Latin America Proxy Research Procedures

Applicable to the following countries: Argentina, Brazil, Chile, Colombia, Mexico, Peru, and Venezuela

Frequently Asked Questions
FAQ: Latin America Proxy Research Procedures

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1. **When are ISS’ proxy reports for Latin American companies published?**

ISS’ proxy reports of Latin American companies will generally be provided to ISS clients 13-15 calendar days before the shareholder meeting.

2. **Can a company get a copy of its ISS proxy report?**

All companies can access ISS’ proxy reports on their own company **without charge**. These are provided through [Governance Analytics](https://issgovernance.service-now.com/csp), a web-based platform hosted by ISS Corporate Solutions (ICS)*. To obtain a login and password to Governance Analytics, please submit your request through the [ISS Help Center](https://issgovernance.service-now.com/csp). This is the best way to ensure timely receipt of the report, as an email notification is sent to the company’s registered user(s) once a new proxy report on the company is published by ISS. There is no obligation to purchase or use any of the services of ICS to access the ISS report.

These reports are provided to companies free of charge as a courtesy, subject to the following conditions: (i) the reports are only for the company’s internal use by employees of the company, and (ii) the company is expressly prohibited from making the report, or any part of it, public, or sharing the reports, profiles or login credentials with any external parties (including but not limited to any external advisors retained by the company such as a law firm, proxy solicitor or compensation consultant).

Please note that this restriction on sharing of published reports with external advisors does not apply to draft reports that are provided for review by the company; the restrictions on sharing of drafts are detailed in the letter accompanying the draft (see below for more information on the draft review process).

*ICS is a wholly-owned subsidiary of Institutional Shareholder Services Inc. (ISS). ICS provides advisory services, analytical tools and information to companies to enable them to improve shareholder value and reduce risk through the adoption of improved corporate governance and executive compensation practices. The ISS Global Research Department, which is separate from ICS, will not give preferential treatment to, and is under no obligation to support, any proxy proposal of a company (whether or not that company has purchased products or services from ICS). No statement from an employee of ICS should be construed as a guarantee that ISS will recommend that its clients vote in favor of any particular proxy proposal.

3. **Can a company send the ISS proxy report to its shareholders or other parties?**

No. The information contained in any ISS proxy report or proxy alert may not be republished, broadcast, or redistributed without the prior written consent of ISS. Such requests should be submitted through the [ISS Help Center](https://issgovernance.service-now.com/csp).

4. **What happens if the proxy report contains a factual error?**

ISS strives to be as accurate as possible in our research and publications. Please check first the relevant policy documents at our [Policy Gateway (Brazil)](https://issgovernance.service-now.com/csp) has a separate policy, the other countries are under the [Americas Regional Guidelines](https://issgovernance.service-now.com/csp). Disagreements may be a matter of opinion or of policy application rather than an error of fact. If you do believe a report contains an error, please submit this through the [ISS Help Center](https://issgovernance.service-now.com/csp) as soon as possible. If we agree that a change or correction is required, we will issue a proxy alert to our clients.
5. **How and when will ISS change a vote recommendation in a proxy alert?**

*ISS cannot and will not disclose or guarantee a vote recommendation, nor a change of vote recommendation, in advance.*

It is not the role of ISS to proactively contact companies to seek action on any problematic governance practices; the onus is on companies to act in the best interests of their business and shareholders. If a company chooses to make changes or provide additional information to shareholders after an ISS proxy report has been published, the information must be publicly-disclosed for ISS to be able to respond, preferably via a relevant regulator’s public website rather than the company website. (The latter does not apply to information that is not normally in a filed document and only resides on the company’s website). In order that we can respond as soon as possible, issuers are requested to notify ISS through the [ISS Help Center](https://iss-help.com) as soon as the new information is filed.

ISS will determine if new or materially-changed publicly-available information warrants an update to our report or voting recommendations consistent with our policy. If the information is determined to be significant and warrants change, ISS will issue a proxy alert, which is shown featured at the head of the reissued proxy research report.

**Timing:** To ensure that our institutional investor clients are able to review any changes in our vote recommendations and act upon this information if they so choose, we generally will only be able to issue an alert and change to a vote recommendation if the new information is provided at least eight (8) calendar days ahead of the meeting. Any new information received closer than eight days will be discussed in an informational alert if it is deemed to be material to the analysis even if there is no change to ISS’ voting recommendations. Only under extraordinary circumstances will ISS issue a proxy alert to change a vote recommendation for material received closer than eight days before the meeting.

Proxy alerts are used to communicate updates, adjournments, corrections and vote recommendation changes to our clients. A proxy alert is structured as an overlay on the original report; the first few pages show the updated information and any related vote recommendation change, and the original report lies underneath, and will continue to reflect the original report and information. This allows our clients to see the original report and the changes in one document. Any subsequent alerts will be layered on top of the previous alert.

Proxy alerts are distributed to our institutional investor clients the same way our regular proxy analyses are distributed – through our ProxyExchange platform. The clients who received the original report will automatically receive any proxy alerts issued for that company.

**Engagement with ISS Latin America Research**

6. **How can a company request an engagement with the Latin America Research team?**

Please send a request for engagement through the [ISS Help Center](https://iss-help.com). You will be asked to provide the following:

› A detailed agenda for the engagement;
› A list of the company’s participants;
› Your preferred dates/times.

Please ensure that all company participants are aware of the following:

› ISS engages with companies to enhance the accuracy and quality of the research and voting guidance we provide to our investor clients. All discussions are on-the-record, and material non-public information should not be disclosed. ISS analyses are based on publicly-available information: information provided by companies during engagements with ISS should either be already publicly-available to all shareholders or will be disclosed through a company's filing, preferably, and/or available in the company's website. ISS will not knowingly use material non-public information disclosed during an engagement and accepts no obligation of confidentiality with respect to matters discussed during engagements.

› Due to the firewall between ISS Research and ISS' subsidiary, ISS Corporate Solutions, Inc. (“ICS”), companies should not: mention any past, present or expected contact with ICS or its personnel; disclose or discuss any information obtained from the purchase of ICS services or products; or identify your company, either directly or indirectly, as an ICS client (or prospective client). Doing so will constitute a breach of the firewall and may result in the immediate termination of discussions.

› ISS research analysts cannot consult or advise in any way.

› No statement made during an engagement should be construed as an indication of how ISS will recommend in a given situation or on a specific proposal.

› During engagements, ISS staff will be focused on hearing about the company’s long-term focus and strategy and how it drives decision-making to satisfy shareholder objectives.

7. **When is the best time to request an engagement?**

While we will make every reasonable effort to accommodate engagement requests, note that accepting engagements is at the sole discretion of ISS. Based on timing and priority, particularly in the lead into and during proxy season, we may not be able to hold an engagement on the day or at the time requested. In addition, whether an engagement is conducted in-person or by phone is also at ISS’ discretion. Accordingly, companies are recommended to plan early for any desired engagement scheduling, and further guidance is provided below.

**Non-contentious meetings:** For engagements regarding non-contentious meetings, the preferred time to schedule engagements is June through January, prior to the start of the Latin America proxy season, which begins in February. If companies wish to discuss matters relating to ISS’ new policies, they will want to schedule the engagement after the release of the ISS policy updates in November.

The Latin America team cannot accommodate requests for such engagements during proxy season, specifically during the period of **Feb. 15 through April 30**, due to the high volume of meetings. During that period, the team will proactively reach out to widely-held companies in the region on an as-needed basis, to seek clarification or inquire about the disclosure of publicly-available information as part of the process to analyze and issue vote recommendations for the company's general shareholder meeting proposals.

**Contentious meetings:** ISS will generally engage with the company and other shareholders, as needed, once the proxy materials are publicly available.

8. **What topics are generally discussed in engagements regarding non-contentious meetings?**
For non-contentious meetings, given the volume of engagement requests received, we prioritize engagements with companies with substantive governance issues: for example, companies with ISS recommendations against management proposals at the prior election and/or remuneration proposals, companies undergoing major transitions, companies facing corruption investigations and/or regulatory action, environmental, social and governance controversies.

9. **Is there a blackout period for engagement with research?**

No, there is no "blackout" with respect to contact with companies and other parties for ISS Research.

There is, however, a black out period for ISS Corporate Solutions (ICS) during the period from the filing of the proxy through the date of the shareholder meeting (the period during which Research is analyzing and making voting recommendations) as part of our firewall. Also, Governance QualityScore data verification is closed from the filing of the proxy until the publication of the ISS proxy report.

**Review of Draft Proxy Reports**

10. **Can a company review a draft of the ISS proxy report prior to publication?**

Drafts may be provided on a best-efforts basis for Latin American companies, under the following circumstances:

› The company must disclose its meeting materials, including board proposals, at least 30 days prior to the meeting date; and

› The issuer will need to directly request the draft, which should be done around the time the meeting materials are made available. The request for the draft needs to be submitted through the ISS Help Center: [https://issgovernance.service-now.com/csp](https://issgovernance.service-now.com/csp)

Due to the tight deadlines on voting cut-offs in these markets, the draft review period will be at most 24 hours. Drafts will be provided for annual shareholder meetings only, not for special meetings, nor for any meeting where the agenda includes a merger or acquisition proposal, proxy fight, or any item that ISS, in its sole discretion, considers to be of a contentious nature.

**Questions on ISS Policies**

11. **Who should I contact with questions on ISS U.S. voting policies?**

If you need more clarification after reviewing the relevant policies and FAQs, please submit your inquiry through the ISS Help Center.

12. **What can ISS tell us and not tell us about policies?**

ISS is happy to try to clarify questions on our policies as far as possible. However, we cannot answer questions about hypothetical scenarios, and we cannot give definitive answers on how we will recommend on proxy items before we analyze all relevant facts and circumstances as presented in the proxy. If it is a question we cannot answer, we will let you know.
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