

# MEMBERSHIP PROSPECTUS

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PAKISTAN  
INSTITUTE OF  
CORPORATE  
GOVERNANCE

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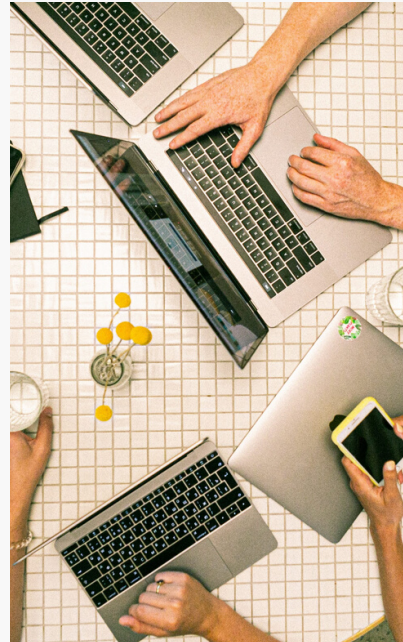


# ABOUT US

Pakistan Institute of Corporate Governance was established as a public-private partnership following a memorandum of understanding (MOU) signed between two apex regulators, the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP), and 18 private sector institutions. PICG was set up on December 01, 2004, the same year the Organization for Economic Cooperation and Development (OECD) released a revised version of its first set of corporate governance principles developed in 1999 to help OECD and non-OECD governments in their efforts to create legal and regulatory frameworks to promote corporate governance in their countries. PICG embarked on its journey to inculcate the six OECD principles of effective corporate governance in the corporate ecosystem in Pakistan.

Our flagship program, the Director Training Program (DTP), commenced with IFC's technical support in February 2007, and was a huge leap forward in inculcating a culture of good governance in Pakistan. The program completes the 40 hour training requirement outlined by the SECP. The Directors Orientation Workshop is a subsidiary program of the DTP.

In December 2019, PICG completed 15 years as the premier corporate governance institute in Pakistan. In the decade and a half that PICG has established its presence in the country the Institute has gone from strength to strength. With current membership of over 100 corporates and individuals, and over 1,300 certified directors, PICG has achieved significant outcomes for our members and the wider business community in Pakistan by assisting with the development of an ecosystem of organizations that are committed to good governance. Our endeavor is to engage the Board and the C-suite as well as the business and finance community at large, through a continuous strategy to provide lifelong learning, and more specifically continuing professional education.



# MEMBERSHIP BENEFITS

Apart from being part of a growing family of corporations that conduct responsible business, there are membership benefits that include generous discounts on trainings, conferences and specialized workshops. Other benefits of PICG membership include:

- Exclusive access to PICG's advisory and customized assessment and board evaluation services.
- Discounted access to our trainings, conferences, workshops and seminars.
- Opportunity to participate in lifelong learning opportunities and refresher courses organized by PICG for its alumni.
- Invitation to all exclusive member events organized by PICG
- Networking opportunities, locally and internationally, through our ever growing members and international affiliations
- Access to global director's network, courtesy of our membership of the Global Network of Directors Institutes (GNDI). PICG members benefit from sharing experiences with global directors, learn from international colleagues and stay updated on business and emerging governance trends impacting boardrooms across the world.
- Access to PICG's online digital library and advisories.
- Access to research publications, reports and surveys.
- Access to our quarterly publication, The Quorum.
- Access to PICG's Independent Director Databank
- Access to Board vacancy announcements by member companies

# MEMBERSHIP CATEGORIES

As approved by the members of PICG in the AGM on October 25, 2019.

All fees are in Pakistani Rupees and exclusive of taxes.

Membership type	Annual fee	One time application and admission fee	One time lifetime membership fee
Individual	30,000	30,000	-
Corporate	150,000	250,000	-
Not for profit	100,000	100,000	-
Lifetime individual	-	30,000	500,000
Lifetime corporate	-	250,000	1,750,000

Lifetime members are eligible for elections for a position on the PICG Board

# DOCUMENTATION REQUIREMENTS

## Corporate / Not for Profit Members

The following documents-in-support shall be filed along with the application for admission to membership where the applicant is a **Corporate / Not for Profit Member**:

- (1) A certified copy of certificate of incorporation or other instrument or document, as the case may be, evidencing its incorporation or formation under the Ordinance;
- (2) Certified copies of memorandum and article of association or other similar instrument or documents, as the case may be, containing the objects for which it is established and the rules for its governance and management;
- (3) Certified copies of any rules and regulations evidencing its establishment and providing for its governance and management;
- (4) In the case of an applicant who is a company and is required to submit an annual return to the registrar of companies pursuant to section 156 of the Ordinance, a certified copy of the last filled annual return;
- (5) A reasonably detailed profile of the activities of and operations of the applicant, its directors, management staff and its members;
- (6) The curriculum vitae of the applicant's board of directors and the key managerial and professional staff; (three liner for every director)
- (7) Latest financial statements of the applicant;
- (8) Proof of income tax registration or exemption from payment of tax on its profits, as the case may be;
- (9) Any document evidencing its membership of a professional or trade organizations, if any;
- (10) A support letter or endorsement by an existing member;
- (11) A signed undertaking printed on the company's letterhead;
- (12) A board of director's resolution or a Power of Attorney or any other valid instrument empowering the person named therein or the holder thereto to apply for the Institute's membership by duly representing the applicant before the Institute and giving an undertaking on its behalf;
- (13) A list of 15 members to be covered under membership.
- (14) Declaration as required by SECP SRO 733 printed on the company's letterhead

## Individual Members

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;
- (8) A signed undertaking; and
- (9) Declaration as required by SECP SRO 733

# APPENDIX 1

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## FORMS FOR CORPORATE MEMBERS

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# APPLICATION FOR CORPORATE MEMBERSHIP

The President  
Pakistan Institute of  
Corporate Governance  
Karachi

Dear Sir,

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

1. Name of Person / Company / Corporation / Institution

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2. Full description of Professional or Business Activities of Person / Company / Corporation / Institution

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3. Residential Address / Head Office

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Phone \_\_\_\_\_ Fax \_\_\_\_\_

E-mail \_\_\_\_\_ URL \_\_\_\_\_

4. Type of Membership:

- Individual
- Corporate
- Not-for-profit
- Lifetime Individual
- Lifetime Corporate

5. Names of Directors (including independent directors) or any other body responsible for directing the applicant's affairs, by whatever name called, with Nationality of each:

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6. Name and Nationality of Pakistan Country Manager (for foreign companies / multinationals):

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7. Karachi Office Address, if applicable

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8. Date of Incorporation/establishment (for companies, corporation and institutions only):

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9. Type of Incorporation (for companies only) (Kindly encircle the appropriate Alphabet):

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

10. Country in which incorporated /established:

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I, \_\_\_\_\_, 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 term of Rule E1 of the Institute's Membership Rules.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_



# 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 term 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 right 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: \_\_\_\_\_

# DECLARATION

As required by SECP SRO 733

With reference to the SECP notification SRO 733 (I) / 2018 dated June 7, 2018, I/we confirm that we fulfill the following requirements to act as promoters, members, directors or chief executive officer of Pakistan Institute of Corporate Governance (PICG):

## **I. Integrity and track record**

I/We fulfill the following requirements:

- a. I/We have not been found associated with any money laundering or terrorist financing activities, illegal banking business, illegal deposit taking or financial dealings, and also understand the company's unique risks including the money laundering and terrorism financing risks in the locations where PICG operates.
- b. The companies I/We are a major shareholder have not been declared by tax authorities as a tax defaulter.
- c. I/We or the companies we were a promoter or director or major shareholder have not been found involved in any fraudulent activities or illegal activities
- d. I/We have not been found convicted of fraud or breach of trust or of an offence involving moral turpitude by a court of law
- e. I/We have not been actively involved in the management of a company whose registration or license has been revoked or cancelled or which has gone into liquidation or other similar proceedings due to financial irregularities or malpractices
- f. I/We are not ineligible, under the Act and company law or any other legislation
- g. I/We have not been found involved in any undesirable or anti-state activities
- h. I/We have not been found involved in multi-level marketing (MLM), Pyramid and Ponzi Schemes, or other related activities / businesses or any lottery businesses.

## **II. Solvency and financial soundness**

I/We fulfill the requirement, in order to act as a promoter, director or chief executive officer of PICG, that there is no instance of overdue or past overdue payment to a financial institution, irrespective of amount, appearing in my/our latest Consumer Credit Information Report (CCIR).

## **III. Qualification and experience**

I/We possess adequate qualification and experience in order to act as promoter, director or chief executive officer of PICG.

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Signature & Stamp

Name:

Designation:

# APPENDIX 2

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## FORMS FOR INDIVIDUAL MEMBERS

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# APPLICATION FOR INDIVIDUAL MEMBERSHIP

The President  
Pakistan Institute of  
Corporate Governance  
Karachi

Dear Sir,

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

1. Name of Applicant:

\_\_\_\_\_

2. Personal Contact Details:

Address: \_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_ Mobile: \_\_\_\_\_

Email: \_\_\_\_\_

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:

A. Public Listed    B. Public Unlisted    c. Private Limited    D. Other: \_\_\_\_\_

6. Full description of professional or business activities :

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7. Educational qualification:

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8. List of directorships:

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9. Type of Membership:

A. Individual    B. Lifetime Individual

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 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 term of Rule E1 of the Institute's Membership Rules.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

# UNDERTAKING

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

I, \_\_\_\_\_, an individual 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 term 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 right 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: \_\_\_\_\_

# DECLARATION

As required by SECP SRO 733

With reference to the SECP notification SRO 733 (I) / 2018 dated June 7, 2018, I confirm that I fulfill the following requirements to act as a promoters / members / directors / chief executive officer of Pakistan Institute of Corporate Governance (PICG):

## **I. Integrity and track record**

I fulfill the following requirements:

- a. I have not been found associated with any money laundering or terrorist financing activities, illegal banking business, illegal deposit taking or financial dealings, and also understand the company's unique risks including the money laundering and terrorism financing risks in the locations where PICG operates.
- b. The companies I am a major shareholder have not been declared by tax authorities as a tax defaulter.
- c. I or the companies we were a promoter or director or major shareholder have not been found involved in any fraudulent activities or illegal activities
- d. I have not been found convicted of fraud or breach of trust or of an offence involving moral turpitude by a court of law
- e. I have not been actively involved in the management of a company whose registration or license has been revoked or cancelled or which has gone into liquidation or other similar proceedings due to financial irregularities or malpractices
- f. I am not ineligible, under the Act and company law or any other legislation
- g. I have not been found involved in any undesirable or anti-state activities
- h. I have not been found involved in multi-level marketing (MLM), Pyramid and Ponzi Schemes, or other related activities / businesses or any lottery businesses.

## **II. Solvency and financial soundness**

I fulfill the requirement, in order to act as a promoter / director / member / chief executive officer of PICG, that there is no instance of overdue or past overdue payment to a financial institution, irrespective of amount, appearing in my/our latest Consumer Credit Information Report (CCIR).

## **III. Qualification and experience**

I possess adequate qualification and experience in order to act as promoter, director or chief executive officer of PICG.

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Signature

Name:

Designation:

# APPENDIX 3

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## RULES FOR MEMBERS (EXTRACT)

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# EXTRACTS FROM THE RULES OF MEMBERSHIP

## **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.

## **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) In the case of a Corporate member, the applicant shall be a company formed and registered under the Ordinance and shall include all kinds of companies formed under the provisions of the Ordinance or a corporation established under any law or institution established as a trust, as a society, a professional trade organization, or any other organization which does not belong to the category of a company or corporation;

(3) in the case of a Corporate Member, the applicant enjoys good business or professional reputation and is suitable to contribute to and assist the Institute in effective implementation of its objects and policies for promoting good corporate governance practices:

(4) in the case of a Corporate Member, the applicant, which expression shall include its officers and directors, by whatever name called, has not been convicted of any offence under the provisions of the Ordinance or a statute under which such applicant is established or any other law under which it is established:

(5) in case of a Corporate Member, the applicant, which expression shall include its officers and directors, by whatever name called, whilst running its affairs or conducting its business has not committed material breach of any law or code or guidelines relating to or governing good corporate practices and ethical behaviour which is adjudged as criminal in nature other than prescribed penalties and fines:

(6) in the case of a Corporate Member which is a company, the applicant has not been de-listed, suspended or placed on the defaulters' counter by any stock exchange on which its securities are traded on grounds of its default in paying annual fees and other dues payable to the concerned stock exchange or its failure to comply with any regulations pertaining to the corporate governance practices;

(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. The Institute shall not receive the application unless it is accompanied by full payable amount of application fee.

**D6** Upon admission for consideration, the Board shall decide the application subject to these Rules and the Articles. The period within which all applications are to be decided by the Board shall not exceed three (3) months from the date of the application as laid down under Article 8. The Board may require the applicant to provide further information or furnish any other document-in-support during the course of its consideration of the application. In granting approval for "other institutions" to become members, and in addition to the qualifications and conditions under these Rules and the Articles, the Board shall be guided by the following considerations:

(1) the institution, which term shall include its members where the context so permits, irrespective of its nomenclature, bears resemblance to or possess some of the characteristics of a company or a statutory corporation making it suitable to benefit from adhering to and implementing good corporate governance principles and practices in running its affairs:

(2) the ownership or beneficial interest thereof and the management of the institute, which term shall include its members where the context so permits, shall be separate and split into different internal organs each having distinct rights and obligations for running the affairs of such institution;

(3) the institution, which term shall include its members where the context so permits, is an ideal candidate for improving its corporate governance practices in accordance with the local and international best practices to enhance transparency of its operations and activities in the eyes of its members and the public at large: and

(4) the membership of the Institute will contribute to the regime for better governance and transparency for operations and activities of such institution.