



B3  
Praça Antônio Prado, 48  
Centro Histórico de São Paulo  
São Paulo - SP, 01010-010  
Brazil

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## B3 Second Consultation regarding the Novo Mercado Evolution

We refer to the second public consultation published by B3 regarding the proposed evolution of the Novo Mercado Regulation. We welcome the opportunity to continue contributing our view to the reform of Brasil Bolsa Balcao's Novo Mercado listing segment.

Norges Bank Investment Management (NBIM) is the investment management division of the Norwegian Central Bank and is responsible for investing the Norwegian Government Pension Fund Global. NBIM is a globally diversified investment manager with R\$ 7,518 billion at year end 2023, 31,9 of which invested in the shares of 126 Brazilian companies.

As B3 notes in its consultation paper, strengthening board independence is a key component of good corporate governance practice. B3 recognizes that best practice may recommend even higher percentages, however maintains its proposal to raise minimum thresholds from 20% to 30%. Whilst we acknowledge that the Brazilian market has a predominance of companies with controlling shareholders, we believe that B3 should consider raising independence levels further over time. A majority of independent board members represents a key safeguard for minority shareholders.

We are pleased that B3 maintained its original proposal to limit participation in boards of directors at five boards maximum, with a lower cap if the director in question occupies the position of either chair or CEO. We also believe that the decision to only count the limit for public companies is a sensible approach which will facilitate B3's enforcement of the rule and align with the practice of major proxy advisers. Further, we welcome the maintenance of the proposal for the CEO and CFO to be jointly responsible for the effectiveness of internal controls and related disclosure.

Regarding further topics, we are disappointed to see that B3 decided not to make any proposal on statutory audit committees at this stage. The OECD/G20 Principles of Corporate Governance emphasise the important role of audit committees in overseeing disclosure, internal controls and audit-related matters. Audit committees play a crucial role in monitoring the integrity of the company's accounts and financial statements, maintaining oversight of key accounting policies, reviewing the effectiveness of the company's risk management and internal controls, and overseeing the selection of the external auditor.

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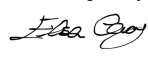
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We thank you for considering our perspective and remain at your disposal should you wish to discuss these matters further.

Yours sincerely

Signed by:  
  
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