

May 29, 2009

VIA email: audpublica0209@cvm.gov.br

Maria Helena dos Santos Fernandes de Santana  
Chairperson  
Superintendência de Desenvolvimento de Mercado  
Rua Sete de Setembro, 111, 23º andar, Rio de Janeiro – RJ, CEP 20050-901

RE: Edital de Audiência Pública N°02/2009

Dear Sra. Santana:

We welcome the opportunity to comment on the proposed regulations regarding proxy solicitations, including the proposal to increase the information disclosed by issuers in advance of the general meeting. We commend the work of the CVM in promoting the ability of investors to engage more fully with Brazilian issuers by means of their vote. We believe the implementation of certain of the proposed regulations will bolster investors' confidence in investing in Brazilian companies and will promote further reform of corporate governance in Brazil.

In particular, we believe both shareholders and companies would benefit from increased shareholder participation at shareholder meetings as well as an enhanced ability for shareholders to submit shareholder proposals. Further, we believe the proposed regulations will serve to increase both the level and quality of participation of foreign shareholders at the general meetings in Brazil. Historically, non-Brazilian shareholders were often left out of the dialogue between issuer and shareholder in Brazil due to the constraints on information available.

Glass Lewis is an independent proxy research advisor which provides proxy voting research, analysis and recommendations to institutional investors from around the world. Glass Lewis is submitting this comment as an interested industry advisor, not on behalf of any or all of its clients.

#### Importance of timely disclosure of proxy materials

Glass Lewis believes that the proposal to require companies to provide information on the date of the publication of the meeting notice is a very positive improvement. We believe the timely and consistent disclosure of information necessary to allow shareholders to make informed voting decisions will benefit companies and shareholders.

Currently, shareholders have limited information available to them, inhibiting their ability to cast an informed vote.

This lack of relevant information is exacerbated by the very short time frame shareholders are afforded in which to not only make their voting decisions but also to transmit their votes. Generally, the time between the meeting announcement and the deadline set by the voting intermediaries to guarantee that the vote is successfully executed in Brazil is five days. This short time frame severely limits time for analysis, discussion and deliberation, and often results in shareholders abstaining or voting against certain proposals.

To allow shareholders voting by proxy the time needed to evaluate each proposal and successfully submit their vote through the various intermediaries in the proxy voting chain, as well as the possibility to coordinate with both internal and external research and investment analysts as well as other shareholders, we believe that all the necessary documents, including those for shareholder proposals, should be available to shareholders at least 30 days in advance of the meeting. This time frame, generally consistent with the practice in most countries, would allow sufficient time not just for careful analysis of each proposal but also allows for time for shareholders to consult with companies to address any concerns, potentially avoiding a negative vote.

Because such a significant and growing percentage of investors in Brazilian capital markets are foreign and thus vote by proxy, we believe that allowing sufficient time for them to exercise their vote in an informed manner will decrease the occurrences of shareholders not voting, abstaining from voting, or voting against all items in protest, and thereby significantly increase shareholder participation at the general meeting.

#### An appropriate minimum percentage of share capital for shareholder proposals

We believe that allowing shareholders to submit shareholder proposals as well as their own nominees for the board of directors and supervisory council represents a positive step forward for shareholders' rights in Brazil. This will promote corporate governance enhancements and facilitate dialogue between investors and companies. Nonetheless, it is important that opportunistic shareholders are prevented from damaging the long-term interests of other shareholders by submitting frivolous proposals or dissident nominees with narrow interests, which are potentially costly distractions to the company. This requires striking a balance between setting a minimum threshold for the submission of both proposals and director nominees high enough to limit abuse of the right and setting the threshold low enough to allow for interested shareholders to exercise the right. We believe that a minimum threshold of anywhere from one to five percent, depending on the size of the company and the nature of the shareholder base, will not prohibit significant

shareholders from participating in the formation of the general meeting's agenda and will serve to prevent extraneous proposals.

Costs associated with shareholder proposals

To prevent encouraging the submission of frivolous or potentially damaging proposals from being put forth by shareholders, we believe that all of the costs associated with putting forward a proposal that fails should be attributed to its proponent. Should a proposal not receive the favorable vote of the majority of the issuer's shareholders, the economic costs of that proposal should not be born by the issuer, and ultimately, its shareholders. However, we believe it is reasonable to expect that all shareholders should share the costs associated with the submission of a proposal that receives the majority support of shareholders. In those cases, shareholders have demonstrated their support for the issue and will share in the benefits derived from the proposal's passage.

We would be happy to provide any additional information to the CVM regarding this matter. Thank you for the opportunity to comment on the proposed regulations regarding proxy solicitations and voting.

Sincerely,

/s/

Robert McCormick, Chief Policy Officer  
Dwight Clancy, Research Analyst