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PROFILE OF A CORPORATE SECRETARY

IN LATIN AMERICA

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Profile of a Corporate Secretary in Latin America

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FOREWORD

In recent years, the countries in Latin America and the Caribbean have registered notable achievements in macroeconomic stability and many have succeeded in capitalizing on the expansionary export cycles in pursuit of their own social development. Nevertheless, the region still faces significant challenges to achieve sustainable economic growth and to become comparable to the more developed nations. One challenge that stands out in particular is the persistence of low productivity.

In the last few decades, those of us in Latin America have witnessed movements, which are more or less explicit, in different countries that converge on common goals and that we could call “covenants” in that they are understood as broad political consensuses. In the 1980’s, there was a valuable shift on the continent that, hereafter, we will call the “covenant” for democracy; in the 1990’s, we witnessed the benefits that resulted from the “covenant” in macroeconomic stability and trade integration; and during the first few years of the new century, in taking advantage of the surpluses of the worldwide expansionary cycle in raw materials, we followed a “covenant” of inclusion.

However, the return to low prices for raw materials on the international market made it evident that it would be necessary to redouble efforts to foster a sustained increase in the indices of productivity of factors through the adoption of public policies and good practices that would favor a better allocation of resources and give productive innovation a real boost. Thus and with the common goal of laying the groundwork for a more endogenous growth that is of higher quality and more sustained, CAF –Development Bank of Latin America– is pushing for the consolidation of a “covenant” for productivity.

That is why CAF has identified this issue as a matter of priority within their strategy in support of the shareholder countries that is reflected in loan operations in favor of their governments, private companies, and financial institutions as well as in technical assistance and development of knowledge. Specifically, we seek to disseminate good practices and successful policies in Latin America through the “Public Policies and Productive Transformation” series in order to make the best and most efficient strategies in development and growth in productivity available to these countries.

Luis Carranza Ugarte
Executive President

EXECUTIVE SUMMARY

The Corporate Secretary, under the current and modern approach, is more than a note-taker in the sessions of the Board of Directors. Given the functional and hierarchical position the Secretaries have, the fact that they manage and channel high-relevance information within the company makes the position a nexus between the Board of Directors and Upper Management that allows for more efficiency in the process of decision-making and its proper supervision as well as in reaching higher standards of corporate governance.

In that sense, among the variety of duties and responsibilities that they either carry out or can carry out, they are in charge of organizing the information that the Board requires to make decisions, compiling the deliberations and agreements adopted by this collective body, communicating said agreements, and following up on their implementation as well as transmitting (or withholding) the different information that circulates through their hands. Thus, to fully carry out such functions, it is necessary to have a Corporate Secretary or a Corporate Secretarial Unit that has a range of increasingly broad expertise.

This study is based on the desire to learn how the duties of the Corporate Secretary have been exercised within the companies in the countries in the region. The results will make it possible to know what kinds of measures or policies could be adopted to enhance that role as well as identify

opportunities for improvement in those companies that would like to reinforce them.

To this end, an ad hoc survey was created to acquire some degree of knowledge about the profile and background of the Corporate Secretaries of the companies in the region. This questionnaire was voluntarily answered by 95 companies in 13 countries. These companies cover almost all of the economic sectors and, furthermore they are set up as private, public, and mixed ownership entities.

The results of the study have made it possible to identify the most common characteristics of the Secretaries. However, it must be understood that there is no exclusive format or formula for carrying out this important function, yet, as this document shows, there are several lessons to be shared based on that diversity.

Key words: Corporate Governance, Board of Directors, Secretary, Corporate Secretary, Secretary of the Board of Directors, Corporate Secretary duties.

INTRODUCTION

The advancement and reinforcement of good corporate governance practices has become an important field of action for CAF over the last few years as it represents a tool that helps to reinforce the business fabric and the institutional framework and, therefore, fosters the sustainable development of the countries in the region. In this context, various initiatives to better understand the reality of corporate governance in companies of all kinds have been supported, whether they are private, government-owned, owned or managed by a family, or are listed on the stock exchange.

This analysis, which is focused on generating conceptual contributions and practical tools, has been done both from a comprehensive approach to the organization as a whole and, more specifically, based on the most relevant bodies in decision-making such as the Boards of Directors.¹ Thus, the knowledge that has been acquired allows best practices or standards for corporate governance, in turn, to be proposed while, at the same time, identifying the factors that entail risks in the decision-making processes which may end up having an impact on the performance of the companies.

Likewise, it should be understood that the exercise of corporate governance is all-encompassing and concerns all levels or tiers of any organization as it refers to the way decisions are made or, in general, to the way the company's performance is managed and controlled. In order to have an influence on the quality of said governance structure, it is necessary to have the ability to communicate with all its levels effectively. The different approaches and analyses have focused their attention on the main decision-making bodies

1. It should be noted that the largest governing body of a company is known in the different countries and law systems of the region under various names such as Board of Directors, Administrative Council or Governing Boards. In this document, reference will be made to the Board of Directors.

such as the Board of Directors and Senior Management, many times assuming that the decisions and policies were probably transmitted evenly throughout the organization.

Furthermore, in this developmental process of seeking better approaches and explanations for the functioning of corporate governance, other key players or roles have been identified in the exercise of said governance, in particular, concerning their connection to the organization as a whole. Such is the case of the Corporate Secretary² or Secretary as the position will be referred to throughout this document. The role as it is currently recognized has to do with the Secretaries' participation in various key aspects of corporate governance in addition to their proper position within the organization that enables them to link the Board of Directors with the rest of the organization.

Therefore, the main reason behind this study is to acquire better in-depth knowledge of the profile and characteristics of the Corporate Secretary in Latin American companies. This will make it possible to be proactive in terms of improvements in the corporate governance of the companies in the region through the role of the Corporate Secretary.

This report consists of four chapters. In the first, the scope and duties of the Corporate Secretary are analyzed; in the second, the methodology employed to collect information and a general description of the participating companies is outlined; in the third, the study results are presented, and finally some conclusions and recommendations for reinforcing the Secretary's role in the companies of the countries of the region are presented.

2. The term "Corporate Secretary" as such is not typical in Latin American legislation. At times it is understood as Secretary of the Board of directors. In a later section, the scope of the concept will be clarified.

CHAPTER 1

CONCEPTUAL FRAMEWORK

Corporate Governance in a changing environment

The current increasingly changing economic environment reveals a constant state of crises that occur one after another. Technology and connectivity, in turn, augment this perception, but they also contribute to enhancing the need for companies to stay alert to their environment and recognize that they are obligated to learn how to adapt in order to be competitive and sustainable.

The most noteworthy corporate crises of this century such as those of ENRON, Parmalat, Worldcom or the dot.com companies as well as the most recent one, known as the sub-prime crisis, which was clearly unleashed by the debacle of Lehman Brothers, make it evident that their common denominator corresponded to cracks in their corporate governance, mainly at the level of the role and functions of the Board of Directors and the Control Structure.

At a more regional level, the instances of corruption identified and detected in important Latin American companies, mostly related to the sector of construction and infrastructure, reveal that some of the relevant aspects of corporate governance were neglected or handled without due diligence.

These events underline flaws, both in terms of supervision and the ways themselves in which decisions are made, i.e., in the management and control foundations that are precisely the basis that the corporate governance of every company relies on. This has not gone unnoticed by the companies that are seeking to be sustainable, and thus it induces them to seek to adopt best practices or standards. Nor has this gone unnoticed by the regulators, who have issued more guidelines or regulations geared towards demanding the adoption of

minimum standards in terms of corporate governance and thus raising the number of obligations of regulatory compliance.

The adjustments chosen have addressed various aspects such as the Board of Directors, transparency, control and follow-up, and even, the relationship with shareholders and other groups of interest.³ A factor that is usually also sought in these changes is encouraging Boards towards better performance and greater commitment.

The perception that the Boards of Directors could have done more in the above-mentioned cases leads to them being under greater scrutiny now.⁴ In this respect, they are now expected to show more concern about their structure, their interaction with management and the company in general, their methods of organizing and holding the meetings of the Board of Directors or of their committees as well as the clear demarcation and discharge of their duties just to mention the most prominent aspects. The goal of all of this is to enable companies to improve the processes of decision-making and create more value.

The needs imposed on companies and their Boards by this changing environment puts the design and operations of the corporate governance of such entities to the test. Specifically, the greater focus on Boards can only be honored to the extent that they are backed by suitable and sufficient resources for them to successfully do their work. Companies have been discovering or confirming that such support is found in the unit or position of the Corporate Secretary. The Secretaries contribute by organizing the contents of the information and the timing with which it gets into the hands of the directors the best way possible as well as structuring the meetings most efficiently, and following up afterward on the

decisions made at those sessions. Therefore, based on the perspective of improving the corporate governance of companies, the focus of this study has been on the role of the Corporate Secretary.

In addition, the condition of constant change itself that many companies face subjects the Board and senior management to situations of less stability or permanence. In this context, it turns out to be valuable to have positions available in the company that safeguard the “institutional memory.” The position of the Corporate Secretary emerges, in this case, as a competent response to this need due to this person’s close relationship with the main decision-making bodies in the company.

Scope of the concept of Corporate Secretary

In spite of a longstanding existence, the title “Corporate Secretary” may not be understood uniformly given that it has not been customarily recognized within the legislation established in the Latin American countries. In contrast, the duties and responsibilities of said Secretary are expressly set forth in the corporation law of countries that belong to the *common law* system (the United States,⁵ the United Kingdom,⁶ Australia,⁷ etc.). In Europe, countries under the Roman legal tradition (the Good Governance Code of Listed Companies, 2013; as well as Act 31/2014 in Spain) and some Latin American countries have begun to integrate the functions of the Secretary within corporate governance codes, corporate and/or stock market regulatory frameworks (Brazil and the IBGC Code of Best Practices of Corporate Governance, 2015; Mexico and its Stock Market Act [DOF 14.06.2018], and even Peru in its bill for a General Corporation Act published for comments on the website of the Ministry of Justice and Human Rights in September 2018).

3. Is the case of the “Guidelines for a Latin American Code of Corporate Governance,” *Corporación Andina de Fomento (CAF), 2013, and of the “G20/OECD Principles of Corporate Governance, OECD 2016.*

4. *Deconstructing failure: Insights for Boards of Reputability LLP (2013)* describes the main risks that Boards of Directors face and that were among the causes of the major business crises.

5. The state laws establish the figure of the “officers,” who by interpretations of the courts refer to the figure of the “Company Secretary.” The *Securities Act* and the *Securities Exchange Act* are also along the same line.

6. *Companies Act 2006* and *UK Corporate Governance Code 2016*

7. *Corporations Act 2001*

Moreover, the reference to Corporate Secretaries may not be precisely identified, but it may also accommodate the position under other names that could turn out to be similar such as the case of “*Company Secretary*” or Secretary of the Board of Directors.

However, the analysis and discussion of the figure of Corporate Secretary is not restricted to the legal or regulatory nature but rather one that focuses on the best corporate governance standards, as is recognized in the Guidelines for a Latin American Code of Corporate Governance. Guideline 29 of said Code specifically stipulates that the by-laws and regulations of the Board include the rules of appointment and duties of the Secretary.

“The By-laws, as well as the Regulations of the Board of Directors should encompass the appointment rules for and the duties of the Secretary. Among these, it would be advisable to include the ones listed below:

- Preserve the documents of the company, duly record the progress of the sessions in the minutes, and attest to the agreements between the corporate divisions.
- Ensure the formal and material legality of the actions carried out by the Board and guarantee that its procedures and rules of governance are followed and regularly reviewed.
- Verify the statutory regularity of the actions taken by the Board, the compliance with the provisions issued by the regulatory bodies, and the consideration, where appropriate, of their recommendations as well as ensuring compliance with the principles or criteria of corporate governance accepted by the company and the rules contained in the Regulations of the Board of Directors.”⁸

This involves contextualizing and emphasizing the role of the Corporate Secretary, as the axis for exercising and carrying out corporate governance in an organization and, more precisely, those tasks related to the decisions made by the Board. This figure must be clearly understood and, therefore, throughout the document, the person, group of people or unit considered the Corporate Secretary corresponds to any of these whose main duties include providing the Board with help or operational support in carrying out its duties and activities.⁹ In addition, the Secretaries may be empowered to follow-up on and ensure compliance with the agreements or provisions of the Board. They could also provide the Board of Directors with technical assistance on issues related to compliance in general.¹⁰

This discussion must not lose sight of the fact that each company organizes its structure of corporate governance based on its own development and needs. Thus, there is no one way to structure the duties of Corporate Secretaries, nor should the idea of a single model that is universally applied be advocated. Not only could the Corporate Secretaries have responsibilities of greater or lesser scope, but also those companies that have integrated this figure have resorted to various possibilities that range from individual appointments of executives, managers or even members of the Board of Directors to assigning the role to specialized units or distributing these duties among several areas. Likewise, the reporting line varies since it may depend on a line manager or directly on the CEO or the Board itself. It has also been demonstrated that some companies choose to outsource this service. In any case, the core element is that the aforementioned duty has to be exercised with recurring efficiency and that, in order to do this, what these best practices are has to be properly identified and applied in accordance with the reality and trajectory of the business organization being discussed.

8. Extract from Guideline 29 from the Guidelines for a Latin American Code of Corporate Governance (CAF), 2013

9. In all cases, the Corporate Secretary is referred to using a generic term even when, in some cases, this has to do with entire units made up of several people that can be regarded as a Corporate Secretary.

10. The reference here is to the different scopes of *compliance* that include regulatory compliance, the prevention of money laundering, and compliance with laws that are linked to criminal offenses.

Rising importance of the Secretary

The figure of Corporate Secretaries with respect to their role and duties has been subjected to a clear change, especially in recent years. Due to the ancestral historical references involved, especially in the Anglo-Saxon world, this is traditionally interpreted as the person whose primary task is to write up the minutes or take notes. Thus, for example, British legislation has included the Corporate Secretary in its different versions of the *Companies Act* with different emphasis and making it obligatory to have that type of professional on staff.

Historically, the role of the Secretary has essentially been seen as administrative in nature. As a result, it has been a job that has been taken for granted without giving it much relevance. The most modern version emerges with the codes or guidelines for good corporate governance. Indeed, the express recognition of the role and importance of the Corporate Secretary is found in what is called the *Cadbury Report* of 1992 where it is pointed out that the Secretary plays a key role in ensuring that the Board of Directors follows procedures as well as giving advice with respect to their obligations and responsibilities as established in the legislation in effect, and providing support for the proper functioning of the Board. Specifically:

“The Secretary of the corporation plays a key role when it is necessary to ensure that the procedures of the board are both followed and regularly reviewed. The chairman and board of directors will seek guidance from the Corporate Secretary regarding what their responsibilities are according to the rules and regulations they are subject to and on how these responsibilities should be fulfilled. All of the directors

should have access to the advice and services of the company Secretary and should recognize that the Chairman has the right to strong support from the company Secretary in order to guarantee the effective functioning of the board.”¹¹

Based on that, specific codes of good corporate governance (such as the CAF Guidelines for a Latin American Code of Corporate Governance) as well as the identification of the best practices of Corporate Secretaries that has been done by various specialized organizations or other international bodies as well has made it possible to establish that the duties currently adopted by these entities may be comprehensive as well as critical for the performance of a company’s corporate governance and the effectiveness of its own Board of Directors. In line with this, the G20/OECD Principles of Corporate Governance indicate that, for the Board to fulfill their duties, the members must be able to get access to clear, relevant information far enough in advance and the Secretary plays an important role in improving the directors contribution to the organization.

An illustration of the scope of these duties is identified in the following excerpt from the document *“The Corporate Secretary: an overview of duties and responsibilities”*:¹²

“Within each of these “core competencies,” it is important for the Secretary to take primary responsibility for anticipating and addressing a company’s corporate governance needs, for keeping the board up-to-date on trends and issues, for periodically assessing the board’s structure and governance practices and to suggest opportunities for the Board to better perform its responsibilities.

11. Translated from “Report on the Committee on the Financial Aspects of Corporate Governance,” December 1992.

12. Translated from “*The Corporate Secretary: an overview of duties and responsibilities*,” Society of Corporate Secretaries & Governance Professionals, July 2013. A document that provides us with a detailed explanation of all these possible duties.

.....in addition to the core Corporate Secretary functions, many Corporate Secretaries have additional responsibilities that compete for their time. For example, if the Secretary is a lawyer, he or she may also serve as general counsel or be responsible for a significant legal area such as securities compliance, mergers and acquisitions or employee relations and benefits. The Secretary could also head up the Ethics or Corporate Compliance departments.”

We also find emphasis on the current complexity of the duties of the Secretary in a publication of the *International Finance Corporation (IFC)*:¹³

“A polymath is ‘a person whose expertise spans a significant number of different subject areas; such a person is known to draw on complex bodies of knowledge to solve specific problems....’ In other words, ‘people who know a lot about a lot.’

A more fitting description of a company secretary would be difficult to imagine.

Although much has been written on the traditional role and key responsibilities of a Company Secretary, these writings are not sufficient to fully prepare an individual for the enormity of the task undertaken”

Thus, the aforementioned duties can be grouped into the following types: organization and planning; order and record keeping; information management; regulatory compliance; and corporate governance¹⁴ (see Figure 1).

To analyze the true importance of the Corporate Secretarial role, it is enough to review the scope of the types of duties

referred to.¹⁵ This must start with the close relationship that the Secretaries have with the Boards of Directors and the support they will provide at different times during Board sessions both prior to and during the actual sessions as well as after they are over. It is during the phase prior to the sessions that the Secretaries must organize and plan activities efficiently. Furthermore, once the agenda for the meeting is decided on (for which the Secretary will provide the Chairman and management with support) they should undertake to send the pertinent notifications along with gathering, reviewing, and organizing all the information that supports the points to be discussed at the meeting. Everything would also have to be left ready in order to proceed with the preparation of the minutes, even providing guidance to ensure that the reports or documents submitted contain agreed upon projects that have already been prepared. In certain cases, the arrangements referred to extend to the Board Committees.

The minutes of the meetings will result from the notes taken during the session as well as from the discussion of those drafts up until they have been approved. To this effect, the Board has already defined the participants (this could be all of the directors or a group of them, for example). Thus, maintaining and preserving the minutes of the Board sessions will be the normal responsibility of the Corporate Secretary. Following-up on Board agreements, which have been entered into the minutes, becomes a logical extension of the responsibilities that the Corporate Secretary would be called upon to assume. Likewise, some agreements will lead to the development and formalization of certain documents or records such as the powers that will be granted to some members of the Board (possibly to the Chairman) or the registration of shares. This could lead to a broadening of the Secretary’s obligations with respect to keeping such records. As has been indicated, the Corporate Secretary will also

13. *The Company Secretary as Polymath* by Loren Wulfsohn, IFC Corporate Governance Knowledge publication, 2014.

14. See also *Responsibilities of Corporate Secretaries in Modern Thinking*, ASCLA, 2016.

15. A detailed account of how the different duties of the Corporate Secretary could be implemented is found in the “The Corporate Secretary: The Governance Professional” IFC, 2016.

Figure 1. Types of Corporate Secretarial Duties



Source: prepared by the authors

organize and distribute the information that is given to the directors for the meetings of the Board. To this end, the Secretary becomes a key coordinator of information for that body. The members of the Board of Directors, in turn, may require information at any time and not only on the occasion of the sessions. In this case, the Corporate Secretary could act as the operational facilitator by giving the necessary attention

to these requirements. This regular contact with the company's or organization's most relevant information makes it possible for the Secretary to also manage or coordinate the provision of information to other groups of interest such as the shareholders (or their proxies, in the cases where they get involved) or other types of investors (for example, the bondholders, in cases where the company has issued debt securities).

The Corporate Secretary's regular and sustained contact with the members of the Board and knowledge of their discussions and decisions allows the Secretaries to position themselves in the role of counselor in various matters whenever necessary. One of these aspects is associated with the regulatory compliance that the Board should follow. For this case, the Secretary must know how to guide them either directly or indirectly (by consulting the relevant bodies). Similar reasoning applies in the case of follow-up and implementation of the agreements and policies that the Board has established, in which case, the Secretary may serve as a support to remind them.

One of the most important strategic and policy definitions adopted by Boards is precisely the one related to corporate governance. That is why the Secretary will be able to do the pertinent follow-up on what was agreed upon, give the Board the support and feedback due to them, and provide those in the administration with the explanations or orientation that they require depending on the case. Furthermore, to the extent that Secretaries keep abreast of developments and major trends concerning corporate governance, their participation will be enriched.

In the supporting role that the Secretaries of the Boards have and, in keeping with the improvements in the standards of corporate governance, it is possible to consider activities related to the induction of new members of the Board of Directors as well as those linked to processes of evaluating the Boards.

Finally, it should be noted that several of the duties enumerated are not carried out by the Secretaries exclusively, and they may not be the main officials responsible for them either. This party could be, for example, in legal management (for functions other than the Secretary's, in a case where this

position has been assigned to this area), compliance, or Investor Relations when the work is the type that involves teamwork and interaction with other officials.

Pivotal role and impact of a high-performing Secretary

The various factors mentioned place the Corporate Secretary in an exceptionally favorable position to become the cornerstone of the corporate governance for the company he works for. In addition, the Secretaries could effectively contribute to the better performance of the Board of Directors to the extent that they enable a more effective and efficient environment for decision-making.

On one hand, the Secretaries have contact and interaction with the Board and senior management which implies a position and presence component that could enhance their role. On the other, Secretaries can also make connections with (when so delegated) all of the rest of the organization in order to inform and follow through on the Board's decisions or also to gather the information that the Board needs.

That is why, to ensure that the responsibilities of this position are properly exercised, the Corporate Secretaries should ideally be placed in a position within the organizational hierarchy where they are directly accountable to the Board of Directors but also have the representation and be high enough in the organizational hierarchy so that they have sufficient authority and autonomy to carry out their job satisfactorily.

The access to and management of information that the Corporate Secretaries deal with as part of their role turns the position into a bridge for transmission to and from all of the pertinent levels within the organization. In that respect, the

Secretaries are in a position to exercise a pivotal role for the different bodies. As a result of that, the Secretaries may also become the repository of the company's history. The Secretaries likewise play a role as advisors or counselors to the Board of Directors as they support it through the discovery of rules or regulations that this collegial body must comply with or also by means of providing the necessary background for any item that requires a statement from the Board.

Secretaries who act autonomously based on their own criteria and judgment can contribute to the Board's ability to exercise its supervisory role better and appropriately define its risk policy. At the same time, the Secretaries can act vigilantly with respect to sensitive aspects such as the company's reputation or the staff's adherence to standards of ethics, integrity, and accountability in their behavior.

Thus, high-performing Corporate Secretaries who fulfill the different above-mentioned duties will have a positive impact on the company by generating a more productive working environment, contributing to a better definition and adoption of institutional goals, improving the flow of communication (throughout the organization but particularly with the Board of Directors), fostering a better alignment of interests between the various authorities, contributing to the fulfillment of various policies (including the topics of ethics and managing conflicts of interest), promoting continuing education for the agents of good governance, and, in general, supporting the assimilation of the best standards of corporate governance.¹⁶

As a result, Corporate Secretaries are called upon to be facilitators of corporate governance in the company and, through their duties, they can assume greater responsibility for

developing and implementing processes to encourage and support good corporate governance. They become, in this case, officials of corporate governance and play a role as the guardians of good governance. As such they interact with the authorities who are pertinent to the leadership of the company's corporate governance such as the Board of Directors, some or several of its specialized Committees (possibly the Corporate Governance Committee), or senior management. From this perspective, Corporate Secretaries must govern their actions by observing certain core principles such as integrity, accountability, guidance, stewardship, transparency, separation of the Board from management as well as Corporate Responsibility towards the organization as is proposed by the International Association of Corporate Secretaries - IACS.¹⁷

The Model Corporate Secretary

With the importance the role of the Corporate Secretary has for the company and its Board of Directors measured within the framework of the best standards of corporate governance, it is fitting to define what characteristics the person who will assume that role should have. Ideally, the Corporate Secretary must have a variety of competences and skills (see Figure 2). On one hand, they should have a certain level of expertise and knowledge in various professional fields. On the other, they must have a variety of personal qualities that they will need to carry out their duties appropriately and effectively.

Keeping the above in mind, in the area of knowledge by reason of their exposure to the issues that are the most relevant to the company's activities and business and, in view of the need to have a reasonable understanding of the issues

16. "Boas Práticas para Secretaria de Governança" of the Instituto Brasileiro de Governança Corporativa (Brazilian Institute for Corporate Governance) (2015), presents a list of the tangible benefits that the exercise of the role of the Corporate Secretary would have for the organization.

17. *Governance Principles for Corporate Secretaries*, Corporate Secretaries International Association, 2013.

Figure 2. Model Corporate Secretary: abilities and skills



Source: prepared by the authors

under discussion, the Corporate Secretary is expected to handle concepts related to various topics in the fields of law, finance, strategy, business administration, and corporate governance to mention the most usual ones. Without necessarily being experts in each of these fields, they are expected to acquire a multi-faceted vision and to develop sufficient standing to manage each one of these areas. In this context, the idea that might have existed with respect to whether or not the Corporate Secretary must necessarily be a lawyer no longer prevails due to the diverse knowledge that they must have. In the future, the Secretaries' professional resume could be more varied without their laying aside a good basis of legal knowledge.

The Corporate Secretaries must also have "soft" skills with regards to communication and interaction with the various people in authority and officials of the organization. That will make it possible to convey ideas and provisions effectively in order to achieve the desired results while, at the same time, contributing and working to create a better flow of information towards and from the Board of Directors.

These abilities should be combined positively with other personal qualities that the Secretaries must be able to exhibit in their work. A high standard of discipline in organization and planning is required to organize their work. In addition, they must show perseverance and always be on the lookout for solutions to the different problems they face.

It also turns out to be essential for the Secretaries to act with professional independence at all times by always giving

precedence to the technical foundations in their decisions and favoring the interests of the company.

Last of all, it is essential to have a highly reliable Corporate Secretary and in that position discretion is key due to the fact that the role requires regular contact with sensitive information. This, coupled with proven honesty and

impeccable ethical conduct, will build the Secretary's rightful credibility. Not only will this give the Board peace of mind and confidence, but will also cause the Secretaries to be perceived as neutral agents within the organization. On occasion this will lead to Secretaries being consulted on critical or sensitive issues related to the makeup or performance of the Board (i.e., succession plans).

CHAPTER 2

CONTEXT OF THE STUDY

Methodology

The study has been done on the basis of the results obtained from the survey on the “Profile of the Corporate Secretary in Latin America 2018” (see Appendix 1). The purpose for this survey was to identify the main characteristics and attributes as well as the operational structure for Corporate Secretaries in Latin American companies that participated in the study. Thus, better practices that can be considered by the companies in the region are expected to be proposed. At the same time, recommendations that will make it possible for the Corporate Secretaries to participate more effectively in an approach that focuses on reinforcing the standards of corporate governance should be prepared.

The aforementioned survey contained 36 questions distributed among the following topics:

- i. Company Data
- ii. General data, training, and experience of the Corporate Secretary
- iii. The Secretary’s position in the organizational structure
- iv. Hiring process and induction of the Secretary
- v. Duties of the Corporate Secretary
- vi. Some specific duties of the Secretary with respect to Board meetings
- vii. Performance of the Secretary

For companies belonging to a holding company, three additional questions are included.

The study was done by CAF with the technical support of the consultant Enrique Díaz Ortega and with the support of the Association of Corporate Secretaries of Latin America - ASCLA.

Participating Companies

The survey was answered by 95 companies that voluntarily completed the questionnaire within a period between April and July 2018.¹⁸ The sample (see Table 1) includes companies from 13 countries that are representative of the Latin American area. They belong to different economic sectors and have different structures of ownership – both private and wholly state-owned as well as some with mixed ownership, and also companies that are listed

on the stock exchange. These countries have been: Argentina, Brazil, Bolivia, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, Paraguay, Peru, Uruguay and Venezuela.

These companies received individual reports that were prepared confidentially for each one of them. These reports present an analysis comparing the results obtained by the company and the consolidated results of 95 companies (see a hypothetical example in Appendix 2).

Table 1. Companies Participating in the Study

PARTICIPATING COMPANIES BY COUNTRY	ECONOMIC SECTOR	TYPE OF ENTITY
Argentina		
Autopistas Urbanas S.A.	Others	State-owned
Banco de Inversión y Comercio Exterior S.A.	Financial / Insurance	State-owned
Banco Macro S.A.	Financial / Insurance	Mixed (minority State Ownership)
BBVA Banco Francés S.A.	Financial / Insurance	Private
Bolsas y Mercados Argentinos S.A.	Financial / Insurance	Private
Bolivia		
Banco de Crédito de Bolivia S.A.	Financial / Insurance	Private
Bisa Leasing S.A.	Financial / Insurance	Private
Centro de Investigación y Desarrollo Regional IFD	Financial / Insurance	Private
Cooperativa de Servicios Públicos “Santa Cruz” R.L.	Utilities	Private
Crédito con Educación Rural IFD	Financial / Insurance	Private
Fundación Sartawi IFD	Financial / Insurance	Private
Pro Mujer International IFD	Financial / Insurance	Private
Próspero Microfinanzas Fund, L.P.	Financial / Insurance	Private

18. Some of the questions on the form were not answered by all of the participating companies and, as a result, the universe of responses don't necessarily come to 95. In each graph indicates specifically the number of responses based on which the analysis was done.

continuation Table 1

PARTICIPATING COMPANIES BY COUNTRY	ECONOMIC SECTOR	TYPE OF ENTITY
Brazil		
Aegee Saneamento e Participações S.A.	Construction	Private
B3 S.A.	Financial / Insurance	Private
Banco Bradesco S.A.	Financial / Insurance	Private
Banco de Desenvolvimento de Minas Gerais S.A.	Financial / Insurance	State-owned
Companhia Riograndense de Saneamento	Utilities	Mixed (majority State Ownership)
Fibria Celulose S.A.	Others	Private
Grupo Baumgart	Industrial	Private
Grupo Promon	General Services	Private
Vibra Agroindustrial S.A.	Agricultural	Private
Chile		
Banco Consorcio	Financial / Insurance	Private
Bethia S.A.	Various sectors	Private
Corporación Nacional del Cobre de Chile	Mining	State-owned
Tanner Servicios Financieros S.A.	Financial / Insurance	Private
Colombia		
Aerovías del Continente Americano S.A.	Airlines	Private
Banco de Comercio Exterior de Colombia S.A.	Financial / Insurance	Mixed (majority State Ownership)
Bancolombia	Financial / Insurance	Private
Colombia Stock Market	Financial / Insurance	Private
Colegio de Estudios Superiores de Administración	General Services	Private
Empresa de Transporte Masivo del Valle de Aburrá -Metro de Medellín Ltda-	Transportation / Logistics	State-owned
Empresas Públicas de Medellín E.S.P.	Utilities	State-owned
Grupo Argos S.A.	Financial / Insurance	Private
Grupo Bolívar S.A.	Financial / Insurance	Private
Grupo Energía Bogotá	Electricity	Mixed (majority State Ownership)
Interconexión Eléctrica S.A. E.S.P.	Electricity	Mixed (majority State Ownership)
Costa Rica		
Coalición Costarricense de Iniciativas de Desarrollo	Utilities	Private
Instituto Costarricense de Electricidad	Electricity	State-owned

continues

continuation Table 1

PARTICIPATING COMPANIES BY COUNTRY	ECONOMIC SECTOR	TYPE OF ENTITY
Ecuador		
Acería del Ecuador C.A.	Industrial	Private
Banco General Rumiñahui S.A.	Financial / Insurance	Mixed (minority State Ownership)
Banco Guayaquil S.A.	Financial / Insurance	Private
Banco Pichincha C.A.	Financial / Insurance	Private
Gransolar S.A.	Electricity	Private
Hidrosanbartolo	Electricity	Private
Industria Procesadora de Acero S.A.	Industrial	Private
Negocios Industriales Real S.A.	Industrial	Private
Sociedad Agrícola e Industrial San Carlos S.A.	Industrial	Private
Soderal S.A	Industrial	Private
México		
Banco Nacional de Obras y Servicios Públicos, S.N.C.	Utilities	Mixed (majority State Ownership)
Consubanco, S.A.	Financial / Insurance	Private
Corporación Mexicana de Inversiones de Capital, S.A. de C.V.	Financial / Insurance	Mixed (minority State Ownership)
Fideicomisos Instituidos en Relación con la Agricultura	Financial / Insurance	State-owned
Fondo de Capitalización e Inversión del Sector Rural	Agricultural	State-owned
Grupo Paisano	Industrial	Private
Nacional Financiera S.N.C, I.B.D.	Financial / Insurance	Mixed (majority State Ownership)
Oportunidades para Emprendedores, SAPI de C.V. SOFOM E.N.R.	Financial / Insurance	Private
Petróleos Mexicanos	Oil / Gas	State-owned
Universidad Iberoamericana, A.C.	Scientific Research	Private
Panamá		
Aeropuerto Internacional de Tocumen S.A.	Airlines	State-owned
Banco Latinoamericano de Comercio Exterior, S.A.	Financial / Insurance	Private
BanESCO, S.A.	Financial / Insurance	Private
Credicorp Bank, S.A.	Financial / Insurance	Private
Empresa Propietaria de la Red S.A.	Electricity	Mixed (majority State Ownership)
ETESA, Empresa de Transmisión Eléctrica, S.A.	Electricity	State-owned
Fondo de Ahorro de Panamá	Financial / Insurance	State-owned
Multibank Inc.	Financial / Insurance	Private

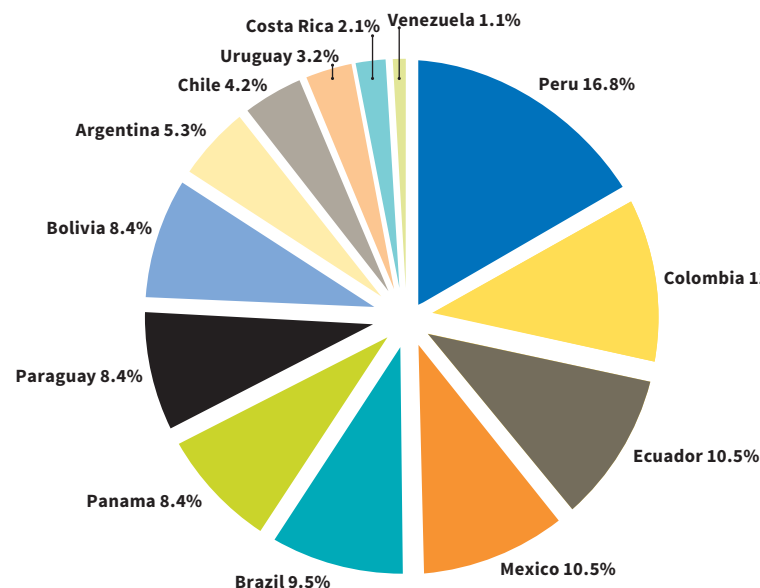
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continuation Table 1

PARTICIPATING COMPANIES BY COUNTRY	ECONOMIC SECTOR	TYPE OF ENTITY
Paraguay		
Administración Nacional de Navegación y Puertos	General Services	State-owned
Agencia Financiera de Desarrollo	Financial / Insurance	State-owned
Banco Nacional de Fomento	Financial / Insurance	State-owned
Banco Regional	Financial / Insurance	Private
Bancop S.A.	Financial / Insurance	Private
BBVA Paraguay S.A	Financial / Insurance	Private
Compañía Paraguaya de Comunicaciones S.A.	Telecommunications	Mixed (majority State Ownership)
Empresa de Servicios Sanitarios del Paraguay S.A.	Utilities	State-owned
Perú		
Banco de la Nación	Financial / Insurance	State-owned
Banco Internacional del Perú S.A.A.	Financial / Insurance	Private
Cementos Pacasmayo S.A.A.	Industrial	Private
Compañía de Minas Buenaventura S.A.A	Mining	Private
Corporación Financiera de Desarrollo S.A.	Financial / Insurance	Mixed (majority State Ownership)
Corporación Peruana de Aeropuertos y Aviación Comercial	Transportation / Logistics	State-owned
Diviso Grupo Financiero S.A.	Financial / Insurance	Private
Electroperú S.A.	Electricity	State-owned
Ferreycorp S.A.A.	Commerce	Private
Grupo Bolsa de Valores de Lima	Financial / Insurance	Private
Pesquera Exalmar S.A.A.	Others	Private
Petróleos del Perú S.A.	Industrial	State-owned
Profuturo AFP	Financial / Insurance	Private
Refinería La Pampilla S.A.A.	Oil / Gas	Private
Scotiabank Perú	Financial / Insurance	Private
Servicio de Agua Potable y Alcantarillado de Lima	Utilities	State-owned
Uruguay		
Banco de la República Oriental del Uruguay	Financial / Insurance	State-owned
Banco Hipotecario del Uruguay	Financial / Insurance	State-owned
Obras Sanitarias del Estado	Utilities	State-owned
Venezuela		
Corporación KCP, C.A.	Commerce	Private

Source: preparation based on the results of the survey (Total: 95 answers)

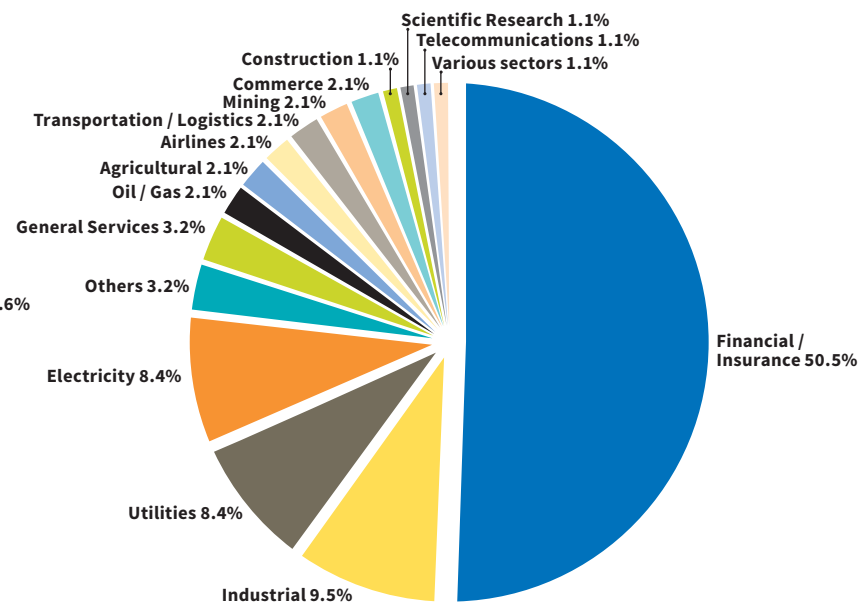
Graph 1. Participation by Country



Source: preparation based on the results of the survey (Total: 95 answers)

As shown in Graph 1, countries that recorded greater participation in the survey were Peru, Colombia, Mexico, Ecuador and Brazil. Moreover, in terms of distribution by sector (see Graph 2), the financial sector (50.5%) was the one that registered a larger contribution, followed by industry (9.5%), public utilities (8.4%), and

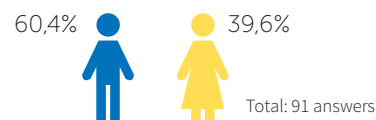
Graph 2. Participation by Economic Sector



Source: preparation based on the results of the survey (Total: 95 answers)

electricity (8.4%). Note that the companies in the financial sector, regardless of the country, usually have a specialized, oversight body that prescribes additional and more specific rules for them and monitors them more closely. This implies that they must comply with higher regulatory standards.

It is also interesting to note that most of the Secretaries are male (60.4%).

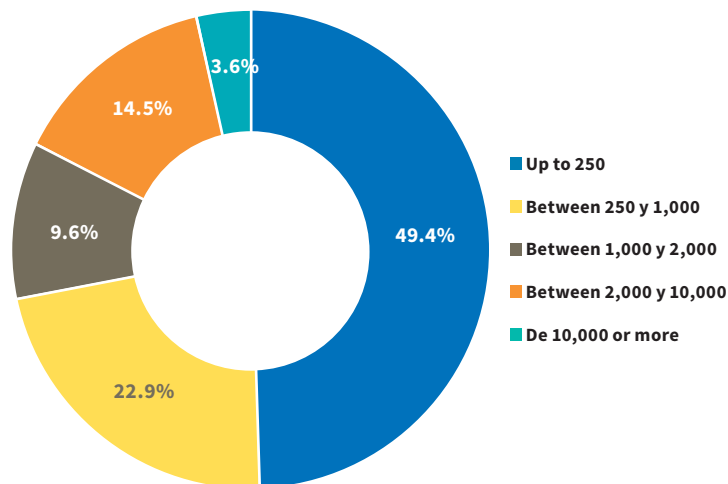


Ecuador stands out among the countries with 90.0% of the Secretaries being male while Brazil is the only country in the

sample that has a majority of females in that position (62.5%). It should also be noted that the sample includes companies that reflect a wide range in both the level of their annual income and the level of their assets (Graphs 3 and 4).

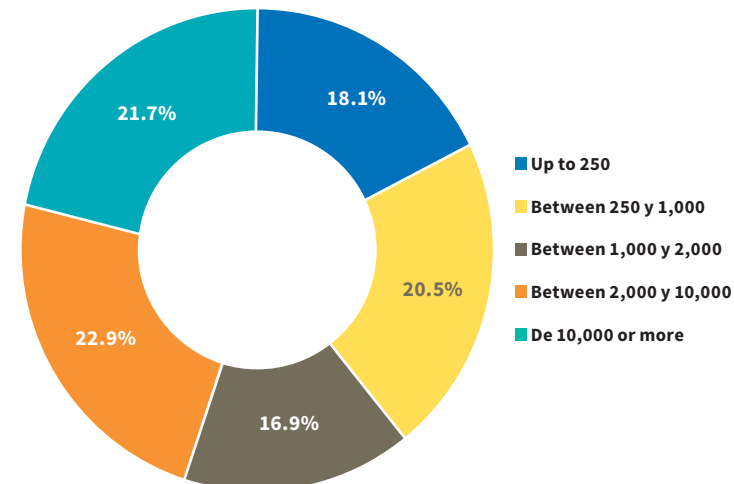
Regarding income, the larger percentage of companies fall into the segment that goes to USD 1 billion (72.3%) while, with respect to assets, the distribution of the companies by tranche at the asset level is relatively even.

Graph 3. Income Level of the Participating Companies (B\$)



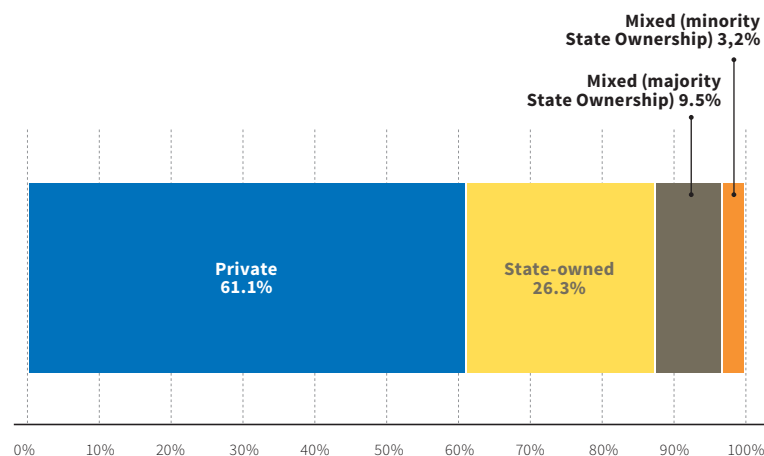
Source: preparation by authors based on the public information about the participating companies (Total: 83 responses)

Graph 4. Level of Assets of Participating Companies (B\$)



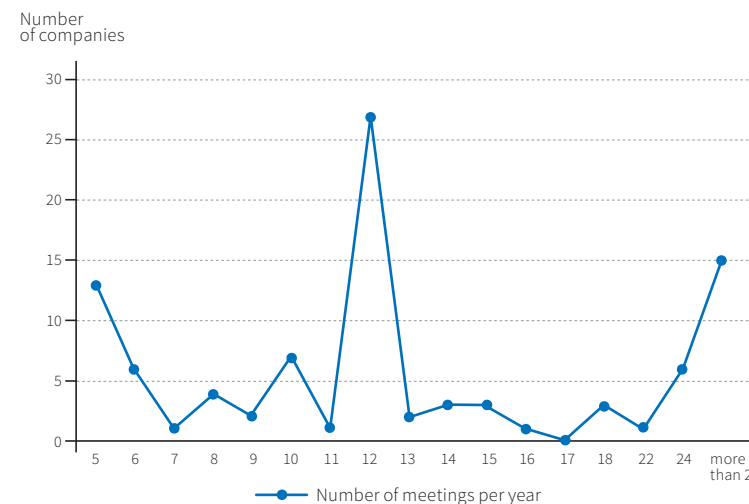
Source: preparation by authors based on the public information about the participating companies (Total: 83 responses)

Graph 5. Distribution of Companies by Ownership Structure



Source: preparation based on the results of the survey (Total: 95 answers)

Graph 6. Frequency Distribution of Board Sessions



Source: preparation based on the results of the survey (Total: 95 answers)

19. The definition has been taken from the "Guidelines for a Latin American Code of Corporate Governance, CAF. An independent director is defined as: "These are people with an acknowledged professional standing who are able to contribute their experience and knowledge for the management of the company and whose links to the company, its shareholders, directors, and members of Senior Management are exclusively circumscribed by their status as members of the Board of Directors. This does not prevent them from owning a small and not very relevant percentage of stock in the company."

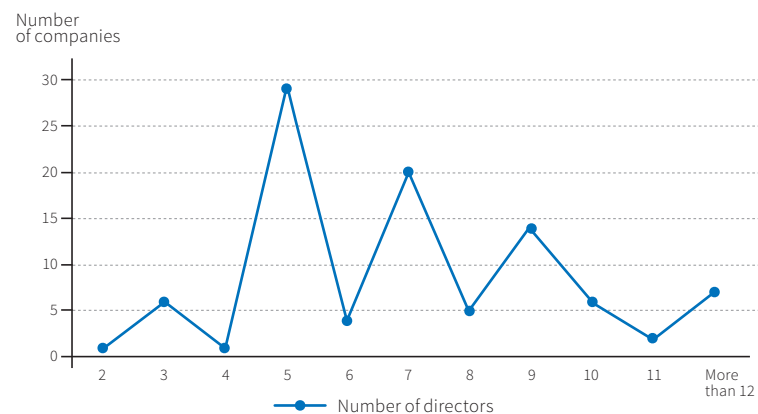
With respect to the ownership structure of the companies that answered the questionnaire (Graph 5), 61.1% of them are privately owned companies and of these, half have securities listed on the stock exchange either as stocks or debt securities. In contrast, 26.3% are fully owned by the State, and the state owns shares in various proportions of the remainder.

About the Boards of Directors of participating companies

It turns out to be important to provide some context for the analysis of the participating companies by showing the characteristics of their Boards, which are closely related to the performance of the Corporate Secretary.

As can be seen in Graph 6, the majority of the Boards meet 12 times per year (statistical mode) even when the average in the sample is 17 sessions annually (Table 2). Furthermore, the Boards, on average, are composed of seven members with a range of between 2 and 18 members and a mode of five members (Graph 7). Likewise, the Boards have, on average, three independent directors¹⁹ (representing 42.8% of the average number of members on a Board of Directors) with eight being the maximum number of these types of directors on any specific Board. The fact that the Boards set up various Committees with five being the average number within a range of 0 to 16 of these support groups should also be emphasized.

Graph 7. Frequency Distribution of Number of Directors



Source: preparation based on the results of the survey (Total: 95 answers)

Table 2: Indicators of the Structure and Functioning of the Boards of Directors

THE STRUCTURE OF THE BOARD OF DIRECTORS	AVERAGE	MINIMUM	MAXIMUM
Number of Directors	7	2	18
Number of Independent Directors	3	0	8
Number of Board Committees	5	0	16
Number of Board sessions	17	3	52

Source: preparation based on the results of the survey (Total: 95 answers)

CHAPTER 3

CONSOLIDATED RESULTS OF THE SURVEY BY TOPICAL BLOCKS

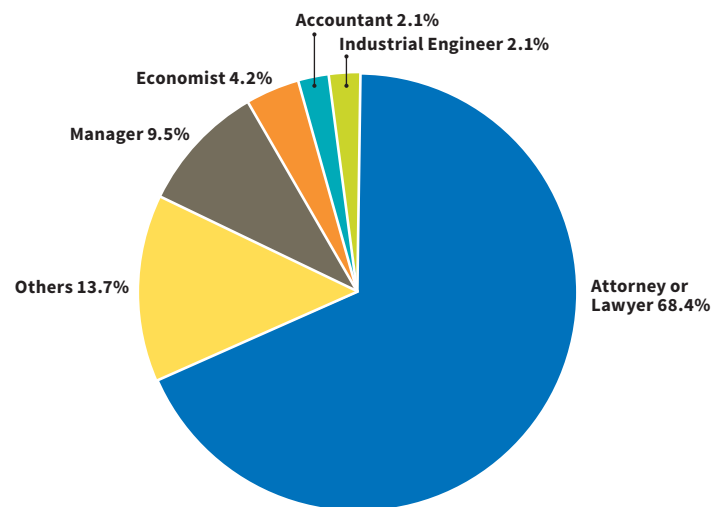
The results of the survey have been organized into four blocks of analysis in order to set up a better grouping of related topics. A brief comment linked to the case of the companies that do their business as part of a *holding company*, is also incorporated at the end of this section. These blocks are:

- Block I: on the training and relevant skills of the Secretary
- Block II: on the hierarchical position and department the Secretary belongs to
- Block III: on the duties of the Secretary
- Block IV: on the appointment, evaluation and removal of the Secretary

Block I: on the training and relevant skills of the Secretary

In the traditional concept, the Corporate Secretary is associated with taking the minutes for the Board of Directors, and, therefore, it is usual to link the position with that of a lawyer. To the extent that the Secretaries have been given further responsibilities, other professions which are able to carry out this work have also appeared. Thus, it is becoming better understood that the Secretary may act more as a connector or relationship manager (*networker*) of the roles played by other officials or company executives with respect to the Board. In this changed context, there would be a tendency to plan the selection of the Secretary differently so that, with a broader vision, the fact that the Secretaries must manage a variety of skill sets is recognized. By the same logic, the induction of the Secretary must be adapted to the set of roles foreseen, and the scope of the position could also be expanded. These various aspects on the training and relevant skills of the Secretary were among the issues that this study inquired into.

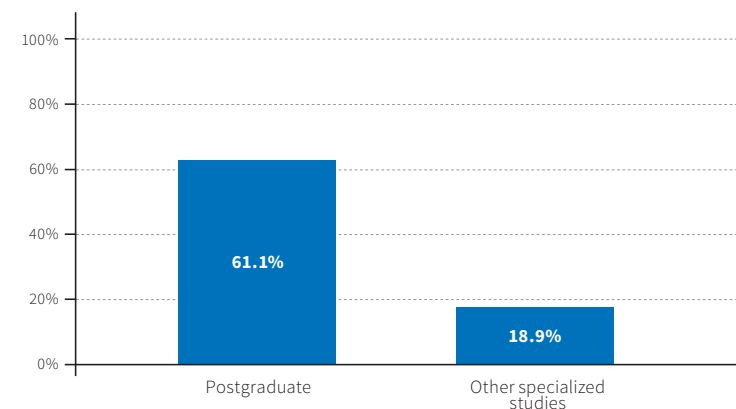
Graph 8. Professions of the Corporate Secretaries



Source: preparation based on the results of the survey (Total: 95 answers)

As can be seen in Graph 8, the results show that the majority of the Corporate Secretaries (68.4%) are attorneys or lawyers by profession thus conforming to the traditional definition of this position in which it was understood that this work was for someone trained in law. A much smaller proportion of those who hold the position are administrators, and an even smaller percentage are economists, industrial engineers, and accountants. Other professions (13.7% of the total) include various types of engineering such as computer, civil, commercial, and electrical engineering, etc. which shows that the position is handled by people with a variety of professions.

Graph 9. Academic Degrees of the Corporate Secretaries



Source: preparation based on the results of the survey (Total: 95 answers)

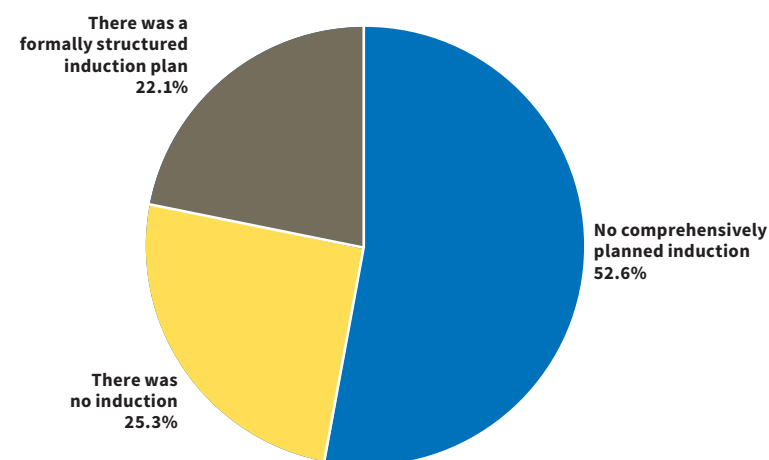
Another significant feature, detailed in Graph 9, is that a substantial proportion (more than 60%) have undertaken postgraduate studies which suggests that there is a clear orientation towards reinforcing their skills.

In this vein, it is also relevant to inquire about whether or not the Secretaries receive a formal process of induction to prepare them for their work. With respect to that (Graph 10) it has been determined that there are likely very few cases (22.1%) in which a formally established procedure for training the Secretaries before they start in order to instruct and guide them about their role in the company they are joining. Nevertheless, the vast majority (52.6%) have pointed out that when the aforementioned induction occurs, it is unplanned and not comprehensive. Likewise, a 25.3% proportion, which is

not insignificant, have stated that they did not receive any induction (formal or informal) from company officials. With a structured plan, the induction figure improves somewhat (27.0%) when we consider only companies that are owned, partially or totally, by the State. This may imply that the companies linked to the State focus more on complying with certain formal requirements.

In certain cases, the absence of induction is offset in part by the fact that the Secretary has had previous experience in that position (43.6% of the sample). Moreover, some of this group indicated that they had had prior experience as Secretary for a period that is greater than 5 years (53.7% of the responses). Moreover, as can be seen in Table 3, it should be noted that at

Graph 10. Existence of an Induction Process for the Corporate Secretary



Source: preparation based on the results of the survey (Total: 95 answers)

the level of the sample, the behavior of the countries is not homogeneous with respect to the above-mentioned indicators. It must be emphasized that in the case of professions, Peru stands out because 100% of the companies which participated indicated that their Secretaries were lawyers. At the other extreme, this indicator was only 37.5% for Paraguay.

Panama and Bolivia, in turn, stood out above the rest of the countries with regards to the percentage of their Secretaries who have Master's degrees (87.5%). In reference to the practice of having properly structured induction plans, the percentages are generally low with Bolivia having the highest one (barely 37.5%).

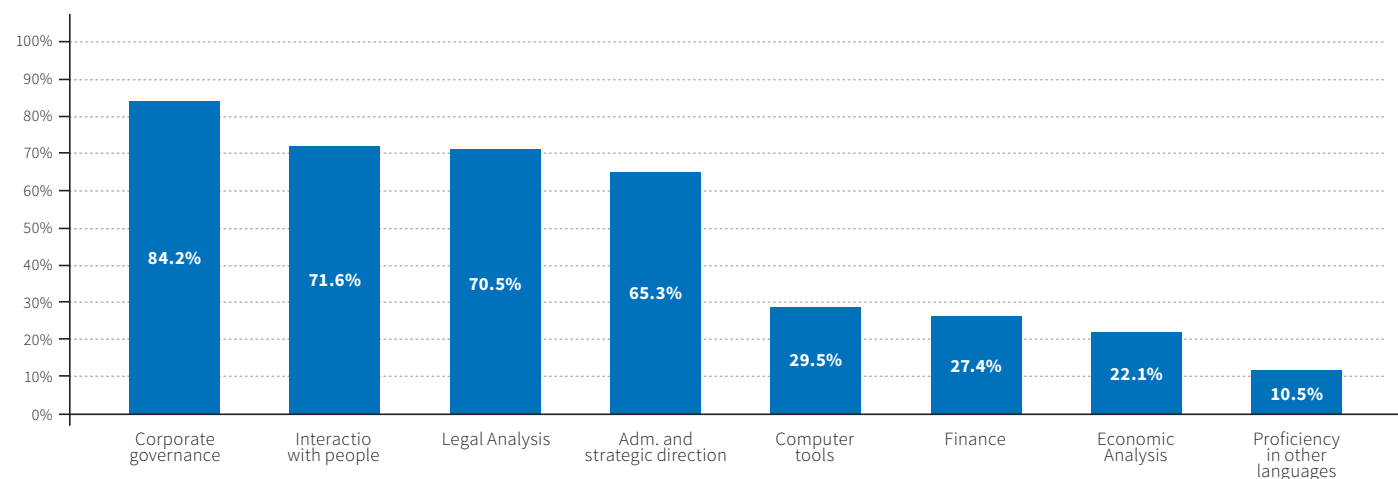
The survey also served to get the opinion of the Secretaries with regards to the skills that they considered necessary to be able to discharge their tasks more effectively (see Graph 11).

Table 3. Highest and Lowest Percentage of Selected Indicators by Country

INDICATOR	AVERAGE (%)	THE COUNTRY WITH THE HIGHEST PERCENTAGE (%)	THE COUNTRY WITH THE LOWEST PERCENTAGE (%)
Profession: attorney or lawyer	68.4%	Peru (100%)	Paraguay (37.5%)
Properly structured induction plan	22.1%	Bolivia (37.5%)	Panama and Paraguay (12.5%)
Secretary holds Master's degree or Doctorate	61.1%	Panama and Bolivia (87.5%)	Brazil (22.2%)

Source: preparation based on the results of the survey (Total: 95 answers. To compare proportions: only countries with five or more responses)

Graph 11. Skills Required to Carry out the Duties of Corporate Secretary



Source: preparation based on the results of the survey (Total: 95 answers)

Thus, the skills that have been most commonly referred to are those related to corporate governance, interaction with people, legal analysis, and strategic management to name all of the ones that were mentioned at a more than 60% frequency. References to other skills such as those in computer tools, finance, economic analysis, and proficiency in other languages appeared less frequently.

Thus it was made clear that the Secretaries recognize that their work requires various skills that go beyond the purely legal, and several of these are in areas of education for other

occupations or professions. This would demonstrate that a more comprehensive perspective is required to properly fulfill the role of Secretary.

Regarding the differences between types of companies in terms of skills required (Table 4), note that the financial entities emphasize those skills related to corporate governance (93.8%) and legal analysis (79.2%) to a greater extent. A higher percentage of non-financial companies (72.3%) and companies that are totally or majority state-owned (70.6%), in turn, favor the skill of strategic management.

Table 4. References to Main Skills by Type of Company

SKILLS	TYPE OF COMPANY			
	FINANCIAL	NON-FINANCIAL	PRIVATE	MAJORITY OR FULLY BELONGING TO THE STATE
Corporate governance	93.8%	74.5%	84.5%	82.4%
Interaction with people	70.8%	72.3%	70.7%	73.5%
Legal Analysis	79.2%	61.7%	70.7%	67.6%
Adm. and Strategic Direction	58.3%	72.3%	62.1%	70.6%

Source: preparation based on the results of the survey (Total: 95 answers)

Block I: on the training and skills of the Secretary – Focal points

- A majority of attorneys or lawyers in this position.
- High percentage of Secretaries with postgraduate studies.
- Low rate of formally structured induction.
- A variety of skills are required that go beyond legal analysis (corporate governance, interaction with people, strategic management, etc.).

Block II: on the hierarchical position and department the Secretary belongs to

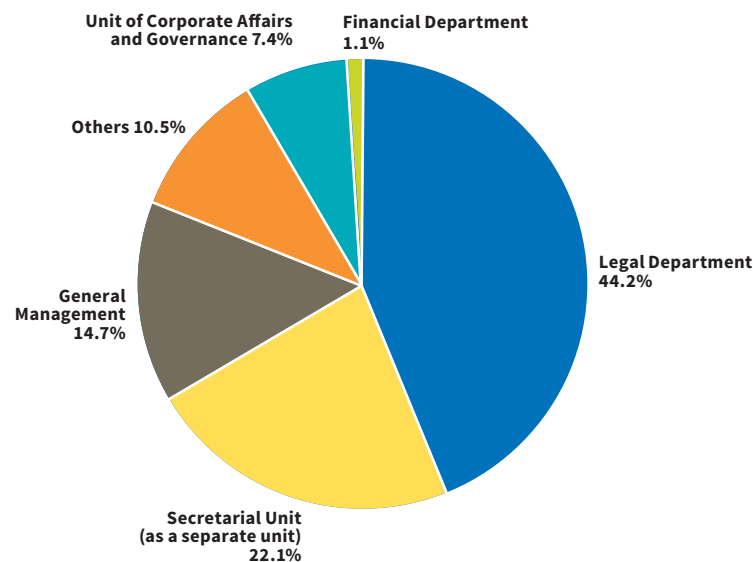
An established best practice with respect to the location of the Secretary within the organization does not necessarily exist

though it must be a place that in general, makes it possible for them to effectively do their work given the nature of their responsibilities. The size and complexity of the organization as well as the assignment of roles and duties that have been identified in the modern conception of the Secretary also have an influence on this. Following this logic, the more they are assigned greater responsibilities, the stronger the tendency to keep this role a full-time job is likely to grow. In contrast, the hierarchical position that the Secretaries are given will reflect the relative importance that is given to the position. These are the questions addressed in this block of the survey.

As far as the location of the Secretaries within the organization is concerned (see Graph 12), they are predominantly found in the legal department (44.2%) which is consistent with the traditional view that companies often have of the Secretary's role. As a second choice, the Secretarial position is placed in a unit that is separate from other existing areas (22.1%). This would denote the particular characteristics that are recognized as part of the position and that would not necessarily correspond to a given area. This special condition was also verified in 14.7% of the companies that establish the Secretary as part of General Management.

A smaller percentage but one that reflects somewhat different viewpoints of the Secretary's role has to do with the Corporate Affairs Unit and the Financial Department (8.5% for the two). This location would link the Secretary more to the role of relationships with investors or handling of information for groups of interest or the market. Under the heading "Others," the Board of Directors (2.1%), the Presidency (1.1%), Associate Vice-presidency (1.1%), etc. stand out.

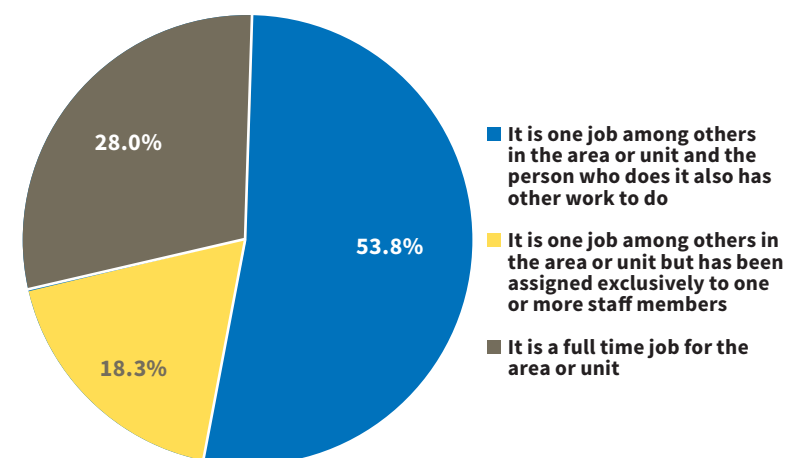
Graph 12. Department or Unit in which the Secretary Works



Source: preparation based on the results of the survey (Total: 95 answers)

In relation to the above reasoning and as can be seen in Graph 13, the study also made it possible to learn that barely 28.0% of the companies have the Secretary set up as a separate unit or as a full-time position while another 18.3% designate a staff member working full-time in areas that are related to the role of the Secretary, but within an area or unit that also carries out other functions (legal, finance, corporate affairs, etc.). Instead, what is most common is for it to be treated as one task among others in the area or unit which is partially exercised by the official or person

Graph 13. Full-time Status of the Corporate Secretary's Role



Source: preparation based on the results of the survey (Total: 93 answers)

assigned to that position (53.8% of the total number of cases). This latter proportion would still be greater (66.7%) in the case of companies that do not have their stocks listed on the stock exchange. This result would be consistent with the perception of the Secretary within the traditional role and not necessarily as a role with all of the potential magnitude that we have described above. That would be partially corrected in the case of companies exposed to the stock market due to the transparency requirements that implies.

Table 5: References on Location of the Secretary and Full-time Status by Country

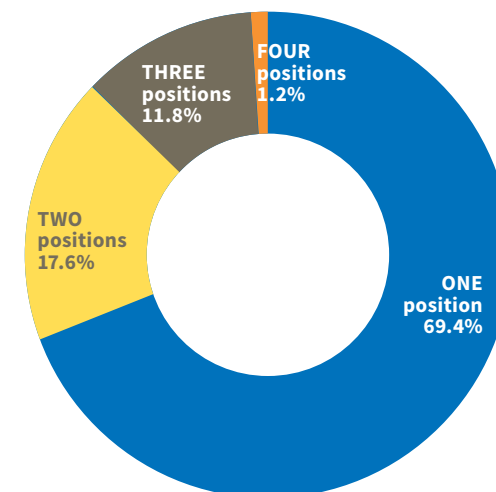
ITEM	AVERAGE (%)	THE COUNTRY WITH THE HIGHEST PERCENTAGE (%)	THE COUNTRY WITH THE LOWEST PERCENTAGE (%)
a) Department or unit in which the Secretary works: Legal Department	44.2%	Peru (75.0%)	Brazil (11.1%)
b) Secretary as the exclusive function of the unit	28.0%	Brazil (77.8%)	Ecuador (0.0%)
c) Secretary as a separate unit	22.1%	Paraguay (62.5%)	Bolivia, Ecuador, Panama (0.0%)

Source: preparation based on the results of the survey²⁰ (to define proportions: only countries with a sampling greater than five)

As can be seen in Table 5, the differences that exist between countries in terms of results are shown. With respect to the placement of the Secretary in the Legal Department, Peru has the highest indicator for this point (75.0%), and it is quite a bit above the average. At the same time, with respect to the Secretarial position being a full-time job, Brazil has the highest percentage in this case (77.8%). What is more, in Paraguay (62.5%) and closely followed by Brazil (55.6%), there is a high proportion of responses that indicate that the Secretarial position is located in a separate unit. At the other end of the spectrum, Ecuador, Bolivia, and Panama are listed as cases in which there were no situations where the Secretarial position existed as a separate unit or as the full-time job of the unit.

Contrast the above with where the Secretary is located within the hierarchy of the organization (Graph 14) and the extent

Graph 14. Hierarchical Position of the Secretary with Respect to the CEO



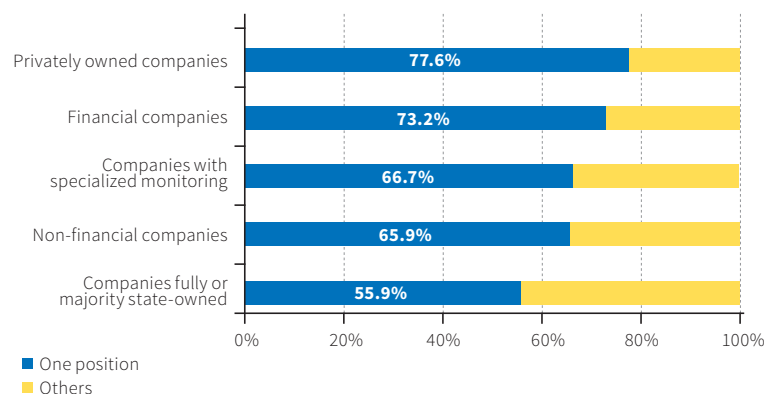
Source: preparation based on the results of the survey (Total: 85 answers)

that the vast majority of businesses (69.4%) indicated that this position is just one hierarchical position from the highest executive office in the company (usually the CEO). That could mean that there is a recognition of the importance of this role with regards to its close connection with the highest levels of the company which are the Board of Directors, the Chairman of that Board, or the CEO.

There are differences in the results with regard to the hierarchical position of the Secretary when the types of companies are considered (Graph 15). It is a fact that the status of the Secretaries in being one hierarchical position from the highest executive office is seen most frequently in

20. The elements b) and c) consist of a total of 95 responses, while a) is obtained on the basis of a total of 93 answers.

Graph 15. Proportion of Firms with Secretaries one Hierarchical Position from the CEO



Source: preparation based on the results of the survey (Total: 85 answers)

financial firms (73.2%) in comparison to the results of the non-financial companies (65.9%). The privately owned companies, likewise registered a higher percentage of Secretaries having the aforementioned status (77.6%) in contrast with the companies that are fully or majority state-owned (55.9%).

It is also worth noting that about 9.7% of the sample stated that, in addition to their role as Corporate Secretary, they also participate as a member of the Board of Directors. In these cases, Mexico, where 33.3% of the respondents who were surveyed revealed that this condition exists, stands out.

Last of all, a brief mention was made of the fact that, out of the total number of surveys, three companies indicated that

they have fully outsourced the duties of the Secretary while another three companies indicated that they do this on a partial basis. The use of this option, which is apparently limited, will depend on the way the companies are organized.

Block II: on the hierarchical position and department the Secretary belongs to – Focal points

- Secretary is located mostly in the legal department.
- A low percentage of Secretaries work exclusively at this duty and as a separate unit.
- The Secretary is predominantly placed one hierarchical position from the top executive position in the company.

Block III: on the duties of the Secretary

From the broadest perspective that has been mentioned, the Corporate Secretary's role could embrace a wide range of duties and, therefore, operational as well as other tasks that are more advisory in nature are combined with the responsibilities related to the Board of Directors. As was brought forward in the conceptual framework, various publications and studies serve as a support for this view. Among them are the *Guidelines for a Latin American Code of Corporate Governance* prepared by CAF in 2013,²¹ and article 34 of *Private Sector Opinion* in 2014 written by Loren Wulfsohn on *The Company Secretary as Polymath* of the Corporate Governance Group of the International Finance Corporation (IFC).²² Other forums have also discussed the scope of the Secretary's role.²³

21. <http://scioteca.caf.com/handle/123456789/555>

22. <https://www.ifc.org/wps/wcm/connect/69ee5e70-627d-4a25-9ada-c17ee1d47fb6/PSO-34-esp.pdf?MOD=AJPERES>

23. See www.redascla.com, for example, the Technical note on the "Forum for the exchange of experiences, achievements, and challenges of Corporate Secretaries in Peru" and the forum on the "Role and importance of the Corporate Secretary: the perspective of the Board of Directors" organized by ASCLA.

Table 6. Duties Included in the Role of the Secretary

DUTIES / LEVEL OF PARTICIPATION	OVERALL MANAGEMENT OF DUTIES	COORDINATED MANAGEMENT WITH OTHER RESPONSIBLE PARTIES	DOES NOT HAVE THIS DUTY
F1. Collect and organize the documentation and material for the meetings of the Board of Directors	34.9%	56.6%	8.4%
F2. Draw up the minutes of the sessions of the Board	69.9%	25.3%	4.8%
F3. Support the Chairman of the Board in preparing the agenda for the session of the Board	55.4%	41.0%	3.6%
F4. Record, safeguard, and update the books of minutes of the Board meetings	57.8%	32.5%	9.6%
F5. Keep a record of orders and agreements of the Board and follow up on them	49.4%	43.4%	7.2%
F6. Respond to requests for information from the directors (in addition to what has been sent with the meeting agendas)	50.6%	43.4%	6.0%
F7. Provide the Board with assistance on issues related to regulatory compliance	36.1%	51.8%	12.0%
F8. Provide assistance to the Board on issues related to corporate governance	54.2%	37.3%	8.4%
F9. Provide information to outside third parties and groups of interest commissioned by the Board	44.6%	49.4%	6.0%
F10. Organize the induction process for new directors	33.7%	44.6%	21.7%

Source: preparation based on the results of the survey (Total: 83 answers)

The functions of the Corporate Secretary analyzed in the survey consisted of 10 items (see Table N° 6). One of the goals of the research was to ascertain the degree of involvement that the Secretaries undertake when carrying out their various duties. These could include situations where they assume full management or where they coordinate or

share responsibilities with other areas or units for the implementation of the job, or even not take responsibility for some duty in particular.

The first thing that stands out is that the Secretaries in the sample take on an important role with respect to most of the

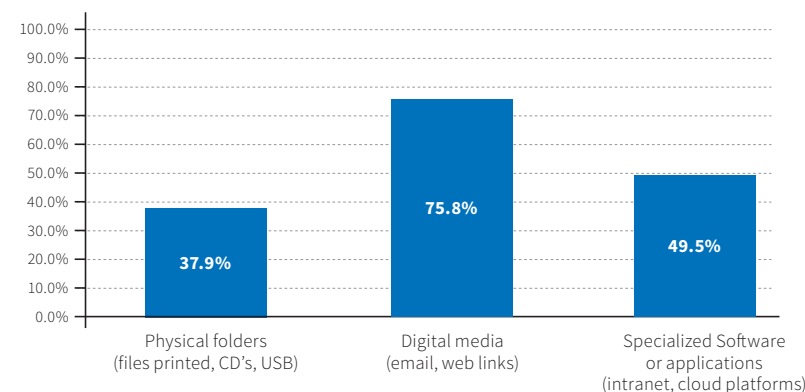
duties identified as part of the role of Corporate Secretaries since in six of the ten duties, more than half of the companies reported that the Secretary is the one who assumes full management of those tasks while, in three of them, more than half of the companies indicated that their Secretaries shared the responsibility for these tasks with other responsible parties. It is only in the work of organizing the induction of new directors where a significant percentage of companies (21.7%) indicate that the Secretary does not have this duty.

Of the different responsibilities that the Secretaries take on as their full-time job, the one that has to do with preparing the minutes of the Board has the highest percentage of participation (69.9%), the second most reported is the one related to safeguarding and registering the minutes (57.8%), followed by providing assistance on corporate governance issues in third position (54.2%), and supporting the Chairman in preparing the agenda for the Board and responding to the directors' requests for information (50.6%). Duties related to maintaining and following-up on the orders or agreements of the Board also stand out as primary functions. In this respect, the position of Secretary as *note taker* in its traditional conception is confirmed but, at the same time, other responsibilities are identified that are part of the process of shaping a more multi-faceted perspective of the Corporate Secretary.

In this context, it is interesting to note that a smaller number of the Secretaries turn to physical means to send information to the directors. Rather the use of e-mails or specialized applications predominates (Graph 16).

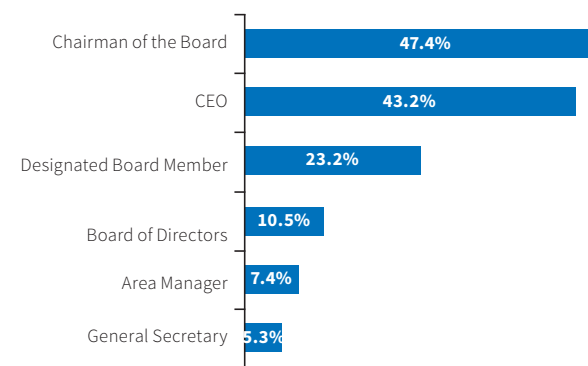
With regards to the minutes of the sessions of the Board of Directors (see Graph 17) it has been pointed out that the review of the drafts of the minutes (prior to approval) is the

Graph 16. Means by which Information is Submitted to or Shared with Directors



Source: preparation based on the results of the survey (Total: 95 answers)

Graph 17. Authorities that Review Drafts of Minutes



Source: preparation based on the results of the survey (Total: 95 answers)

responsibility of individual officials, most commonly the Chairman of the Board (47.4%) who comes slightly ahead of the CEO. A third alternative used is that one of the members of the Board is designated to carry out that job.

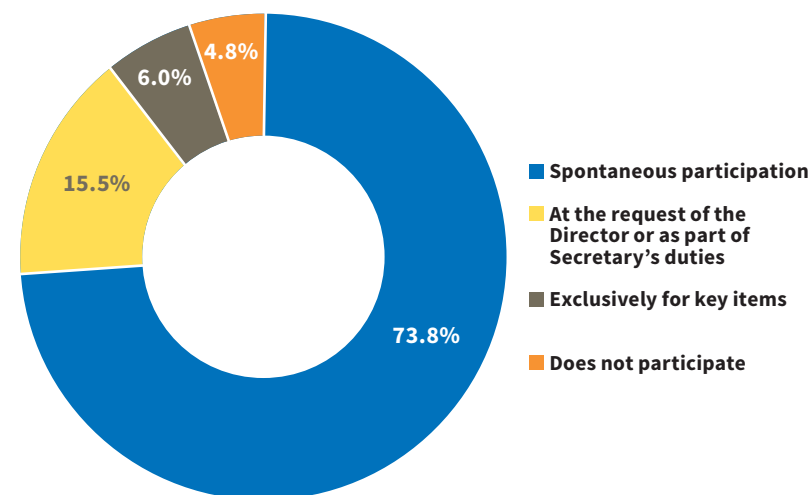
In addition, a smaller percentage of those surveyed (15.6 %) also revealed other tasks that the Secretaries carry out, some of which are quite closely related to the duties enumerated above and among which the following stand out:

- Coordinate assistance and requirements of the directors.
- Review of the material prior to the session.
- Ensure the adjustment and the schedule based on the amount of material to be presented.
- Review of the internal regulations and of the contracts and issuance of reports with regards to their content.
- Help with the review of specific reports (topics that are part of the institutional strategic plan) that are prepared by the respective managers.
- Management of special approvals in accordance with the Shareholders Agreement.
- Coordinate the payments of allowances.

It was also possible to establish the fact, in turn, that the great majority of the Secretaries (93.7%) attend the sessions regularly while the remainder attend on specific occasions at the request of the Board or due to a specific issue that warrants their participation.

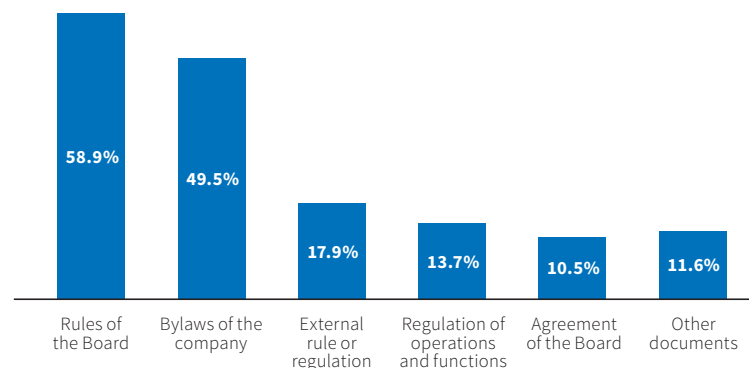
With regards to the participation of the Corporate Secretary in the meetings of the Board (see Graph 18), it is notable that 73.8% of them attend the meetings and participate spontaneously. In contrast, barely 4.8% of the Secretaries indicate that they do not participate in the sessions, not even when it is possible that they will be needed for some topics. Even though this proportion is low, one would not expect this situation to arise given the duties that the Secretary has.

Graph 18. Participation in Board Meetings



Source: preparation based on the results of the survey (Total: 84 answers)

Graph 19. Document that Regulates the Duties of the Secretary



Source: preparation based on the results of the survey (Total: 95 answers)

Regarding the distribution by country, in Colombia 100% of those surveyed said they participated spontaneously in the sessions while Brazil is the country where there is the least spontaneous involvement on the part of the Secretaries based on 37.5% of the answers.

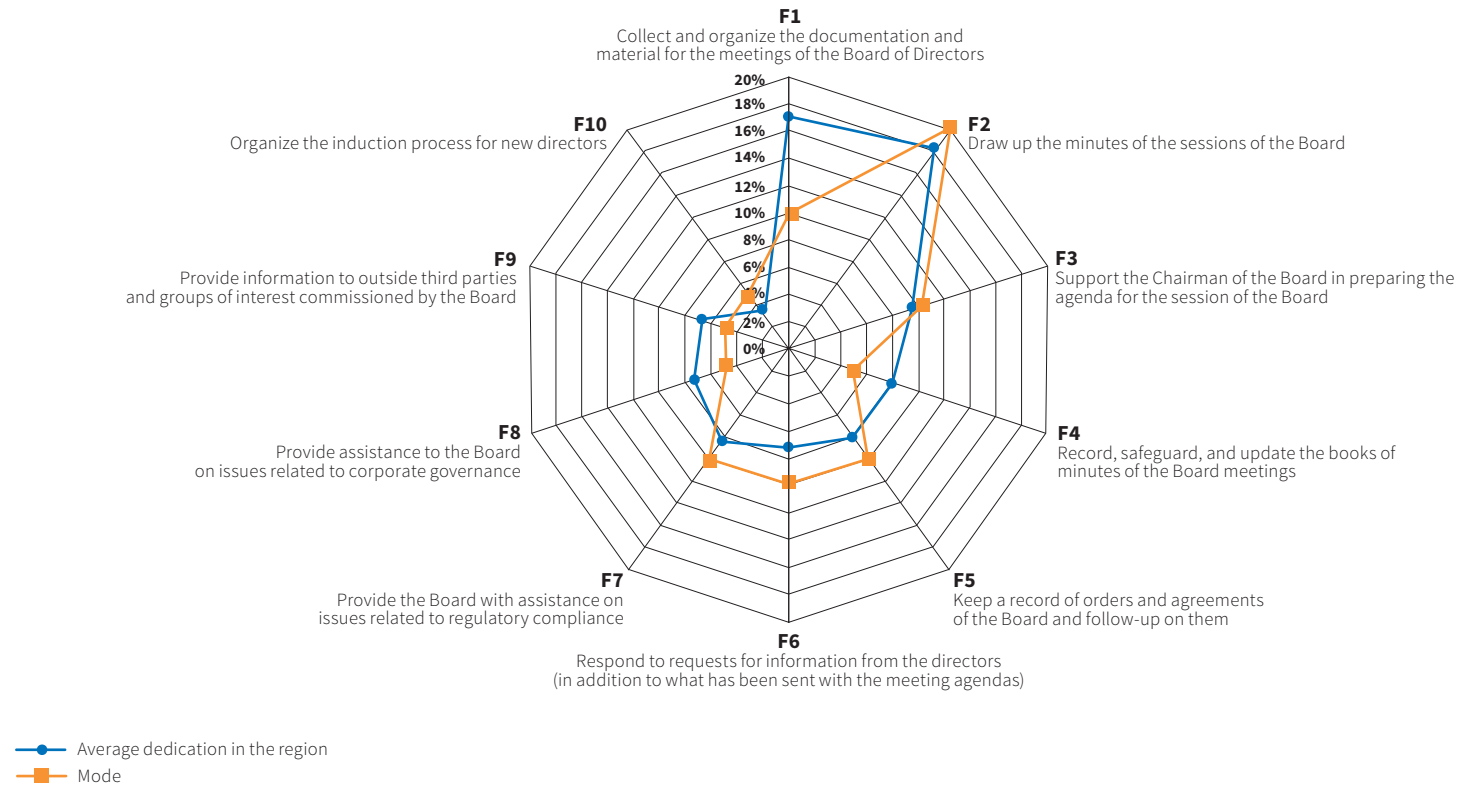
With respect to the document that regulates the duties of the Secretaries (see Graph 19), the choice is predominantly between the regulations of the Board of Directors with 58.9% and the company's by-laws with 49.5%. In that regard also, 34% of the total sample responded that both

documents regulate their functions. There is a smaller group of companies which have indicated that the duties are referred to in other documents such as the Regulation of Operations and Duties (ROD), Manual of Organization and Duties (MOD) and agreements of the Board. Barely 5% reported that the duty is not regulated in any document.

Colombia has the largest number of companies stating that the by-laws are the document that regulates their duties (90.9%), while in Brazil no company reported that said document regulated their duties since the Regulations of the Board of Directors were the primary mechanism for regulating them in that country (75.0%).

With respect to the Secretaries' dedication to their duties (enumerated in Table 6) their distribution of time focused solely on those duties over the course of a year was ascertained. As can be seen in Graph No. 20 and in line with what was described above, the duties that the most time is assigned to are the ones related to collecting and organizing the documentation and material for the meetings of the Board as well as the preparation of the minutes of the sessions of the Board (as a whole this accounts for 35.3% of the time). The rest of the responsibilities vary between 4% and 10% each in the amount of time dedicated and the duty that is pushed aside the most is implementing an induction for the directors (less than 5%).

Graph 20. Time Dedicated to the Duties of the Corporate Secretary Over the Course of a Year (%)



Source: preparation based on the results of the survey (Total: 59 answers)

Table 7. Participation of Corporate Secretaries in the Committees

ARE YOU THE SECRETARY FOR THE COMMITTEES?	(%)	DO YOU COORDINATE WITH THE SECRETARIES OF THE COMMITTEES?	
		YES	NO
Yes, with all	29.5%		
Yes, with some	32.6%	83.9%	16.1%
No, none	37.9%	45.7%	54.3%

Source: preparation based on the results of the survey (Total: 95 answers).

Last of all, it is notable that with respect to the question as to whether or not the Secretaries also acted as Secretaries of the Board Committees (see Table 7), almost two thirds were found to have some level of participation either in all of the Committees (29.5%) or in some (32.6%). However, a significant percentage (37.9%) of the Secretaries stated that they did not participate in any. By the same token, note that when there is participation in some of the Committees, a high rate of coordination with the rest of Committee Secretaries (83.9%) is reported, whereas when this role is not fulfilled, they do not coordinate with the Secretaries either in the majority of the cases (54.3%).

Block III: on the duties of the Secretary – Focal points

- The preparation of the minutes of the Board of Directors predominates as a responsibility that is assigned entirely to the Secretary.
- The drafts of the minutes are mainly reviewed and revised by the Chairman of the Board or the CEO.
- Almost all of the Secretaries participate in the meetings of the Board.
- The vast majority of them participate spontaneously in these meetings.
- The Board's regulations and the by-laws of the company are the main documents regulating the role of the Secretary.
- On average, the duties of collecting and organizing the documentation and material for the Board meetings (F1) and the preparation of the minutes (F2) take up little more than a third of the time dedicated to their role as Corporate Secretaries annually.
- In almost two-thirds of the results, the Corporate Secretaries also participated as Secretaries of the Board Committees, in whole or in part, but they also coordinated with the Secretaries of the Committees when they did not exercise that duty directly.

Block IV: on the appointment, evaluation and removal of the Secretary

The Corporate Secretaries usually discharge their various duties in close proximity to and interrelationship with the Board of Directors and Senior Management of any entity. This characteristic was confirmed by the results obtained in the survey. As can be seen in Table 8 the great majority of companies indicate that the Secretaries report on their duties to the Board (70.5%) or to the Chairman of the Board (52.6%). Regarding the unit that is responsible for evaluating them, the Board is prevalent but, this time, it is closely followed by the CEO (50.0% and 48.4% respectively).

It is striking that the CEO(s) figures, by a significant percentage, as the authority to whom the Secretary(ies) report (48.4%), who evaluates them (48.4%), and who appoints or removes

them (18.9%). The need for regular coordination between the Secretary and the CEO is clear but with the functional dependency, due to the nature of the case, the Secretary should have a closer relationship with the Board or its Chairman.

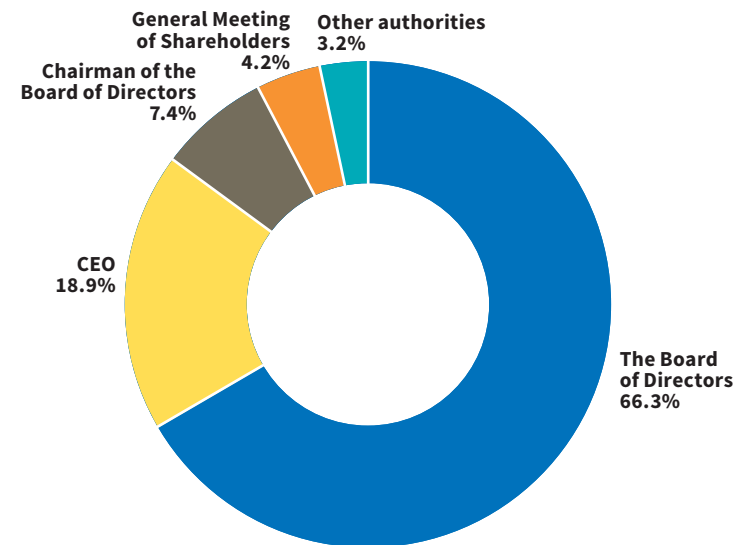
With respect to the body that has the power to appoint or remove the Secretary, this is concentrated in the Board (66.3%). Nonetheless, there are other alternatives with lower percentages such as the Assembly of Shareholders (Graph 21).

Graph 21. Unit with the Power to Nominate or Remove the Secretary

Table 8. Authorities who Interact with the Corporate Secretary²⁴

PREDOMINANT AREA / OPTION	BOARD OF DIRECTORS (%)	CHAIRMAN OF THE BOARD (%)	CEO (%)
Unit or authority to which Secretary reports on duties	70.5%	52.6%	48.4%
Unit or authority that has powers of nomination or removal of the Secretary (See Graph No. 21)	66.3%	7.4%	18.9%
Unit or authority that evaluates the Secretary on the performance of his duties	50.0%	46.9%	48.4%

Source: preparation based on the results of the survey (Total: 95 answers)



Source: preparation based on the results of the survey (Total: 95 answers)

24. The questions that correspond to the report on the duties and the assessment of the Secretary make it possible to select more than one option.

When the focus is on the analysis pertaining to the evaluation of the Secretary, as shown in Table 9, it is notable that a significant group of companies (32.6%) report that they do not evaluate their work. However, with regard to the companies that do evaluate them (two-thirds of the sample), two blocks can be seen: on one hand, 43.2% of the total number of companies say that the aforementioned evaluation is provided for in the rules while, on the other, 24.2% reveal that the evaluation is carried out without having specific regulations.

Analyzing the differences by country, Brazil is the one that has a largest share of cases where the assessment is incorporated into the regulations adopted (66.7%), followed by Colombia (63.6%) which, in turn, also has the lowest proportion of firms that do not carry out evaluations (9.1%) while Peru probably has the highest percentage of companies (43.8%) that do

evaluations though they lack regulations that support these assessments.

Countries where there is a larger number of companies that do not evaluate their Secretaries include Panama (62.5%), closely followed by Argentina (60.0%).

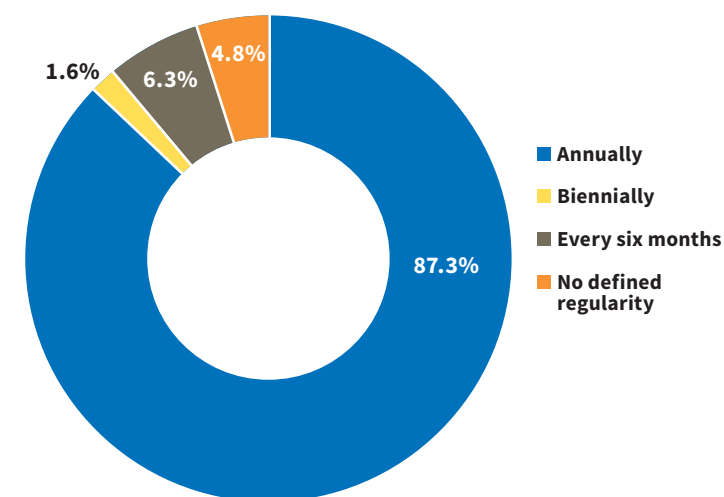
In reference to the frequency with which Secretaries are evaluated (see Graph 22), the majority (87.3%) state that this is done annually and only 4.8% of the companies that do evaluate declare that assessments are done without any defined regularity.

Table 9. Regulations for the Evaluation of the Secretary

PREDOMINANT AREA / OPTION	GENERAL DISTRIBUTION (%)	COUNTRY WITH THE HIGHEST PERCENTAGE (%)	COUNTRY WITH THE LOWEST PERCENTAGE (%)
Regulations or internal rules provided for and the performance is evaluated	43.2%	Brazil (66.7%)	Ecuador (20.0%)
Regulations or internal rules not provided, but the performance is evaluated	24.2%	Peru (43.8%)	Argentina and Bolivia (0.0%)
Not evaluated (there is no rule that requires it)	32.6%	Panama (62.5%)	Colombia (9.1%)

Source: preparation based on the results of the survey (Total: 95 answers, only countries with a sampling greater than five)

Graph 22. Frequency with which Secretaries are Evaluated



Source: preparation based on the results of the survey (Total: 63 answers)

Block IV: on the appointment, evaluation and removal of the Secretary – Focal points

- The Board of Directors predominates as the one responsible for the appointment, accountability, and evaluation of the Secretary.
- About a fifth of those surveyed report that the CEO is responsible for the nomination or removal of the Secretary.
- Two-thirds of the companies in the sample do an evaluation of the Secretary mainly on an annual basis.

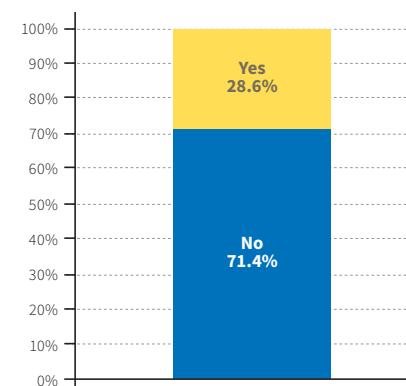
Supplementary note: Companies belonging to a holding company and the role of the Corporate Secretary

The study was also useful for learning if the companies that participated in the survey belonged to a holding company or not. In this case, 46.3% of them responded positively.²⁵

The companies that confirmed that they were part of some *holding company* were asked about the role played by the Corporate Secretary in the company being surveyed with respect to the other companies in the *holding*. It was notable that only 28.6% of the Secretaries play a similar role in other companies that belong to the holding (Graph 23).

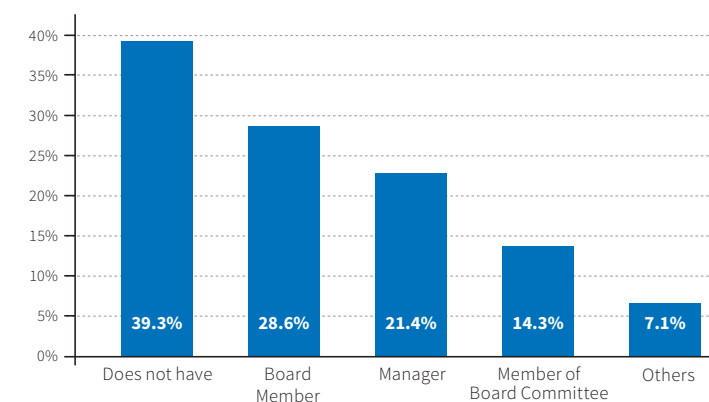
The question of whether or not the Secretary had other executive or management positions in other companies in the holding – apart from the role of Secretary was also asked (see Graph 24) with the result that 39.3% said that they did not. The remaining 60.7% indicated that they retain several functional

Graph 23. The Secretaries' Participation as such in Other Companies that are in the Holding



Source: preparation based on the results of the survey (Total: 28 answers)

Graph 24. The Secretaries' Positions in other Companies within the Holding



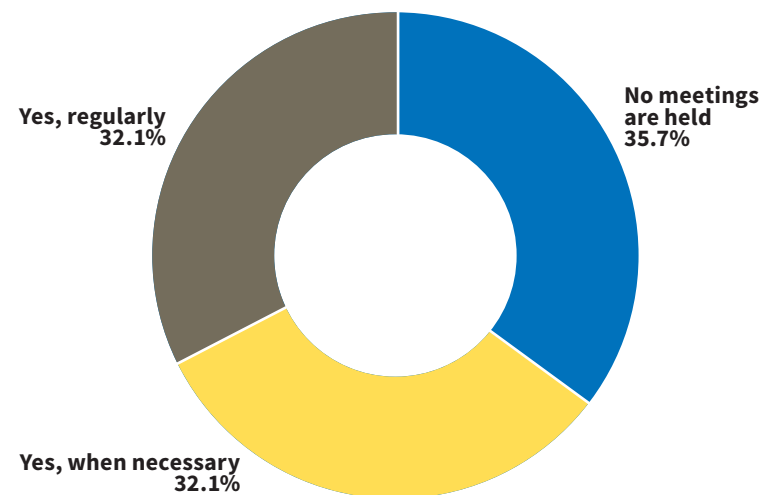
Source: preparation based on the results of the survey (Total: 28 answers)

25. 44 companies responded affirmatively with respect to being part of a *holding company*; and only 28 of them shared details with regard to the duties of the Secretary within the *holding*.

positions such as Director (28.6%), Manager (21.4%), or member of a Board Committee (14.3%).

Finally, when the Secretaries did not have that same position in the other companies belonging to the holding, they were asked if they coordinated with the other Secretaries of the holding. As shown in Graph 25, 35.7% said they did not coordinate with them, and only 32.1% responded that they did on a regular basis. Another 32.1%, in turn, indicated that they did only if it was necessary.

Graph 25. Coordination Meetings with other Secretaries in the Holding



Source: preparation based on the results of the survey (Total: 28 answers)

CONCLUSION AND RECOMMENDATIONS

The role of the Corporate Secretary, as it has been posited in this study, has barely been analyzed in the Latin American region. In fact the name itself is not even incorporated into local legislation but rather indicated through alternative terms such as the “Secretary of the Board.” In this respect, this initial approximation offers a guideline on how to identify their role in today’s world, how to contrast this new role with the standards achieved in countries that are relatively more highly developed and that have more robust institutional and business environments. The information collected, likewise, allows for delineating possible paths of action that the companies might consider in order to reinforce the figure of the Secretary as a means of not only improving the performance of the Board of Directors which the Secretary serves but also making the different aspects of the company’s corporate governance develop positively.

The experiences of *common law* countries and of those in Western Europe have provided important evidence and guidelines on the various functions and responsibilities that the Secretary could take on. These, in turn, have been picked up by various international bodies to draw attention to the highest standards for the role of the Secretary under contemporary thinking based on a changing business environment that is more frequently exposed to crisis scenarios. The modern Corporate Secretaries are able to combine varied types of duties, including those that are administrative in character, those in the area of legal advice, and others that are more specific (corporate governance, management of important records, communications, and relationships with other authorities). However, they must, above all, ensure the protection of the Board they serve.

Based on the questionnaires that were voluntarily completed by almost 100 Latin American companies, the conclusions reached will be reviewed in order to apply them globally to the group of companies in the region. They will also be evaluated in accordance with the practices or standards achieved in other scenarios where the role of the Secretary has already been enhanced. This review shall be done on the basis of conclusions that are general in scope in order to later develop the conclusions related the blocks of analysis through which the results will be presented.

General Scope

The study has made it possible to identify some clear signs with respect to the profile of the Corporate Secretary along with giving indications of possible processes that could be underway in the makeup and performance of these secretarial roles. These results have been synthesized with some relevant figures so as to analyze their implications afterwards in the four blocks in which we have organized the topics:

- 68.4% of the Secretaries are lawyers or attorneys.
- 61.1% of the Secretaries have done post graduate work, giving evidence of a search for multi-faceted training.
- Just 22.1% of the Secretaries had a properly structured induction program.
- There is a consensus among the Secretaries regarding the skills required by their job, and the following are highlighted: corporate governance (84.2% of the total respondents), interaction with people (71.6%), legal analysis (70.5%), management and strategic direction (65.3%). Therefore, legal training is no longer enough by itself.
- Although 44.2% of the Secretaries are located in Legal Management, 22.1% of the companies have already turned the Secretary into a unit separated from other existing areas.
- 53.8% of the Secretaries do not work full time on these duties although the fact that 22.1% have already established the Secretarial position as separate units was also identified, and out of this latter group, 71% work full time on the duties related to this position.
- 69.4% of the Secretaries are located one hierarchical position from the CEO.
- At present there are Secretaries who are carrying out a large part of the duties that are expected in the modern and current version. Also, a major percentage assume such duties fully or share them with other areas:
 - * 69.9% of the Secretaries indicate that they take full responsibility for the preparation of the minutes, and more than 50% take complete charge of 6 of the 10 duties inquired about in the survey.
 - * With regard to the duties for which responsibility is shared with other areas, these stand out: gathering and organizing material for sessions of the Board of Directors (56.6%), providing the Board with assistance on compliance issues (51.8%), and providing groups of interest outside of the company with information (49.4%).
 - * Of those surveyed, 21.7% disclosed that they did not organize or participate in the induction of new directors even when the rest of the respondents stated that they dealt with this in its entirety (33.7%) or with the responsibility shared with other areas (44.6%).
- The Secretaries do not devote their efforts in equal proportion to the different duties mentioned above. The duties that demand the fullest attention of the Secretaries are the compilation and organization of the material for the meetings as well as the preparation of the minutes. Between the two, they take up around 35.3% of the time allocated to the Secretarial work. All other functions

receive less attention (each one takes up between 4% and 10% of the time devoted to this job).

- 93.7% of the Secretaries attend the meetings of the Board of Directors.
- 73.8% of the Secretaries participate spontaneously in sessions, others do so when required, and barely 4.8% stated that they are not involved in the sessions at all.
- The duties of the Secretary are mainly regulated by the regulations of the Board (58.9% of the reference frequency) and by the by-laws (49.5%). Just 5% reported that their work is not regulated in any document.
- The Board of Directors as a whole is referred to as the primary authority to which the Secretary reports (70.5%) although the Chairman of the Board (52.6%) and the CEO (48.4%) figure equally as reporting channels.
- The Board also appears as the main authority that can appoint or remove the Secretary (66.3%).
- Regarding the evaluation of the Secretaries, a significant percentage reported that this is done formally under the existing regulations (43.2%), almost a fourth do evaluation without specific rules (24.2%), and the remaining third indicates that no type of evaluation is done. The frequency of such an assessment is annual in 87.3% of the cases.

Graph 26. Profile of a Corporate Secretary: Synthesis of Results

Training and Skills

- Most are attorneys or lawyers
- High percentage with postgraduate degree
- Minority had access to a structured induction.
- Consensus of the Secretaries regarding the skills required

Hierarchical position and department the Secretary belongs to

- High proportion located in Legal Department.
- Majority of the Secretaries do not work full time on that job
- Most just one hierarchical position from the CEO

Duties of the Secretary

- Do almost all the essential tasks of the position, directly or in coordination with other areas.
- Main focus is on organizing meetings and preparation of the minutes.
- Duties primarily regulated by rules of Board or by-laws.
- Most Secretaries attend the sessions and participate spontaneously

Appointment, evaluation and removal of the Secretary

- Board is the main body that appoints or removes the Secretary.
- Board is the body to which majority of the Secretaries report
- A significant proportion also report to the CEO, who also appoints and removes them.
- Typically most are evaluated annually

Recommendations

- The review of the statistics displayed makes it possible to learn about the common and prevalent situations involved in exercising the role of the Corporate Secretary and, as such, may serve as a reference or *benchmark* for each company, particularly for their Boards of Directors, to compare these with their current situation and analyze the possibility or desirability of approaching that benchmark based on their understanding of the advantages or grounds for doing so and as the current institutional and organizational reality suggest. Therefore, we suggest that this comparative exercise be done as part of a continuing improvement process without necessarily requiring companies to make adjustments. What is important is to know that there are alternatives, and that the reasons for making no changes or for carrying out certain adaptations in the Secretarial position are clear.
- In those cases where the adjustments sought are diverse, a plan should be developed that allows the company to achieve the objectives efficiently over time. Like any good plan, it must have goals with specific time-frames as well as the clear identification of those responsible for its implementation and monitoring.

Related to Block I: on the training and relevant skills of the Secretary

The evidence in the survey done shows certain traditional features in the Secretary's training but this is accompanied by indications that the greater breadth of the Secretary's duties are beginning to be understood.

- A large majority of the Secretaries are attorneys or lawyers, which is consistent with the traditional perception of one who takes and registers the minutes.
- Meanwhile, a large percentage of the Secretaries in office were found to have postgraduate studies, mainly Master's degrees, which would reflect the idea that the role of the Secretary requires another type of training to better understand the contents of the discussions of the Board of Directors and to manage information derived from them more effectively.
- Along the same line as the above, there is a consensus among the Secretaries who were surveyed about the fact that the skills required for them to carry out their duties are not confined to legal training but rather include other areas such as corporate governance, interaction with people, management and strategic direction, computer tools, finance, economic analysis, etc.
- In contrast, it appears that companies still do not grasp the logic mentioned above and, therefore, they do not give due importance to the role of the Secretary. In addition to this, a very low percentage of them have formally structured induction programs for their Secretaries.

- To summarize, a significant change in the way the role and responsibilities of the Corporate Secretaries are envisioned could be underway at least from the perspective of the Secretaries themselves, an opinion which does not coincide with the rest of the people in authority in the company, especially the Board of Directors.

Recommendations

- The Board of Directors must make it clear that it is essential to have a Secretary with the appropriate skills to give them effective assistance in accomplishing their work. That is why they can learn from observation and comparison of the abilities that are being required of these officials and analyze the possibilities of approaching such skills. This analysis should be done in accordance with the duties that they want or agree that the Secretary must continue to fulfill.
- The Corporate Secretaries, in turn, must do a better job of communicating and making known the breadth of the duties they have been and can assume so that the abilities that are now recognized as being necessary for them can be reinforced by the initiative of the companies themselves.

Related to Block II: on the hierarchical position and department the Secretary belongs to

The answers received for this block reveal that the preference has been to extend the traditional view of the Secretary as a person who is a lawyer by profession and to consign the

position to the legal area even when there is a consensus regarding how close the position is to the highest levels of the organization:

- The legal department is the area that accommodates a relatively large percentage of those who play the role of the Corporate Secretary based on the acceptance of the idea that this type of profession relates to that position (attorney or lawyer).
- However, the percentage of Secretaries who are placed in separate units or even assigned to General Management (CEO) is not insignificant, and this reflects the understanding that this role usually requires a cross-sectional and extended interaction with all the relevant areas of the company.
- In agreement with what was stated above, the great majority of the firms in the sample reported that the Secretaries were placed barely one hierarchical position from the highest executive level (CEO) of the entity thus making it clear that the position requires a very close connection with the highest decision-making bodies as is the case of the Board of Directors. It also demonstrates the importance of having duly recognized officials properly positioned within the structure of the company.
- In contrast, the previously recognized relevance is not consistent with the character of full-time work that is required of the Secretaries in discharging their duties. In fact companies, by a slight majority, indicate that the Secretaries carry out their duties in conjunction with other responsibilities. This would mean that, as is explained in this study, not all of the potential duties included in the most modern understanding of the Secretarial role recognized in other parts of the world are being assigned.

- In summary, the importance of the role is reflected in the hierarchical position that the Secretary receives within the organization. This, however, is not clearly shown on the organizational charts of the entities as it is still customary to locate this position within the Legal department. Furthermore, the additional duties that are allocated to it do not denote the exclusive nature of the work. A significant percentage (although smaller) of cases where the Secretary is being positioned in separate units (individualized or reporting directly to the CEO) is verified thus demonstrating the close link between the Secretary's duties and the highest decision-making bodies. However,

the latter involves other factors related to possible conflicts of authority.

Related to Block III: on the duties of the Secretary

In terms of the coverage of this aspect in the study, it has been established that the Secretaries have become involved in a wider range of responsibilities but still focus primarily on those that would be considered the most typical:

- There is a high degree of formality in the definition of the Secretary's duties since barely 5% of the companies have stated that such responsibilities could not be regulated through any document. However, a significant number of the companies still do not regulate these duties through rules adopted by the highest authorities so, as a result, between 50% and 60% responded that these duties are regulated by the Board of Director's regulations and by-laws.
- The majority of the Corporate Secretaries have already been carrying out the variety of duties that are required today in the broader and more modern conception of their role. They do them by assuming the responsibility fully in the majority of cases, and working in coordination with other areas for almost all of the rest of the tasks. The duty that could be receiving the least attention (only in 21.7% of cases) is the induction of new members of the Board.
- Among the duties that they assume full responsibility for, the preparation of the minutes and related tasks (keeping a record of the minutes, keeping track of agreements, etc.) stand out above the rest. What is different from this traditional template but is also one of the duties that has

Recommendations

- Always respecting the uniqueness in the formation of each company, it is, nonetheless, important for the Board of Directors and CEOs of the companies themselves to reflect on the location of the Secretarial position within the organization in accordance with the importance given to that role and the need for it to be connected with the highest authorities.
- The Corporate Secretaries must clearly understand the conflicts that their organizational location can generate as they could remain in functional dependence on administration officials but, at the same time, would have to give support and assistance to the Board of Directors. It would be ideal to report on these conflicts to their superiors and obtain guidance with respect to managing them.

been assumed completely is to provide the Board of Directors with assistance on issues related to corporate governance. This latter is consistent with the idea of identifying the Secretary as an axis of support for implementing policies and procedures linked to the company's corporate governance.

- With respect to the duties that they assume with shared responsibility, note that the one related to the compilation and organization of material for the Board meetings is among these. Here also some less traditional responsibilities that the majority of Secretaries focus on are highlighted such as the job of giving the Board assistance in the area of regulatory compliance as well as providing other groups of interest outside of the company with information.
- However, not all duties are assumed by the Secretary with the same level of dedication because the most traditional ones continue to prevail in this distribution. Thus, between the duties of preparing the minutes and compiling material for the sessions, 35.3% of the Secretary's work time is consumed while the time commitment for each one of the other responsibilities varies between 4% and 10%.
- Finally, it is important to mention that the degree to which the Secretaries participate in the Board is high since 93.7% attend the meetings, and 73.8% of the total numberspontaneously participate in said meetings while only 4.8% are not involved in any way in the discussions during the sessions. Therefore, the Secretary is, in general, a regular member of the sessions and participates actively to provide the Board with support during these meetings.

Recommendations

- It is important for the Secretary's responsibilities to be established as formally as possible and by means of documents that are approved by the Board of Directors or at the Assembly of Shareholders so as to provide the support required for better interaction within the organization.
- Companies and especially their Boards must recognize that the responsibilities of the Secretaries have already been expanding in practice and even include work other than the traditional tasks. Included among these are advisory roles on topics that are broad in scope (e.g., corporate governance, regulatory compliance, etc.) as well as others related to information management with respect to not only the directors but also other groups of interest.
- The idea that the Secretaries would not attend Board meetings is not currently conceived of because of the responsibilities that they have including the preparation of the minutes. The Boards should agree on some protocol stipulating how the Secretary would participate in the session in a way that seems best to them.
- The Corporate Secretaries should be able to plan their work schedule for the different duties that are recognized as this would contribute to doing their work more efficiently but also contribute to improving the relationships with the other areas or units with which they share some responsibilities.

Related to Block IV: on the appointment, evaluation and removal of the Secretary

The information gathered by the study with respect to this aspect shows that the Board of Directors figures most frequently as the party responsible for appointing or removing the Corporate Secretary even when accountability does not seem to be confined to this governing body:

- In the majority of the cases, the Board appears as the authority that can appoint or remove the Secretary. This looks predictable since it is to this group that the Secretary provides a direct service.
- Contrast the finding that the Secretary reports not only to the Board or the Chairman of the Board but also, by a significant proportion (50% of the sample), to the CEO with the aforementioned. Even when the need for the Secretary to interact with the above-mentioned authorities is understood, it can cause conflict or confusion with respect to the chain of command.
- The Board or its Chairman is most often identified as the one empowered to do an evaluation of the Secretary in those cases where this procedure is carried out. Thus, in a third of cases, the CEO figures as the one who is empowered to do so, and this brings with it implications similar to those of intersecting commands as mentioned above.
- Two-thirds of the Secretaries are currently evaluated, and the frequency of this evaluation is mostly a year. Two-thirds of this group, in turn, are evaluated because this is provided for in the regulations while, in the rest of the cases, they are evaluated even though no regulation calls for it. This is a positive practice that contributes to learning about the potential aspects for improvement in the fulfillment of the Secretary's duties.

Recommendations

- It would be prudent for companies to define the chain of command with respect to their Corporate Secretaries so that the responsibilities are assigned consistently. The same authority that can appoint or remove the Secretaries, should be the one that evaluates them and to which they are accountable. Due to the nature of the Secretary's duties, the logical authority for this purpose is the Board of Directors. That does not limit the possibility that officials such as the CEO or others in authority may have a part in the assessment process and provide their input.
- The already widespread practice of evaluating the Secretaries should be generalized in order to contribute to the better performance of this official. By the same token, an effort should be made to regulate this process properly in order to make it consistent over time and achieve the greatest objectivity possible. Ideally, the Board should do this during the evaluation process of the collective body itself.

In conclusion, the companies that have been able to understand and recognize good corporate governance as a strategy that is profitable for generating sustainable value will find that the role of the Secretary becomes a positive catalyst for the decisions made by the Board and, as such, represents an ideal channel for making the effectiveness of the provisions of this body greater. Good corporate governance can be extended this way with greater efficiency and depth throughout the organization.

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APPENDIX 1

Survey of the Corporate Secretary Profile in Latin American Companies

Within the framework of the Corporate Governance Program of CAF - Development Bank of Latin America, and with the purpose of knowing the characteristics of the Corporate Secretaries of the companies of the region in the different property regimes (Private, State, Mixed, etc. .) a study is being prepared to analyze the profile and functional structure of Corporate Secretaries in the most representative entities in Latin America.

We appreciate the participation of your institution in this process and the time to complete this questionnaire by the closest member of the organization that accredits the role or position of Corporate Secretary. All your answers will be confidential and the data will only be used for academic and statistical purposes. In this sense, the results of the study will not make an individual reference to the answers of the participating companies, in order to maintain the confidentiality of the information. The results at the aggregate level will generate recommendations of good practices for the region.

The Corporate Secretary shall be understood as the person (or unit) that provides support or operational assistance to the Board of Directors for the execution of its functions and activities. In case that position had not been specifically created, the Secretary of the Board must take charge of absolving the survey. In the absence of a Secretary of the Board designated in an ad hoc manner for such a function,

the survey must be answered by the General Manager (Principal Executive Officer or CEO) or by the official designated by him, according to the functions currently performed.

The survey will take you around 20 minutes of your time. As a participant in this project, you will receive an individualized confidential report prior to the release of the consolidated results of this questionnaire.

Instructions

The questions below are divided into seven parts: the first four sections deal with the profile and general information of the company and the Corporate Secretary, while the last three sections address the functions and performance of the latter. In this regard, there is an additional section of 3 questions that will be added automatically in case it is a conglomerate of companies or Economic Group.

Name:

Position:

Date of completion:

I. COMPANY DATA

1 Company Name:

2 Home Country:

3 Economic Sector *(please select your answer in the drop-down list that appears in the following box).*

-Select-

If your answer was "others" please specify which:

4 Structure of ownership of the company:

- Company fully privately owned, with securities listed on the stock exchange (whether shares, obligations, etc.)
- Company fully privately owned, without securities listed on the stock exchange
- Company with a majority ownership of the State (50 % - 99.9%)
- Company with a minority ownership of the State (below 50 %), with securities listed on the stock exchange (whether shares, obligations, etc.)
- Company with a minority ownership of the State (below 50 %), without securities listed on the stock exchange (whether shares, obligations, etc.)
- 100% State owned enterprise

5 Is the authorization to operate as well as the management of the company subject to the supervision of a specialized state agency?

- Yes
- No

6 Regarding the Board of Directors of the company in which you serve as Secretary, specify the following information:

CONCEPTO	DATO	INDICACIONES
a. Number of Directors	0	Referred to the principals (do not consider the substitutes in case of having them)
b. Number of Independent Directors	0	Use the definition of independence adopted by the company itself. If you do not have one, see Annex of "Useful Definitions"
c. Number of Board Committees	0	Includes active temporary committees and permanent committees; also with at least one participant as Director
d. Number of Board sessions	0	Average sessions in a year

7 Is the company part of a Holding?

• Yes

• No

II. GENERAL DATA, TRAINING AND THE EXPERIENCE OF THE CORPORATE SECRETARY

8 Profession(s)

-Select-

If your answer was "other" please specify which:

9 Age (as range)

-Select-

10 What is your nationality?

-Select-

If your answer was "other" please specify which:

11 Please check the academic degrees you have: *(You can mark more than one)*

• Degree or equivalent officially recognized by the State

• Master's degree

• Doctorate (PhD)

• Others(specify):

12 Have you exercised the role or function of Corporate Secretary prior to your current position? (either in the same company or in others):

- Yes
- No

If your answer was “Yes” please specify for how long you have accumulated (without considering the current position):

-Select-

III. POSITION OF THE SECRETARIAT IN THE ORGANIZATIONAL STRUCTURE

13 Considering that your position as Secretary is assigned to a certain hierarchical level (according to the organizational ladder), indicate how many hierarchical levels are you in relation to the highest executive of your company?

-Select-

14 To which Management, Division or organizational unit the Corporate Secretariat belong?

- Legal Management
- Finance management
- Secretariat (as a separate unit)
- Others (specify):

15 Are you a member of the company’s Board of Directors?

- Yes
- No

16 Who in the company do you report on your duties as Corporate Secretary? *(Indicate more than one if applicable)*

- Board
- Chairman of the Board
- One of the Board Committees. Indicate which:
- General Manager / CEO
- To the Management to which you belong (if different from General Management)
- Others:

17 Is the function of the Corporate Secretary with exclusive dedication?

- It is the exclusive dedication function of the area or unit
- It is a function among others of the area or unit, but it has been assigned exclusively to some official(s)
- It is a function among others of the area or unit, and whoever exercises it also performs other functions

IV. LABOR CALL AND INDUCTION OF THE SECRETARY

18 Is the function of Corporate Secretary outsourced?

- Yes, completely *(in case of selecting this option go directly to question 20)*
- Yes, partially
- No

19 Indicate how you were designated in the position or function

- Recruitment by external or public call
- Recruitment by internal call in the company
- Direct appointment by rejoining the company. Indicate years previously worked in the company:
- Direct appointment within the same unit that you had been working
- Direct appointment from another unit in the company. Indicate unit or area of origin within the company:

20 Indicate which is the body that has the attributions to appoint or remove the Secretary

- The Board of Directors
- General Management or CEO
- Chairman
- Manager of the area to which you belong (if different from the General Manager or CEO)
- Others (specify):

21 Did head-hunters intervened in any part of the process for the search for the Secretary?

- Yes
- No

22 Regarding the induction procedure as Corporate Secretary

- There was a structured induction plan formally established
 - The induction was developed empirically, at the time of executing duties
 - There was no induction
-

23 Which document regulates your functions as Corporate Secretary? (mark more than one if necessary)

- Law or regulation (approved by instances not belonging to or directly linked to the company)
- By - laws of the company
- Board Regulations
- Board Agreement
- Others (specify):

V. FUNCTIONS OF THE CORPORATE SECRETARY

24 Currently, what tasks do you perform as a secretary?. Indicate if this work is fully covered or shared and coordinated with other units

FUNCTIONS	FULL HANDLING	COORDINATED MANAGEMENT WITH OTHER RESPONSIBLE UNITS (PARTIAL HANDLING)	WITHOUT DIRECT OR INDIRECT INTERVENTION. A THIRD PARTY IS RESPONSIBLE FOR SUCH A FUNCTION
a. Collect and organize documentation and material for Board sessions			
b. Prepare Minutes of Board meetings			
c. Assist the Chairman to prepare the agenda of the Board session			
d. Register, safeguard and update the minute books of the sessions of the Board			
e. Maintain a record of the requests and agreements of the Board, following them up			
f. Respond to requests for information from the Directors (additional to what was sent with the agendas of the sessions)			
g. Provide assistance to the Board in matters related to compliance			
h. Provide assistance to the Board of Directors in matters related to corporate governance			
i. Provides information to external third parties and stakeholders on behalf of the Board of Directors			
j. Organize the induction of new Directors			
k. Others (specify):			

25. From what you have marked in the first two columns of the previous question, in your role as secretary, what percentage of your time is spent over a year?

a.	0%	g.	0%
b.	0%	h.	0%
c.	0%	i.	0%
d.	0%	j.	0%
e.	0%	k.	0%
f.	0%		
PLEASE CHECK : 100%		TOTAL	
		0%	

26 Is the Corporate Secretary also Secretary of the Board Committees? *(If answer is "Yes, in all", please go to the next section, question 28)*

- Yes, in all
- Yes, in some
- No, in none

27 Do you coordinate with the Committee Secretaries for the execution of their functions?

- Yes
- No

VI. SOME SPECIFIC TASKS OF THE SECRETARY WITH RESPECT TO THE SESSIONS OF THE BOARD OF DIRECTORS

28 Do you attend the Board sessions in person?

- Yes, regularly
- Yes, when required by the Board
- Yes, but only for specific points of the sessions
- I do not attend

29 Regarding the preparation of the material or documentation of the sessions, which of the following tasks are your duties?
(you can mark more than one)

- Collect all the documentation of the session
- Prior review the material to ensure that certain standards of structure and order are applied in content
- Sending the material to the directors
- Coordinate the logistical aspects that are required for the development of the Board session
- Others (specify):

30 Indicate the means used to send or share information with the Directors (you can mark more than one)

- Physical folders (printed files, CDs, USB)
- Digital media (email, web links)
- Software or specialized applications (intranet, cloud platforms)
- Others (specify):

31 During Board sessions, in your role as Secretary, you are empowered to:

- Intervene spontaneously when it is necessary
- Intervene by request of the Directors or by being established as part of duties assigned
- Give an exclusive opinion on specific topics such as: laws and key information for the session
- Does not intervene in the sessions

32 At the end of the session and before being channeled to all the Directors, what instances intervene in the revision of the draft of the Minutes before being sent to all members of the Board for their approval? *(mark more than one if required)*

- Some Board member designated for this purpose
- General Management or CEO
- Chairman
- To the Management of which you belong (if different from General Management)
- Others:

VII. PERFORMANCE OF THE SECRETARY

33 How are your duties as Corporate Secretary evaluated? *(In instances, mark more than one if applicable)*

- It is foreseen in the rules or internal rules, and is executed regularly
- It is not provided for in the rules or internal rules, but it is executed periodically
- It is not foreseen in the rules or internal rules, but it is executed without a defined periodicity
- It is not evaluated (if you check this answer go to question 35)

If your answer was affirmative please check which instances evaluate it:

- Chairman of the Board
- Board of Directors
- Board Committee
- General Manager / CEO
- Others (specify):

34 How often is the performance of the functions of the Corporate Secretary evaluated?

- Biannual
- Annual
- Biennial
- Others (specify):

35 Does the company have a Training Plan Budgeted specifically for the Corporate Secretary?

- Yes
- No

36 Based on your experience, what competencies best contribute to your performance as Corporate Secretary?

(mark more than one if applicable, but a maximum of three alternatives chosen)

- Business administration and Strategic Management
- Finance
- Legal Analysis

- Corporate governance
- Economic analysis
- Management of computer tools
- Proficiency in other languages
- Communication and interrelation with people
- Others (specify):

Your contribution and your time for the survey is appreciated. In this space you can leave your comments or additional observations that you deem convenient to better understand your answers, if applicable:

ADDITIONAL SECTION: HOLDING COMPANIES

1 Do you maintain the position or role of Corporate Secretary in another company part of the holding?

- Yes
- No

2 Do you hold other positions in the holding companies?

- Board member
- Member of a Board Committee
- Manager
- Other:

3 Do you hold coordination meetings with the other holding Secretaries?

- Yes, regularly
- Yes, when needed
- There are no meetings

RELEVANT TERMS

Agenda	List of topics to be discussed at a meeting of the General Assembly of Shareholders -a proposal of the Board of Directors- or of the Board itself. Equivalent to the Order of the Day.
Senior Management	Set of people responsible for the ordinary management of the company, the great majority of whom report directly to the Chief Executive hierarchically. They maintain an employment relationship with the company and have the power to make management decisions for the company. In general, Senior Management is composed of a series of executives led by the Chief Executive of the company, together with the Internal Auditor and the General Secretary.
Director	Individual or legal entity who, as a member of the Board of Directors, is elected by the General Assembly of Shareholders to act as administrator of the company. Equivalent to Counselor.
Independent Directors	These are people with an acknowledged professional standing who are able to contribute their experience and knowledge for the management of the company and whose links to the company, its shareholders, directors, and members of Senior Management are exclusively circumscribed by their status as members of the Board of Directors. This does not prevent them from owning a small and not very relevant percentage of stock in the company
Board of Directors	Collective administrative body of a corporation. Equivalent to a Management Board or Executive Board or Governing Board of Directors.
Chief Executive	Individual position within a corporation that responds to the Board of Directors. The Chief Executive is responsible for the ordinary management of the company, and the majority of those in Senior Management report to him directly.
By-laws	Written document approved by the shareholders that constitutes a company's highest internal rules. Also known as the Articles of Association or Articles of Incorporation.

APPENDIX 2

Format of the Individual Report submitted to Participating Companies (Hypothetical Example)



INDIVIDUAL REPORT ON THE STUDY "PROFILE OF CORPORATE SECRETARIES IN LATIN AMERICA"

EXAMPLE COMPANY

COUNTRY:	LATIN AMERICA	SECTOR:	OTHERS
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I PRESENTATION

This report presents a brief description of the situation concerning the Corporate Secretary (or who carries out its functions) of your company. The comparison was made on the basis of information voluntarily provided by 95 companies from 13 countries in the region who filled out the questionnaire "Profile of Corporate Secretaries of Latin America." The reference mentioned with regard to the sample is merely statistical and indicates averages or response frequencies. It serves as an indication but does not necessarily refer to the best practice or a practice that is recommended. The items that are shown correspond to all those characteristics or aspects most relevant to the job or duty of the Corporate Secretary (CS) in its most current definition.

II CONTEXT OF THE PARTICIPATING COMPANIES' BOARDS OF DIRECTORS

ASPECTS OF THE BOARD OF DIRECTORS ¹	EXAMPLE COMPANY	AVERAGE OF THE SAMPLE COMPANIES	RECOMMENDED PRACTICE ²	PARTICIPATING COMPANIES BY TYPE OF OWNERSHIP (TOTAL OF 95)
Number of Directors	18	7	Between 5 and 11 Directors (depending on the size and complexity of the business)	<p>0% 20% 40% 60% 80% 100%</p> <p>■ Private ■ Mixed (majority State Ownership) ■ Mixed (minority State Ownership) ■ State</p>
Number of Independent Directors	8	3	More than 40% of members of the Board of Directors	
Number of Board Committees	16	5	Audit, Risk, Corporate Governance, and Nominations/Remuneration Committees	
Number of Board of Director sessions	52	17	Between 6 and 12 sessions per year (depending on the size and complexity of the business)	

III RESULTS ON THE CORPORATE SECRETARY PROFILE

FULL TIME ROLE AS CORPORATE SECRETARY	EXAMPLE COMPANY	DISTRIBUTION IN THE SAMPLE COMPANIES	PROFILE OF THE CORPORATE SECRETARY	EXAMPLE COMPANY	PREDOMINANT FEATURES OF THE CS IN THE SAMPLE
It is a full time job for the area or unit		28%	Profession(s)	Attorney or Lawyer	68% Lawyers 10% Managers 40% Economists
It is one job among others in the area or unit but has been assigned exclusively to one or more staff member(s)		18%	Gender	Masculine	60% are male
It is one job among others in the area or unit and the person who does it also has other work to do	✓	54%	Age	More than 40 to 50 years of age	22% aged between 30 and 40 years 37% aged between 40 and 50 years 31% aged between 50 and 60 years
			Additional studies	Master's degree	61% have a Master's Degree

¹ Also identified in the region as Board of Directors, Management Board or the Executive Board.

² According to the recommendations from the "Guidelines for a Latin American Code of Corporate Governance" - CAF: <http://scioteca.caf.com/handle/123456789/555>

*Questions with more than one option to mark. They are considered the predominant ones.

continuation

IV. COMPARATIVE INFORMATION ON THE CORPORATE SECRETARY³

PROFILE OF THE CORPORATE SECRETARY	EXAMPLE COMPANY	PREDOMINANT FEATURES OF THE CS IN THE SAMPLE	PROFILE OF THE CORPORATE SECRETARY	EXAMPLE COMPANY	PREDOMINANT FEATURES OF THE CS IN THE SAMPLE
Department or unit CS belongs to	Legal Department	44% Legal Department 15% General Management 21% Corporate Secretary as a unit	Hierarchical position of the CS with respect to the CEO or General Director	One position	69% one position 18% two positions 13% more than two positions
Who does the CS report to*	Reports to the Board of Directors or Chairman	71% are accountable to the Board of Directors	Attend meetings of the Board	yes, regularly	94% attend regularly
Body/Unit that has the authority to appoint, remove or modify the role of CS	The Board of Directors	66% To the Board of Directors 19% General Director / CEO	CS is also a member of the Board of Directors	No	91% is not a member
Document that regulates CS functions*	Rules of the Board of Directors	59% Rules of the Board of Directors 49% the Bylaws	Work related to the material to be used in the meeting of the Board of Directors*	Yes, does that work	82% submits material to the Directors
Norms or rules for the evaluation of the CS	Evaluated based on regulations	43% has this laid down in regulations 24% not provided for in regulations but evaluation is done 33% is not evaluated	Power to participate in the sessions	Spontaneous participation	74% spontaneous participation 15% upon request of the Board of Directors
			Methods for sharing information with the Board of Directors*	Information sent via digital means	76% use digital media (email, web links)
The body responsible for the evaluation*	Board of Directors or Chairman does evaluation	52% the Board 48% the General Director or CEO	Authority involved in the review of minutes prior to the dissemination*	Chairman or any member of the Board of Directors	47% the Chairman of the Board 43% General Director / CEO
Frequency with which the CS is evaluated	Annually	87% annually	Existence of induction	No comprehensively planned induction	53% empirical induction 22% formal induction 25% had none
The CS is also the Secretary of the Board of Director Committees	Yes, all of them	38% not in any Committee 33% in some Committees 29% are the Secretary for all Committees			
Relationship between Secretaries of committees and the CS	Yes	75% coordinate with secretaries of committees	Budgeted Training Plan	Yes	82% of Secretaries do not have one

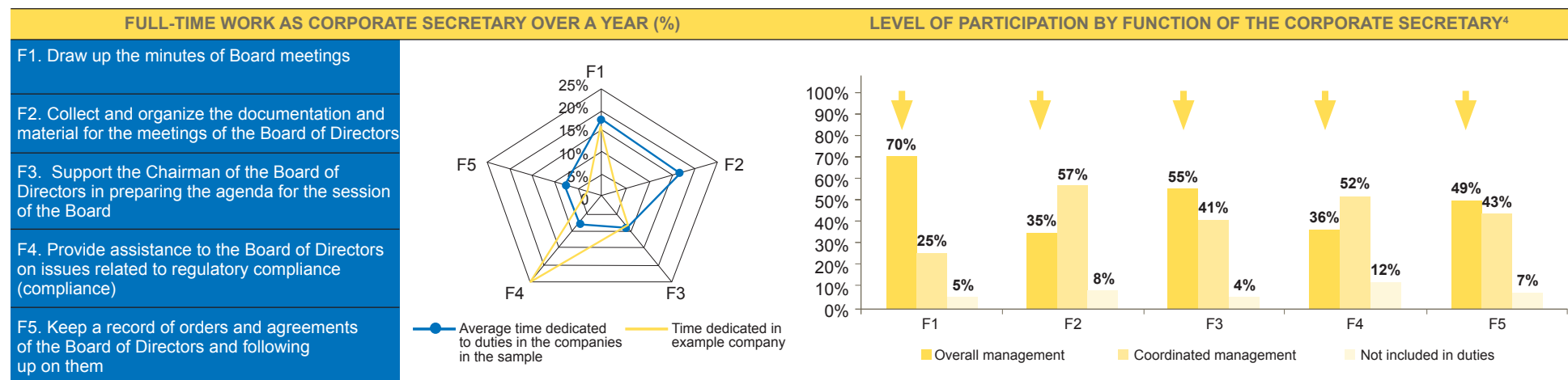
³ Lightly shaded in the response columns of the company if it does not match the one with the highest frequency or predominant feature obtained from the sample.

*Questions with more than one option to mark. They are considered the predominant ones.

continues

continuation

V. MAIN ITEMS OF DEDICATION AND LEVEL OF PARTICIPATION IN THE FUNCTIONS OF THE CORPORATE SECRETARY



VI. SYNTHESIS AND FINAL RECOMMENDATIONS

The size of the Board of Directors of the company is equal to the average and is within the recommended range. The Board of Directors stands out due to the fact that the majority of its members are independent. With respect to the Corporate Secretary, this is located in the Unit of Corporate Affairs and Governance (unlike the most common one in the sample which is the Legal Department) and the duties are assigned exclusively to one of the officials in that area. The Secretary of the company is differentiated by the fact that this person comprehensively assumes the duties of compiling and organizing the documentation for the session and provides assistance to the Board as part of the duties. The Secretary is also the Secretary of some Committees and has his own training budget. Opportunities to improve or adjust are identified due to the fact that there is no induction to the Secretarial job upon assuming the responsibilities. Finally, it is advisable that the Board of Directors evaluate the suitability of their Secretaries being able to extend their duties based on the practices revealed in the study.

⁴ Five of the ten duties considered in the study with the highest average time dedicated to them were taken. The arrow indicates the type of responsibility that the Secretary has at the institution. If this does not appear, it is due to the fact that the answer was not given in the survey.

*Questions with more than one option to mark. They are considered the predominant ones.