# POLICY ON RELATED PARTY TRANSACTIONS







## GRENDENE S.A. Publicly Held Company CNPJ nº 89.850.341/0001-60 – NIRE nº 23300021118-CE

## Policy on Related Party Transactions

## 1. Objective

The objective of this Policy on Related Party Transactions ('the Policy') is to establish rules and consolidate procedures to be obeyed by Grendene S.A ('<u>Grendene</u>' or '<u>the Company</u>') and its Managers so as to ensure that decisions involving related parties and situations with potential Conflict of Interest are taken with full independence and absolute transparency in consideration of the interests of Grendene and its stockholders. The Policy has been established based on the legislation currently in force, the practices and regulations of the Company, the Brazilian Securities Commission ('<u>CVM</u>') and the São Paulo Stock Exchange ('<u>B3</u>'), and, especially, Law 6404/76, as amended ('<u>the Corporate Law</u>').

## 2. Target Public

The present Policy is intended to regulate transactions carried out between the Company and its Related Parties, including controlled companies, affiliated companies, employees, and company administrators, as well as the Company's Related Parties Committee.

## 3. **Responsibilities**

The responsibilities attributed to the areas and bodies of Grendene as a function of this Policy are defined in this Policy.

## 4. Rules

### 4.1. Definition of Related Parties

The Company follows the guidelines established by Technical Pronouncement CPC 05 and any subsequent revisions, issued by the Accounting Pronouncements Committee and approved by CVM (Securities and Exchange Commission of Brazil) in Resolution No. 94 of May 20, 2022 ("CVM Resolution 94/22"), which deals with disclosures about Related Parties.

For the purpose of this Policy, the following are considered Parties Related to the Company ('Related Parties'):

- I. Any person, or a close member of such person's family, who:
  - I. has full or shared control of the Company;

II. has a significant influence over the Company; or

III. is a member of the key personnel of management of the Company or of its holding company.

An entity in any of the following situations:

I. it is a member of the same economic group as the Company;

II. the entity/Company is an affiliate of the Company or an entity jointly controlled by the Company or by another entity of the same economic group;

III. the entity/Company is under joint control (joint venture) by a third party entity.

IV. the entity and the Company/entity is an affiliate of that third entity;

V. is controlled, either wholly or under joint control, by a person identified in item (I); or

VI. a person identified in item (I) has significant influence over the entity, or is a key management personnel of that entity.

4.1.1. Close Members of the Family: Close Members of the Family are considered to be those from whom it may be expected to exert influence or be influenced by the individual in business dealings with the entity and include:

I. any son or daughter, spouse or Partner of the person;

II. any son or daughter of the spouse of the person or of the person's Partner; or

III. dependents of the person, or his/her spouse or Partner.

4.2. Definitions of Market Conditions, Commutativity, Related Transactions, Ordinary Operations, Transactions with Related Party(ies), and Conflict of Interest.

4.2.1. <u>Market Conditions</u>: These are those conditions for which, during the negotiation and transaction, the following principles have been obeyed: Competitiveness (prices and terms and conditions of services compatible with those practiced in the market); Conformity (adherence of the services provided to the contractual terms and responsibilities practiced by the Company, and also to the appropriate and adequate information security controls); Equity (establishment of mechanisms that prevent discrimination or privileges, and practices that ensure that privileged information or business opportunities will not be used to the benefit of an individual or third parties); and Transparency (adequate reporting of the conditions agreed, with the due application, and also reflection of these in the Company's accounting statements). In all negotiation/business between Related Parties the same principles and procedures that orient transactions and business carried out by Grendene with independent parties must be obeyed.

4.2.2. <u>Commutativeness</u>: Commutative contracts are those for certain and determined counterpart action or consideration, of which the parties know the future effects, and can thus foresee the advantages and the sacrifices, which in general are usually equivalent, because they establish proportionality between the rights and duties of the contracting parties. Legal acts and transactions between Related Parties must be established on conditions that are strictly commutative, without placing any disproportionate burden on the parties. Commutativeness will be judged by the Chief Investor Relations Officer, by

checking the compatibility of the economic and financial clauses established in the related legal instrument against other legal acts and transactions practiced in the market.

4.2.3. <u>Analogous Transactions</u>: An Analogous Transaction is defined as one that is similar, with a logical relationship between it and the transaction in question, due to its object or its parties, such as:

i. Transactions of continued duration that cover periodic services or consideration, provided the amounts involved are known at the moment of signing of the contract; and

ii. Subsequent transactions that arise from a first transaction already carried out, provided that the latter has established the principal conditions, including the amounts involved.

4.2.4. <u>Ordinary Transactions</u>: These are defined as those transactions that involve 'offthe-shelf' products and/or services, that is to say, those available to the Company's clients, with standardized pricing, obeying the trading margins advised to the sales areas for clients of the same profile, provided that they are on market conditions, as defined in Item 4.2.1. Products that are customized or developed specifically for clients considered to be Related Parties shall be assessed in terms of the legislation and the criteria of this policy and Grendene's other policies.

4.2.5. <u>Transactions with Related Parties</u>: Transactions with Related Parties are characterized by the transfer of funds, services or obligations between Related Parties, whether or not there is an amount allocated to the transaction or any type of payment.

4.2.6. <u>Conflict of Interest</u>: Conflict of Interest is understood as the event or circumstance in which a Related Party that has any kind of business or potential transaction with the Company and/or any of its subsidiaries is involved in decision-making processes in which it has the power to influence or direct the outcome of this process, ensuring a gain and/or benefit for itself or any of the Close Family Members at the expense of the Company and/or its subsidiaries.

4.3. Formalization of the Policy on Related Party Transactions

4.3.1. In transactions involving Related Parties, as defined in this Policy, the following conditions must be obeyed:

I. The transactions should be on Market Conditions, and in accordance with the provisions established in this Policy, and also in harmony with the other practices used by the Company's Management, such as the guidelines set out in the Company's Code of Conduct and other internal policies.

II. The transactions must be entered into in writing, their principal characteristics and conditions being specified, such as, but not limited to, the following: names of the parties, global price, unit price, periods and deadlines, guarantees, payment of taxes, payment of charges, obtaining of licenses, and conditions for rescission. Among these characteristics there must be expressly stated the possibility of resilement, by the Company, of any Transaction with a Related Party which is of a successive nature, on terms and conditions equivalent to those available in the contracts with non-related parties.

III. The transactions must be clearly disclosed in Grendene's accounting statements, in accordance with the criteria of materiality specified by the accounting rules.

IV. The transactions with continuous provision of services must have a set period of at most three years, able to be renewed after a further evaluation of market conditions and of alternatives for supply by third parties that are considered to be non-related parties.

V. The transactions must be approved, complying with the requirements of this Policy and the legislation from time to time in force and in accordance with the Bylaws, by the Chief Executive Officer or in a regular meeting of the Executive Board by a majority of votes, in which any Officer who may have characterized a probable conflict of interest shall abstain from participating (stating an opinion, suggesting, influencing or deciding), or by the Board of Directors, in accordance with the limits stated in the Bylaws, as defined in this Policy and in the applicable legislation.

VI. Transactions must be previously submitted to the Company's Committee on Transaction with Related Parties, duly approved by the Board of Directors on August 13, 2020, for analysis and recommendation of specific transactions that may involve Related Parties, but every operation must be approved by the Chief Executive Officer or in a meeting of the Executive Board, or by the Board of Directors in accordance with the limits set by the Bylaws, and the Chief Officer(s) responsible for the approval shall identify the existence of related parties involved in the transaction and take all the measures for the transactions to be in accordance with the Law, the regulations of the regulatory bodies, the Company's Bylaws, and this Policy.

VII. Any manager who is prevented from participating must state in a Minute, in accordance with Article 156 of the Corporate Law, the nature and extension of his or her interest, if he/she is present at the meeting, or give prior advice in writing to the other members of the Executive Board that he/she will not attend the meeting due to being subject to impediment.

VIII. If there is no quorum at the meeting of the Executive Board, or if the vote is a tie, the decision shall be taken in accordance with Item 4.4.1 below.

4.4. Governance Structure for Related Party Transactions of Significant Amounts

4.4.1. In all transactions by Related Parties with Grendene, the following rules must be obeyed concomitantly with the rules established in Item 4.3 above:

I. The transaction must be submitted to prior analysis and recommendation by the Committee on Transactions with Related Parties, and that Committee must verify the characteristics, conditions and advantages of the said transaction for Grendene, and then submit it for approval by the competent management body (the Executive Board or the Board of Directors, in accordance with the limits established in the Company's bylaws).

II. Submission of transactions to the Committee on Transactions with Related Parties and to the competent management bodies must be accompanied by:

(a) a table comparing prices and conditions after technical equalization with other prices/quotations in the market, whenever this is viable, with the purpose of complying with the provision in Item 4.3.1(i);

(b) reasons that prove and ensure that conditions are commutative;

(c) justification for carrying out the transaction with the Related Party and not with third parties;

- (d) type of relationship with the Related Party;
- (e) information on any previously existing analogous transactions; and
- (f) benefits expected by the Company and by the Related Party.

III. The Investor Relations department, responsible for providing support to the Related Parties Committee in the corporate aspect, is responsible for promptly communicating the transactions approved by this Committee to the Company's Controllership department ("Controllership");

IV. The Controllership department is responsible for preparing the explanatory note regarding Related Parties, following the accounting records made and the principles established by the accounting standard (CPC 05), in accordance with CVM Resolution 94/22. This information will be presented in the Financial Statements, which will be shared with the Investor Relations Board, the Audit Committee, the Fiscal Council (if in operation), and the Grendene Board of Directors;

V. The department initiating any project, business, or transaction involving a Related Party must promptly notify the Related Parties Committee of the intention to carry out the operation, providing a detailed description of the proposed transaction, including the names of the parties involved, the nature of the transaction, its terms and conditions, as well as any relevant information, as required in item 4.4.1. (I) and (II).

4.4.2. Decisions may take place in in-person meetings, or in meetings by telephone conference call or video conference call, or, further, by email, provided they are formalized in minutes and all the documents of proof of the transaction filed at the Company.

4.4.3. The rules set out in this item shall not apply in the following cases:

I. Transactions between the Company and any of its direct or indirect subsidiaries, except in cases where the direct or indirect controlling stockholders of the issuer, or its managers or persons linked to them, own an equity position of more than one percent in the share capital of the subsidiary.

II. Transactions between direct or indirect subsidiaries of the Company, except in cases where direct or indirect controlling stockholders of the issuer, or its managers or persons linked to them, own more than one percent of the share capital of the subsidiary.

III. Ordinary Transactions of the Company including but not limited to expenses such as: Payment of remuneration to the managers in accordance with the total amounts already approved by the Board of Directors and/or by the General Meeting of Stockholders, as the case may be; payments of advances for travel or small expenses of the Company to be proven subsequently in the normal course of business; reimbursements of small payments made by managers with their own funds, in the name of the Company, in exercise of their functions; or payment of dividends to the managers who are also stockholders, or transactions relating to the Company's Stock Options Program.

4.4.3.1. For the purposes of Item 4.4.3, "Person linked" means an individual person or a legal entity that operates representing the same interests as the person to whom they are linked.

4.4.4. Ordinary Operations with Related Parties shall be exempted from the procedures described in Item 4.4.1, provided that Market Conditions are obeyed, in the terms mentioned in Item 4.2.1.

4.4.5. The Committee on Transactions with Related Parties may, if it deems this appropriate, contract external consultants for assistance, making its best efforts for completeness and confidentiality of the proceedings, but without being exempted from its responsibilities as set out in its internal Regulations. In all situations, any form of contracting of advisors, consultants or intermediaries that generates conflict of interest with the Company, its managers or the stockholders, is prohibited.

4.4.6. If in a period of one year the amounts of transactions with a given related party reach, individually or jointly, one percent or more of the Company's Stockholders' equity, the amount in question must be approved previously by the Board of Directors in accordance with Clause 21, sub-clause 'p' of the Bylaws of the Company, and disclosed in accordance with Annex F of CVM Resolution No. 80 of March 29, 2022, as amended ("CVM Resolution 80/22").

### 4.5. Impediment

4.5.1. The Management of the Company must obey the ordinary flow for negotiation, analysis and approval of transactions in the environment of Grendene, and shall not make any interventions that influence the contracting of Related Parties that is not in conformity with such flow.

4.5.2. In the situations in which the Company's decision process requires the involvement of a person or entity characterized as a Related Party in the terms of this Policy for approval, debate and/or decision of a given transaction, such party must declare themselves impeded, in writing, and explain their involvement in the transaction, providing details of the transaction and of the parties involved, clearly and transparently identifying their potential conflict of interest. When applicable (see item 4.4.6), the information must be sufficient to comply with Article 247 of Law 6.404/76 and Annex F of CVM Resolution 80/22. The impediment shall be stated in the document that resolves on the transaction.

### 4.6. Obligation to disclose

4.6.1. Under Article 247 of Law 6404/76, CVM Resolution No. 94/22, and Annex F of CVM Resolution No. 80/22, the Company must disclose Transactions with Related Parties, providing sufficient detail for identification of the Related Parties, their relationship with the Company, the object and the principal terms and conditions of the transaction and any conditions that are essential or not strictly commutative inherent to the transactions in question, thus giving the stockholders of the Company the possibility of inspecting and accompanying the acts of management of Grendene.

4.6.2. This information must be disclosed in clear and precise form in the explanatory notes to the Financial Statements of the Company, in accordance with the applicable accounting principles. As well as such disclosure, the Company also has the duty of providing disclosure to the market of Transactions with Related Parties under the Corporate Governance Listing Regulations of the Novo Mercado of the B3, especially in relation to the additional requirements for the Quarterly Information (ITRs), and for the

Reference Form, in the terms of CVM Resolution 80/22 and as determined in CVM Resolution 94/22.

4.6.3. Any transaction or group of Analogous Transactions with Related Parties the value of which exceeds the lower of the following values:

- I. R\$ 50,000,000.00 (fifty million Reais), or;
- II. one percent of the total assets of the Company;

and which complies with the requirements for disclosure of Annex F of CVM Resolution 80/22 must be disclosed on the electronic system available on the website of the CVM, within 7 (seven) business days from its occurrence, in the terms of that Instruction.

- 4.7. Transactions prohibited
- 4.7.1. Transactions between Related Parties are prohibited in the following cases:

I. when they are carried out on conditions which provenly are not Market Conditions;

II. for concession of a loan, grant of surety or guarantee, or advances to a controlling stockholder, manager of the Company or any other related party as defined in this Policy;

III. Contracts for provision of services by the Company (as contracted party) with a Related Party (as contracting parties) which (a) are not habitually offered to the clients of the Company, or (b) involve remuneration that is not justifiable or is disproportionate in terms of generation of value for the Company; or

IV. Stockholding restructurings that do not ensure equitable treatment to all the stockholders of the Company.

## 5. Manifestation and Abstention of Persons with Relevant Influence

### 5.1. Identification and Manifestation

5.1.1. Related Parties with Relevant Influence in the Company's management ("<u>Persons with Relevant Influence</u>") shall, upon identifying the possibility of participating in a decision-making process related to matters where they may be characterized as Related Parties or are in a potential conflict of interest situation, as described in this Policy, manifest their situation.

5.1.2. The manifestation regarding possible characterization as a related party or the situation of potential conflict of interest shall be made voluntarily and explicitly by the Person with Relevant Influence.

5.1.3. The manifestation shall be recorded in the minutes of the respective body's meeting, clearly evidencing the reasons for abstention and the context of the potential conflict of interest.

### 5.2. Absence and Partial Participation

5.2.1. The Person with Relevant Influence shall abstain from discussions on the subject in question and, additionally, refrain from voting on the respective decision-making process.

5.2.2. If requested by the Chairman of the Board of Directors or by the Company's President, the Person with Relevant Influence may partially participate in the discussion, providing only objective information about the operation and the parties involved, but must refrain from voting on the matter.

### 5.3. Identification by Third Parties

5.3.1. If any Person with Relevant Influence in the Company's management does not disclose their potential conflict of interest, any other person who becomes aware of it and/or identifies it, according to this Policy, may do so.

### 5.4. Non-Voluntary Disclosure

5.4.1. The non-voluntary disclosure by the Person with Relevant Influence in the Company's management is considered a violation of this Policy.

5.4.2. The violation shall be brought to the attention of the Board of Directors when identified or reported by a third party, and there may be potential sanctions applied if a Conflict of Interest is found.

5.4.3. The conflicted Person with Relevant Influence shall abstain from discussions and refrain from voting on deliberations regarding the potential imposition of sanctions in cases involving them.

### 5.5. <u>Case Handling</u>

5.5.1. If the Person with Relevant Influence is a Vice President or another member of the Statutory Board, the Board of Directors will discuss the case and present a proposal for direction to the Board of Directors, including potential sanctions.

5.5.2. If the Person with Relevant Influence is the President, a member of the Committees advising the Board, or a Director, the Governance and Nomination Committee will discuss the case and present a proposal for direction to the Board of Directors, including potential sanctions.

### 5.6. Deliberation at Shareholders' Meeting

5.6.1. Manifestation and Abstention

I. In accordance with Article 115 of Law 6,404/76, when shareholders, gathered at a meeting, have to deliberate on a matter in which there is a potential conflict of interest, they must manifest themselves, abstaining from voting on the specific matter;

II. Abstention shall be considered in the vote count by the board, and the manifestation shall be recorded and filed at the Company's headquarters.

### 6. Code of Conduct

In addition to the rules set out in this Policy, employees and managers of Grendene, in any Transaction with Related Parties, must obey the directives and guidelines set out in the Company's Code of Conduct and in its other Corporate Policies.

### 7. Penalties

Violations of the terms of this Policy shall be examined by the Audit Committee (if it is installed), with consequent submission to the Board of Directors of the Company, which shall take the appropriate measures. A warning is hereby given that certain conducts may constitute crime, making those responsible subject to the penalties specified in the legislation from time to time in force.

## 8. Updating of the Policy

The Company's Board of Directors shall update this Policy whenever this is necessary, as a result of alterations in the Bylaws or in legislation, especially in the case of rules made by the CVM and the B3 as to the Corporate Governance Practices applicable to the Company. Upon taking office, the managers of the Company must sign a document stating that they have received, read, and undertaken to follow the Policy on Transactions with Related Parties and other situations involving Conflicts of Interest.

The present Policy was implemented on August 13, 2020, and revised on February 29, 2024, by the Company's Board of Directors, remaining in effect indefinitely, and may be terminated or modified at any time, provided it is approved by the Board of Directors.

Farroupilha, February 29, 2024.

Renato Ochman Secretary