

PICG Press Release

COMPENSATION POLICIES FOR DIRECTORS OF COMPANIES IN PAKISTAN.

Pakistan Institute of Corporate Governance (PICG) recently conducted a survey on the compensation policies of Directors of Boards in Pakistan in relation to Corporate Governance practices. The study is based on 2008 compensation data submitted by both listed and unlisted companies from the major business industries in Pakistan.

Directors' compensation is now universally recognized as a key component of Board efficacy. The findings indicate that compensation of Directors in Pakistan is considerably low compared to international standards. A majority of companies do not pay their Chairperson a higher amount for attending board meetings and Director Liability Insurance cover is provided by only a few of responding companies. Furthermore, none of the companies provide stock options to their non-executive Directors. These are some of the major findings discussed in the annual study of directors' compensation and board practices released by the Pakistan Institute of Corporate Governance.

The report has been developed as a reference tool wherefrom future compensation policies can be developed. To request a copy of the report please email samar.namazie@picg.org.pk.