

Ref.: The new Brazilian Takeover Panel (“Comitê de Aquisições e Fusões – CAF”).

Dear Sirs,

The International Corporate Governance Network (ICGN) hereby expresses its public and institutional support to the most recent self-regulatory initiative related to the local capital markets and undertaken by the private sector– The Brazilian Takeover Panel. It’s fair to say that it the most important qualitative move of the Brazilian capital markets in terms of corporate governance and fair treatment to shareholders since the inception of the Novo Mercado¹.

ICGN understands that the Self-Regulatory Code on Mergers and Acquisitions of the Brazilian Takeover Panel that will apply to tender offers and corporate restructuring transactions are aligned with the principles of good corporate governance. It’s a principle based concept of ruling, always seeking to assure equal treatment to all shareholders of the same class, equitable treatment to all shareholders of other types or classes of shares, that final decision is always taken by the affected shareholders and transparency, among others.

The final objective of the Brazilian Takeover Panel is to reduce over time the number of corporate conflicts that result from the execution of mergers, acquisitions and corporate restructurings involving listed companies. For that purpose, it will provide all players with expeditious analyses and decisions based on the shortest possible deadline. For that purpose we note that a Cooperation Agreement with the Brazilian Securities Commission (“Comissão de Valores Mobiliários”) has been executed and establishes that corporate restructuring transactions with a related party’s component which the Panel deems to be compliant with the Panel Code will enjoy presumption of regularity.

The Brazilian Takeover Panel will operate on the basis of a voluntary self-regulation model. Listed companies willing to adhere will be expected to formally and publicly submit themselves to the Panel and its Self-Regulatory Code. The ICGN therefore strongly recommends that investors request and companies adhere to Brazilian Takeover Panel.

¹ Novo Mercado is a special segment of the BM&FBOVESPA available to companies that commit to adopting high standards of corporate governance. It was created in December 2000.

We take the opportunity to congratulate the Brazilian Stock Exchange-BM&FBOVESPA, the Brazilian Financial and Capital Markets Association - ANBIMA, the Association of Capital Markets Investors – AMEC and our sister organization the Brazilian Institute of Corporate Governance – IBGC for supporting and implementing this new initiative.

Best regards,

Chairman of the
International Corporate Governance Network

More information about the Brazilian Takeover Panel can be found at www.cafbrasil.org.br