

## **Directors Report to the Members of Pakistan Institute of Corporate Governance (PICG) for the quarter ended September 30, 2024.**

The Board of PICG is pleased to issue its report on the affairs of your Institute, for the quarter ended September 30, 2024.

### **Board Composition and Remuneration**

The composition of the Board is as follows:

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

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

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

- a) Dr. Fakhara Rizwan - Pakistan Stock Exchange
- b) Ms. Musarat Jabeen - Securities & Exchange Commission of Pakistan
- c) Mr. Muhammad Akhtar Javed - State Bank of Pakistan
- d) Mr. Yousaf Hussain - Pakistan Banks Association
- e) Mr. Aftab Ahmed Diwan - Mutual Funds Association of Pakistan

#### **iii. Executive Director**

- a) Mr. Memosh Khawaja - President & CEO

#### **iv. Female Directors**

- a) Dr. Shamshad Akhtar
- b) Dr. Fakhara Rizwan
- c) Ms. Musarat Jabeen

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. Yousaf Hussain (Non-executive Director)

**HR Remuneration & Nomination Committee**

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

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

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

**Research Strategy & Advocacy Committee**

- i. Mr. Kaiser Haneef Naseem (Independent Chairperson)
- ii. Mr. Yousaf Hussain (Non-executive Director)
- iii. Ms. Musarat Jabeen (Non-executive Director)
- iv. Mr. Aftab Ahmed Diwan (Non-executive Director)
- v. Mr. Memosh Khawaja (Executive Director)

\*The Board Committees duly reconstituted in the upcoming 108<sup>th</sup> meeting of the Board of Directors.

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 achieved a sound financial performance, recording operating revenue growth of 51% and net profitability growth of 40%, driven by operating income.
- The institute held the first Directors Summit to engage the directors' community, providing them a learning and networking opportunity, in line with its strategic mission.
- The institute also launched two major new initiatives towards corporate ESG integration, firstly a multi-partner executive ESG online training platform, and secondly, a Board ESG integration assessment tool to be used for its advisory services.

## Institute's Operations

During the quarter, the Institute conducted 4 Director Training Programs (DTP) comprising of in-person and online programs, and for conventional and state-owned enterprises certification.

The institute conducted four governance workshops during the quarter.

The institute also completed 5 Board Evaluations and an advisory project during the quarter.

The institute organized the first revenue generating event, the Directors' Summit, during the quarter.

The membership level remained unchanged during the quarter.

## Finance

- During the quarter concluded, the total operating revenue achieved was 51% higher than the same period previous year. Growth was driven by the Directors Summit event which is the first of its kind revenue generating event organized by PICG. This activity has also provided for a strong start to the financial year, given that traditionally the first quarter is low in revenue, and has helped balance the full year's revenue targets. The directors training program, grew by 11%, and the board services portfolio grew by 35% during the quarter.
- The operating loss for the first quarter was reduced by 40% vs. the same period previous year, driven by stronger revenue performance.
- The investment income improved by 5% vs. the same period previous year.

## External Auditors

A.F. Ferguson & Co., Chartered Accountants (a member firm of the PwC network) accepted an appointment as external auditors for the period ended June 30, 2024. We also continue to utilize the valuable services of BDO Ebrahim & Co. as the Internal Auditors of the Institute. We thank the above-mentioned audit firms for rendering us their services gratuitously.

### **Corporate Governance advocacy**

The institute published key research papers on small and medium enterprises corporate governance practices along with six case studies which were made publicly available. This project was conducted in collaboration with Karandaz.

During the Directors Summit, the institute organized panel discussions and keynote presentations on corporate governance issues including sustainability, state-owned enterprises progress and directors' duties and liabilities. The institute also engaged international speakers to participate in the summit, enhancing PICG's image and collaboration leverage in the international corporate governance arena.

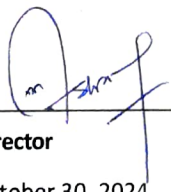
### **Future Outlook**

The institute expects a continued positive development in its services and revenues over the remaining year through new advisory and training services related to ESG integration which are expected to bring new business in the second half of the new year.

The institute also aims to play a larger role in enhancing the corporate governance agenda through stronger research, developing platforms and carrying advocacy. The focus of developments will be on both the board of directors and the 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 Pakistan Stock Exchange.



\_\_\_\_\_  
**Director**  
October 30, 2024



\_\_\_\_\_  
**President/CEO & Director**