Mr. Fernando de Andrade Mota
B3 S.A. - Brasil, Bolsa, Balcão
Market Development for Issuers Superintendence
Praça Antônio Prado, 48 - Centro
Histórico de São Paulo
São Paulo - SP, 01010-010

23 April 2025

Dear Mr. Mota,

Subject: Novo Mercado Evolution, Closed Hearing No. 01/2025-DIE

The International Corporate Governance Network (ICGN) appreciates the opportunity to reinforce our comments on the proposed revisions to the Novo Mercado as recommended by B3. We understand that a Closed Hearing has been scheduled for Novo Mercado listed companies, including the Chairs of the Boards of Directors, Chief Executive Officers and Investor Relations Directors, to provide them with the proposed changes to the Regulation and the opportunity for discussion.

Led by investors responsible for assets under management of >US$90 trillion, ICGN is an authority on global standards of corporate governance and investor stewardship. Headquartered in London, our membership is based in more than 40 countries. ICGN's *Global Governance Principles* and *Global Stewardship Principles*, written from an investor perspective, are widely used by our members in their company assessments and voting decisions, and by regulators when developing corporate governance rules.

As we stated in our letter on 1 August 2024, ICGN supports B3's efforts to promote high corporate governance and welcomes the reference made to the ICGN Global Governance Principles in the consultation document. ICGN agrees that it is important to review rules and standards regularly to update them based on international developments and best practices. We were pleased to participate in the public consultation phase and appreciate the direct outreach to us.

ICGN appreciates that the most important proposals and comments we provided have been considered in the final draft:

- Increasing the number of independent directors on the board and limiting overboarding;
- Considering a clawback requirement on compensation by proceeding with educational action, promoting studies and preparing guidelines for the market with best compensation practices;
- Adding the requirement for the creation of statutory Audit Committees, composition, quarterly meetings with the independent auditor, and requiring regular reporting; and
- Ensuring the reliability of financial statements and internal controls by requiring that a company's statutory officer responsible for internal control areas provide the statement, together with the CEO and the CFO, that the company has established and maintained an adequate internal control structure, and has provided an assessment of its effectiveness for drafting financial statements.

Thank you again for the opportunity to reinforce our perspective. We look forward to hearing about the adoption of these reforms by Novo Mercado listed companies. If you would like to follow up with questions or comments, please contact our Global Policy Director, Séverine Neervoort (severine.neervoort@icgn.org).

Yours faithfully,

Jen Sisson

Jen Sisson

Chief Executive Officer, ICGN