

FRAS-LE S.A.

Publicly-Held Company
CNPJ 88.610.126/0001/29

INTERNAL RULES OF THE FISCAL COUNCIL

CHAPTER I - CONCEPTUALIZATION AND PURPOSE

Art. 1. The Fiscal Council is the body that supervises the acts of FRAS-LE S.A.'s managers and verifies compliance with their legal and statutory duties, contributing to the defense of the Company's and shareholders' interests.

Art. 2. Without prejudice to the applicable legal rules, the activities of the Fiscal Council shall be governed by the Corporation Law, the Company's Bylaws and these Internal Rules.

CHAPTER II - MEMBERSHIP AND OPERATION

Art. 3. The Fiscal Council is composed of three to five permanent members and their respective substitutes, elected at the General Meeting, and shall have a term of office until the next Ordinary General Meeting, reelection being permitted, and shall hold office, in all legal aspects, until the substitute members take office.

Art. 4. In the event of resignation, death, definitive impediment or removal from office of a permanent member, the Coordinator of the Fiscal Council or, in the absence thereof, any of the remaining members shall expressly call the respective alternate, who will become a permanent member until further appointment of the shareholder by the General Meeting.

Art. 5. The role of the Fiscal Council Member shall be performed personally, as it cannot be delegated.

Art. 6. The verification of any and all documents of the Company and requests for information from the members of the Management Bodies and Independent Auditors, regarding the supervisory role of the Fiscal Council, may be requested by this Council, at the request of any of its members, and such requests shall not require resolution or approval of the other members, provided that they are previously and fully informed about them.

Art. 7. The Company shall provide the necessary support for the operation of the Fiscal Council, providing it with the necessary means to carry out its legal duties and providing, together with all its bodies, the information deemed necessary for an efficient performance of the Collective Body.

CHAPTER III - DUTIES AND RESPONSIBILITIES

Art. 8. The main duty of the Fiscal Council is to control the legitimacy of the Company's accounts and the management of the Company's managers.

Sole paragraph: This control is exercised by verifying that the management and representation acts performed by the officers and the resolutions of the Board of Directors are in accordance with the law, with the bylaws and with the resolutions of the General Meetings.

Art. 9. Pursuant to Article 163 of the Corporation Law, the Fiscal Council has the legal duty and authority to:

- a) inspect, by any of its members, the acts of the managers and verify the fulfillment of their legal and statutory duties;
- b) give an opinion on the annual report of the management, including in its opinion the additional information it deems necessary or useful for the resolution by the General Meeting;
- c) give an opinion on the proposals of the management bodies, to be submitted to the General Meeting, regarding the modification of the capital, issuance of debentures or subscription warrants, investment plans or capital budgets, distribution of dividends, conversion, merger, consolidation or spin-off;
- d) denounce to the management bodies and, if they do not take the necessary measures to protect the company's interests, to the General Meeting, errors, frauds or crimes they discover, and suggest useful measures to the Company;
- e) call the Ordinary General Meeting, if the management bodies delay this call for more than one (1) month, and the Extraordinary General Meeting, whenever serious or urgent reasons occur, including in the agenda of the meetings the matters they deem necessary;
- f) analyze, at least on a quarterly basis, the trial balance sheets and other financial statements periodically prepared by the Company;
- g) monitor, at least on a quarterly basis, the Company's risk management system and processes;
- h) examine the financial statements for the fiscal year and give an opinion on them; and
- i) exercise these duties, during the liquidation, in view of the special provisions governing it.

Paragraph 1. The Fiscal Council, at the request of any of its members, after the others have been informed, shall request clarifications or information from the management bodies, as long as they are related to its supervisory role.

Paragraph 2. The members of the Fiscal Council shall attend the meetings of the Board of Directors, if any, or of the Board of Executive Officers, in which matters on which they must express an opinion are resolved (items "b", "c" and "g").

Art. 10. The Fiscal Council shall have a Coordinator, elected from among its members at the first ordinary meeting, who is responsible for doing the following:

- a) preside over the Council meetings, guiding the work;
- b) count the votes and announce the results;
- c) sign and receive official correspondence from the Council;
- d) request, at the request of any of its members and after informing all others, books, documents or information necessary for the performance of the Council's duties;
- e) send the Council's resolutions to whoever is entitled to receive them;

- f) request the presence, at meetings, of people who, by themselves or entities they represent, can provide clarifications relevant to the matter in question;
- g) organize the agenda of the meetings, after hearing the other Council Members; and
- h) send the notice of meetings to the Council Members, in writing, which can be by email, at least five (5) days in advance.

Art. 11. Each member of the Fiscal Council is responsible for doing the following:

- a) attend meetings of the Collective Body;
- b) attend meetings of other management bodies or the Shareholders' Meeting, when called;
- c) communicate, in writing, which can be by email, to the Coordinator of the Fiscal Council, at least five (5) days before the meeting, the impossibility of attending, for the purpose of convening the respective alternate;
- d) examine matters assigned to them, issuing an opinion on them;
- e) participate in the voting, requesting to examine the matter, if deemed necessary, during the discussion and before the vote; and
- f) exercise other legal duties attaching to the role of Fiscal Council Member.

Art. 12. The Fiscal Council shall have administrative support from the Company to collaborate in the performance of its duties.

CHAPTER IV - LEGAL PREROGATIVES, DUTIES AND RESPONSIBILITIES

Art. 13. The powers and duties conferred by law on the Fiscal Council cannot be delegated to other bodies of the Company.

Art. 14. The members of the Fiscal Council have the same duties as the managers, which are dealt with in articles 153 to 156 of Law 6.404/76 and are liable for damage resulting from failure to fulfill their duties and from acts performed with negligence or willful misconduct, or in violation of the Law and the Company's Bylaws.

Art. 15. The responsibility of the members of the Fiscal Council for failure to perform their duties is joint and several, but the dissenting member who makes his/her divergence recorded in the minutes of a Council meeting and communicates it to the management bodies or the General Meeting is exempt from it.

Art. 16. The member of the Fiscal Council is not responsible for the wrongdoings of other members, unless he/she is in collusion with them, or if he/she participates in the act.

Art. 17. The members of the Fiscal Council shall exercise their duties in the exclusive interest of FRAS-LE S.A. The exercise of the role with the aim of causing damage to FRAS-LE S.A., or to its shareholders or managers, or to obtain, for themselves or for others, an advantage to which they are not entitled and which results, or may result, in harm to FRAS-LE S.A., its shareholders or managers, shall be considered abusive.

Art. 18. The Fiscal Council shall provide the shareholder, or group of shareholders representing at least five percent (5%) of the capital, whenever requested, with information on matters within its purview.

Art. 19. The members of the Fiscal Council, or at least one of them, must attend the General Meeting and respond to requests for information made by the shareholders.

CHAPTER V - RELATIONSHIP WITH THE BOARD OF EXECUTIVE OFFICERS AND WITH THE BOARD OF

DIRECTORS

Art. 20. Within the legal and practical context of the Fiscal Council's relationship with the Board of Executive Officers and with the Board of Directors, the managers of FRAS-LE S.A. must provide the members of the Fiscal Council, regardless of request, with the following elements necessary for the performance of their duties:

- a) on the date of instatement of the Council and/or on the investiture of the new council members: copy of the bylaws and other enactments in force;
- b) at least seven (7) days in advance: the agenda for a meeting of the management body called to resolve on matters on which the Fiscal Council must give an opinion, accompanied, when applicable, by the elements or documents subject to examination and pronouncement; and
- c) within fifteen (15) days of receipt: copy of the trial balance sheets and other financial statements, prepared periodically, and, if any, of the reports on the execution of budgets and work programs.

CHAPTER VI - MEETINGS

Art. 21. The Fiscal Council shall ordinarily meet approximately every two months, on the dates established in the calendar, and extraordinarily when deemed necessary, at the request of the Fiscal Council Coordinator or by any of its members, after hearing the others.

Sole Paragraph: At the first meeting of the term of office, in addition to taking office, the permanent members must establish the work proposal, including the methodology, and prepare the calendar of ordinary meetings.

Art. 22. The meetings shall be convened in writing, which can be by email, at least five (5) days in advance, pursuant to these Internal Rules.

Sole Paragraph: At the time of the call, the agenda for the meeting, a copy of the previous minutes and a copy of the documents to be analyzed at the Fiscal Council's meeting shall be sent.

Art. 23. In urgent cases, recognized by the collective body, matters not included in the agenda may be submitted for discussion and voting.

Art. 24. At the discretion of the Fiscal Council, the presence of the Accountant, the internal auditors, a representative of the Company's management, and/or a representative of the external auditors may be requested.

Art. 25. At the discretion of its members, the Fiscal Council may choose to present an opinion without formally holding a meeting. In this case, the members of the Fiscal Council must receive the necessary documents and information and present a written opinion. This procedure does not apply to ordinary meetings, which are mandatory.

Art. 26. The meetings of the Fiscal Council must be transcribed in minutes signed by the members. The minutes must include the serial number, date, place, members present and report of the most relevant points of the discussions, resolutions, declarations of votes, list of those present, justifications for absences, possible deficiencies and requested measures.

Sole Paragraph: In addition to the minutes, the Fiscal Council adopts a complementary instrument called Report/Log, where comments, information, requests, receipt of materials and documents, attendance, summons, events, pertinent notes and others shall be recorded.

Art. 27. The opinions and minutes of the Fiscal Council shall be sent to the management bodies of FRAS-LE S.A. and duly filed at the Company's head office and, when applicable, registered with the Registry of Commerce.

Art. 28. The Fiscal Council's resolutions shall be passed by majority vote. However, the Fiscal Council Member who has a dissenting opinion may, if deemed convenient, record the divergent position in the minutes, giving reasons for it.

Art. 29. In the event of the absence of the Fiscal Council Coordinator, the meeting shall be conducted by a member chosen from among those present.

Art. 30. A fiscal council member who does not consider himself/herself sufficiently enlightened on the matters on the agenda, may ask, provided that before the beginning of the vote, to examine the document or that the discussion be postponed.

Sole Paragraph: The deadline for examination and/or postponement shall be, at most, until the next ordinary meeting, and an extraordinary meeting may be scheduled at the discretion of the Council to examine the matter.

CHAPTER VIII - MISCELLANEOUS

Art. 31. Any doubts raised in the application of these Internal Rules shall constitute an objection and shall be resolved by the Council, which shall also be responsible for promoting the changes to these Internal Rules deemed relevant and necessary.

Internal Rules approved on September 10, 2007, revised and restated on September 19, 2011 and November 8, 2021.

Caxias do Sul (RS), November 8, 2021.

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