

UNDERSTANDING BRAZILIAN VOTING OPTIONS

ELECTION OF DIRECTORS AND SUPERVISORY COUNCIL

Brazilian elections of board directors and members of the supervisory council may be complicated, and while regulators are making efforts to harmonize the voting rights of remote shareholders and those present at the meeting, some of the voting options still rely heavily on what happens on the day of the meeting. Further, elections to the board and/or the supervisory council offer various voting options as shown [here](#).

We include here a reference to election-related voting proposals that are likely to be presented at the meetings and our approach to said proposals.

We note that, all votes cast on proposals related in some way or other to cumulative voting will be disregarded if this is not the chosen election method.

REQUEST CUMULATIVE VOTING

Shareholders may request the adoption of cumulative voting in the process of election of board directors and/or supervisory council. Through this process, shareholders are entitled to cast all votes for one candidate or divide them among two or more candidates. In order for this election system to be implemented, approval by at least 5% of the voting share capital is required.

Cumulative voting may be requested up to 48 hours before the shareholders' meeting, therefore shareholders voting remotely generally do not know whether this method is being implemented.

Votes cast towards any of the proposals related to this election method will only be considered if this proposal achieves the necessary quorum. If this is not the case, votes related to any cumulative voting-related proposal will be disregarded.

We will generally recommend shareholders vote FOR this proposal when there are more candidates than seats and the election of nominees through this method may benefit the election of independent directors to the board. If this is not the case, we will recommend shareholders vote AGAINST.

PROPORTIONAL ALLOCATION OF CUMULATIVE VOTES

Shareholders are asked if they want their votes to be cast in proportional percentages towards all known candidates. Allocating cumulative votes proportionally would distribute all votes equally between all candidates up for election.

We will generally recommend shareholders vote FOR this proposal when we find no issues that would prompt an against recommendation against any of the nominees. If there are reasons for us to believe shareholders should not allocate any of their votes to a particular nominee, we will recommend shareholders vote AGAINST this proposal and allocate cumulative votes to directors individually.

ALLOCATE CUMULATIVE VOTES TO INDIVIDUAL DIRECTORS

Shareholders voting against the proportional allocation of cumulative votes, will have the option to allocate the desired percentage of their votes towards whichever candidate/s they choose.

We will recommend shareholders abstain on allocating votes individually when we find no concerns for specific nominees and we deem shareholders should support all candidates through the proportional allocation of the votes. In those cases where we believe shareholders should not support a specific nominee, we will recommend shareholders allocate their votes only towards those nominees supported.

However, shareholders wishing to do so may not be able to do it through electronic means.

REQUEST SEPARATE ELECTION OF BOARD DIRECTOR/SUPERVISORY COUNCIL MEMBERS

Shareholders are being asked whether they would like to request a separate election for the appointment of a minority and/or preferred nominee to the board/supervisory council.

We will generally recommend ABSTAIN on this proposal as it is unclear what the consequences of an affirmative/negative vote would be.

APPROVE RECASTING OF VOTES FOR AMENDED SLATE

Shareholders may give their consent for their votes already cast to still be counted towards the election of directors if one of the members of the slate proposed steps down and is substituted by another one before the meeting and after the votes have been cast.

Given that the substitute candidate may not be disclosed until the actual day of the meeting, we will generally recommend AGAINST this proposal.

CASTING OF MINORITY VOTES TO CANDIDATE WITH LARGEST NUMBER OF VOTES

If approved, should there be several candidates to the board of directors/supervisory council appointed by minority shareholders for a sole seat, shareholders are given the option for their votes to be counted towards the nominee who individually receives the largest number of votes. This way, if the candidate preferred by the shareholder does not get enough votes to be elected, their votes will be counted towards the candidate with the highest number of votes and this will increase their chances to be appointed.

Given that the candidate receiving most of the votes will not be known until the day of the meeting, and that new candidates may also be proposed who remote shareholders will not be able to vote on, we will generally recommend shareholders ABSTAIN on this proposal

CUMULATE COMMON AND PREFERRED SHARES & VICEVERSA

Once votes have been cast, if there are not enough votes to elect individual representatives of minority and preferred shares, shareholders are given the option to join all minority and preferred votes cast together and elect one candidate representing both. We note that companies listed in the Novo Mercado listing segment may only issue common shares.

We will generally recommend in favour where the candidates are known and we believe they are suitable to serve on the board, as this will increase their chances to be elected.

ELECT CANDIDATE PRESENTED BY MINORITY/PREFERRED SHAREHOLDERS - APPOINTMENT OF SHAREHOLDER NOMINEE TO BOARD OF DIRECTORS/SUPERVISORY COUNCIL

Issuers may include these proposals for the election of a candidate proposed by a company's shareholders (either minority or holders of preferred shares) without a specific nominee for the position.

We will recommend shareholders **ABSTAIN** from voting these proposals when no information is presented on any candidate.