

Inside Look at LATAM IR

IR Compensation

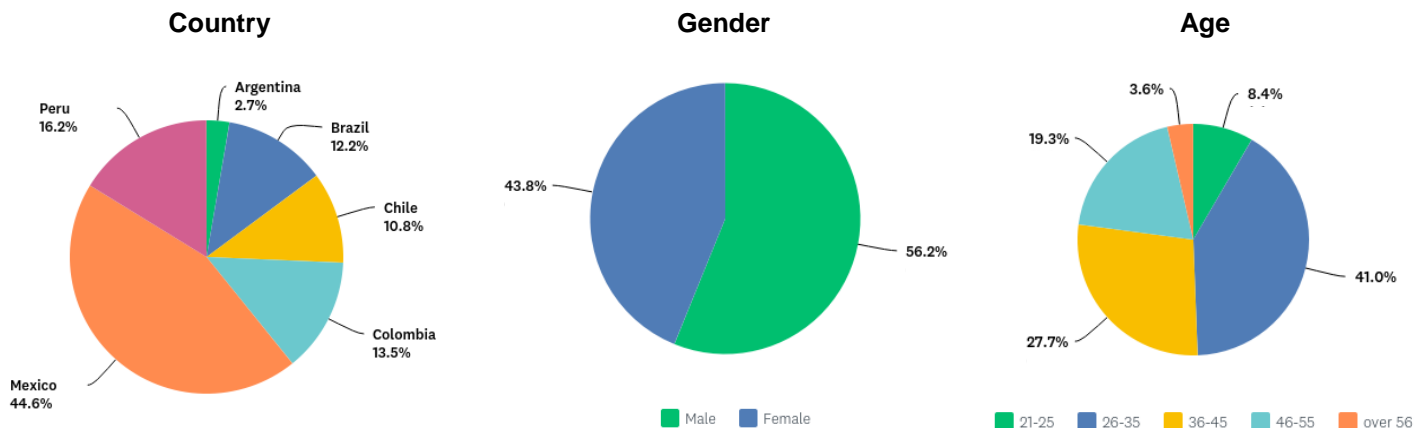
This final installment of the three-part series focused on the Latin American IR profession specifically pertains to the budgets and compensations of IR departments throughout the region. The information contained in this report was obtained from the i-advize survey entitled **IR Demographic and Compensation Study** that was distributed to issuers in August 2017.

Over 85 IR professionals throughout Argentina, Brazil, Chile, Colombia, Mexico, Panama and Peru answered specific questions regarding their practice including, their annual salaries, bonuses, incentive plans and other items related to their compensation structure. In this report, we will be sharing some of these results with you.

- [Part 1: IR Team Composition](#)
(past issue – July 2017)
- [Part 2: Professional Backgrounds, Responsibilities and Aspirations](#)
(October 2017)
- [Part 3: Compensation](#)
(current issue)

Demographics (at December 2017)

In terms of the demographics of our survey participants, most of the participants are located in Mexico (44%), followed by Peru (16%), Colombia (14%), Brazil (12%) and Chile (11%). 56% of the participants are male and, in terms of age, 41% are between the ages of 26-35%.



It is important to mention that, of the survey participants:

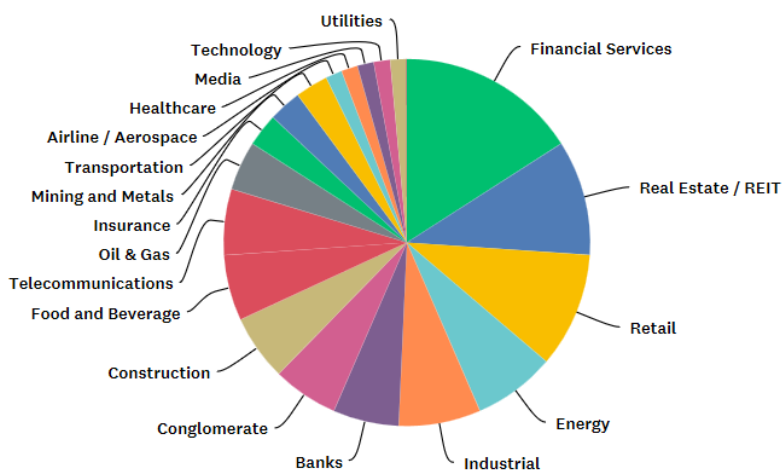
46% identified as Investor Relations Officer,

24% identified as IR Manager, 11% as IR Analyst

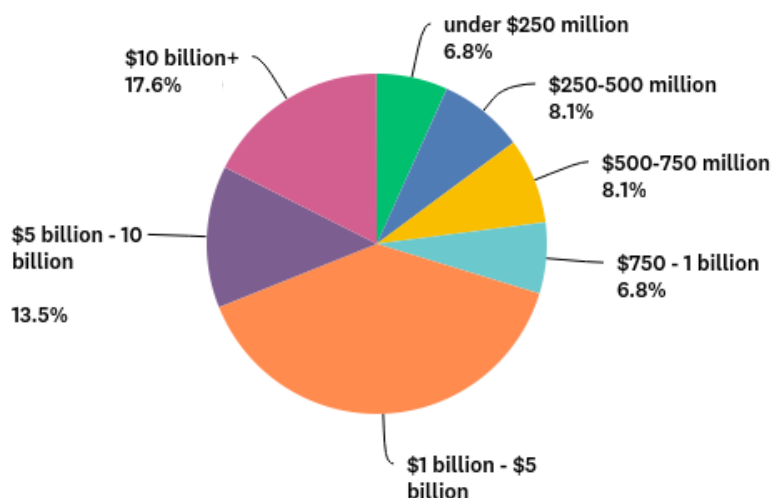
12% as Chief Financial Officer and 4% as Chief Executive Officer

The sector or industry that the participants came from varied tremendously, meaning that the survey represents many, if not most of the sectors in Latin America. Most of the responses came from the financial services, real estate and retail sectors (16%, 10% and 10%, respectively). These were followed by the energy and industrial sectors, with 7%.

Sector / Industry



Market Capitalization



In terms of market capitalization¹ or size of the institutions that responded to this survey, most of the respondents work at companies that have market caps between US\$1-5 billion (39%). This group was followed by the over US\$10 billion market cap group, representing 18% of the respondents of the survey.

¹ For the purposes of measuring market capitalization, i-advize used the following groupings: under \$250 million; \$250-500 million; \$500-750 million; \$750 - 1 billion; \$1 billion - \$5 billion; \$5 billion - 10 billion; and \$10 billion+

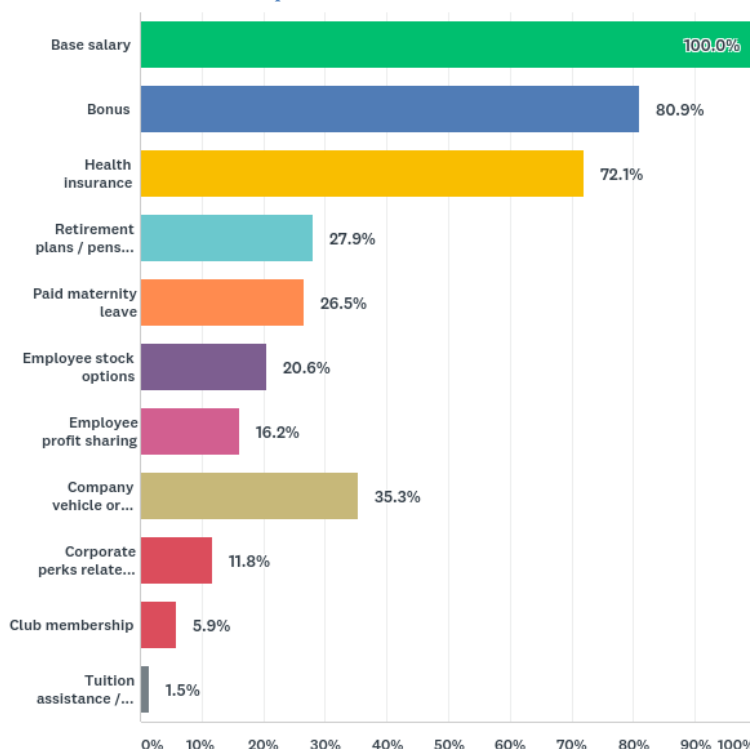


COMPENSATION STRUCTURE

On top of their base salary, 81% of the respondents are paid bonuses, and 72% receive health insurance benefits. To a lesser extent, our respondents receive retirement plans, employee stock options or have access to employee profit sharing, at 28%, 21% and 16%.

Notably, 35% of our respondents are entitled to a company vehicle and nearly 12% receive other corporate perks related to the business.

Compensation Structure

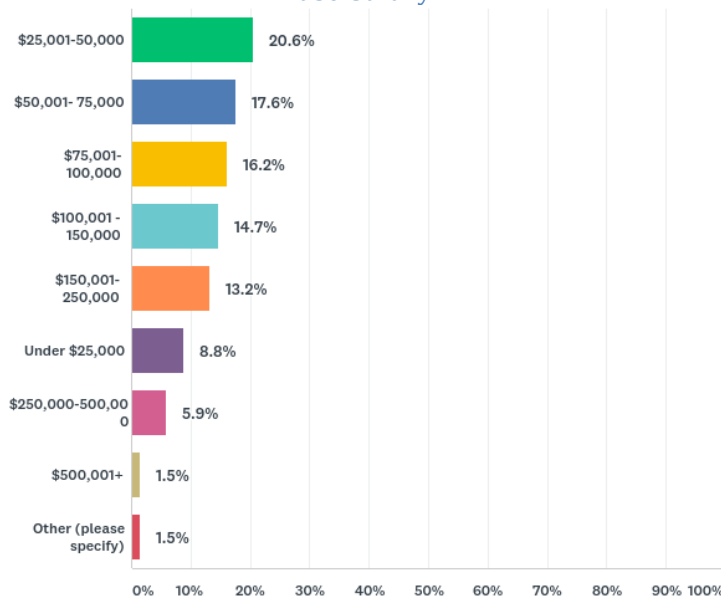


BASE SALARY²

If we take a look at the annual base salary range of our respondents, approximately 54% make between US\$25-100 thousand per year.

On the other hand, only 6% make from US\$250-500 thousand and fewer than 2% make over US\$500 thousand per year. Only 1.5% of the respondents marked their base salaries as "confidential".

Base Salary



² For the purpose of measuring the annual base salary range of the respondents, i-advize used the following groupings: Under \$25,000; \$25,001-50,000; \$50,001- 75,000; \$75,001- 100,000; \$100,001 - 150,000; \$150,001- 250,000; \$250,000-500,000 and \$500,001+

It is important to note, in terms of the base salary that this table describes all of the participants of the survey. However, if we break down the data a bit further and exclude the CEOs and CFO from the analysis, the information changes a bit. The reason being that the higher positions, **which are 87% held by males aged 46 and above**, generally have salaries of well over US\$150 thousand per annum.

However, if we exclude these from our sample, the following would be true:

INVESTOR RELATIONS OFFICERS	Salary Range (US\$/year)	%
	\$250-500	6%
	\$150-250	3%
	\$100-150	24%
	\$75-100	27%
	\$50-75	24%
	\$25-50	6%
	No info	9%

Of the Investor Relations Officers that participated in the survey (representing 46% of all survey respondents) only **6%** make between US\$250 and 500 thousand in base salaries. These are mainly based in Brazil and Mexico.

Of the **3%** that follow, at US\$150-250 thousand per year, these are located in Brazil; the **24%** that make between \$100-150 thousand per year, almost 80% are in Mexico, the **27%** IROs that make between US\$75-100 thousand per year, half are based in Colombia with the rest are dispersed throughout the region; and of those **24%** who earn US\$50-75 thousand per year, half were in Mexico with the rest in Chile and Peru.

In turn, of those making US\$25-50 thousand per year, half were in Chile and the other half in Mexico.

INVESTOR RELATIONS MANAGERS	Salary Range (US\$/year)	%
	\$150-250	5%
	\$100-150	11%
	\$75-100	11%
	\$50-75	21%
	\$25-50	37%
	Under \$25	5%
	No info	11%

The other big group of respondents were IR Managers, representing 25% of the respondents.

37% earn between US\$25 and 50 thousand per annum, mostly located in Colombia and Mexico; **21%** make between US\$50 and 75 thousand per annum, mostly in Mexico; of the **11%** that earn US\$75-100 thousand per annum, these are mostly in Argentina and Peru, and of the **11%** that earn between US\$100-150 thousand per year, these are mainly in Chile and Mexico.

Only **5%** make over US\$150 per year, located mainly in Brazil. And of those **5%** that earn below US\$25 thousand, these are located in Peru.

INVESTOR RELATIONS ANALYSTS	Salary Range (US\$/year)	%
	\$25-50	50%
	Under \$25	50%

Lastly, the role of IR Analyst, the most junior of the IR positions represented in this report, accounted for 11% of the respondents.

Of these, half earn US\$25-50 thousand per year --- represented by Chile (50%), Colombia (25%) and Brazil (25%) and the other half earn under US\$25 thousand per year --- represented by Mexico (50%), Peru and Colombia (25% each).

It is very hard to make a generalization based on the data, however, we can conclude that the highest paid positions are located mainly in Mexico and Brazil. Based on the the number of issuers and IR professionals in those countries, one can also conclude that supply and demand of IR professionals is also greater.

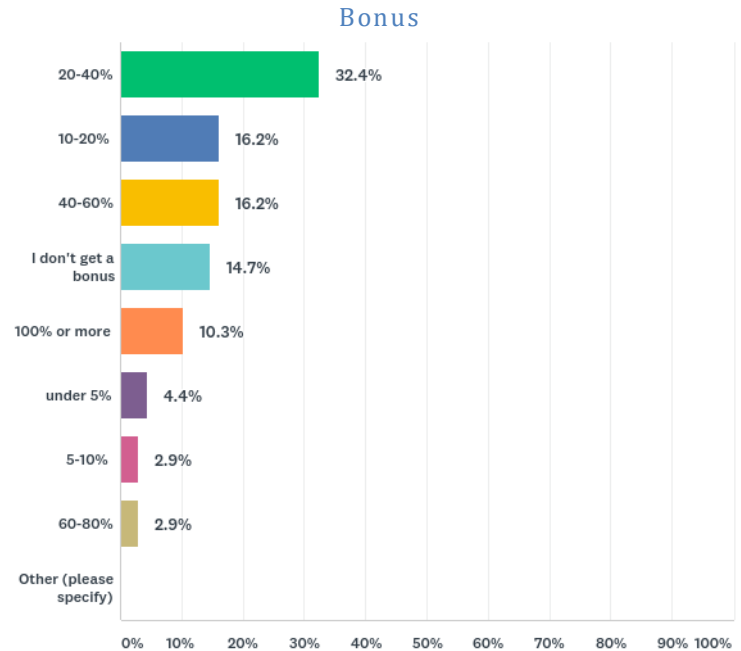


BONUSES

Base salaries are not the only manner in which our respondents are compensated. Many reported also receiving bonuses on top of their base salaries. In our survey, we asked participants to share with us what percentage of their annual salaries did their bonus represent. The answers ranged from 20 to 40% of the annual salaries to 60-80% of their annual salaries.

Of those that received bonuses (we assume 81% based on the previous question), 32% of respondents receive bonuses that are 20-40% of their annual base salary amount; 16% of respondents receive a bonus that is 10-20% of their salary amount and 16% receive a bonus that is 40-6% of their salary.

In turn, 15% do not receive an annual bonus and 10% receive a bonus that is equal to or above their total annual salary.

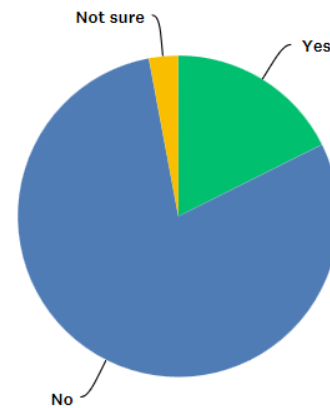


EMPLOYEE STOCK OPTIONS

In terms of employee stock options, most respondents (79%) do not receive compensation in the form of stock options, while 18% do receive stock options.

Many companies use employee stock options plans to compensate, retain, and attract employees. These plans are contracts between a company and its employees that give employees the right to buy a specific number of the company's shares at a fixed price within a certain period of time.
(www.sec.gov)

Employee Stock Options

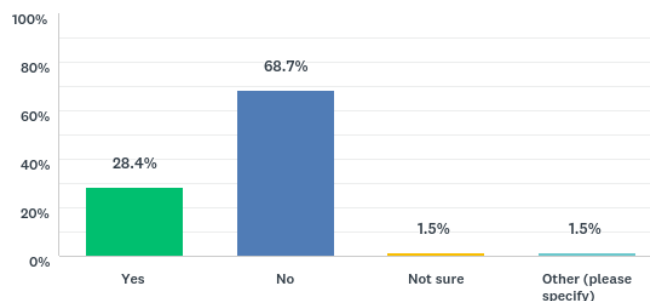




EMPLOYEE PROFIT SHARING

Profit sharing refers to various incentive plans for employees that depend on company's profitability in addition to employees' regular salary and bonuses. This could be in the form of shares or bonds. 69% of our survey respondents, however, do not receive any employee profit sharing benefits on top of their salary and bonus.

Employee Profit Sharing

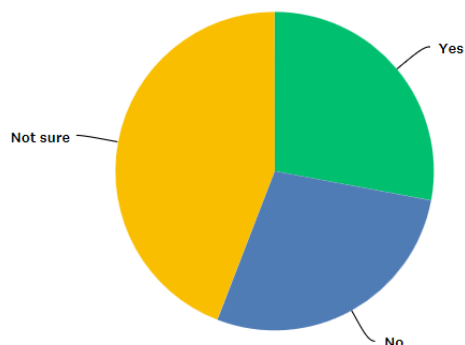


SATISFACTION LEVEL

We asked our survey respondents the following question if they felt their TOTAL ANNUAL COMPENSATION was in line the local market average for IR professionals? 44% of the respondents were not sure if their compensation was in line with the market average. We assume they meant that they were not certain what the market average actually is.

28% did think that their compensation levels are in line, and 28% DID NOT think it was in line.

Compensation in line with market average?

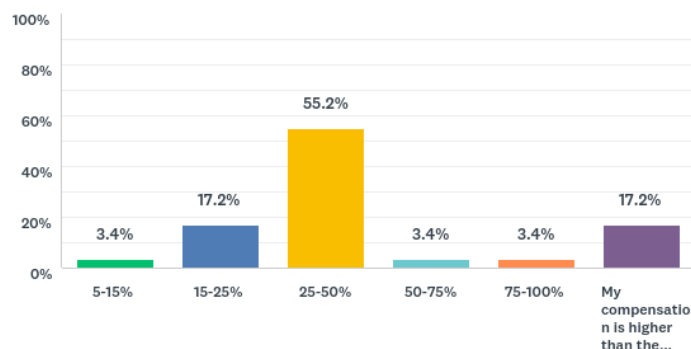
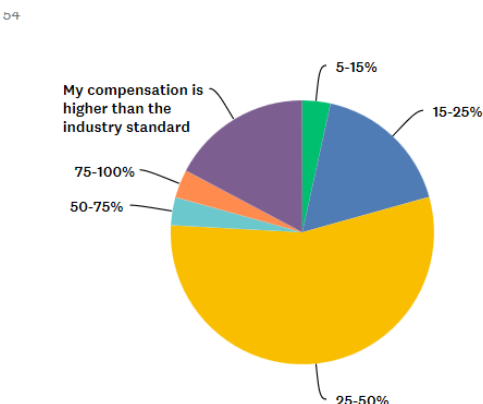


Of those 28% that DID NOT think their compensation was in line with the industry average:

- 55% would like to see their compensation go up by 25-50% and
- 17% would like to see it go up by 15-25%

In turn, 17% felt their annual compensation package was HIGHER than the industry average.

Compensation standard





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