

Macrocapitales SAFI SA

ISIN CODE: VG0000257

Overall score 25/100

Sector: ALAS20 investors

Companies in sector panel: 34

Information rate: 53% (Sector average: 34%)
Company cooperation level: Proactive *

General information

Macrocapitales SAFI S.A. is a private equity firm specializing in growth capital investments. The firm seeks to invest in medium-size companies based in Peru, operating in sectors such as healthcare, education, agribusiness, energy, commerce and in sectors related to construction and massive consumption goods. Macrocapitales SAFI S.A. was founded in 2010 and is based in Lima, Peru.

Main Economic Segment**

Turnover



■ 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 (CGV1.1) 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 control system (CGV2.1), the protection of Shareholders Rights (CGV3.1) and the establishment of Executive Remunerations (CGV4.1) which align executives' and company's interests.

Company performance

– Macrocapitales SAFI SA performance in the Corporate Governance domain is weak. – There are no committees at board-level but one dedicated to executives nomination. Furthermore, less than 33% of the members of the board are non-executive and none of them are considered independent. Only few of the ESG issues relevant for the sector, such as business ethics and general environmental and social considerations, are discussed at board. On a more positive note, Macrocapitales' internal control system covers most of the ESG risks of the investor's business operations, such as SRI policies, corruption and money laundering, and carbon risks, and has a balanced scorecard in place to manage these topics. Furthermore, Macrocapitales discloses the executive remuneration on an individual basis and the ratio of CEO compensation vs average employee salary has been stable over time.

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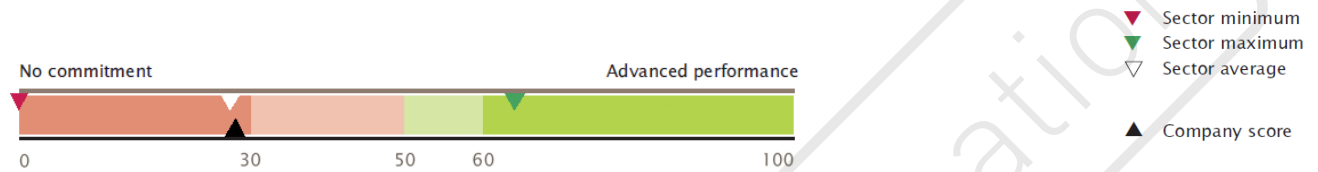
* On a 4-level scale: proactive, responsive, partially responsive, not responsive
 ** See detailed economic indicators in Selected financial data section
 *** Based on the most recent Index at the date of publication

Corporate Governance

Score : 25

CGV1.1 Board of Directors

(score: 28, weight: 3)



[UNLISTED COMPANIES] Existence and independence of Nomination Committee

A specific committee is in charge of nominating executives, but no specific committee is in charge of nominating Supervisory Board members.

Independence of board Chairman

The roles of Chairman and CEO are separated, but the chairman is not considered independent.

Responsibility allocated over CSR issues

The Head of CSR functions reports directly to the CEO. The person in charge of CSR issues is the CEO who reports directly to the board.

[UNLISTED COMPANIES] Corporate governance strategy

Information disclosed on the corporate governance strategy is insufficient or not relevant.

- Interaction between shareholders and board (conflict of interests)
- Organization of the Board and its functioning
- Definition of the company's risk profile (risks mapping and management)
- Executive remuneration policy
- Integration of the stakeholders perspectives/interests into governance framework

Share of independent shareholder-elected Board members

The Board includes less than 33% of non-executive directors. No member of the six-member Board is considered independent

Diversity of the skills and backgrounds of the Board

*The Board of Directors diversity appears to be partial:
- Board members with demonstrated professional experience in the company's sector of activities
All directors have worked in banks and financial institutions.*

Training and expertise provided to board members

No training is provided.

Regular election of Board members *Board members are elected at least every 3 years.*

Evaluation of board functioning and performance *Performance is not evaluated regularly*

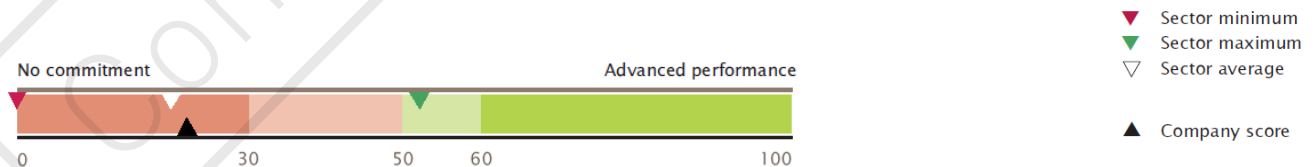
Review of CSR issues at Board meeting *Only few of the relevant CSR issues appear to be discussed at Board level.
- Business ethics
In addition, the company discusses social and environmental considerations.*

Regularity of and attendance at Board meetings *Regular meetings are held, and attendance rates are disclosed, but these are below 90%.*

Non-independent board members (excl. employee representatives)	Role	Current or Former Executive	More than 9 years on board	Stock options or warrants	Paid >1/2 executive salary	Owns or represents >3% company's shares	Other
DRAGO GUILLERMO KISIC WAGNER	Chairman					X	
DULIO AURELIO COSTA OLIVERA	CEO					X	
MATEO MOREYRA OCAMPO						X	CEO of Macroinvest MA SAC
NICOLAS POLAR MUNCHER	Alternative Director					X	
RAUL TEMISTOCLES SALAZAR OLIVARES						X	
MANUEL ABEL SALAZAR ROBLES						X	

CGV2.1 Audit & Internal Controls

(score: 22, weight: 3)



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

The internal control system covers the standard issues related to financial, operational, and legal risks. In addition, the system covers most of the ESG risks inherent to the company's business operations.

- ESG/ SRI policies
- Corruption and money laundering (Business ethics)
- Carbon risks

The company states that covers these issues but does not give more details.

Stakeholders' feedback

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

[UNLISTED COMPANIES] Existence and independence of Audit Committee

Information disclosed on this subject is insufficient or not relevant.

Skills and backgrounds of Audit Committee members

Information disclosed on this subject is insufficient or not relevant.

Governance of risks

Information disclosed on this subject is insufficient or not relevant.

- No executive is part of the Board Risk Committee*
- The Board Risk Committee is composed by a majority of independent members*
- The Chairman of the Audit Committee is a member of the Risk Committee*
- The Chief Risk Officer (CRO) is at par level of Chief Financial Officer (CFO)*
- The CRO has direct access to the Board Risk Committee (including attending committee meetings)*

Role of the Audit Committee in overseeing internal and external controls

Information obtained from company and public sources regarding the role of the Audit Committee in overseeing the internal controls system is insufficient.

- 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*

Management of the CSR risks

*Limited processes dedicated to management of CSR risks appear to be in place:
- Balanced scorecard*

Independence of the firm's external auditors

Information obtained from company and public sources regarding the independence of the firm's external auditors is insufficient.

Supervision of risk-taking staff

Information disclosed on this subject is insufficient or not relevant.

Inclusion of CSR issues in company reporting

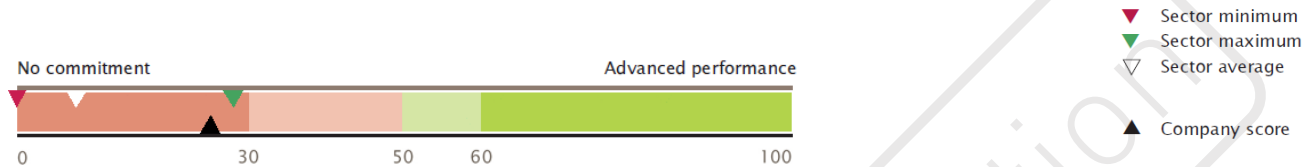
The company does not publish any significant CSR reporting.

CGV3.1 Shareholders

(deactivated)

CGV4.1 Executive Remuneration

(score: 25, weight: 2)



[UNLISTED COMPANIES] Existence and independence of Remuneration Committee

A specific committee is in place, but at least one executive is part of it, which might raise concerns.

Disclosure of senior executives' individual remuneration

All elements of executive remuneration are disclosed on an individual basis. Of note: The disclosure is only for the CEO and CIO. Information is not clear the difference between short and long terms incentives.

[UNLISTED COMPANIES] Link between variable remuneration and the economic and CSR performance of the company

There is no disclosure on what rules guide the company in allocating variable remuneration to senior executives.

Severance pay for senior executives

Severance pay may exceed 2 years' base salary, contrary to standards advocated by Vigeo.

Risk alignment of remuneration of top senior executives

Information on risk adjustments of remuneration is insufficient or not relevant.

Evolution of CEO-to-employee compensation ratio

The ratio of CEO compensation vs. average employee salary has been stable, or has decreased. The CEO's salary remains stable increasing by 3% every two years. The employees' salary is approximately USD 81,333. The ratio of CEO compensation vs. average employee salary remains stable between 2 and 2,2.

Stakeholders' feedback

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

Contacts

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