

**Directors Report to the Members of Pakistan Institute of Corporate Governance (PICG)  
for the quarter ended September 30, 2025**

The Board of PICG is pleased to issue its report on the affairs of your Institute, for the quarter ended September 30, 2025.

**Board Composition and Remuneration**

The composition of the Board is as follows:

**i. Independent Directors**

- a) Dr. Shamshad Akhtar (Chairperson)
- b) Mr. Muhammad Ashraf Bawany
- c) Mr. Kaiser Haneef Naseem
- d) Mr. Ahsan Iqbal

**ii. Non-Executive Directors (Nominee Directors of Founding Members)**

- a) Ms. Musarat Jabeen                      Securities & Exchange Commission of Pakistan
- b) Mr. Muhammad Akhtar Javed      State Bank of Pakistan
- c) Dr. Fakhara Rizwan                      Pakistan Stock Exchange
- d) Mr. Saad Ur Rahman Khan      Pakistan Banks Association
- e) Mr. Mir Muhammad Ali                  Mutual Funds Association of Pakistan

**iii. Executive Director**

- a) Ms. Shafaq Fauzil Azim                  President & CEO

**iv. Female Directors**

- a) Dr. Shamshad Akhtar
- b) Dr. Fakhara Rizwan
- c) Ms. Musarat Jabeen
- d) Ms. Shafaq Fauzil Azim

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

**Board Audit Committee**

- i. Mr. Muhammad Ashraf Bawany (Independent Chairman)
- ii. Mr. Ahsan Iqbal (Independent Director)
- iii. Dr. Fakhara Rizwan (Non-executive Director)
- iv. Mr. Muhammad Akhtar Javed (Non-executive Director)
- v. Mr. Saad Ur Rahman Khan (Non-executive Director)

**Human Resource, Remuneration & Nomination Committee**

- i. Ms. Musarat Jabeen (Non-executive Chairperson)
- ii. Dr. Fakhara Rizwan (Non-executive Director)
- iii. Mr. Muhammad Ashraf Bawany (Independent Director)
- iv. Ms. Shafaq Fauzil Azim (Executive Director)

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

- i. Mr. Muhammad Akhtar Javed (Non-executive Chairman)
- ii. Mr. Kaiser Haneef Naseem (Independent Director)
- iii. Mr. Ahsan Iqbal (Independent Director)
- iv. Mr. Mir Muhammad Ali (Non-executive Director)

**Research, Strategy & Advocacy Committee**

- i. Mr. Kaiser Haneef Naseem (Independent Chairman)
- ii. Ms. Musarat Jabeen (Non-executive Director)
- iii. Mr. Saad Ur Rahman Khan (Non-executive Director)
- iv. Mr. Mir Muhammad Ali (Non-executive Director)
- v. Ms. Shafaq Fauzil Azim (Executive Director)

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

## Highlights

During the quarter under review, the institute reported robust financial performance, with operating revenue increasing by 7.8% and net profitability expanding by 187%, compared to the same period in the previous year. This growth was primarily driven by stronger operating income and effective cost savings.

Key activities during the period include:

- **Shareholder Agahi Portal:** Dedicated to enhancing shareholder awareness and empowerment, Pakistan's first comprehensive platform was launched by PICG in partnership with the Central Depository Company (CDC) on August 18, 2025. The portal offers bilingual resources, training, and tools to help shareholders understand their rights and responsibilities, engage effectively, and make informed decisions. The platform was formally inaugurated by the Honorable Finance Minister of Pakistan, Senator Muhammad Aurangzeb, in the presence of the Chairperson SECP, the Governor State Bank of Pakistan, Chief Executive Officers of CDC and PICG.
- **ESG for Pakistan Conference:** On August 12-13, 2025, PICG held its 2<sup>nd</sup> ESG Conference, "Achieving Integration", examining the regulatory landscape and practical approaches to ESG implementation. The conference emphasized progress and ongoing challenges, with discussions on regulatory strengthening, equitable governance, sectoral benchmarking, and mobilizing climate finance for sustainable growth. The conference summary was also developed and published and can be accessed at: [PICG's 2nd ESG for Pakistan Conference 2025](#)
- **Members event:** On September 17, 2025, PICG hosted a hybrid (in-person and online) session titled "*Sustainability Reporting and Beyond.*" The event featured international expert Mr. Sharath Martin, Senior Policy & Insights Consultant, ACCA Asia Pacific, who shared global perspectives and emerging trends in sustainability reporting and corporate transparency.
- **Webinar:** A webinar on '*Leadership in the Digital Era – Building Agility Across the Organization*' was held on August 5, 2025. A collaborative initiative between PICG and Diskus, the session focused on organizational transformation, featuring insightful discussions with subject matter experts.
- **Orientation Session: ESG for Startups:** PICG presented a case study at the '*Orientation Session: ESG for Startups*' held on September 30, 2025. Organized by the National Incubation Center, Karachi, the session emphasized the importance of implementing best ESG practices as a key growth driver for startups.
- **Global Network of Director Institutes (GNDI) Annual Meeting 2025:** PICG participated in the annual GNDI meeting held in Singapore in September 2025. The event brought together governance leaders and experts from across the world to discuss emerging priorities shaping boardrooms today. Key themes included the growing impact of geopolitics on corporate strategy, strengthening cybersecurity resilience, the governance implications of artificial intelligence, and the evolving expectations around sustainability

and responsible business conduct.

- **ICAP's Conference on Building a Resilient Public Financial Management System:** The conference was held on August 27, 2025, in Islamabad: PICGs was invited to the roundtable on "Enhancing Governance of SOEs," alongside experts and policymakers to discuss the SOE Act and public sector governance reforms, ESG and Sustainability in SOEs.

### **Institute's Operations**

- During the quarter, the Institute conducted 3 Director Training Programs (DTP) (comprising of 2 in-person and 1 online program), 1 Director Orientation Workshop (DOW), 1 customized ESG Stewardship program and 1 cohort of flagship PICG & IFC Sustainability for Boards of Directors and Executives.
- The Institute carried out 7 Board Evaluations across diverse sectors including Banks, pharmaceuticals, and automotive.
- During the period, the membership framework was revised. "Individual Members" were reclassified into Fellow Members and Associate Members, accompanied by updated fee structures. Additionally, a new subcategory for Entrepreneurs has been introduced to the membership portfolio.

### **Finance**

- During the quarter, total operating revenue increased by 7.8% compared to the same period last year. This growth was primarily driven by a 50% rise in revenue from the Directors' Training Program, followed by a 31% increase in board evaluation revenue.
- Operating profit surged to Rs. 18.97 million in Q1, more than doubling last year's Rs. 6.6 million, powered by strong revenue growth and cost savings.
- Investment income declined by 33% compared to the same period last year. Previously, investments were held in debt securities and PIBs and recognized on an accrual basis. Currently, all investments are in mutual funds, with income recognized only upon declaration of distributions.

### **Auditors**

We gratefully acknowledge A.F. Ferguson & Co., Chartered Accountants (a member firm of the PwC network), for accepting the appointment as external auditors for the period ended June 30, 2026, on a pro bono basis.

We also appreciate the continued professional support of BDO Ebrahim & Co., who serve as the Institute's Internal Auditors.

### **Future Outlook**

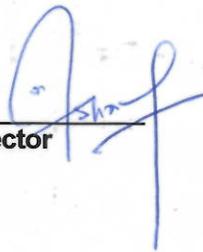
The Institute expects strong growth ahead, driven by more tailored capacity-building and advisory services in corporate governance and sustainability, aligned with the sector-specific needs of our clients.

To deepen engagement, the Institute will connect with members through themed discussions on current trends and global issues, knowledge-sharing via webinars and roundtables, and a forthcoming video podcast series on key corporate governance themes.

Looking forward, we are enhancing our role in shaping the corporate governance landscape through innovative platforms and targeted advocacy, supporting the effectiveness of both boards and shareholders.

### **Acknowledgement**

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



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Director



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President/CEO & Director

December 1, 2025