



ANNUAL REPORT 2022

A MESSAGE FROM THE CEO



FÁBIO COELHO, CEO

In 2022, several challenges tested the resilience of the Brazilian capital market: war, presidential elections, inflation, and high-interest rates.

As it has been the case for the past 17 years, our associates found a safe haven in Amec to share experiences and face adversity together. We are proud to say that, in 2022, the ideas defended by those who invest in Brazil broke the association's walls, reaching relevant stakeholders and spreading throughout the market and society through our strategy of acting as a corporate governance think tank.

Throughout the year, several governance cases required our attention, such as protecting the 'State-Owned Enterprises Law' (*Lei das Estatais*) and protecting the governance of these companies. As always, we advocated for best market practices and expressed the minority shareholders' point of view to regulators and authorities. In addition, we worked to expand our influence by joining forces with

market associations such as Abrasca, Apimec, CFA Society Brazil, IBGC, IBRI, and other renowned partners (to whom we dedicate particular attention in the following pages), creating a trustworthy platform to support governance debates in the country.

As part of our mission as a think tank, we also produced more content. Our traditional products "Special Report" and "Viewpoint Amec" became thematic, aiming to provide a deeper analysis of important yet little-studied financial topics.

In addition, aiming to produce even more educational content on corporate governance, we launched two new white papers in partnership with CFA Society Brazil and Vieira Rezende Advogados. The first, "The Anatomy of Grupo X's Corporate Governance," dives into the history of the companies that symbolized the 2000s commodity boom, illustrating the reasons and consequences of their downfall from a corporate governance perspective. The

A MESSAGE FROM THE CEO

“Insider Trading Prevention Guide” aims to disseminate best practices to prevent this type of conflict in the country.

Both the market and the media recognized the white paper’s quality. As a result, media outlets reproduced Amec’s content in publications and quoted Amec representatives as qualified sources. Eventually, Amec was mentioned in the press hundreds of times, about 20 times more than the previous year.

At a time when the Brazilian capital market is expanding, where financial education is urgently needed, we should extend knowledge about governance practices to as many investors as possible. Therefore, in addition to our corporate communication strategy, we decided to be more active on social media by launching a profile on Instagram. Meanwhile, our number of followers on LinkedIn grew by 90%.

These results show that we remain committed

to supporting those investing in Brazil, but now with even more significant influence, creating educational and informative content or advocating with other stakeholders.

We believe that Amec’s role as the organizer of a platform in defense of governance in Brazil will be more demanding than ever in 2023 as the macroeconomic environment remains challenging for fundraising.

Also, we must build bridges with a new government, always seeking constructive dialogues that strengthen the market and the country.

Under the valuable guidance of our board of directors and executive board, and the

support and trust of our associates, we will continue to pay attention to corporate governance issues and seek more ways to support investors, knowing that together, we can spread our message even further.

**ENJOY THE
READING!**

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AMEC



AMEC

AMEC'S ROLE IN THE CAPITAL MARKET

Engaging with market players

- Events and debate forums
- Technical Committee debates

Dialogue with regulators

- Market development proposals
- Regulatory improvements

Operating as a think tank

- Educational and informative content
- Engagement with the press

WHO WE ARE

A group of institutional and independent investors founded the Association of Investors in the Capital Market (Amec) on October 26, 2006. It aimed to become a stronghold in defense of minority shareholder rights, helping to develop the Brazilian capital market through good corporate governance practices.

Almost 17 years later, Amec brings together 60 members among local and foreign institutional investors, with approximately BRL 900 billion in assets under management in the local equity market.

Currently, Amec develops activities in three main areas to promote the best corporate governance practices in the country:

- Facilitating dialogue between industry stakeholders through debates, events, and discussion forums;
- Engaging with regulators and legislators to propose improvements in legislation and new public policies;
- Thought leadership as a think tank through producing educational and informative materials, technical content, and engaging with the press.

Through this integrated approach, Amec has contributed to some of the most critical institutional advances in the Brazilian capital market over the past two decades, including the enactment of the State-Owned Enterprises Law (*Lei das Estatais*), several regulations issued by the Brazilian Securities and Exchange Commission (*Comissões de Valores Mobiliários - CVM*), safeguards in the super-voting shares legislation, and debates on tax reform. In addition, in 2016, we published the country's first stewardship code, updated in 2021 as the Brazilian Stewardship Code (CBS), in partnership with CFA Society Brazil.

To expand its area of influence and strengthen the representation of minority shareholders, Amec has also recently become an aggregator hub of institutions through partnerships with industry representatives, consultancies, and other organizations in civil society. Thus, Amec has built a longstanding tradition of bringing together investors of different profiles, regulators, institutions, and the government, in favor of developing the country's capital market.

MISSION

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

VISION

The development of the capital market necessarily involves respecting, protecting, and expanding the rights of minority shareholders.

VALUES

The association operates independently without benefiting the interests of its members. Its statements are based on economic and legal grounds, supported by the analyses and recommendations elaborated by the Technical Commission. The Board's decisions are consensual and supported by most members.

The main title '2022 GOVERNANCE' is centered on the page. The year '2022' is rendered in a large, white, sans-serif font, with the '0' being a solid white circle. Below the year, the word 'GOVERNANCE' is written in a bold, white, sans-serif font. The background of the entire page is a dark, moody photograph of a man in a suit and glasses, seen from the side, looking out a window. The lighting is soft and comes from the window, creating a professional and contemplative atmosphere.

GOVERNANCE

STRUCTURE:

THE FOUNDATION

OF OUR

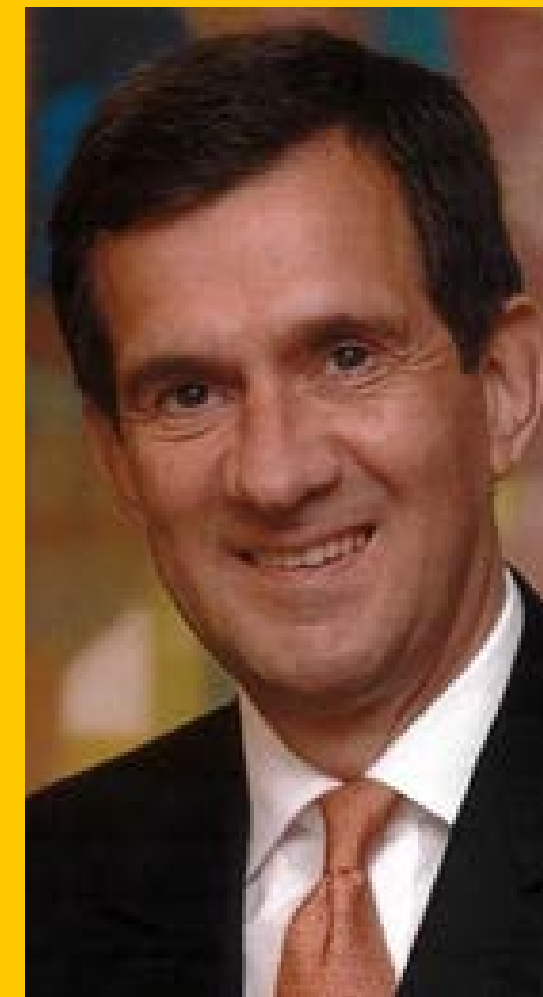
OPERATIONS

Equality among its members is the core tenet of Amec, so the association has developed a solid decision-making structure according to the best practices in corporate governance. This process ensures that every decision follows technical criteria, is impartial, and respects the opinions of all members. It comprises the Technical Commission, Executive Board, Board of Directors, and Advisory Board, which are the foundation of our operations and define all the association's guidelines for action.

ADVISORY BOARD

The Board of Directors elects Advisory Board members for four years, with potential re-election. It comprises five members, three of whom are experts and share the same purpose as Amec, and two members of the Board of Directors, one of whom is the president. The CEO attends meetings as a guest, leaving before executive sessions take place or whenever requested by its members. The Advisory Council's responsibilities include evaluating Amec's performance, assisting in strategic planning, and forwarding recommendations to the Deliberative Board. The Advisory Council meets once a year at the Association's headquarters or whenever its members unanimously agree on doing so.

AMEC'S 2022 ADVISORY BOARD



Alfredo Setubal
Itausa



Luís Stuhlberger
Verde Asset



Pedro Rudge
Leblon Equities



Walter Mendes
Vivest



William Landers
BTG Pactual

BOARD OF DIRECTORS

Amec's Board of Directors comprises 11 to 15 professionals from different industries, such as equity, hedge, and pension funds. The associates meet in a general assembly to elect its members for a two-year term. The Board of Directors is responsible for approving Amec's stances in specific cases when there is a mention of the parties involved, and the majority of members must support the decision. In urgent situations, Amec's Executive Board may have decision-making power if they inform the Board of Directors immediately by electronic means. In this case, board members may gather in an extraordinary meeting to discuss and deliberate. The Deliberative Board is also responsible for electing the CEO, who can be one of its members, an associate representative, or a professional with an unblemished reputation and recognized expertise in capital market issues.



"We are keeping up with the important work of the current management team, providing support to the board and Fábio Coelho [the CEO], to strengthen Amec's stance as a knowledge-generator think tank and a relevant forum for debates. The association can further expand its activities, disseminating knowledge and sharing experiences on best practices."

— **Pedro Rudge, Chairman of the Board of Directors**

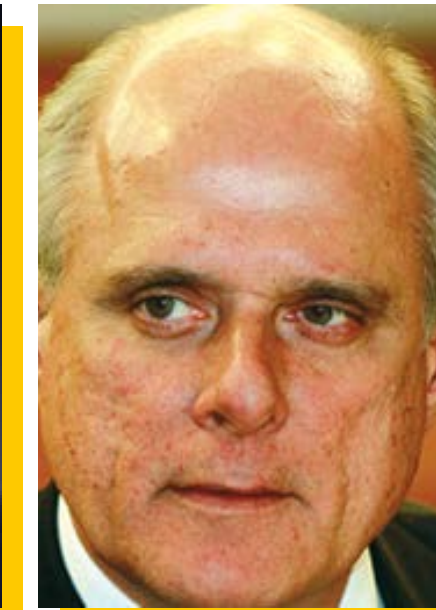


"At Amec's Deliberative Board, we discuss the complex and challenging ESG agenda alongside experienced professionals in an environment that enables idea exchanges and reflection."

— **Luzia Hirata, member of the Board of Directors**



Pedro Rudge
Leblon Equities



Eduardo Monteiro
Opportunity



Helder Rodrigues
Principal Claritas



Jaime Gornsztejn
Hermes



Luzia Hirata
Santander



Marcelo Farias
BB Asset



Matheus Tarzia
Neo Investimentos



Milton Cabral
Bram



Paulo Werneck
Petros



Paulo Corchaki
Trafalgar



Daniela Bulthuis
Robeco



Pedro Batista
3G Radar



Regis Lemos
Tagus



Renato Tucci
Itaú Asset



Walter Mendes
Vivest

EXECUTIVE BOARD

The Executive Board comprises the CEO, six vice presidents, and a deputy vice-president elected by the Board of Directors for two years. The members may be reelected. The vice presidents are chosen among the members. Their competencies include the administration of Amec and executing the guidelines and policies defined by the Board of Directors, including administrative and financial management. The Executive Board also must present projects and programs to achieve the association's goals.



"I believe in the importance of strengthening the role of representative entities to develop the capital market and improve its regulation."

—**Juliana Paiva, Vice President of Amec's Executive Board**



Fábio Coelho
CEO



Alexandre Mathias
Vice President



André Gordon
Vice President - GTI



Eduardo Figueiredo
Vice President - abrdn



Juliana Paiva
Vice President - JGP



Paulo de Sá
Vice President - Vivest



Rodrigo Santoro
Vice President - Bram



Guilherme Vicente
Vice President - ONYX

AUDIT COMMITTEE

At the end of each fiscal year, an Audit Committee chosen by the General Assembly and comprised of up to three members examines Amec's balance sheets. Their mandate ends when the assembly approves their audited balance sheets, and they can be reelected.



"I would like to highlight Amec's role in ensuring the rights of minority shareholders and its goal of ensuring the development of the Brazilian capital market. The idea is to contribute so that this purpose is increasingly stronger."

— *Acácio Roboredo, member of Amec's Audit Committee*

TECHNICAL COMMITTEE

The Technical Committee (TC) completes Amec's governance system. It discusses topics of interest to the Association and forwards them for approval by the Board or Advisory Board. Amec's Technical Committee consists of approximately 20 to 30 members who meet regularly to discuss the main issues affecting investments in Brazilian publicly traded companies. The Technical Committee is the main forum for institutional debates concerning minority shareholder rights concerning ongoing operations and long-term projects to improve Brazil's business environment. International investors associated with Amec participate in these discussions through the Foreigners Committee, carried out in English.



Acácio Roboredo
Alaska



Keite Bianconi
Metrus

AMEC'S MEMBERS

Amec brings together some of the leading names in the Brazilian investment market. It has 60 members, including local and foreign institutional investors and pension funds, with approximately BRL 900 billion under management in Brazil.

Amec was created by independent investors who wanted to feel represented in the local market. From the beginning, Amec has valued and promoted equality among its members. Because of this, we attracted investors with different sizes, investment strategies, and engagement styles — from the most active, which speaks up when conflicts arise, to the most discreet ones, which prefer to exert influence behind the scenes. The ability to unite people with diverse backgrounds fosters a favorable environment for learning and exchanging ideas, creating more value for our members.

“Technical debates are quite valuable for asset management companies and pension funds that are part of Amec. The Technical Committee addresses relevant topics. Then, after extensive deliberation, Amec speaks up publicly,” says Paulo de Sá, Amec’s vice president and Executive Manager of Equity and Real Estate Investments at Vivest.

Vivest was the first pension fund to join Amec, and the executive manager considers the association’s work essential when defending corporate governance.

“The Brazilian capital market needs an independent and highly technical organization that can defend and improve governance and transparency practices of public companies in Brazil,” he explains. “Amec has been walking down this road for a long time and has done an excellent job so far.”

To foreign associates, Amec is considered a vital instrument for institutional engagement in the Brazilian market and for promoting technical debates. “This knowledge exchange is fundamental. We are based in the Netherlands, and Amec is a link between Robeco and the local market,” says Daniela da Costa-Bulthuis, Portfolio Manager of the Dutch asset management company (AMC).

In Ms. da Costa-Bulthuis’ view, being in touch with investors with different perspectives is also essential. “Amec gives voice to all investors, and this technical and institutional discussion forum adds value to the Brazilian capital market.”

DEBATES PROMOTED

BY AMEC CREATE VALUE

In 2022, Tenax Capital and RPS Capital joined the association as members. Tenax Capital has joined Amec

since its foundation in February 2022. That’s because the founder, CEO, and Head of Equity, Alexandre Silvério, already knew and valued the association’s work since his time at companies like Santander and AZ Quest.

“The manager’s fiduciary duty requires a kind of action upon which Amec contributes. It can be through its high-level discussions about governance and best practices for the fund management industry in the Brazilian capital market. Or by gathering a group of associated managers with the same goal: to discuss corporate issues and contribute to regulatory advances that will allow the capital market to develop over time,” Mr. Silvério highlighted.

RPS Capital also joined Amec during a crucial moment, aiming to increase its engagement with ESG (environmental, social, and governance) issues. Working on several governance-related agendas, the AMC decided it would make sense to collaborate with Amec, as the association values the ESG agenda and offers engagement opportunities with investees.

For Gustavo Henrique Fabrício, RPS Capital’s head of pension funds and head of ESG, joining Amec was an important mark to step outside the internal sphere and interact with other players. “We have participated in governance debates, and having this forum with managers representing companies of different sizes and investment styles who can discuss common topics for all is the best part of being a member.”

MEMBERS'

PROFILE

Total of number of members

60
members

Institution type

50
local
AMCs

04
international
AMCs

06
pension
funds

Associates' assets under management in equities

BRL 900 bn

LIST OF MEMBERS

- | | | | |
|---------------------------------------|---|--|----------------------------------|
| 1. 3G Radar Gestora de Recursos | 17. Fator Administração de Recursos | 32. Metrus - Instituto de Seguridade Social | 47. Sharp Capital |
| 2. abrdn | 18. Franklin Templeton Brasil | 33. Navi Capital | 48. Prevcom (SP) |
| 3. Aguila Capital | 19. Fundação de Assistência e Previdência Social do BNDES - FAPES | 34. Neo Investimentos | 49. SPX Capital |
| 4. Alaska Investimentos | 20. Funcef | 35. Onyx Equity Management | 50. Studio Investimentos |
| 5. Argucia Capital Management | 21. G5 Partners | 36. Opportunity | 51. SulAmérica Investimentos |
| 6. AZ Quest Investimentos | 22. Garde Asset Management | 37. Pátria Investimentos | 52. Tagus Investimentos |
| 7. BB Asset Management | 23. GF Gestão de Recursos | 38. Petros - Fundação Petrobras de Seguridade Social | 53. Tenax Capital |
| 8. BNDESPAR | 24. GTI Administração de Recursos | 39. Polo Capital | 54. Tower Three Asset Management |
| 9. Bradesco Asset Management | 25. Hermes Management | 40. Porto Seguro Investimentos | 55. Trafalgar Investimentos |
| 10. Brasil Capital | 26. Hieron Patrimônio Familiar e Investimento | 41. Prisma Capital | 56. T. Rowe Price |
| 11. Bresser Administração de Recursos | 27. Itaú Asset Management | 42. Robeco Asset Management | 57. Vivest |
| 12. BTG Pactual | 28. JGP | 43. RPS Capital | 58. Velt Partners |
| 13. Principal Claritas | 29. Joule Asset Management | 44. Santa Fé Investimentos | 59. Verde Asset Management |
| 14. Constellation Asset Management | 30. Leblon Equities | 45. Santander Asset Management Brasil | 60. XP Asset Management |
| 15. ESH Capital | 31. Mauá Capital | 46. Schroders | |



ADVOCACY

ADVOCACY

The best way to enhance the member value in 2022 — a year marked by high volatility and remarkable episodes involving corporate governance — was to provide a space for them to integrate and respond quickly to market movements. We achieved this goal through communication and coordination between members of the Technical Commission and debate forums, as well as the work alongside regulators.

The improvements to the traditional AGM Season are one such example. In the run-up to the season, the Deliberative Board set new rules and procedures, better positioning Amec to coordinate investors' joint efforts. One innovation introduced by the Board was following best practices in internal debates by aligning Amec to the Chatham House Rule and serving as a roadmap to promote transparency and independence.

On the regulatory front, Amec also led the interaction between foreign associates, the B3 stock exchange, and CVM to solve doubts from the previous Annual General Meeting (AGM), such as adopting cumulative voting and using remote voting cards (RVC).

After receiving Amec's Annual Circular Letter, the Superintendency of Corporate Relations (SEP/CVM) innovated by expressing some recommendations to mitigate the problems resulting from the incompatibility of deadlines and avoiding potential inconsistencies between the RVCs used in the assembly.

As a result of Amec's and its associates' suggestions, managers, board members, and other market players noted significant advances when using remote voting cards and cumulative voting.

ENGAGEMENT CASES

ALLIAR

Amec acted in specific events that raised the market's awareness in addition to the AGM season. One example involved the Centro de Imagem Diagnósticos S.A or Alliar. On February 22, 2022, Amec sent a letter to B3 questioning information provided by the company regarding an offer to acquire the controlling shareholders' shares and a following share's purchase and sale agreement.

Amec requested B3 to enlighten the questions in the document so that all stakeholders could properly scrutinize the investment decision-making process. Later, the association explained everything to its stakeholders.

BR MALLS AND ALIANSCA SONAE

In another engagement case, Amec invited Aliansca Sonae and BR Malls to present their proposal versions to combine their businesses with the shareholders. Both companies agreed that the merger would lead to scale gains and increased profitability in the shopping malls sector. Still, they needed to decide on the premium paid to BR Mall's shareholders. Finally, they completed the merger in January 2023, but before that, Amec's associates could exchange information and better understand the deal's characteristics.



**CFA Society
Brazil**

In the past few years, Amec has strengthened its partnership with CFA Society Brazil, especially through the shared management of the Brazilian Stewardship Code (CBS). In 2022, both associations organized an event about the role of the Brazilian Securities and Exchange Commission (CVM) and published a white paper.

The 2022 edition of CVM's annual event, named "CVM and the Capital Markets – Moving Towards 50 Years," was held in December in Rio de Janeiro. It featured a relevant agenda and panels on topics such as climate finance, new financial technologies, CVM's regulatory agenda, the regulatory framework for public offerings, and highlights of the 2022 sanctioning activity of the agency.

Another highlight resulting from the partnership between Amec and CFA Society Brazil was the white paper "The Anatomy of Grupo X's Corporate Governance," launched at an online event promoting a debate on how corporate governance can contribute to a company's value. The case study analyzes the lessons learned and the governance problems that contributed to the decline of the companies known as Grupo X, led by Eike Batista.

In addition to these significant events, Amec and CFA Society Brazil held several other meetings. In the past, the partnership already resulted in the celebration of CVM's 45th anniversary, an event about sustainability, and the launch of the new Brazilian

Stewardship Code (CBS).

In 2022, Fábio Coelho, Amec's CEO, met with Thomas Brigandi, a CFA Society New York representative, regarding an institutional approach with foreign audiences.

CFA Society Brazil is connected to the CFA Institute, the biggest global finance and investment professionals' association. The nonprofit international organization has over 150 CFA societies worldwide and over 175,000 active members in over 30,000 companies.

 **+175,000**
members

 **+30,000**
companies

[B]³ BRASIL
BOLSA
BALCÃO

abrasca


In 2022, Amec, Abrasca (the Brazilian Association of Publicly-Held Companies), and B3 continued the ESG Investor & Company Forum, a series of meetings in which investors and public companies share their views and experiences on ESG issues. The project started in 2021 and had ten new meetings in the last year, totaling 13 editions.

The initiative aims to discuss the progress of sustainability in Brazil and develop joint studies on the subject, resulting in a diagnosis of how it is developing in the Brazilian market.

Amec also carried out individual projects with each of these entities. Amec and Abrasca sent an open letter to lawmakers highlighting concerns about budget constraints impacting CVM. On that occasion, the associations warned that the agency’s activities could be compromised, affecting the dynamics of the Brazilian capital market.

With B3, in addition to several meetings held throughout the year to discuss relevant topics in the capital market, the highlight was Public Hearing No. 01/2022, which addressed diversity aspects in the Regulation for Listing of Issuers and Admission to Trading in Securities. Amec was in favor of the proposal, contributing with improvement suggestions.

Abrasca brings together the most important companies from all industries operating nationwide. With over 400 associates, Abrasca represents 85% of Brazil’s market cap.

 **10** forum meetings in 2022

 **13** meetings since 2021



The partnership with ESG consultancy Resultante resulted in the short-term course “ESG and Impact for Investors,” held from August to October 2022. During the six meetings, experts discussed topics related to the ESG agenda.

Amec’s members could take the exclusive course for free as part of the association’s efforts to spread valuable information regarding ESG issues. It also adds to the Amec has done in the past on corporate governance and capital markets.

In October 2022, KPMG acquired Resultante, keeping the same team, services, and products that the company already offered to financial institutions.



6
meetings



20
certificates
for course
students



Still focusing on environmental, social, and governance issues, Amec held a webinar on ESG Risk Assessment for Brazilian and International Companies with ESG data science company RepRisk.

At the event, open to members only and held in English, RepRisk experts talked about the company’s methodology, approach to data and metrics, and real-life case studies on ESG risk management and integration.

RepRisk also provided details on data used globally by asset management companies, banks and financial institutions, companies, and the stock exchange B3, to build the Corporate Sustainability Index (ISE). The webinar was the first joint activity that led to a new partnership between both companies.

The RepRisk ESG Risk Platform is an extensive database on ESG and business conduct risks. It features 23 languages, spanning over 200,000 public and private companies and 55,000 infrastructure projects.



+55,000
infrastructure projects



+200,000
companies in the
coverage



Amec’s partnership with CDP Latin America (the former Carbon Disclosure Protocol) grew stronger in 2022. During the year, the institutions developed a series of webinars called “Climate Change Knowledge Track for Financial Institutions.”

They hosted four meetings; the final one occurred at an in-person event at the Renaissance Hotel in São Paulo. At the meetings, participants debated the impact of climate change on the Brazilian financial sector, including carbon pricing, climate regulation, practical tools to deal with the issue in the capital market, and methodologies for estimating and evaluating emissions funded by investment portfolios.

Due to their partnership, Amec members could access CDP’s platforms and content during a trial period. The Brazilian Stewardship Code (CBS) signatories received CDP’s support when making their annual reports on climate-related aspects.

CDP Latin America has a network of over 37 investors managing \$2.1 trillion in assets, over 23 major buyers engaging with 4,700 suppliers worldwide, and a significant number of partners.



3
webinars



1
in-person event

RELATIONSHIP WITH REGULATORS



In 2022, Amec engaged even more with the Brazilian Securities and Exchange Commission (CVM), presenting proposals aimed primarily at mitigating difficulties experienced by investors during the previous year, such as problems with voting systems at AGMs, flaws in the remote voting card (RVC), and lack of transparency in Related Party Transactions (RPTs).

Through letters and statements, the association reinforced its position and engagement actions and questioned actions that jeopardized minority shareholders' rights. In many cases, CVM agreed with Amec's suggestions, which became part of the country's regulatory framework.

Both the former and current CVM chairman acknowledged the association's efforts. Marcelo Barbosa, who led CVM until July 2022, stated that Amec has been cooperative in debates and collaborated on developing CVM's regulatory agenda.

"It is essential that investors' perspectives are present in the regulator's work, and Amec has provided that perspective," Mr. Barbosa said.

He was replaced by João Pedro Nascimento, who believes that "the dialogue between CVM and Amec, which became more intense in recent years, enriches the market." Below, we list some achievements resulting from this fruitful relationship.

CUMULATIVE VOTING + RVC

Amec sent Letter No. 03/2022 to CVM with recommendations for the AGM season. Among them a request for shareholders to anticipate cumulative voting requests, and another was for companies to provide information in both Portuguese and English quickly. CVM agreed with Amec's request by including the suggestions in the Annual Circular Letter from the Superintendence of Relations with Companies (SEP/CVM).

RELATIONSHIP

WITH REGULATORS



FUNDS' DISCLOSURE RULES

In 2022, the association closely followed the disclosure rules for investment funds. As part of the measures, Amec sent Letter No. 11/2022, suggesting the improvement of transparency rules to seek greater alignment with international best practices. Throughout the year, Amec representatives also met several times with CVM members to discuss suggestions for improving CVM Instruction No. 555/2014.

REMOTE VOTING

In Letter No. 20, Amec once again suggested ways to improve remote voting processes. This was part of a CVM hearing on the subject. The association compiled in the document all the hurdles investors have faced due to RVCs. To deal with them, Amec suggested, among other things, extending the proxy voting period and ensuring that the RVC is mandatory at all general meetings and is also offered in English.

RELATED-PARTY

TRANSACTIONS

In response to requests from CVM, Amec sent Letter No. 14 with ideas to improve the current CVM Instruction No. 480 and Legal Opinion No. 35 (PO 35).

REPARATION

Amec sent CVM Letter No. 21/2022 asking how Art. 246 of the Brazilian Corporate Law should be interpreted. The document asks for approval on operational procedures for liability actions in cases of abuse of controlling power.

INDEPENDENT DIRECTOR

Amec sent Letter No. 08/2022 to CVM regarding the public hearing for the Business Environment Law regulation. The association suggested changes in the text to improve the definition of independent directors and mitigate issues regarding super-voting shares and RPTs.

RELATIONSHIP WITH REGULATORS



The Federal Court of Accounts (TCU) invited Amec to express its views on energy-holding Eletrobras' privatization at a gathering in April 2022 that contributed to developing the market consensus on the matter.

On that day, Amec's CEO Fábio Coelho spoke in front of TCU Justices, the Minister of Economy, Paulo Guedes, the Minister of Mines and Energy, Bento Albuquerque, CVM's Chairman, Marcelo Barbosa, and BNDES' development bank CEO Gustavo Montezano, as well as executives from Eletrobras, lawmakers, and market experts. The event was an important meeting point for the company's privatization process, one of the most relevant deals in the Brazilian market in 2022.

During the "Vision of Eletrobras' capitalization model" panel, led by journalist Daniel Rittner (Valor Econômico), Mr. Coelho argued that Eletrobras should adopt become a corporation, saying that such an ownership structure adds value to the company and is adopted by the best global industry benchmarks.

After the meeting, the TCU had to deliberate on privatizing Eletrobras, having Justice Aroldo Cedraz as rapporteur.

The engagement with TCU and the invitation to join the summit were seen as signs of how significant Amec is as a sectoral association for capital market investors and a substantial acknowledgment of its role as an advocacy agent and corporate governance think tank.



RELATIONSHIP WITH INTERNATIONAL ORGANIZATIONS



As an example of its international reach, the association participated in the Latin American Roundtable on Corporate Governance of the Organization for Economic Cooperation and Development (OECD). The event happened in Lima, Peru, on December 6th and 7th, 2022. The invitation is another sign of the association's influence since the OECD knows investors are essential to developing corporate governance practices in the markets where they invest.

At this roundtable, the OECD proposed reviewing its corporate governance principles, including the role of bondholders and stewardship. Patricia Pellini, Amec's Advocacy Consultant, participated in a roundtable about these issues representing the association.

On this occasion, Mrs. Pellini spoke about the disclosure of private bonds and mentioned the problem of information dispersion. She also talked about the need for fixed-income investors to get more involved and about recent changes to the Brazilian Stewardship Code (CBS), like creating a governance committee to review signatories' reports.



COLLECTIVE ENGAGEMENT:

DEFENDING THE SOEs LAW

Amec took the lead in defending best governance practices in state-owned enterprises by coordinating the opposition of several market associations to the nomination of executives who fail to meet the requirements for management roles in such companies, as well as attempts to wind down the SOEs Law.

By the end of 2022's first half, lawmakers considered changing the State-Owned Enterprises Law. The alleged measure was meant to reduce some safeguards that established the need for following technical criteria when appointing professionals for C-level positions. In the past, the nomination of unqualified professionals led to a significant loss of value. With this threat to investors' interests, Amec joined a task force with sectoral associations like IBGC, Apimec, IBRI, and Instituto Ethos. They sent a letter to the leaders of the House of Representatives and the Senate, warning that the proposed changes in legislation overturn important achievements and put Brazil's ambition to join the Organization for Economic Cooperation and Development (OECD) at risk.

Still, the political movement kept growing, and in December, federal representatives passed a bill that focused on changing how executives and board members are chosen and how advertising funds are distributed. Amec and IBGC released a joint statement on the day after the vote, causing a big stir.

On that occasion, the entities classified the episodes as "alarming considering the desired respect to institutions that the country should have, as they were not subject to minimal debate," adding that the procedures are "questionable due to the way and speed with which they were approved." Soon after, other market associations such as Apimec Nacional, Instituto Ethos, Instituto Brasileiro de Direito e Ética Empresarial (IBDEE), and Instituto de Não-Aceitação da Corrupção (INAC) joined Amec and IBGC's position.



PARTICIPATION IN COMMITTEES

As a think tank and speaker for investors, Amec must be at the forefront of the most important innovations in finance, governance, sustainability, and other cutting-edge areas. So, it was with great happiness that the association's representatives took their places on important forums that draft the rules and standards shaping the market's future.

Last September, Fábio Coelho, Amec's CEO, became a member of the Comitê Brasileiro de Pronunciamento de Sustentabilidade (CBPS) (Brazilian Committee for Sustainability Pronouncements, freely translated). The Federal Accounting Council (CFC) set up the new committee with support from CVM, Susep, the Central Bank of Brazil, and Previc. Its goal is to carry out studies and adapt disclosure standards on sustainability for the Brazilian reality per international standards from the International Sustainability Standards Board (ISSB).

"It is a great honor to participate in this important forum in Brazil that will adapt international sustainability standards," celebrated Mr. Coelho. "I do not doubt that the new committee will make a huge contribution to the standardization and disclosure of ESG information in the local market, following global trends."

In July 2022, Fernando Galdi, a former CVM commissioner and a Ph.D. in accounting who is currently a professor at Fucape Business School, was confirmed as a member of the accounting association Comitê de Pronunciamentos Contábeis (CPC), following Amec's nomination.

Amec was invited to contribute to the drafting process of accounting standards in Brazil through nominations to the CPC. The invitation shows that Amec is recognized as an institutional representative for its efforts to improve corporate governance in capital markets.

"I am grateful that Amec has nominated me to serve as its representative on the CPC," Mr. Galdi noted. "The committee plays a vital role in the Brazilian capital market by centralizing and carrying out studies, preparing and issuing technical statements that serve as a foundation for Brazilian regulatory bodies to issue accounting standards aligned with IFRS standards."

In 2023, the goal is to bring these debates into Amec so that members and other stakeholders can be part of the most important accounting discussions in the country as well as share investors' points of view on any proposed changes.





OUR YEAR

PUBLICATIONS

Amec’s content is a result of the intersection of different communication strategies. Therefore, it serves more than one purpose: the first is to inform and educate members and stakeholders with high-quality materials about corporate governance in the country, spreading relevant information on the matter. It is also an opportunity for the association to express its point of view, which has found significant room in the mainstream media ([see page 38](#)).

Each publication is crafted to cater to members’ different needs. For instance, “Flash Amec” features comments on breaking news. On the other hand, “Viewpoint Amec” includes in-depth analyses that contextualize complicated topics using data, historical information and the opinion of experts. Nevertheless, the publications complement each other since they cover the same issues. One such example of this integration is “Guide to Prevent Insider Trading,” published in partnership with Vieira Rezende Advogados in December following July’s issue of “Flash Amec” on the same matter ([see details on page 32](#)).

In 2022, the goal was to fine-tune these publications to make them more appealing to stakeholders.

Thus, instead of frequently publishing content, the association invested in improving the editing style, making the materials more concise and objective, and adding new designs. These changes increased reader engagement significantly, as observed in the email’s opening rate.

Check out the highlights of each publication below.

PANORAMA AMEC

In its third year, “Viewpoint Amec” adopted a magazine style, covering news about the Brazilian and international markets. Such a revamp allowed for more detailed and technical stories, analyzing issues from several points of view, including interviews with experts. The association’s traditional newsletter covered issues on poison pills, related-party transactions, the State-Owned Enterprises Law, differences between the Fiscal Council and the Audit Committee, and new rules for public offerings. Due to the depth of the stories, the publication became a go-to source for journalists, who often quoted Amec in their articles.



Edição 59
Novembro de 2022

Carta do editor

Novas regras de ofertas para novos tempos



Edição 58
Setembro de 2022

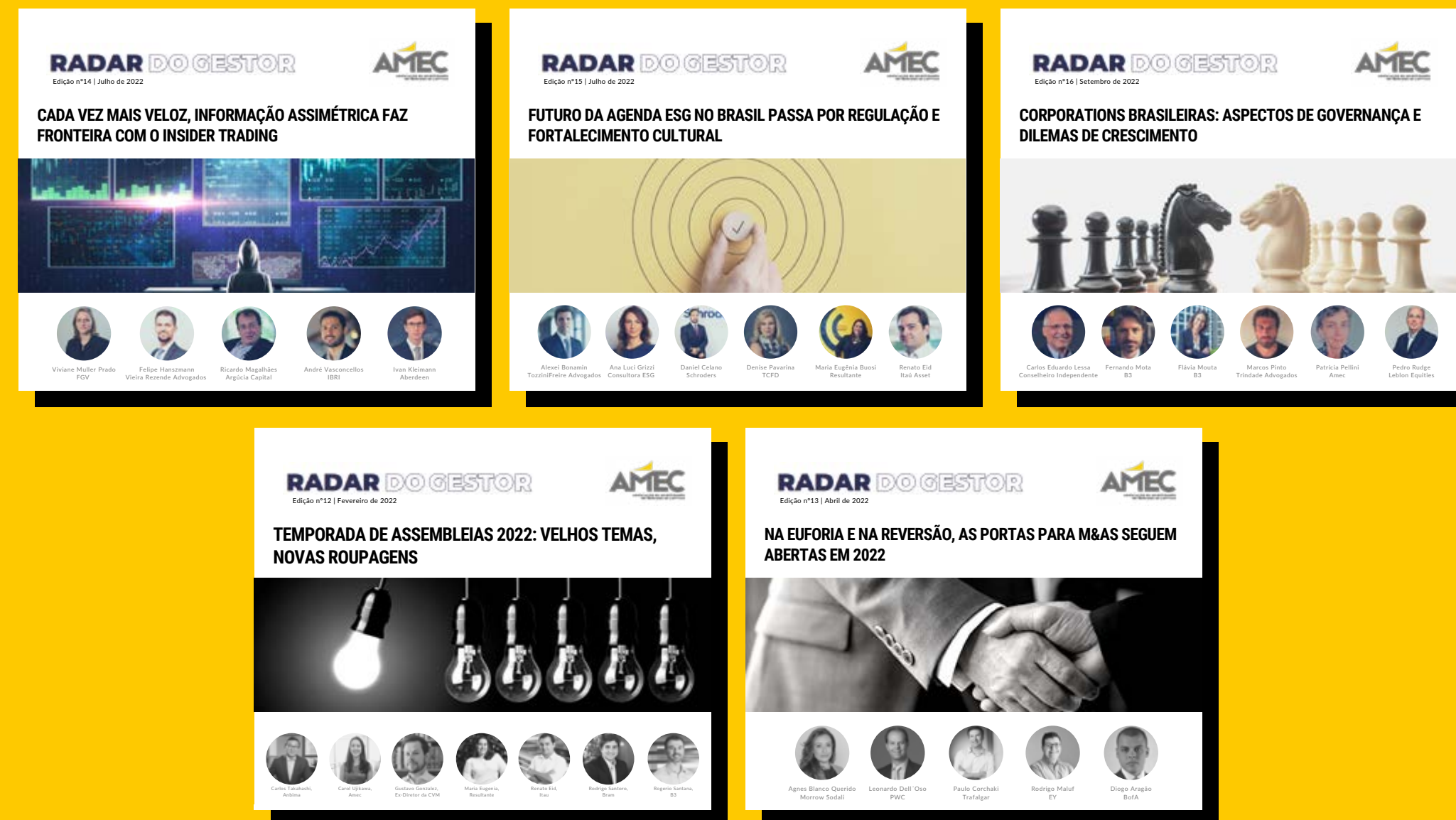
Carta do editor

Conselho fiscal e comitê de auditoria: diferentes, pelo bem da companhia

PUBLICATIONS

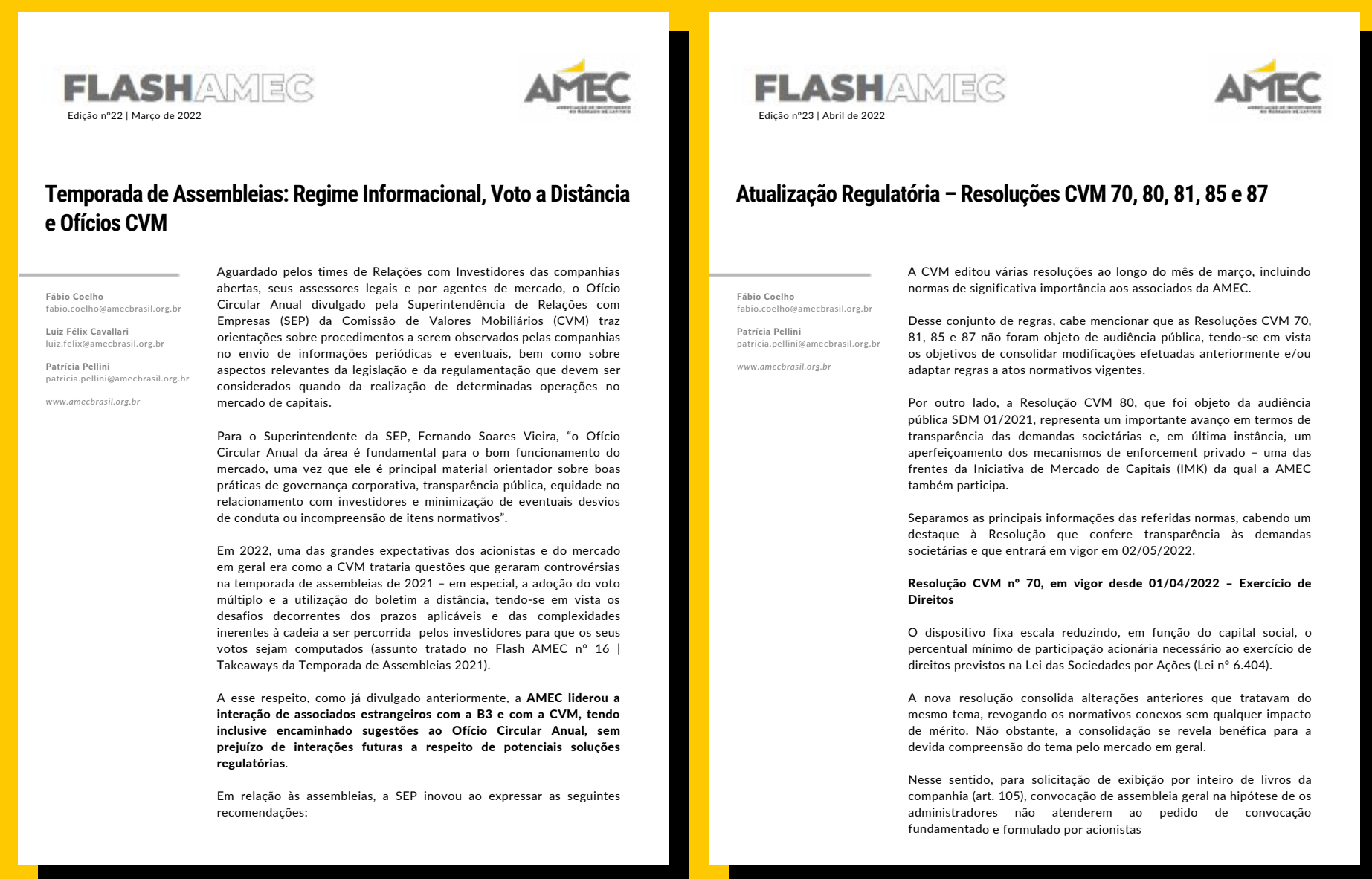
RADAR DO GESTOR

The “Radar do Gestor” (named “Special Report” in its English version) is also a publication revolving around specific issues. It addresses timeless topics, covering the structural issues in the Brazilian market in detail and in a technical way. Also, the format allowed Amec to do more in-depth analyses and even produce data. Issue No. 16, for instance, was one of the first publications to count the number of true corporations listed in Brazil. Amec published five issues of “Radar do Gestor” in 2022.



FLASH AMEC

“Flash Amec” is an exclusive publication for Amec members that covers “breaking news” stories. The goal is timely provide Amec’s view on significant events to support its members’ decision-making. In 2022, six issues of “Flash Amec” were produced in Portuguese and three in English.



WHITE PAPER:
THE ANATOMY
OF GROUP X'S
CORPORATE
GOVERNANCE

Amec was proud of its progress in 2022 in making educational content, especially the white paper “The Anatomy of Grupo X’s Corporate Governance.” In partnership with the CFA Society Brazil, Amec analyzed the rise and fall of companies led by entrepreneur Eike Batista. They also organized a launch webinar.

The document thoroughly examines Grupo X companies, from Eike Batista’s career as an entrepreneur to the governance gaps in each listed company. The case was chosen as the first in a series about corporate governance because it is a good example of the Brazilian capital market and shows how quickly a lack of effective or weak governance can destroy a company’s value and the breaking of laws and rules.

The series aims to get people who work in the capital markets to think about controversial events that led to changes in regulations and business practices and to rethink the role of investors in these situations. The idea is to put all of the information learned from these events in one place and make it easy to find so that new generations can learn about the history of the Brazilian market and see why it’s important to value the progress made. The information will also be translated into English so that more people can get access to it.



[Click here](#)
to download the white paper.

INSIDER TRADING PREVENTION GUIDE

The “Guide of Recommendations and Best Practices to Prevent Investor Trading,” made in collaboration with the law firm Vieira Rezende Advogados, is an excellent example of how the association gathers information to help those investing in the country to deal with problems.

The publication has both theoretical and practical suggestions and was made to help companies, people in charge of investor relations, and other market agents figure out how to share and use information. The objective is to prevent the use of insider information to trade securities in the market, a practice known as insider trading.

During the launch of the guide, which took place at the event “CVM and the Capital Market: Moving Towards 50 Years,” Fábio Coelho, the CEO of Amec, said that the goal is to suggest ways to solve a problem that is still common in Brazil: he pointed out that foreign investors sometimes have trouble understanding why prices change a lot during trading when there is no company event or public announcement.

Felipe Hanszmann, a partner at Vieira Rezende, said at the time, “The idea was to come up with a set of recommendations for everyone who works in the capital market.” It led to the creation of a comprehensive guide that considers the roles of all stakeholders and helped solve a problem that hurts investor confidence and slows the growth of the capital market.



[Click here](#)
e veja o vídeo de lançamento do Guia.

BRAZILIAN STEWARDSHIP CODE

It is impossible to talk about minority rights without addressing institutional investors' duties. The most important of these is the fiduciary duty, which is the duty to protect other people's assets. It includes responsible ownership of assets, contributing to their preservation and long-term value creation — a principle known as stewardship.

Stewardship is central to everything Amec does, whether promoting the ESG agenda, which aims to create long-term and sustainable benefits, advocating for governance practices that create value, or getting investors more involved. When it happens in good circumstances, the latter improves communication between the parties, letting them talk about important issues and learn from each other while building a trusting relationship.

Amec is a national pioneer in promoting stewardship, having launched the Code of Principles and Duties of Institutional Investors in 2016, the first of its kind in the country. Years later, in 2021, Amec and CFA Society Brazil decided to join forces to further promote the stewardship culture in the region with the launch of the Brazilian Stewardship Code (CBS).

Currently, CBS has 29 signatories, including 16 Brazilian asset management companies, five banks, four pension funds, and four global institutional investors. In 2022, four new AMCs signed the Code: Miles Capital, Fama, SulAmérica, and ESH.



[Click here](#)
to download the code.

CREATING A GOVERNANCE STRUCTURE FOR CBS

In 2022, Amec sought to strengthen the governance structure of the CBS, which now has a Deliberative Board and an Executive Committee. The Deliberative Board, composed of Amec’s CEO, Fábio Coelho, and the President of the CFA Society Brazil, Marcia Sadzevicius, is responsible for overseeing the activities of the Executive Committee, setting applicable rules, and defining and enforcing sanctions to CBS signatories.

The Executive Committee comprises six members, appointed in equal numbers by Amec and the CFA Society and coordinated by Patrícia Pellini, Amec’s Advocacy Consultant. Its main responsibility is to analyze the signatories’ annual stewardship reports and evaluate their compliance with the Code’s principles.

As an innovation, the stewardship reports for the

2021 fiscal year were the first to receive actionable feedback from the Executive Committee, including improvement suggestions for upcoming years.

The feedback was provided through individual meetings with each of the signatories in November 2022. After the meetings, a consolidated analysis report was prepared with general information and opportunities for improvement.

CBS TESTIMONIALS



Geraldo Affonso Ferreira,
Member of the CBS Executive Committee

“The goal of the new CBS Executive Committee is to ‘evangelize’ the development of a stewardship culture among investors and dispel some myths, such as the idea that asset managers need a minimum AUM to adopt these practices. We will provide feedback to all signatories asking for more details on their company monitoring processes and successful cases.”



Marcelo Mello,
Vice President of Investments, Life, and Pensions of SulAmérica

“The adoption of the Code is an opportunity to strengthen our relationship with companies in the portfolio, bringing knowledge of new practices that can strengthen principles of corporate governance and stewardship.”



Victor Gustavo Santos,
Partner and Head of ESG at Miles Capital

“ESG criteria are increasingly important for us, and we have adopted them in most of our portfolios. We are now moving forward with formal commitments, making our adherence to renowned codes official. Our first commitment in this regard is signing up to the Brazilian Stewardship Code.”



Jaime Gornsztejn
Director at Hermes Management

“The CBS plays an important role in developing this culture in capital markets by bringing stewardship principles to Brazil, following international best practices. In this sense, I highlight the innovative initiative of the Executive Committee to provide individual feedback on the stewardship activity reports of each signatory.”



Brunella Ispere Gomide,
Investment Director at abrdn

“The adoption of the CBS principles brings a positive incentive for institutional investors to actively fulfill their fiduciary duty as shareholders of local companies following global best practices.”



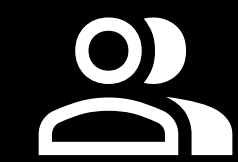
Laura Velez,
Head of ESG Practices at FAMAA

“Our adherence to the Code aims to incentivize for more institutional investors to improve their relationship with the companies they invest in and incorporate ESG criteria into their investment process.”



Isaac Nunes,
Investor Relations Partner at Esh

“The Code is an important hallmark for our asset management company. Adherence represents a seal of approval for striving to improve the governance of the companies we invest in.”



29
signatories



4
new
signatories
in 2022

ENGLISH PUBLICATIONS

Amec’s communication strategy includes publishing English versions of most of our content to allow foreign members access to the most important discussions in the Brazilian market. And to enable an even closer connection with this audience, the Invest in Brazil podcast got a second season in 2022.

The podcast is available on major streaming platforms and seeks to contextualize topics for international investors who follow the Brazilian market in English.

In 2022, Fábio Coelho hosted in three episodes in which finance professionals addressed hot topics such as the introduction of super-voting shares in Brazil — in which Amec was heavily involved to secure corporate governance safeguards — and the controversial Related Party Transactions (RPTs), focusing on the improvements that should be implemented to reduce conflicts in this type of transactions.

The podcast is also a way to involve foreign members in the daily life of the association. For example, there was an episode celebrating Amec’s 15th anniversary,

in which Fábio swapped the host’s chair for the interviewee’s chair to celebrate Amec’s achievements and talk about future perspectives and projects.

Members who want to dig deeper into these topics also have access to the English versions of “Viewpoint Amec”, “Flash Amec”, and “Special Report”.



Invest in Brazil



AMEC CONVIDA

“Amec Convida” is a series of exclusive events for members where experts discuss topics of interest easily and contextualistically. In 2022, the association received representatives from companies and institutions such as Eurasia, IBGC, and VDV Advogados as guests.

In February, “Amec Convida” featured Leila Loria and Adriane de Almeida, the Chairman of the Board and the Director of Development of IBGC, respectively. In a conversation with Amec’s CEO, Fábio Coelho, the guests discussed the AGM season and emphasized best practices for training board members, including the importance of certifications.

In March, Amec invited Daniel Gomes and Eduardo Gomes, partners at VDV Advogados, for a conversation on crypto assets. The lawyers talked about key concepts, the main types, the methodology of operation of these assets, and regulations. They also commented on the perspectives of the Central Bank, the CVM, and the Brazilian Federal Tax Administration, including the main tax controversies and existing tax guidelines.

In April, Amec held a new session of Amec Convida with the consulting firm Eurasia. On this occasion, the organization’s head in Brazil, Silvio Cascione, commented

on Brazil’s electoral scenario and the impact of the conflict in Ukraine. Thus, the members had access to detailed situational analysis and the future outlook for Brazil at that time.

Quarta-feira, 27/04 às 17h30

EURASIA GROUP

Cenário político-eleitoral brasileiro & impactos do conflito na Ucrânia

A Amec convida **Silvio Cascione**, diretor da **Eurasia Group** no Brasil, uma das mais respeitadas consultorias globais, para conversa com associados sobre as eleições brasileiras e impactos do conflito na Ucrânia no balanço de riscos do Brasil.

REUNIÃO REALIZADA VIA ZOOM

Quinta-feira, 24/11 às 11h

EURASIA: O GOVERNO LULA E A AGENDA SETORIAL EM 2023

Faremos mais uma sessão do Amec Convida para receber **Silvio Cascione**, diretor da Eurasia no Brasil, para apresentação da visão da instituição sobre o "O Governo Lula e a agenda setorial em 2023".

O encontro é exclusivo para associados mediante inscrição.

REUNIÃO REALIZADA VIA ZOOM

Quarta-feira, 09/03 às 17h30

CRIPTOATIVOS: CONCEITOS, REGULAÇÃO & TRIBUTAÇÃO

A Amec convida **Daniel Gomes** e **Eduardo Gomes**, sócios do escritório VDV Advogados, para conversa com associados sobre conceitos, regulação e tributação de **Criptoativos**.

- *Conceitos iniciais, principais espécies e metodologia de funcionamento;*
- *Perspectiva do BACEN;*
- *Perspectiva da CVM: Howey test e a noção de contrato de investimento coletivo;*
- *Perspectiva da RFB: principais controvérsias fiscais e orientações tributárias existentes.*

REUNIÃO REALIZADA VIA ZOOM

PRESS

The communication strategy has been the backbone of Amec’s activities in the last three years. Strengthening the association’s position as a representative of minority investors to the media was a key goal within this strategy, which was successfully achieved in 2022. Overall, Amec was mentioned in 848 news articles, interviews, and features in national and international media, 20 times more than the previous year.

to strengthen its positioning in defense of the interests of investors and the development of the capital market on various issues, including potential budget cuts at CVM, the management of state-owned enterprises, and privatizations. Amec also took a stand on topics such as the standardization of ESG information and specific conflicts of interest in companies.

Check out the top news stories featuring Amec in 2022:

AMEC’S REACH IN MEDIA OUTLETS

319
web

12
print

The production of educational and informational content, another cornerstone of the communications strategy, has also effectively cultivated relationships with the press. Issues of “Viewpoint Amec”, “Special Report”, “Flash Amec”, and specific materials such as the white paper “The Anatomy of Grupo X’s Corporate Governance” were cited by journalists as a source of research for dozens of articles published in specialized media.

A broad presence in the press enabled the organization



Q1- January to March

Interference at Petrobras

The association has consistently advocated in favor of compliance with the SOEs Law but went beyond the demands of the law, calling for the adoption of best governance practices in choosing and retaining corporate executives.

Para especialistas, mudanças na Petrobras põem gestão em xeque

Considerar empresas estatais listadas como uma extensão ministerial significa ignorar a composição de sua base acionária, diz o presidente da Amec, Fábio Coelho

Por Robson Rodrigues — De São Paulo
30/03/2022 05h02 · Atualizado há 11 meses



CVM Budget Cuts

Newspapers such as O Estado de S. Paulo and the “Painel S/A” column of the Folha de S. Paulo noted Amec and Abrasca’s warning that possible budget cuts at the CVM could undermine the regulators’ operations.



Q2 - April to June

BR Malls and Aliansce Sonae

Amec’s efforts to enlighten the proposed business combination of the two companies got media attention in April.

Poison Pills

Following the 55th Issue of “Viewpoint Amec”(February 2022), Amec became a reference on poison pills, one of the hottest topics for finance media outlets in 2022 due to Elon Musk’s acquisition of Twitter. Amec was also invited to participate in an event about poison pills organized by Capital Aberto magazine.

Eletrobras

The governance of SOEs was once again in the public eye due to the privatization of energy-holding Eletrobras. Amec contributed to the debate by advocating for a change in the Federal Government’s behavior as a shareholder in the company. Amec’s point of view was so relevant that it was responsible for 23% of the association’s media coverage during the year.



Q3- July to September

Executive compensation and ESG

ESG topics were in the spotlight in Q3, with Amec advocating for using more appropriate ESG metrics in setting compensation policies and calling on the CVM to push for more transparency in companies to prevent greenwashing.



Group X

The white paper “The Anatomy of Grupo X’s Corporate Governance” received good media coverage, especially after O Estado de S. Paulo published a story on the study.



Q4 - October to December

Stewardship

Amec was featured in news articles about reports produced by the signatories of the Brazilian Stewardship Code (CBS). On this occasion, the association analyzed the state of stewardship in the country compared to international benchmarks.

State-Owned Enterprises Law

The joint statement written by Amec and several market participants against proposed amendments to the SOE Law, which is currently being analyzed in Congress (for more information, see page 26), was widely covered by the country's mainstream media, including outlets such as CNN Brasil, Folha de S. Paulo and Correio Braziliense.

DIGITAL PRESENCE

↗ **90%** growth in the number of LinkedIn followers

🎯 **+67,000** accounts reached on LinkedIn

🎯 **+81,000** accounts reached on Instagram

Considering the growing number of retail investors, Amec believes it is necessary to expand its reach to spread corporate governance practices in the country. Bearing this idea in mind, the association has invested in updating and promoting its social media profiles, particularly on LinkedIn.

Focusing on the corporate social network, popular with Amec's target audience, has proven to be a successful strategy as the number of followers increased by 90% in 2022. When this report was published, the association had already surpassed the 5,000 followers mark. In addition, more than 67,000 profiles were impacted by the content posted on the platform, reaching mainly senior executives in the financial sector.

Also, Amec launched a profile on Instagram last October, impacting 81,000 profiles in just over a month of operations. In 2023, communication through this network should grow even more.

Through these channels, Amec sums up its role as a think tank and a networking hub for market players, promoting highlights of interviews and statements by association representatives in mainstream media, as well as its own content and participation in events. The goal for 2023 is to use the platforms to disseminate knowledge about corporate governance and expand the perception of Amec as a reference for new audiences.



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AMEC

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NO MERCADO DE CAPITAIS