INTERNAL REGULATIONS OF THE RELATED PARTIES COMMITTEE





GRENDENE S.A.

Publicly Held Company CNPJ nº 89.850.341/0001-60 – NIRE nº 23300021118-CE

Internal Regulations of the Related Parties Committee

1. Object

The Related Party Committee ('the Committee') of Grendene S.A ('Grendene' or 'the Company') is a body supporting the Executive Officers and the Board of Directors in relation to the matters described in item 2 of these Internal Regulations ('the Regulations').

2. Duties

It is the responsibility of the Committee to analyze transactions with Related Parties, and situations with potential conflict of interest, in accordance with the provisions stated in the Policy on Related Party Transactions ('the Policy'), approved by the Board of Directors on February 13, 2020, ensuring equality and transparency, so as to guarantee to stockholders, investors and other interested parties that the Company is accordance with the best practices of corporate governance.

The following are duties of the Related Parties Committee:

- a. to monitor compliance with the Policy, and to propose revisions to it to the Board Directors, whenever necessary;
- b. to identify whether the investment proposals submitted by the Company's Investment Committee represent Transactions with Related Parties, and if they do, to adopt all the procedures specified in this Policy, in particular, to ensure that the transaction has all the characteristics of market conditions, among other requirements that are necessary in the case of Transactions with Related Parties.
- c. to analyze, monitor and recommend the process of selection of suppliers and providers of services or any other form of contracting, or assumption of responsibilities, debts, obligations or any type of investment by the Company and/or its subsidiaries, for contracts that involve Related Parties, ensuring that they are in accordance with market conditions, as specified in the Policy;
- d. to contract external consultants for assistance, if it deems this to be appropriate, making its best efforts for completeness and confidentiality of the proceedings, though this shall not exempt the Committee from its responsibilities.

3. Functioning of the Committee

3.1. Members; period of office

The Committee shall have at least three and at most five members, serving for a period of office of two years, who shall be elected, and may be dismissed, by the Board of Directors. They shall be selected from among

- a. sitting members of the Board of Directors, and
- b. directors and other executives of the Company.

Obligatorily, one of the members shall be the Chair of the Committee.

3.2. Vacancy of position

In the event of a member of the Committee being definitively prevented from participation, the Board of Directors shall nominate a replacement at the next subsequent meeting of the Board of Directors.

3.3. Remuneration

The members of the Committee shall not receive any type of remuneration for their work for the Committee.

3.4. Coordinator

The Investor Relations Director, who shall be a member of the Committee, shall be the coordinator of the Committee, and shall call the meetings, set the agenda and send documents and provide the necessary information to the operational areas of Grendene, using, whenever necessary, the administrative financial support specified in item 5 below.

The following are duties of the Coordinator of the Committee:

- a. to call and to conduct the meetings of the Committee whenever there are Transactions with Related Parties to be analyzed;
- to ensure that the convocation and the agenda of the meetings are sent to the members of the Committee, together with all and any support material necessary for analysis of the Transactions with Related Parties within the period stipulated in these Regulations;
- c. when necessary, to invite external consultants, members of management and Grendene personnel to attend the meeting;
- d. to ensure that the drafts of the minutes of the meetings are sent to the members of the Committee for consideration within seven business days after the meeting or before any decision is implemented, whichever period is shorter.

3.5. Process of decision

3.5.1. Frequency of meetings

The Committee shall meet whenever necessary, when demanded to do so by the management of the Company, for the purposes of analysis of any possible Transaction with Related Parties.

3.5.2. Convocation

Meetings of the Committee shall be called in writing or by electronic means by the coordinator of the Committee, making all the documents necessary for analysis in accordance with these Regulations available to the other members.

3.5.3. Advisory

For the purpose of providing clarification of any nature, especially if any related parties are identified, the Committee may invite other participants, members of management, members of the other committees advising Grendene (if any), and any other persons whose participation it believes to be necessary, such as, for example, legal advisors.

3.5.4. Place of meeting

The meetings of the Committee shall be held, preferentially, at the administrative head office of Grendene, Av. Pedro Grendene, 131, Bairro Volta Grande, 95180-052 Farroupilha, Rio Grande do Sul, Brazil.

Meetings by telephone or video conference call shall be allowed, and these may be recorded. Any such participation in a meeting shall be considered to be personal presence. Members of the Committee who participate remotely in the meeting may express their votes, on the date of the meeting, through digitally certified letters or email communications, which shall be included in the Minutes. The Minutes of the Meeting may also be signed digitally by personal certificate of each participant, which shall be filed at the Company.

3.5.5. Agenda

When a meeting of the Committee is called, the related Agenda shall be delivered, setting out the subjects to be examined, discussed and decided in the meeting, and must always be accompanied by all the documents and information that are sufficient for detailed analysis and decision on the matters that comprise the Agenda.

3.5.6. Quorum for Meeting

The meetings of the Committee shall be in session only with the presence of all of its members.

3.5.7. Quorum for Decision

All the decisions taken by the members of the Committee must be made by unanimous vote of those present, except any who are legally prevented.

In the event of certain members of the Committee taking part remotely in the meeting of the Committee, the members of the Committee must later sign the Book of Minutes of Meetings of the Committee, when requested by the Company, or when they are present at the head office.

In the event of a tie in a vote arising from the seat of a member of the Committee being vacant (item 3.2 of these Regulations), exceptionally the Coordinator of the Committee shall have the casting vote.

3.5.8. Conflict of interest

The members of the Committee must express any conflict of interest at the beginning of each meeting of the Committee, indicating the matter(s) on the Agenda in which they have a conflict of interest. In relation to such matter(s) they shall not be allowed to vote.

Any member of the Committee may allege existence of conflict of interest in any other member of the Committee. If there is not a consensus in relation to the existence of the conflict, the other members of the Committee (except the party alleging and the party alleged against shall vote on whether or not a conflict of interest exists, thus determining whether or not the member in question may participate in the discussion and decision on the related matter.

If a conflict of interest becomes apparent or is characterized, the other members of the Committee may decide whether or not to exclude the conflicted member from participation in the discussions relating to the matter that is the subject of the conflict.

4. Duties of the Members of the Committee

The activity of the members of the Committee must be oriented in accordance with the following principles:

- a. 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 stakeholders;
- to take into account the impacts of Related Party Transactions, from the point of view of and with the purpose of Grendene being a perennial company, and generation of value over the long term, and also fostering transparency of information to stockholders and other stakeholders;
- c. To obey the duties of diligence, provision of information and loyalty that are proper and appropriate to the managers of the Company in accordance with Law 6404/76.

5. Administrative Support

Preparation of minutes, keeping of the Book of Minutes, convocations to meetings, sending of the Agenda and other administrative acts shall have the support of Grendene's Investor Relations management unit.

6. General Provisions

Any communications between the members of the Committee and other advisors must be made under the regime of confidentiality.

In addition to the rules set out in these Regulations, the members of the Committee must obey the directives and guidelines set out in the Company's Code of Conduct and in its Corporate Policies.

The Regulations were approved by the Company's Management on August 13, 2020. All acts approved up to today's date are hereby ratified.

Farroupilha, August 13, 2020.	
Alexandre Grendene Bartelle	Renato Ochman
Chairman	Secretary