

Directors Report to the Members of Pakistan Institute of Corporate Governance (PICG) for the Quarter ended September 30th, 2022.

The Board of PICG is pleased to issue its report on the affairs of your Institute, for the quarter ended September 30th, 2022.

Highlights

- During the quarter ended under review, the Institute went through a management transition, appointing the new CEO, Mr. Memosh Khawaja.
- The institute delivered during the quarter a revenue growth of 3% vs. same period of last year.

Operations

During the quarter, the Institute conducted two Director Training Programs (DTP), one specialized governance workshop & completed seven Board Evaluations. The institute carried out both on-line and in-person Director Training programs during the quarter.

Finance

- Revenue growth was driven by the Board Evaluation services, as higher number of clients were serviced as compared to Q1 of 2021.
- The total profit deficit for the quarter amounting to Rs. 3.2 million is attributed largely to unallocated employee final settlement expenses and administrative and development costs related to Director Training Program.

Board Composition and Remuneration

The composition of the Board is as follows:

i. Independent Directors

- a) Dr. Shamshad Akhtar (Chairperson)
- b) Mr. Ahsan Iqbal
- c) Mr. Muhammad Ashraf Bawany
- d) Mr. Wasif Akbar Rizvi (resigned on August 16, 2022)*

ii. Non-Executive Directors

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

iii. Executive Director

- a) Mr. Memosh Khawaja (President & CEO)**

iv. Female Directors

- a) Dr. Shamshad Akhtar
b) Dr. Fakhara Rizwan
c) Ms. Musarat Jabeen

* Mr. Kaiser H Naseem replaced Mr Wasif Rizvi after the first quarter, as approved in Board meeting held on October 6, 2022.

** Mr. Memosh Khawaja replaced Mr. Ahsan Jamil as President & CEO in August 2022.

The Board has the following committees with names of members as given below:

Board Audit Committee

- i. Muhammad Ashraf Bawany - Chair
ii. Ahsan Iqbal
iii. Saleem Ullah
iv. Fakhara Rizwan

Human Resource Committee

- i. Musarat Jabeen - Chair
ii. Fakhara Rizwan
iii. Faisal Akhtar
iv. Muhammad Ashraf Bawany
v. Memosh Khawaja

Investment & Resource Mobilization

- i. Yousaf Hussain - Chair
ii. Faisal Akhtar
iii. Musarat Jabeen
iv. Saleem Ullah
v. Memosh Khawaja

Nomination Committee

- i. Dr. Shamshad Akhtar - Chair
ii. Yousaf Hussain
iii. Musarat Jabeen
iv. Memosh Khawaja

No remuneration is paid to the non-executive and independent directors as they serve on the Board *pro bono* except for the President & CEO, who is compensated in line with the Institutes HR Policies.

External Auditors

A.F. Ferguson & Co., Chartered Accountants (a member firm of the PwC network) accepted appointment as external auditors for the period ended June 30, 2023. We also continue to utilize the valuable services of BDO Ebrahim & Co. as the Internal Auditors of the Institute. We thank the above-mentioned audit firms for rendering us their services gratuitously.

Policy Advocacy

The Institute held review sessions with consultants for development of emerging governance issues related to technology and climate change.

PICG Management also participated in a Roundtable organized by the United Nations Development Program (UNDP) on the importance of human rights risk management for the business sector.

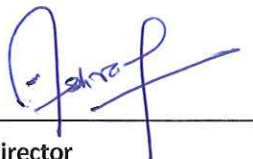
Future Outlook

The institute expects a strong positive development in its services and revenues over the coming period. Current services on offer will undergo a revamp over the next months, including the Director Training Program, the Board Evaluation service, and the membership program. Further, the portfolio of services is being expanded to capture new market needs and opportunities. In addition, PICG will increase its outreach and activation for its services by enhancing its customer database insights and improving quality of its social media presence.

The institute aims to play a larger role in serving the corporate community under its mission through stronger research, advocacy, and partnerships. In this regard, the institute is currently strengthening its capability to serve its stakeholders through human resource led and technology-based initiatives.

Acknowledgement

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



Director

March 3, 2023



President/CEO & Director