INTERNAL REGULATIONS OF THE AUDIT COMMITTEE





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

Internal Regulations of the Audit Committee

1. Objective

These Internal Regulations ("the Regulations") govern the procedures for the functioning, objectives and principles of the Audit Committee ("the Committee") of Grendene S.A. and its relationship with the Board of Directors and the other corporate bodies of the Company.

2. Scope

The Audit Committee of Grendene is an internal advisory body established permanently by the Company, not required by its Bylaws, linked directly to the Board of Directors, subject to the applicable legislation and these Regulations, and responsible for analysis of subjects within its remit, as follows:

The Audit Committee has the following responsibilities:

- a. To state its opinion on: (i) the conditions for contracting of the services of the external auditors; and (ii) contracting, and dismissing, the services of external auditing.
- b. To ensure the independence of the external auditors, and receiving from them periodic information on any activities that might place such independence at risk.
- c. To receive regular reports from the external auditor on matters relating to the legislation on accounting, auditing and related practices from time to time in force, and any updating thereof.
- d. To receive confirmation in writing from the external auditors, annually, of their independence in relation to the Company, and information on any type of additional services provided by the external auditors or by persons or entities linked to them, in accordance with the applicable regulations.
- e. To issue, annually, before the issue of the audit reports, a report on the independence of the external auditors, which should in all cases describe the provision of additional services referred to in the previous paragraph.
- f. To serve as a channel of communication between the Board of Directors and the independent auditors, from whom the Committee shall receive regular information on the plan of audit and the results of its execution.
- g. To evaluate the quarterly and interim financial information, and the regular financial statements.

- h. To accompany the activities of the Company's areas responsible for internal audit, internal controls, risks and Compliance.
- i. To evaluate and monitor the Company's exposure to risk, arranging for its management in accordance with Grendene's Risk Management Policy.
- j. To evaluate, monitor and recommend to management any correction or improvement of the Company's internal policies, including the Related Party Transactions Policy.
- k. To maintain means for receiving and dealing with any information on non-compliance with any provisions of law or any regulations applicable to the Company, or its internal regulations or codes of conduct, and ensure that there are specific procedures for protection of any persons providing such information, and its confidentiality.

The Audit Committee shall report, quarterly, to the Board of Directors, and the minutes of a meeting of the Board of Directors referring to this report shall be published.

Annually, the Company shall publish a summary report on the Audit Committee, including the meetings held and the principal subjects discussed, highlighting the recommendations made by the Audit Committee to the Board of Directors.

3. Functioning of the Committee

The Committee has operational autonomy, and its own budget, approved by the Board of Directors, for the purpose of covering the expenses of its functioning.

Because it is an advisory body to the Board of Directors, the decisions of the Audit Committee are non-binding recommendations to the Board of Directors. These recommendations must be accompanied by detailed analysis supporting the decision to make them.

The Committee acts independently in relation to the Executive Board of the Company.

The provisions of the Company's Code of Conduct apply to the members of the Audit Committee.

Annually, the Audit Committee shall approve a timetable of activities for the corresponding business year.

The Committee may invite specialists, and contract external consultants, for analysis and discussion of the matters under its responsibility, making efforts at all times for the security and confidentiality of its work.

Work with external consultants does not exempt the Audit Committee from its responsibilities.

4. Composition of the Committee

The Committee shall comprise at least 3 (three) and a maximum of 5 (five) members. Of these, at least one shall be an independent member – as defined in the Regulations of the Novo Mercado – of the Company's Board of Directors; and at least one shall have recognized experience in corporate accounting matters, as specified in the regulations of the Brazilian Securities Commission (Comissão de Valores Mobiliários – CVM). It is permissible for one single member to qualify under both these requirements.

The functions of a member of the Committee may not be delegated. They shall be exercised exclusively by the member elected, obeying the duties of loyalty and diligence, and avoiding any situations of conflict that might affect any interests of the Company and/or its stockholders.

Members of the Executive Board of the Company, or of its subsidiaries, or of its controlling stockholder, or of affiliated companies or of jointly-controlled companies, are not permitted to be members of the Audit Committee.

5. Period of office, vacancy, and compensation

The members of the Committee are elected by the Board of Directors for a period of office of 2 (two) years. Subject to the rules of the CVM and these Regulations, a member may be re-elected for successive periods of office.

The Board of Directors may, however, dismiss any member of the Committee at any time during a two-year period of office.

In the event of a seat on the Committee becoming vacant, the Board of Directors shall elect a substitute member within 90 (ninety) days.

The members of the Committee shall be compensated for participating in and/or exercising coordination of the Committee, in accordance with a decision by the Board of Directors.

6. The Coordinator

The Board of Directors shall choose one of its members to be the Coordinator of the Committee.

The following are the duties of the Coordinator of the Committee:

- a. To ensure good functioning and performance of the Committee.
- b. To guarantee the efficacy of the system of monitoring and evaluation, by the Committee or its members, of subjects relevant to its activity.
- c. To propose the annual calendar of meetings.
- d. To organize and coordinate the agenda of meetings, after hearing opinions of the other members of the Committee, and of the Board of Directors, and to exercise diligence for timely submission to the members of the Committee of the information necessary for the discussion of the matters on the agenda.

- e. To call, open and chair the meetings of the Committee, and to appoint the Secretary of the meeting, who shall be the person responsible for writing the minutes of the meetings.
- f. To invite, in the name of the Committee, any participants in the meetings, as the case may be.
- g. To represent the Committee in its relationship with the Board of Directors, the Executive Board and the other bodies and entities of the Company, signing, when necessary, correspondence, invitations and/or reports addressed to them.
- h. At least quarterly, to meet with the Board of Directors, accompanied by other members of the Committee when he/she judges this to be necessary.
- i. To be present at the Company's Annual General Meeting, accompanied, if he/she judges this to be necessary, by other members of the Committee.
- j. To submit recommendations of the Committee to the Chairman of the Board of Directors and/or to the Company's CEO,
- k. To comply with these Internal Regulations and to cause them to be complied with.

If absent or temporarily prevented from being able to attend, the Coordinator may be substituted by another member chosen by the Committee.

7. Meetings of the Committee

The Audit Committee shall hold an ordinary meeting at least once every quarter, and may hold extraordinary meetings whenever called by the Coordinator of the Committee, or by a request in writing from any member of the Committee.

Meetings may be called by letter with advice of receipt, or by email, delivered at least 5 (five) days in advance, except in the event of manifest urgency, if such urgency is acknowledged by the Coordinator, or by two members of the Committee, or by the Chairman of the Board of Directors, or by the CEO. In any situation, the convocation must contain the date and time of the meeting, and the agenda.

Independently of the formalities specified in these Regulations, a meeting shall be deemed regular when all the members of the Committee are participating, in person or in any manner specified in these Regulations.

The meetings of the Committee shall be held, preferentially, at the administrative head office of Grendene in Farroupilha, in the Brazilian State of Rio Grande do Sul.

Meetings by telephone or video conference call shall be allowed, and these may be recorded if recording is requested. Any such participation in a meeting shall be considered to be by personal presence. Members of the Committee who participate remotely in the meeting may express their votes, on the date of the meeting, by letter, or by email, and/or digital signature of the related Minutes.

The meetings of the Committee shall be in session when the majority of its members are present.

In the absence of the minimum quorum of 2 (two) members, a new meeting shall be called, which may take place with any quorum, in accordance with the urgency demanded by the subject to be dealt with.

The Committee may invite other people to take part in its meetings: members of the Executive Board; internal or external employees of the Company; or any other person/s having relevant information, or matters to discuss, that are on the agenda and related to their area of activity.

Recommendations, opinions and formal statements by the Audit Committee shall be approved by a majority of the votes of the members present at the related meeting.

The Minutes of meetings of the Committee shall be prepared by and signed by the members of the Committee who were present. The Minutes shall record all subjects dealt with, and all and any orientations, discussions, recommendations or statements of opinion by the Committee; and must report the significant points of the discussions, a list of those present, absences that were justified, any action requested to be taken, and any points of disagreement between the members.

The Coordinator of the Audit Committee shall be responsible for ensuring that minutes are prepared, the Book of Minutes is maintained, convocations to meetings are issued and the Agenda sent, and the related administrative acts.

The documents in support of the meeting shall be filed at the Company's head office.

8. General provisions

These Regulations may be altered only by a decision of the Board of Directors, or by a change in the applicable legislation, or in the Bylaws, or in regulatory frameworks governing the capital markets, or in the Company's system of corporate governance.

Any omissions in these Regulations and any doubts on interpretation shall be decided by a meeting of the Board of Directors.

These Regulations come into effect on the date of their approval by the Board of Directors of the Company, and after approval must be obeyed immediately by the Company, its executive officers, the members of its Board of Directors, and members of the advisory committees.

Farroupiina, February 24, 2022.	
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