

## **Directors Report to the Members of Pakistan Institute of Corporate Governance (PICG) for the 9 months ended March 31, 2026**

The Board of PICG is pleased to issue its report on the affairs of your Institute, for the 9 months ended March 31, 2026.

### **Board Composition and Remuneration**

The composition of the Board is as follows:

#### **i. Independent Directors**

- a) Mr. Muhammad Ashraf Bawany (Chairman) <sup>1</sup>
- b) Mr. Abdul Qadir Memon <sup>2</sup>
- c) Mr. Ahsan Iqbal
- d) Ms. Sadia Khan <sup>3</sup>

#### **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) Ms. Sadia Khan
- b) Ms. Musarat Jabeen
- c) Dr. Fakhara Rizwan
- d) Ms. Shafaq Fauzil Azim

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<sup>1</sup> Mr. Muhammad Ashraf Bawany replaced (late) Dr. Shamshad Akhtar as the Board Chairman with effect from January 07, 2026.

<sup>2</sup> Mr. Abdul Qadir Memon replaced Mr. Kaiser Haneef Naseem as Independent Director on the Board with effect from December 01, 2025.

<sup>3</sup> Ms. Sadia Khan was appointed as Independent Director to fill the casual vacancy in place of (late) Dr. Shamshad Akhtar, for the remaining term, with effect from January 07, 2026.

The Board has the following committees with names of members as given below<sup>4</sup>:

**Board Audit Committee**

- i. Mr. Ahsan Iqbal (Independent Chairman)
- ii. Mr. Abdul Qadir Memon (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. Saad Ur Rahman Khan (Non-executive Director)
- iii. Mr. Mir Muhammad Ali (Non-executive Director)
- iv. Mr. Ahsan Iqbal (Independent Director)

**Research, Strategy & Advocacy Committee**

- i. Ms. Sadia Khan <sup>5</sup> (Independent Chairperson)
- ii. Ms. Musarat Jabeen (Non-executive Director)
- iii. Mr. Mir Muhammad Ali (Non-executive Director)
- iv. Mr. Abdul Qadir Memon (Independent 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.

<sup>4</sup> The above Board Committees were reconstituted in the 114th Board meeting held on January 07, 2026

<sup>5</sup> Ms. Sadia Khan was appointed as Chairperson of Research, Strategy & Advocacy Committee in place of (late) Dr. Shamshad Akhtar, with effect from January 07, 2026.

## Highlights

During the nine months under review, the Institute reported robust financial performance, with revenue increasing by 6.62% and net profitability expanding by 26.2%, compared to the same period in the previous year. This growth was primarily driven by stronger operating income and efficient cost savings.

Key activities during the nine months period include:

- i. **Shareholder Agahi Portal:** Launched on 18 August 2025 by PICG with CDC, the Shareholder Agahi Portal enhances investor awareness through bilingual resources, training, and guidance on shareholder rights. Inaugurated in the presence of Finance Minister Senator Muhammad Aurangzeb, Chairperson SECP, Governor SBP, and the CEOs of CDC and PICG, it is regularly updated with regulatory content. PSX has encouraged listed companies to display its logo to promote investor engagement.
- ii. **2<sup>nd</sup> ESG for Pakistan Conference:** PICG held its 2<sup>nd</sup> ESG Conference on a theme 'ESG for Pakistan: Achieving Integration' on August 12-13, 2025, focusing on ESG implementation, regulatory developments, governance, climate finance, and sustainability challenges and progress. The publication of Conference summary can be accessed using link: [ESG Conference Summary](#)
- iii. **Launch of Artificial Intelligence (AI) workshop: 'Revolutionize your Business Productivity with AI':** PICG launched a new AI workshop on October 29-30, 2025, in Karachi, covering the evolution and applications of AI, its governance and risks, ethical use, and opportunities for business optimization and growth.
- iv. **Members' Events:**
  - a. PICG hosted a hybrid (in-person and online) session titled '*Sustainability Reporting and Beyond*' on September 17, 2025. The event featured international expert Mr. Sharath Martin, Senior Policy & Insights Consultant, ACCA Asia Pacific, who shared global perspectives on emerging trends in sustainability reporting and corporate transparency.
  - b. PICG-ACCA organized a session on '*Navigating Trade Disruptions – What is the Outlook for the Global Economy?*' featuring Mr. Jonathan Ashworth, Chief Economist, ACCA UK on November 04, 2025, who shared future-forward insights into the global economy and its pathway to recovery for PICG's members.
- v. **Collaborative Initiatives:**
  - a. **PICG-BSG MoU Signing:** PICG and Balkhi Strategy Group (BSG) signed an MoU on December 16, 2026 to collaborate on corporate governance, sustainability, and leadership development through roundtables, research, advisory, executive coaching, and capacity-building programs focused on family offices, succession planning, board dynamics, talent, and women on boards.

- b. **Webinar:** A webinar on '*Leadership in the Digital Era – Building Agility Across the Organization*' was held on August 5, 2025, a collaborative initiative of Diskus with PICG as knowledge partner. The session focused on organizational transformation, featuring insightful discussions with subject matter experts.
  - c. **Orientation Session: ESG for Startups:** PICG presented a case study at the '*Orientation Session: ESG for Startups*' organized by the National Incubation Center Karachi held on September 30, 2025. The session highlighted the role of ESG best practices as a key driver of sustainable growth for startups.
  - d. **Global Network of Director Institutes (GNDI) Annual Meeting 2025:** PICG participated in the annual GNDI meeting held in Singapore in September 2025. The event convened global governance leaders to discuss emerging boardroom priorities, including geopolitics, cybersecurity resilience, AI governance, and evolving sustainability expectations.
  - e. **ICAP's Conference on Building a Resilient Public Financial Management System:** The ICAP's Conference, held on August 27, 2025, in Islamabad, featured participation from PICG at a roundtable on '*Enhancing Governance of SOEs*'. The session brought together experts and policymakers to discuss the SOE Act, public sector governance reforms, ESG and sustainability in SOEs.
- vi. **PICG Research & Surveys**

During the period, PICG has published a survey on '*Corporate Governance Trends – Trends Shaping Corporate Governance in Pakistan*'. Further two new surveys have been launched on '*Remuneration Survey 2025–26: Practices for Board of Directors & Executives*' and '*Pakistan Boardroom Outlook 2026: Directors' Survey on Emerging Corporate Governance Trends*', which are in process.

### Key activities of quarter ended March 31, 2026:

#### 1. 1<sup>st</sup> PICG & BSG Roundtable on Succession Planning in Family Business

Under the MoU, PICG and BSG held first roundtable on "Succession Planning in Family Business: Multigenerational Boards That Work," on 29 January 2026 bringing together family principals and business owners. The discussion highlighted succession risks in founder-led structures and underscored the need for family constitutions, clear role separation, merit-based succession, next-gen development, and structured conflict resolution. A Report on the key takeaways from the Roundtable is also published and is available at the link: [Report on Family Business Roundtable](#)

#### 2. Webinar on SECP' Proposed Amendments to the Companies Act, 2017

PICG held a high-level stakeholder awareness webinar on the SECP Concept Paper, "*Proposed Amendments to the Companies Act, 2017*," on February 17, 2026, virtually. The webinar aims to highlight the significance of proposed reforms for Pakistan's corporate sector.

Mr. Shahzad Afzal Khan, Registrar of Companies, SECP, delivered a comprehensive presentation on the proposed amendments along with their rationale. Mr. Muzzafar Ahmed Mirza, Commissioner, SECP, appreciated the constructive feedback shared by participants. The webinar was well received and attended by over 100 senior professionals including Board Members, CEOs and governance leaders.

**PICG's feedback and comments on the Concept Paper:** Following the session, all the comments received from the participants in the webinar along with PICG's own comments on the concept paper were submitted to SECP for consideration.

### **3. Webinar on 'Key Reporting & Disclosure Requirements – PSX Listing Regulations'**

PICG held an awareness session on key reporting and disclosure requirements under the PSX Listing Regulations on March 05, 2026 virtually. The keynote speaker, Mr. Ajeet Kumar, Chief Regulatory Officer PSX, highlighted key regulatory requirements including timely disclosures to PSX, shariah reporting, corporate briefing session, and recent regulatory reforms and enforcement action for listed companies.

### **4. Corporate Governance Highlights**

PICG has launched its first Quarterly Corporate Governance Highlights for October–December 2025, covering key regulatory and international governance developments, along with updates on the survey conducted by PICG.

### **Institute's Operations**

- During the quarter ended March 31, 2026, the Institute conducted 05 Director Training Programs (DTP) (comprising of 01 in-person, 02 online program, and 02 DTPs for SOEs) cumulatively training 62 directors. Further, 03 Director Orientation Workshops (DOWs) were conducted for Raqami Digital Bank, EXIM Bank and Sui Southern Gas Company (SSGC) and 01 'Company Secretary Development program was held.
- Other customized workshops organized in the quarter are as follows:
  - A series of three one-day customized Governance and Internal Controls Workshop was organized for *Pak Suzuki Motor Company*, attended by a total of 80 participants across all organizational levels, from senior management to operational staff, focusing on strengthening governance practices and internal control frameworks.
  - A two-day specialized Corporate Affairs workshop was conducted for corporate secretarial staff of *Mari Energies Limited*. The workshop was attended by 14 participants, focusing on strengthening corporate affairs and secretarial practices.
  - The third batch of ESG Track was successfully completed in January–February 2026, comprising 16 modules in total, with 68 participants attending the program.
- PICG conducted 10 board evaluations in third quarter across sectors including banking, investment, and FMCG, bringing the cumulative total to 24 evaluations as of March 31, 2026.

## **Financial Overview**

- During the nine months ended March 31, 2026, revenue increased by 6.62% compared to the same period last year, primarily driven by a 38.3% rise in revenue from DTP.
- Operating profit rose to Rs. 25.2 million from Rs. 7.8 million, same period last year. Profit before tax increased by 31.4% and net profit by 26.2%, supported by strong revenue growth and improved cost efficiency. Other income declined by 30.7% due to a shift in investment mix from debt securities and PIBs (accrual-based income) to mutual funds, where income is recognized only upon distribution.
- Investment income increased by 24.347% compared to the same period last year.
- During the period, the Board approved the transfer of employees' retirement benefits from the Provident Fund (PF) scheme to the Voluntary Pension Scheme (VPS).
- During the third quarter, revenue increased by 9% compared to the same period last year, primarily driven by a 250% increase in revenue from specialized workshops and a 35.7% increase in board evaluation services, along with a 54% rise in other income from mutual fund returns. Net profit grew by 12% over the same period.

## **Auditors**

We gratefully acknowledge A.F. Ferguson & Co., Chartered Accountants (a member firm of the PwC network), for rendering services as external auditors for the period, 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 anticipates strong growth through tailored corporate governance advisory and capacity-building services, aligned with the sector-specific needs of its clients. Engagement will be deepened via themed discussions, new workshops, awareness webinars and roundtables on regulatory developments.

PICG's flagship Director's Summit 2026, originally scheduled for April 30, 2026, has been postponed due to the current uncertain situation and is now planned to be held in August 2026. Under the theme "*The Showcase: Your Leadership, and Your Impact*". The theme celebrates the vision and contributions of leaders driving resilience, best practice, innovation, and growth across Pakistan's economy. Through visionary keynotes and dynamic panels on board agility, technology, inclusion, innovation and family legacies, the Summit will highlight how leadership is shaping Pakistan's corporate future.

To strengthen boardroom capabilities, PICG plans to launch two new workshops in the upcoming quarter: "Boardroom Intelligence" and "Smart Decision Making – Enhanced with AI" (to be organised by faculty from the London School of Economics and Political Science). These workshops enhance board effectiveness through structured decision-making frameworks that improve accuracy, reduce bias, and strengthen strategic judgment across the organization.

Looking ahead, the Institute is further strengthening its role in shaping the corporate governance

landscape through innovative platforms and targeted advocacy, while 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**

May 11, 2026



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**President/CEO & Director**