

HYBRID AND EXCLUSIVELY DIGITAL SHAREHOLDERS' MEETINGS FOR PUBLICLY HELD COMPANIES

CVM INSTRUCTION 622/2020

CVM Instruction 622/2020 amends CVM Instruction 481 and authorizes publicly held companies to hold shareholders' meetings partially or exclusively in a digital format

➤ Types of Shareholders' Meetings

- **In person** – shareholder participation and exercise of voting rights exclusively in person
- **Partially digital (Hybrid)** – shareholder participation and exercise of the voting rights in person and at a distance (electronic system and remote voting ballot)
- **Exclusively digital** – shareholder participation and exercise of voting rights exclusively by electronic systems and remote voting ballot

➤ Notice of Meeting – Mandatory information to carry out Hybrid or Digital Shareholders' Meetings

- If the meeting is hybrid or exclusively digital, the notice of meeting must state the rules and procedures for participation and remote voting by shareholders, including necessary and sufficient information on access and use of the system
- The notice of meeting may be summarized and indicate an Internet address where the full description of the procedures for remote participation will be available

➤ Venue of the Shareholders' Meeting

- Meetings must be held at the company's headquarters, except:
 - Due to force majeure, but in the same municipality as the headquarters; the location must be indicated in the notice of meeting
 - If the meeting is hybrid, it may be held exceptionally in another municipality provided the justification is stated in the notice of meeting
- The exclusively digital meetings will be considered as held at the company's headquarters

➤ Previous presentation of documents

- The company may request the advance deposit of the documents mentioned in the notice of meeting, including by a digital protocol
- Face-to-face or hybrid meeting: the shareholder who attends in person can participate in the meeting, provided that he/she/it presents the documents by the time established for the opening of the meeting, even if he/she/it has not previously deposited them
- Hybrid or exclusively digital meeting: the company may require, upon notice in the notice of call, the deposit of a document up to 2 days before the date of the meeting, for shareholders who choose to participate remotely

➤ **Electronic system for distance participation**

- The company must ensure that the electronic system will guarantee:
 - The attendance record of the shareholders
 - The registration of the shareholders' vote
 - The possibility of expressing opinion and simultaneous access to documents presented during the meeting, which have not been previously made available
 - The full recording of the meeting
 - The possibility of communication between shareholders
- The company must give shareholders who participate at a distance the following alternatives:
 - To simply attend the meeting, whether or not they sent the remote voting ballot or
 - To participate and to vote at the meeting; if the shareholder has already sent a remote voting ballot and casts its/his/her votes at the meeting, the instructions contained in the remote voting ballot will be disregarded

➤ **Other changes introduced by CVM Instruction 622**

- Companies are allowed to broadcast the meetings in widely accessible media, such as the Internet
- Administrators and third parties authorized to participate or whose presence is mandatory may participate remotely in hybrid or digital meetings
- Shareholders who participate at a distance, by means of a voting ballot or an electronic system of distance participation, will be considered as subscribers of the minutes
- The registration in minutes of shareholders who participated at a distance can be made by the chairman and the secretary using a digital certificate or other means that guarantee authorship and integrity
- CVM Instruction 622 revokes the company's possibility to require the signature notarization of the author of the list of shareholders' addresses provided for in Paragraph 3 of Article 126 of the Corporate Law

➤ **Shareholders' Meetings called before CVM Instruction 622**

- Meetings convened before the issue of CVM Instruction 622 may be held in a hybrid or exclusively digital format, provided that shareholders are informed by means of a notice of material fact at least 5 days before the meeting is held. The notice must inform the different location for holding the meeting and/or the procedures for participation and remote voting
- For meetings to be held until April 30, the notice above mentioned must be given 1 day in advance

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