

Global Investor Statement in Support of Effective Electronic Voting in Brazil

30 July 2010

We are 16 of the world's leading institutional investors with combined assets under management exceeding US\$2 trillion and long-standing investments in Brazil. Together our companies strive to be active and responsible owners, voting our shares at annual meetings in Brazil and consulting with issuers and regulators, as appropriate, on key governance issues.

We commend the many improvements in corporate governance standards over the last decade which have helped make Brazil a premier destination for global capital. However, frustrating barriers to proxy voting remain, which diminish the voice of minority investors and inhibit their ability to hold boards accountable for performance. Obstacles include attendance requirements for shareholder meetings, incomplete pre-meeting reporting and overly demanding requirements that investors obtain or renew signed, paper power of attorney statements on an annual basis.

Considering those obstacles, we welcome the implementation of CVM Instruction 481, which provides new, clear guidance for soliciting proxies. ***We encourage all companies to aim for full compliance with Instruction 481. We also urge companies to facilitate active proxy voting by adopting an effective electronic voting system for shareholder meetings.*** Such a system should have three main benefits for investors and issuers.

First, an electronic process of obtaining and renewing powers of attorney (POAs) should eliminate complex, expensive POA maintenance procedures and facilitate more active proxy voting by global institutional investors. Second, clerical and custodial errors should be reduced, providing more certainty that votes are being counted as they are cast. Effective electronic voting systems may provide an extra degree of assurance in this regard by enabling a comprehensive audit trail of votes. Third, electronic submission should reduce logistical obstacles and allow investors more time to consider management's proposals before we are required to cast our votes. These changes should provide management with more time to communicate effectively with investors, and to cultivate investor support.

We note that only a handful of Brazilian companies adopted electronic voting systems in 2010, and overall investor participation was low. Electronic voting is a new initiative, and we acknowledge remaining concerns about compatibility and delays in processes under current systems.

Therefore in these early stages, we urge companies to engage constructively with regulators, investor organizations like the Associação de Investidores no Mercado de Capitais (AMEC), and service providers to develop effective electronic voting systems that are useful to both issuers and investors. We are hopeful that with widespread support for electronic voting, such a system can be in place in advance of companies' 2011 annual meetings. We encourage companies to work towards the adoption of electronic voting and to keep investors informed about their position on this important governance issue.

Aviva Investors

APG All Pensions Group

Brandes Investment Partners

PREVI – Caixa de Previdência dos Funcionários do Banco do Brasil

F&C Management Ltd

Jardim Botânico Investimentos (JBI)¹

Mercatto Investimentos

Ontario Teachers' Pension Plan

PGGM Investments

Polo Capital Management

RAILPEN Investments

The California Public Employees' Retirement System (CalPERS)

The California State Teachers' Retirement System (CalSTRS)

The Co-Operative Asset Management

TIAA-CREF

Universities Superannuation Scheme

¹ *JBI private equity fund is a shareholder of MZ Consult, owner and operator of Assembleias Online*