with his or her peculiarities. This means to be heard, recognized, trusted, allocated to tasks aligned with what they do best, and, above all, to feel that on the other side there is a leader that genuinely cares about them as a human being far beyond professional issues.

It takes much more than analytical intelligence to be a virtuous leader. It is necessary, above all, maturity and high emotional, moral and systemic intelligence.

- 3) In a recent text, you talked about current contradictions in the corporate world as well as the presence of a large "elephant in the room" of corporate governance. Could you please detail your views on this?

Some people say that human beings are walking contradictions. For many companies, this maxim is also true. In my view, there are 10 contradictions in the corporate world that sooner or later should be addressed.

1. We live in the era of unpredictability, but many companies continue to be run based on the old predict-and-control.
2. We live in a world driven by scientific knowledge, but many leaders do not take the time to study what science says about the topics that are important to them.

3. We need to create adaptable, responsive, and flexible companies, but many firms still operate based on a rigid pyramid full of silos and bureaucracy.
4. Business performance is a team sport, but performance assessments and incentive systems still focus on the individual rather than on the team.
5. Having self-motivated and inspired people is the key to excellency, but many companies still focus on financial rewards and fear to create motivation.
6. Diversity improves decisions, but very few companies have concrete goals to make their boards and senior management teams more plural.
7. Trust is a critical asset, but most companies show widespread distrust of their people as evidenced by a huge apparatus of rules and controls.
8. It is essential to have ethical leaders across all levels, but leaders are still rarely evaluated based on ethical parameters.
9. The role of the board is to ensure that decisions and daily conduct are based on solid values in line with the purpose of the organization, but boards rarely discuss with quality and depth if this is indeed happening.
10. Resilience and longevity are the ultimate measure of performance for any company, but many leaders still exhibit a transactional approach focused on short-term gains.

In my opinion, eliminating these contradictions is fundamental to building organizations of excellence. Actually, for many leaders, this must be their main mission!

Regarding the issue of the “[elephant in the room](#)” in the world of corporate governance today, my point is that the vast majority of debates on boards of directors are still focused on 20th century companies instead of 21st century ones.

The successful company of the future will be quite different from the current one.

In particular, we are talking about structural changes, not incremental ones:

- From rigid pyramids to flexible networks.
- From making use of the intelligence of a few at the top, to harnessing the collective intelligence of everyone.
- From planning systems aimed at producing information upwards, to intelligence systems that provide real-time information to people on the front lines.
- From generalized mistrust based on a negative premise about people, to the creation of trust relationships based on a positive premise about the members of the organization.
- From minimal transparency (there should be a reason for making information available), to maximum transparency (there should be a reason for not making information available).
- From hard controls to an emphasis on soft controls.
- From a focus on compliance, to a focus on ethics.
- From a focus on extrinsic motivation based on fear, to a focus on intrinsic motivation based on inspiration.
- From a company organized around processes, to a company organized around people.
- From the values of growth and competition to the values of conservation and collaboration.
- From an obsession with short-term efficiency, to an emphasis on long-term resilience.
- From a focus on immediate returns for shareholders, to the creation of shared and sustainable value for all stakeholders.
- From profit maximization as the concept of success, to purpose maximization as the concept of success.

As a result, there are two main questions that really matter in corporate governance:

How can boards of directors help their companies becoming more humanized, purposeful, stakeholder-oriented and with an emphasis on their long-term resilience? And what should be the role of the board of directors in cutting-edge companies that operate with a high degree of autonomy and trust based on the logic of “sense and respond” using their purpose as a guide? (such as companies based on self-management)

Beyond trying to predict and control the future, which is increasingly unlikely, these are the questions that will make boards of directors add real value to their companies in the 21st century.

This is an excerpt from the interview – log on to www.picg.org.pk to read the full interview.

Corporate Governance Views from 4 Successful Women

Women are playing an integral role in the workforce and the value that they have is truly immeasurable. With the skills and knowledge that women bring to the table, it's no wonder why gender equality is at an all-time high. Listed below are questions we asked four leading women in their respective fields.



Aminah Zahid Zaheer

Managing Director
Zahid Zaheer & Associates



Sadia Haroon

Executive Director
Human Resource Solutions International



Seema Jaffer

Chief Executive Officer
Bond Advertising



Bushra Naz Malik

Member
Competition Commission of Pakistan

1) What are the three critical success factors for sustainability and corporate governance in your opinion?

▶ Aminah

I'm in my opinion, the three most critical factors that would ensure sustainability and governance are:

- Composition of the Board and the level of Engagement of Board Members is Key.
- The Governance Framework must have a wide scope including Risk Enterprise, Information Technology, Climate change & ESG, Gender Diversity, and Continuous Disclosure.
- An organizational culture that promotes Transparency in making decision, Responsiveness in taking action and Ownership in accepting responsibility.

▶ Sadia

Sustainability is a critical part for any business to succeed. Sustainable businesses have to take into account several factors such as environmental, economic, and social factors to name just a few. Identifying these and elements within your sphere and ensuring a successful implementation is directly related to the quality of its board of governance. This quality is reflected in the experience, leadership skills and utilization of the board members themselves. While these are the three critical success factors that can help to identify and implement a sustainable plan, I would add, as well, the board processes which allow decisions to be implemented.

▶ Seema

1. Acting responsibly
2. Working towards social equity
3. Building a culture of transparency & accountability

▶ Bushra

- Having Strategic Focus (Leadership, Management, Planning)
- Building Resources (Finances, Personnel, Staff, Learning, Development, Culture)
- Investing in Operations (Processes with special focus on customer satisfaction, tools needed for effective & efficient delivery and corporate responsibility programs)

2) What traits do you value most in yourself especially being a female at a senior level?

➤ Aminah

- a) Empathy: - especially with the female members in the workforce
- b) Consensus Oriented: - I seek to mediate between the many different needs, agendas, perspectives, and expectations present within a diverse organization
- c) Integrity: - I try to uphold the highest code of business ethics and compliance; act objectively and constructively; exercise my judgment in a neutral manner, to serve the interest of the organization.

➤ Sadia

This may come across as self-praise however my greatest strength is taking on the challenge & maintaining relationships

➤ Seema

As a female CEO I have focused on inspiring my team & building a culture of creative innovation. I believe in a model of participative decision making. Most importantly I believe in building an organization committed to being socially responsible & inclusive at its very core.

➤ Bushra

1. Strength and confidence to deal with obstacles as well as setbacks
2. Perseverance
3. Have a genuine passion for work and for achieving goals
4. Compassion/responsibility towards other women.

3) What advice would you give to the next generation of women joining the workforce?

➤ Aminah

Be Honest, Fair and Fearless .Don't let norms and stereotypes crush your identity. Believe in yourself and allow yourself to attain your full potential.

➤ Sadia

Take the time to expand your knowledge, take risks, and hone in on critical business skills, be a team player

➤ Seema

Keep learning. Keep questioning. Keep challenging. Share your work. Be an advocate for what you believe in. Find your mentors out there. Believe in your worth & don't be afraid of making mistakes. Have empathy.

➤ Bushra

1. Finding Work/Life Balance
2. Don't Accept Gender Bias
3. Build Your Personal Brand and Reputation Within Your Organization
4. Build Relationships and Understanding the Cultural Practices.
5. Grow Your Knowledge and Experience

4) Today's world, especially the Millennial and Generation –demographic is characterized by heightened social consciousness, political activism and an affinity for equality and justice – have you seen that changed in the workforce in Pakistan as well?

➤ Aminah

Access to Internet & Social Media, and the Usage of Mobile Devices and technology has allowed the millennial generation greater exposure to the world, a higher level of education, closer interaction with world famous academia and superior business and social skills. There is a decrease in gender bias with more females joining the workforce and contributing actively towards the country's economy.

➤ Sadia

There are several positives we are seeing in the workplace, especially where women are concerned. The increased induction of women in the workplace has allowed us to tap into a major talent resource that often shunned the corporate world prior to Millennials. Furthermore, this interconnectivity globally, is altering our thought processes within the workspaces, wherever they exist, in all areas that you have mentioned.

➤ Seema

I am so impressed by the young passionate people I meet every day. I see young people aligning their career choices with their values. I see increase in social activism. Be it climate change or social equality. I see an increased disregard for organizations & government that do not follow the ethical standards they believe in. Money doesn't drive this generation as much as purpose & a belief in what they do.

➤ Bushra

Societal changes have also happened in Pakistan like other parts of the world but changes in workforce have not happened at the same rate as one would have desired. Feminist/ women's rights consciousness along with issues related to other discriminated groups like minorities/disabled/rural population/unisex in Pakistan has historically been shaped in response to national and global reconfigurations of power including colonialism, nationalism, dictatorship, democracy and the Global War on Terror (GWoT).

IMPLEMENTATION OF BEST PRACTICES OF CORPORATE GOVERNANCE AN EVALUATION STUDY

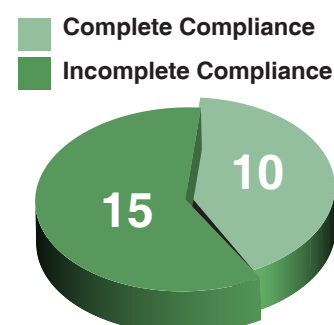
This study evaluates the extent to which 25 companies recognised as Pakistan Stock Exchange (PSX's) Top 25 in 2019 are abiding by best practices laid out in the Listed Companies (Code of Corporate Governance) Regulations 2019 (CoCG 2019) and the extent to which they are applying the 'comply and explain' approach, where applicable.

A desktop research methodology was employed for this study, in order to collect data from publicly available resources from January 2021 to March 2021.

A broad set of corporate governance practices amongst the companies including board composition, significant policies, committees, reporting and disclosure and financial standing were reviewed

OVERALL COMPLIANCE

Overall 10 companies of the 25 are complying with all the mandatory provisions of the CoCG 2019 while the majority, i.e. 15 companies were still in the process of compliance/ non-compliant. Our data showed that at least 10 of the non-compliant companies have also left their non-compliance unexplained.



NON-COMPLIANCE

Major reason for non-compliance / delayed compliance:

Ensuring the required number of Independent Directors on the Board:

The Code requires listed companies to have at least 2 or 1/3rd of their directors as independent directors and 'round up' any fraction in calculating this number. The findings depict that

15 of the 25

companies have not as yet ensured the correct number after 'rounding up'. Out of these, only 2 provided an explanation as to why the number wasn't rounded up. Further, 3 of the companies did not even comply with the minimum 1/3rd requirement (even if they had rounded up)

Ensuring the Board has at least one female director:

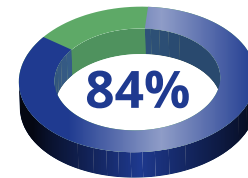
4 companies did not have a female director during the period this research was conducted. Half of these companies stated that the change was not yet due for the period under review. (i.e June 2020)

The explanation for any non-mandatory requirements were not necessarily mentioned within the statement of compliance with the Code; instead, related information had to be obtained from other parts of the annual report or from the website

BOARD COMPOSITION & DIRECTORSHIPS

24 out of 25 companies have separated the role of the Chairman & CEO

- Board members of all the companies confirmed that they held no more than 7 directorships as deemed mandatory under the CoCG 2019.
- The total number of directors per board spans from 7 to 14, with average board size being 9



companies have at least 1 female director

COMMITTEES OF THE BOARD

- The average composition of the HR & RC across companies displays the presence of 39% independent directors, 56% non-executive directors and 5% other members
- Half of the companies conducted only 1 HR & RC meeting in a year; whereas the rest of them held between 2 and 6 meetings, barring one company which held 10

84%

of the companies did not have a Risk Management Committee

96%

did not possess a distinct Nomination Committee

INTERNAL AUDIT

80%

companies have an in-house internal audit function. The remaining have out sourced the same

WHISTLE BLOWING POLICY

- 19 out of 25 companies have mentioned some sort of mechanism alluding to grievance handling and assessment
- 36% companies provide no information regarding the whistle blowing policy

DIRECTOR TRAINING PROGRAM

The CoCG 2019 encourages companies to ensure the target of having at least 75% of their board members certified in an SECP accredited directors training program by 2021. Most of the PSX Top 25 companies have fulfilled this provision.

DISCLOSURE OF SIGNIFICANT POLICIES & INFORMATION ON COMPANY WEBSITE

44%

have a whistleblowing policy/ form available on their website

87%

did not have key elements of directors' remuneration on their website

PICG's Report on Compliance of the KSE 100 with the CoCG 2019 coming soon...

The data for this study was compiled by our Research Interns, Muhammad Asher Khan and Imaara Zulfiqar Ali.





Stakeholder Relationships

Our Members

Founder Members

- 1 Institute of Business Administration Karachi
- 2 Institute of Chartered Accountants of Pakistan
- 3 Institute of Cost and Management Accountants of Pakistan
- 4 Lahore University of Management Sciences
- 5 Mutual Funds Association of Pakistan
- 6 Overseas Investors Chamber of Commerce & Industry
- 7 Pakistan Banks Association
- 8 Pakistan Stock Exchange Ltd
- 9 State Bank of Pakistan
- 10 The Federation of Pakistan Chambers of Commerce & Industry
- 11 The Institute of Corporate Secretaries of
- 12 The Securities & Exchange Commission of Pakistan
- 13 The Insurance Association of Pakistan

Honorary Lifetime Members

- 1 Dr. Shamshad Akhtar
- 2 Mr. Fuad Azim Hashimi

Life-time Members

- 1 Ahson Iqbal
- 2 Oil & Gas Development Company Ltd (OGDCL)

Corporate Members

1. ICI Pakistan Limited
2. International Industries Limited
3. Packages Limited
4. Abbott Laboratories (Pakistan) Ltd
5. Standard Chartered Bank (Pakistan) Limited
6. Pakistan Petroleum Ltd
7. Faysal Bank Ltd
8. Engro Corporation Ltd
9. Pakistan Refinery Limited
10. Indus Motor Company Ltd
11. Shell Pakistan Ltd
12. Crescent Steel and Allied Products Ltd
13. National Bank of Pakistan
14. Archroma Pakistan Limited
15. Central Depository Company of Pakistan Ltd

16. Tri-Pack Films Ltd
17. The Hub Power Company Ltd
18. Sanofi Aventis Pakistan Ltd
19. United Bank Ltd
20. Habib Bank Ltd
21. National Foods Ltd
22. Allied Bank Ltd
23. Askari Bank Ltd
24. EFU General Insurance Ltd
25. Meezan Bank Ltd
26. Kot Addu Power Company Ltd
27. Macpac Films Ltd
28. Pakistan Oxygen Ltd (Formerly Linde Pakistan Ltd)
29. Akzo Nobel Pakistan Ltd
30. A.F.Ferguson & Co.
31. Engro Polymer & Chemicals Ltd
32. Sui Southern Gas Company Ltd
33. Pakistan International Airlines
34. Siemens Pakistan Engg Co. Ltd
35. Engro Vopak Terminal Ltd
36. The Bank of Punjab
37. Institute of Business Management
38. State Life Insurance Corporation of Pakistan
39. Arif Habib Corporation Ltd
40. National Investment Trust
41. IGI General Insurance Ltd
42. Pakistan State Oil Company Ltd
43. Descon Engineering Ltd
44. Dawood Hercules Corporation Ltd
45. Byco Petroleum Pakistan Ltd
46. Pakarab Fertilizers Ltd
47. BankIslami Pakistan Ltd
48. Lucky Cement Ltd
49. Bank Alfalah Ltd
50. ACCA Pakistan
51. Feroze 1888 Mills Ltd
52. Pakistan International Container Terminal Ltd
53. Attock Refinery Ltd
54. Vellani & Vellani
55. EY Ford Rhodes
56. NBFI & Modaraba Association of Pakistan (Not-For-Profit)



57. Sui Northern Gas Pipelines Ltd
58. EFU Life Assurance Ltd
59. Habib Metropolitan Bank Ltd
60. ZIL Ltd
61. Pakistan Poverty Alleviation Fund
62. Hum Network Ltd
63. Adamjee Insurance Company Ltd
64. Samba Bank Ltd
65. K-Electric Ltd
66. Soneri Bank Ltd
67. Thal Limited
68. Philips Pakistan Ltd
69. The General Tyre & Rubber Company of Pakistan Ltd
70. Al Shaheer Corp.Ltd
71. Hi-Tech Lubricants Ltd
72. Unilever Pakistan Foods Ltd
73. Lotte Chemical Pakistan Ltd
74. Sindh Transmission & Dispatch Company Ltd
75. BASF Pakistan (Pvt) Ltd
76. Attock Cement Pakistan Ltd
77. Kansai Paint Pvt Ltd
78. KPMG Taseer Hadi & Co.
79. SSGC LPG (Pvt) Ltd
80. Murree Brewery Company Ltd
81. Deloitte Yousuf Adil
82. Magnus Investment Advisors Ltd
83. Sukkur IBA University
84. Pakistan Industrial Development Corporation (Pvt) Ltd
85. Systems Ltd
86. Pakistan Revenue Automation (Pvt) Ltd
87. Pak-Qatar Family Takaful Ltd
88. Khyber Tobacco Company Ltd
89. Marie Stopes Society
90. Corporate Research and Investigations (Pvt) Ltd
91. Falcon-I (Pvt) Ltd
92. Karandaaz Pakistan (not for Profit)
93. Habib University (not for Profit)
94. TPL Insurance
95. Z2C Limited

96. Khan Brother
97. Ali Gohar & Company
98. Novartis Pakistan (Pvt) Ltd

Individual Members

1. Mr.Faisal Qureshi
2. Mr.Tajamal Hussain Shah
3. Jawwad Shekha
4. Shakaib Arif
5. Zulfiqar Alam
6. Jan Ali Khan Junejo
7. Shamsul Islam
8. Saifuddin N.Zoomkawala
9. Kalim-ur-Rahman
10. Yousuf Husain Mirza
11. Ava A.Cowasjee
12. Bushra Naz Malik
13. Muhammad Ali
14. Saif Ali Rastgar
15. Shahzad Sarwar
16. Afzaal Latif Malik
17. Mohammed Raziuddin Monem
18. Irfan Ali Hyder
19. Saqib Cheema
20. Yacoob Suttar
21. Nadeem Ahmed Jeddy
22. Syed Nabeel Ijaz Gardezi
23. Arshad Mirza
24. Ali Akbar Abdullah
25. Ahsan Mustafa Bajwa
26. Haroon Mehmood Khan Lodhi
27. Qaiser Zaman
28. Sheheryar Arshad Chishty
29. Jehanzeb Durrani
30. Ashar Saeed
31. Fawad Laique
32. Yousaf Baig Mirza
33. Zeeshan Ahmad
34. Syed Najmul Hasan
35. Aliya Yusuf
36. Mehmosh Khuwaja
37. Liaquat Ali Abro
38. Muhammad Bilal Khan
39. Seema Jaffer
40. Nayyer Hussain
41. Irfan Ahmad Khan
42. Muhammad Haider Amin
43. Atif ud din
44. Riffat Mehboob Alam Goheer

Honorary Lifetime Member



Dr. Shamshad Akhtar
Honorary Lifetime Member

Dr. Shamshad joined the PICG Board in 2020 and her impact as Board Member has led PICG to forge ahead with a forward - looking agenda on board composition, board independence, and diversity and inclusion with the induction of a minimum 1/3rd women directors on the PICG Board as part of a process of amendments in the Institute's articles of association.

Furthermore, a part of that agenda is Dr. Shamshad's enthusiastic leadership for research and advocacy and creating a more holistic good governance framework through ESG and climate change-related guidance and voluntary disclosure that will encourage Pakistani companies to disclose how these risks when well managed improve their bottom line. Dr. Shamshad has been nominated by the PICG Board as Chair of PSX PICG's national Task Force on ESG.

Dr. Shamshad was also elected as the First Woman Chair of Pakistan Stock Exchange. With this nomination, Dr. Shamshad has added another first to her many accolades. In 2006 she became the first woman Governor of the State Bank of Pakistan. In her capacity as Governor, Dr. Shamshad was also the Chairperson of the Central Bank Board and its affiliates, as well as a Governor of the International Monetary Fund.

Dr. Shamshad led the UN-wide coordination of the work on the post-2015 development agenda, and was also the United Nations Sherpa for the G20, supporting the Finance Ministers and Central Bankers track. In her role as Vice President of the Middle East and North Africa Region of the World Bank, Dr. Akhtar spearheaded the Bank's response to the Arab Spring as well as the Arab regional integration strategy and its implementation. She served in the Asian Development Bank for almost 15 years. As Special Senior Advisor to the President of ADB, and Director-General of the South-East Asia region, she led a progressive agenda for emerging markets including Pakistan.

Dr. Shamshad has served as Interim Finance and Planning Minister in the Government of Pakistan and currently serves on the Prime Minister's Economic Advisory Council. She is an individual who is committed to the values of good governance, financial discipline, and the socio-economic success of Pakistan.

Honorary Lifetime Member



Mr. Fuad Azim Hashimi
Honorary Lifetime Member

Mr. Hashimi was given PICG's honorary lifetime membership for his significant contribution and pioneering leadership over many years in the field of Corporate Governance. He was the President & CEO of PICG for almost a decade and retired on August 31, 2016 and was responsible for spearheading awareness and practice of good governance principles in corporate Pakistan.

The substantial contribution made by Mr. Hashimi led to PICG becoming a premier Governance body, and was responsible for improving corporate governance in the country and putting it on the international governance map. His subsequent work in pioneering PBC's Centre of Excellence in Responsible Business is indeed significant including the focus on SDGs and ESG; and his work and relationship building with international bodies like IFC, and OECD Governance Networks is very noteworthy.











Having served on numerous Corporate Boards as an Independent Director his reputation as a corporate governance guru precedes him. We at PICG recognize him as an individual who is committed to the values of good governance, financial discipline, and economic success of Pakistan.

Mentorship Survey

Purpose

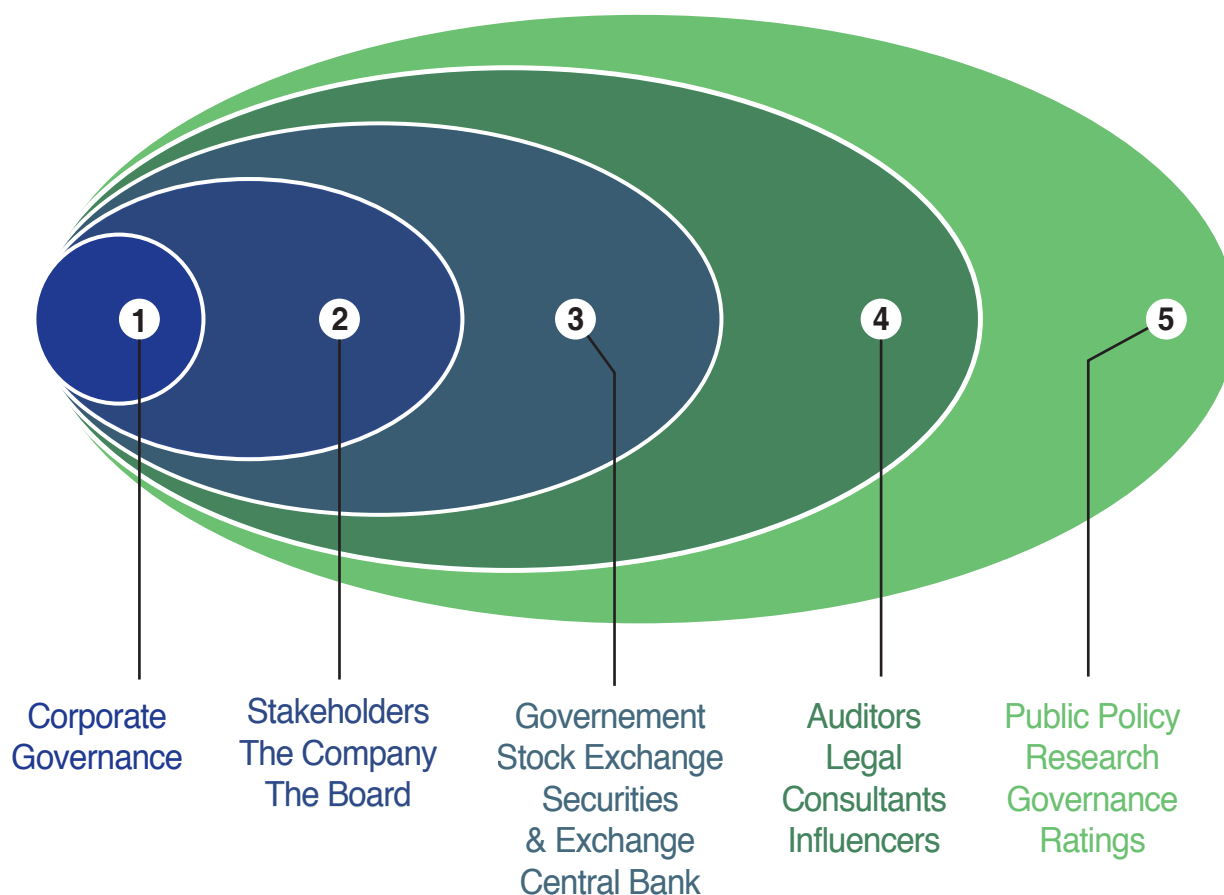
To determine the need for quality mentorship for CEO's and C-Suite Executives and identify areas where corporate leaders require support in their roles.

Key Learnings

	The highest number of responses were from CEOs, followed by C-Suite Executives
	Almost 90% of responses expressed interest in receiving mentorship and gaining access to counselling.
	Strategic planning and stakeholder management skills were top priority for respondents by a large margin.
	A large majority of respondents agreed that technology can be helpful in bringing efficiency in leadership roles
	Key leadership skills that respondents would like to acquire or enhance are:
	<ul style="list-style-type: none"> —> Visionary – thinking outside the box 62.50% —> Strong communication 46.88% —> Being perceptive of people & adapting their management style accordingly 37.50%
	Over 70% of respondents believe they are able to assess risks of their business.
	Over 60% of respondents claim that they are facing professional challenges which stand in the way of achieving long term targets.
	Over 50% of respondents are interested in building a stronger, more strategic and active board of directors
	Majority of respondents stated the “ability to innovate and think creatively” as a quality they admire in global leaders
	Large number of respondents are willing to invest \$200/ hour on a quarterly basis for one-on-one time with their dream mentor

The results for this survey were compiled by Suroor Zahra Ansari.

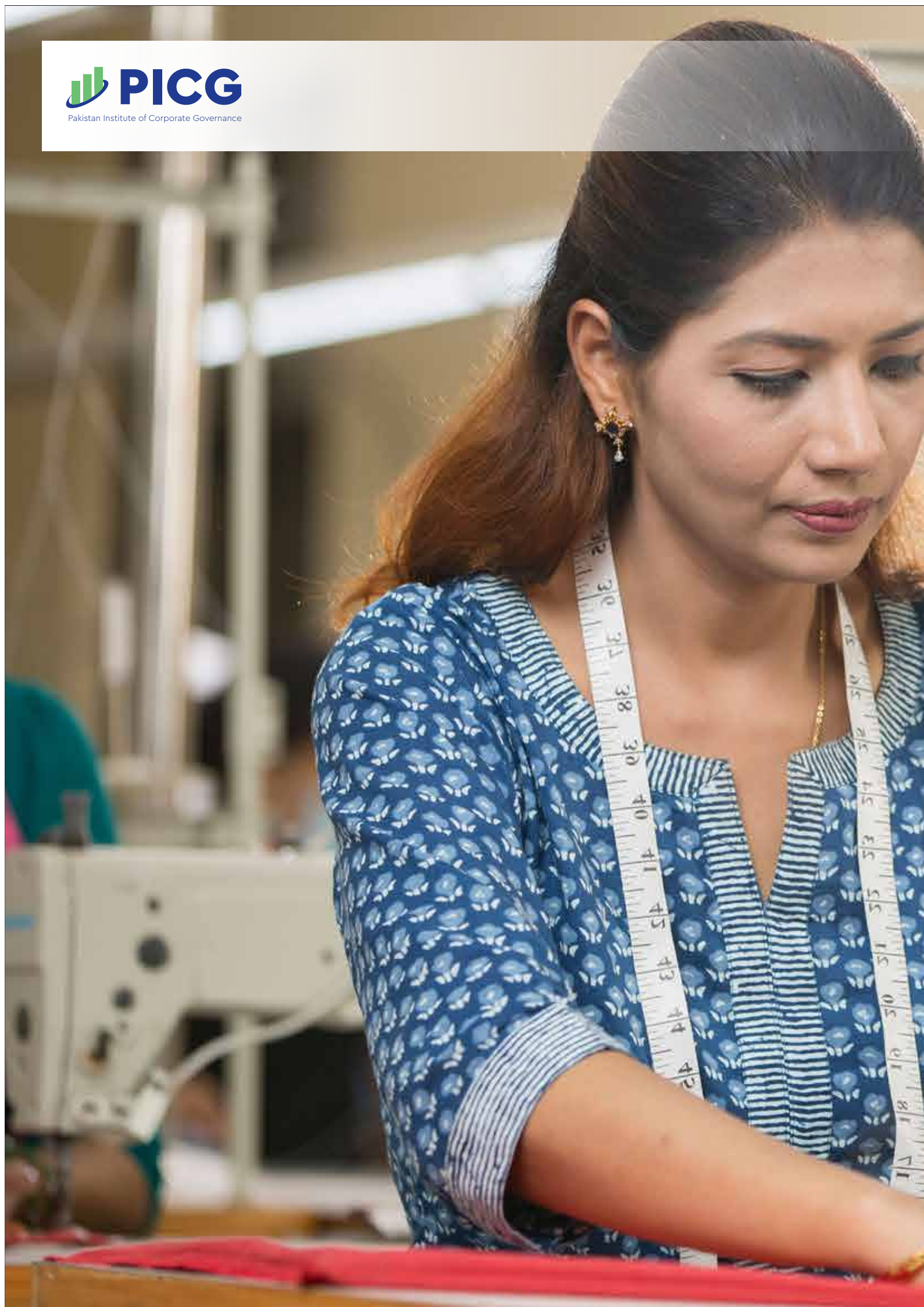
Creating Corporate Governance Ecosystems



We want to enhance long term value creation and performance for all the participants in the corporate governance ecosystem.

With the Securities and Exchange Commission of Pakistan's approval of the Growth Enterprise Market (GEM) Listing Regulations enabling SMEs, green field projects, not for profits, and other companies to raise capital through capital markets conveniently, PICG is working strategically to create future governance ecosystems for family business, small and medium sized business, and startups in Pakistan through customized solutions offering:

- good governance toolkits
- advisory services
- research





Operations

PICG's Service Offerings

Memberships



Advisory and Consultancy

- Advisory update
- Corporate governance framework
- Corporate governance assessments
- Family business advisory
- Terms of reference for board committees
- Internal audit charter
- CSR assessment

Trainings and Workshops

- Corporate Governance Leadership Skills (Director Training Program)
- Director Orientation Workshops
- Company Secretary Development Program
- Sexual Harassment Training
- Anti Money Laundering Training
- ESG - Road to Sustainability Training

Research and Publications

- Quarterly newsletter: The Quorum
- Survey on board compensation, practices and remuneration
- Bespoke research for companies
- Board Oversight during COVID-19



Director
Placement
Services

Board
Performance
Evaluation

Independent evaluations
of boards, board members
and board committees

PICG'S New Trainings



1) Anti-Money Laundering & Countering Financing of Terrorism (AML/CFT) Series Workshops Not for Profits (NPOs) & Oversight & General Compliance for all Companies

A number of amendments have been made to the Anti- Money Laundering and Countering Financing of Terrorism (AML/CFT) laws in Pakistan over the past few years in order to ensure compliance with the recommendations of the Financial Action Task Force (FATF).

As a result, Board members & Executives, have had to be more conscious and remain up to date on the changes taking place to ensure oversight & implementation of policies, procedures and controls for the prevention of Money Laundering and Terrorism Financing (ML/TF), are effectively taking place to avoid any risks in this regard. Constant update and timely submission of accurate data/ returns as required under applicable laws to avoid any penal provisions becoming applicable as a result of non-compliance.

PICG, therefore, introduced these workshops to help increase awareness amongst Board members & Executives of companies with regard to their AML oversight roles and liabilities to enable them to effectively implement the statutory requirements within their respective organizations, ultimately benefitting such organizations by lowering risk and avoiding any related punitive liability.

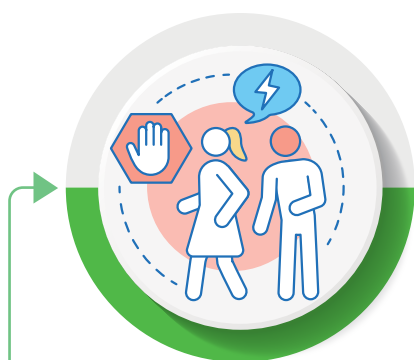


2) ESG 101- ENVIRONMENTAL, SOCIAL & GOVERNANCE

Discover why ESG is increasingly becoming a critical topic of discussion in board rooms.

Environmental, Social, and Governance (ESG) has gained increasing attention over the past few years, with many institutional investors investing only in those companies that provide ESG performance reporting. In fact, the reporting of ESG factors has become relevant to all stakeholders, including analysts and investors, consumers and employees, civil society and regulators.

The rising influence of ESG factors in corporate decision making is why board members must understand how they affect their risk oversight roles. Therefore, PICG introduced a workshop that aimed to introduce ESG and provide insights into how it is in fact good for business. Why and how companies should act as stewards of nature, manage stakeholder relationships and act ethically whilst improving their bottom lines and overall long term sustainability.



3) Addressing Sexual Harassment in the Workplace

How to develop frameworks to ensure a conducive work environment

In recent times, corporates have displayed progress in the development of policies on various aspects of human capital management; however, workplace harassment remains a sensitive area which is not being formally addressed by many corporates as part of effective workplace management. Sexual harassment, abuse and discrimination of women in workplaces, are quite widespread, mostly unreported and many a times ignored by Senior Management. Consequently, recognizing this fact, the Securities and Exchange Commission of Pakistan (SECP) recently advised Boards of listed companies to oversee the implementation of gender diversity policies to attract and retain talented women, and also introduce measures for a conducive work environment including robust anti- harassment and speak-up policies. Further, Boards have been directed to form diverse committees overseeing the complaints pertaining to harassment etc.

PICG therefore joined hands with Aahung to introduce a workshop to create awareness and improve understanding amongst corporate Board members and Executives on the elements that constitute workplace harassment, the legal framework that exists in Pakistan in this regard, preventative measures that need to be taken and the role of the Board, Board Committees and Executives in the establishment of the required policies and procedures in this regard. Aahung is a non-profit organization that works to improve and advocate an enabling environment where every individual's sexual health and rights are respected, protected, and fulfilled. Aahung values respect, diversity, and equality for all people and takes a rights-based approach towards sexual health and well-being.

Successful Online Transition



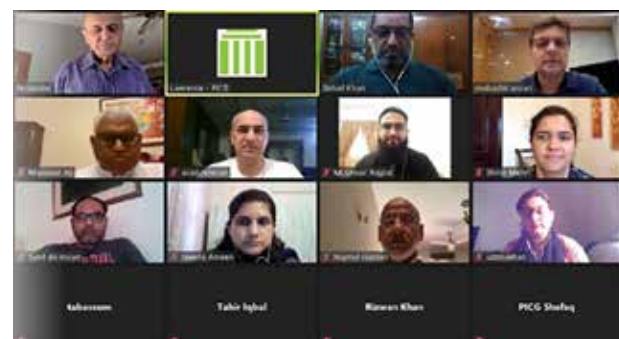
ESG 101 Workshop



Anti-Money Laundering Workshop



Board Evaluation Workshop



Ethical Dilemmas



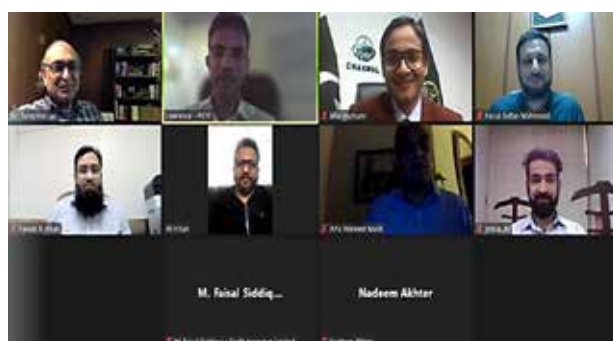
Harassment Workshop



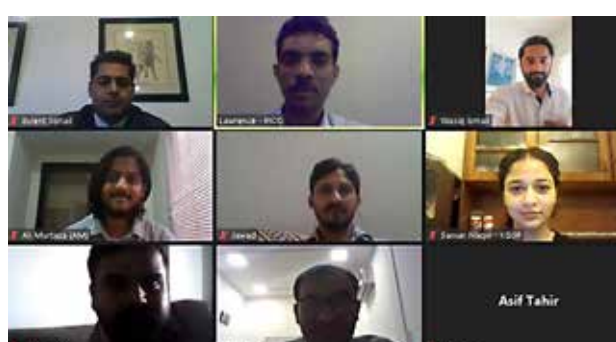
Effective Minute Taking Workshop



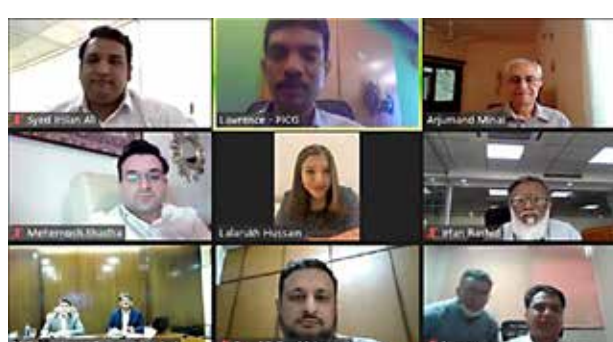
Harassment Workshop



Public Sector Workshop



Governance for NPOs



Board Evaluation Workshop



CSDP-1



CSDP-2

Internship Program FY21

PICG introduced its internship program for FY21 which aimed at targeting the youth to develop a greater interest in corporate governance by providing them with a deeper understanding of the rules and laws by which businesses are operated.

The purpose of the program was twofold, one, to aid the next generation with the tools required to succeed in their professional journey and two, for PICG to get new and fresh ideas, which would be beneficial for the company. During the course of the year PICG on-boarded a number of interns. Comments on the experience are as follows:

“

“My time at PICG has been an incredible journey of learning and development. Throughout this journey, not only was I able to hone my research skills, but also develop insights into the pertinent challenges confronted by the corporate world. The three pillars of PICG's vision - Environmental, Social and Governance - provided me a fresh perspective to view corporations not just as profit-maximizing entities, but also as organizations with big social and environmental impacts. As a student of public policy and development, my experience at PICG also helped me in understanding the importance of effective corporate governance for a better tomorrow.”

- Muhammad Ashar Khan,
BSc. Social Development and Policy, Habib University

”

“

“My time at PICG allowed me to learn more about the evolving ESG sector in Pakistan, a sector that deserves greater attention. The work carried out by PICG is spearheading the movement towards improved social responsibility in Pakistan's private sector through their internal and external initiatives. My role at PICG helped me better understand the structure of Pakistan's private sector greatly.”

- Sabrina Eman Sadat,
Law Student, King's College
London

”

“

For a person who had no idea what corporate governance entails, my time working at PICG enlightened me with multifarious concepts and learnings of how the sector operates. From acquainting myself to the corporate terminology and the CG code to actually analysing annual reports of the companies, I found growth in the process, both professionally and personally. PICG has a strong vision to bring about sustainable corporate governance practices in companies all across and it is of extreme significance for the remaining institutions to follow course.

- Imaara Zulfiqar Ali,
Head Researcher
at Runway Radio,
Habib University

”

Management Consultants



“PICG has immense potential to improve the corporate governance landscape. I have seen the team's drive to introduce the much needed corporate governance offerings along with taking up the mantle of Environmental, Social, and Governance (ESG) mainstreaming in Pakistan. I believe that PICG's contribution to incentivizing better business practices in state and private institutions will be unparalleled in the years to come.”

- Shahzeb Irshad,
ESG Consultant



“I worked at PICG for 6 months and cherish my time as a great learning lesson in my professional development. I gained knowledge about the public sector, financial regulations, and learnt that the team's relationship matter a lot. One should always make an effort to motivate, work together and be accountable to each other, to help each other progress and make the business excel, especially in small teams. Further, strategic planning with an execution plan is critical to personal and institutional success”

- Suroor Zahrah Ansari,
Content Specialist
at the Dean's Office,
Medical College,
AKU, Pakistan



Working at PICG was a breath of fresh air for me. I didn't expect to find a place where I'd be working with people with whom I shared similar values, especially the importance of meaningful work - work that is rooted in a desire to facilitate positive change in society.

My experience helped me grow, and expand my perspective considerably. Specifically, my work on ESG really struck a chord and highlighted the importance of environmental protection in every realm of society. Today, I'm carrying this knowledge and recognition with me as I pursue a Masters in International Security, opting for courses on climate protection, environmental policy and the nexus between climate change and conflict.

- Layla Hameedi, Masters Student,
The Hertie School of Governance, Berlin



PICG also finalized its Management Trainee (MT) program for FY22 catering to fresh graduates who are keen on working within the realm of good governance and ESG. This program started in August 2021.





ESG/ Sustainability

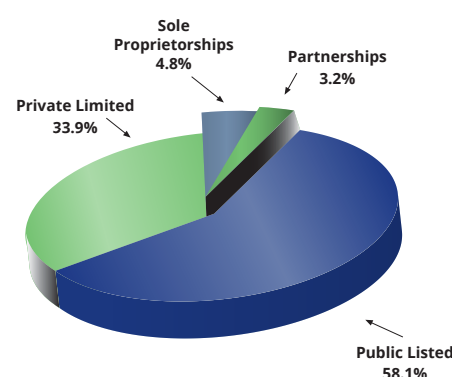
ENVIRONMENT, SOCIAL & GOVERNANCE (ESG) SURVEY REPORT

The rise of the COVID-19 pandemic has instilled a sense of urgency in people today. Businesses find themselves responding to shifting global priorities, realising that they must operate with a long-term sustainable vision and must be mindful of new and emerging risks.

PICG is committed to using its platform to mainstream ESG awareness in Pakistan's corporate sector. Therefore, this introductory ESG Survey was designed as an online questionnaire and was sent to Executives of companies in Pakistan to gain an insight into awareness levels of ESG in Pakistan; the importance placed on non-financial reporting and disclosure; compliance with voluntary guidelines and standards; and the need for ESG capacity building in corporates.

Respondent Information:

- 124 out of 144 responses were accepted
- Majority of the respondents work in public listed companies
- 70.96% respondents were Board Members and/or Senior Management
- Over 60% had at least 1/3rd independent directors on their Boards
- Majority of the respondents had Audit Committees + HR & Remuneration Committees



Key Findings:

90%

of the respondents claimed to be familiar with the term ESG

- 109 respondents reported an awareness of the ESG framework
- When asked to explain the value of ESG, most responses were vague and did not directly address the question

57.86%

respondents stated an understanding of the value of ESG integration

- Under half of the respondents claimed that ESG is understood and well communicated at the workplace however, there was lack of surety about the extent of ESG understanding and communication within companies;
- Only a few were able to clearly state the business benefits of ESG
- Responses regarding the environmental and social factors that drive decision making at companies were vague, with the mention of environmental considerations, GHG emissions, electricity usage and global climate change goals

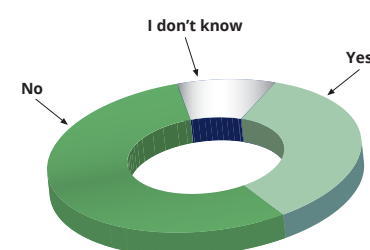
46.28%

respondents reported that their companies did have ESG guidelines or policies in place, however, the comments indicated that they may not have been formally put into practice

ESG REPORTING & DISCLOSURE

Majority of the responses indicate that:

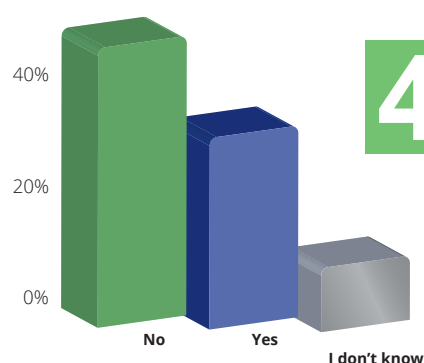
- Non-financial reporting is included within annual reports, as opposed to a stand-alone report
- Only 39 respondents stated that their companies issue non-financial reports in addition to their annual financial report



Did the company issue ESG/sustainability performance reports

RISK MANAGEMENT & COMPLIANCE

60%



45.87%

of respondents reported that their companies had not identified financial risks or opportunities due to climate change

Over 50% respondents claimed that their company had a formal approach or policy to inclusion and diversity

ESG Factors Being Practiced at Companies

- Reduction of carbon emissions and the usage of energy.
- Implementation of gender equality and gender diversity.
- Protecting health and safety of employees.

CONCLUSION

Institutional awareness of ESG presumably does not run as deep as is needed in order to alter company practices and recognise any tangible benefits. By expanding our scope of good governance, PICG recognizes that there are numerous intangibles which must be considered in promoting true good governance.

Mr. Shahzeb Irshad and Ms. Layla Hameedi contributed to the development of the questionnaire and compilation of the results of the survey, respectively.

GENDER & DIVERSITY RATIO

PICG's Board & Employees Ratio 2021

Board of Directors



PICG Management Team



PICG Employees



Board Committees



Board Audit Committee



Board Research Advocacy & Strategy Committee



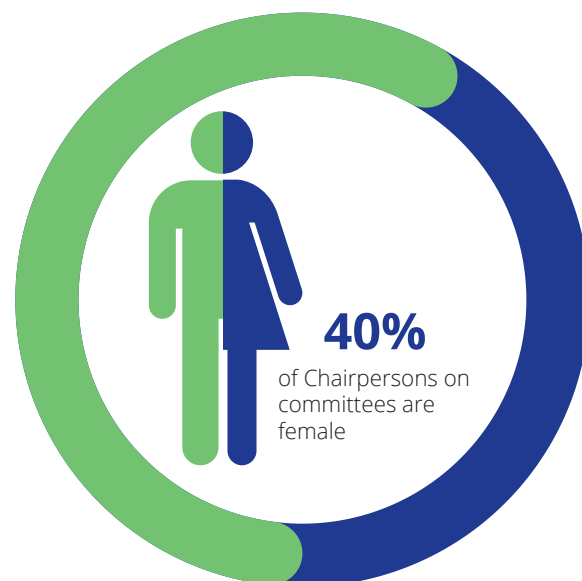
Board Investment Resource Mobilisation & Business Development Committee



Board Human Resource & Remuneration Committee



Board Nomination Committee



Interview with Tariq Alexandre Qaiser



1. In his COP26 address the Prime Minister has pledged Pakistan's full commitment to play its due role in addressing global environmental challenges including climate change. According to climate activists, natural climate solutions such as mangrove preservation do not even receive adequate spending. Doesn't Bundal Islands come under the "Protected Areas Initiative" of the PM's climate change agenda. Your thoughts?

All forests of the Indus Delta come under 'Protected Forests'. However, the reality of protection on the ground is very different from the legal status. Laws are in place, but their implementation is virtually nonexistent, and extremely complicated, especially for the forest department to enforce. This is especially true on those that lie in the vicinity of the Korangi creek.

Pakistan and Pakistanis are doing wonderful work in replanting mangroves in the denuded areas of the Delta. It is important work and is being done well. However, the substantial areas that are being replanted and that come in the ambit of 'statistics' are the areas that have small and low level mangrove cover, the height of a few feet. Due to a lack of sweet / brackish water the growth there is slow, and many plants die before reaching maturity.

On the other hand the mangroves that exist on the islands in the vicinity of Port Qaism Authority, Khiprianwala, Bundal Island, have grown to over 35 to 40 feet height. Many dense patches still remain. These are under immediate threat. The reasons are:

- Cutting by the locals, to heat and cook. Alternate fuel has not been provided to them
- The sale of mangrove wood in the wider areas of Karachi for residential consumption
- The sale of mangrove wood for the use of small scale industries
- The production of charcoal for barbeque
- The clearing of mangrove cover for development

2. Environmentalists like yourself are up against real estate speculators who think they must have a foothold on Bundal. Is the project worth the thousands of local jobs and much-needed tax revenue its protagonists claim to generate?

Karachi has plenty of land around it for progress, growth, and new cities.

These Islands are still wildernesses, full of biodiversity. They also lie upwind of the dense industrial/ residential areas of Korangi and Landhi. The mature Mangrove cover provides much needed oxygen to those areas and a substantial part of our city. Karachi will need these ecosystems here to survive the coming times.

And then there is climate change. Sea levels will get higher, sea surges will increase, and the threat of a tsunami in Karachi is very real. The delta, the islands, their sandbanks, their mangrove forests, and their mud banks all are evolved to exist between land and sea. They all protect Karachi. Our cities, and our human lives need to be constructed on dry land that will not suffer from sea incursion. These islands are intertidal; they flood with seawater twice a day, some days up to 13 feet.

The composition of the subsoil here is deposited loose silt. The coast and perimeter of the islands move and change every year. These are truly shifting sands. Even though modern engineering makes construction here possible, the capital cost of undertaking these developments is incredible. The cost of



Photo accredited to The Dawood Foundation

maintaining these built environments is even more mind-boggling. The Economy of Pakistan needs the funds for more pertinent development. Those mainland projects will also create economic growth.

As an architect my opinion is very clear. Cities should NOT be built on these islands. It will be a misallocation of resources, and will result in even greater social and economic inequities.

3. The Mangroves Working Group launched by the Friends of Ocean Action has global giants like AstraZeneca, Ericsson and Salesforce as its members working to conserve and restore mangrove forests by building a “blue” carbon market.

Can something like this be possible in Pakistan with PICG’s thought leadership? What is your message to PICG’s corporate membership to drive the mangrove conservation and restoration agenda?

Any effort to preserve, regrow, and re-wild denuded lands needs to be encouraged. It is the only way that we can survive the very stressful times that have already started. It's incumbent on all of us to become a part of this, so of course PICG’s place is important. Thought leadership needs to be present and of quality, but the action on the ground needs to be equally intense and of an even higher quality. We need to create a plan, and need to ensure that our thoughts don’t remain as conversations or reports. They need to translate as impact on the ground as conservation, re-plantation, and re-wilding.

4. Are you seeing more promise in the younger generations of Pakistan – the Millennials and the Gen Zs – to ask the inconvenient questions, and take action against environmental degradation that directly threatens them?

I most certainly am. I also pray that they have the persistence and perseverance to continue for the long haul. All of us need the consciousness and strength to see our human cultures through this new era of the Anthropocene.

+2,11 %
-1,11 %
+7,14 %
-3,12 %



Business Model Risks and Opportunities

Our Business Model

PICG is creating a governance ecosystem - that includes environmental and social sustainability as measures of business success - by building a set of strategic relationships with synergistic partners who help us deliver value for end-users or customers throughout the corporate governance value chain - from publicly listed and unlisted companies to small and medium sized enterprises and family-owned businesses, not for profits, and startups. Our strategic partners complement us in different ways whether it be by directly buying our products and services, or by helping us access a larger target market to provide a combination of value-added products and services. These partnerships come together to create what we call a 'governance ecosystem'.

Governance

Our internal company policies define employees' conduct in the workplace and their rights and duties guaranteed by the Institute. PICG believes that appropriate policies are necessary to build a strong corporate culture and to give employees an overall direction of their performance and success in the organization.

Our **Code of Conduct** is equally applicable to the Board of Directors as well as to all employees of the Institute. The code is intended to establish a common and uniform procedure for implementation of rules and regulations, provide guidance in dealing with ethical issues, establish a mechanism for reporting unethical conduct, and help foster a culture of honesty and accountability.

To foster an environment free from discrimination, harassment, retaliation, and other forms of sexual misconduct, PICG has developed and implemented an **Anti Harassment & Anti Discrimination** Policy which forms the basis of protection against discrimination or harassment in the workplace and to maintaining a safe, productive, diverse, inclusive, professional, collegial and secure work environment in which all individuals are treated with respect and dignity.

This policy extends not only to PICG employees as they interact with each other but also to persons acting on behalf of PICG, and to third parties, outside organizations, and individuals that interact with PICG employees.

Our **Whistleblowing Policy** facilitates a confidential method to communicate any unethical activity that may take place or is suspected to take place within the Institute. The purpose of this Policy is to create a channel whereby employees may confidentially report any immoral, unethical, or fraudulent act or breach of the Institute's Code of Conduct without any fear. A dedicated email portal (PICGspeakup@picg.org.pk) has been set up to report unethical practices and grievances and is available on PICG's website.

The Board has approved a **Policy for Delegation of Authority** to establish a framework for delegating authority within PICG in a manner that facilitates efficiency and effectiveness and increases the accountability of staff. It is the principal policy under which the Chief Executive Officer delegates part of his authority to the management to fulfill its responsibilities. In exercising this authority, employees must realize they are representing the Institute, are responsible for their actions, and are accountable for their decisions.

Risk Opportunities

Achievement of the Institute's strategy is considered in the context of the most relevant business and financial risks and opportunities in relation to delivering the strategy to ensure that risks are mitigated and both long and short term objectives are achieved and opportunities are fully maximised.

Business Risk	Mitigation
Regulatory approvals	<ul style="list-style-type: none"> - Remain in continuous dialogue with apex regulators through coherent communications strategy
Market demand	<ul style="list-style-type: none"> - Strengthen marketing team for increased outreach and number of trainings - Remain nimble and responsive to unmet training needs of SMEs and FOBs - Prepare a comprehensive market entry plan to offer customized programs to the C-suite -1 as they are instrumental in creating new leads to the C-suite and building enterprise awareness. - Thoroughly leverage the scope for knowledge partnerships and institutional alliances
Human Resource	<ul style="list-style-type: none"> - ToT and identifying, grooming and inducting new faculty - Hire experienced Head of Training & HR; AMs to support HODs; tech competence; extra resource for growth and succession - Create attractive incentive plan and better work-life balance
Financial Risk	Mitigation
Sales & Marketing	<ul style="list-style-type: none"> - Scheduling programs, setting correct price points, and targeting right audiences - Develop a go-to-market system that builds on accurate, regular customer feedback that in turn buys client advocacy and loyalty
Opportunities	Enhancement
Sales & Marketing	<ul style="list-style-type: none"> - Creating Lifelong Learning for Board and C-suite - Widening the scope for local and global knowledge partnerships - Continued induction of new and qualified faculty including international governance specialists





Performance and Position

INDEPENDENT AUDITOR'S REPORT

To the members of Pakistan Institute of Corporate Governance
Report on the Audit of the Financial Statements



Opinion

We have audited the annexed financial statements of Pakistan Institute of Corporate Governance ('the Institute'), which comprise the statement of financial position as at 30 June 2021, the income and expenditure statement, the statement of cash flows and the statement of changes in fund balance for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the income or expenditure statement, the statement of cash flows and the statement of changes in fund balance together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Institute's affairs as at 30 June 2021 and of the profit or loss and other comprehensive income, or the surplus, the changes in accumulated fund and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Institute in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Institute or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Institute's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the institute's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the institute as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the income and expenditure statement, the statement of cash flows and the statement of changes in fund balance together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the institute's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



Chartered Accountants

Date: October 5, 2021

Place: Karachi

Statement of Financial Position

As at June 30, 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
Non-current assets	3	2,157,708	5,227,461
Property and equipment	4	12,380,208	17,292,440
Right of use asset	5	74,033,230	14,581,240
Financial assets at amortised cost - Long-term	6	1,540,470	1,540,470
Security deposits		90,111,616	38,641,611
Current assets		7,570,582	5,113,121
Receivables	7	326,047	287,505
Short-term prepayments and advances	8	57,727,325	66,735,057
Financial assets at amortised cost - Short-term	9	5,255,554	12,246,937
Tax refunds due from Government	10	3,572,211	10,699,626
Cash and bank balances	11	74,451,719	95,082,246
		164,563,335	133,723,857
Total assets			
FUND BALANCE & LIABILITIES			
Fund balance		130,628,438	105,606,404
Accumulated fund			
Non-current liabilities		7,602,401	10,200,712
Lease liability	12		
Current liabilities		11,661,899	9,721,397
Fees in advance	13	5,475,914	5,819,798
Current portion of lease liability	12	2,371,761	1,568,590
Other payables		6,822,922	806,956
Accrued expenses		26,332,496	17,916,741
CONTINGENCIES AND COMMITMENTS	14		
		164,563,335	133,723,857
Total Fund Balance and Liabilities			

"The annexed notes from 1 to 26 form an integral part of these financial statements."



Chief Financial Officer



Chief Executive



Director

Income and Expenditure Statement

For the Year Ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
INCOME			
Revenue from services	15	81,405,475	52,604,385
EXPENDITURE			
Salaries, allowances and benefits	16	37,217,406	27,142,502
Professional service fee		15,760,293	11,818,000
Depreciation on property and equipment		543,754	1,135,821
Depreciation on right of use asset		4,912,232	4,323,110
Travelling and conveyance		538,986	953,641
Utilities		1,360,026	1,049,605
Printing and stationery		434,533	1,038,848
Insurance		155,610	229,313
Repair and maintenance		987,208	1,033,866
Provision for expected credit losses		1,390,434	952,625
Conference cost		-	974,725
Other expenditure	17	1,445,310	2,667,390
		64,745,792	53,319,446
Operating surplus / (deficit)		16,659,683	(715,061)
Other income	18	10,502,397	11,043,470
Finance cost		(2,140,046)	(2,246,250)
Surplus for the year		25,022,034	8,082,160
Other comprehensive income		-	-
Total comprehensive income		25,022,034	8,082,160

"The annexed notes from 1 to 26 form an integral part of these financial statements."


Chief Financial Officer


Chief Executive


Director

Statement of Changes In Fund Balance

For the Year Ended June 30, 2021

	"Accumulated Fund Rupees"
Balance as at July 01, 2019	
Total comprehensive income for the year ended June 30, 2020	97,524,244
Balance at June 30, 2020	8,082,160
Total comprehensive income for the year ended June 30, 2021	105,606,404
Balance at June 30, 2021	25,022,034
	130,628,438

"The annexed notes from 1 to 26 form an integral part of these financial statements."



Chief Financial Officer



Chief Executive



Director

Statement of Cash Flows

For the Year Ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		25,022,034	8,082,160
Adjustment for:			
Return on bank balances and investments		(10,502,396)	(11,070,009)
Depreciation		543,754	1,135,821
Depreciation on lease		4,912,232	4,323,110
Interest cost on lease		2,140,046	2,240,559
Gain on disposal of fixed asset		(424,116)	26,539
Expected credit loss		1,390,434	952,625
Surplus before working capital changes		23,081,988	5,690,805
Decrease / (increase) in current assets:			
Receivables		(3,847,895)	5,410,572
Short term prepayments and advances		(38,542)	1,115,424
		(3,886,437)	6,525,996
(Decrease) / Increase in current liabilities:			
Fees in advance		1,940,502	3,871,064
Accrued expenses		6,015,966	(5,214,788)
Other payables		803,171	(617,755)
		8,759,639	(1,961,479)
Cash generated from operating operations		27,955,190	10,255,322
Withholding tax paid		6,991,386	(1,001,978)
Net cash generated from operating activities		34,946,576	9,253,344
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(449,885)	(4,123,232)
Proceeds from maturity of short-term investments		7,946,943	8,733,334
Purchase of PIB's		(67,380,389)	(5,922,003)
Proceeds from disposal of operating fixed asset		3,400,000	29,900
Return on bank balances and investments received		10,483,849	10,916,819
Net cash (used in) / generated from investing activities		(45,999,482)	9,634,818
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment against lease liabilities		(5,082,241)	(7,835,598)
Net cash used in financing activities		(5,082,241)	(7,835,598)
Net (decrease) / increase in cash and cash equivalents		(16,135,147)	11,052,564
Cash and cash equivalents at beginning of the year		77,434,683	66,382,119
Cash and cash equivalents at end of the year	19	61,299,536	77,434,683

"The annexed notes from 1 to 26 form an integral part of these financial statements."



Chief Financial Officer



Chief Executive



Director

Notes to and Forming Part of the Financial Statements

For the Year Ended June 30, 2021

1. THE INSTITUTE AND ITS OPERATIONS

1.1 Pakistan Institute of Corporate Governance (the Institute) was incorporated in Pakistan as a Company Limited by Guarantee without share capital on December 01, 2004 under Section 42 of the repealed Companies Ordinance, 1984 (now section 42 of the Companies Act, 2017). Its members include 97 (June 30, 2020: 94) corporates, 41 (June 30, 2020: 27) individual and the following founding members:

- Securities & Exchange Commission of Pakistan
- The State Bank of Pakistan
- The Pakistan Stock Exchange Limited
- Institute of Business Administration
- Lahore University of Management Sciences
- Institute of Chartered Accountants of Pakistan
- Institute of Corporate Secretaries of Pakistan
- Institute of Cost and Management Accountants of Pakistan
- Overseas Investors Chamber of Commerce and Industry
- Federation of Pakistan Chambers of Commerce and Industry
- Insurance Association of Pakistan
- Mutual Funds Association of Pakistan
- Pakistan Banks' Association

1.2 The main objective of the Institute is to promote awareness of corporate governance and encourage compliance with good corporate governance practices by corporate bodies and professionals. In this regard, the Institute also conducts Directors' Training Program based on a standard curricula for which the Institute has arrangements with foreign organisations.

1.3 The registered office of the Institute is situated at Office Suite 316, "The Forum", Clifton, Karachi, Pakistan.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 BASIS OF PREPARATION

2.1.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan for financial reporting comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ from the IFRS standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.2 These financial statements have been prepared under the historical cost convention except as otherwise disclosed in the respective accounting policies notes

2.1.3 These financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

2.1.4 New / Revised Standards, Interpretations and Amendments

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Institute's accounting periods beginning on or after July 01, 2020 but are considered not to be relevant or do not have any significant effect on the Institute's operations and therefore not detailed in these financial statements.

2.1.5 Standards, Amendments and Interpretations to approved accounting standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (annual periods beginning on or after)
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	January 01, 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	January 01, 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	January 01, 2023

The above standards and amendments are not expected to have any material impact on the Institute's financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	July 01, 2009
IFRS 17 – Insurance Contracts	January 01, 2023

The above standards and amendments are not expected to have any material impact on the Institute's financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

2.2 Summary of new accounting policies

Set out below are the new accounting policies of the Institute upon adoption of IFRS 16, which have been applied from the date of initial application:

Right-of-use assets

The Institute recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Institute is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated using straight line method. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Institute recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Institute and payments of penalties for terminating a lease, if the lease term reflects the Institute exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Institute uses the incremental borrowing rate at the initial application date if the interest rate implicit in the lease is not readily

determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Institute applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Institute determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

2.3 Accounting policies

2.3.1 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value, if any. Depreciation on office equipment is charged using the straight-line method, whereby the cost of an asset less estimated residual value, if not insignificant, is written off over its estimated remaining useful life. Depreciation on furniture and fixtures and vehicles is charged using the reducing balance method. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

On all additions, depreciation is charged from the month in which addition / capitalisation occurs. Similarly, no depreciation is charged in the month in which an asset is disposed of.

Maintenance and repairs are charged to expenditure as and when incurred. Major renewals and improvements which increase the assets' remaining useful economic lives or the performance beyond the current estimated levels are capitalised and the assets so replaced, if any, are retired.

Gain or losses on disposal of assets, if any, are recognised in the period in which they are incurred.

The carrying value of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If such indications exist and where the carrying values exceed the estimated recoverable amounts, the assets are written down to the recoverable amount.

2.3.2 Receivables from members

Receivables are stated at invoice value less provision for uncollectible amounts. Provision for doubtful debts is based on management's assessment of member's credit worthiness. Bad debts are written-off when there is no realistic prospect of recovery.

2.3.3 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the statement of cashflows, cash and cash equivalents comprise cash in hand, balances with banks and short term financial assets with original maturities of three months or less.

2.3.4 Trade and other payables

Trade and other payables are carried at fair value of the consideration to be paid for goods and services. Exchange gains and losses arising in respect of liabilities in foreign currency are added to the carrying amount of the respective liability.

2.3.5 Provisions

Provisions are recognised when the Institute has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

2.3.5 Financial Instruments - Initial recognition and subsequent measurement

Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortised cost or cost as the case may be.

Classification of financial assets

The Institute classifies its financial assets in the following categories:

- at fair value through profit or loss ("FVTPL");
- at fair value through other comprehensive income ("FVTOCI"); or
- at amortised cost."

The Institute determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Institute's business model for managing the financial assets and their contractual 'cash flow characteristics'.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL

Classification of financial liabilities

The Institute classifies its financial liabilities in the following categories:

- at fair value through profit or loss ("FVTPL"); or
- at amortised cost.

Financial liabilities are measured at amortised cost, unless they are required to be 'measured at FVTPL (such as instruments held for trading or derivatives) or the Institute has opted to measure them at FVTPL.

Subsequent measurement

i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognised at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognised in other comprehensive income / (loss).

ii) Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are initially recognised at fair value, and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the income and expenditure statement. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the income and expenditure statement in the period in which they arise.

Impairment of financial asset

The Institute recognises loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortised cost and FVTOCI at an amount equal to lifetime ECLs except for the financial assets in which there is no significant increase in credit risk since initial recognition or

financial assets which are determined to have low credit risk at the reporting date, in which case 12 months' ECL is recorded. The following were either determined to be short term in nature or to have low or there was no increase in credit risk since initial recognition as at the reporting date.

- bank balances
- receivable from members
- other receivables

Loss allowance for receivable from members and other receivables are generally measured using 12 months ECL, since the credit risk is considered to be low.

The Institute considers a financial asset in default when it is more than 90 days past due.

Life time ECLs are the ECLs that results from all possible default events over the expected life of a financial instrument. 12 month ECLs are portion of ECL that result from default events that are possible within 12 months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Company expects to receive).

The gross carrying amount of a financial asset is written off when the Institute has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

Considering the nature of the financial assets, the Company has applied the standard's simplified approach and has calculated ECL based on life time ECL.

Derecognition

i) Financial assets

The Institute derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised as gain / (loss). In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to income and expenditure statement. In contrast, on derecognition of an investment in equity instrument which the Institute has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to income and expenditure statement, but is transferred to statement of changes in fund balance.

ii) Financial liabilities

The Institute derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount

of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the income and expenditure statement.

2.3.6 Off-setting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set-off the recognised amount and the Institute intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

2.3.7 Foreign currency translation

Monetary assets and liabilities in foreign currencies are translated at the rates of exchange prevailing at the statement of financial position date. Foreign currency transactions are recorded using the rates of exchange prevailing at the date of transaction. Exchange gains and losses on translation are included in the income and expenditure statement

2.3.8 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Institute and the revenue can be reliably measured. Revenue is recognised as follows:

Revenue from services

- Entrance fee from new members is recognised as revenue when no significant uncertainty as to its collectability exists.
- Subscription fees is recognised on an accrual basis.
- Income from advisory is recognised upon rendering of services
- Income from courses is recognised upon rendering of services.
- Income from databank is recognised on receipt basis.
- Income from conferences is recognised on receipt basis.
- Other revenue is recognised on an accrual basis.

Returns on financial assets

Return on financial assets are recognised on an accrual basis using effective rate of interest.

2.3.9 Income Taxes

The Institute is exempt from Income Taxes under the Income Tax Ordinance, 2001 and therefore has made no provision for income taxes in the financial statement.

3. PROPERTY AND EQUIPMENT

	Cost								Rate	
	As at July 01, 2020	Additions	Disposals	As at June 30, 2021	As at July 01, 2020	Charge for the year	On disposals	As at June 30, 2021	as at June 30, 2021	%
	----- Rupees -----									
Vehicles	3,694,200	-	3,694,200	-	615,700	102,617	(718,317)	-	-	20%
Office equipment	2,071,747	408,000	-	2,479,747	1,816,398	153,954	-	1,970,352	509,395	30%
Furniture and fixtures	5,355,581	41,885	-	5,397,466	3,461,969	287,184	-	3,749,153	1,648,313	15%
2021	11,121,528	449,885	3,694,200	7,877,213	5,894,067	543,755	(718,317)	5,719,505	2,157,708	
	=====									
	Cost								Rate	
	As at July 01, 2020	Additions	Disposals	As at June 30, 2021	As at July 01, 2020	Charge for the year	On disposals	As at June 30, 2021	as at June 30, 2021	%
	----- Rupees -----									
Vehicles	-	3,694,200	-	3,694,200	-	615,700	-	615,700	3,078,500	20%
Office equipment	1,929,292	142,455	-	2,071,747	1,616,355	200,043	-	1,816,398	255,349	30%
Furniture and fixtures	5,259,319	286,577	(190,315)	5,355,581	3,275,767	320,078	(133,876)	3,461,969	1,893,612	15%
2020	7,188,611	4,123,232	(190,315)	11,121,528	4,892,122	1,135,821	(133,876)	5,894,067	5,227,461	

Statement of Financial Position

As at June 30, 2021

	Note	2021 Rupees	2020 Rupees
4. RIGHT OF USE ASSETS			
Cost:			
At 01 July		21,615,550	21,615,550
At 30 June		17,292,440	21,615,550
Accumulated depreciation:			
At 01 July		4,323,110	-
Charge for the year		4,912,232	4,323,110
At 30 June		9,235,342	4,323,110
Net carrying amounts as at 30 June		12,380,208	17,292,440
5. FINANCIAL ASSETS AT AMORTISED COST - LONG-TERM			
Pakistan Investment Bonds	5.1	74,033,230	14,581,240
<p>5.1 These carry profit yield @ 7.00% - 9.00% per annum (June 30, 2020: 7.25% - 9.00% per annum) payable at three / six month interval and are carried at amortised cost maturing on September 19, 2022, June 19, 2023, August 20, 2023 and October 22, 2023.</p> <p>5.2 These instruments are held by the Institute's banker on behalf of the Institute.</p>			
6. LONG TERM SECURITY DEPOSITS			
These represent security deposits paid to The Forum in accordance with the Rental agreements for office suites 315 and 316.			
		2021 Rupees	2020 Rupees
7. RECEIVABLES - UNSECURED			
Receivable from members		1,417,250	652,500
Annual subscription		1,092,000	819,000
Director's Training Program		1,546,220	1,162,595
Fee from specialised workshops and others		325,500	-
Entrance fee		4,380,970	2,634,095
		5,532,671	3,431,651
Other receivables		9,913,641	6,065,746
		(2,343,059)	(952,625)
Less: Provision for expected credit losses		7,570,582	5,113,121

	Note	2021 Rupees	2020 Rupees
The age analysis of receivable from members is as follows:			
Not yet due (1 to 30 days)		1,484,375	285,600
Past due but not yet impaired			
- 31 to 60 days		134,400	-
- 61 to 90 days		276,000	273,000
- 91 to 120 days		-	273,000
- older than 120 days		2,486,195	1,802,495
		<u>4,380,970</u>	<u>2,634,095</u>

8. SHORT-TERM PREPAYMENTS AND ADVANCES

Prepaid insurance		17,843	45,734
Other prepayments		258,204	241,771
Advance against expenses		50,000	-
		<u>326,047</u>	<u>287,505</u>

9. FINANCIAL ASSETS AT AMORTISED COST - SHORT-TERM

Pakistan Investment Bonds		8,435,517	-
Market treasury bills	9.1	49,291,808	66,735,057
		<u>57,727,325</u>	<u>66,735,057</u>

9.1 These carry interest rate of 7.67% (June 30, 2020: 8.09% - 13.02%) per annum for T-Bills and 7.25% for PIB. These securities have an aggregate face value of Rs.58.6 million (June 30, 2019: Rs.70 million) and are carried at amortised cost maturing on September 09, 2021 and July 12, 2021.

9.2 These instruments are held by the Institute's banker on behalf of the Institute.

10. TAX REFUNDS DUE FROM GOVERNMENT

Tax deducted at source	10.1	<u>5,255,554</u>	<u>12,246,937</u>
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10.1 This represents refundable withholding tax deducted from payments made to the Institute. The Institute is in the process of recovering the said balance from the authorities. In this period, the Institute has recovered Rs. 8,823,892.

11. CASH AND BANK BALANCES

Cash in hand		40,000	-
Cash at bank :			
- saving account	11.1	3,532,211	66,735,057
		<u>3,572,211</u>	<u>66,735,057</u>

11.1 Represents savings account with a commercial bank carrying profit of 5.5% per annum (2020: 6.5% per annum).

	Note	2021 Rupees	2020 Rupees
12. LEASE LIABILITIES			
At the beginning of the year		16,020,510	21,615,550
Borrowing cost		2,140,046	2,240,558
Payments		(5,082,241)	(7,835,598)
As at June 30, 2021		13,078,315	16,020,510
Non-current portion of lease liability		7,602,401	10,200,712
Current portion of lease liability		5,475,914	5,819,798
		13,078,315	16,020,510
13. FEES IN ADVANCE			
Annual Subscription Fee		1,511,000	645,000
Board evaluation fee		6,989,374	7,093,960
Advance fee for Directors' Training Program		2,176,019	1,899,769
Others		985,506	82,668
		11,661,899	9,721,397
14. CONTINGENCIES AND COMMITMENTS			
There were no contingencies and commitments outstanding as at June 30, 2021 and June 30, 2020.			
15. REVENUE FROM SERVICES			
Entrance fee from members		2,430,000	780,000
Annual subscription and application fee		16,805,000	8,952,496
Fee from Director's Training Program		44,967,235	29,854,832
Fee from specialized workshops		5,892,423	7,456,947
Advisory services for board evaluation (note 15.1)	15.1	10,861,701	3,599,480
Sale of publication		25,000	244,000
Conference fee		-	1,716,630
Gain on disposal of fixed assets\		424,116	-
		81,405,475	52,604,385
15.1	This mainly includes fee against Board evaluations performed for various corporate entities.		
16. PROFESSIONAL SERVICE FEE			
Director's Training Program		10,120,000	8,920,000
Specialised workshops		2,625,000	2,680,000
Search for CEO		1,356,000	-
PCP certification		398,700	-
Professional fee for tax		292,880	-
Others		967,713	218,000
		15,760,293	11,818,000

	Note	2021 Rupees	2020 Rupees
17. OTHER EXPENDITURE			
Marketing and advertisement		262,473	116,700
Publication expenses		366,785	388,948
Resource development		-	-
Boarding and lodging		-	818,846
Canteen supplies		89,894	759,229
Membership fees		286,274	224,262
Loss on disposal of fixed assets		-	26,539
Others - (note 17.1)		439,884	359,405
		1,445,310	2,693,929
18. OTHER INCOME			
Return / interest on:			
- Profit / loss saving account		823,672	2,658,991
- Market Treasury bills		5,760,531	6,483,536
- Pakistan Investment Bonds		3,918,194	1,927,482
		10,502,397	11,070,009
19. CASH AND CASH EQUIVALENTS			
Cash and bank balances		3,572,211	10,699,626
Short term investments		57,727,325	66,735,057
		61,299,536	77,434,683
20. TRANSACTIONS WITH RELATED PARTIES			
Relationship	Nature of transaction		
Key management employees	Salaries and other		
compensation	employee benefits	20,996,184	13,697,357
20.1	Key management personnel includes Chief Executive Officer (Mr. Ahsan Jamil) and Chief Financial Officer (Mr. Sajid Siddiqui).		

21. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

21.1 Financial assets and liabilities

	Interest / mark-up bearing			Non-interest / mark-up bearing			Total
	" Maturity up to one year"	Maturity after one year	Total	" Maturity up to one year"	Maturity after one year	Total	
	----- Rupees -----						
Financial Assets							
"Financial assets at amortised cost "	57,727,325	5 74,033,230	131,760,555	-	-	-	131,760,555
Long-term security deposits	-	-	-	-	1,540,470	1,540,470	1,540,470
Receivable from members	-	-	-	7,570,582	-	7,570,582	7,570,582
Other receivables	-	-	-	-	-	-	-
Cash and bank balances	3,532,211	-	3,532,211	-	-	-	3,532,211
2021	61,259,536	74,033,230	135,292,766	7,570,582	1,540,470	9,111,052	144,403,818
2020	77,394,683	14,581,240	91,975,923	5,113,121	1,540,470	6,653,591	98,629,514
Financial Liabilities							
Lease liability	5,475,914	7,602,401	13,078,315	-	-	-	13,078,315
Accrued expenses	-	-	-	6,822,922	-	6,822,922	6,822,922
Other payables	-	-	-	2,371,761	-	2,371,761	2,371,761
2021	5,475,914	7,602,401	13,078,315	9,194,683	-	9,194,683	22,272,998
2020	5,819,798	10,200,712	16,020,510	2,375,546	-	2,375,546	18,396,056

21.2 Fair values of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

As per the requirements of the IFRS 13, the Institute shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

Currently, the Institute does not hold any assets which are either being carried or disclosed at fair value.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

22.1 Market Risk

(i) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at June 30, 2020 the Institute does not have any financial instrument that is denominated in foreign currency and as such has no exposure to currency risk.

(ii) Interest rate risk

The interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest. The Institute does not have any short and long term borrowings from banks and is exposed to interest rate risk on its short term investments and bank balances. At the balance sheet date, the interest rate risk profile of the Institute's interest bearing financial instruments is:

	Note	2021 Rupees	2020 Rupees
Profit bearing financial instruments			
Bank balance - profit / loss savings account		3,532,211	10,659,626
		3,532,211	10,659,626

Had the interest rate been higher / lower by 100 basis points with all the other variables held constant, interest income on profit / loss savings account for the year would have been higher / lower by Rs. 35,322 (2020: Rs. 106,596).

(iii) Other Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Currently the Institute does not face any risk as none of the financial assets or liabilities face the risk of change in market price.

22.2 Credit risk

Credit risk represents the risk of financial loss being caused if the counter parties fail to discharge an obligation. The Institute's credit risk is primarily attributable to its receivable from members. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. The maximum exposure to credit risk is equal to the carrying amount of the financial assets excluding cash in hand balance of Rs. 40,000.

The Institute monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets which are neither past due nor impaired are as follows:

	Note	2021 Rupees	2020 Rupees
Financial assets at amortised cost		131,760,555	81,316,297
Long-term security deposits		1,540,470	1,540,470
Receivable from members		7,570,582	5,113,121
Other receivables		-	-
Cash and bank balances		3,532,211	10,659,626
		144,403,818	98,629,514

The credit quality of advances can be assessed with reference to their historical performance with no major defaults in recent history. The credit quality of the Institute's bank balances can be assessed with reference to external credit rating as follows:

Bank	Rating agency	Rating	
		Short term	Long term
Faysal Bank Limited	PACRA	A1+	AA

22.3 Liquidity risk

Liquidity risk reflects the Institute's inability in raising funds to meet obligations associated with financial liabilities.

The Institute manages liquidity risk by maintaining sufficient cash and cash equivalents.

22.4 Capital Risk Management

The Institute's objectives when managing capital are to safeguard the Institute's ability to continue as a going concern and to generate funds to meet the primary objective of the Institute. The capital structure of the Institute consists of a general fund balance raised through operating surplus and income on investments.

23. NUMBER OF EMPLOYEES

23.1 Number of employees at June 30

- Permanent
- Contractual

23.2 Average number of employees during the year

- Permanent
- Contractual

24. REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

The aggregate amounts charged in these financial statements for remuneration to the Chief Executive and Executives of the Institute is as follows:

	Chief Executive		Executive	
	2021	2020	2021	2020
Managerial remuneration	15,338,734	10,712,957	12,355,884	13,017,867
Bonus	2,300,000	-	2,072,383	-
	<u>17,638,734</u>	<u>10,712,957</u>	<u>14,428,267</u>	<u>13,017,867</u>
Number of Persons	<u>1</u>	<u>2</u>	<u>6</u>	<u>6</u>

25. GENERAL

25.1 Figures have been rounded off to the nearest rupee unless otherwise stated.

25.2 Certain prior year's figures have been reclassified for the purpose of comparission. However there were no material reclassifications to report.

26. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Institute in their meeting held on September 4, 2021.



Chief Financial Officer



Chief Executive



Director

Notice of 17th Annual General Meeting

Notice is hereby given that the 17th Annual General Meeting of the Members of Pakistan Institute of Corporate Governance ("the Institute") will be held on Tuesday, October 26, 2021 at 4:00 P.M. via Zoom videoconferencing to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the 16th Annual General Meeting of the Institute held on October 27, 2020.
2. To receive, consider and adopt the Annual Audited Financial Statements of the Institute for the year ended June 30, 2021 together with the Directors' and Auditor's Reports thereon.
3. To appoint AF Ferguson & Co. as Auditors of the Institute for the year ended June 30, 2022.

OTHER BUSINESS

4. Any other business with the permission of the Chair. By Order of the Board Karachi: October 5, 2021
Rana Mustansir Company Secretary

NOTES:

1. A member of the Company entitled to attend, speak and vote at this meeting may appoint another member as her/his proxy to attend, speak and vote on her/his behalf.
2. In the case of corporate member, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been produced earlier) at the time of meeting.
3. In order to be effective, duly completed forms of proxy must be received at the Registered Office of the Institute, or a scanned copy emailed at rana.mustansir@picg.org.pk not later than 48 hours before the time appointed for the meeting.
4. Members are requested to notify the Company Secretary of any changes in their addresses or email addresses immediately at rana.mustansir@picg.org.pk
5. Members are requested to provide their name, email address, and CNIC number to enable the Institute to send notices, Financial Statements etc. via email at the following email addresses: rana.mustansir@picg.org.pk ; info@picg.org.pk
6. To Attend the Meeting Via Zoom Videoconference: Members may participate in the meeting via the following Zoom meeting link.

Please note details of Scheduled PICG Videocon AGM as follows:

PICG is inviting you to a scheduled Zoom meeting.

Topic: 17th Annual General Meeting of Members of Pakistan Institute of Corporate Governance

Time: Oct 26, 2021 04:00 PM Islamabad, Karachi, Tashkent.

Join Zoom Meeting

<https://us02web.zoom.us/j/85183673089?pwd=bDVrdE55SjZXS085b1l0dlczNERBdz09>

Meeting ID: 851 8367 3089

Passcode: 351780

It may be noted that no person other than the member or proxy holder can attend the meeting through the Zoom link.

سترویں (17) سالانہ جنرل اجلاس کا نوٹس

یہاں یہ نوٹس دیا جاتا ہے کہ پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس ("دی انسٹی ٹیوٹ") کے ممبران کا سترواں (17) سالانہ جنرل اجلاس بروز منگل، اکتوبر 26، 2021 4:00 پی ایم بذریعہ زوم ویڈیو کانفرنسنگ مندرجہ ذیل بزنس ٹرانزیکٹ کرنے کے لیے منعقد ہو گا۔

معمولی/آرڈینری بزنس

1- انسٹی ٹیوٹ کے سولویں سالانہ جنرل اجلاس جو کہ 27 اکتوبر 2020 کو منعقد ہوا کے مینٹس کنفرم کرنے کے لیے۔

2- انسٹی ٹیوٹ کی 30 جون 2021 پر ختم ہونے والے سال کی اینوئل آڈیٹڈ فنانشل اسٹیٹمنٹس اور اس کے ساتھ ڈائریکٹرز اور آڈیٹرز کی رپورٹس کو لینا، ان کا جائزہ لینا اور ان کو اپنانے کے لیے۔

3- اے ایف فرگوسن اینڈ کو، کوانسٹی ٹیوٹ کے 30 جون 2022 کو ختم ہونے والے سال کے آڈیٹرز کی تعیناتی کے لیے۔

دوسرا بزنس

4- چیئر کی اجازت کے ساتھ کوئی اور بزنس

بورڈ کے آرڈر پر

کراچی: اکتوبر 5، 2021

رانا مستنسر
کمپنی سیکریٹری

نوٹس:

1- کمپنی کا ایک ممبر جس کو اس میٹینگ میں شامل ہونے، بولنے اور ووٹ کا حق ہے وہ کمپنی کے کسی دوسرے ممبر کو اپنی جگہ تعینات کرسکتا ہے جس کو اس کے پراکسی کو طور پر میٹینگ میں شامل ہونے، بولنے اور ووٹ ڈالنے کا حق ہو گا۔

2- کارپوریٹ ممبر کی صورت میں نامی کو بورڈ آف ڈائریکٹرز کی رزولیشن/پاور آف اٹارنی سپیسیمین کے دستخط کے ساتھ میٹنگ کے وقت پیش کرنا ہونگے (بصورت دیگر یہ پہلے پیش کیے جاچکے ہوں)

FORM OF PROXY

I _____ a member of the Pakistan Institute of Corporate Governance, do hereby appoint Ms. / Mr. _____.
D/o. S/o. _____ or in her / his absence,
Ms. / Mr. _____ D/o. S/o. _____ both as
member of the Institute to act as my proxy at the 17th Annual General Meeting of the
Institute to be held on the 27th day of October 2021 and at every adjournment thereof.

Dated this _____ day of _____ 2021.

Signed: _____

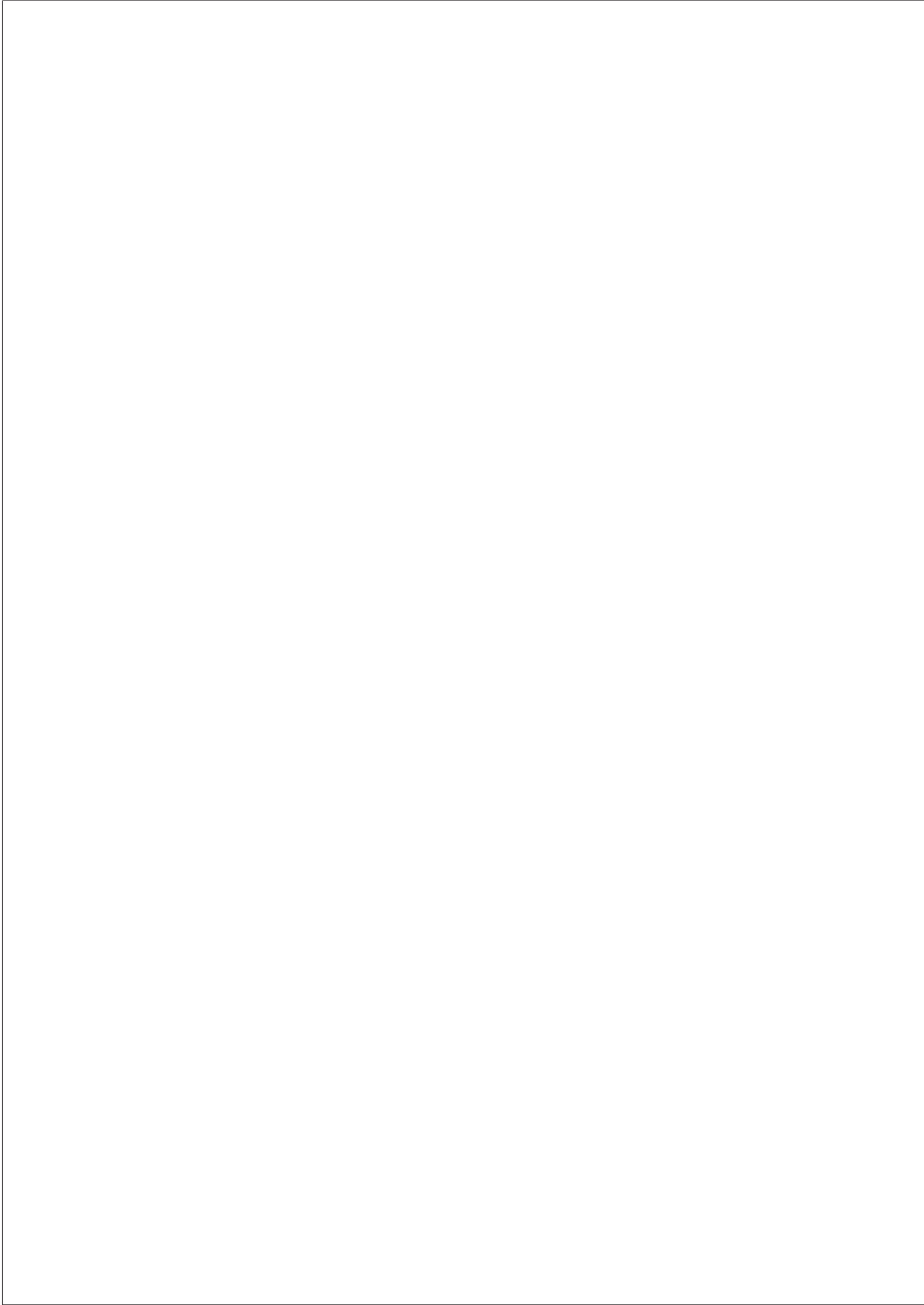


فارم آف پراکسی

میں _____ پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس کے بطور ایک ممبر، یہاں
تعیینات کرتا ہوں جناب /محترمہ _____ ولد _____ یا ان
کی غیر موجودگی میں، جناب /محترمہ _____ ولد _____ کہ دونوں
بطور انسٹی ٹیوٹ کے ممبران میرے پراکسی کے طور پر انسٹی ٹیوٹ کے ۱۷ سالانہ جنرل اجلاس جو ۲ اکتوبر ۲۰۲۱ کو ہوگا اور اس کی ہر
ایڈرجنمنٹ میں شامل ہوں/ ایکٹ کریں۔

بتاریخ _____ آف _____ ۲۰۲۱

دستخط _____





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