

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019
Pakistan Institute of Corporate Governance
Year Ended June 30, 2021

This statement is being presented to voluntarily comply with the Listed Companies (Code of Corporate Governance) Regulations 2019 and establishes that Pakistan Institute of Corporate Governance (“the Institute”) is managed in compliance with the best practices of corporate governance. The Institute is not required to comply with the provisions of the Code of Corporate Governance which are applicable to listed companies. However, to ensure the implementation of best practices in its own operations, the Board of Directors of the Institute have decided to measure its governance against the requirements of the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the Institute complies with such provisions of the Code that specifically relate to its activities and operations.

The Institute has complied with the requirements of the Regulations as applicable to the activities and operations of the Institute in the following manner:

1. The total number of directors are 10 (9 elected directors and the CEO) comprising the following:
 - a. Males: 7
 - b. Females: 3

2. The composition of the Board is as follows:
 - i. Independent Directors – 4
Dr. Shamshad Akhtar (Chairperson)
Mr. Ahsan Iqbal
Mr. Muhammad Ashraf Bawany
Mr. Wasif Akbar Rizvi
 - ii. Non-Executive Directors – 5
Mr. Faisal Akhtar (Founding Director - OICCI)
Dr. Fakhara Rizwan (Founding Director – Pakistan Stock Exchange)
Ms. Musarat Jabeen (Founding Director – Securities & Exchange Commission of Pakistan)
Mr. Saleem Ullah (Founding Director – State Bank of Pakistan)
Mr. Yousaf Hussain (Founding Director – Pakistan Banks Association)
 - iii. Executive Director - 1
Mr. Ahsan Jamil (President & CEO)
 - iv. Female Directors – 3
Namely:

Dr. Shamshad Akhtar
Dr. Fakhara Rizwan
Ms. Musarat Jabeen

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/members as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairperson and, in his/her absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. No remuneration is paid to the Directors except for the Executive Director for whose remuneration the Board has a formal policy and transparent procedure in accordance with the Act and these Regulations
9. The Board is in compliance with the requirement of Directors' Training program as the following Directors have completed their Directors Training or have been exempted from the requirement under provisions of the Code:

Dr. Shamshad Akhtar
Mr. Ahsan Iqbal
Mr. Ahsan Jamil
Mr. Faisal Akhtar
Dr. Fakhara Rizwan
Mr. Muhammad Ashraf Bawany
Ms. Musarat Jabeen
Mr. Wasif Akber Rizvi (Exempted)

Mr. Yousaf Hussain

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:
 - a) Audit Committee
 - Mr. Muhammad Ashraf Bawany (Independent Chairman)
 - Mr. Ahsan Iqbal (Independent Director)
 - Dr. Fakhara Rizwan (Non-executive Director)
 - Mr. Saleem Ullah (Non-executive Director)
 - b) HR and Remuneration Committee
 - Ms. Musarat Jabeen (Non-executive Chairperson)
 - Dr. Fakhara Rizwan (Non-executive Director)
 - Mr. Faisal Akhtar (Non-executive Director)
 - Mr. Muhammad Ashraf Bawany (Independent Director)
 - Mr. Ahsan Jamil (Executive Director)
 - c) Nomination Committee
 - Dr. Shamshad Akhtar (Independent Chairperson)
 - Ms. Musarat Jabeen (Non-executive Director)
 - Mr. Yousaf Hussain (Non-executive Director)
 - Mr. Ahsan Jamil (Executive Director)
 - d) Investment Resource Mobilization & Business Development Committee
 - Mr. Yousaf Hussain (Non-executive Chairman)
 - Mr. Faisal Akhtar (Non-executive Director)
 - Ms. Musarat Jabeen (Non-executive Director)
 - Mr. Saleem Ullah (Non-executive Director)
 - Mr. Ahsan Jamil (Executive Director)
 - e) Board Research Advocacy & Strategy Committee
 - Mr. Wasif Akbar Rizvi (Independent Chairman)
 - Dr. Fakhara Rizwan (Non-executive Director)
 - Ms. Musarat Jabeen (Non-executive Director)

Mr. Yousaf Hussain (Non-executive Director)

Mr. Ahsan Jamil (Executive Director)

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:
 - a) Audit Committee (Five (5) meetings were held during the year ended June 30, 2021)
 - b) HR and Remuneration Committee (Three (3) meetings were held during the year ended June 30, 2021)
 - c) Nomination Committee (Two (2) meetings were held during the year ended June 30, 2021)
 - d) Investment Committee (One (1) meeting was held during the year ended June 30, 2021)
15. The Board has outsourced the internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below (if applicable):

Regulation 19. Directors' Training

Institute did not arrange training for one female executive under the Directors' Training program from year July 2020 as per Regulation 19 on account of major staff transition with the exit of two key employees. As the Institute comprises a relatively small team, one female executive had to take on the added responsibility of Acting COO. The Institute is committed to completion of Directors' Training for a female executive in 2021-22.

Regulation 28. Human Resource and Remuneration Committee

Chair of the Human Resource and Remuneration Committee not being an Independent Director as per Regulation 28 owes to the Institute's commitment to having a woman chair for gender balance in committee leadership which was deemed more important by the Board. Moreover, as a not for profit we are not required by law to comply or explain but do so in the spirit and practice of good governance.

On behalf of the Board



DR. SHAMSHAD AKHTAR
CHAIRPERSON