

EXTRACTS FROM THE RULES OF MEMBERSHIP

(As approved by the Board of Directors of PICG on July 15, 2008)

Rules for Individual Members:

A. Introduction:

A1 Pakistan Institute of Corporate Governance (the “Institute”) was incorporated on December 1, 2004 as a limited liability, not-for-profit company under Section 42 of the Companies Ordinance, 1984 (“Ordinance”). Established under the guidance and leadership of the Securities and Exchange Commission of Pakistan (“Commission”), the primary objective of the Institute is to promote, encourage and facilitate good corporate governance practices in Pakistan and to undertake activities ancillary or connected thereto with the aim of increasing awareness of and imparting knowledge on good corporate governance practices amongst the stakeholders.

A2 The founder members of the Institute comprise of the persons engaged in or potential candidates for regulating, promoting and carrying out research into corporate governance practices such as the financial sector regulators and educational institutions, respectively, on one hand, and other stakeholders in implementing an effective corporate governance regime represented by various corporate, financial, banking and professional organizations, on the other.

A3 The Articles of Association of the Institute (“Articles” or “Article”, as the case may be), inter alia, set out basic regulations concerning membership of the Institute. Furthermore, to help it regulate its affairs and undertake its activities in an effective manner, Article 94 vests the members of the Institute with the power, to be exercised by a three fourths majority of them, present personally or represented by proxies, to formulate bye-laws subject to the prior approval of the Commission. As further provided by Article 96, in the event of any conflict or inconsistency arising between the bye-laws or any portion thereof, on one hand, and the Articles and Memorandum of Association of the Institute (“Memorandum”), on the other, the latter shall prevail by rendering the bye-laws inoperative and void to the extent of such inconsistency.

A4 In addition to the aforementioned rule-making power of the members of the Institute, Article 3, inter alia, vests the Board with necessary authority to lay down the qualifications and conditions of membership of any person or a class of persons. Furthermore, Article 36, inter alia, empowers the Board to regulate, through bye-laws or otherwise, the admission of members.

A5 In order to establish a coherent membership regime, set out in this document are the Rules for Membership of the Institute (“Rules”) as approved by the members with a threefourth majority in terms of Article 94. The Rules are supplementary to the provisions concerning membership of the Institute as set out in the Articles, which are incorporated in these Rules by reference. The Rules shall govern all matters pertaining to the membership of the Institute. Words and expressions used or defined in the Articles shall have the same meaning where used in these Rules, unless the context otherwise so requires. References herein to “these Rules” shall be to these Rules as amended, varied

or replaced from time to time pursuant to the Articles or otherwise as herein provided. These Rules and any amendments or variations to the Rules, required to be approved by the Commission, and as currently set out herein have been so approved by the Commission.

B - Classes of Membership:

B4 The Class B members shall be classified as (a) Individual Members; and (b) Corporate Members. The Individual Members shall consist of individuals who qualify the membership criteria laid down under these Rules and the Articles. The Corporate Members shall be companies, statutory corporations, and such other institutions as may be approved by the Board.

C - Qualifications & Conditions:

C2 To qualify for consideration for Class B membership, an applicant, which term shall include both Individual and Corporate Members unless specified otherwise in this Rule C2, must comply with all of the following criteria:

- (1) in the case of an Individual Member, the applicant, in addition to fulfilling any other criteria established by the board from time to time, has professional competence and integrity in his or her field or profession and is suitable to contribute to and assist the Institute in effective implementation of its objects and policies for promoting good corporate governance practices;
- (2)
- (3)
- (4)
- (5)
- (6)
- (7) the applicant, which expression shall include its directors and officers where the context so permits, has not been convicted of any offence under the National Accountability Bureau Ordinance, 1999 or any other law providing for punishment for corruption, fraud and corrupt practices;
- (8) the applicant is a registered tax payer unless exempted by any law from liability for tax on its profits;
- (9) the applicant has not been made party to liquidation proceedings before or declared bankrupt or ordered to be wound-up and its assets liquidated by an order of the court of competent jurisdiction or its substratum otherwise threatened or irreversibly ceasing to remain in existence, as the case may be;
- (10) in the case of an Individual Member, the applicant has not been convicted of any offence involving moral turpitude under any law for the time being in force;
- (11) the applicant is ready and willing to pay to the Institute such fee as declared in these Rules or otherwise for its category in order to cover such administrative and professional costs as have been or may be incurred by or on behalf of or with respect to the Institute in connection with the dealing with and processing of the application for membership of the Institute (such fee being payable whether or not the applicant is admitted to membership).

C3 In addition to satisfying the criteria referred to in Rule C2 of these Rules, the applicant, or its duly authorized representative, as the case may be, shall be required, as

a precondition to its admission to membership, to have agreed with and undertaken to and in favour of the Institute in the form specified in Schedule I to these Rules as follows:-

- (1) not to be barred from becoming member under the provisions of the Articles and these Rules.
- (2) to be bound by and to comply with the Memorandum & Articles, these Rules, any bye-laws affecting the members' rights and obligations and any code of ethical behavior, and any direction, condition or requirement as may be imposed or issued from time to time by the Institute relating to the membership of the Institute.
- (3) to pay to the Institute such application, admission and annual fees as determined by the Board under these Rules or otherwise from time to time.

D - Procedure for Admission

D2 Every applicant shall pay a non-refundable application fee to the Institute for the consideration and processing of the application, as set out in Section E of these Rules. The Institute shall not receive the application unless it is accompanied by full payable amount of application fee.

D2A The following documents-in-support shall be filed along with the application for admission to membership where the applicant is an Individual Member:

- (1) certified copies of the National Identity Card or a passport; (2) two passport-size photographs;
- (3) a detailed curriculum vitae;
- (4) proof of membership of a profession, academic community or research fellowship, as the case may be;
- (5) proof of academic and professional qualifications; (6) Tax Registration Number if applicable;
- (7) a support letter or endorsement by an existing member as laid down under Article 8; and
- (8) a signed undertaking in terms of Rule C3 of these Rules.

E - FEES

E2A Given below is the schedule of fee as per applicable categories. Notwithstanding the aforementioned, the Board may prescribe reduced annual subscription for an individual member of not less than sixty (60) years of age and who has retired from his or her service or profession as laid down under Article 64, which reduced amount shall be equal to one-half of the annual subscription payable from the date the payment of annual subscription for the immediately following membership year becomes due.

Individual Member - Summarized Fee Table:

Class/Level of Membership	Associate Member		
	Application Fee	Admission Fee	Annual Fee
Qualified: (Certified director from PICG or certified internationally from an institute of repute)	2,000	N/A	10,000
Enterprise & Professional: (Directors with tenure of 2-5 years on board & other senior business professionals.)	2,000	5,000	15,000
Emeritus & Academic: (65 years and above, retired from professional services, Academicians & Authors other fields)	2,000	5,000	5,000
Honorary: (By invitation only, for people with notable contributions)		N/A	

- In case applicant belongs to the Member Company of PICG, the application fee may be waived.
- If any participant (CGLS/ DOW) will motivate their respective organization in becoming a corporate member of PICG, then they would get an opportunity to avail 50% discount on first year's annual fee (only) in case they apply for Individual Membership.
- If an Individual Member motivates their respective organization in becoming a member of PICG, then they would get an opportunity to avail 50% discount on their following year's annual fee (only) of individual membership.
- Individual Members receive a 20% discount on practical sessions of Corporate Governance Leadership Skills (CGLS) director education and certification program and generous discounts on PICG conferences, workshops and other events.

UNDERTAKING

(Undertaking in terms of Rule C3 of the Rules for Membership of Pakistan Institute of Corporate Governance)

I, _____, an individual/a duly authorized representative in my capacity as _____ of _____, a limited liability company/corporation/institution, resident of _____/having its registered office at _____ (hereinafter referred to as “Applicant”), do hereby declare and solemnly undertake as follows:

1. That the Applicant is not barred from becoming member of Pakistan Institute of Corporate Governance (“Institute”) in terms of the Institute’s Articles and membership rules;
2. That the Applicant shall at all times be bound by and comply with the Institute’s Memorandum and Articles, the membership rules, and any bye-laws affecting the member’s rights and obligations and any code of ethical behavior, and any direction, disability, condition or requirement as may be imposed or issued from time to time relating to the membership of the Institute;
3. That the Applicant shall pay to the Institute such fees, including admission and annual subscription, as determined by the Board under the membership rules or otherwise from time to time.

Signature: _____ Date: _____



APPLICATION FOR INDIVIDUAL MEMBERSHIP

(Application for admission to Class B membership in terms of Rule D1 of the Rules for Membership of Pakistan Institute of Corporate Governance)

The President
Pakistan Institute of Corporate Governance
Karachi.

Dear Sir,

I hereby apply for admission as a Class B Member of the Pakistan Institute of Corporate Governance in terms of the Articles of Association and the Rules for Membership of the Institute and append the following information:

1. Name of the Applicant:

2. Personal Contact Details:

Address: _____

Phone _____ Mobile # _____

E-mail _____

3. Professional Contact Details:

Organization Name: _____

Department: _____ Job Title: _____

Address: _____

Phone _____ Fax # _____

E-mail _____



4. The Organization associated with is:

Member

Non-Member

5. Type of Incorporation (Kindly encircle the appropriate Alphabet):

A. Public Listed B. Public Unlisted C. Private Limited D. Other: _____

6. Full description of Professional or Business Activities (also highlight contributions in corporate governance arena, if any):

7. Educational Qualification: _____

8. List of Directorships:

Organization	Period of Directorship

9. Level/ Class of Membership (Kindly encircle the applicable category):

- A. Qualified: (Certified director from PICG or certified internationally from an institute of repute)
- B. Enterprise & Professional: (Directors with tenure of 2-5 years on board & other senior business professionals.)
- C. Emeritus & Academic: (65 years and above, retired from professional services, Academicians & Authors other fields)

I, _____, an individual applicant/a duly authorized representative in my capacity as _____ of the aforementioned applicant hereby certify that the documents-in-support attached with this application are prepared and submitted in conformity with the terms of Rule D3 of the Institute's Membership Rules. I further undertake and confirm that the information provided in the attached documents-in-support is true and correct to the best of my knowledge and belief.

I have enclosed herewith payment of _____ as an application fee in terms of Rule E1 of the Institute's Membership Rules.

Signature: _____ Date: _____