

OHL Mexico

ISIN CODE: MX01OH010006

Overall score 31/100

Sector: Transport & Logistics Emerging Market

Companies in sector panel: 30

Information rate: 62% (Sector average: 56%)
Company cooperation level: Not responsive *

General information

OHL Mexico SAB de CV is a Mexico-based company and engaged in the management of transport and airport infrastructure. The Company's concessions portfolio comprises six toll roads, which interconnect the urban zones of the Federal District and the states of Mexico and Puebla. Furthermore, it is also involved in the integral management of Toluca International Airport. OHL Mexico SAB de CV is a subsidiary of OHL Concesiones SAU. The Company is headquartered in Mexico and was founded in 2002.

Main Economic Segment**	Turnover 2017
Conmex	54.7 %
Aunorte	24.1 %
Viaducto	15.7 %

CORPORATE GOVERNANCE			
	2014	2016	2018
Score			31
Allegations			No
Rating			=
Risk management			Limited

Key issues

Sound corporate governance is required to oversee a company's strategic direction, including the CSR strategy. Vigeo's framework has been adapted to capture the level of integration of CSR topics at Board-level, supplementing traditional signals on efficient governance practices. Directors are notably evaluated on their level of diversity and experience with operational, financial, and CSR topics (CGV1.1). The audit and internal controls system is examined regarding the efficiency and reach of its risk management (CGV2.1). Shareholders are expected to have fair voting rights and access to all relevant information on material CSR issues (CGV3.1). Executive remuneration is assessed for transparency and alignment with the interests of company's shareholders and other stakeholders (CGV4.1).

Company performance

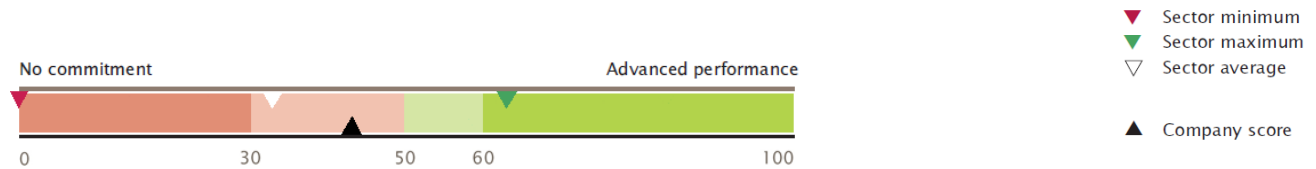
- The Company's performance in the Corporate Governance domain is overall limited. It has decreased since the Vigeo-Eiris' last review.
- Even though OHL Mexico's Board is more than 50% independent, the Company seems to lack a committee in charge of director's nomination which might raise concerns. The Company doesn't seem to report on its relationship to shareholders. In addition no committee seems to be in charge of remuneration either. However, the Company's Audit Committee is independent and has a comprehensive role in overseeing internal and external controls.

Corporate Governance

Score : 31

CGV1.1 Board of Directors

(score: 43, weight: 3)



[LISTED COMPANIES] Existence and independence of Nomination Committee

No specific committee is in charge of director nomination, which might raise concerns.

Independence of the Board Chairman

The roles of Chairman and CEO are combined, and there is a senior independent director who serve as intermediary for other directors, and the majority of the board is independent.
The Company has set up a Non-member Secretary, José Francisco Salem Alfaro.

Responsibility allocated over CSR issues

Information on the responsibilities allocated over CSR issues is insufficient.
Of note, the Company has a Company practice committee that is charged with managing risks derived from operations that could damage the value of the company or benefit a group of shareholders.

Share of independent shareholder-elected Board members

[LISTED COMPANIES] In accordance with standards advocated by Vigeo, the Board is more than 50% independent.
Seven of the twelve-member Board are considered independent.

Diversity of the skills and backgrounds of the Board

The Board of Directors diversity appears to be partial:

- At least 30% of directors are women
- At least 40% of directors are women
- Employee representative(s) sitting on the Board
- Board members with demonstrated professional experience in the company's sector of activities
- Board members with demonstrated expertise on CSR issues
 - Board members with demonstrated professional experience in the company's sector of activities: *D. Juan Luis Osuna, the Company's CEO has extensive operational experience in the infrastructure and transport sector of activity, which is the main activity sector of the company.*

Training and expertise provided to board members

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

Regular election of Board members

[LISTED COMPANIES] Board members are elected every year.
Board members are eligible for re-election following one-year terms

Evaluation of Board's 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 meeting

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

- Business ethics
- Human capital
- Responsible customers relations
- Climate change

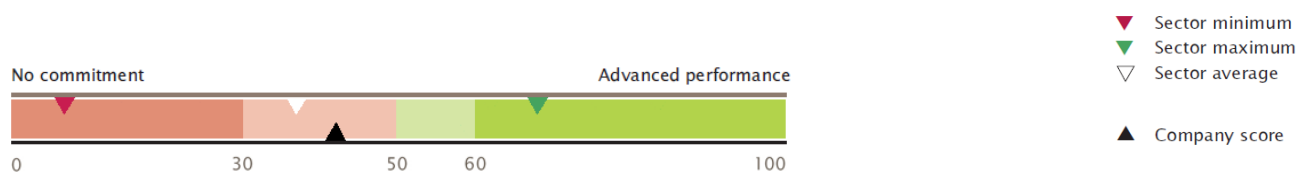
Regularity of and attendance at Board meetings

Regular meetings are held, and attendance rates are above 90%
Ten Board meetings were held during 2015, with 98% of attendance rate.

Name of Board member	Role	Executive	Non executive	Employee representative	Nomination	Audit	Remuneration	Former executive	> 9 years on Board	Stock options	Paid > 1/2 executive salary	Represent > 3% company's shares	Other	Independence
D. Juan Luis Osuna G	CEO and chairman of the Board	X												
D. Hidalgo Monroy Se	General Director												CEO of OHL Mexico SAB De CV	
D. Gabriel Nuñez Gar	CFO	X												
D. José Guillermo Ka			X											X
D. Antonio Hugo Fran			X			X								X
D. Luis Miguel Vilat			X			X								X
Francisco Javier Son			X											X
Alberto Felipe Mulás			X											X
José Víctor Torres G			X									X	global fund manager	
D. Rafael Villafañez		X												
D. José Francisco Sa	Non-member Secretary													
D. Pablo Suinaga Car			X											X
Carlos Gúzman	President of the Audit Committee					X								X

CGV2.1 Audit & Internal Controls

(score: 42, weight: 2)



[LISTED COMPANIES] Existence and independence of Audit Committee

All members are independent non-executive directors.
All three-members of the Audit Committee are considered independent.

Skills and backgrounds of Audit Committee members

Members appear to have financial 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.

- Business Ethics
- Human Capital
- Responsible Customer Relations
- Climate Change

Role of the Audit Committee in overseeing internal and external controls

The Audit Committee 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

Management of the CSR risks

Information obtained from the company and public sources regarding the management of the CSR risks is insufficient.

- Balanced scorecard
- Risk-related training
- Monitoring of key risk indicators
- Reporting system to the Board
- Risk mapping/materiality assessment
- A Board Risk Committee with no executive part of it

Independence of the firm's external auditors

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

Inclusion of CSR issues in the company's reporting

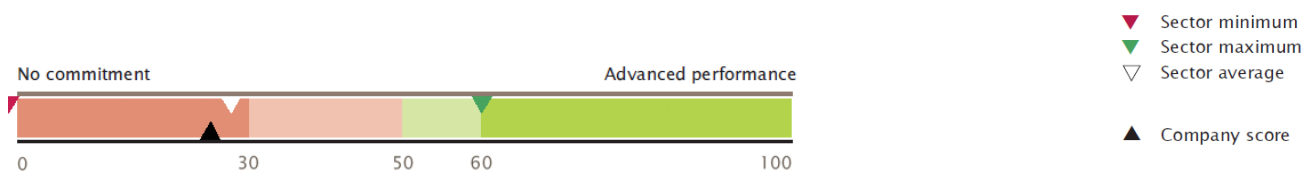
The company does not publish any significant CSR reporting on the key material issues for its sector.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral
As of 08/2018, OHL Mexico did not appear to be involved in any controversy related to this sustainability driver.

CGV3.1 Shareholders

(score: 25, weight: 2)

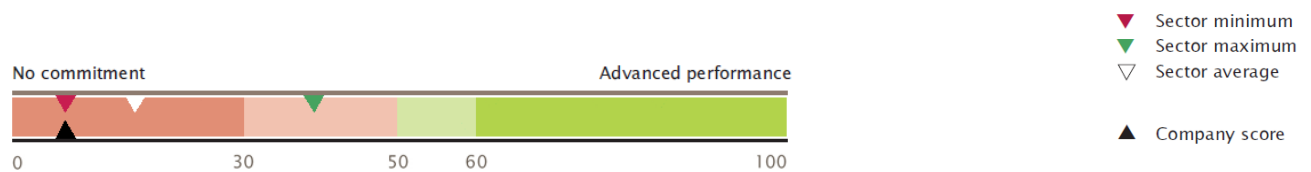


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Nonexistence of voting rights restrictions	Information disclosed on voting rights restrictions is insufficient or not relevant.
Safeguards on transactions with major shareholder(s)	More than half of the board is independent. However, there are no additional safeguards in place to monitor transactions between the company and its major shareholder(s).
Ability to add items to the agenda of the AGM and to convene an EGM	Information obtained from the company and public sources, regarding the ability to add items to the agenda of the AGM and to convene an EGM, is insufficient.
Access to voting at General Meetings	Information obtained from the company and public sources regarding the access to voting at the AGM is insufficient.
Ability to vote on relevant issues in separate resolutions at AGM	All major items are voted upon in separate resolutions, in accordance with standards advocated by Vigeo.
Presentation of CSR strategy to shareholders and investors	Information disclosed from the entity and public sources regarding the presentation of CSR strategy to shareholders and investors is insufficient. <input type="checkbox"/> <i>Business Ethics</i> <input type="checkbox"/> <i>Human Capital</i> <input type="checkbox"/> <i>Responsible Customer Relations</i> <input type="checkbox"/> <i>Climate Change</i>
Stakeholders' feedback	A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral <i>As of 08/2018, OHL Mexico did not appear to be involved in any controversy related to this sustainability driver.</i>

CGV4.1 Executive Remuneration

(score: 7, weight: 2)



[LISTED COMPANIES] Existence and independence of Remuneration Committee	No specific committee is in charge of executive remuneration, which might raise concerns.
Disclosure of senior executives' individual remuneration	Disclosure of individual executive remuneration data for senior executives is insufficient.

Link between Short Term Incentive Plans and the performance of the company

There is no disclosure on what rules guide the company in allocating bonuses and other short-term incentives to senior executives.

Link between the main Long Term Incentive Plan and the performance of the company

Information on the rules and performance conditions guiding the allocation of long-term incentives to senior executives is insufficient.

Link between variable remuneration and CSR performance of the company

There is no disclosure on the links between variable remuneration of executive and the CSR performance of the company.

- Business Ethics*
- Human Capital*
- Responsible Customer Relations*
- Climate Change*

Severance pay for senior executives

Information obtained from the company and public sources regarding severance pay for senior executives is insufficient.

Evolution of CEO-to-employee compensation ratio

Information obtained from the company and public sources regarding the compensation of CEO and the average employee salary is insufficient.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral
As of 08/2018, OHL Mexico did not appear to be involved in any controversy related to this sustainability driver.

Contacts

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