

TERMS OF REFERENCE OF THE  
CORPORATE SECRETARY/  
CORPORATE GOVERNANCE  
OFFICER

CORPORATE GOVERNANCE  
IMPLEMENTATION GUIDE



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**About the Authors | Cefeidas Group**

Cefeidas Group is an international advisory firm that helps clients achieve their goals in Latin America. Cefeidas has worked with IDB Invest and the IDB for over a decade. Cefeidas provides professional services in public policy, risk and strategy; corporate governance, stewardship and sustainability; and strategic intelligence and research. [www.cefeidas.com](http://www.cefeidas.com)



# 1. FUNDAMENTALS OF THE ROLE OF CORPORATE SECRETARY OR GOVERNANCE OFFICER

The Corporate Secretary or Corporate Governance Officer is a specialized professional who acts as the central axis of a company's corporate governance system, serving as a strategic bridge between the Board of Directors, Senior Management, shareholders, and other *stakeholders*. This role, which has evolved significantly in recent decades, has transcended its traditional administrative role to become a key enabler of corporate governance best practices.

Unlike a traditional secretary, whose role was limited to documentary functions, the modern Corporate Secretary is a senior professional who oversees the organization's governance architecture, ensuring that decisions are made in an informed, transparent manner and in compliance with applicable regulatory frameworks.

## Why is it essential to the company's success?

The role of the Corporate Secretary has become indispensable in the current context of increasing regulatory complexity, where the environment demands a level of compliance and documentation that requires professional specialization. Without a competent Corporate Secretary, companies face significant risks of regulatory noncompliance, regulatory sanctions, and reputational damage. This function optimizes decision-making efficiency by structuring the flow of information to the Board, reducing meeting preparation time, and improving decision quality. In addition, proper documentation of Board decisions and compliance with formal procedures protects both the Company and individual Directors from future legal liabilities.

## What are the Corporate Secretary's ToR?

The Corporate Secretary's Terms of Reference (ToR) are a key instrument for formalizing the role, clarifying expectations, and eliminating ambiguity. First, they provide **functional clarity**, precisely defining what is expected of the role and avoiding both duplicating functions and creating gaps in responsibility. In addition, they reinforce **operational independence** by establishing safeguards that allow the Secretary to act with his or her own professional judgment. ToRs also guarantee **institutional continuity**, so that corporate memory and processes do not depend on a particular person, and they facilitate **performance**

### Key Concept

The Corporate Secretary's Terms of Reference are the foundational document that defines, delimits, and empowers this critical function, establishing not only responsibilities but also the authority necessary to execute them effectively.

**measurement by** providing objective criteria to evaluate the effectiveness of the position.

ToRs have primary and secondary objectives:

#### Primary objectives:

1. **Institutionalize the role:** Formally establish this function within the organizational structure, lending it the necessary weight and authority.
2. **Define specific responsibilities:** Precisely delineate roles to avoid overlaps or gaps that compromise governance.
3. **Establish reporting channels:** Clarify the dual reporting structure (administrative to the CEO, functional to the Board) to preserve independence.
4. **Ensure adequate resources:** Ensure that the role has the necessary human, technological, and budgetary resources.

#### Secondary objectives:

- **Professionalization of governance:** Raising the standards of corporate governance through structured processes.
- **Institutional memory:** Create and maintain the historical archive of corporate decisions.
- **Facilitating transitions:** Ensuring continuity during changes in leadership.
- **Compliance Culture:** Promote a compliance-oriented organizational culture and best practices.

## Scope and Application

The scope of the Corporate Secretary's Terms of Reference covers multiple organizational levels:

#### Direct and immediate application:

##### Board of Directors

- Comprehensive support in all Board activities.
- Advice on compliance with fiduciary duties, issues relevant to the Board, and trends in corporate governance.
- Facilitation of evaluations and continuous improvement processes.
- Point of contact and leadership in the induction of new Directors.

##### Board Committees

- Coordination and oversight of specialized committees.

#### Practical note

The TOR must clearly state that the Corporate Secretary has direct access to both the Chairman of the Board and the CEO, but maintains functional independence from both to preserve objectivity in their role.

#### Key mechanisms:

##### 1. Dual Reporting:

- Administratively reports to the CEO (operational issues, budget, resources).
- Functionally reports to the Board/Chairman (governance issues, compliance).

##### 2. Appointment and Removal:

- Only the full Board may appoint or remove the Corporate Secretary.
- The CEO has no unilateral authority over their permanence.

##### 3. Direct Access:

- The right of direct communication with any Director without intermediaries.
- Participation in executive sessions of the Board (without the CEO present).

##### 4. Protected Budget:

- The budget is approved directly by the Board.
- It is not subject to unilateral cuts by management.

##### 5. Independent Evaluation:

- Evaluated by the Board, not by the CEO.
- KPIs are related to governance, not operational objectives.

- Ensuring consistency between the decisions of the committees and the Board.
- Specialized documentation according to the nature of each committee.

**Chairman of the Board**

- Close collaboration in the preparation of strategic agendas.
- Advice on procedures and best practices.
- Support in the management of Board dynamics and their evaluation.

**Coordinated application:**

**Senior Management (CEO and C-Suite)**

- Formal channel of communication with the Board.
- Coordination of reports and presentations to the Board.
- Follow-up on Board decisions and instructions.

**Shareholders**

- Management of General Assemblies.
- Formal communication of decisions and resolutions.
- Safeguarding minority rights.

**External stakeholders**

- Point of contact for regulators on governance issues.
- B. Coordination with external auditors
- Interface with legal advisors and specialized consultants.
- Technical representative in round tables, conferences, and working groups specialized in good governance.



**G20/OECD Principles of Corporate Governance (2023)**

The Principles explicitly recognize the importance of the Corporate Secretary. The OECD recommends that the Board have access to an experienced, competent, and professional Secretary, whose ToR complies with the following points:

- **Functional independence**, with safeguards that allow it to act without undue interference.
- **Direct access to the Board**, including seamless communication with the Chairman and directors.
- **Adequate resources** in terms of budget, staff, and tools.
- **Continuous training** to ensure professional development and up-to-date practices.
- **Periodic performance review** through formal processes.
- **Planned succession**, which guarantees the continuity of the role.

Table Measurable benefits

Impact Area	Expected Benefit
Operational Efficiency	Reduced meeting preparation time
Decision Quality	Improved information presented to the Board
Fulfillment	Reduction of regulatory observations
Documentation	Completeness of minutes and records
Continuity	Preservation of institutional knowledge

## Advantages by company type

### Family Businesses

In family businesses, the Terms of Reference facilitate a gradual professionalization that enables the transition from informal practices to institutionalized processes without causing disruption in the culture. This position is usually initially held by a trusted person who has already been working with the family and who supports them in forming the Board and adding independent members. The Secretary acts as an impartial facilitator in discussions where family and business dynamics may overlap. They document and facilitate generational succession processes with transparency and equity, being the person with access to the different generations who understands the needs and concerns of each.

### Listed companies

Advantages specific to listed companies include regulatory compliance, which ensures compliance with stock and disclosure requirements; protection for directors through proper documentation, shielding board members from potential liability; and market transparency, which facilitates effective communication with analysts and institutional investors.

### Privately owned companies

In privately held companies, good corporate governance practices offer several key advantages: they facilitate preparation for growth by establishing the necessary bases for future investment rounds or an eventual capital opening; generate confidence in potential institutional investors by demonstrating a commitment to professional standards; and aid in cost efficiency by optimizing resources through the consolidation of governance functions in a professional role.

### Medium-sized companies in transition

Having a corporate secretary with clear functions offers specific advantages for medium-sized companies in transition. First, it ensures scalability, as the Terms of Reference can adapt and evolve as the organization grows. Likewise, it favors attracting talent, given that a well-structured governance framework is key to incorporating high-quality independent directors. Finally, it provides competitive differentiation, demonstrating organizational maturity to customers and strategic suppliers.

### Startups or scale-ups

For startups, having a corporate secretary offers the advantage of early structuring of governance practices that allow them to grow in an orderly manner, build trust with angel investors or venture capital funds, and ensure adequate documentation of decisions in high-speed, constantly changing environments.



#### Special considerations in family businesses:

- Emphasis on cultural sensitivity and respect for family traditions.
- Flexibility to adapt formal processes to family dynamics.
- Educational role for new generations on corporate governance.



In a **listed company** that does not yet have a department or a formal manager of investor relations, the corporate secretary is usually the first function to assume that initial bridge with the market. Thanks to its role in organizing information, coordinating the board, and properly documenting decisions, the corporate secretary can ensure consistency, transparency, and timeliness in communicating with shareholders, analysts, and institutional investors.

## State-owned enterprises

In state-owned companies, this role is key to guaranteeing transparency, professionalizing decision-making processes, and strengthening accountability. This contributes to generating trust in citizens, complying with international standards, and reducing risks associated with the politicization of management.

## Connection with the pillars of good corporate governance

The Corporate Secretary's Terms of Reference embody the four fundamental principles of corporate governance:

### 1. Transparency

The Corporate Secretary serves as the guardian of corporate transparency through:

- **Comprehensive Documentation:** Detailed records of all decisions and deliberations.
- **Timely Information:** Even distribution of information to all relevant *stakeholders*.
- **Traceability:** Maintenance of records that allow for auditing of the decision-making process.

### 2. Accountability

The Terms of Reference establish clear accountability mechanisms.

- **Structured Reports:** Defined reporting formats and frequencies.
- **Performance Metrics:** Objective indicators of performance.
- **Periodic Evaluation:** Formal evaluation process of the Corporate Secretary.

### 3. Responsibility

The function reinforces corporate responsibility through:

- **Regulatory Compliance:** Active monitoring of regulatory compliance.
- **Fiduciary Duties:** Constant reminder of the Directors' obligations.
- **Risk Management:** Support in identifying and managing government risks.

### 4. Fairness

The Secretary ensures equitable treatment by:

- **Protection of Minorities:** Safeguarding the rights of minority shareholders.
- **Access to Information:** Even distribution of relevant information.
- **Fair Processes:** Consistent application of procedures without favoritism.

## 2. KEY COMPONENTS AND STRUCTURE

The ToR for the Corporate Secretary function constitute the fundamental operational framework defining the scope, responsibilities, and powers of this critical role within the corporate governance system. Unlike a simple job description, ToR formally establishes the authority, reporting lines, and accountability mechanisms that ensure the effectiveness of this function.

### Breakdown of essential elements

The following is a simple model ToR for the role of Corporate Secretary or Corporate Governance Officer. Companies are invited to develop their own detailed documents:

*[Cover]*

#### **CORPORATE SECRETARY'S TERMS OF REFERENCE**

*[Company Name]*

Board Approval Date: *[XX/XX/XXXX]*

### **I. GENERAL PROVISIONS**

#### **1.1. Purpose and Scope**

*These Terms of Reference establish the framework of action, responsibilities, and powers of the Secretary, complementing the provisions contained in:*

*[Establish its complementarity with the law and bylaws].*

- *Applicable legislation and regulation*
- *Corporate bylaws*
- *Board Charter*
- *Internal corporate governance policies and procedures*

#### **1.2 Guiding Principles**

*[Including these principles helps to guide the interpretation of the document in situations not explicitly foreseen.]*

*The Corporate Secretary shall perform his or her duties in accordance with the following principles:*

- *Professional independence: Maintaining objective technical criteria*
- *Confidentiality: Protecting sensitive company information*
- *Diligence: Acting with the care of an experienced professional*
- *Fairness: Serving the interests of the company as a whole*

#### **1.3. Publication and Transparency**

#### **Practical note**

The ToR should be a living document, reviewed annually, and updated as the company's governance needs and market best practices evolve.

This section sets out the fundamental framework of the document. It must be explicitly linked to senior corporate documents.

These Terms of Reference will be posted on [*specify: corporate website/annual report/ other channels*] as part of the company's commitment to transparency.

1.1 This Charter aims to regulate the organization and operation of the Board of Directors of [*Company Name*] (hereinafter, the "Company"), as well as the rules of conduct for its members, in order to achieve the greatest possible efficiency and transparency in its functions.

1.2 This Charter expands on and complements the legal and statutory provisions applicable to the Board, setting out the principles of conduct and the basic rules governing its organization and operation.

1.4 Governance Framework

## Article 2. Applicability and Mandatory Nature

2.1 This Charter is mandatory for all members of the Board of Directors, including:

- Incumbent and alternate directors
- The Board Secretary and Assistant Secretary
- Guests participating in meetings

## II. APPOINTMENT, PROFILE, AND TERM

### 2.1. Appointment Process

a) *Appointing Authority*: The Board of Directors shall appoint the Corporate Secretary by resolution approved by [*specify whether simple majority/qualified majority/ unanimity*].

b) *Selection Process*:

- The Corporate Governance [*or Nominations*] Committee will submit a shortlist of candidates.
- Evaluation of technical and soft skills will be conducted.
- Absence of conflicts of interest and disqualifications will be verified.

c) *Formalization*:

- Approval by the Board of Directors.
- Chairman of the Board's signature on behalf of the company.
- Registration in minutes and communication to relevant stakeholders.

### 2.2. Required Qualifications and Competencies

Mandatory requirements:

- University degree in [*Law / Administration / Accounting /related areas*].
- Minimum of [*X*] years of experience in governance, legal, or compliance roles.
- Demonstrable knowledge of:
  - o Regulatory framework applicable to the sector.
  - o Principles of corporate governance.

The appointment process should reflect the strategic importance of the role. Direct approval by the Board is an international best practice.

Although these committees always have Management's support in identifying profiles, when the Board does not have these committees, Management must take a more active role and present the profiles of the pre-selected candidates directly to the Board.

Qualifications should be specific, but not so restrictive that they unnecessarily limit the pool of candidates. Distinguish between mandatory and desirable requirements.

- o Stock market regulations *[if applicable]*.

Desirable competencies:

- Professional certification in governance (e.g. ICSA, Governance Institute).
- Previous experience as Corporate Secretary or similar role.
- English language proficiency *[if the company has international operations]*.
- Training in risk management and internal monitoring.

Essential soft skills:

- Executive communication skills.
- Capacity for synthesis and analysis.
- Handling sensitive situations with discretion.
- Leadership without formal authority.

### 2.3. Candidate's Statements and Disclosures

Each candidate shall disclose to the Board:

- Academic background and detailed professional experience.
- Verifiable professional references (minimum of 3).
- Shareholding in the company or related companies.
- Relations with related parties, suppliers, or competitors.
- Any legal process, sanction, or disqualification currently in force.
- Other professional commitments that could generate a time conflict or conflict of interest.

### 2.4. Termination and Removal

Term of the appointment:

- Initial period of *[X]* years.
- Renewable for equal periods by evaluation of the Board.
- No re-election limit *[or specify the limit]*.

Grounds for removal:

- Serious breach of functions established in these ToR.
- Loss of Board confidence (approved by *[qualified majority]*).
- Irreparable conflict of interest.
- Legal or regulatory disqualification.

In all cases, a removal must be notified to the Board and validated by it.

## II. FUNCTIONS AND RESPONSIBILITIES

### 3.1. Functions of Support to the Board of Directors

a) Management of Board Meetings:

Prior to Meetings:

- Establish the annual calendar of the Board together with the President and CEO.
- Coordinate with the President to define the agenda.

Transparency in the selection process is essential to maintain confidence in the role.



**Template:**

**Annex IV** of this document contains a sample Board calendar. [Click here.](#)



**Template:**

**Annex II** contains a Board meeting agenda template. [Click here.](#)

- Prepare and distribute the meeting invitations [5-10] business days in advance.
- Compile and distribute the information packet ("board packet") including:
  - o Detailed agenda with estimated times.
  - o Supporting documents for each point.
  - o Management reports and committees.
  - o Proposals for resolutions.

*During Meetings:*

- Verify legal and statutory quorum.
- Assist the President in conducting the session.
- Take detailed notes for the preparation of minutes.
- Manage the documentation of conflicts of interest.
- Coordinate voting and record the results.

*After Meetings:*

- Prepare the draft minutes within [5] working days.
- Circulate the draft minutes for comments from the Directors.
- Manage the signing of the final minutes.
- Follow up on the resolutions adopted.
- Maintain record of compliance with resolutions.

*b) Support to Board Committees:*

- Coordinate committee calendars and agendas.
- Ensure alignment with the Board's work plan.
- Supervise the quality of minutes and documentation.
- Facilitate the report of committees to the full Board.

**3.2. Compliance and Corporate Governance Functions**

*a) Regulatory Compliance:*

- Monitor changes in applicable legislation and regulations.
- Report to the Board on new regulatory obligations.
- Coordinate with the legal department on fulfilling corporate obligations.
- Manage relationships with regulators on governance issues.
- Maintain schedule of periodic obligations.

*b) Development and Maintenance of the Governance System:*

- Propose updates to policies and procedures.
- Coordinate Board evaluations.
- Manage the induction program for new Directors.
- Organize training and refresher sessions.
- Benchmarking of best practices in the market.

**3.3. Information Management Functions**

*a) Document Management:*

- Maintain and safeguard:
  - o Minute books of the Board and Committees.
  - o Shareholders' register.



**Template:**

A template for Board meeting minutes appears in **Annex III** of this document. [Click here.](#)

While Committees may have their own technical secretaries, the Corporate Secretary must maintain general oversight.

This function requires constant updating on regulatory changes. Consider budget for ongoing training.

Evaluation **of the Board** is a key tool. The Corporate Secretary acts as the primary facilitator of this critical process, and his or her functions are generally detailed as "special functions."

Document management must comply with legal record-keeping requirements and allow efficient access.

- o Powers and mandates in force.
- o Official correspondence file.
- o Incorporation documents and amendments.
- Establish protocols for:
  - o Classification of information (public, confidential, restricted).
  - o Retention periods according to document type.
  - o Authorised access and consultation.
  - o Support and recovery.

b) Management of Information Requests:

- Process shareholder requests within legal deadlines.
- Coordinate responses to requests from authorities.
- Facilitate access by Board Members to corporate information.
- Prepare official certifications and certificates.

### 3.4. Relationship Functions

a) With Shareholders:

Preparation of Assemblies:

- Verify the register of shareholders with voting rights.
- Manage the publication of invitations in accordance with legal requirements.
- Prepare informational material for shareholders.
- Coordinate event logistics.
- Process powers of attorney and representations.

During Assemblies:

- Verify initial quorum.
- Assist the President of the Assembly.
- Manage the voting process.
- Prepare detailed minutes of deliberations.

After Assemblies:

- Communicate results to shareholders and the market.
- Manage necessary inclusions in the registry.
- Follow up on the resolutions adopted.

b) With Senior Management :

- Liaise between the Board and the CEO.
- Coordinate the preparation of management reports.
- Facilitate the flow of information in both directions.
- Maintain professional independence and objectivity.

c) With External Stakeholders:

- Coordinate with external auditors on governance issues.
- Participate in professional fora and associations.
- *[Add more advanced functions if necessary, such as: Attending to inquiries from institutional investors on corporate governance].*



**Template:**

**Annex IV** of this document contains a *checklist* for the induction of new Directors. [Click here.](#)

The role in Assemblies is critical to ensure legal validity and transparency of the process.

Balancing serving the Board and coordinating with management requires diplomacy.

### 3.5. Special Functions

#### a) Conflicts of Interest and Related-Party Transactions:

- Maintain an up-to-date register of Directors' interests.
- Manage periodic conflict declarations.
- Document abstentions and exclusions from deliberations.
- Coordinate transaction approval process with related parties.
- Act in accordance with the Conflict of Interest and Related-Party Transactions Policy approved by the Board.

#### b) Functions in the Evaluation of Board Performance

##### i) Design and Oversight of the Evaluation Process:

The Corporate Secretary shall be responsible for:

- Develop the evaluation methodology adapted to the maturity and specific needs of the company, considering:
  - o Evaluation of the Board as a collegiate body.

*[o Individual Assessment of Directors.*

*o Evaluation of the Chairman of the Board.*

*o Evaluation of the Committees and chairs.*

*o Evaluation of Board-Management interactions].*

- Establish the annual evaluation schedule, to include:
  - o Annual internal assessment (self-assessment).
  - o External evaluation every [2-3] years.
  - o Special evaluations for significant events.
  - o Quarterly monitoring of improvement plans.
- Prepare assessment instruments that cover:
  - o Composition and structure of the Board.
  - o Effectiveness of processes and procedures.
  - o Quality of information and decision-making.

*[o Board dynamics and culture.*

*o Fulfillment of fiduciary responsibilities.*

*o Strategy and risk oversight.*

*o ESG and sustainability management].*

##### ii) Coordination with External Evaluators:

When external evaluations are conducted, the Secretary shall:

- Manage the external evaluator selection process.
- Provide historical information and organizational context.
- Coordinate interviews and work sessions.
- Ensure the confidentiality of the process.
- Review and validate preliminary findings.

##### iii) Results Management and Action Plans:

- Compile and analyze results, identifying:
  - o Strengths to maintain and enhance.
  - o Priority areas for improvement.
  - o Competency or knowledge gaps.
  - o Training needs.
- Develop specific improvement plans with:



#### About the role in the age of Artificial Intelligence:

AI is transforming corporate governance. The Corporate Secretary must lead this evolution by maintaining a balance between innovation and control:

- Oversee the implementation of AI in governance processes (automated analysis of corporate minutes and documents, AI for preparation of Board materials, predictive systems for risk identification, chatbots for shareholder and stakeholder consultations)
- Ensure Ethical Use of AI, especially by maintaining human supervision in critical decisions.
- AI Risk Management (document decisions made or assisted by AI, coordinate periodic algorithmic impact assessments)
- Innovation in Governance Practices (secure digital portals, adopt digital signatures and blockchain for corporate documents, facilitate virtual and hybrid meetings with AI attending, explore use of AI for sentiment analysis in minutes).

o *Concrete and responsible actions.*

o *Implementation deadlines.*

o *Tracking metrics.*

o *Required resources.*

• *Monitor implementation through:*

o *Quarterly progress reports.*

o *Updates to performance dashboard.*

o *Adjustments according to evolution and context.*

iv) *Documentation and Institutional Learning:*

• *Maintain historical archive of assessments to identify trends.*

• *Lessons learned and best practices.*

• *Prepare benchmarking with comparable companies in the sector.*

• *Share relevant findings with professional associations.*

*[Incorporate other functions if the function already has the ability to carry out its core responsibilities. For example:*

*c) Governance Crisis Management:*

*The Corporate Secretary will activate and coordinate specific protocols according to the type of crisis:*

*Reputational Crises:*

• *Immediate activation (0-2 hours):*

o *Convene Crisis Committee through emergency protocol.*

o *Establish virtual or physical crisis room.*

o *Activate chain of communication with Directors.*

o *Begin chronological record of events and decisions.*

• *Continuous management (2-24 hours):*

o *Coordinate extraordinary Board meetings.*

o *Manage flow of verified information.*

o *Document all decisions with support.*

o *Coordinate with communication and legal areas.*

• *Post-crisis:*

o *Document lessons learned.*

o *Update protocols based on experience.*

o *Prepare a comprehensive report for the Board.*

o *Implement preventive measures.*

*Climate and Environmental Crises:*

• *First Response:*

o *Evaluate impact on operations and stakeholders.*

o *Activate business continuity protocols.*

o *Coordinate with environmental authorities.*

o *Document immediate mitigation measures.*

• *Stakeholder management:*

o *Communication with affected communities.*

o *Coordination with NGOs and media.*

o *Reporting to ESG investors.*

o *Notification to insurers.*

Modern crises require a rapid, coordinated, and well-documented response. The Corporate Secretary is the focal point for coordination in critical situations that affect governance. For each type of crisis, coordination is needed with the managers responsible



#### **Crisis Tools:**

It is possible that the company has already formalized tools for crisis cases. The Corporate Secretariat must work on these cases, complementing the processes already formalized:

- Crisis manual updated every six months.
- Decision tree for protocol activation.
- 24/7 Crisis Council.
- Pre-approved communication templates.
- Critical information backup system.

*Cybersecurity Crisis:*

- *Response protocol:*
  - o *Activation of Digital Safety Committee.*
  - o *Evaluate impact on Board information.*
  - o *Notification to regulators in accordance with legal deadlines.*
  - o *Preservation of digital evidence.*
- *Special documentation:*
  - o *Forensic record of the breach.*
  - o *Privileged communications with legal advisors.*
  - o *Minutes under increased confidentiality protocol.*
  - o *Coordination with data protection authorities.*

*Compliance or Integrity Crisis:*

- *Immediate actions:*
  - o *Activate independent investigation if applicable.*
  - o *Establish special committee of the Board.*
  - o *Implement precautionary measures.*
  - o *Coordinate with regulatory authorities.*
- *Documentary safeguards:*
  - o *Preservation of documents.*
  - o *Chain of Custody of Evidence.*
  - o *Documentation of remedies.*
  - o *Communication with complainants/whistleblowers.*

*d) Functions in Business Groups**i) Coordination with the Parent/Holding:*

- *Align governance practices with group policies.*
- *Report consolidated information according to the requirements of the parent company.*
- *Coordinate meeting schedules to avoid conflicts with shared directors.*
- *Manage approvals that require escalation to the corporate level.*
- *Maintain regular communication with the Corporate Secretary of the group.*

*ii) Coordination with Subsidiaries:*

- *Oversee the implementation of group governance standards.*
- *Consolidate subsidiary information for reporting to the Board.*
- *Coordinate appointments of directors in group companies.*
- *Ensure compliance with corporate policies throughout the structure.*
- *Facilitate consolidated governance audits.*

*iii) Intragroup Transaction Management:*

- *Document transactions between related companies.*
- *Ensure compliance with transfer pricing policies.*
- *Maintain record of guarantees and cross-commitments.*
- *Coordinate multiple approvals when required.*
- *Monitor compliance with regulations regarding conglomerates.*

For companies within conglomerates or holdings, the Corporate Secretary must coordinate governance across multiple levels.

#### e) Sustainability and Climate Change Governance:

The Corporate Secretary will be responsible for systematically integrating ESG issues at Board level:

- *Strategic Integration (Incorporate ESG into the agenda, align ESG objectives with corporate strategy, develop specific metrics and KPIs, set science-based goals).*
- *Reporting and Disclosure (Promote ESG reporting following international standards, coordinate annual materiality process, coordinate with sustainability auditors for data and metrics validation).*
- *ESG Training and Culture (Develop annual Board training program, facilitate Board participation in sectoral sustainability forums).*

## IV. POWERS AND RIGHTS

### 4.1. Access to Information

The Corporate Secretary shall have the right to:

- Full access to corporate books, records, and documents.
- Request reports and explanations from any area of the company.
- Participate in Executive Committee meetings *[with voice, but no vote]*.
- Review correspondence with regulators and auditors.
- Access relevant corporate information systems.

### 4.2. Authority to Require Collaboration

- Convene coordination meetings with support areas.
- Require information with peremptory deadlines.
- Escalate cases of non-collaboration to the CEO or Chairman of the Board.
- Hire specialized external advice *[with the authorization of the President]*.

### 4.3. Protections and Warranties

- Immunity for technical opinions issued in good faith.
- Compensation for liabilities arising from the exercise of the position.
- Professional Civil Liability Insurance.
- Right to record professional discrepancies.

## V. ORGANIZATIONAL SUPPORT STRUCTURE

### 5.1. Office of the Corporate Secretary

*[Describe the characteristics of the existing office. The size of the team will depend on the size and complexity of the company. For medium-sized companies, it can be a minimum structure of one person].*



### Coordination with family structures:

In family businesses, the Corporate Secretary must navigate the family-business duality with sensitivity and professionalism. Critical Interfaces:

- **With the Family Council:** Participate as a guest on governance issues, maintain regular communication on the evolution of best practices, and facilitate the alignment between family vision and business strategy.
- **With the Family Protocol:** Ensure consistency between Family Protocol and corporate governance documents and simultaneously update both regulatory frameworks, and document exceptions and special considerations.
- **With the Family Office (if any):** Coordinate financial and performance information, align meeting and reporting schedules, and manage potential conflicts of interest.

## 5.2 Reporting Lines

### Functional Report:

- Reports directly to the Board of Directors through its Chairman.
- Administrative report to the CEO for operational issues.
- Independence in the exercise of technical functions.

### Horizontal coordination:

*[Develop this section according to the existence of other management functions and the determination of their functions].*

#### a) Coordination with Compliance:

##### Shared responsibilities:

- Joint development of the Code of Ethics and Conduct
- Coordination of investigations involving the Board
- Integrated management of the whistleblowing
- Consolidated Regulatory Compliance Report

##### Interaction Protocols:

- Monthly Sync-Up Meeting
- Joint quarterly report to the Audit Committee
- Coordinated escalation of critical issues
- Shared Calendar of Regulatory Obligations

#### b) Coordination with Risk Management:

##### Key Interfaces

- Preparation of the risk map for the Board
- Identification of governance risks
- Follow-up on approved risk appetite
- Documentation of decisions on strategic risks

##### Collaboration mechanisms:

- Cross-participation in relevant committees
- Joint review of emerging risks
- Coordination of crises requiring escalation to the Board
- Alignment of risk reports with the Board's agenda

#### c) Coordination with Internal Audit:

##### Areas of collaboration:

- Assessment of the control environment at Council level
- Corporate governance compliance audits
- Board Committee Effectiveness Review
- Follow-up on audit recommendations

##### Work Protocol:

- Reciprocal access to annual work plans
- Coordination to avoid duplication of efforts
- Direct reporting of critical findings
- Joint executive sessions with the Audit Committee



### Evolution of the Role:

International trends show an evolution from a mainly administrative role to a more strategic one:

- **Phase 1 - Administrative:**  
Focus on minutes and basic compliance
- **Phase 2 - Compliance:**  
Active management of regulatory obligations
- **Phase 3 - Facilitation:**  
Optimising the functioning of the Board
- **Phase 4 - Strategic:**  
Strategic partner in the continuous improvement of corporate governance.

*d) Coordination with Sustainability/ESG:**Integrated Responsibilities:*

- *Incorporation of ESG issues into the Board's agenda.*
- *Development of corporate sustainability strategy.*
- *Integrated financial and non-financial performance reporting.*
- *Management of stakeholder expectations on ESG issues.*

*Integration mechanisms:*

- *Dashboard of set of ESG Indicators for the Board.*
- *Coordination of engagement with ESG investors.*
- *Alignment with international standards (GRI, SASB, TCFD).*
- *Joint preparation of sustainability report.*

**VI. PERFORMANCE EVALUATION****6.1. Evaluation process**

*Frequency: Annual, coinciding with the Board's evaluation cycle*

*Person responsible: Corporate Governance Committee or Chairman of the Board.*

*Evaluation Criteria: [To be determined by the Board]*

- *Compliance with responsibilities established in ToR.*
- *Quality and timeliness in the management of meetings and documentation.*
- *Effectiveness in implementing best practices.*
- *Feedback from individual Directors.*
- *Professional development and continuous updating.*

**6.2. Professional Development Plan**

- *Identification of competency gaps.*
- *Annual training and certification plan.*
- *Participation in professional networks.*
- *Benchmarking with industry peers.*

**VII. FINAL PROVISIONS****7.1. Review and Update**

*These Terms of Reference will be reviewed:*

- *Annually by the Corporate Governance Committee.*
- *When regulatory changes or best practices require it.*
- *At the request of the Corporate Secretary or the Chairman of the Board.*

**7.2. Unforeseen Situations**

*Any situation not provided for in these terms will be resolved by the Chairman of the Board in consultation with the Corporate Governance Committee, in accordance with the established guiding principles.*

The evaluation must be conducted by the Board to maintain the role's independence from Management.

### 7.3. Validity

*These Terms of Reference are effective upon approval by the Board of Directors and supersede any prior versions.*

#### **Approval by Board of Directors**

**Date:** [XX/XX/XXXX]

[Signature of the Chairman of the Board]



## Basic concepts for the governance and use of Artificial Intelligence by the Corporate Secretariat

Artificial Intelligence is radically transforming the way companies operate and make decisions. The Corporate Secretariat should support the Board of Directors in its duty to establish a robust governance framework for the use of AI that balances innovation with risk management.

### **AI Governance Principles**

**Transparency and Explainability:** Any AI-assisted decision that reaches the Board must be explainable, clearly documented when AI is used in analysis or recommendations, and maintain the ability to audit algorithmic decisions.

**Accountability:** The Board retains ultimate responsibility for all decisions, so clear lines of accountability should be established for AI systems and the AI decision-making process documented.

**Equity and Non-Discrimination:** The Board should assess potential biases in AI tools, monitor differential impacts on *stakeholders*, and implement safeguards against algorithmic discrimination.

**Privacy and Security:** The Board should protect data used in AI systems, comply with data protection regulations, and implement robust cybersecurity for AI systems.

### **AI Tools for the Corporate Secretary**

AI allows the Corporate Secretary to be more efficient and consistent through the automatic review of contracts and policies, have speed and accuracy when automatically generating minutes through intelligent transcription, proactively provide information through AI agents that allow identifying governance trends, provide 24/7 service through virtual assistants for shareholders, and establish institutional memory through an intelligent repository of precedents.

### 3. STEP-BY-STEP IMPLEMENTATION GUIDE

Successful implementation of the Corporate Secretary role requires a systematic and well-structured approach. Success depends fundamentally on key elements such as the sponsorship of the Board, including the Chairman of the Board, executive support (valuing the role as a facilitator, not as an auditor), and having the appropriate resources (allocation of budget, tools, and adequate physical space for the effective exercise of the role).

This process typically takes 3-4 months from initial decision to full operation of the role. Here, we provide a recommended process that should be adapted to the company's situation, maturity level, size, and needs (not all of which necessarily apply to each step).

#### Preparation phase

1

**Weeks 1 to 3**

**Action 1: Evaluation of the current status and design of the role**

<p>Organizational Diagnosis:</p> <ul style="list-style-type: none"> <li>• Assess the maturity of current corporate governance by analyzing recent minutes, existing policies, and current secretarial practices.</li> <li>• Identify gaps versus international standards (IDB Invest, OECD).</li> <li>• Interview Directors and Senior Management about the needs and expectations of the role.</li> <li>• Map current Board support processes and corporate documentation.</li> </ul>	<p>Draft a Description of the Role:</p> <ul style="list-style-type: none"> <li>• Define specific responsibilities tailored to the company's reality.</li> <li>• Establish the hierarchical level and reporting line (ideally, functional reporting to the Chairman of the Board, administrative reporting to the CEO).</li> <li>• Determine required competencies (e.g., legal/corporate training, minimum 5-year experience, communication and diplomacy skills).</li> <li>• Define necessary resources: support team, operating budget, technological tools.</li> </ul>
--	---



## Design phase

2

### Weeks 4 to 6

#### Action 2: Development of the Terms of Reference

The Terms of Reference should be detailed enough to avoid ambiguity, but flexible enough to accommodate unforeseen situations. This document will be the main reference point for resolving any doubts about the scope of the role.

## Validation and approval phase

3

### Weeks 7 and 8

#### Action 3: Validation of Terms of Reference

Review and Refinement Process:

- Circulate draft ToR to Corporate Governance Committee or Nominations (if any).
- Conduct a work session with 2-3 Key Counselors to incorporate feedback.
- Obtain legal review to ensure consistency with statutes and regulations.
- Validate with CEO the operational feasibility and alignment with organizational structure.

4

### Week 9

#### Action 4: Formal approval of Terms of Reference

Board Approval Process:

- Submit final ToR to the Board with 2-3 page executive memorandum highlighting key elements.
- Facilitate discussion on critical aspects such as role independence and access to information.
- Obtain formal approval by resolution of the Board documented in the minutes.
- Establish the ToR as an annex to the Council Charter to make them binding.



## Implementation phase

5

**Weeks 10-13**

### Action 5: Selection process based on ToR

Recruitment Aligned with Terms of Reference:

- Use the ToR as a basis for the job advertisement and description.
- Form a Selection Committee with 2-3 Directors including the President.
- Evaluate candidates against specific competencies defined in the ToR.
- Verify references by focusing on experiences that align with the documented responsibilities.

6

**Weeks 14 and 15**

### Action 6: Communication and circulation of ToR

Differentiated communication strategy:

- **To the new Secretary:** Formal delivery of ToR as part of the employment contract.
- **To the Board:** Distribution of approved ToR as a permanent reference document.
- **To Senior Management:** Executive presentation focused on how ToR facilitate interaction with the Board.
- **To key departments:** Share relevant excerpts from the ToR that define working interfaces.

### Action 7: Induction Program based on ToR

Structured *Onboarding*:

- Use ToR as a roadmap for the induction program.
- Review each section of responsibilities with the new Secretary during first 2 weeks.
- Establish initial priorities based on the KPIs defined in the ToR.
- Create a 90-day plan aligned with the documented expectations and relevant acts in the ToR that define work interfaces.



**Important**

For medium-sized companies, consider starting with a shared role (50% Corporate Secretary, 50% other functions) and gradually evolving towards full-time.

## Monitoring and evolution phase

7

### First 90 days

#### Action 9: First assessment and calibration

Early review of effectiveness:

- Conduct assessment using ToR as a frame of reference.
- Identify gaps between documented expectations and operational reality.
- Adjust processes and approaches while maintaining alignment with ToR.
- Document lessons learned for future ToR updates.

8

### Continuous

#### Action 10: Institutionalization and continuous improvement

Role Consolidation:

- Establish annual review of ToR as part of the corporate governance calendar.
- Create formal process for proposing and approving updates to ToR.
- Use the Secretary's annual assessment based strictly on ToR compliance.
- Share ToR with peers from other companies as a reference for best practices.

Implementation of ToR requires alignment with the existing internal regulatory framework:

#### Documents requiring review

- Charter of the Board of Directors.
- Policies of Board Committees.
- Code of Ethics and Corporate Conduct.
- Insider Trading Policy.
- Communications policy

#### New documents to be created

- Induction manual for directors
- Board evaluation protocol



## 4. TIME CONSIDERATIONS

### Understanding the temporal dimension of the role

The role of the Corporate Secretariat operates in multiple time horizons that must be managed simultaneously: from daily operational tasks to long-term strategic planning of the corporate governance system. The effectiveness of this position crucially depends on identifying the right times to establish or strengthen the function, and on maintaining an appropriate pace of evolution and continuous improvement.

The decision to create or significantly transform the Secretary's role rarely occurs in a vacuum. There are specific events that act as catalysts, creating the urgency and consensus needed for this important organizational investment:



**Changes in ownership structure:** Changes in shareholding composition frequently require the professionalization of corporate governance.

TYPE OF CHANGE	IMPLICATIONS FOR THE CHARTER
<b>FUNDING FROM AN INSTITUTIONAL INVESTOR</b>	Immediate need for document formalization, establishment of sophisticated reporting protocols, and continuous <i>due diligence</i> management.
<b>PREPARATION FOR A PUBLIC OFFERING OF SHARES (OPA)</b>	Creation of regulatory compliance structures, establishment of formal channels with regulators, and development of public disclosure capacities.
<b>FAMILY CONSOLIDATION (2ND/3RD GENERATION)</b>	Professionalization of processes, family-business separation, and documentation of existing informal practices.
<b>STRATEGIC JOINT VENTURE</b>	Development of coordination mechanisms between partners, establishment of shared information protocols, and management of potential conflicts.

**Practical note:**  
In family businesses in Latin America and the Caribbean, the moment of generational transition is critical. The second generation typically accepts the need for a Corporate Secretary, whereas waiting until the third generation may result in more complex conflicts to resolve.



**Transitions in Leadership:** The arrival of new leaders creates unique windows of opportunity:

- **New external CEO:** Frequently demands clear reporting structures and professional administrative support to the Board (implementation in first 90 days).
- **New Chairman of the Board:** Opportunity to modernize practices and set new operating standards (first 6 months).



### Key Concepts:

Timing in corporate governance is both art and science. It requires sensitivity to read the organizational moment, discipline to maintain rhythms of continuous improvement, and flexibility to adapt to changing circumstances.

Improving corporate governance is an ongoing process. Organizations must set the right pace for change—neither so fast that it generates resistance, nor so slow that it loses relevance.

- **Founder's departure:** Critical moment that requires immediate institutionalization of knowledge and processes (planning 12-24 months prior).



**Crises or adverse events:** Paradoxically, crisis situations can accelerate governance reforms that had been delayed for years:

- **Corporate governance scandals in the sector:** These events generate pressure for differentiation.
- **Conflicts between shareholders:** These highlight the need for formal and neutral processes.
- **Compliance issues or fines:** This creates urgency to professionalize the role.
- **Loss of business opportunities:** Due to a lack of adequate governance (e.g., an investor withdrawing from *due diligence*).



### Regulatory and market pressures:

- **New sectoral regulation:** Banks, insurance, and regulated companies face specific requirements with defined compliance deadlines.
- **Changes in corporate regulations:** Legal reforms that impose new corporate governance obligations or pressures through self-regulation (Codes of Good Governance).
- **Funder requirements:** Multilateral banks (IDB Invest, IFC, CAF, FMO, among others) and PE funds impose specific governance conditions.
- **ESG Standards:** Growing investor pressure for formal sustainability and governance structures.



**Implementation alert:** Do not wait for the annual review if there are clear signs that the feature is not meeting expectations. Indicators such as poorly prepared meetings, late minutes, or frequent loss of quorum require immediate action.

## 5. COMMON OBSTACLES AND WARNING SIGNS

Successful implementation of a Corporate Secretary role faces multiple challenges that can significantly compromise the effectiveness of the corporate governance system. This chapter examines red flags, typical issues, common pitfalls, and critical scenarios that organizations should proactively anticipate and manage.

### Warning signs of poor design or implementation



**Deterioration in governance quality:** Deterioration is particularly evident when Board meetings become unproductive, with disorganized agendas, repetitive discussions of issues already covered, or the absence of relevant information for decision-making. The lack of coordination between committees, as evidenced by duplication of effort or oversight gaps, points to critical deficiencies in the secretariat function that may stem from poor design or implementation of their ToR.



**Underestimation of role:** One of the most frequent mistakes is to underestimate the complexity and scope of the role, assigning it as an additional responsibility to already overburdened executives. This manifests itself when the CFO or Legal Counsel attempts to fulfill the role of Corporate Secretary “in their spare time,” inevitably resulting in superficial fulfillment of critical governance responsibilities.

Another common mistake is assigning junior staff without adequate experience. Although these professionals can handle administrative tasks, they lack the criteria and authority to interact effectively with the Board and Senior Management, thereby compromising the quality of support for corporate governance.



#### The "Administrative Secretary" Trap

Reducing the function to purely administrative tasks, such as taking minutes and organizing logistics, represents a fundamental waste of the role's potential. This limited vision prevents the Corporate Secretary from adding strategic value to the company's governance.

**Solution:** Clearly define the strategic, relational and operational dimensions of the role from its conception, educating the Board and Senior Management on its the integral value.



**Ambiguity in role design:** Vague or overly generic TOR can create confusion about specific responsibilities and reporting lines. This ambiguity often results in:

- Conflicts of authority with other departments, such as Legal or Finance.
- Accountability gaps in critical aspects of government.
- Expectations misaligned between the Board and the secretariat function.
- Difficulty evaluating role performance.



**Lack of institutional empowerment:** The Corporate Secretary requires institutional authority to be effective. When the role lacks direct access to the Chairman of the Board or has no voice in the governing body's meetings, its capacity for influence and effectiveness is sharply limited. This situation is exacerbated when the function lacks its own budget or dedicated resources.



### **“Inflexible Guardian” Syndrome**

Some Corporate Secretaries take an overly legalistic and bureaucratic approach, becoming obstacles to business agility. This excessive rigidity generates resistance and can marginalize the role of the decision-making process.

**Solution:** Promote training and establish practical KPIs to balance regulatory compliance with business pragmatism, acting as a facilitator that enables good governance without paralyzing operation.

## What-If Scenarios

The implementation of the Corporate Secretary's ToR rarely follows a linear path. Anticipating and preparing for different scenarios allows organizations to respond effectively and flexibly to unexpected challenges. This section explores common situations and offers adaptive strategies to overcome them.

### **“What if there is resistance from the CEO or Senior Management?”**



When the CEO or Senior Management shows resistance to the Corporate Secretary role, it may be due to a perception that it poses a threat to their autonomy or constitutes excessive oversight. In these cases, manifestations are often observed, such as the systematic exclusion of the Secretary from key meetings, restrictions on his access to relevant information, disavowals (public and private) of his recommendations and pressure to minimize or avoid addressing sensitive issues in the minutes.

It is therefore essential to adopt strategies that combine diplomacy and institutional firmness. First, building trust gradually is key, showing the value of the function through concrete results

or quick wins that do not provoke confrontation. In parallel, it is advisable to establish an alliance with the President of the Council to ensure clear institutional support. Likewise, it is advisable to adopt a facilitation rather than a control approach, positioning the Corporate Secretariat as strategic support to the CEO rather than a supervisory mechanism. Finally, careful documentation of impediments to fulfilling responsibilities allows us to legally protect ourselves and ensure traceability in the event of questions.



### “What if the Board doesn't value the role?”

When the Board does not properly value the role of Corporate Secretary, it is often because it is perceived as an unnecessary cost or an additional layer of bureaucracy. This vision can have significant consequences, such as the allocation of insufficient budgets, the elimination of the role, the systematic bypass of established procedures, decision-making without proper documentation, and greater legal and reputational exposure arising from failures in governance practices. To reverse this situation, it is essential to implement an action plan that combines pedagogy and evidence: proactively educating the Board about the legal risks and benefits of the function; benchmarking with comparable companies that have faced crises due to governance deficiencies; a six-month pilot program that allows demonstrating value through concrete metrics; and the involvement of external support from specialized advisors or regulators that reinforce the relevance and legitimacy of the role.



### “What if there is high turnover in the role?”

When there is high turnover in the Corporate Secretary role—for example, more than 3 changes in a 2-year period—the organization faces significant risks to continuity and governance. Among the most critical impacts are the loss of institutional memory, inconsistency in practices and procedures, deterioration of the relationship with the Board, and the emergence of legal vulnerabilities due to inadequate or incomplete documentation. To mitigate these effects, it is essential to implement contingency measures that address both causes and consequences. First, perform a root cause analysis to identify if the turnover responds to compensation factors, culture, or misaligned expectations. In addition, establish robust process documentation to facilitate orderly transitions and ensure operational continuity. Additionally, promote mentoring and development programs to build an internal talent pipeline, and finally, review the role's Terms of

#### Key Question



#### What if there are budget or staffing constraints?

When companies face resource constraints, it is common to wonder whether they can appoint someone already on the payroll to serve as Corporate Secretary. In the initial stages or when resources are limited, **it is feasible for the internal Legal Advisor to temporarily assume this role**, given their knowledge of the regulatory framework and access to corporate documentation. However, it is crucial to establish from the beginning that this **is a transitional solution, with a clear plan of evolution towards the exclusive dedication of the role** as the company grows. This temporal duality must be documented in the Terms of Reference, which specify the priorities of each function and establish mechanisms to avoid conflicts of interest between legal and corporate secretarial responsibilities.

Reference to ensure its scope, resources, and conditions are viable and sustainable over time.



### "What if there is a conflict between the Corporate Secretary and the Legal Department?"

When conflicts arise between the Corporate Secretary and the Legal Department, it is usually because both functions claim authority over issues related to corporate governance. These disagreements can manifest in sensitive areas such as the custody of company books, advising the Board on legal matters, managing conflicts of interest, or leadership in regulatory compliance. To prevent these tensions from affecting institutional effectiveness, it is essential to establish a resolution framework that clearly delineates competencies and fosters collaboration. This should include a precise definition of responsibilities in the Terms of Reference of each function, the implementation of a RACI matrix that clarifies the roles of responsibility, accountability and consultation in key processes, the possibility of a dual report to the Board and the CEO when the nature of the issue requires it, and the creation of a periodic coordination committee between both areas to align criteria, prevent overlaps and strengthen the coherence of corporate governance.



#### What is a RACI matrix?

The RACI matrix is a project management tool that defines and clarifies the roles and responsibilities of each team member for each task, using the initials in English:

- **R**esponsible
- **A**ccountable
- **C**onsulted
- **I**nformed

## 8. ANNEXES AND RESOURCES

### Glossary of Terms

Below, we present a comprehensive glossary of the terms used in this document, including the terminological variations employed in the main Latin American and Caribbean countries.

Term used	Meaning	Variations by country/region
<b>Alta Gerencia (Senior Management)</b>	A group of top-level executives who report directly to the General Manager/CEO, including vice presidents and executives in key areas	Argentina: Gerencia Superior, Gerencia Chile: Plana Ejecutiva Brazil: Alta Administração, Diretoria Executiva Anglicism: Management
<b>Asamblea General de Accionistas (Shareholders' Assembly)</b>	A company's highest governing body, where shareholders exercise their rights and make fundamental decisions	Brazil: Assembleia Geral de Acionistas Peru, Ecuador: Junta General de Accionistas
<b>C-Level / C-Suite</b>	Senior executives whose title begins with "Chief" (CEO, CFO, COO, etc.)	English-language term adopted with increasing frequency Local alternatives: First-level executives, managerial level
<b>CEO (Chief Executive Officer)</b>	A company's highest executive authority, responsible for day-to-day management	This Anglicism is widely accepted. Mexico: Director General Argentina: Gerente General Colombia: Presidente Ejecutivo, Presidente (in large companies) Brazil: Diretor Geral, Diretor Presidente
<b>Conflicto de Interés (Conflict of Interest)</b>	Situation in which personal interests may interfere with the interests of the company	Used consistently in all countries
<b>Consejero Independiente (Independent Director)</b>	Board member with no material relationship to the company, management, or controlling shareholders	Used generally throughout the region, except in Mexico: Director Independiente Chile: Director Externo Independiente
<b>Consejo de Administración (Board of Directors)</b>	Collegiate body chosen by the shareholders to oversee company management	Argentina, Chile: Directorio, Junta Directiva Colombia, Venezuela: Junta Directiva Peru: Directorio Brazil: Conselho de Administração
<b>Corporate Governance</b>	Framework used to direct and control a company	Brazil: Governança Corporativa Academic variant: Governanza Empresarial, Governanza Corporativa
<b>Induction</b>	Orientation program for new Board members coordinated by the Secretary.	Brazil: Onboarding de Conselheiros. Mexico: Programa de integración. Argentina/Chile: Capacitación inicial.
<b>KPI (Key Performance Indicators)</b>	Critical performance metrics used to measure progress toward objectives	This Anglicism is widely accepted. Alternatives: Key performance indicators, Performance metrics
<b>Minute Book</b>	Official and mandatory record documenting all decisions and deliberations of the Board of Directors.	Brazil: Livro de Atas Argentina/Chile: Libro de Actas del Directorio Colombia: Libro de Actas de Junta
<b>Minutes</b>	Formal document that records what was discussed and decided at a Board meeting. Also known in Spanish as "Acta".	Brazil: Ata Mexico: Minuta Argentina/Chile: Acta de sesión Colombia: Acta de reunión

Term used	Meaning	Variations by country/region
<b>Corporate Governance Officer</b>	Modern alternative designation for the Corporate Secretary that emphasizes this individual's strategic role beyond administrative functions.	Brazil: Governance Officer (in English) Mexico: Oficial de Gobernanza Also: Chief Governance Officer (CGO)
<b>Board Packet</b>	Set of documents and information prepared by the Secretary for informed decision-making by the Board.	"Board Pack" is a widely-used Anglicism Brazil: Material de Apoio Alternative: Session Folder/Meeting Materials
<b>Chairman of the Board</b>	The person who presides over and leads Board meetings	Argentina, Chile: Presidente del Directorio. Colombia: Presidente de la Junta Brazil: Presidente do Conselho
<b>Corporate Secretary</b>	Role of the specialized professional responsible for ensuring the proper functioning of corporate governance, serving as a liaison between the Board, management, and shareholders.	Brazil: Secretário do Conselho/Secretário de Governança Mexico: Secretario del Consejo Chile/Argentina: Secretario del Directorio Colombia: Secretario de la Junta
<b>Stakeholders</b>	All parties affected by the company	This Anglicism is widely accepted. Alternatives: Grupos de interés, Partes interesadas.
<b>Terms of Reference (TOR)</b>	Formal document establishing the scope, responsibilities, powers, and conditions of the position of Corporate Secretary.	Brazil: Termos de Referência Anglicism: Terms of Reference (ToR) Alternative: Descripción funcional del cargo

## Annex IV: Board Calendar Template

### Key Topics:

- January - Year-end close and budget
- February - Annual results
- March – Prepare annual shareholders' meeting
- April - Q1 results and strategy
- May - Risk management
- June - Mid-year review
- July - Strategic planning
- August - Extraordinary session (if needed)
- September - Q3 results
- October - Draft budget
- November - Board evaluation
- December - Succession and talent

### Sample Annual Agenda:

#### Quarter 1

- Fixed topics: annual results, audit plan, executive compensation
- Rotating topics: cybersecurity, sustainability

#### Quarter 2

- Fixed topics: annual shareholders' meeting preparation, strategy review
- Rotating topics: innovation, organizational culture

#### Quarter 3

- Fixed topics: key risks, budget progress
- Rotating topics: competitor analysis, stakeholders

#### Quarter 4

- Fixed topics: final budget, Board evaluation
- Rotating topics: Succession, corporate governance.

## Annex II: Template Board meeting agenda

[COMPANY NAME]

AGENDA

- [ORDINARY/EXTRAORDINARY] MEETING OF THE BOARD OF DIRECTORS

Number

[XX/202X]

### MEETING INFORMATION

**Date:** [Day, Month DD of 202X]

**Time:** [HH:MM] to [HH:MM] (Estimated duration: [X] hours)

**Modality:** [In-Person/Virtual/Hybrid]

**Location:** [Full Address/Virtual Platform Link]

**Supporting Documents:** [Number of total pages in the meeting materials]

**Classification:** [Confidential/Restricted]

### AGENDA

Number	Topic	Person responsible	Type	Est. time	Docs
<b>SECTION I: FORMALITIES (30 minutes)</b>					
1	Verification of quorum and conflict of interest disclosure	President	Procedure	10 min	-
1.1	Confirmation of attendance and quorum				
1.2	Declaration of conflicts of interest				
2	Approval of previous meeting minutes	Secretary	Decision	10 min	Doc 1
2.1	Review of previous meeting minutes				
2.2	Corrections and approval				
3	Follow-up on previous resolutions	Secretary	Information	10 min	Doc 2
3.1	Status of previous resolutions				
3.2	Pending actions and deadlines				
<b>SECTION II: EXECUTIVE REPORTS (60-90 minutes)</b>					
4	CEO Report	CEO	Information / Discussion	45 min	Doc 3
4.1	Operational performance and KPIs				
4.2	Progress on strategic initiatives				
4.3	Talent and organizational management				
4.4	Key risk management				
4.5	Regulatory and compliance matters				
5	Financial report	CFO	Information / Discussion	30 min	Doc 4
5.1	Financial statements for the period				
5.2	Budget-to-actual variance analysis				
5.3	Cash flow and financial position				
5.4	Forecasts and outlook				
6	Market and competitor update	CEO / CMO	Information	15 min	Doc 5
6.1	Relevant market trends				
6.2	Competitor analysis				
<b>SECTION III: MATTERS FOR DECISION (45-60 minutes)</b>					
7	[Title of the strategic matter]	CEO	Decision	30 min	Doc 6

<b>7.1</b>	Background and justification				
<b>7.2</b>	Proposal and assessed alternatives				
<b>7.3</b>	Risk–benefit analysis				
<b>7.4</b>	Recommendation and request for approval				
<b>8</b>	Approval of policies/budgets	CFO / CEO	Decision	15 min	Doc 7
<b>8.1</b>	[Specify policy or budget]				
<b>8.2</b>	Changes compared to previous version				
<b>9</b>	Appointments and designations	President	Decision	15 min	Doc 8
<b>9.1</b>	[Specify appointment]				
<b>9.2</b>	Profile and justification				
<b>SECTION IV: OVERSIGHT AND CONTROL (30-45 minutes)</b>					
<b>10</b>	Board committee reports	Committee Chairs	Information	20 min	Doc 9
<b>10.1</b>	Audit and Risk Committee				
<b>10.2</b>	Compensation Committee				
<b>10.3</b>	[Other committees according to structure]				
<b>11</b>	Compliance monitoring	Secretary / Legal	Information	10 min	Doc 10
<b>11.1</b>	Regulatory compliance				
<b>11.2</b>	Relevant legal updates				
<b>12</b>	Board evaluation	President	Discussion	15 min	Doc 11
<b>12.1</b>	Progress on the annual evaluation plan				
<b>12.2</b>	Board training plan				
<b>SECTION V: ADJOURNMENT (15 minutes)</b>					
<b>13</b>	Executive session	President	Discussion	10 min	-
<b>13.1</b>	Confidential Board matters				
<b>13.2</b>	Informal management evaluation				
<b>14</b>	Other business and next meeting	President	Information	5 min	-
<b>14.1</b>	Other matters				
<b>14.2</b>	Confirmation of next meeting				

## SUPPLEMENTARY INFORMATION

### Documents in the meeting materials

Doc.	Title	Pages	Classification
1	Previous meeting minutes	[X]	Confidential
2	Resolution tracking matrix	[X]	Confidential
3	CEO executive report	[X]	Confidential
4	Financial statements and analysis	[X]	Confidential
5	Market analysis	[X]	Confidential
6	Strategic proposal [specific topic]	[X]	Highly Confidential

Doc.	Title	Pages	Classification
7	[Policy/Resolution] for approval	[X]	Confidential
8	Appointment proposal	[X]	Highly Confidential
9	Committee reports	[X]	Confidential
10	Compliance report	[X]	Confidential
11	Board evaluation plan	[X]	Confidential

**Confirmed attendees:**

- [List of confirmed directors]
- [List of guests according to agenda items]

**Special instructions:**

- **Mobile phones and tablets** [Policy on the use of electronic devices]
- **Confidentiality:** All documents are confidential and must not be shared
- **Preparation:** Please review all documents [X] days in advance
- **Technical support:** [Contact for technical support with virtual meetings]

**Contacts:**

- **Corporate Secretary:** [Name, phone, email]
- **Executive Assistant:** [Name, phone, email]

**NOTES FOR THE CHAIR****Sensitive items for consideration:**

- [List topics that require careful handling]
- [Potential conflicts]
- [Matters that may require an executive session]

**Prepared by:** [Name of the Corporate Secretary]

**Circulation date:** [MM/DD/YYYY]

**Meeting:** [MM/DD/YYYY]

## Annex III: Template for Board Meeting Minutes

[NAME OF COMPANY]

MINUTES

**OF THE BOARD OF DIRECTORS MEETING**

[Ordinary/Extraordinary] Meeting **Number.** [XX/2025]

### BASIC MEETING INFORMATION

**Date:** [Day, Month DD of 202X]

**Time:** [HH:MM] to [HH:MM] (Time Zone)

**Modality:** [In-Person/Virtual/Hybrid]

**Location:** [Full address/Virtual platform used]

**Convened by:** [Chairman of the Board of Directors]

**Secretary:** [Name of Corporate Secretary]

### ATTENDANCE

#### Directors Present:

- [Full Name] - Chair of the Board of Directors ✓
- [Full Name] - Independent Director ✓
- [Full Name] - [Independent/Equity] Director ✓
- [Full Name] - [Independent/Equity] Director ✓
- [Full Name] - [Independent/Equity] Director ✓

#### Directors Absent:

- [Full name] — [Reason for absence]

#### Guests present:

- [Full Name] – CEO (for items 4 to 6)
- [Full Name] - CFO (for points 4.2 to 5)
- [Full Name] - [Position] (for specific point)

**Quorum:** A legal quorum is verified with [X] of [Y] directors present ([X]%)

### AGENDA

1. Verification of quorum and disclosure of conflicts of interest
2. Approval of previous meeting minutes
3. Follow-up of previous resolutions
4. CEO report
5. Financial report
6. Matters for decision
7. Matters for information and discussion

8. Committee reports
9. Next meeting

## MEETING PROCEEDINGS

### 1. VERIFICATION OF QUORUM AND DISCLOSURE OF CONFLICTS OF INTEREST

The Chair declares the meeting duly constituted with the attendance of [X] directors, confirming that the required quorum is met.

#### Disclosure of conflicts of interest:

- [Director X] declares having no conflicts of interest regarding the matters to be discussed.
- [Director Y] declares a conflict of interest regarding item [Z] and will recuse themselves during its discussion.
- [Continue as applicable]

**RESOLUTION BR-01/2025:** The declarations of conflicts of interest presented are accepted.

### 2. APPROVAL OF PREVIOUS MINUTES

The minutes of [ordinary/extraordinary] meeting No. [XX] dated [date] are presented for approval.

**Comments/Corrections:** [Specify if any, or indicate "None"]

**RESOLUTION BR-02/2025:** The minutes of the previous meeting are unanimously approved [with/without] the corrections presented.

### 3. FOLLOW-UP ON PREVIOUS RESOLUTIONS

The Corporate Secretary presents the implementation status of previous resolutions:

Resolution	Person responsible	Status	Remarks
BR-XX/2024	[Lead]	[Completed/In Process/Pending]	[Details]
BR-YY/2024	[Lead]	[Completed/In Process/Pending]	[Details]

**RESOLUTION BR-03/2025:** The Board acknowledges the status update and instructs [specific actions as applicable].

### 4. CEO REPORT

The CEO presents their executive report, covering:

#### 4.1 Operational performance:

- [Summary of key points discussed]
- [Key metrics presented]
- [Main achievements over the period]

#### 4.2 Financial situation:

- [Main points of the financial situation]
- [Significant variances vs. previous budget/period]

#### 4.3 Risk management

- [Main risks identified]
- [Mitigation measures implemented]

#### 4.4 Strategic initiatives:

- [Progress on strategy implementation]
- [Proposed new initiatives]

**Discussion:** [Summary of key questions, comments, and responses during the discussion]

**RESOLUTION BR-04/2025:** The Board takes note of the CEO report and [instructs/approves/requests] [specific actions as applicable].

### 5. FINANCIAL REPORT

The CFO presents [the financial report for the period/the financial statements]:

#### Key Points

- [Summary of financial results]
- [Analysis of significant variations]
- [Key financial performance indicators]
- [Forecasts and scenarios]

**Discussion:** [Main questions and clarifications requested by directors]

**RESOLUTION BR-05/2025:** [Specify the resolution adopted in relation to the financial report]

### 6. MATTERS FOR DECISION

#### 6.1 [Topic title]

**Background:** [Brief context of the matter to be decided]

**Proposal:** [Clear description of what is proposed]

**Analysis and Discussion:** [Summary of key points discussed, including pros, cons, risks, benefits]

#### Vote:

- In favor: [X] votes ([names of directors])
- Against: [Y] votes ([names of directors])
- Abstentions: [Z] votes ([names of directors])

**RESOLUTION BR-06/2025:** [Full text of the approved resolution, including responsible parties, deadlines, and specific conditions]

#### 6.2 [Continue with other matters for decision as appropriate]

### 7. MATTERS FOR INFORMATION AND DISCUSSION

#### 7.1 [Topic title]

**Presentation:** [Summary of information presented]

**Discussion:** [Main points discussed without reaching a formal decision]

**Follow-up:** [Approved follow-up actions, if any]

## 8. COMMITTEE REPORTS

### 8.1 Audit and Risk Committee

- [Summary of activities for the period]
- [Key findings and recommendations]
- [Implementation status of previous recommendations]

### 8.2 [Other committees according to the Board structure]

**RESOLUTION BR-07/2025:** The Board takes note of the committee reports and [specific actions as appropriate].

## 9. NEXT MEETING

**Date:** [Month, Day, 2025]

**Format:** [Face-to-face/Virtual/Hybrid]

**Location:** [To be confirmed/Specific location]

**Preliminary Matters:** [Main topics to be discussed]

## ADJOURNMENT

The meeting is adjourned at [HH:MM] .

## SIGNATURES

### [Name of Chair]

Chairman of the Board

### [Name of Secretary]

Corporate Secretary

**Draft Circulation Date:** [MM/DD/YYYY]

**Approval Date:** [MM/DD/YYYY]

**File:** Board Minutes BR- [XX]/2025

## Annex IV: Checklist for Induction of New Directors<sup>1</sup>

Person Responsible	Date	Name of new director

	Step	Description	Recommendation	✓
	<b>1. Send letter of appointment</b>	Letter to be sent after the appointment of the new director and before the first meeting of the Board.	It should state: <ul style="list-style-type: none"> <li>- Date of entry into office.</li> <li>- Compensation.</li> <li>- Expectations of their role as a director.</li> <li>- Confidentiality of information sent.</li> <li>- Any other requirements that must be met (for example, serving on a committee).</li> </ul>	
	<b>2. Send meeting agenda</b>	The agenda may or may not be included with the appointment letter.	This should include: <ul style="list-style-type: none"> <li>- A schedule of meetings and company visits.</li> </ul>	
45 min	<b>3. Preliminary Talk</b>	Introductory meeting for new directors.	Meeting with the <b>Chairman of the Board of Directors</b> prior to sending the Information Package.	
[15] days before the 1st Board Meeting	<b>4. Send information packet.</b>	<b>4.1. Welcome Kit</b>		
		<b>i. Organizational Documents</b>	This should include: <ul style="list-style-type: none"> <li>- Corporate Bylaws</li> <li>- Relevant applicable laws and regulations.</li> <li>- Summary of the powers, duties, and responsibilities of directors.</li> </ul>	
		<b>ii. Additional documents as part of the welcome kit.</b>	This should include: <p>All documents that require the signature and agreement of the new director before the beginning of his or her term of office.</p> <ul style="list-style-type: none"> <li>- Insurance.</li> <li>- Indemnity Note – Administration.</li> <li>- Board Composition Matrix and Instructions for Completion.</li> </ul>	
		<b>iii. Annual Schedule of Board Meetings</b>	This should include: <ul style="list-style-type: none"> <li>- Upcoming meetings with an indication of the modality (announce if they will be face-to-face or virtual) and main topics to be discussed.</li> </ul>	

<sup>1</sup> This *checklist* model for the induction of new Directors has been developed, tested, and implemented by Cefeidas Group.

		<ul style="list-style-type: none"> <li>- Other events and activities that require the presence of the new director.</li> <li>- Draft of next year's annual calendar.</li> </ul>	
<b>4.2 Information about the Board of Directors</b>			
<b>i. Minutes</b>	This should include: <ul style="list-style-type: none"> <li>- Copies of the minutes of the latest Board meetings.</li> <li>- Summary of issues still under discussion by the Board.</li> <li>- Copy of the minutes of the last Annual Shareholders' Meeting.</li> </ul>		
<b>ii. Conflicts and Prohibitions</b>	<ul style="list-style-type: none"> <li>- Policy on Related-Party Transactions [and Conflicts of Interest]</li> <li>- Disclosure Policy</li> </ul>		
<b>4.3 Information about the company</b>			
<b>i. Financial and accounting information</b>	This should include: <ul style="list-style-type: none"> <li>- The latest financial statements and other relevant reports.</li> <li>- A copy of the budget and projections.</li> <li>- Copy of the budget of the Board of Directors.</li> </ul>		
<b>ii. Contracts in force</b>	All major current contracts that may affect the company's strategy or operations.		
<b>iii. Business Data</b>	This should include: <ul style="list-style-type: none"> <li>- A copy of the company's strategy.</li> <li>- A summary of the characteristics of the stakeholders closest to the company.</li> <li>- Presentations by [Company Name]</li> </ul>		
<b>iv. Internal policies</b>	Copies of Company policies and codes *: <ul style="list-style-type: none"> <li>- Code of Ethics.</li> <li>- Integrity Program.</li> <li>- Board Regulations</li> <li>- Corporate Governance Code</li> </ul> <p>[At this point, the Company may add any policies it deems relevant to the role of the Board.]</p>		
<b>4.4. Practical Information</b>			
<b>I. General Information</b>	<ul style="list-style-type: none"> <li>- Corporate Secretary's contact information.</li> <li>- Bios of each Director.</li> <li>- Data from external consultants.</li> <li>- Important Company Contact Numbers.</li> </ul>		

60 min.	<b>5. Informational Meeting</b>	<b>On specific issues regarding the Company and/or Board of Directors</b>	Review with the <b>Corporate Secretary</b> the materials contained in the induction package (points 4.1 and 4.2) and clarification of questions, etc.
60 min.	<b>6. Informational meeting</b>	<b>Regarding business strategy and the company in general</b>	Review the Company's strategy and vision together with the <b>General Manager</b> . This meeting is also expected to emphasize the mission and culture of [Company Name].  It can be helpful to explain the dynamics at Board meetings and review the Board induction package materials (regulations, policies, etc.).
60 min.	<b>7. Informational meeting</b>	<b>On the Company's financial and accounting status.</b>	Review the financial statements and most relevant financial information with the [Finance Manager].
60 min.	<b>8. Informational meeting</b>	<b>About risks faced by the Company</b>	Review of the risks the Company faces with the [Risk Manager].
30 min.	<b>9. Informational meeting</b> [OPTIONAL]	<b>About other responsibilities and closing the interview process</b>	This meeting should occur if the new director is to serve on a Board Committee and/or to close meetings.  Review and revise the processes <b>and practices, expectations, and current work with the President and the General Manager.</b>
[X min.]	<b>Other meetings deemed relevant</b> [OPTIONAL]	[Complete topic]	[Complete content and repeat as many times as necessary]
[X] min.	<b>10. Visit to the Company</b>	Visit accompanied by the <b>Corporate Secretary.</b>	Opportunity to talk to employees and learn more about the company's operations.  [Subject to be performed in accordance with company protocols].
	<b>11. Continuing education and training</b>	Coordination of courses and training before joining the Board and during one's term in office.	[Detail topics, dates, and times if known]
	<b>12. Additional information</b>	The remaining important information for the new director not included in the Induction Package must be delivered.	This could include: <ul style="list-style-type: none"> <li>- Main brochures.</li> <li>- Copies of the most relevant news and publications about the Company in recent months.</li> <li>- Details on the Company's advisors and consultants (lawyers, auditors, etc.).</li> <li>- Organization chart with detailed names.</li> <li>- Company Policies that were not previously attached.</li> </ul>

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<i>Person responsible and signature</i>	<i>Induction closing date</i>	<i>Relevant Notes</i>

## Sources

Australian Institute of Company Directors, “Directors’ Meetings” (2020)

Australian Institute of Company Directors, “Role of the company secretary” (2020)

IDB Invest, “IDB Invest Corporate Governance Tool” (2024)

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IBGC, “Code of Best Practices of Corporate Governance, 6th edition” (2023)

IBGC, “Corporate Governance for Startups & Scale-Ups” (2020)

IBGC, “Governance Officer” (2022)

IBGC, “Handbook #9: Good Practices for Board Meetings” (2020)

IFC, “The Corporate Secretary: The Governance Professional” (2016)

OECD, “G20/OECD Principles of Corporate Governance” (2023)

PSOJ, “Navigating Corporate Governance” (2024)

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