

# Grupo Aeroportuario del Pacífico S.A.B. de C.V.

Overall score 48/100

ISIN CODE: MX01GA000004

Sector: Transport & Logistics  
Emerging Market

Information rate: 28% (Sector average: 52%)  
Company cooperation level: Not responsive \*

Companies in sector panel: 29

## General information

Grupo Aeroportuario del Pacífico SAB was founded on May 28, 1998 and is headquartered in Jalisco, Mexico. The Company provides management, operation and development of airport facilities. It also maintains comprehensive insurance coverage that covers the principal assets of airports and other property, subject to customary limits, against damage due to natural disasters, accidents, terrorism or similar events.

Main Economic Segment**	Turnover 2015
Guadalajara and San José del Cabo	43.2 %
Tijuana and Montego Bay	26.7 %
Puerto Vallarta	12.2 %

CORPORATE GOVERNANCE	
	2014 2016
Score	48
Allegations	No
Rating	+
Risk management	Limited

■ Sector performance  
■ Company performance  
Rating: min -- / max ++

### Key issues

Corporate governance is critical to ensuring that a well-functioning system of checks and balances protects the interests of all of the company's stakeholders. The effectiveness of the Board of Directors is a key issue to be addressed: this can be gleaned from information on Board composition (independence and competencies) and its way of functioning (regularity of Board meetings, evaluation of performance). Other important corporate governance factors include the effectiveness of the Audit and Internal Controls System, the protection of Shareholders' Rights and the establishment of Executive Remunerations which align executives' and company's interests.

### Company performance

- The Company's performance in the Corporate Governance domain is limited in absolute terms.
- The Company's performance has improved (by 19 points) compared to the previous review.
- All of the Company's board members are considered independent but there is no information on board members' trainings and attendance to meetings. Grupo Aeroportuario del Pacífico shows an advanced performance in Audit and Internal controls illustrated by an independent audit committee that has a comprehensive role in overseeing internal and external controls. On the other hand, the Company sets some restrictions to its shareholders' rights on the level of voting and the ability to convene an EGM. In addition, Grupo Aeroportuario del Pacífico does not disclose sufficient information concerning the remuneration of executives

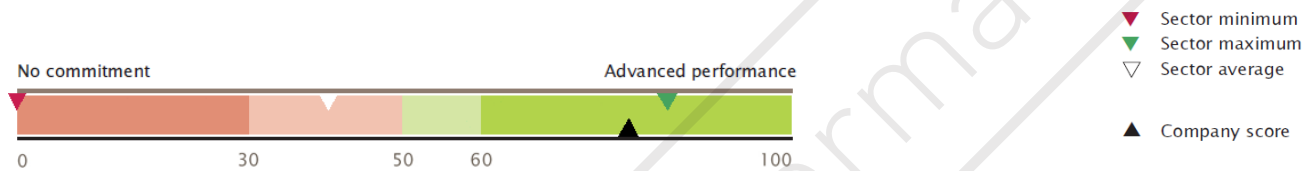
\* On a 4-level scale: proactive, responsive, partially responsive, not responsive  
\*\* See detailed economic indicators in Selected financial data section  
\*\*\* Based on the most recent Index at the date of publication

## Corporate Governance

Score : 48

### CGV1.1 Board of Directors

(score: 79, weight: 3)



#### Existence and independence of Nomination Committee

All members are independent non-executive directors.  
*All the 3-members of the Nomination Committee are considered independent.*

#### Independence of board Chairman

In accordance with standards advocated by Vigeo, the roles of Chairman and CEO are separated, and the Chairman is considered independent.

#### Total % of independent shareholder-elected board members

In accordance with standards advocated by Vigeo, the board is more than 50% independent.  
*All the 6-members of the Board are considered independent.*

#### Skills and backgrounds of non-executive board members

Non-executive board members have complementary and relevant skills and backgrounds.

#### Training and expertise provided to board members

*Information obtained from the company and public sources regarding training provided to board members is insufficient.*

#### Regularity of and attendance at board meetings

*Information obtained from the company and public sources regarding the regularity of and attendance at board meetings is insufficient.*

#### Regular election of board members

*Board members are elected at least every 3 years, and these elections are not staggered. Board members are eligible for re-election following 1-year term at the ordinary shareholders' meeting.*

**Evaluation of board functioning and performance**

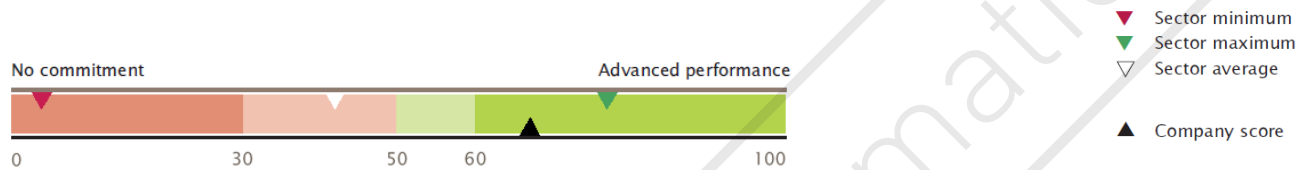
Information obtained from the company and public sources regarding the evaluation of board functioning and performance is insufficient.

**Review of CSR issues at board meetings**

Information obtained from the company and public sources regarding the review of CSR issues at board meetings is insufficient.

**CGV2.1 Audit & Internal Controls**

(score: 67, weight: 2)



**Existence and independence of Audit Committee**

All members are independent non-executive directors, in accordance with standards advocated by Vigeo.

**Skills and backgrounds of Audit Committee members**

Members appear to have financial and audit experience and relevant operational experience.

**Operational and CSR risks covered by the company's internal controls system**

The system covers the standard issues related to financial, operational, and legal risks.

**Role of the Audit Committee in overseeing internal and external controls**

The Audit Committee does not oversee CSR risks but has a comprehensive role that includes:

- Oversee internal audit and internal controls;
- Review accounting policies and be responsible for updates;
- Nominate the statutory auditor;
- Oversee the work of the external auditor;
- Approve the type of audit and non-audit services provided and fees paid to the external auditor.

**Independence of the firm's external auditors**

The audit firm receives non-audit fees, but these represent only 25% or less of total fees.  
Non-audit fees represented 13.2% of total fees paid to Deloitte Touche Tohmatsu Limited in 2014.

**Inclusion of CSR issues in company reporting**

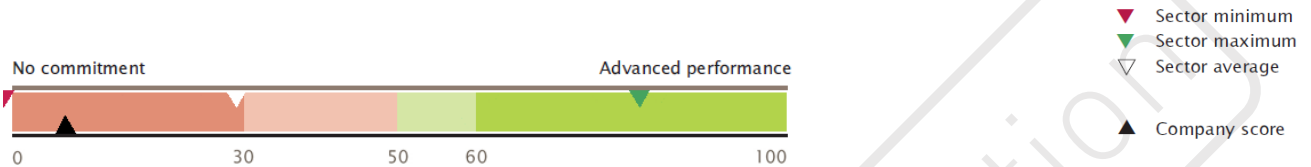
The company does not publish any significant CSR reporting.

**Reliability of the company's internal controls system**

A review of stakeholder sources did not reveal any allegations for internal control failures against the company during the period under review: stakeholders' feedback is neutral.

**CGV3.1 Shareholders**

(score: 7, weight: 2)



**Voting rights restrictions**

Major voting rights restrictions have been identified.  
*Holders of Series BB shares are entitled to elect four members of the board of directors. The remaining directors are elected by holders of Series B shares.*

**Existence of anti-takeover devices**

Anti-takeover devices have been identified.  
*The company sets a threshold of share ownership for Series B shares: -Individuals or group related parties can not own more than 10% of series B shares. Any person exceeding 10% with respect to Series B shares must conduct a public offer of his excess shares.*

**Ability to add items to the agenda of the AGM and to convene an EGM.**

Major restrictions have been identified.  
*Only shareholders representing at least 10% of the capital stock have the right to request that the board of directors or the Audit Committee call an EGM.*

**Access to voting at General Meetings**

*Information obtained from the company and public sources regarding the access to voting at the AGM is insufficient.*

**Governance and CSR items put to a vote at General Meetings**

Most major items are put to a shareholder vote, but shareholders are not given the opportunity to express an opinion on executive remuneration through a (non-binding) shareholder vote. Nevertheless, this item is included as a discussion point in the AGM agenda.

**Voting results of the latest AGM**

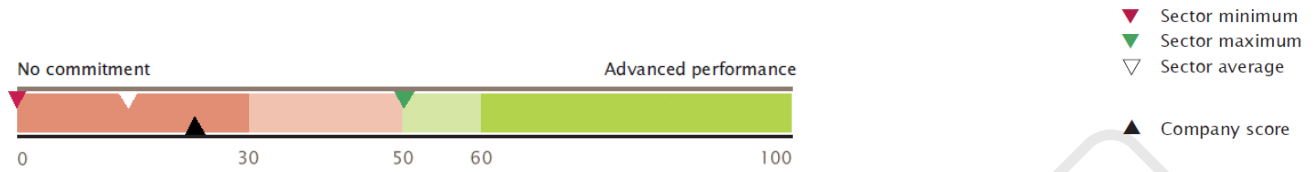
*Information obtained from the company and public sources regarding voting results of the latest AGM is insufficient.*

**Feedback from shareholders and other stakeholders on the company's corporate governance performance**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

**CGV4.1 Executive Remuneration**

(score: 23, weight: 2)



<b>Existence and independence of Remuneration Committee</b>	All members are independent non-executive directors, in accordance with standards advocated by Vigeo.
<b>Disclosure of senior executives' individual remuneration</b>	Disclosure of individual executive remuneration data for senior executives is insufficient.
<b>Link between Short Term Incentive Plans and the economic and CSR performance of the company</b>	There is no disclosure on what rules guide the company in allocating bonuses and other short-term incentives to senior executives.
<b>Link between the main Long Term Incentive Plan and the economic performance of the company</b>	There is no disclosure on what rules guide the company in allocating stock options and other long-term incentives to senior executives, and what performance conditions are attached to the right to exercise these incentives.
<b>Link between variable remuneration and the economic and CSR performance of the company</b>	There is no disclosure on what rules guide the company in allocating variable remuneration to senior executives.
<b>Severance pay for senior executives</b>	<i>Information obtained from the company and public sources regarding severance pay for senior executives is insufficient.</i>
<b>Voting results on executive remuneration at the AGM</b>	<i>Information obtained from the company and public sources regarding voting results on executive remuneration at the AGM is insufficient.</i>

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## Contacts

Analyst :           Tarik Nekrache • [tarik.nekrache@vigeo.com](mailto:tarik.nekrache@vigeo.com)  
Sector Lead:       Meryem Baskoun • [meryem.baskoun@vigeo.com](mailto:meryem.baskoun@vigeo.com)

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