MERCADOLIBRE INC
Form DEF 14A
April 26, 2012

Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a- 6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

MercadoLibre, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

Arias 3751, 7th Floor

Buenos Aires, Argentina C1430CRG

April 26, 2012

Dear Stockholder:

You are cordially invited to attend the 2012 Annual Meeting of Stockholders of MercadoLibre, Inc., which will be held at 12:00 p.m., Eastern time, on Thursday, June 14, 2012, at the offices of Hunton & Williams LLP, 1111 Brickell Avenue, Suite 2500, Miami, Florida.

We are pleased to use the U.S. Securities and Exchange Commission rule that allows companies to furnish proxy materials to their stockholders primarily over the Internet. We believe that this electronic process should expedite your receipt of our proxy materials, lower the costs of our Annual Meeting, and help to conserve natural resources. On or about April 26, 2012, we first mailed to our stockholders a Notice of Internet Availability containing instructions on how to access our 2012 Proxy Statement and Annual Report and vote. The notice also included instructions on how to receive a paper copy of our proxy materials, including the proxy statement, proxy card and 2011 Annual Report.

Thank you, and we look forward to your attendance at the 2012 Annual Meeting of Stockholders or receiving your proxy vote. On behalf of the board of directors, I would like to express our appreciation for your continued interest in MercadoLibre.

Sincerely yours,

/s/ Marcos Galperin

Marcos Galperin

Chairman of the Board, President and Chief Executive Officer

Table of Contents

Arias 3751, 7th Floor

Buenos Aires, Argentina C1430CRG

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON JUNE 14, 2012

To Our Stockholders:

Notice is hereby given that the 2012 Annual Meeting of Stockholders of MercadoLibre, Inc. (the 2012 Annual Meeting) will be held at 12:00 p.m., Eastern time, on June 14, 2012, at the offices of Hunton & Williams LLP, 1111 Brickell Avenue, Suite 2500, Miami, Florida. The meeting is called for the following purposes:

1. To elect the two Class II directors nominated and recommended by our board of directors, each to serve until the 2015 Annual Meeting of Stockholders or until such time as their respective successors are elected and qualified, and to elect the Class I director nominated and recommended by our board to serve until the 2014 Annual Meeting of Stockholders or until such time as her successor is elected and qualified;

2. To hold an advisory vote on executive compensation;

3. To ratify the appointment of Deloitte & Co. S.R.L. as our independent registered public accounting firm for the fiscal year ending December 31, 2012; and

4. To transact such other business as may properly come before the meeting.

Our board of directors has fixed the close of business on April 20, 2012 as the record date for determining the stockholders entitled to notice of and to vote at the 2012 Annual Meeting. Only stockholders of record as of the close of business on April 20, 2012 are entitled to notice of and to vote at the 2012 Annual Meeting and at any adjournment or postponement thereof. We ask that as promptly as possible you vote via the Internet, by telephone or, if you requested to receive printed proxy materials, by mailing a proxy or voting instruction card.

This is an important meeting and all stockholders are invited to attend the meeting in person. Whether or not you plan to attend the meeting in person, please vote according to the instructions in this proxy statement. Voting on the Internet or by telephone is fast and convenient, and your vote is immediately confirmed and tabulated. Using the Internet or telephone saves us money by reducing postage and proxy tabulation costs. Stockholders who vote via Internet, telephone or by executing and returning a proxy card may nevertheless attend the meeting, revoke their proxy and vote their shares in person.

By order of the board of directors,

/s/ Jacobo Cohen Imach

Jacobo Cohen Imach

Vice President, General Counsel and Secretary

Buenos Aires, Argentina

April 26, 2012

Table of Contents

Important Notice Regarding the Availability of Proxy Materials for the 2012 Annual Meeting. The Notice of Meeting and Proxy Statement for the 2012 Annual Meeting and our 2011 Annual Report to Stockholders are available electronically at *www.proxyvote.com*.

Table of Contents

MercadoLibre, Inc.

Arias 3751, 7th Floor

Buenos Aires, Argentina C1430CRG

PROXY STATEMENT

INTERNET AVAILABILITY OF PROXY MATERIALS

Under U.S. Securities and Exchange Commission (SEC) rules, we are furnishing proxy materials to our stockholders primarily via the Internet, instead of mailing printed copies of those materials to each stockholder. On or about April 26, 2012 we first mailed to our stockholders (other than those who previously requested electronic or paper delivery) a Notice of Internet Availability containing instructions on how to access our proxy materials, including our proxy statement and our 2011 Annual Report. The Notice of Internet Availability also instructs you on how to access your proxy card to vote through the Internet or by telephone.

This process is designed to expedite stockholders receipt of proxy materials, lower the cost of the annual meeting, and help conserve natural resources. However, if you would prefer to receive printed proxy materials, please follow the instructions included in the Notice of Internet Availability. If you have previously elected to receive our proxy materials electronically, you will continue to receive these materials via e-mail unless you elect otherwise.

ATTENDING THE 2012 ANNUAL MEETING

Attending in Person

Doors open 11:30 a.m., Eastern time

Annual Meeting starts at 12:00 p.m., Eastern time

If you wish to attend the 2012 Annual Meeting in person, please register in advance by emailing investor relations at *investor@mercadolibre.com*. Attendance at the 2012 Annual Meeting will be limited to individuals that register in advance and present proof of stock ownership on the record date and picture identification. If you are a stockholder of record, you must bring picture identification, such as a valid driver s license. If you hold your shares through a stockbroker or other nominee, you will need to provide proof of ownership by bringing either a copy of the voting instruction card provided by your broker or a copy of a brokerage statement showing your share ownership as of April 20, 2012, as well as picture identification

No use of cameras

You do not need to attend the 2012 Annual Meeting to vote if you submitted your proxy in advance of the 2012 Annual Meeting

Listening on the Internet

Live webcast available at *http://investor.mercadolibre.com*

Webcast starts at 12:00 p.m., Eastern time

Replay available until July 13, 2012

Table of Contents

QUESTIONS

For questions regarding:	**You may contact:**
2012 Annual Meeting	MercadoLibre Investor Relations by going to *http://investor.mercadolibre.com/contactus.cfm* and submitting your question or request
Voting Stock Ownership	BNY Mellon Shareowner Services 480 Washington Boulevard Jersey City, New Jersey 07310-1900 Telephone: 1-888-313-1478 (U.S. investors) 201-680-6578 (Non-U.S. investors) Web: *www.bnymellon.com/shareowner/isd*

ii

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND OUR 2012 ANNUAL MEETING

Q: Why am I receiving these materials?

A: Our board of directors is providing these proxy materials to you in connection with our board s solicitation of proxies for use at our 2012 Annual Meeting of Stockholders (the 2012 Annual Meeting), which will take place on June 14, 2012. Stockholders are invited to attend the 2012 Annual Meeting and are requested to vote on the proposals described in this proxy statement.

Q: What information is contained in these materials?

A: The information included in this proxy statement relates to the proposals to be voted on at the 2012 Annual Meeting, the voting process, the compensation of our directors and our named executive officers, and certain other required information.

Q: Why did I receive a notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?

A: In accordance with SEC rules, we may furnish proxy materials, including this proxy statement and our 2011 Annual Report, which includes our audited consolidated financial statements for the year ended December 31, 2011, to our stockholders by providing access to these documents on the Internet instead of mailing printed copies. On or about April 26, 2012 we first mailed to our stockholders (other than those who previously requested electronic or paper delivery) a Notice of Internet Availability containing instructions on how to access our proxy materials, including our proxy statement and our 2011 Annual Report. The Notice of Internet Availability also instructs you on how to access your proxy card to vote through the Internet, by telephone or by mail. You will not receive printed copies of the proxy materials unless you request them. Instead, the Notice of Internet Availability will instruct you as to how you may access and review all of the proxy materials on the Internet. If you would like to receive a paper or electronic copy of our proxy materials, including a copy of our 2011 Annual Report, you should follow the instructions in the notice for requesting these materials.

Q: How do I get electronic access to the proxy materials?

A: The Notice of Internet Availability will provide you with instructions regarding how to:

- view our proxy materials for the 2012 Annual Meeting on the Internet; and

- instruct us to send our future proxy materials to you electronically by e-mail.

Choosing to receive your future proxy materials by e-mail will save us the cost of printing and mailing documents to you and will reduce the impact of printing and mailing these materials on the environment. If you choose to receive future proxy materials by e-mail, you will receive an e-mail next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by e-mail will remain in effect until you terminate it.

Q: What proposals will be voted on at the 2012 Annual Meeting?

A: There are three proposals scheduled for a vote at the 2012 Annual Meeting:

- the election of the two Class II directors nominated and recommended by our board, each to serve until the 2015 Annual Meeting of Stockholders or until such time as their respective successors are elected and qualified, and the election of the Class I director nominated and recommended by our board to serve until the 2014 Annual Meeting of Stockholders or until such time as her successor is elected and qualified;

- an advisory vote on executive compensation; and

- the ratification of the appointment of Deloitte & Co. S.R.L. as our independent registered public accounting firm for the fiscal year ending December 31, 2012.

Table of Contents

Q: What are our board s voting recommendations?

A: Our board recommends that you vote your shares:

- FOR the election of the two Class II directors nominated and recommended by our board;
- FOR the election of the one Class I director nominated and recommended by our board;
- FOR the approval of our executive compensation; and
- FOR the ratification of the appointment of Deloitte & Co. S.R.L. as our independent registered public accounting firm for 2012.

Q: How many shares are entitled to vote?

A: Each share of our common stock outstanding as of the close of business on April 20, 2012, the record date, is entitled to one vote at the 2012 Annual Meeting. At the close of business on April 20, 2012, 44,147,120 shares of our common stock were outstanding and entitled to vote. You may vote all of the shares owned by you as of the close of business on the record date and each share of common stock held by you on the record date represents one vote. These shares include shares that are (1) held of record directly in your name and (2) held for you as the beneficial owner through a stockbroker, bank or other nominee.

Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner?

A: Most stockholders of MercadoLibre hold their shares beneficially through a stockbroker, bank or other nominee rather than directly in their own name. There are some distinctions between shares held of record and shares owned beneficially, specifically:

Shares held of record

If your shares are registered directly in your name with our transfer agent, BNY Mellon Shareowner Services, you are considered the stockholder of record with respect to those shares, and the Notice of Internet Availability was sent directly to you. As the stockholder of record, you have the right to grant your voting proxy directly to us or to vote in person at the 2012 Annual Meeting. If you requested to receive printed proxy materials, we have enclosed or sent a proxy card for you to use. Each stockholder of record is entitled to vote by proxy as described in the Notice of Internet Availability and below under the heading How can I vote my shares without attending the 2012 Annual Meeting?

Shares owned beneficially

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name, and the Notice of Internet Availability was forwarded to you by your broker or nominee who is considered, with respect to those shares, the stockholder of record. As the beneficial owner or nominee, you have the right to direct your broker or other nominee on how to vote the shares in your account, and you are also invited to attend the 2012 Annual Meeting.

However, because you are not the stockholder of record, you may not vote these shares in person at the 2012 Annual Meeting unless you request and receive a valid proxy from your broker or other nominee. If you do not wish to vote in person or you will not be attending the Annual Meeting, you may vote by proxy as described in the Notice of Internet Availability and below under the heading How can I vote my shares without attending the 2012 Annual Meeting?

Table of Contents

Q: Can I attend the 2012 Annual Meeting?

A: You are invited to attend the 2012 Annual Meeting if you are a stockholder of record or a beneficial owner as of April 20, 2012. If you wish to attend the 2012 Annual Meeting in person, please register in advance by emailing investor relations at *investor@mercadolibre.com*. Attendance at the 2012 Annual Meeting will be limited to individuals that register in advance and present proof of stock ownership on the record date and picture identification. If you are a stockholder of record, you must bring picture identification, such as a valid driver s license. If you hold your shares through a stockbroker or other nominee, you will need to provide proof of ownership by bringing either a copy of the voting instruction card provided by your broker or a copy of a brokerage statement showing your share ownership as of April 20, 2012, as well as picture identification. If you do not attend the 2012 Annual Meeting, you can listen to a live webcast of the proceedings at our investor relations website at *http://investor.mercadolibre.com*.

Q: How can I vote my shares in person at the 2012 Annual Meeting?

A: Shares held directly in your name as the stockholder of record may be voted in person at the 2012 Annual Meeting. If you choose to vote in person, please bring proof of identification. Even if you plan to attend the 2012 Annual Meeting, we recommend that you vote your shares in advance as described below so that your vote will be counted if you later decide not to attend the 2012 Annual Meeting. Shares held in street name through a brokerage account or by a bank or other nominee may be voted in person by you if you obtain a valid proxy from the record holder giving you the right to vote the shares.

Q: How can I vote my shares without attending the 2012 Annual Meeting?

A: Whether you hold shares directly as the stockholder of record or beneficially in street name, you may vote without attending the 2012 Annual Meeting as follows:

If you are a stockholder of record, you may vote by proxy over the Internet or by telephone by following the instructions provided in the Notice of Internet Availability, or, if you requested to receive printed proxy materials, you can also vote by mail pursuant to instructions provided on the proxy card.

If you hold shares beneficially in street name, you may also vote by proxy over the Internet or by telephone by following the instructions provided in the Notice of Internet Availability, or, if you requested to receive printed proxy materials, you can also vote by mail by following the voting instruction card provided to you by your broker, bank, trustee or nominee.

Under Delaware law, votes cast by Internet or telephone have the same effect as votes cast by submitting a written proxy card.

Q: Can I change my vote or revoke my proxy?

A: If you are the stockholder of record, you may change your proxy instructions or revoke your proxy at any time before your proxy is voted at the 2012 Annual Meeting. Proxies may be revoked by any of the following actions:

filing a timely written notice of revocation with our Corporate Secretary at our principal executive office (Arias 3751, 7th Floor, Buenos Aires, Argentina, C1430CRG);

- granting a new proxy bearing a later date (which automatically revokes the earlier proxy) using any of the methods described above (and until the applicable deadline for each method); or
- attending the 2012 Annual Meeting and voting in person (attendance at the meeting will not, by itself, revoke a proxy).

If your shares are held through a brokerage account or by a bank or other nominee, you may change your vote by:

- submitting new voting instructions to your broker, bank, or nominee following the instructions they provided; or
- if you have obtained a legal proxy from your broker, bank, or nominee giving you the right to vote your shares, by attending the 2012 Annual Meeting and voting in person.

Table of Contents

Q: How are votes counted?

A: *Election of two Class II Directors*. In the election of two Class II directors, you may vote for any or all of the nominees for Class II director or you may withhold your vote with respect to any or all of the nominees for Class II director. Only votes for will be counted in determining whether a plurality has been cast in favor of a Class II director.

Election of one Class I Director. In the election of one Class I director, you may vote for the nominee for Class I director or you may withhold your vote with respect to the nominee for Class I director. Only votes for will be counted in determining whether a plurality has been cast in favor of the Class I director.

Advisory Vote on Executive Compensation. In the advisory vote on executive compensation, you may vote for, against or abstain. If you abstain from voting, it will have the same effect as a vote against this proposal.

Ratification of Appointment of Independent Auditor. In the proposal to ratify the appointment of our independent registered public accounting firm for 2012, you may vote for, against or abstain. If you abstain from voting, it will have the same effect as a vote against this proposal.

If you sign and return your proxy card or broker voting instruction card without giving specific voting instructions, your shares will be voted FOR the election of the two Class II directors nominated and recommended by our board and named in this proxy statement, FOR the election of the one Class I director nominated and recommended by our board and named in this proxy statement, FOR approval of our executive compensation, FOR the ratification of the approval of our independent auditors, and at the discretion of the proxies in any other matters properly brought before the 2012 Annual Meeting.

If you are a beneficial holder and do not return a voting instruction card, your broker is only authorized to vote on the ratification of the approval of our independent auditors. See What are broker non-votes and what effect do they have on the proposals?

Q: Who will count the votes?

A: A representative of Hunton & Williams LLP will tabulate the votes at the 2012 Annual Meeting and act as the inspector of elections.

Q: What is the quorum requirement for the 2012 Annual Meeting?

A: The quorum requirement for holding the 2012 Annual Meeting and transacting business is a majority of the outstanding shares entitled to vote. The shares may be present in person or represented by proxy at the 2012 Annual Meeting. Both abstentions and broker non-votes are counted as present for the purpose of determining the presence of a quorum.

Q: What is the voting requirement to approve each of the proposals?

A: *Election of two Class II Directors.* Class II directors are elected by plurality vote of the shares present in person or represented by proxy and entitled to vote on the matter, meaning that the two Class II director nominees receiving the highest number of FOR votes will be elected.

Election of one Class I Director. The Class I director will be elected by plurality vote of the shares present in person or represented by proxy and entitled to vote on the matter, meaning that the one Class I director nominee receiving the highest number of FOR votes will be elected.

Advisory Vote on Executive Compensation. The vote of a majority of the shares present in person or represented by proxy is required to approve our executive compensation. This vote is advisory and will not be binding on the company, the board of directors or the compensation committee.

Ratification of Appointment of Independent Auditor. The vote of a majority of the shares present in person or represented by proxy is required to ratify the appointment of our independent registered public accounting firm for 2012.

Table of Contents

Q: What are broker non-votes and what effect do they have on the proposals?

A: Generally, broker non-votes occur when shares held by a broker, bank or other nominee in street name for a beneficial owner are not voted with respect to a particular proposal because (1) the broker, bank or other nominee has not received voting instructions from the beneficial owner and (2) the broker, bank or other nominee lacks discretionary voting power to vote those shares. A broker, bank or other nominee is entitled to vote shares held for a beneficial owner on routine matters without instructions from the beneficial owner of those shares, but is not entitled to vote shares held for a beneficial owner on any non-routine matter without instruction from the beneficial owner. The ratification of the appointment of our independent registered public accounting firm is considered to be a routine matter for which brokers, banks or other nominees holding shares in street name may exercise discretionary voting power in the absence of voting instructions from the beneficial owner. As a result, broker non-votes will not arise in connection with, and thus will have no effect on, this proposal.

Unlike the proposal to ratify the appointment of our independent auditors, the election of directors and the advisory vote on executive compensation are each considered a non-routine matter. As a result, brokers, banks or other nominees holding shares in street name that have not received voting instructions from their clients cannot vote on their clients behalf on these proposals. **Therefore, it is very important that you provide your broker, bank or other nominee who is holding your shares in street name with voting instructions with respect to these proposals in one of the manners set forth in this proxy statement.** Under Delaware law, broker non-votes that arise in connection with the election of directors or the advisory vote on executive compensation votes will have no effect on these proposals.

Q: Where can I find the voting results of the 2012 Annual Meeting?

A: We will announce final voting results in a current report on Form 8-K that will be filed with the SEC within four business days after the 2012 Annual Meeting and that will also be available on our investor relations website at *http://investor.mercadolibre.com*.

Q: Who will bear the cost of soliciting votes for the 2012 Annual Meeting?

A: We will pay the entire cost of preparing, assembling, printing, mailing, and distributing these proxy materials. If you choose to access the proxy materials and/or vote over the Internet, you are responsible for any Internet access charges you may incur. If you choose to vote by telephone, you are responsible for telephone charges you may incur. In addition to the mailing of these proxy materials, the solicitation of proxies or votes may be made in person, by telephone or by electronic communication by our directors, officers and employees, who will not receive any additional compensation for such solicitation activities.

TABLE OF CONTENTS

Table of Contents

PROPOSAL ONE:

ELECTION OF TWO CLASS II DIRECTORS (PROPOSAL 1A) AND

ELECTION OF ONE CLASS I DIRECTOR (PROPOSAL 1B)

Our certificate of incorporation provides for our board to be divided into three classes, with each class having a three-year term. In accordance with our certificate of incorporation and bylaws, the number of directors that constitutes our board of directors is fixed from time to time by a resolution duly adopted by our board. Our board has set the size of the board at eight directors. Information as to the directors currently comprising each class of directors and the current term expiration date of each class of directors is set forth in the following table:

Class	Directors Comprising Class	Current Term Expiration Date
Class I	Susan Segal Michael Spence Mario Eduardo Vázquez	2014 Annual Meeting
Class II	Martín de los Santos Nicolás Galperin	2012 Annual Meeting
Class III	Emiliano Calemzuk Marcos Galperin Veronica Allende Serra	2013 Annual Meeting

A director elected to fill a vacancy (including a vacancy created by an increase in the size of our board) will serve for the remainder of the term of the class of directors in which the vacancy occurred and until his or her successor is elected and qualified, or until his or her earlier death, resignation, or removal. As discussed in greater detail below in Information on our Board of Directors Director Independence and Family Relationships, our Board has determined that six of the eight current members of our board are independent directors within the meaning of the listing standards of The NASDAQ Global Market and our corporate governance guidelines.

The terms of our two Class II directors are set to expire at the 2012 Annual Meeting. The nominating and corporate governance committee recommended, and our board nominated, each of Martín de los Santos and Nicolás Galperin as nominees for re-election as Class II members of our board at the 2012 Annual Meeting (Proposal 1A). If elected at the 2012 Annual Meeting, each of the nominees will serve until our 2015 Annual Meeting of Stockholders and until his successor is duly elected and qualified, or until his earlier death, resignation, or removal.

In addition, Susan Segal was appointed by our board on April 23, 2012 to serve as a Class I director, filling the vacancy created by the resignation of Anton J. Levy from our board effective on the same date. Pursuant to our bylaws, the nominating and corporate governance committee has recommended and our board has nominated, Susan Segal, as nominee for election as a Class I member of our board at the 2012 Annual Meeting (Proposal 1B). If elected at the 2012 Annual Meeting, Ms. Segal will serve until our 2014 Annual Meeting of Stockholders and until her successor is duly elected and qualified or until her earlier death, resignation or removal. Ms. Segal formerly served as a director of our company from 1999 to 2002. Ms. Segal s name as a potential candidate for director was initially submitted to the nominating and corporate governance committee by our chief executive officer.

If any of the nominees is unexpectedly unavailable for election, shares represented by validly delivered proxies will be voted for the election of a substitute nominee proposed by our nominating and corporate governance committee or our board may determine to reduce the size of our board. Each person nominated for election and named above has agreed to serve if elected.

Set forth below is biographical information for the nominees, as well as the key attributes, experience and skills that the board believes each nominee brings to the board.

Table of Contents

Nominees for Election as Class II Directors

Martín de los Santos*,* 42, joined our board in January 2008. Mr. de los Santos is the Chief Financial Officer of Vostu.com, a leading social gaming company in Latin America, where he has worked since August 2011. From 1993 to 1995, Mr. de los Santos worked at Goldman Sachs in the Investment Banking Division in New York where he assisted with equity, debt and merger and acquisition transactions for clients in Latin America and Europe. From 1995 to 1997, he worked at McKinsey and Co. where he advised clients in telecom, media, banking, and oil and gas industries, in Argentina, Brazil and Spain. After receiving his MBA from Stanford in 1999, he returned to McKinsey and Co. as an Associate where he advised telecom and media clients in Brazil and Spain. In 1999, he co-founded LID Group, a venture capital firm that invested in small technology companies in Argentina and Brazil. From 2003 to 2011, Mr. de los Santos was Director of Business Development at Corporacion IMPSA (Pescarmona Group of Companies) where he was responsible for merger and acquisition transactions, as well as structured finance transactions. Mr. de los Santos holds an MBA from Stanford University and a BS in business administration from the University of North Carolina at Chapel Hill.

Key Attributes, Experience and Skills:

Mr. de los Santos provides our board with a broad range of corporate finance, mergers and acquisitions, capital markets and specific industry expertise in Latin America, Europe and the United States. His experience as a consultant at McKinsey & Co. contributes significantly to his role as our compensation committee chairman in working with our compensation consultants and developing effective compensation policies, strategies and structures. Similarly, his vast mergers and acquisitions experience as the director of business development at Corporacion IMPSA and formerly at both Goldman Sachs and McKinsey make him a valuable member of our mergers and acquisitions committee. His investment banking and other finance experience lends him a financial sophistication required of our audit committee members.

Nicolás Galperin*,* 42*,* joined our board in 1999. Mr. Galperin is the principal of Onslow Capital Management Limited, an investment management company based in London, where he started working in 2006. Mr. Galperin worked at Morgan Stanley & Co. Incorporated, an investment bank, from 1993 until 2006, as a Managing Director and head of trading and risk management for the London emerging markets trading desk, as well as a trader of high-yield bonds, emerging market bonds and derivatives in New York and London. Mr. Galperin graduated with honors from the Wharton School of the University of Pennsylvania. Mr. Galperin is the brother of Marcos Galperin, our chairman, president and chief executive officer.

Key Attributes, Experience and Skills:

Mr. Galperin s career in investment banking and investment management, including serving in various leadership roles at Morgan Stanley and Onslow Capital Management, provide valuable business experience and critical insights on the roles of finance and strategic transactions in our business. His particular focus on emerging capital markets and his leadership in risk management contribute key skills to our board. Based in London, Mr. Galperin brings experience with both Latin American and European businesses. In addition to this global business point of view, Mr. Galperin s extensive experience in banking and investments includes an understanding of financial statements, corporate finance, accounting and capital markets.

Nominee for Election as Class I Director

Susan Segal, 59, has been president and CEO of the Americas Society and Council of the Americas since 2003, after having worked in the private sector for more than 30 years. Prior to her current position, Ms. Segal was a founding partner of her own investment advisory firm focused primarily on Latin America and the U.S. Hispanic market. Previously, she was a partner and Latin American Group Head at JPMorgan Partners/Chase Capital Partners, where she pioneered early stage venture capital investing in Latin America. Prior to joining Chase Capital Partners, Ms. Segal was a senior managing director focused on Emerging Markets Investment Banking and Capital Markets at Chase Bank and its predecessor banks. She was actively involved in the Latin American debt crisis of the 1980s and early 1990s both chairing and sitting on various advisory committees. Ms. Segal currently serves on various boards and committees, including at the Bank of Nova Scotia/Scotiabank, where she serves as a director and a member of the Audit Committee, the Tinker Foundation and the Latin American Venture Capital Association. She is also a member of the Council of Foreign Relations. In 1999, she was awarded the Order of Bernardo O Higgins Grado de Gran Oficial in Chile and in 2009 President Uribe of Colombia honored her with the Cruz de San Carlos. Ms. Segal received an M.B.A. from Columbia University and a B.A. from Sarah Lawrence College. Ms. Segal previously served as a director of the Company from 1999 to 2002.

Table of Contents

Key Attributes, Experience and Skills:

Ms. Segal s impressive experience includes her background studying the economies of Latin American countries. She is also well-versed in Latin America s prospects for growth, integration, and economic and social development, and she is knowledgeable about economic inclusion, social empowerment, markets, overall business environment, and diversity issues. Her background includes experience in trade, private equity, venture capital, social media, and infrastructure. Ms. Segal s decades of experience in Latin America have enabled her to create an extensive network among Latin America s political and business leaders. Given the increasing political and other challenges involved with doing business across national borders in Latin America, the Committee believes that Ms. Segal s prior experience and extensive knowledge of these affairs qualify her to serve as a director of our company.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION

OF THE NOMINEES FOR CLASS II DIRECTOR NAMED ABOVE AND

FOR THE ELECTION OF THE NOMINEE FOR CLASS I DIRECTOR NAMED ABOVE

Table of Contents

INFORMATION ON OUR BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Our business is managed by our employees under the direction and oversight of our board. Except for Mr. Marcos Galperin, none of the members of our board is an employee of MercadoLibre. Our board members remain informed of our business through discussions with management, materials we provide to them, and their participation in board and board committee meetings.

We believe open, effective, and accountable corporate governance practices are key to our relationship with our stockholders. Our board has adopted corporate governance guidelines that, along with the charters of our board committees and our code of business conduct and ethics, provide the framework for the governance of our company. A complete copy of our corporate governance guidelines, the charters of our board committees, and our code of business conduct and ethics may be found on our investor relations website at *http://investor.mercadolibre.com.* Information contained on our website is not part of this proxy statement. The board regularly reviews corporate governance developments and modifies these policies as warranted. Any changes in these governance documents will be reflected on the same location of our website.

Board of Directors

The following is biographical information on the remainder of our current directors, as well as the key attributes, experience and skills that the board believes such current directors bring to the board.

Class I Directors

Michael Spence, age 68, joined our board in 1999. Mr. Spence is Professor of Economics at the Stern School of Business at New York University, Professor Emeritus of Management in the Graduate School of Business at Stanford University, a senior advisor at Oak Hill Investment Management, a consultant to PIMCO, and a Senior Fellow of the Hoover Institution at Stanford. He served as dean of the Stanford Business School from 1990 to 1999. Dr. Spence was awarded the John Kenneth Galbraith Prize for excellence in teaching and the John Bates Clark medal for a significant contribution to economic thought and knowledge. In 2001, Dr. Spence received the Nobel Prize in Economic Sciences. From 2006 to 2010, Dr. Spence served as chairman of the Commission on Growth and Development. Dr. Spence earned his undergraduate degree in philosophy at Princeton summa cum laude and was selected for a Rhodes Scholarship. He was awarded a BS-MA from Oxford and earned his PhD in economics at Harvard University. He taught at Stanford as an Associate Professor of Economics from 1973 to 1975. From 1975 to 1990, he served as professor of Economics and Business Administration at Harvard, holding a joint appointment in the Business School and the Faculty of Arts and Sciences. In 1983, he was named chairman of the Economics Department and George Gund Professor of Economics and Business Administration. From 1984 to 1990, Dr. Spence served as the Dean of the Faculty of Arts and Sciences at Harvard, overseeing Harvard College, the Graduate School of Arts and Sciences, and the Division of Continuing Education. Since April 2005, Dr. Spence has served on the Board of Genpact Ltd., a NYSE-listed company that focuses on managing business processes, and previously served on the board of General Mills, Inc., from 1992 to 2008. Mr. Spence also serves on the board of a number of private companies. In the past he has served on the boards of Bank of America, Nike Inc., Siebel Systems, Inc., Exult Inc, a human resources company, Torstar Corporation, a publishing company, and Sun Microsystems, Inc.

Key Attributes, Experience and Skills:

Dr. Spence has strong leadership skills, having served as Dean of the Stanford Business School for nine years and the Dean of the Faculty of Arts and Sciences at Harvard for six years. Dr. Spence brings extensive experience in finance, developing country growth and management education. Further, he brings an academic perspective on the economy, business processes and developing markets, which enhances our board s ability to analyze macroeconomic trends that may impact our business. He is a frequent speaker on and leader of global economic policy. Dr. Spence s past service on the boards of major corporations, including General Mills, Bank of America, Nike and Sun Microsystems brings the board insights and best practices of admired public companies.

Table of Contents

Mario Eduardo Vázquez, age 76, joined our board in May 2008. Mr. Vázquez serves as a member of the board of directors of YPF S.A. and as the president of the Audit Committee of YPF S.A. Mr. Vázquez served as the Chief Executive Officer of Grupo Telefónica in Argentina from June 2003 to November 2006, and served as a member of the board of directors of Telefónica S.A. Spain from November 2000 to November 2006. He has also served as a regular member of the board of directors of Telefónica Argentina S.A. and Telefónica Holding Argentina S.A., and as alternate member of the board of directors of Telefónica de Chile S.A until 2012. Since November 2006, Mr. Vázquez has pursued personal interests in addition to his service as a director. Mr. Vázquez spent 23 years as a partner and general director of Arthur Andersen for Argentina, Chile, Uruguay and Paraguay (Pistrelli, Diaz y Asociados and Andersen Consulting Accenture), where he served for a total of 33 years until his retirement in 1993. Mr. Vázquez previously taught as a professor of Auditing at the Economics School of the University of Buenos Aires. Mr. Vázquez received a degree in accounting from the University of Buenos Aires.

Key Attributes, Experience and Skills:

Mr. Vázquez was chosen to join our board specifically to serve our audit committee as its audit committee financial expert. We targeted a director with financial and auditing experience specific to Latin American businesses. Mr. Vázquez worked in auditing for Arthur Andersen for 33 years total, including 23 years as a partner and general director, in many of our markets, including Argentina, Chile, Uruguay and Paraguay. He also brings an academic perspective to the position from his time as a professor of Auditing at the Economics School of the University of Buenos Aires. Finally, Mr. Vázquez has employed these skills as a board member of several other technology and other companies, thus has important experience serving as a director and audit committee member.

Class III Directors

Emiliano Calemzuk, age 38, joined our board in August 2007. Mr. Calemzuk serves as Chairman of the advisory boards of the Heart of Los Angeles Organization, a non-profit organization where he has served since 2010. From September 2010 to January 2012, Mr. Calemzuk served as Chief Executive Officer of Shine Group Americas (and its subsidiaries), major producers of television in the U.S. market. Prior to joining Shine, from 2007 to 2010, Mr. Calemzuk was President of Fox Television Studios, another major supplier of programming to U.S. cable and broadcast networks. From 2002 to 2007, Mr. Calemzuk served as President of Fox International Channels Italy. From 2000 to 2002, Mr. Calemzuk was Vice President and Deputy Managing Director of Fox Latin American Channels and was also employed as General Manager of Fox Kids Latin America. From 1998 to 2000, Mr. Calemzuk served as Associate Director of Marketing and Promotions for Fox Latin America. Prior to that, he worked at Hero Productions, a production company. He holds a bachelor s degree, cum laude, from the University of Pennsylvania, with studies at the Wharton School of Business and the Annenberg School of Communications.

Key Attributes, Experience and Skills:

Mr. Calemzuk contributes significant leadership experience in media, marketing and promotions. His service as President of Fox Television Studios provides valuable business, leadership and management experience, including expertise leading a large organization with global operations, giving him a keen understanding of the issues facing a multinational business such as MercadoLibre. Similarly, he has led the growth of international operations of Fox in both Latin America and Italy. In particular, he is a leader in alternative entertainment and technology genres, uniquely positioning him to provide thought leadership and guidance as MercadoLibre adapts to a changing technology and entertainment world.

Marcos Galperin, age 40, is one of our co-founders and has served as our chairman, president and chief executive officer and one of our directors since our inception in October 1999. He is a board member of Endeavor, a non-profit organization that is leading the global movement to catalyze long term economic growth by selecting, mentoring and accelerating the best high impact entrepreneurs around the world. He is also a board member of the Stanford Graduate School of Business. Prior to working with us, Mr. Galperin worked in the fixed income department of J.P. Morgan Securities Inc. in New York from June to August 1998 and at YPF S.A., an integrated oil company, in Buenos Aires, Argentina, where he was a Futures and Options Associate and managed YPF s currency and oil derivatives program from 1994 to 1997. Mr. Galperin received an MBA from Stanford University and graduated with honors from the Wharton School of the University of Pennsylvania.

Table of Contents

Key Attributes, Experience and Skills:

Mr. Galperin brings leadership and extensive experience and knowledge of our company and industry to the board. As the founder and president of our company, Mr. Galperin has the most long-term and valuable hands-on knowledge of the issues, opportunities and challenges facing us and our business. In addition, Mr. Galperin brings his broad strategic vision for our company to the board. Mr. Galperin s service as our chairman and president and Chief Executive Officer provides a critical link between management and the board, enabling the board to perform its oversight function with the benefits of management s perspectives on the business.

Veronica Allende Serra*,* age 42, joined our board in September 2007. Ms. Serra is the founding partner of Pacific Advisors, where she advises funds and corporations in their acquisitions and strategy. Between 1998 and 2001, she ran the office for Latin American Investments for International Real Returns LLC, a holding of global investments with $600 million under management with principal capital from the shareholders of Lazard Freres, an investment bank. Ms. Serra has invested in over a dozen companies in the United States and Latin America. She was an advisor and investor of Patagon, an on-line brokerage and bank that was sold to Banco Santander in 2000. Ms. Serra is a member of the advisory board of Endeavor Brazil and of the International Advisory Board of Endeavor Global. Between 1997 and 1998, she was Vice President and Assistant to the Chief Executive Officer of Leucadia National Corporation, an investment holding company based in New York. Ms. Serra has an MBA from Harvard Business School and a law degree from the University of São Paulo USP. She also holds a degree in art and advertising from the Escola Panamericana de Arte.

Key Attributes, Experience and Skills:

Ms. Serra provides our board with specific experience in acquisitions and other strategic transactions. She was chosen in part due to her extensive experience and leadership in global investments in both Latin America and the United States. In addition to business and finance, her law degree provides a legal perspective on our business transactions and her art and advertising degree provides marketing guidance with respect to our business decisions. Further, her dual education in both Brazil and the United States provides insights in both of our major areas of operation and oversight. She currently resides in Brazil, one of our most important markets. Ms. Serra s diverse background also contributes to her effectiveness as our lead independent director, enabling her to lead in a number of different areas.

Director Independence and Family Relationships

NASDAQ rules require listed companies to have a board of directors with at least a majority of independent directors. Under NASDAQ s rules, in order for a director to be deemed independent, our board must determine that the individual does not have a relationship that would interfere with the director s exercise of independent judgment in carrying out his or her responsibilities as a director of our company. As part of our corporate governance guidelines, our board has adopted guidelines setting forth categories of relationships that it has deemed material for purposes of making a determination regarding a director s independence. On an annual basis, each member of our board is required to complete a questionnaire designed to provide information to assist our board in determining whether the director is independent under NASDAQ rules and our corporate governance guidelines. Our board has determined that each of Messrs. Calemzuk, de los Santos, Spence and Vázquez, Ms. Segal and Ms. Serra, is independent under the listing standards of The NASDAQ Global Market and our corporate governance guidelines. Our governance guidelines require any director who has previously been determined to be independent to inform the chairman of our board and our corporate secretary of any change in circumstance that may cause his or her status as an independent director to change.

Other than Marcos Galperin and Nicolás Galperin, who are brothers, there are no family relationships among our officers and directors, nor are there any arrangements or understandings between any of our directors or officers or any other person pursuant to which any officer or director was or is to be selected as an officer or director.

Board Leadership Structure

We do not have a fixed policy with respect to the separation of the offices of the chairman of the board and chief executive officer and believe that any determination in this regard is part of the executive succession planning process. The board understands that there is no single, generally accepted approach to providing board leadership and, in light of the competitive and dynamic environment in which we operate, the appropriate board leadership structure may vary from time to time as circumstances warrant.

Table of Contents

Mr. Galperin currently serves as both our chairman and our president and chief executive officer. Our board believes service in these dual roles is in the best interests of our company and our stockholders. Mr. Galperin co-founded our company, has served as chief executive officer since our inception and is the only member of management on the board. The board is confident that he possesses the most thorough knowledge of the issues, opportunities and challenges facing us and our business and, accordingly, is the person best positioned to develop agendas that ensure that the board s time and attention are focused on the most critical matters. His combined role enables decisive leadership, ensures clear accountability, and enhances our ability to communicate our message and strategy clearly and consistently to our stockholders, employees and users.

Because the board also believes that strong, independent board leadership is a critical aspect of effective corporate governance, the board has established the position of lead independent director. The lead independent director is an independent director elected annually by the board. Ms. Serra currently serves as the lead independent director. As lead independent director, she chairs and has authority to call formal closed sessions of the outside directors, leads board meetings in the absence of the chairman, and leads the annual board self-assessment process. In addition, the lead independent director, together with the chair of the nominating and corporate governance committee, conducts interviews to confirm the continued qualification and willingness to serve of each director whose term is expiring at an annual meeting prior to the time at which directors are nominated for re-election.

Our board will continually evaluate the current leadership structure of the board with the goal of maximizing its effectiveness.

Risk Oversight

Our board of directors provides various forms of risk oversight. As part of this process, the board seeks to identify, prioritize, source, manage and monitor our critical risks. To this end, our board periodically, and at least annually, reviews the material risks faced by us, our risk management processes and systems and the adequacy of our policies and procedures designed to respond to and mitigate these risks.

The board has generally retained the primary risk oversight function and has an active role, in its entirety and also at the committee level, in overseeing management of our material risks. The board regularly reviews information regarding our operations, strategic plans and liquidity, as well as the risks associated with each. The audit committee oversees management of financial and internal control risks as well as the risks associated with related party transactions. Our head of internal audit reports directly to the audit committee. The compensation committee is responsible for overseeing the management of risks relating to our executive compensation plans and arrangements. The nominating and corporate governance committee oversees the management of risks associated with the composition and independence of our board and oversees our corporate governance policies and procedures related to risk management, including our whistleblower procedures, insider trading policy and corporate governance guidelines. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire board of directors is regularly informed through committee reports about such risks.

Stockholder Communications with our Board

Stockholders may communicate with our board, board committees or individual directors, including the lead independent director, c/o Corporate Secretary, Arias 3751, 7th Floor, Buenos Aires, Argentina, C1430CRG. The nominating and corporate governance committee has delegated responsibility for initial review of stockholder communications to our vice president of investor relations. In accordance with the committee s instructions, our vice president of investor relations will summarize all correspondence and make it available to each member of our board. In addition, the vice president of investor relations will forward copies of all stockholder correspondence to each member of the nominating and corporate governance committee, except for communications that are (a) advertisements or promotional communications, (b) solely related to complaints by users with respect to ordinary course of business customer service and satisfaction issues, or (c) clearly unrelated to our business, industry, management, or board or committee matters.

Table of Contents

Attendance at Annual Meetings

We do not have a policy regarding director attendance at annual meetings of our stockholders. No members of our board of directors were able to attend our 2011 Annual Meeting of Stockholders in person.

Formal Closed Sessions

At the conclusion of each regularly scheduled board meeting, the outside directors have the opportunity to meet without our management or the other directors. The lead independent director leads these discussions.

Board Compensation

Board compensation is determined by the compensation committee. Only the directors who our board determines to be outside directors receive compensation for their service. Board compensation for our outside directors has historically consisted of both cash and equity compensation. Director compensation is reviewed from time to time by the compensation committee. Current board compensation is described under the heading Compensation of Directors below.

Outside Advisors

The board and each of its committees may retain outside advisors and consultants of their choosing at our expense. The board need not obtain management s consent to retain outside advisors.

Conflicts of Interest

We expect our directors, executives, and employees to conduct themselves with the highest degree of integrity, ethics, and honesty. MercadoLibre s credibility and reputation depend upon the good judgment, ethical standards and personal integrity of each director, executive, and employee. In order to better protect MercadoLibre and its stockholders, we periodically review our code of business conduct and ethics to ensure that it provides clear guidance to our employees and directors.

Transparency

We believe it is important that our stockholders understand our governance practices. In order to help ensure the transparency of our practices, we have posted information regarding our corporate governance procedures on our investor relations website at *http://investor.mercadolibre.com.*

Board Effectiveness and Director Performance Reviews

It is important to us that our board and its committees are performing effectively and in the best interests of the company and its stockholders. The board and each committee performs an annual self-assessment to evaluate its effectiveness in fulfilling its obligations. As part of this annual self-assessment, directors are able to provide feedback on the performance of other directors. Our lead independent director follows up on this feedback and takes such further action with directors receiving comments and other directors as she deems appropriate.

Succession Planning

The board recognizes the importance of effective executive leadership to MercadoLibre s success, and meets to discuss executive succession planning at least annually. As part of this process, our board reviews the capabilities of our senior leadership as set out in written succession planning documents and identifies and discusses potential successors for members of our executive staff, including the chief executive officer. Our nominating and corporate governance committee leads the succession planning process for our Chief Executive Officer and other senior officers and performs a similar analysis with respect to the rest of our board.

Auditor Independence

We have taken a number of steps to ensure the continued independence of our independent registered public accounting firm. Our independent registered public accounting firm reports directly to the audit committee, and we limit the use of our auditors for non-audit services. The fees for services provided by our auditors in 2010 and 2011 and our policy on pre-approval of non-audit services are described under the section below entitled Proposal Three: Ratification of Independent Registered Public Accounting Firm.

Table of Contents

Corporate Hotline

We have established a corporate telephone hotline and Internet site to allow any employee to confidentially and anonymously lodge a complaint about any accounting, internal control, auditing, or other matter of concern.

Board Committees

Board committees help our board perform effectively and efficiently, but do not replace the oversight of our board as a whole. There are currently three principal standing board committees: the audit committee, the compensation committee and the nominating and corporate governance committee. Each committee meets regularly and has a written charter that has been approved by our board, which is available on our investor relations website at *http://investor.mercadolibre.com*. In addition, at each regularly scheduled board meeting, a member of each committee reports on any significant matters addressed by the committee subsequent to the board s most recent prior meeting. Each committee performs an annual self-assessment to evaluate its effectiveness in fulfilling its obligations.

Table of Contents

The following table lists the current members of each of our three principal standing board committees:

	Audit	Compensation	Nominating & Corporate Governance
Emiliano Calemzuk*		X	Chair
Martín de los Santos*	X	Chair	
Susan Segal*	X		
Veronica Allende Serra*		X	
Michael Spence*			X
Mario Vázquez*	Chair		X

* Independent Director

Audit Committee

The board has established an audit committee, which consists of Messrs. Vázquez (Chairman) and de los Santos and Ms. Segal. Our board has determined that each of the directors serving on our audit committee is independent within the meaning of the rules of the SEC and NASDAQ. The audit committee is responsible for, among other things:

- reviewing the performance of our independent registered public accounting firm and making recommendations to our board regarding the appointment or termination of our independent registered public accounting firm;

- considering and approving, in advance, all audit and non-audit services to be performed by our independent registered public accounting firm;

- overseeing management s establishment and maintenance of our accounting and financial reporting processes, including our internal controls and disclosure controls and procedures, and the audits of our financial statements;

- establishing procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal control or auditing matters and the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters;

- investigating any matter brought to its attention within the scope of its duties and engaging independent counsel and other advisers as the audit committee deems necessary;

- determining compensation of the independent registered public accounting firm, compensation of advisors hired by the audit committee and ordinary administrative expenses;

- reviewing annual and quarterly financial statements prior to their release;

- preparing the report required by the rules and regulations of the SEC to be included in our annual proxy statement;

- reviewing and assessing the adequacy of the committee s formal written charter on an annual basis; and

- handling such other matters that are specifically delegated to the audit committee by our board from time to time.

The audit committee met five times during the fiscal year ended December 31, 2011 and took three actions by unanimous written consent. Our board has determined that Mr. Vázquez is an audit committee financial expert, as defined by SEC rules.

For more information, please see Audit Committee Report beginning on page 42 of this proxy statement.

-10-

Table of Contents

Compensation Committee

The board has established a compensation committee, which consists of Messrs. de los Santos (Chairman) and Calemzuk and Ms. Serra. Our board has determined that each of the directors serving on our compensation committee is independent within the meaning of NASDAQ rules. The compensation committee is responsible for, among other things:

- recommending to our board for determination, the compensation and benefits of all of our executive officers and key employees;
- monitoring and reviewing our compensation and benefit plans to ensure that they meet corporate objectives;
- administering our stock plans and other incentive compensation plans and preparing recommendations and periodic reports to our board concerning these matters;
- preparing the report required by the rules and regulations of the SEC to be included in our annual proxy statement and assisting management in the preparation of a compensation discussion and analysis; and
- such other matters that are specifically delegated to the compensation committee by our board from time to time.

The compensation committee met once during the fiscal year ended December 31, 2011 and took two actions by unanimous written consent.

Nominating and Corporate Governance Committee

The board has established a nominating and corporate governance committee, which consists of Messrs. Calemzuk (Chairman), Spence and Vázquez. Our board has determined that each of the directors serving on our nominating and corporate governance committee is independent within the meaning of NASDAQ rules. The nominating and corporate governance committee is responsible for, among other things:

- recommending to our board for selection, nominees for election to our board;
- making recommendations to our board regarding the size and composition of the board, committee structure and makeup and retirement procedures affecting board members;
- monitoring our performance in meeting our obligations of fairness in internal and external matters and our principles of corporate governance; and
- such other matters that are specifically delegated to the nominating and corporate governance committee by our board from time to time.

Our board has adopted a written charter for our nominating and corporate governance committee, which is posted on our investor relations website at *http://investor.mercadolibre.com*. That charter requires the nominating and corporate governance committee to consider the desired composition of our board, including such factors as expertise and diversity, and our corporate governance guidelines provide that, in consideration of the composition of our board, diversity of backgrounds and expertise should be emphasized.

The nominating and corporate governance committee met twice during the fiscal year ended December 31, 2011.

-11-

Table of Contents

Other Committees

From time to time, our board may establish other committees as circumstances warrant. Those committees will have the authority and responsibility as delegated to them by our board.

Code of Business Conduct and Ethics

Our board has adopted a code of business conduct and ethics that applies to our officers, directors and employees. Among other matters, our code of business conduct and ethics is designed to deter wrongdoing and to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely and understandable disclosure in our SEC filings and other public communications;
- compliance with applicable governmental laws, rules and regulations;
- prompt internal reporting of violations of the code to appropriate persons identified in the code; and
- accountability for adherence to the code.

Our audit committee must approve any waiver of the code of business conduct and ethics for our executive officers or directors, and any waiver shall be promptly disclosed. We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K relating to amendments to or waivers from any provision of the code of business conduct and ethics applicable to our chief executive officer and chief financial officer by posting the required information on our investor relations section of our website at *http://investor.mercadolibre.com*.

Director Nominations

Nominating and Corporate Governance Committee. The nominating and corporate governance committee of our board performs the functions of a nominating committee. The nominating and corporate governance committee s charter describes the committee s responsibilities, including identifying, reviewing, evaluating and recommending director candidates for nomination by our board. Our corporate governance guidelines also contain information concerning the responsibilities of the nominating and corporate governance committee with respect to identifying and evaluating director candidates. Both documents are published on our investor relations website at *http://investor.mercadolibre.com*.

Director Candidate Recommendations and Nominations by Stockholders. The nominating and corporate governance committee s charter provides that the committee will consider director candidates recommended by stockholders. The charter of the nominating and corporate governance committee provides that it will evaluate all candidates for election to our board, regardless of the source from which the candidate was first identified, based on the totality of the merits of each candidate and not based upon minimum qualifications or attributes. Stockholders should submit any such recommendations for the consideration of our nominating and corporate governance committee through the method described under Stockholder Communications above. In addition, any stockholder of record entitled to vote for the election of directors may nominate persons for election to our board if that stockholder complies with the notice procedures summarized in Stockholder Proposals for Our 2013 Annual Meeting beginning on page 46 of this proxy statement.

Process for Identifying and Evaluating Director Candidates. The nominating and corporate governance committee evaluates all director candidates in accordance with the criteria described in our corporate governance guidelines and the nominating and corporate governance committee charter. The committee evaluates any candidate s qualifications to serve as a member of our board based on the skills and characteristics of individual board members as well as the composition of our board as a whole. In addition, the nominating and corporate governance committee will evaluate a candidate s independence, skills, experience, reputation, integrity, potential for conflicts of interest and other appropriate qualities in the context of our board s needs.

Directors Attendance at Meetings of our Board of Directors and Board Committees

Our board held four meetings and took three actions by written consent during the fiscal year ended December 31, 2011. All incumbent directors, except Mr. Nicolás Galperin, attended 75% or more of the aggregate of all meetings of the board of directors and the board committees on which they served during 2011.

Table of Contents

DIRECTOR COMPENSATION

On June 25, 2010, our board, upon the recommendation of the compensation committee, adopted a director compensation program that sets compensation for our outside directors for the period June 2010 to June 2013. The 2011 portion of this director compensation program (the 2011 Director Program), which became effective as of June 10, 2011, provides that each outside director receives an annual fee for board services from June 10, 2011 to June 9, 2012, comprised of a non-adjustable board service award and an adjustable board service award. The non-adjustable board service award consists of a fixed cash payment of $37,703. The adjustable board service award consists of a fixed cash amount of $50,271 multiplied by the quotient of (a) the average closing sale price of our common stock on The NASDAQ Global Market during the 30-trading day period preceding the 2012 Annual Meeting divided by (b) the average closing sale price of our common stock on The NASDAQ Global Market during the 30-trading day period preceding the 2011 Annual Meeting of Stockholders.

The 2011 Director Program also includes a non-adjustable chair service award for committee services from June 10, 2011 to June 9, 2012. Under the terms of the 2011 Director Program, the chair of each of the audit committee, the compensation committee and the nominating and corporate governance committee and the lead independent director are entitled to receive annual cash compensation in addition to existing director compensation in the amount of $18,852, $15,081, $6,284 and $12,568, respectively.

The compensation committee periodically considers our director compensation policy with a primary objective of matching compensation levels to the relative demands associated with serving on our board and its various committees.

We do not pay additional compensation to directors who have not been classified as outside directors, but do reimburse these directors for expenses incurred in attending meetings of our board and its committees.

Director Compensation for 2011

The following table presents information relating to total compensation of our outside directors for the fiscal year ended December 31, 2011:

Name (1)	Fees Earned (2)	Total (2)
Emiliano Calemzuk	$ 110,179	$ 110,179
Martín de los Santos	$ 118,437	$ 118,437
Nicolás Galperin (3)		
Anton J. Levy (4)		
Veronica Allende Serra	$ 116,078	$ 116,078
Michael Spence	$ 104,280	$ 104,280
Mario Eduardo Vázquez	$ 121,977	$ 121,977

(1) Marcos Galperin is not included in this table because he is an employee of our company and receives no additional compensation for his services as a director. For a detailed description of Mr. Galperin s compensation package, see Executive Compensation in this proxy statement. Susan Segal is not included in this table because she was appointed to our board on April 23, 2012 and as such, was not compensated as a director during fiscal year 2011.

(2) The amounts in this column reflect the fees earned by the outside directors for the period January 1, 2011 through December 31, 2011. As a result, the amounts include (i) the portion of the fees earned under the 2011 Director Program for the period June 10, 2011 to December 31, 2011 and (ii) the portion of the fees earned under the 2010 portion of the director compensation program that covers the period January 1, 2011 to June 9, 2011 (the 2010 Director Program).

Table of Contents

Under the 2010 Director Program, each outside director received an annual fee for board services from June 10, 2010 to June 9, 2011, comprised of a non-adjustable board service award and an adjustable board service award. The non-adjustable board service award consisted of a fixed cash payment of $32,436. The adjustable board service award consisted of a fixed cash amount of $43,248 multiplied by the quotient of (a) the average closing sale price of our common stock on The NASDAQ Global Market during the 30-trading day period preceding the 2011 Annual Meeting of Stockholders, divided by (b) the average closing sale price of our common stock on The NASDAQ Global Market during the 30-trading day period preceding the 2010 Annual Meeting of Stockholders. The 2010 Director Program also included a non-adjustable chair service award for committee services provided to our company from June 10, 2010 to June 9, 2011. Under the terms of the 2010 Director Program, the chair of each of the audit committee, compensation committee and nominating and corporate governance committee and the lead independent director were entitled to receive annual cash compensation in addition to existing director compensation in the amount of $16,218, $12,974, $5,406 and $10,812, respectively.

(3) Nicolas Galperin is not considered to be an outside director and, as a result, is not compensated by us as a director of our company.
(4) Mr. Levy resigned from our board of directors effective April 23, 2012. During his term as a director, Mr. Levy was not considered to be an outside director and, as a result, was not compensated by us as a director of our company.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act), requires our officers and directors, and persons who own more than 10% of a registered class of our equity securities, to file reports of ownership and changes in ownership with the SEC. Officers, directors and greater-than-10% stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) reports that they file.

Based solely upon review of the copies of such reports furnished to us and written representations from certain of our executive officers and directors that no other such reports were required, we believe that during the period from January 1, 2011 through December 31, 2011, all Section 16(a) filing requirements applicable to our officers, directors and greater-than-10% beneficial owners were complied with on a timely basis, except for the following:

Reporting Person	Form Type	Due Date	File Date	Number of Transactions Not Timely Reported
Hernán Kazah	4	January 25, 2011	January 28, 2011	4
Marcos Galperin	4	April 5, 2011	April 20, 2011	1
Osvaldo Giménez	4	April 5, 2011	April 20, 2011	1
Hernán Kazah	4	April 5, 2011	April 20, 2011	1
Stelleo Tolda	4	April 5, 2011	April 20, 2011	1
Daniel Rabinovich	3	May 6, 2011	May 12, 2011	1
Anton J. Levy	4	November 9, 2011	November 10, 2011	12
Anton J. Levy	4	November 15, 2011	November 16, 2011	6
Marcos Galperin	4	December 9, 2011	December 12, 2011	2

Table of Contents

EXECUTIVE OFFICERS

Our executive officers serve at the discretion of our board, and serve until their successors are elected and qualified or until their earlier death, resignation or removal. The following table contains information regarding our executive officers as of March 31, 2012.

Name	Age	Position
Marcos Galperin	40	Chairman of the Board, President and Chief Executive Officer
Pedro Arnt	38	Executive Vice President and Chief Financial Officer
Stelleo Tolda	44	Executive Vice President and Chief Operating Officer
Osvaldo Giménez	41	Executive Vice President Payments
Marcelo Melamud	41	Vice President and Chief Accounting Officer
Daniel Rabinovich	34	Senior Vice President and Chief Technology Officer

For biographical information on Mr. Galperin, please see the biographical description provided above under the caption Proposal One: Election of Two Class II Directors (Proposal 1A) and Election of One Class I Director (Proposal 1B).

Pedro Arnt has served as our chief financial officer since June 1, 2011. Prior to his appointment as chief financial officer, Mr. Arnt served in various capacities since joining MercadoLibre in December 1999. He initially led the business development and marketing teams as vice president, and later managed our customer service operations. He then held the position of vice president of strategic planning, treasury & investor relations, actively participating in our transition from private to public company, and playing an important role in capital markets, corporate finance, strategic planning and treasury initiatives. Prior to joining MercadoLibre, Mr. Arnt worked for The Boston Consulting Group. He is a Brazilian citizen and holds a BA, magna cum laude, from Haverford College and a master s degree from the University of Oxford.

Stelleo Tolda has served as our chief operating officer since April 1, 2009. Prior to his appointment as chief operating officer, Mr. Tolda served as a senior vice president and as our country manager of Brazil since 1999. In that role he guided MercadoLibre to its current position as the leading e-commerce marketplace in Brazil. Before joining MercadoLibre, Mr. Tolda worked at Lehman Brothers Inc. in the United States, in 1999, and at Banco Pactual and Banco Icatu in Brazil, from 1996 to 1997 and 1994 to 1996, respectively. He holds an MBA from Stanford University, and a master s degree and bachelor s degree in mechanical engineering, also from Stanford.

Osvaldo Giménez is an executive vice president and has been responsible for MercadoPago operations since February 2004. Mr. Giménez joined MercadoLibre in January 2000 as country manager of Argentina and Chile. Before joining us, Mr. Giménez was an associate in Booz Allen and Hamilton and worked for Santander Investments in New York. Mr. Giménez received an MBA from Stanford University and graduated from Buenos Aires Technological Institute with a bachelor s degree in industrial engineering.

Marcelo Melamud is a vice president and has served as our chief accounting officer since August 15, 2008. Prior to this appointment, Mr. Melamud served as our vice president administration and control since April 2008. From July 2004 through March 2008, he served as the director of finance of MDM Hotel Group, a developer, owner and operator of Marriott branded hotels in Miami, Florida. From July 1998 through July 2004, Mr. Melamud worked in various finance roles for Fidelity Investments, a provider of investment products and services. During his work at Fidelity Investments, Mr. Melamud served as the director of finance of the World Trade Center Boston/Seaport Hotel and he also served as the director of finance of MetroRed Telecom Group Ltd., a fiber-optic telecommunication provider of data, value added, and hosting services within Latin America. Mr. Melamud received his MBA from the Olin Graduate School of Business at Babson College and is a Certified Public Accountant in Argentina.

Daniel Rabinovich is a senior vice president and has served as our chief technology officer since January 2011. Prior to this appointment, Mr. Rabinovich served as our vice president of product development since January 2009, having joined MercadoLibre in March 2000 as an application architect. Before joining us, he worked in the application architecture team at PeopleSoft. Mr. Rabinovich holds a Master s degree in Technological Services Management from the Universidad de San Andres and graduated with honors from Buenos Aires University with a degree in information systems.

Table of Contents

BENEFICIAL OWNERSHIP OF OUR COMMON STOCK

The following tables set forth information, as of April 1, 2012, regarding the beneficial ownership of our common stock. This information is based solely on SEC filings made by the individuals and entities by that date and upon information submitted to us by our directors and executive officers.

- each person that is known by us to be a beneficial owner of more than 5% of our outstanding equity securities;
- each of our named executive officers;
- each of our directors; and
- all directors and executive officers as a group.

Except as indicated in the footnotes to this table, we believe that each stockholder identified in the table possesses sole voting and investment power over all shares shown as beneficially owned by the stockholder. Percentage of beneficial ownership is based on 44,147,120 shares of our equity securities outstanding as of April 1, 2012. Shares of common stock subject to options that are currently exercisable or exercisable within 60 days of the date of this proxy statement are considered outstanding and beneficially owned by the person holding the options for the purposes of computing the percentage ownership of that person but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Unless indicated otherwise in the footnotes, the address of each individual listed in the table is c/o MercadoLibre, Inc., Arias 3751, 7th Floor, Buenos Aires, Argentina, C1430CRG.

	Total Common Stock	
Name and Address of Beneficial Owner	**Number**	**Percentage**
Five percent stockholders:		
eBay Inc. (1)	8,126,062	18.4%
FMR, LLC (2)	3,010,172	6.8%
Baillie Gifford & Co. (3)	3,000,372	6.8%
Directors and executive officers:		
Marcos Galperin	4,546,563	10.3%
Pedro Arnt	13,114	*
Hernán Kazah	25,042	*
Osvaldo Giménez	15,415	*
Daniel Rabinovich	243	*
Stelleo Tolda (4)	101,203	*
Emiliano Calemzuk		*
Martín de los Santos	2,737	*
Nicolás Galperin		*
Susan Segal		*
Veronica Allende Serra	3,579	*
Michael Spence	34,354	*
Mario Vázquez	2,354	*
All directors and executive officers as a group (12 persons)	**4,744,604**	**10.7%**

* Indicates less than 1% ownership

(1) According to a Schedule 13G/A filed on February 7, 2012 by eBay Inc., 2145 Hamilton Avenue, San Jose, California 95125.

Table of Contents

(2) According to a Schedule 13G/A filed on February 14, 2012 by FMR LLC (FMR), Fidelity Management & Research Company (Fidelity), 82 Devonshire Street, Boston, Massachusetts 02109, a wholly-owned subsidiary of FMR LLC (FMR) and an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, is the beneficial owner of 2,780,624 shares of our common stock as a result of acting as investment adviser to various investment companies registered under Section 8 of the Investment Company Act of 1940. Edward C. Johnson 3d and FMR, through its control of Fidelity, and the funds each has sole power to dispose of the 2,169,106 shares owned by the Funds. Members of the family of Edward C. Johnson 3d, Chairman of FMR, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR, representing 49% of the voting power of FMR. The Johnson family group and all other Series B shareholders have entered into a shareholders voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the shareholders voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR. Neither FMR nor Edward C. Johnson 3d, Chairman of FMR, has the sole power to vote or direct the voting of the shares owned directly by the Fidelity Funds, which power resides with the Funds Boards of Trustees. Fidelity carries out the voting of the shares under written guidelines established by the Funds Boards of Trustees. Pyramis Global Advisors Trust Company (PGATC), 900 Salem Street, Smithfield, Rhode Island, 02917, an indirect wholly-owned subsidiary of FMR and a bank as defined in Section 3(a)(6) of the Exchange Act, is the beneficial owner of 2,800 shares as a result of its serving as investment manager of institutional accounts owning such shares. Edward C. Johnson 3d and FMR, through its control of PGATC, each has sole dispositive power over 2,800 shares and sole power to vote or to direct the voting of 0 shares of our common stock owned by the institutional accounts managed by PGATC as reported above. FIL Limited (FIL), Pembroke Hall, 42 Crow Lane, Hamilton, Bermuda, and various foreign-based subsidiaries provide investment advisory and management services to a number of non-U.S. investment companies and certain institutional investors. FIL, which is a qualified institution under section 240.13d-1(b)(1)(ii), is the beneficial owner of 226,748 shares of our common stock.

(3) According to a Schedule 13G/A filed on January 17, 2012 by Baillie Gifford & Co., Calton Square, 1 Greenside Row, Edinburgh, EH1 3 AN, Scotland, UK, such reporting person may be deemed to have sole voting power with respect to 2,399,240 shares and sole dispositive power with respect to 3,000,372 shares. Securities reported on the Schedule 13G/A as being beneficially owned by Baillie Gifford & Co. are held by Baillie Gifford & Co. and/or one or more of its investment adviser subsidiaries, which may include Baillie Gifford Overseas Limited, on behalf of investment advisory clients, which may include investment companies registered under the Investment Company Act, employee benefit plans, pension funds or other institutional clients.

(4) Includes 100,157 shares held by Tool, Ltd. of which Stelleo Tolda owns all of the outstanding equity.

Table of Contents

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The primary goals of our compensation committee with respect to executive compensation are to attract and retain the most talented and dedicated executive officers possible and to align executive officers incentives with stockholder value creation.

In this proxy statement, we use the term named executive officers to refer to Marcos Galperin, our president and chief executive officer, Pedro Arnt, our executive vice president and chief financial officer, Hernán Kazah, former executive vice president and chief financial officer, Stelleo Tolda, our chief operating officer, Osvaldo Giménez, our executive vice president payments, and Daniel Rabinovich, our senior vice president and chief technology officer.

At the 2011 Annual Meeting of Stockholders, the advisory vote on executive compensation was approved by more than 99% of shares voted. The level of support on the advisory vote was considered by the compensation committee and supported its decision to not make any significant changes to our compensation program during 2011. The compensation committee expects that our 2012 executive compensation program will be based on similar components and principles as utilized in our 2011 executive compensation program.

Executive Summary

We host the largest online commerce platform in Latin America located at *www.mercadolibre.com*, which is focused on enabling e-commerce and its related services. Our services are designed to provide our users with mechanisms for buying, selling, paying, collecting, generating leads and comparing via e-commerce transactions in an effective and efficient manner. Although we consider our company to be a market leader in e-commerce in each of Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Peru, Uruguay and Venezuela, based on unique visitors and page views during 2011, we operate in a rapidly evolving and highly competitive market that requires a highly qualified executive management team with strong operational skills. Our executive compensation philosophy is designed to align the compensation of our named executive officers with our business objectives and reward performance over both the short and long term.

Executive Compensation Program Objectives

We are committed to providing an executive compensation program that supports the following goals and philosophies:

- aligning our management team s interests with stockholders expectations of earnings per share growth and a competitive dividend yield;
- effectively compensating our management team for actual performance over the short and long term;
- attracting and retaining an experienced and effective management team;
- motivating and rewarding our management team to produce growth and performance for our stockholders that are sustainable and consistent with prudent risk-taking and based on sound corporate governance practices; and
- providing market competitive levels of target (i.e., opportunity) compensation.

Structure of Our 2011 Executive Compensation Program

As discussed in more detail beginning on page 22, our 2011 executive compensation program is comprised of three different compensation elements, including:

- base salary, which is fixed annually and compensates individuals for daily performance;
- annual bonus, which is intended to compensate officers for achieving corporate goals and value-creating milestones during the prior fiscal year; and
- 2011 Long-Term Retention Program (2011 LTRP) bonus, which, together with the annual bonus, rewards the executive for both company and individual performance and assists in the retention of key employees. The 2011 LTRP is paid over an eight-year period through annual fixed payments as well as annual variable payments that move in tandem with increases or decreases in our stock price during the eight-year period over which the bonus is paid.

Management s Assessment of 2011 Performance

Since our inception, we have consistently generated revenue growth from our MercadoLibre marketplace and from MercadoPago, an integrated online payments solution, driven by the strong growth of our key operational metrics. This trend continued again in 2011. The following is a summary of our key results and achievements in 2011:

- net revenues increased 37.9% from 2010 to 2011, to $298.9 million;
- net income increased 37.1% from 2010 to 2011, to $76.8 million;
- gross merchandise volume grew by 41.5% from 2010 to 2011;
- successful items sold increased 34.6% in 2011 as compared to 2010;
- total payment volume for MercadoPago grew by 88.1% from 2010 to 2011;
- operating income margins declined from 34.4% in 2010 to 33.4% in 2011; and
- the closing price of our common stock on The NASDAQ Global Market was $79.54 at December 30, 2011 and $66.64 at December 31, 2010.

Highlights of Our Executive Compensation Program in 2011

In making its compensation decisions for the 2011 performance year, the compensation committee recognized our company s 2011 results and the contributions and accomplishments of the named executive officers to our continuing growth story. The following is a summary of the highlights of our 2011 executive compensation program:

Base salary represents a relatively small percentage of total direct compensation for our named executive officers. In 2011, the base salaries of our chief executive officer, chief financial officer and chief operating officer represented between approximately 28% and 33% of their respective total direct compensation.

A significant portion of our 2011 executive compensation program is structured to reward named executive officers for actual performance. The charts below illustrate the percentage of performance-based compensation for our named executive officers:

Table of Contents

By design, a significant portion of the compensation awarded to our named executive officers is contingent upon individual and company performance. In 2011, subject to satisfaction of certain minimum eligibility conditions, 95% of president and chief executive officer s annual bonus was based on pre-determined company performance criteria and 5% was based on a qualitative assessment of his performance during the year. For each of our other named executive officers (other than our executive vice president payments), subject to satisfaction of the minimum eligibility conditions, 85% of the annual bonus was based on company performance and 15% was based on an assessment of individual performance. For our executive vice president payments, subject to satisfaction of the minimum eligibility conditions, 60% of the annual bonus was based on company performance, 25% was based on MercadoPago operations and 15% was based on an assessment of individual performance.

The bonuses granted to our named executive officers under our 2011 LTRP are paid out over a period of eight years and subject to forfeiture if an officer retires, resigns or terminates his employment for any reason, or if an officer takes certain specified actions that could adversely affect our business. In addition, similar to the annual bonus, the 2011 LTRP bonus is tied directly to the satisfaction of minimum performance objectives. In the event the minimum performance objectives are satisfied, approximately 50% of the cash payable under the 2011 LTRP will move in tandem with increases or decreases in our stock price during the eight year period over which the bonus is paid.

We continue to provide no executive perquisites.

Role of the Compensation Committee in Compensation Decisions

Our compensation committee reviews and sets all compensation programs (including equity compensation) applicable to our executive officers and directors, our overall compensation strategy for all employees, and the specific compensation of our executive officers on an annual basis. In the course of this review, the compensation committee considers our current compensation programs and whether to modify them or introduce new programs or elements of compensation in order to better meet our overall compensation objectives. The compensation committee has the authority to select, retain and terminate special counsel and other experts (including compensation consultants), as the committee deems appropriate. In late 2011, the compensation committee retained Towers Watson, an international compensation consulting firm, to assist the compensation committee and our company in developing recommendations for compensation of our employees, other than our chief executive officer and executive vice presidents, for 2012. Towers Watson reported directly to the compensation committee during the term of its engagement. The compensation committee had previously engaged Mercer, an international compensation consulting firm, in late 2009, to assist the compensation committee in developing recommendations for 2010 executive compensation. Mercer reported directly to the compensation committee during the term of its engageme