

**ANNUAL  
REPORT  
2021**

## LETTER FROM THE CEO

Changing times demand effort and adaptation. The year of 2021 was one of such moments, and how we dealt with the Covid-19 pandemic set the tone of uncertainty. We faced the tragic peak of infections and deaths while new strains of the virus constantly threatened the hope sparked by the vaccination campaign. Yet, we did our best to take back our lives and move on.

Amid such a dynamic scenario, we learned to change our route as humans, professionals, and investors. The local market has also been through a significant change. While the year started with one of the largest IPO windows in history, capital inflows diminished significantly in the second half. The year began with upward projections but ended with a sharp correction in the asset prices, caused by double-digit inflation and the following rise in interest rates.

Several cases demanded investors' attention regarding governance, as old conflicts such as interference in state-owned enterprises were happening in parallel with novelties such as the attempt to implant a controversial "majority voting" system in Brazil. In addition, old legislative issues, such as the tax reform, were discussed alongside innovations like super-voting shares. And the debates inside the Securities and Exchange Commission of Brazil (CVM), on the rise of its 45<sup>th</sup> birthday, included the reform of ICVM 480, which has been on the radar for a long time. But also less traditional topics for institutional investors, like regulating the profession of investment advisors (known as autonomous investment agents), the limits of the freedom of speech to digital influencers in the financial market, or equity crowdfunding, which are relevant in an environment of more retail investors.

Amec, once again, faced the challenge of expanding its reach to keep up with new market demands, but without letting go of its primary mission: supporting who invests in Brazil.

However, facing new prospects is always easier when you have a purpose. And in 2021, we had the invaluable opportunity of strengthening our principles and values during the celebrations of Amec's 15<sup>th</sup> anniversary. The event was the highlight of the year, and, to celebrate it, we have produced a corporate video, launched a new website and logo, a special issue of our newsletter, Viewpoint Amec, and more.

AMEC, ONCE AGAIN,  
WAS CHALLENGED **TO**  
**EXPAND ITS PERFORMANCE**  
TO REACH NEW  
MARKET DEMANDS

WE DIVE INTO  
OUR HISTORY,  
AT THE SAME  
TIME WE  
**CONSOLIDATE  
OUR FUTURE AS**  
A THINK TANK OF  
GOVERNANCE

Taking a closer look at our history right when we consolidated our future as a corporate governance think-tank gave us the much-needed perspective to build the image we desire without losing our essence.

All this work aims to create more and more value for our customers. In association with CFA Society Brazil, we launched the Brazilian Stewardship Code in a bet to increase the reach of the purposes the code stands for. We have also invested heavily in communication. We published 19 issues of Viewpoint Amec, including interviews with financial markets heavyweights. At the same time, “Radar do Gestor” featured comprehensive stories and technical content about issues that matter to our associates, and Flash Amec focused on informing them promptly about the sector’s news and events.

Our dear members recognized our efforts, and so did the market. Last year, we welcomed six new members, a sign that an ever-increasing number of organizations see the value of our work.

None of it would have been possible without the unconditional support of our Executive Board, Technical Commission, and Board of Directors.

In 2021, we experienced another democratic election process for members of these bodies, which has strengthened Amec’s structures towards a future as a think tank.

From what we have seen so far, 2022 seems to be as demanding as 2021 was, perhaps even more. In addition, the market will have to deal with the “side effects” of the 2021 IPO wave, which will probably lead to a round of corporate reorganizations and M&As, in a scenario of heightened risks.

The prospects for the Ibovespa index are challenging, with a global high-interest rate environment, the upcoming presidential elections, and an unexpected war in Ukraine that is becoming a source of uncertainties.

Still, we remain strong and steady to face the challenges ahead, knowing that our purposes and values will guide us. In the following pages, we will share the results we achieved under this spirit, which will also take us beyond.

**Enjoy your reading,**



**Fábio Coelho,**  
Amec’s CEO

01

# INTRODUCTION

\_About us



## ABOUT US

A group of independent institutional investors founded Amec 16 years ago, aiming to defend minority shareholders' rights and to foster the development of the Brazilian capital market. Since then, Amec has become the leading forum for debating corporate governance and shareholders' rights in the country.

The Association gathers local and foreign institutional investors, who invest approximately BRL 700 billion in Brazil. Amec's views have been increasingly acknowledged by investors, companies, and the national financial system regulators. More than having access to benefits, being an Amec member means fostering the defence of the best corporate governance practices and the development of capital markets in Brazil.

## VISION

The development of the capital market necessarily requires respect, protection, and the improvement of minority shareholders' rights.

## MISSION

To defend the rights of minority shareholders of Brazilian listed companies by promoting good corporate governance practices and creating value for the businesses.

## VALUES

To adopt an independent approach that does not benefit the individual interests of its members; to publish statements based on economic and legal grounds and on the analyses and recommendations set forth by its Technical Commission; reaching consensus in board meetings, with a decision-making process based on the majority votes of its members.





# GOVERNANCE

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## 15 YEARS OF AMEC: A JOURNEY IN THE DEFENSE OF MARKET IMPROVEMENT

Amec's 15th-anniversary marked 2021. Over a decade and a half, the association obtained several achievements and acted to improve capital markets. This annual management report contains the views of several former chairpersons of the Securities and Exchange Commission of Brazil (CVM), partners, and experts about Amec. They also paid tribute to the group of independent investors who joined in 2006 to protect minority shareholders' rights in public companies.

Together, they aimed to support the development of the Brazilian capital markets more fairly and promote a stewardship culture among institutional investors. That has happened at a time the Novo Mercado listing segment was just getting started, and talks over socio-responsible investments (ESG) barely existed. Under the leadership of such pioneers, Amec braved many storms in significant societal operations.

Amec evolved consistently during this period. From the beginning, Amec positioned as one of the key players in the debates about capital markets, acting as a kind of "voice of conscience" for the market. Since its inception, it was clear that acting to prevent abuses against minority shareholders were essential to developing healthy capital markets.

With this view in mind, our founders met at Anbid – which Alfredo Setúbal led – to create a representative association. The idea was to gather independent fund managers and financial institutions, being open to foreign investors and pension funds later. Edison Garcia, a former superintendent at CVM, was responsible for establishing the association's structure. Five years later, he would become CEO.

Former Central Bank Deputy Governor Luiz Fernando Figueiredo took over as Amec's second CEO. His presence



granted Amec a high level of credibility with investors and the market from the beginning. He was replaced by Walter Mendes, who had a significant experience in the equity market and whose presence demonstrated that big banks were com-

mitted to Amec's interests. Then, Mauro Rodrigues Cunha took over. Under his administration, Amec sustained a staunch defense of minority shareholders and obtained many achievements for companies' corporate governance.



### CURRENT ADMINISTRATION

Just like capital markets keep evolving, Amec is constantly changing without losing its independent opinion and the mission to support investors in the country. Now, it acts as a think-tank for corporate governance and issues related to capital markets. The association gathers many investors who support this common cause and builds bridges for dialogue by offering quality information for decision-makers.

Since 2019, Fábio Coelho has been acting as CEO, being reelected for his second mandate last year. Under his direction aiming to generate more value for shareholders. For the next years, Amec intends to strengthen its ties with authorities, especially the Executive and Legislative branches of power. As part of Amec's recent advocacy engagements, we quote the involvement with the Iniciativa do

Mercado de Capitais (IMK) (Capital Markets Initiative) and Amec's role in debates for approving the super-voting shares structure in Brazil and the tax reform in Congress.

In 2021, Amec carried on several changes to mark its 15th anniversary, ranging from new members in governance bodies to changes in the association's communication strategy and branding. As part of the revamp to celebrate its anniversary, Amec launched a new website and a logo. The rebranding represents the new ways to communicate with associates and the market, aiming to make it easier for society to access information and technical content.

Following 2021's general meeting, the share of women in Amec's governance bodies grew from one to five, which adds to the association's pledge to support diversity in capital markets. The female members are Carolina Ujikawa, Daniela Costa-Bulthuis (Robeco), Desire Oliveira (Garde), Keite Bianconi (Metrus), and Raquel Diniz (Santander).

Check out the testimonies of the professionals who built Amec and the partners that keep strengthening the association's work below:

## FÁBIO COELHO,

Amec's CEO

We are very proud of our history. Amec is a consolidated organization that gathers investors with different profiles: from active asset management firms that engage in conflicts to discrete managers that prefer to act on the sidelines. We have also made an effort to attract pension funds to the association. We are firmly consolidating Amec's image as a corporate governance think tank by focusing on producing technical content and engaging the entire fund management industry in high-level debates.



## LEONARDO GOMES PEREIRA,

former Chairman of CVM

Amec's 15th anniversary deserves a moment of thought. There is no such thing as a mature capital market without investors who are at ease and feel protected. There is nothing more important than having an intellectually independent association, which is a place for honest and open debates that lead to balanced deliberations and are followed by other stakeholders. Congratulations to Amec, and may it continue to fulfill its role and evolve along the way!



**LEILA LORIA,**  
Chairwoman of IBGC's  
Board of Directors

Amec's role in protecting investors makes the association one of IBGC's main institutional partners in promoting good corporate governance practices. Over the years, we have carried out a series of joint activities in events, courses, and advocacy.



**ALFREDO SETUBAL,**  
member of Amec's Advisory Council

I was Anbid's CEO at that time. That association would later lead to Anbima. Around 2004 or 2005, independent asset management firms were gathering to create an association of their own. This movement was led by Luís Stuhlberger and by Luiz Fernando Figueiredo. At first, I tried to convince them it wasn't worth it to create another association, saying it would divide the sector and make no sense to authorities and the market. We have talked a lot about it, but they have said they wanted to create an independent association.



**MARCOS DE CALLIS,**  
former Chairman of Amec's  
Deliberative Board

The defense of the best governance practices is the main issue for Amec's future. Without strong governance, it is not possible to develop proper social and environmental practices. I believe investors should consider the letter "G" as the first cornerstone (of ESG).

**ROBERTO TEIXEIRA DA COSTA,**  
CVM's first Chairman

Amec and CVM have developed a positive relationship, even though they expressed different views in several moments. CVM's purpose has been the quality and quantity of information to ensure investors have access to education and information promptly. As such, Amec has played a vital role in overseeing the quality of information. Nowadays, its job is to remain vigilant and act to protect minority shareholders' rights.



## RÉGIS ABREU,

member of Amec's  
Deliberative Board

When Amec was created, the Novo Mercado listing segment had a bit more than 100 companies, and nowadays it has more than 200. This growth in liquidity, governance quality, and transparency is due to Amec's important educational role. The association became a governance think tank and built a legacy for the current generation of fund managers.



## LUIZ FERNANDO FIGUEIREDO,

former CEO of Amec

A large group of equity managers carried out a fully-technical work at a time when there were many issues to improve in CVM regulations and when minority investors were very vulnerable. There were many outstanding examples. Companies and controlling shareholders were shocked by our confrontations. Other organizations have begun to support us, and the regulators, while maintaining their position, have also used our views to act.

## WALTER MENDES,

former CEO of Amec

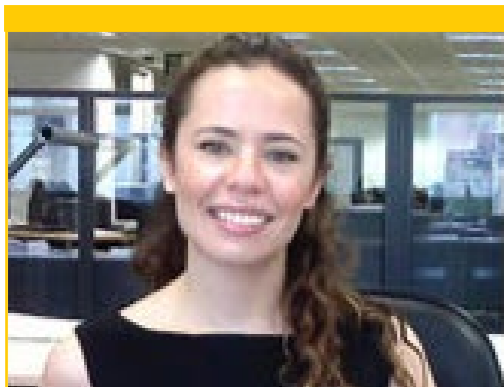
Amec has conquered its space in the market and has been heard in pretty much every forum about any event or proposal for change concerning the capital market. There have been many contributions over these 15 years, whether in terms of increasing the representation of minority shareholders in companies' Board of Directors or in mobilizing in favor of their rights concerning what can be called the abuse of power by controlling shareholders, particularly in merger, incorporation or acquisition operations.



## HENRIQUE LUZ,

former Chairman of  
IBGC's Board

When I was the Chairman of IBGC's Board, I was fortunate to be in touch with Amec quite often. Despite our different purposes as entities, it has been easy to find shared views, especially regarding attempts to undermine the best governance practices in the last few years.



**LUCILA  
PRAZERES  
DA SILVA,**

General Counsel  
at Constellation

Amec has become a national and international reference in defense of investors' rights, under the supervision of its distinguished leaders and the commitment of its members. It has been a solid role model for 15 years, always aiming to build a fairer and more efficient capital market. It is with great honor and affection that I have watched the creation and the growth of Amec.



**DANIELA DA COSTA-BULTHUIS,**

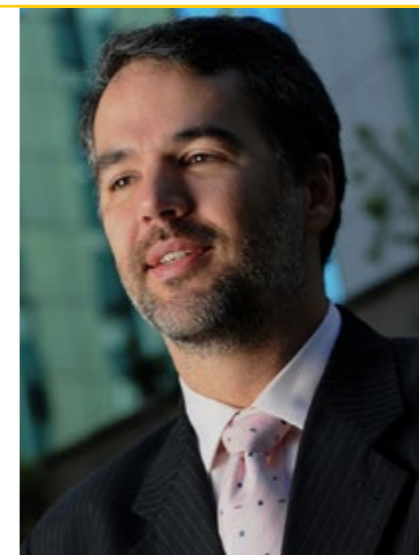
Manager at Robeco and Board Member at Amec

Throughout the years, the association has deepened discussions on the best governance practices in the local market. Amec has issued statements on controversial transactions, contributed to B3 to improve Novo Mercado's rules, and also took part in the deliberations that led to the approval of the State-Owned Companies Act. Amec plays a leading role in the debate on stewardship in Brazil and provides a vital connection between several members of the Brazilian capital market and local and global investors.

**MAURO CUNHA,**

former CEO of Amec

We have developed a professional, serious, active, and assertive agenda and have had many achievements. The ICGN (International Corporate Governance Network) award, received by Amec in 2018, was the recognition that crowned all our efforts. Amec managed to position itself at the center of discussions about the evolution of the capital market, particularly in Brazilian companies' corporate governance, nationally and internationally. The creation of the Brazilian Stewardship Code was another highlight.



**FLAVIA MOUTA,**

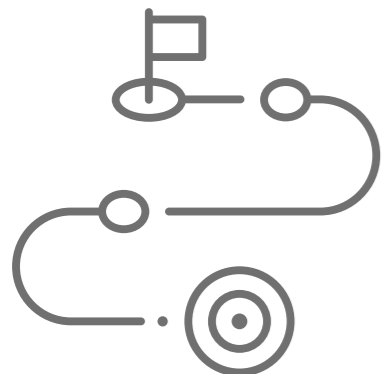
Director of Issuer  
Regulation at B3

It is a pleasure to celebrate the 15th anniversary of Amec, an institution that, just like B3, works to promote the development of the Brazilian capital market and foster business opportunities in our country. Amec's work granted it relevance over the years. The association proved to be invaluable to the market by promoting interesting debates to institutional investors, protecting the interests of minority shareholders, and encouraging good corporate governance practices.



## PERSPECTIVES FOR 2022:

### BE CAUTIOUS, ENJOY OPPORTUNITIES, AND REMAIN VIGILANT



Mixed expectations followed the initial euphoria of the second year of the pandemic and paved the way for a volatile beginning for 2022. There will be local and global sources of volatility throughout the year, such as the Brazilian elections and the potential spike in the interest rates in the US. The year will probably be different from 2021, in which 46 IPOs occurred at B3, and mergers and acquisitions rose by 60%.

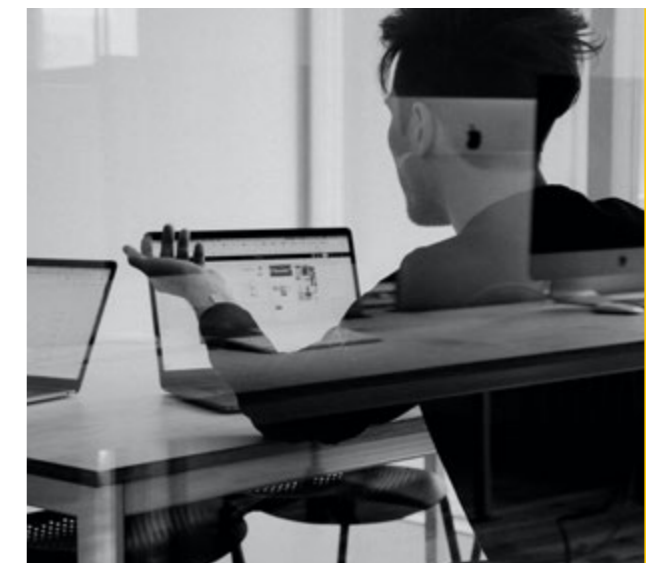
Last year ended with a sharp correction in the price of assets caused by a double-digit inflation, which sparked consecutive rises in the benchmark interest rates (Selic) to 10,75% per year. Market expectations gathered by the Central Bank Focus Survey point to a monetary stabilization when Selic hits 12,25% and later a reduction when inflation decelerates. The estimates suggest that the benchmark consumer price index IPCA will post a yearly 5.5% spike. As inflation is rising across the globe, benchmark rates in the US are expected to rise.

Thus, the environment seems less friendly for IPOs and more favorable for corporate reorganizations, as companies will seek consolidation. Investors will follow such moves closely, paying attention to the opportunities offered by the volatile environment ahead of the elections and paying attention to the terms and conditions of such operations.

“It will be a typical year for back and forths because the volatility stirred by the electoral campaign may open some windows of opportunity. Companies are usually prepared to fundraise during weeks with more visibility, even carrying some IPOs forward, but in a much lower volume than last year’s,” says Amec’s CEO, Fábio Coelho.

In his view, the prospect of higher interest rates in Brazil and the US, coupled with the electoral uncertainty, makes room for two scenarios. The first is an eventual flight to quality, as foreign investors would take their money back in case in-

After the euphoria of the previous year, the financial market has adjusted to a more volatile environment in 2022, in which there will also be opportunities



Foreigners may find Brazil attractive again, as happened earlier this year until mid-February, when more than BRL

# 50 BILLION

entered the stock exchange

terest rates rise in the US. On the other hand, foreign investors may consider Brazil an attractive option, as happened earlier this year when foreigners invested over BRL 50 billion in the local market.

Windows of opportunity can happen once inflation recedes, as assets' prices fell last year. "The spike in prices harmed investors' ability to establish a price for them and their cash flow. Pension funds found it particularly hard to reach their targets. For 2022, we believe inflation is following expectations, but interest rates will remain high before falling again. Thus, we still believe variable income assets will be less attractive than others," says Amec's CEO.

This is a challenging scenario for pension funds, whose target rates for investments are connected to

inflation. Therefore, they had to adjust their liabilities related to indexes such as the commodities price index IGP-M. "If consumer prices start to recede, this can be a better year for pension funds, considering their target rates and liabilities dynamics," he says.

The economic and financial challenges require a more substantial advocacy role from Amec, especially when it comes to minority shareholders' rights and best practices. "Working to improve regulation and avoid negative precedents will be even more relevant amid corporate reorganizations and M&As," notes Mr. Coelho. In 2022, Amec also intends to strengthen its role in ESG projects by increasing its member value. "We established several partnerships with many institutions to offer our audience knowledge, information, and insights," he adds.

In 2022, companies that debuted in capital markets will have to build a relationship with their shareholders. Thus, Amec will play a significant role by issuing statements and asking for more details in transactions, notes Pedro Rudge, the Chairman of Amec's Board of Directors and Founding Partner at Leblon Equities. "As several companies lost value, they can be keener on moving forward with mergers and acquisitions. Amec must follow such operations closely to ensure companies will treat shareholders fairly."

Amec's Chairman notes that this year, asset management firms will have to comply with instruction nº 555, which the Commission of Securities and Exchange of Brazil (CVM) has recently revamped. They will also have a more substantial agenda to debate ESG issues, sustainable funds, and greenwashing.

**In 2022, newcomers to the capital market will have to interact with their shareholders and Amec's dialogue will be very important, through positions and clarifications about operations**



In his view, the outflow of money from stocks is a cyclical challenge that can be reversed following the elections if inflation and interest rates stop rising. “The risk appetite has changed, and investors adjusted their exposure to the assets.”

As the scenario improves, Mr. Rudge bets investors will return to riskier assets because the financial culture is more solid now. Platforms, technology, and social media are widespread, which helps asset management firms. “The percentage of people who own stocks is still very small. There is room to grow,” he predicts.

Even though the money influx to equities has slowed down, the democratization of the access is a trend that asset management firms should follow, says Amec’s vice-president Carolina Ujikawa. “We don’t expect an easy ride. There will be lots of volatility. But prices have already fallen, creating opportunities even amid a challenging context for local and global markets. This period will require caution, professionalism, and expertise,” she says, adding

that she believes asset management firms will become more relevant as they get the chance of becoming more mature and value experienced and diverse teams.

Mr. Rudge also thinks that asset prices suffered a severe devaluation last year, and the risks of 2022 are priced in. “It’s not a surprise foreign investors are coming to the local stock exchange. Prices are attractive,” he says.

Amec’s Board Member and Claritas Investimentos’ CIO Helder Soares shares the same view. He believes the market has already prepared for a busy election with well-known candidates, anticipating an unbalance in public finances that has not come true. Thus, such expectations led to an exaggerated correction in prices.

Besides that, the monetary tightening process is about to begin in developed countries. Still, it is well underway in Brazil and could end after a couple of monetary policy meetings. “Our economy is more connected to China, which is going to an opposite direction of growing. If last year was marked by withdrawals in stock

**“We don’t expect an easy ride. There will be lots of volatility. But prices have already fallen, creating opportunities even amid a challenging context for local and global markets. This period will require caution, professionalism, and expertise”**

REFORM  
OF CVM  
**INSTRUCTION  
555 AND  
MORE  
DISCUSSION  
ABOUT THE  
ESG AGENDA  
IN 2022**

**60%**

WAS THE GROWTH OF  
M&AS IN 2021.  
MOVEMENT  
CONTINUES IN 2022.

“funds, mutual funds, and multimarket funds due to instability, this year could be the time for assets to recover. Then, of course, there will be volatility, but an eventual success of an alternative presidential hopeful can trigger gains,” he says.

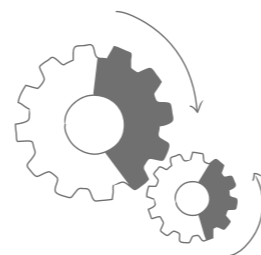
In this context, Mr. Soares considers that Amec must engage in cooperative conflicts to avoid minority shareholders getting harmed, especially when it comes to related party

transactions, incorporations, and challenges to implement tag-along practices. “Most of all, we must keep strengthening ties with other organizations and expanding our negotiations, even with the Congress, regarding potential harmful changes in legislation, which we managed to avoid in the past,” he says.

For Amec’s vice-president and Partner at Onyx, Guilherme de Morais Vicente, although Brazilian assets are well-priced, 2022 will likely be a

bear market year due to the elections and the high inflation. In his view, Amec should focus on corporate reorganizations of companies that went public without due diligence on corporate governance and that were sharply downgraded.

“As stocks are too cheap, some opportunistic operations may happen. We have discussed the purchase of taking a company’s control by buying stocks in the market, as the legislation does not foresee that, and the number of corporations has risen, just like the number of investors looking for this kind of situation,” says Mr. Vicente. He believes that the debate on the need for specific legislation to purchase a corporation’s control in the stock exchange may get heated, as this tool has been used to grant someone away in the company without paying other investors. Those are some of the issues and perspectives that will probably be on top of investors’ minds in 2022.

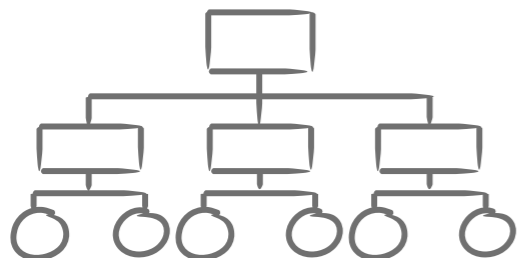


**Amec must continue to engage in corporate disputes to prevent minority shareholders from being harmed in relation to Related Party transactions**



# LEARN MORE ABOUT AMEC'S CORPORATE GOVERNANCE STRUCTURE

To achieve its goals, the Association promotes debates among members, following internal governance rules, including mechanisms to control conflicts of interest. The Technical Committee debates on issues, and then the Executive Board and the Board of Directors make decisions about them.



## ADVISORY BOARD

The Board of Directors chooses the Advisory Board members for a four-year mandate, eligible for re-election. The Board has five members: three are renowned experts who share Amec's purposes, and two are members of the Board of Directors, including the Chairman.

The CEO attends the Advisory Board meetings as a guest, leaving before executive sessions take place or whenever requested by its members.

The Advisory Board meets once a year at the Association's headquarters or extraordinarily if its members unanimously agree to do so.

The Board Directors who are also part of the Advisory Board are Pedro Rudge, Chairman of Amec's Board of Directors and Founding Partner at Leb-lon Equities. and Walter Mendes de Oliveira Filho, Chairman at Vivest.

## BOARD OF DIRECTORS

Amec's Board of Directors is made of a group of 11 to 15 professionals who work in stock funds, multi-market funds, and pension funds. They are elected by members in an Annual General Meeting for two-year terms.

It is up to the majority of Board members to approve Amec's conduct in real-life cases, with mentions to related parties. However, the Executive Board may decide on how to act in emergencies, as long as they immediately contact Board Members over online channels. In such an event, board members may call for an extraordinary meeting with all members to discuss the issue.



### EXECUTIVE BOARD

The Executive Board is composed of a CEO and six vice-presidents, elected by the Board of Directors, for a two-year mandate, eligible for re-election. The Executive Board also has an alternate vice-president, elected in the same way, that may replace any vice-president temporarily in meetings and to make decisions.

Vice-presidents are elected amongst the members, and they may be Board Members or not. The Board will choose the CEO. The candidate may be a member, a member's representative, or an expert in capital markets with an unblemished reputation.

### AUDIT COMMITTEE

By the end of each fiscal year, Amec's accounts are examined by an Audit Committee formed by three members chosen in the General Meeting, whose mandate will end in the meeting that approves the accounts they have supervised. They may be re-elected.

### TECHNICAL COMMISSION

The Technical Commission completes Amec's governance structure. It debates the issues that are interesting for the Association and submits them for approval of the Executive Board and/or Board of Directors. Amec's Technical Commission counts on 20 members on average, who meet monthly to debate the most significant topics over investments in publicly listed Brazilian companies.

Therefore, it is probably the main forum for institutional debates regarding minority shareholders' rights, either related to ongoing transactions or long-term projects aimed at improving the business environment in Brazil.

International institutional investors who are Amec members join those debates through the Foreigners Committee, which also meets monthly and focuses on the same issues, but in English.

### ETHICS COMMITTEE

Established in Amec's bylaws, the Ethics Committee is formed by effective members, preferably a board member. It must investigate any behaviour that disrespects ethical rules and make sure that every member follows Amec's Code of Ethics.

**AMEC'S  
GOVERNANCE  
SYSTEM HAS  
COMMISSIONS  
TECHNICAL AND  
WORK GROUPS**

## BOARD OF DIRECTORS



**PEDRO HERMES DA FONSECA RUDGE**  
Chairman of the Board of Directors  
*Leblon Equities*



**DANIELA COSTA-BULHUIS**  
*Robeco*



**EDUARDO PENIDO MONTEIRO**  
*OPPORTUNITY*



**HELDER RODRIGUES DA CUNHA SOARES**  
*Claritas*



**JAIME GORNSZTEJN**  
*Hermes*



**ALFREDO EGYDIO SETUBAL**  
*Itaú*



**LUIS STUHLBERGER**  
*Verde*



**WILLIAM MARK LANDERS**  
*BTG Pactual*



**MARCELO FARIAS**  
*BB DTVM*



**MATHEUS TARZIA**  
*Neo Investimentos*



**MILTON CABRAL FILHO**  
*Bram*



**PAULO CESAR CANDIDO WERNECK**  
*Petros*



**PAULO EIKIEVICIUS CORCHAKI**  
*Trafalgar*



**PEDRO HERMES DA FONSECA RUDGE**  
*Leblon Equities*



**WALTER MENDES DE OLIVEIRA FILHO**  
*Vivest*



**PEDRO BATISTA DE LIMA FILHO**  
*3G Radar*



**RAQUEL VIEIRA DINIZ**  
*Santander*



**RÉGIS ABREU**  
*Tagus*



**RENATO EID TUCCI**  
*Itaú*



**WALTER MENDES DE OLIVEIRA FILHO**  
*Vivest*

## ADVISORY BOARD

## AUDIT COMMITTEE



**DESIRE OLIVEIRA**  
*Garde*



**KEITE BIANCONI**  
*Metrus*



**ACÁCIO ROBOREDO**  
*Alaska*



## EXECUTIVE BOARD



**FÁBIO COELHO**  
CEO



**ALEXANDRE MATHIAS**  
Vice President



**ANDRÉ GORDON**  
Vice President  
*GTI*



**CAROLINA MIYUKI UJIKAWA**  
Vice President



**GUILHERME DE MORAIS VICENTE**  
Vice President  
*ONYX*



**PAULO DE SÁ**  
Vice President  
*Vivest*



**EDUARDO FIGUEIREDO**  
Vice President  
*abr dn*



**RODRIGO SANTORO**  
Vice President  
*Bram*

## MEMBERS



Amec finished 2021 with 61 associates. The association admits as members independent asset management firms or those connected with financial institutions based in Brazil or abroad, pension funds, and investment clubs. Over the last year, the association got six new members: three asset management firms and three pension funds.

The year began with Alaska Asset Management becoming a member. Luís Alves Paes de Barros, Ney Miyamoto, and Henrique Bredda founded the firm in 2015. They began fundraising in 2017 and experienced strong growth afterward. “Becoming board members demanded more responsibility and legislation expertise from us. We realized we would have to join this field, and then joining Amec was inevitable,” said Mr. Bredda.

Then, Hieron Patrimônio Familiar became a member. “Amec has been playing a crucial role, giving a crucial contribution to the market’s optimization and development, especially when it comes to rules for protecting minority shareholders and corporate governance of public companies,” says Marcos De Callis, who was a partner at Hieron back then, alongside Robert Van Dijk.

AMEC WON  
**6 NEW ASSOCIATES**  
 THROUGHOUT 2021,  
 3 ASSETS AND 3  
 PENSION FUNDS

The third company to join was Tower Tree (T3), an asset management firm founded in 2021 by Ricardo Almeida and Marcelo Nantes. Both came from Bradesco Asset Management (BRAM). “We are strongly involved in Amec. One of the first things we did in the new house was to become members of the association, which we consider an ideal environment to discuss ESG matters. We realized there is significant room to move forward, especially regarding governance and social affairs,” says Mr. Nantes.

# The 3<sup>rd</sup>

largest pension fund in the country, Funcef was one of the new associates

The fact that three pension funds became associates in 2021 was a highlight for Amec. One of them is Fapes, currently the 11th biggest pension fund in Brazil, with some BRL 15 billion in assets under management. “Joining Amec is a consequence of the ESG agenda we have been developing over the past couple of years,” explains Fapes’ Chief Investment Officer André Loureiro.

Funcef, the third-biggest pension fund in Brazil, was another pension fund that became a member. “We have been strengthening our connection with Amec since 2017 by joining the Amec Code of Stewardship. Since then, we have been internalizing the code’s principles and developing our ESG culture to improve our work in the capital market,” says Funcef’s Management and IT Director Augusto Miranda.

The Fundação de Previdência Complementar do Estado de São Paulo (Prevcom) is Amec’s newest member. “For Prevcom, becoming a member of an association that gathers the main organizations in the fund management industry is a strategic step that meets the institution’s goals and best governance practices,” notes Prevcom’s Chief Investment Officer Flávia Nazaré.

## MEMBERS

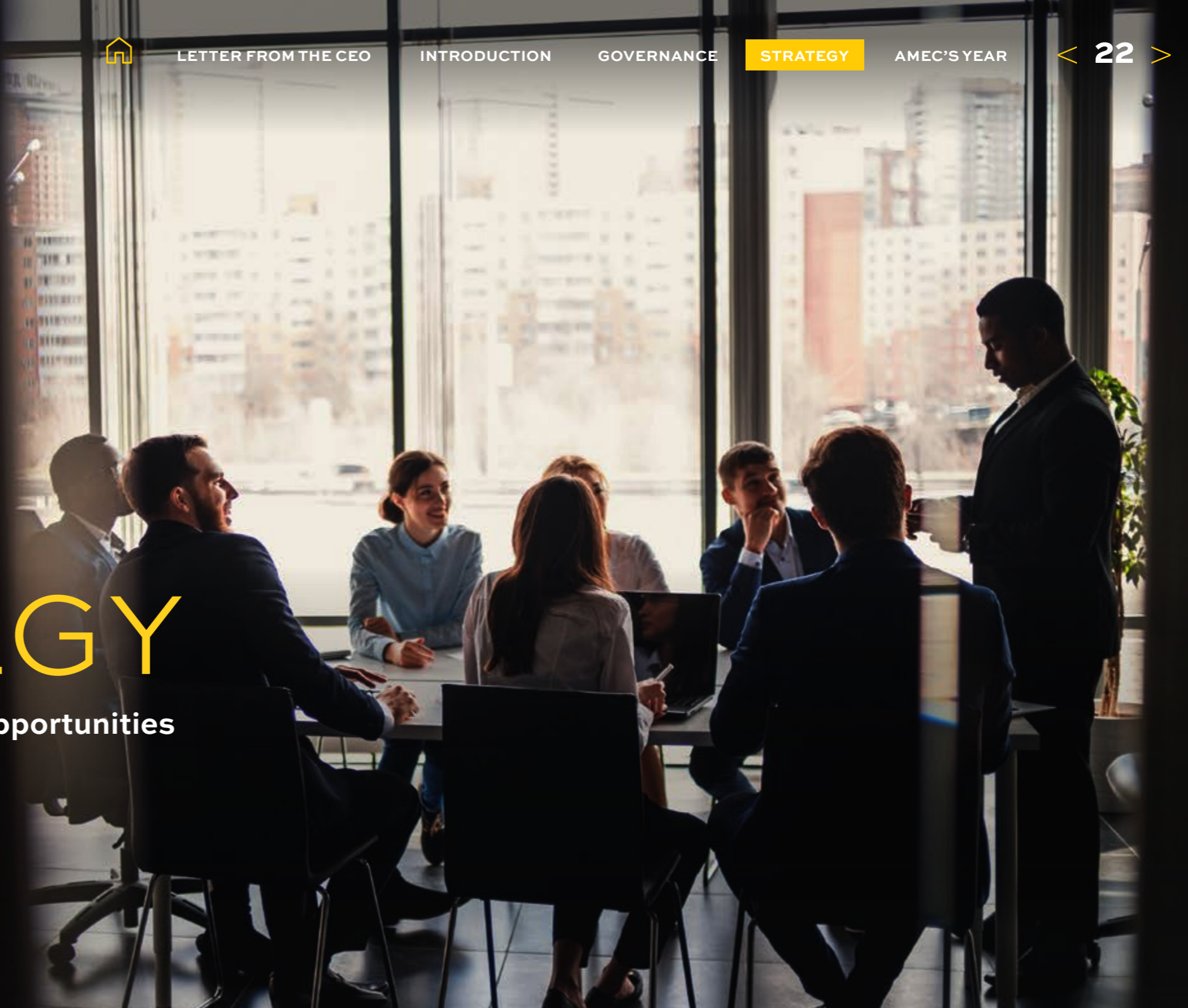
By the end of 2021, Amec had 61 members. Amec admits as members independent asset management firms or firms connected to financial institutions, whether they are based in Brazil or abroad, as well as pension funds, and investment clubs. Throughout the year, Prevcom, Funcef, Fapes, Alaska Investimentos, Tower Three and Hieron became new members.

- |   |   |
|---|---|
| 1. 3G Radar                                   | 32. Leblon Equities                         |
| 2. abrdn Asset Management Ltda                | 33. Mauá Capital                            |
| 3. Aguila Capital                             | 34. Metrus - Instituto de Seguridade Social |
| 4. Alaska Investimentos Ltda                  | 35. MOS Gestão de investimentos             |
| 5. Argúcia Capital                            | 36. Navi Capital                            |
| 6. AZQuest                                    | 37. Neos Gestão de Recursos                 |
| 7. BB DTVM                                    | 38. Onyx Equity Manag.                      |
| 8. BNDESPAR                                   | 39. Opportunity                             |
| 9. Bradesco Asset Management                  | 40. Pátria Investimentos                    |
| 10. Brasil Capital                            | 41. Petros                                  |
| 11. Bresser                                   | 42. Polo Capital                            |
| 12. BTG Pactual                               | 43. Porto Seguro Investimentos              |
| 13. Cartica Management                        | 44. Prisma Capital                          |
| 14. Claritas Investimento                     | 45. Robeco Asset Management                 |
| 15. Constellation                             | 46. RPS Capital                             |
| 16. ESH Capital                               | 47. Santa Fé Investimentos                  |
| 17. Fama Investimentos                        | 48. Santander Brasil Asset Management       |
| 18. Far Fator                                 | 49. Schroders                               |
| 19. Franklin Templeton Brasil                 | 50. Sharp Capital                           |
| 20. Funcef                                    | 51. SP Prevcom                              |
| 21. Fundação Cesp                             | 52. SPX                                     |
| 22. FAPES                                     | 53. Studio Investimentos                    |
| 23. G5 Administradora de Recursos             | 54. Sulamerica Investimentos                |
| 24. Garde Asset Mag.                          | 55. T. Rowe Price                           |
| 25. GF Gestão de Recursos                     | 56. Tagus Investimentos                     |
| 26. GTI Administração de Recursos             | 57. Tower Three                             |
| 27. Hermes Management                         | 58. Trafalgar Gestão de Recursos            |
| 28. Hieron Patrimônio Familiar e Investimento | 59. Velt Partners Investimentos             |
| 29. Itau Asset Mag.                           | 60. Verde Asset Management                  |
| 30. JGP                                       | 61. XP Gestão de Recursos                   |

# 03

# STRATEGY

- \_ Statements And Engagement Opportunities
- \_ Regulatory Framework
- \_ Partnerships



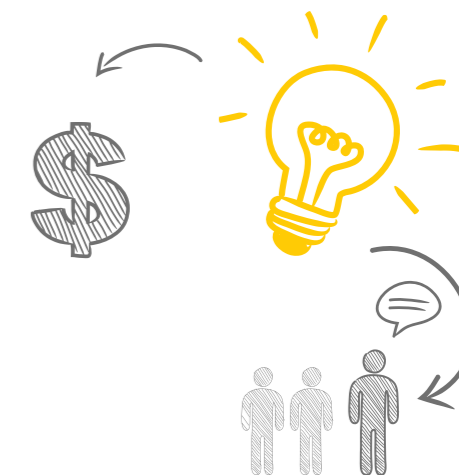
## STATEMENTS AND ENGAGEMENT OPPORTUNITIES

In a year marked by issues and crashes in voting systems, proposals to change companies' voting rules, and a lack of transparency in related-party transactions, Amec was closely following the adoption of corporate governance best practices. The association has reinforced its views and engagement actions through letters, statements, and articles published in the section Opinion of Amec and Flash Amec. Amec has also raised questions regarding measures that put minority shareholders' rights at stake.

## THE BOARD OF DIRECTOR'S SOVEREIGNTY IN STATE-OWNED ENTERPRISES

2021 began with Petrobras' controlling shareholder replacing the CEO. Amec and the Brazilian Institute of Corporate Governance (IBGC) issued a joint statement following the decision. They spoke about the threats of interference and the dismissal of CEOs in mixed capital economies and supported the sovereignty of the board of directors.

The associations also defended such values when there was an attempt to remove Banco do Brasil's CEO from office due to reasons unrelated to the company's dynamics. "In such situations, it is even more relevant to follow the best governance practices to ensure the interests of all parties involved – controlling shareholders, inves-



tors, and other stakeholders – are taken into consideration," reads Amec's statement.

The document also noted that the State-Owned Enterprises Act (Law 13.303) and the Code of Best Corporate Governance Practices suggest that the choice of a professional for the CEO role should happen through an independent process, protected from interests other than the company's dynamics. The decision should be up to the board of directors. The statement led to positive outcomes, as companies carried out the procedures according to the rules.

## ATTEMPT TO CREATING MAJORITY VOTING IN BRAZIL

In an issue of Opinion of Amec, the association warned of the risks of adopting majority voting, following mining company Vale proposition to change its bylaws to include majority voting as part of electing new board members. Shareholders' votes would have two roles: voting for the candidates they supported and against undesired candidates. After talking to local and global investors, board members, proxy voting agencies, and attorneys working in Brazil and abroad, Amec identified gaps related to the potential consequences of using majority voting in Brazil.

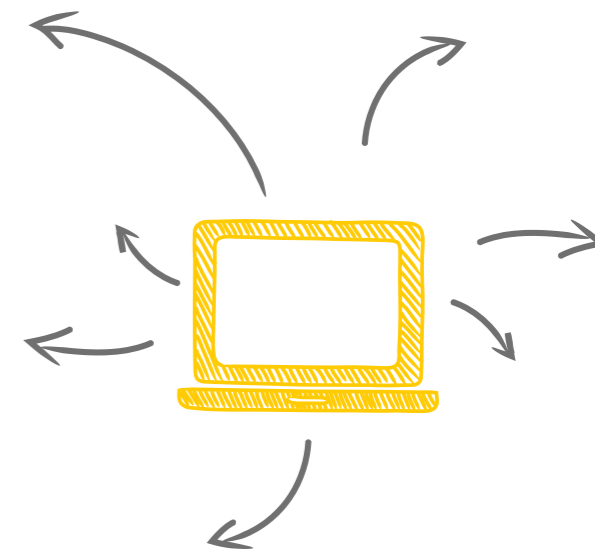
There were doubts about the impact such a voting system could have on smaller companies that do not face the same public scrutiny as Vale. "Using it inadvertently could frustrate the election of minority shareholders' nominees, which is why we make relevant remarks," points out the document, adding that one cannot ignore the country's characteristics when importing majority voting.

Amec's statement asked for a comprehensive debate on the matter, including B3, to evaluate whether the voting system matched the governance principles required by each listing segment. Following Amec, proxy voting agencies, and regulator's remarks, Vale scrapped the proposal.

## SUPPRESSION OF VOTES IN THE AGM SEASON

The suppression of votes at Petrobras and Vale caught the attention of Amec's members during the 2021 annual general meetings (AGM) season. Inconsistencies in voting counts impacted investors who adopted the remote vote option most of all. Amec supported the need for a more straightforward remote voting card (RVC) and for Brazil to follow international practices on the matter.

Experts of the Securities and Exchange Commission of Brazil (CVM) analyzed the voting count at Petrobras and ruled out any irregularities. However, they noted that "the complex voting system could create obstacles for foreign investors, given the peculiarities of the Brazil-



ian system." The regulators noted that adjustments and corrections are necessary. Thus, it sent suggestions to Petrobras, B3, and third-party providers that offer voting services.

Regarding Vale's AGM, majority voting led to a dispute between reference and minority shareholders. The meeting was canceled after shareholders who own ADRs warned of a reported mistake in the voting count, forcing the depositary institution to recount the votes before debates resumed in the AGM.



## HYPERA'S CASE OF LACK OF INFORMATION

In a letter to CVM, Amec raised questions about the current regulation on publishing corporate lawsuits information related to a case involving Hypera S.A. The company did not inform the market about an operation involving arbitration for four years.

Amec highlighted that it was glad to see the proposal of publishing information on lawsuits connected to corporate law in the Public Hearing SDM 01/2021. The proposal included arbitration processes that have always been a cause of concern for associates and investors, as they may be classified depending on the rules of the arbitration chamber. The case of Hypera Pharma shows how the market can be left in the dark regarding arbitrages.



## GERDAU TAKES PART IN COLLECTIVE ENGAGEMENT MEETING

In partnership with the Brazilian Association of Public Companies (Abrasca), Amec promoted collective engagement actions between its associates and board members of steelmaker Gerdau in September 2021. During the meeting, investors had the chance to know Gerdau's strategy for the global steel market and debate ESG issues.

Amec's CEO Fábio Coelho, Abrasca's CEO Eduardo Lucano da Ponte, Gerdau's CEO Gustavo Werneck da Cunha, CFO and Investor Relations Director Harley Lorenz Scardoelli, and IR Manager Rodrigo dos Reis Maia joined the event.

## RELATED PARTY TRANSACTIONS UNDER THE MAGNIFYING GLASS: THE CASE OF ASSAI AND GPA

In 2021, Amec watched related party transactions closely, as some could lead to a potential conflict of interests among stakeholders.

In October, Amec's Technical Committee gathered to talk about the corporate governance in the related-party transaction involving supermarket chains Assai and Grupo Pão de Açúcar (GPA), which the French group Casino controls.

Both companies' board of directors approved a transaction involving BRL 5.2 billion worth of real estate properties. The operation caught the attention of institutional investors associated with Amec, who demanded further talks about it. Then, the association came up with a project to analyze potential improvements to the regulation concerning such operations.



## END-OF-THE-YEAR ROYALTIES PAYMENT

On December 29, energy holding Neoen-ergia S.A., which is listed in B3's highest corporate governance segment, issued a statement about a related-party transaction regarding the payment of royalties for using the brand of its controller Iberdrola. The company had not published the information before, as the decision was reportedly made on March 15, but the board minutes do not mention it.

Moreover, funds that would be shared with all shareholders were transferred to the controlling shareholder without informing

them or giving them the chance to take part in this decision. Amec spoke about it on the 18th issue of Flash Amec, considering the company did not present the proper documents to back the reasons it gave.

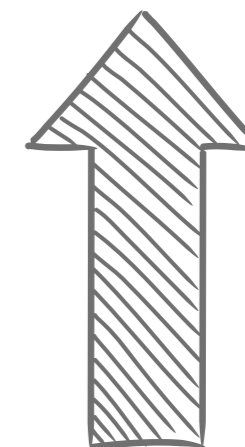
"The company should have shared details regarding the brand's valuation and the documents that subsidized the decision-making process to make it more transparent, especially as it is listed in the Novo Mercado segment," said the document signed by CEO Fabio Coelho.

## AN ANALYSIS ON THE IPO BOOM OVER THE PANDEMIC

The 10th issue of "Radar do Gestor," published in December, featured an analysis of the significant increase in the number of companies going public from 2020 to 2021. The movement was extremely positive, although the worsening macroeconomic environment in 2021's second half harmed the cycle, leading to a sharp downward correction in companies' stocks prices.

After that, several companies paused or canceled their IPO processes and, so far, should remain on the sidelines, waiting for another window of opportunity. In total, 73 companies debuted in the local stock markets, some without proper preparation. Two-thirds of the newcomers devalued significantly, and they remain on the path to recovery.

Such volatile cycles, which are so common in Brazil, heightened the importance of corporate governance beyond the necessary measures to fulfill the rules of Novo Mercado, the highest corporate governance segment at the B3 stock exchange.



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STOCK EXCHANGE DEBUTERS



## REGULATORY FRAMEWORK

Throughout 2021, Amec has strengthened its advocacy activities, actively monitoring and preparing proposals for new capital market regulations and legislation. The Association had an important role in the Economy Ministry's Capital Markets Initiative (IMK) and worked with other organizations such as CVM and B3. In addition, Amec's Technical Commission debated the issues and proposals and, in some cases, specific Working Groups (WGs) were formed with our member's representatives and experts. Check out the main regulations that Amec proposed:

### SUPER-VOTING SHARES

According to article 110 of the Brazilian Corporate Law, super-voting shares were prohibited in Brazil. The debate over the use of this mechanism gained momentum in the context of expressive growth of IPOs with valuations influenced by the negative real interest rates. The Economy Ministry's Capital Markets Initiative (IMK) discussed new regulations for this new class of shares.

Amec was against adopting super-voting shares in the Brazilian capital market but engaged in the discussions. The association supported that under some conditions, should the proposition be approved, it should be backed up by strict safeguards, especially when considering the characteristics of the legal and regulatory framework and all the other risks.

### ADOPTION OF THE SUPER- VOTING SHARES IN BRAZIL SHOULD ADOPT SAFEGUARDS

Therefore, Amec also defended minimum requirements to safeguard the rights of shareholders and the credibility of the Brazilian capital market, in accordance with the following suggestions, all of which were largely accepted:

(i) Explicit prohibition of the adoption of super-voting shares by publicly traded companies that are already listed; (ii) Sunset clause with a term of up to seven (7) years, renewable only once, as adopted in other jurisdictions; (iii) Considering the personal nature of the shares, only private individuals may own super-voting shares and their transfer, in any way, is prohibited, risking losing such characteristics; among others.

The National Congress approved the bill. Law 14.195/21, also known as the Brazilian Business Environment Law, was published on August 26, 2021, as a result of Provisional Measure 1040/21. Amec understands that the addition of proposals mitigated many regulatory risks throughout the development of the new legislation.



The proposal as it was presented, by incorporating the Income Tax Collected at Source forecast for dividends in the funds, would create real operational barriers for the industry in Brazil.

## IMK'S TOPICS

The Capital Markets Initiative (IMK) set a list of regulatory issues to be analyzed during the 2021-2022 term at a meeting attended by Amec's CEO, Fábio Coelho. The projects included the association's suggestion for a regulatory incentive to improve the stewardship engagement between investors and companies as part of the Brazilian Corporate Law. Besides, matters related to private enforcement were approved, such as the amendment to article 122 of the same law, which addresses related-parties transactions. Amec is following up on several other topics of interest that the IMK listed.

## IMK:

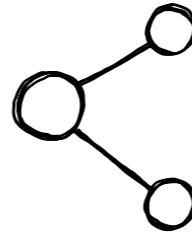
Amec is monitoring various topics within the scope of the Capital Markets Initiative

## TAX REFORM

Amec has actively participated in the discussions of the Tax Reform (Bill nº 2.337/2021) alongside other market institutions. Association's representatives attended several meetings with the Ministry of Economy's technical team to ask for a better alignment on the proposals, especially those concerning financial investments. Amec's CEO, Fábio Coelho, attended a meeting with the Secretary of Economic Policy, Adolfo Sachsida, in which he proposed suggestions to improve the bill in order to preserve competitiveness and reduce negative impacts on the fund management industry.

The initial proposal taxed dividends owned to Equity Investment Funds (FIA), forcing them to control the tax credits of each shareholder to know who would be taxed. From Amec's perspective, this would disrupt the fund industry. By withholding income tax (IRRF) from the funds' dividends, the proposal would create major operational barriers for the sector in Brazil, which has organized itself around systems and carried out networking with suppliers around the world for years.

Amec supported a proposal that kept the taxation of dividends on investors, thus making the operations of Brazil's fund management industry more straightforward. However, Congress has not yet voted on this bill.



PUBLIC HEARING

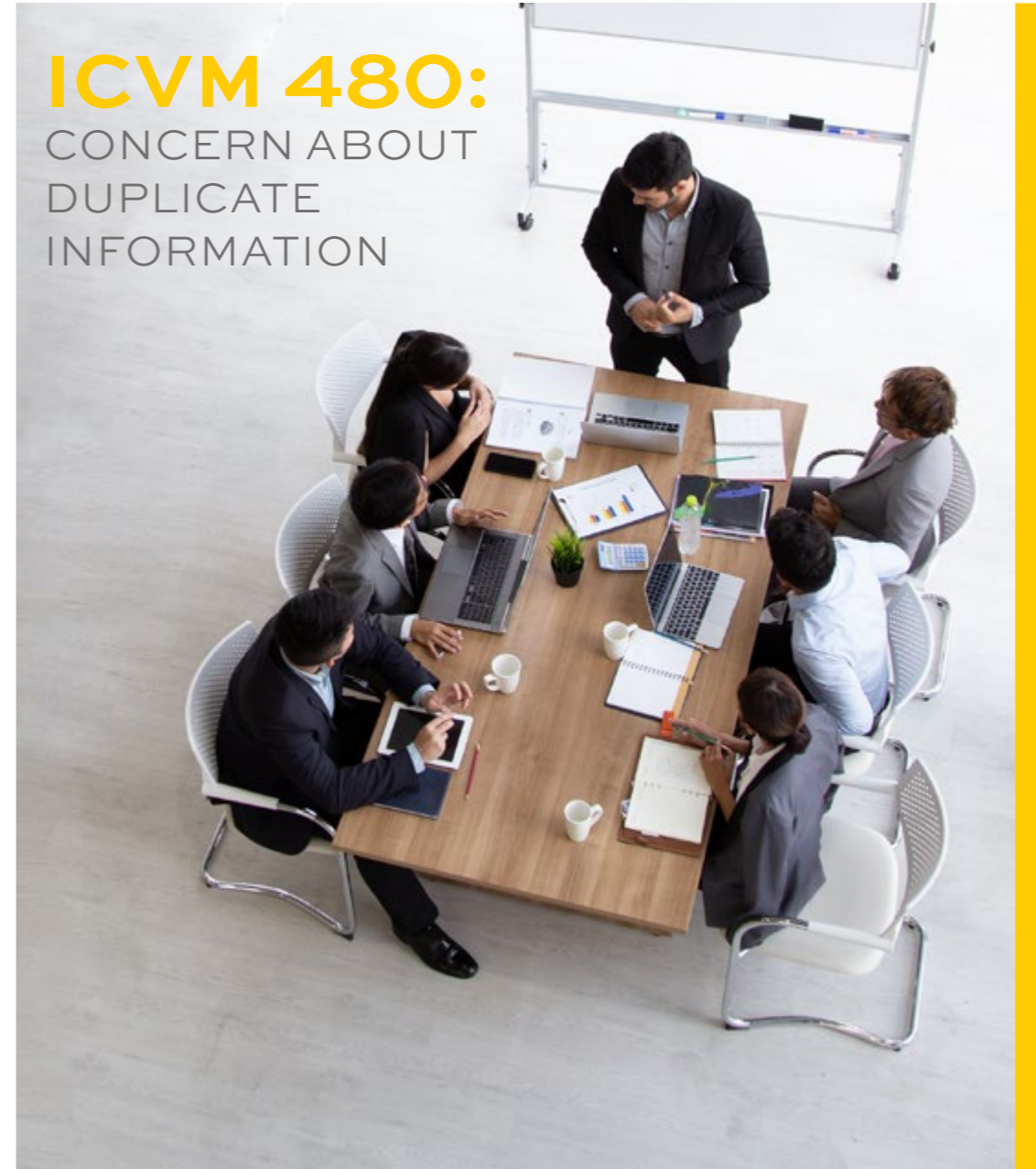
**CVM INSTRUCTION 480 - SUGGESTIONS**

Amec has submitted suggestions for the public hearing process to revamp CVM Instruction 480. According to CVM, the regulatory change aimed to reduce issuers' compliance costs by making the reference form more straightforward. Moreover, it sought to expand the disclosure of information related to environmental, social, and governance (ESG) issues.

The association has formed a working group and held several meetings with local and foreign associations to prepare a list of suggestions that were sent out on March 8, 2021. One of the concerns expressed by Amec was the need to provide information twice. According to the CVM's proposal, companies would have

to publish data on ESG issues in the filing reports. However, they already have to publish that information in the Governance Report, and currently, there are no rules requiring standardization between the two documents.

The proposals that Amec has presented to CVM pointed out that a mere update of the reference form was not suitable due to the need for a systemic and in-depth revision of all the documents produced by the companies, particularly the one about the Brazilian Code of Corporate Governance. Among Amec's suggestions to improve the CVM Instruction 480, two issues stood out: the disclosure of earnings-related information and the disclosure of lawsuits.



## PUBLIC HEARING

# CVM INSTRUCTION 480 - INFORMATION ON ARBITRATION PROCEEDINGS

Amec has filed suggestions for improving the draft regulation on disclosing information on corporate claims, presented in the public hearing SDM 01/2021 of the Securities and Exchange Commission of Brazil (CVM). Through a letter, besides noting the importance of the initiative and the need for updating the current regulation, Amec also sent two proposals for improving arbitration proceedings.

Amec's suggestions focused on two specific points regarding the disclosure of information from arbitration proceedings, mainly those deemed confidential due to the rules of the Market Arbitration Chamber (CAM B3).

The main suggestions were: 1) Disclosing the names of the arbitrators appointed to the arbitration proceeding - Amec believes it is as significant as the disclosure of the commencement of the arbitration proceeding. 2) Reservations on the disclosure of any settlement offer - Amec considered disclosing settlement offers could have undesired or unexpected effects on the company, shareholders, and the capital market, given that negotiations are still in progress.



SUGGESTION  
FOR NOT  
**REDUCE  
LIQUIDITY**

## PUBLIC HEARING FREE FLOAT RULES - B3

The public hearing held by B3 to gather suggestions regarding new rules for the free float percentage of companies listed on the different stock exchange segments was closely observed by Amec and its associates. B3's main proposal reduced the free float percentage (amount of outstanding shares that the controlling

shareholders do not hold) from 25% to 20% of the shares traded by companies on Novo Mercado, Nível 1 e Nível 2. The stock exchange also suggested that companies on Novo Mercado could reduce the free float ratio to up to 15%, provided they had fund-raised over BRL 2 billion in their IPOs, and the daily trading of their stocks surpasses BRL 20 million.

From Amec's perspective, the new rules proposed in the draft would reduce the liquidity of outstanding shares and, in some cases, could make it more difficult for minority shareholders to exercise their rights to meet the minimum quorum for calling shareholders' meetings.

To adjust the free float requirement vis-à-vis potential difficulties for the exercise of rights, Amec suggested that there should be some segmentation criteria that would favor the reduction of free float for companies with higher trading volumes. Moreover, companies with lower trading volumes should stick to the current rules or even have higher free float percentages.



## PARTNERSHIPS ESTABLISHED IN 2021

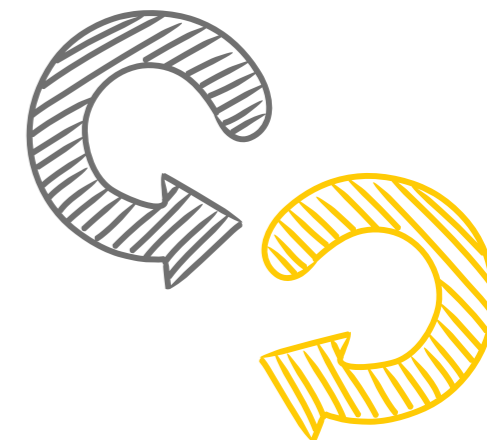
In 2020 and 2021, Amec expanded its partnerships with other market representative organizations, non-governmental organizations, and consulting firms. Most of the cooperation agreements Amec has signed are related to ESG principles of investment (Environmental, Social, and Governance). One of our first partners in this area, the United Nations' Principles of Responsible Investments (PRI), has been working with Amec since 2020. Nevertheless, in 2021, the number of partners increased, with agreements with Abrasca, B3, MSCI, CDP and CFA Society Brazil. Check below a summary of each partnership:

### ABRASCA AND B3

Amec, Abrasca, and B3 teamed up to host a series of meetings about ESG issues called Fórum ESG Investidor & Empresa (ESG Investor & Company Forum). The first edition was held online on October 26th. Representatives of the organizations and market experts attended the kick-off conference.

“The ESG Forum results from an unprecedented partnership with Abrasca and B3 to bring together investors and companies to discuss the importance of ESG and share lessons learned in disclosing and using this information,” Amec’s CEO Fábio Coelho explained.

The second meeting of the ESG Investor & Company Forum took place on November 18th. It addressed company initiatives related to ESG disclosure and the use of this information by investors, given the topic’s relevance. The third meeting took place on December 14th, focusing on the Carbon Disclosure Project (CDP), its history, and methodology.



### MSCI

The partnership with MSCI gives Amec members access to news and reports on ESG, especially when related to companies that are part of the IBrX-100 index.

The relationship with MSCI dates back to July 2020, when Amec welcomed company representatives for a conversation about ESG issues. During the meeting, MSCI’s head for Brazil highlighted all the resources and structure the company has regarding ESG, which became a core business and not only a complementary area or product.

### CDP

Another joint initiative that Amec carried out last year was the partnership with the CDP (formerly the Carbon Disclosure Protocol). Following a cooperation agreement, members gained access to the Investor Dashboard. This platform allows them to see every companies' climate-related data and use them to carry out investment analysis during a three-month trial.

In addition, the signatories of the Brazilian Stewardship Code could count on the institution's support to develop an annual report that dealt with climate-related themes and had access to the Temperature Rating analysis for equity portfolios, which allowed them to measure the "portfolio's temperature". Amec's members also had CDP's support in engaging with companies in their portfolio and had access to relevant events related to climate, biodiversity, forests, and hydric security.

CDP signatories had access to the following Amec services: "Radar do Gestor", Flash Amec, Amec Viewpoint, podcast, newsletter, and other technical reports. They also had access to spaces to debate relevant corporate transactions and invites to join the forum organized by Amec, Abrasca, and B3.

### CFA SOCIETY BRAZIL AND PRI

The online event "Brave New World: Integrating ESG Into Portfolios" happened on May 11th and 12th, 2021. Organized by Amec in partnership with CFA Society Brazil and the Principles for Responsible Investment (PRI), the event promoted a broad discussion on implementing ESG integration practices in companies' portfolios, focusing on assets and pension funds. At the same event, we launched the Brazilian Stewardship Code. It

is an example of the results Amec achieved thanks to the partnership with both organizations. The agreement with PRI was signed in 2020 and continued to bear fruits last year.

The partnership between Amec and the CFA Society Brazil also granted our members partial scholarships to take CFA's ESG Investing certification. Selected Amec members could register for the certificate with a 50% discount.

THERE WAS  
**INCREASE** IN  
THE NUMBER OF  
PARTNERSHIPS  
IN 2021







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# AMEC'S YEAR

[\\_Amec's Products And Services](#)

[\\_Press](#)

[\\_2021 Events](#)

[\\_Flagship Events](#)

[\\_About our Annual Report](#)



## AMEC'S PRODUCTS AND SERVICES

Aiming to generate more value for associates, Amec expanded and renewed its portfolio of products and services in 2021. In a scenario marked by the pandemic, the association invested in dynamic communication by publishing several media products. The highlights include the newsletter Viewpoint Amec, which featured several interviews and stories about relevant issues in the capital market. In addition, Flash Amec and “Radar do Gestor” fulfilled their roles by publishing news faster and with a deeper analysis. Apart from communication, the launch of the Brazilian Code of Stewardship, in partnership with CFA Society Brazil, was another highlight.



**BRAZILIAN  
STEWARDSHIP CODE**



**COMMUNICATION**



**NEW LOGO  
AND WEBSITE**



**CORPORATE  
VIDEO**



## BRAZILIAN STEWARDSHIP CODE



Amec and CFA Society Brazil launched the Brazilian Stewardship Code during the “Brave New World: Integrating ESG Into Portfolios” event in May 2021. The new document updates the Amec Code of Stewardship, which was created in 2016 and currently has some 30 signatories.

The first version of the Amec Stewardship Code was inspired by a similar document launched in 2010 in the UK and later updated in 2020. Like the British document, the Brazilian code sets principles such as full disclosure, conflict mitigation, ESG, engagement policies, voting rights, collective engagement, and transparency.

Amec’s CEO Fábio Coelho explains that the Amec Stewardship Code was a pioneer in Brazil, anticipating trends adopted in international markets. In his view, there were many changes in the past five years and even more in the last 12 months due to the pandemic. That’s why Amec turned it into the Brazilian Stewardship Code. The initiative’s new seal is already available to current signatories.



## COMMUNICATION

Amid the pandemic, Amec strengthened its communication strategy with digital media formats. For example, in 2021, the association published 19 issues of its newsletter Viewpoint Amec, featuring exclusive interviews with heavyweights like Alfredo Setúbal, Bruno Laskowsky, Roberto Teixeira da Costa, Marcelo Trindade, Isabella Saboya, José Guimarães Monforte, Marta Viegas, and many others.

“Radar do Gestor” featured stories and technical content regarding significant issues for the associates. Some of them were the challenges faced by pension funds to draft investment policies, the role of COOs in asset management firms, SPACs, a comprehensive analysis of the IPO window in the Brazilian market, and the UN Climate Change Conference in Glasgow (COP26). In addition, Flash Amec published information about events, new regulations, and news about the sector.



## NEW LOGO AND WEBSITE

As part of Amec’s 15th Anniversary, the association rebranded its logo and website. The new brand marks a shift in the communication with the associates and the market, aiming to make it easier to access information and technical work produced by Amec. The new website also offers a more intuitive browsing experience. The rebranding represents several transformations that increased Amec’s reach and popularity in the capital markets.

## CORPORATE VIDEO



Amec’s 15th anniversary was also marked by a corporate video about the association’s work and challenges, which can be summed up in one sentence: “We are proud of our history, and we are ready to build new chapters!”. Watch the video [here](#).



## PRESS

Amec was mentioned in some 40 articles in mainstream media and specialized outlets in 2021, always expressing the interests of minority investors. Furthermore, the association has reinforced its position regarding controversial issues involving board elections in state-owned enterprises and corporations, regulatory changes – such as approving super-voting shares –, besides highlighting the importance of investor engagement through the Brazilian Stewardship Code (CBS), and the need for strengthening the ESG agenda.

The most controversial issues were the tensions regarding oil maker Petrobras' corporate governance at the beginning of the year after the government announced a management change. Amec defended the sovereignty of the company's board of directors and the preservation of its corporate governance in Jornal Nacional – Brazil's most traditional newscast – and featured in articles published on InfoMoney and Brazil Journal finance websites.

The controversy involving Petrobras hit the headlines while a proposition to change miner Vale's bylaws caused controversy. The proposal would grant veto power to the reference shareholder in board elections. To O Estado de S. Paulo, Amec has expressed the concerns of minority shareholders about the election of the board since such innovation on counting dissenting votes could set precedents for the deliberations of companies with a more complex shareholders' base.

In a letter, Amec stated that it is against adopting such a mechanism, given that “the absence of a controlling shareholder in corporations does not rule out the fact that reference shareholders continue to hold very relevant positions in these companies.” Two other outlets, Capital Reset and Exame, published articles quoting Amec on the matter. Vale eventually gave up on the proposal after the Securities and Exchange Commission of Brazil (CVM), governance consultants, and proxy voting agencies rejected it.

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ARTICLES  
**HIGHLIGHTED**  
 AMEC'S POSITIONS  
 REGARDING THE  
 MAIN FACTS OF 2021



An article published by Valor Investe addressed the importance of having independent members on the board of directors, taking the change in Petrobras' board as a background. It mentions a document issued by Amec on the rules for nominating and dismissing CEOs in state-owned companies. In an article published in Valor Econômico, Amec has also commented on why collective arbitration is not very common in Brazil as a way for shareholders to get compensation for losses caused by governance problems in their investees, in comparison with class actions in the United States.

Voting suppression had significantly affected the outcome of Petrobras' board election, in which the government's nominees took seven out of eight seats available. As a result, the matter was in the spotlight during the 2021 AGM season and was covered by InfoMoney, Valor Investe, and Folha de S. Paulo. In these outlets, Amec explained that minority investors, especially foreign investors, had difficulty in having their votes counted for the election of board members.

“Regarding Petrobras’ extraordinary general meeting, the feedback suggests that the company counted only part of the votes of foreigner investors, as it happened in other recent episodes. However, the causes of these failures and the extent of the problem have not been defined yet,” Fábio Coelho told InfoMoney. In an article published in Valor Investe, the organization has also stressed the need for technical improvements to solve the problems in the remote voting process.

In May, CNN Brasil has once again published stories about issues in the voting count due to the majority voting system, this time at Vale. As minority shareholders engaged more with companies, the media



also granted them more space. Asset management firm JGP’s objections to the remuneration of executives at wholesaler chain Assaí were an example of that. Capital Reset followed the story, referencing Amec.

Transparency is becoming a mandatory matter for companies, especially after Provisional Measure 1040 turned super-voting shares into law. In an interview with Exame Invest, Mr. Coelho analyzed the bill’s final version, which Amec closely monitored. “Considering lawmakers uphold the final draft, we may say that many of the proposal’s risks have been mitigated. Amec continues to have some reservations about whether it is really necessary to adopt super-voting shares in Brazil. Still, the outcome is positive compared to the initial proposals, even if it does not initially reflect what we have imagined at first.”

Mr. Coelho carried out an in-depth analysis of super-voting shares in an article entitled “Brasil agora tem supervoto. Como fica o dilema entre inovação e governança?” (“Brazil allows super-voting shares now. Where does the dilemma between innovation and governance lie?”), which was published on Capital Reset. In his article,

Amec’s CEO lists how it may impact the ESG agenda of companies that may eventually resist implementing actions towards a low carbon economy. Brazil Journal and Valor Econômico also featured Amec’s thoughts about super-voting shares.

Tax reform debates also marked the first half of 2021, although the bill was put on hold in the second half of the year. The magazine Investidor Institucional published an article about Mr. Coelho’s opinion on the project. He advocated that the rules to tax dividends owed to investment funds and pension funds should not suffer alterations.



The magazine also reported his election for a second term as Amec's CEO. To BM&C News, Mr. Coelho has also commented on the end of the IPO window in the second half of the year, caused by new economic perspectives.

ESG matters, particularly governance, have kept their place in the media coverage. To Valor Econômico, Marcos de Callis, then-chairman of Amec's board, and CEO Fábio Coelho detailed the actions to strengthen the Brazilian Stewardship Code. They are particularly focused on investor engagement and strengthening public companies' governance through debates within the Capital Markets Initiative (IMK). The theme was also addressed in stories published by IstoÉ Dinheiro. Valor Econômico has also highlighted Amec, Abrasca, and B3's initiative to hold an online forum to debate environmental, social, and governance policies every fortnight.

Valor Investe has published an article about the launch of an ESG product by Banco do Brasil, an institution that has signed the Brazilian Stewardship Code. A story published by Capital Reset addressed the role of ESG aspects in the



stock-picking process of pension funds featuring Funcef. The pension fund noted it joined Amec "to follow benchmarks, have networking opportunities with other investors, and adopt practices that converge with our peers."

The press has paid attention to gender diversity. In the article "Carta faz apelo por diversidade nos conselhos" ("Letter calls for board diversity"), published by Brazil

Journal, Amec is quoted as a supporter of the plea, alongside organizations such as B3, IBGC and IFC. In addition, CNN Brasil has presented renowned women occupying seats on boards of directors, such as Anitta, Iza, Manu Gavassi, Marina Ruy Barbosa, and Taís Araújo. Mr. Coelho praised the initiative, highlighting the need for introducing corporate governance principles to professionals who begin their journey in this position.

### Amec gained prominence in the media in news and articles related to the election of directors in state-owned companies and corporations, supervoting shares and ESG

In December, CVM's 45th anniversary was under the spotlight. Amec, CFA Institute, and CFA Society partnered with the regulator to support the event, which was featured in Valor Econômico. In one of the articles, Mr. Coelho mentioned that state-owned enterprises' governance practices have evolved, although there is much room for improvement.

**EVENTS ORGANIZED BY AMEC**

20  
21

02  
FEBRUARY



**2021 Pre-Season of Annual General Meetings**

05  
MAY



**Launch of the new Brazilian Stewardship Code**

09  
SEPTEMBER

**Extraordinary Technical Committee about Assaí and the Pão de Açúcar Group (GPA)**

**Extraordinary Technical Committee about Corporate Reorganization of Iguatemi S/A**

**ESG Forum Series with B3 and Abrasca: Trends and Challenges - ESG Investor & Company Forum**



11  
NOVEMBER

**Amec Invites | CBI with Leisa Souza**

**CVM 45 Years (with CFA and CVM)**

**ESG Forum Series with B3 and Abrasca: CDP Immersion**

**Amec Invites: CEBDS and the Brazilian Carbon Market**

03  
MARCH

**Brave New World: Integrating ESG into Portfolios**

06  
JUNE

**Company-Investor Connection with Gerdau**

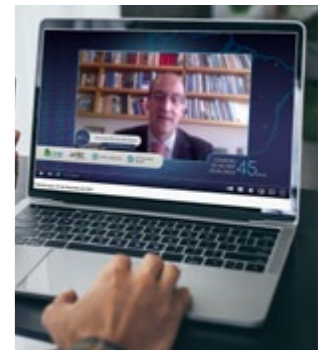
10  
OCTOBER

**Annual Meeting of the Advisory Board**

12  
DECEMBER

**Technical Commission for B3's Public Hearing on Free Float**

**ESG Forum Series with B3 and Abrasca: Reports used by companies and investors**





## EVENT PARTICIPATION

02

**FEBRUARY**

**Debate on the use of Super Voting-Shares in Brazil**  
– Capital Aberto

03

**MARCH**

**Debate on election of directors in Corporations** – IBGC

**Webinar “ESG Principles for Small and Medium Pension Funds”** – APEP

04

**APRIL**

**Summit Board**  
– Tag Investimentos

05

**MAY**

**Organic Management Forum**  
(Forggest)

**Amendments to the Corporation Law** (PL No. 6,480/16 and MP No. 1,040/21) and Legislative Modernization for the Capital Market – Capital Aberto

**2021 Stakeholder Capitalism Forum** – Stakeholder Relations e ESPM

07

**JULY**

**Meeting:** Amec discusses global initiatives with ICGN

**Young Women Summit** – Fin4She

**National Supply Chain Forum**  
– Abras

08

**AUGUST**

**Forum on Remote Voting and Proxy Season** – B3

**Arbitration and Investor Protection** – Brazilian Arbitration Committee

**Webinar on Voting in Brazilian AGMs** – B3

09

**SEPTEMBER**

**Fall 2021 Panel Conference on Voting Suppression** – Council of Institutional Investors (CII)

**Capital Markets Talks about Super Voting-Shares in Brazil** – Getulio Vargas Foundation (FGV)

10

**OCTOBER**

**VIEX 2021 Environmental Congress**

**Climate Challenges and Financial Sector Advances** – Febraban

11

**NOVEMBER**

**ESG Challenges at 21st IBGC Congress**

**1<sup>st</sup> RI Week** – IBRI

12

**DECEMBER**

**Latin American Roundtable on Corporate Governance** – OCDE

**11<sup>th</sup> Independent Accounting and Auditing Conference** – IBRACON

## FLAGSHIP EVENTS

In 2021, Amec played an important role in hosting events that stimulated the agenda of the many players in the Brazilian capital market. The Association's annual calendar began with the traditional Annual General Meetings' Pre-Season, which promotes collective engagement among the associates. Brave New World, which was held in May in partnership with PRI and CFA Society Brazil, was another highlight. The meeting brought together several experts to address environment, social, and governance (ESG) issues in the asset management industry.

In October, [Amec, Abrasca and B3 teamed up to start a series of online meetings called the Fórum ESG Investidor & Empresa \(ESG Investor & Company Forum\)](#). The first edition was held on October 26th, 2021, and another two meetings happened in 2021 (see the "Partnerships" section). And to round off the year, Amec also organized a seminar to celebrate the 45th anniversary of the Securities and Exchange Commission of Brazil (CVM), with CVM and the CFA Society. Check out the information about these events below:



### AGM'S PRE-SEASON MEETINGS 2021

An initiative promoted by Amec that has gained momentum in recent years, the 2021 AGM's Pre-Season helped foster collective engagement practices of dozens of minority shareholders. During January and early February, strategic companies for Amec's members were analyzed.

Last year, fourteen companies were selected to become the topic of debates among investors: B3, Banco do Brasil, Braskem,

IRB, Itaú, Klabin, Via Varejo, Localiza, Lojas Renner, Intermédica, Petrobras, SulAmérica, Totvs, and Magazine Luiza.

[Meetings with Amec's local and foreign associates and signatories of the Brazilian Stewardship Code who were interested in discussing each of the companies were held until March 3<sup>rd</sup>](#). There were, therefore, fourteen engagement meetings to connect investors ahead of the nomination of board members at the AGMs.



# 14

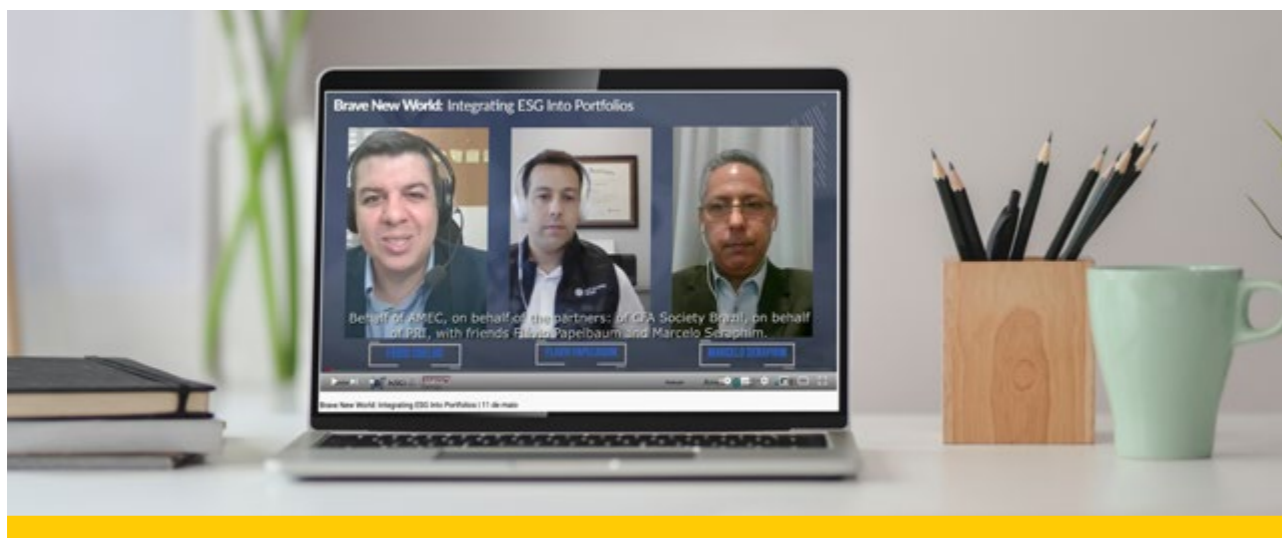
ENGAGEMENT  
MEETINGS  
THAT HAD THE  
OBJECTIVE  
TO ALLOW THE  
ARTICULATION OF  
INVESTORS

## BRAVE NEW WORLD

The event “Brave New World: Integrating ESG Into Portfolios”, hosted by Amec in partnership with CFA Society Brazil and the Principles for Responsible Investment (PRI), brought together leading local and global fund managers to debate the integration of ESG factors into the portfolios of institutional investors, with a focus on assets and pension funds.

The event’s highlight was the debates on ESG factors that change the relationship between asset owners and their investees.

Several experts and executives from Brazilian and international organizations, assets, and pension funds attended the events. Some of the speakers were PRI’s Fiona Reynolds, the UK Ambassador to Brazil, Peter Wilson, and Vanguard’s Juan Hernandez. The event happened from May 11 to May 12.



## CVM 45TH ANNIVERSARY SEMINAR

In partnership with CVM, CFA Institute, and CFA Society Brazil, Amec promoted CVM’s 45th anniversary, which featured the regulatory agency’s agenda and challenges. On December 7th and 8th, the seminar celebrated the anniversary of Law 6,385, which was passed in 1976. The meeting gathered CVM’s chairman and former chairpersons, representatives of international regulatory agencies, as well as the leading names from organizations, companies, and asset management firms.

The meeting aimed to provide an overview of some of the most relevant issues that have influenced the capital market dynamics, including post-pandemic asset management, sustainable finance, ESG issues, corporate governance, and digital transformation.



Amec’s CEO, Fábio Coelho, joined the “Governance in Perspective: Novo Mercado, Stewardship, and Investors’ Role” panel. He addressed the heating of private credit and variable income markets during the panel.

## ABOUT OUR ANNUAL REPORT/THIS PUBLICATION...

- Is only available online to contribute to more sustainable practices.
- Follows the standards adopted by financial institutions, including our strategic view with a sustainability bias.
- Is directed at all stakeholders.
- Addresses Amec's performance and main achievements from January 1 to December 31, 2021.
- Describes our strategy, which is drafted alongside internal and external audiences, and our priorities, identified with the support of our boards and members

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### PICTURES

Disclosure, Adobe Stock, Pexels, Unsplash, Freepik e Nounproject

The logo for AMEC features the word "AMEC" in a bold, dark grey, sans-serif font. A yellow, curved shape, resembling a stylized wave or a checkmark, is positioned above the letter 'M'.