

De: Wheeler, Keith

Enviado: 16 de outubro de 2023 16:46

Para: Consulta Pública SDM 01/23 <conpublicasdm0123@cvm.gov.br>

Assunto: Submission from Broadridge Financial Solutions.

Hello, I am eager to provide insightful commentary regarding the points outlined below, aiming to contribute to the enhancement of the proxy – corporate governance process in Brazil. My expertise uniquely positions me to thoroughly review and comment on this process, representing the largest global custodian whose client's routinely vote in Brazilian issuers through Broadridge on an international scale.

We maintain a direct and efficient communication channel with these large global custodians, granting us direct access to the underlying voting entity and concerns and challenges raised in the proxy process in Brazil. The following points would be considered priority based on the feedback provided by the previously mentioned clients:

1. CNPJ level voting – There is much confusion and lack of transparency around what activities take place in determining an arbitrary golden record to become the first voted account that all other voted accounts under the same CNPJ must duplicate. Further, there is a lack of transparency over understanding if a voted account is accepted (reconciled and sent to the issuer) or really, in fact, rejected as it does not match the initially processed golden record. Clear statuses are not provided back from the electronic system, the feedback is that the account was rejected. This is a constant source of confusion and nonunderstanding of the regulations that the Brazilian market has set forth. Many times, there are multiple asset managers casting votes for different accounts under the same CNPJ with no visibility as to how other asset managers are voting across a singular tax id.

This is one of the most singular challenges in Brazil that constantly causes inquiries and detailed explanations as to why institutional voter accounts were not processed solely because the account was not first voted. Our voting clients insist on the freedom to exercise their corporate governance rights according to their discretion, without being restricted by a predetermined record processed arbitrarily within the market system that consolidates votes.

Recommendation is to remove the CNPJ voting requirement across the Brazilian market and allow for voting at the singular account level rather than at the aggregated tax id level. The other option is to mandate that each account be assigned a separate tax id. Further, clear account level statuses need to be added so investors can truly understand and have transparency as to if their account was processed first time around or during the reconciliation process or rejected for not matching the golden record.

2. The current remote voting deadline, as stipulated in the existing process, is significantly ahead of the meeting date and lacks competitiveness compared to other advanced proxy markets. Broadridge represented voting clients are perplexed about the rationale behind setting the deadline for electronic remote voting so many days prior to the actual meeting, specifically 7 to 8 days ahead of the scheduled event. A significant number of clients have expressed the view that maximizing the available time for agenda review and voting choices is highly advantageous. The current state of remote voting deadlines does not align competitively with the deadlines for the physical meeting attendance option within the Brazilian market.

Recommendation is to move the deadline closer to the meeting date to align with the physical meeting attendance timeline, approximately meeting date -4.

I appreciate the opportunity to share my insights and contribute to the enhancement of the corporate governance process in Brazil. Brazil holds a pivotal position in the investment landscape, and the growing interest in Brazilian companies has seen a notable upswing over the recent years.

I welcome any feedback or provide additional clarifications that may be needed. Feel free to reach out, and I am more than willing to participate in further discussions or meetings.

Best Regards,

Keith Wheeler | Senior Director, Network Manager - Market Connectivity | Broadridge Financial Solutions, Inc.



broadridge.com

This message and any attachments are intended only for the use of the addressee and may contain information that is privileged and confidential. If the reader of the message is not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any dissemination of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by e-mail and delete the message and any attachments from your system.