

Results Destination Policy



2nd revision and consolidation

November/2023

FRAS-LE S.A.

Publicly-Held Company

Corporate Taxpayer's ID (CNPJ/MF): 88.610.126/0001-29

RESULTS DESTINATION POLICY**1. PURPOSE**

Establish the guidelines, criteria, and procedures for the allocation of profit, such as dividends (interim and mandatory) and interest on equity, under the legislation, applicable regulations, the Company's Bylaws, and best corporate governance practices, clarifying to the Company's shareholders and other interest parties the criteria and procedures related to the payment of dividends.

2. APPLICATION AND COVERAGE

This Policy applies to Frasle Mobility, a publicly-held company listed on the stock exchange, to its shareholders, members of the Board of Directors and Fiscal Council, and members of the legal, investor relations, and finance departments.

3. REFERENCES

- Federal Law 6,404, of December 15, 1976;
- Law 9,249, of December 26, 1995;
- Brazilian Code of Corporate Governance for Publicly Held Companies published by the Brazilian Institute of Corporate Governance ("IBGC");
- Listing Regulations for Level 1 of Corporate Governance of B3 S.A. Brasil, Bolsa, Balcão ("B3");
- Resolutions published by the Brazilian Securities and Exchange Commission ("CVM");
- The Company's Bylaws; and
- The Company's Code of Ethical Conduct.

4. DEFINITIONS

Administration: executive officers and members of the Board of Directors.

Annual Shareholders' Meeting ("ASM"): annual meeting of shareholders to resolve, among other matters, on the allocation of net profit.

Company or Frasle Mobility: Fras-le S.A.

Subsidiaries: entities in which the Company holds controlling power.

Brazilian Securities and Exchange Commission ("CVM"): Securities and Exchange Commission, an agency linked to the Brazilian Ministry of Economy that has the purpose of regulating and supervising the securities market.

Fiscal Council: the Company's supervisory body, responsible for issuing an opinion regarding the proposal for the allocation of net profit.

Dividends: a portion of the Company's net profit distributed to shareholders, under article 201 et seq. of the Brazilian Corporation Law.

Mandatory dividends: a portion of the Company's net profit that must be distributed to its shareholders, subject to exceptions provided by law. Frasle Mobility's Bylaws provide for a

minimum mandatory dividend corresponding to 25% of the adjusted net profit for the fiscal year.

Fiscal year: consists of the period between January 1 and December 31 of every year.

Interest on Equity (“IoE”): a portion of the Company’s net profit distributed to shareholders as interest on equity, under Paragraph 7 of Article 9 of Law 9,249/95 and other relevant legislations.

Brazilian Corporation Law (“LSA”): Law 6,404, of December 15, 1976, the Brazilian Corporation Law;

5. GUIDELINES

The Company's profit allocation policy shall respect the economic and financial characteristics of the business, cash generation, and investment requirements, and shall be available to all stakeholders, shareholders, and investors.

Under the LSA, dividends can only be distributed after deducting, before any participation, accumulated losses and provision for income tax. According to Paragraph 4 of Article 202 of the aforementioned Law, the payment of dividends will not be mandatory in the fiscal year if it is not compatible with the Company’s financial situation, provided that it is justified by management at the Annual Shareholders’ Meeting.

This Policy helps shareholders, investors, and other stakeholders better assess the Company for investment decision-making and other transactions, contributing to value generation and reducing the cost of capital.

6. RESULTS CALCULATION

At the end of each Fiscal Year, the Board of Directors, based on the financial statements of the year (balance sheet, statements of changes in equity, income statement, value-added statement, and cash flow statements), should prepare a proposal for the allocation of net profit, including shareholder remuneration.

7. ALLOCATION OF NET PROFIT

According to the Company’s Bylaws, net profit should be allocated as follows:

- (a) 5% (five percent) for the creation of a Legal Reserve, not exceeding 20% (twenty percent) of the share capital;
- (b) Contingency Reserve, when circumstances justifying it are characterized, by the amount deemed necessary through studies conducted by the Executive Board;
- (c) Unrealized Profit Reserve, by the amount to be determined according to current legal rules, when legally stipulated unrealized profits exceed the total deducted under items (a) and (b) above;
- (d) from the remaining balance, adjusted as required by law, at least 25% (twenty-five percent) must be distributed to shareholders as a mandatory minimum dividend; and
- (e) General Profit Reserve, with the remaining balance after the aforementioned allocations, intended for working capital maintenance, which cannot exceed 80% (eighty percent) of the share capital.

8. DIVIDEND DISTRIBUTION

The Company's shareholders will receive mandatory dividend every year, according to the determination and allocation of net profit outlined in this Policy, with the same amount per common share.

9. INTERIM DIVIDENDS AND INTEREST ON EQUITY

The Board of Directors may resolve to distribute interim dividends from accumulated profits or reserves, subject to legal limits. Additionally, under legal parameters, interim dividends for the current fiscal year may be advanced.

The Board of Directors is responsible for resolving on the credit and payment of Interest on Equity (IoE) to shareholders, always in compliance with legal limits. The respective amounts paid may be imputed to the mandatory dividends of the respective fiscal year, as resolved by shareholders at the ASM.

10. AUTHORITY AND FREQUENCY

The resolution on management's proposal for the allocation of the Company's net profit for the fiscal year, including the declaration of dividends, is the responsibility of the ASM, to be held within the first four months following the end of the fiscal year.

During the fiscal year, the Board of Directors may resolve on the payment of interim dividends or credit and payment of IoE, as provided for in item 9 of this Policy.

11. PAYMENT INFORMATION

Under Brazilian Corporation Law, dividends and IoE are due to shareholders registered as owners or usufructuaries of the share on the date of its declaration, observing the rules of B3's Central Securities Depository to determine the ex-dividend date and the date for trading "ex-dividend."

11.1 Dividends and interest on equity

Dividends and IoE attributed to shareholders will not accrue interest or monetary correction and, if unclaimed after 3 (three) years from the payment commencement date, will prescribe in favor of the Company.

11.2 Payment deadline

Dividends should be paid within 30 (thirty) days from the date they are declared unless there is a contrary resolution by shareholders at the Meeting. In any case, payment must occur within the same fiscal year in which they were declared.

11.3 B3's Central Depository

For shareholders whose shares are deposited in B3's custodial accounts, dividend payments will be made to B3, which will be responsible for transferring the amounts to shareholders holding shares through depository brokers.

11.4 Payment method

Payment is made by the financial institution holding the Company's book-entry shares, Itaú Corretora de Valores S.A. Shareholders who are account holders with Itaú or other banks, with duly filled and updated registration, will have their rights automatically credited to their bank account on the payment date.

If the shareholder does not have the correct information in their registration with the relevant financial institution, they will not receive the amounts related to dividends or interest on equity until the registration situation is regularized, respecting the deadline specified in item 11.1.

12. GENERAL PROVISIONS

The concepts applied in this Policy are based on principles guiding best market practices. This Policy should be considered in conjunction with other guidelines applicable to Frasle Mobility, being detailed in other specific documents aligned with the guidelines established in this document.

13. RESPONSIBILITIES

13.1 Board of Directors

- Approve and implement the profit allocation policy;
- Express an opinion on submitting to the General Meeting the proposal initiated by the Executive Board for profit allocation;
- Declare dividends from the net profit determined in the semi-annual balance sheet, as well as from balance sheets in shorter periods, subject, in the latter case, to the limit of Paragraph 1 of Article 204 of Law 6,404/76, or declare interim dividends from accumulated profits or reserves, subject to legal limits; and
- Credit and pay interest on equity, under the current legislation.

13.2 Fiscal Council

- Provide an opinion on the proposals from the administrative bodies to be submitted to the general meeting regarding the distribution of dividends.

13.3 Shareholders' Meeting

- Approve the allocation of the profit for the year and the distribution of dividends.

13.4 Finance and Investor Relations Board

- Ensure that dividends distribution and/or IoE proposals submitted to the Board of Directors and/or General Meeting are in line with the terms of this Policy;
- Coordinate the dividend distribution and/or IoE processes; and
- Provide extensive disclosure of this Policy.

14. MISCELLANEOUS

The Company reserves the right to review, change, alter, or revoke this Policy at any time, especially in the case of any essential or relevant changes in applicable laws or regulations.

This profit allocation policy was approved by the Company's Board of Directors on June 2, 2020, coming into effect on the approval date and remaining in force indefinitely.

15. CONTROL INFORMATION AND RESPONSIBLE PARTIES FOR THE POLICY PREPARATION

Party in charge	Department
Prepared by	Corporate Governance and Investor Relations
Review	Executive Committee
Approval	Board of Directors

Changes control:

Version	Date	Term
1	07/27/2020	07/27/2020
2	12/13/2023	12/13/2023