

Fras-le S.A.

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

Charter of the Board of Directors

1. PURPOSE

The purpose of this Charter is to regulate, guide, and organize the operational procedures necessary for the activities of the Board of Directors ("Board"), providing better conditions for the fulfillment of the duties assigned to the Board members, as well as their relationship with other governance bodies, under the provisions of the Bylaws ("Bylaws") and applicable legislation.

2. COMPOSITION AND VACANCY OF THE BOARD

2.1. The Board shall be composed of 3 (three) to 9 (nine) sitting members, with the full number always being odd, mostly external members, and at least one-third independent members. A Board member is considered not independent when they are a direct or indirect controlling shareholder of the Company; have voting rights at Board meetings tied by a shareholders' agreement related to Company matters; are a spouse, partner, or relative up to the second degree of the controlling shareholder, Company administrator, or administrator of the controlling shareholder; and had been, in the last three 3 (years), an employee or executive officer of the Company or its controlling shareholder.

2.2. Board members shall be elected by the general meeting and can be removed from office at any time by said meeting, with a term of office of 2 (two) years, with re-election permitted.

2.3. To take office, the Board members must sign the Term of Office drawn up in the Minutes Book of the Board, the clearance statement for the exercise of the position, the agreement to Corporate Governance Level 1 Regulation, and the declaration required by CVM Resolution 44, of August 23, 2021; and adherence to the Company's Code of Ethical Conduct and the Information Disclosure and Securities Trading policies.

2.4. At the first meeting after investiture, the Board members shall choose, among their peers, a Chair and Vice Chair.

2.5. In cases of absence or temporary impediment of the Chair, the position shall be exercised by the Vice Chair. Any Board member can specifically appoint another Board member to replace them in their absence or temporary impediments.

2.6. In case of vacancy in the position of Chair or Vice Chair, the Chair shall be replaced by the Vice Chair, and the Vice Chair shall be replaced by a Board member elected by the others, who will complete the term of office. If the positions of Chair and Vice Chair, or the majority of positions, become vacant simultaneously, a General Meeting shall be convened to elect replacements who will complete the term of office of the vacated positions. If any other position not covered by the previous items becomes vacant, the remaining Board members may elect a substitute to complete the term of office of the Board member replaced.

3. BOARD MEETINGS

3.1. Board meetings shall be held at the Company's headquarters or, by agreement of the majority of the Board members, at the premises of subsidiaries or another chosen location. The meetings may also be held by phone calls, video calls, or any other means of communication that allows the identification of the members and simultaneous communication with all other persons attending the meeting.

3.2. The Board shall meet regularly at least 6 (six) times and at most 12 (twelve) times a year, and extraordinarily, whenever the Company's interests require so.

3.3. The annual calendar shall be approved by the Board members by December of the previous year and shall include dates and a preliminary list of matters to be addressed during the following year.

3.4. The Board shall be convened by the Chair or Vice Chair, or, in the absence or impediment of both, by any other Board member, with at least 7 (seven) days' notice, via the governance portal, indicating the date, time, and agenda of the meeting, along with proposals from the Executive Board and an economic feasibility analysis, when relevant. In justified urgent cases, the meeting may be convened and held without observing the aforementioned minimum notice period.

3.5. The agenda shall highlight the matters for resolution, presentation, or informational purposes, and supporting documentation shall accompany the call notice or be made available to Board members before the meeting date.

3.6. Meetings attended by all members shall be considered regular, regardless of any preliminary formalities, or if all members agree to waive such formalities.

3.7. The meetings shall be installed with the majority of Board members. The resolutions taken by the majority of Board members shall be considered valid, and advance votes are accepted for the purpose of quorum and resolution. Voting by delegation or proxy is not allowed. The Chair shall preside over the meeting and cast the tie-breaking vote. Whenever possible, decisions should be consensual.

3.8. Advance votes shall be accepted in writing, sent by letter, email, or through the governance portal used by the Company.

3.9. Minutes shall be drafted for each meeting, and shall include the date, location, attendees, and decisions taken, clearly noting any dissenting votes and abstentions. After approval, the minutes shall be signed by all attending Board members, and signatures may be digital, through a specific platform used by the Company, without the need for a digital certificate (e-CPF).

3.10. The minutes will be made available to the Board members on the governance portal within 10 (ten) days after the meeting.

3.11. When deemed necessary, the Board, through its Chair, may request the participation of the Executive Board, Independent Audit, and individuals from any other Company bodies in the meeting to follow the resolutions and/or contribute opinions and information that may support the Board

members' decision, as well as provide clarifications of any nature. These individuals, however, do not have the right to vote. Their assistance should be limited exclusively to the period during which the matter under advisement is being examined and resolved.

3.12. Fiscal Council members will be invited to attend Board meetings when the matters to be resolved require their presence, under the law.

4. SUPPORT TO THE BOARD

4.1. For better performance of its duties, the Board may establish non-statutory committees or working groups to assist it. Their role will be to provide opinions on matters of their competence, under the Board's resolutions. The recommendations of these committees will be purely advisory, and the Committee members will have no decision-making power or responsibility for the resolutions.

4.2. The rules on the composition, operation, and competence of any advisory committee to be created by the Board will be defined in the act of creation of these committees and/or in the resolutions of the committees following their creation.

4.3. The committees may rely on the collaboration of other professionals, as well as administrative support. The compensation of such professionals, including the committee members, and the expenses of the administrative support structure, such as hiring specialized consulting firms, will be borne by the Company.

4.4. The Board will also be assisted by the Corporate Governance Secretariat, which will have the following responsibilities, among others:

- (a)** Organize the agenda of matters to be addressed, based on requests from Board members and consultations with Executive Officers, and submit it for approval by the Chair of the Board of Directors;
- (b)** Convene the Board meetings, notifying Board members and any participants of the location, date, time, and agenda, ensuring compliance with governance deadlines;
- (c)** Provide the necessary infrastructure for holding the meetings;
- (d)** Take minutes of the meetings, prepare and record them in the appropriate book, collect signatures from all attending Board members, and record the attendance of any guests;
- (e)** Make the minutes of Board meetings available on the governance portal; and
- (f)** Update Board members on governance matters and matters of interest to the Board, in coordination with the Chair of the Board of Directors.

5. COMPETENCIES, DUTIES, AND RESPONSIBILITIES OF THE BOARD

5.1. Under Article 23 of the Bylaws and without prejudice to the legal responsibilities, the Board shall:

- (a)** Establish the general direction of the businesses, plans, projects, and economic/financial, industrial, and commercial guidelines of the Company and its Subsidiaries, considering the impact of activities on society and the environment, to ensure sustainability and the creation of value;
- (b)** Approve the Company's business plan and economic/financial budget, as well as any changes thereto;
- (c)** Approve the Company's administrative structure, the Board's Charter, and other regulatory acts, such as codes, programs, corporate policies, and other mechanisms, including the Executive Board's Charter, taking into consideration the Company's values and principles, ensuring the maintenance of ethics and transparency in relationships with all stakeholders;
- (d)** Approve the acquisition, disposal, or transfer of any Company asset or right involving, in one or more related operations, a value exceeding R\$30,000,000.00 (thirty million reais);
- (e)** Authorize any operation involving the acquisition, encumbrance, or disposal of any interest held in another company, as well as investments in new businesses or the establishment of any partnership, joint venture, or association with third parties, subject to approval by the General Meeting, where applicable;
- (f)** Resolve on the Company entering into one or more related operations, with a principal value or exposure exceeding R\$50,000,000.00 (fifty million reais), related to (i) financial contracts, including credit openings, loans, financing, or leases, factoring, vendor financing, and discounts of receivables, issue of commercial promissory notes, non-convertible debentures, or other debt instruments, or (ii) derivative operations, as well as the granting or creation of respective guarantees;
- (g)** Approve transactions with related parties by the Company or any of its subsidiaries, except for the purchase or sale of goods involving amounts under R\$20,000,000.00 (twenty million reais) per transaction or contract or the sum of similar transactions and contracts within 12 (twelve) months, according to the related-party transaction policy approved by the Board, with the exclusion of any members with potentially conflicting interests;
- (h)** Approve the voluntary granting by the Company of any guarantee, whether real or fiduciary, to secure third-party obligations that are not subsidiaries of the Company, excluding seizures or constraints made without the Company's will or control;
- (i)** Periodically assess the Company's risk exposure and the effectiveness of risk management systems, ensuring that the Executive Board has mechanisms and internal controls to assess and mitigate risks, keeping them at compatible levels, including regarding the compliance program to ensure compliance with laws, regulations, and internal and external standards. The Board is responsible for approving a risk management policy compatible with the business strategies;
- (j)** Authorize the Executive Board to acquire, transfer, or dispose of technological rights or trademarks, patents, or know-how rights from or to third parties;
- (k)** Approve the public offering for the distribution of securities issued by the Company;
- (l)** Within the authorized capital limit, resolve on the issue, placement method (public or private), price, and payment conditions of new shares, debentures convertible into shares, and subscription warrants, setting the price and other conditions of the issue, as well as authorize the issue of Promissory Notes for a public subscription ("Commercial Papers"), under the Brazilian Corporation Law and shareholders' agreements, where applicable;

- (m)** Approve the issue or cancelation of the Company's share-based compensation plans, within the scope of plans duly approved by the General Meeting;
- (n)** Authorize the acquisition of shares, debentures, or other securities issued by the Company for cancellation or to be held in treasury for subsequent disposal, under applicable legal standards;
- (o)** Comment on any proposal to be submitted to the General Meeting and convene the General Meeting;
- (p)** Elect and remove from office the Company's Executive Officers, assign designations, and define their responsibilities, observing what is provided for in the Bylaws;
- (q)** Distribute, within the limits annually set by the Annual Shareholders' Meeting, the individual compensation of the members of the Board and Executive Board, as well as the profit-sharing for the Executive Officers;
- (r)** Oversee the Executive Officers' management, examine, at any time, the Company's books and documents, and request information on any operations, contracted or in negotiation;
- (s)** Comment on the financial statements, management report, and the profit allocation proposal, including the annual profit-sharing for employees and Executive Officers, under these Bylaws, and resolve on their submission to the General Meeting; and comment on the management reports and quarterly financial statements;
- (t)** *Ad referendum* of the General Meeting, resolve on the declaration of dividends, the credit and payment of interest on equity, or the granting of any form of proceeds, charged to any accounting line;
- (u)** Resolve on any matters related to the cancellation of the Company's registration as a publicly-held company and the delisting from B3's Level 1 Governance;
- (v)** Choose and remove independent auditors, who will report to the Board, observing the applicable legal provisions in this choice;
- (w)** Call upon independent and internal auditors to provide any necessary clarifications;
- (x)** Decide on extraordinary cases arising from the Company's businesses and management that are not regulated in the Bylaws;
- (y)** Ensure compliance and adherence by the Company and its Executive Officers to any Shareholders' Agreement filed at the Company's headquarters, where applicable;
- (z)** Periodically review the corporate governance system, aiming for its continuous improvement;
- (aa)** Resolve on the creation of committees or thematic work groups, as provided for in these Bylaws, including the Related-Party Committee;
- (bb)** Resolve on the evaluation process of the Board, main Company executive and, where applicable, its committees and other Executive Board members; and
- (cc)** Evaluate and annually disclose who the Independent Board members are, as well as indicate and justify any circumstances that may compromise their independence, as defined in the Bylaws and the Brazilian Code of Corporate Governance; and
- (dd)** Take note of the minutes of the Executive Board and Fiscal Council meetings, as well as the meetings of any advisory committees or work groups, when created.

5.2. It is also the Board's responsibility to establish the Company's direction in all and any companies in which the Company holds equity interests, and establish the content of the Company's vote (and the votes of the administrators elected by the Company) in any General Meeting or shareholders' meeting, or, still, meetings of the administrative bodies of any companies in which the Company holds equity interests.

5.3. It is the responsibility of the Chair of the Board of Directors or Vice Chair when acting as a Chair to:

- (a)** Direct and coordinate the work of the Board, acting democratically and impartially, aiming for the effectiveness and good performance of the body;
- (b)** Convene general shareholders' meetings in cases provided for in law or when deemed appropriate;
- (c)** Convene and preside over the meetings of the Board and the general meetings;
- (d)** Convene members of the Fiscal Council, Executive Board, and independent audit to the general shareholders' meetings;
- (e)** Convene Fiscal Council members in advance to participate in meetings that will resolve on the annual management report; the financial statements for the fiscal year; and the proposals of the administration bodies related to changes to the share capital, issue of debentures or subscription rights, investment plans or capital budget, dividend distribution proposals, transformation, absorption, merger, or spin-off of the Company;
- (f)** Coordinate the work of the Corporate Governance Secretariat regarding the meeting agendas, consulting with other Board members and, where applicable Executive Board members; and
- (g)** Propose to the Board the annual thematic agenda of the Board meetings.

5.4. Each Board member has the responsibility to:

- (a)** Work towards consensus and equal treatment, regardless of who appointed them;
- (b)** Not to withhold from other members any information, documents, or clarifications obtained or requested from any bodies;
- (c)** Attend, whenever possible, public meetings, showing their presence;
- (d)** Maintain confidentiality regarding any Company information to which they have access during the exercise of their roles, also demanding the same confidentiality treatment from the professionals they are advising, using the information only for the exercise of their duties as a Board member, under penalty of being held accountable for any act that contributes to its improper disclosure;
- (e)** Participate in the Integration Program, as provided for in this Charter; and
- (f)** Promptly declare any conflicts of interest or personal interest (direct or indirect) regarding a particular matter to be resolved and refrain from participating in discussions on the matter and from voting. If these persons fail to do so, another Member may communicate the conflict, if they are aware of it and that, as soon as the conflict of interest about a specific topic is identified, the involved person shall withdraw from the respective discussions and resolutions, and such temporary withdrawal or voluntary abstention shall be recorded in the minutes.

6. INTEGRATION OF NEW BOARD MEMBERS

6.1. The Integration Program for new Board members aims to introduce the new Board member to the businesses of the Company and its subsidiaries, their facilities, and organizational structure, to integrate them into the organizational culture, philosophy, and working methodology, providing better conditions to contribute and support the Company in the exercise of their duties.

6.2. The Integration Program will observe the following stages:

- (a)** provision by the Company of normative documents of the Company, such as the Bylaws, Code of Ethical Conduct, Board of Directors Charter, calendar of meetings, and corporate structure, among others;

- (b) Provision by Board members of their personal documentation and any information required for their respective registration so the Company can pay fees and collect charges;
- (c) The Company's institutional presentation, featuring, operating, financial, and governance aspects;
- (d) The holding of in-person meetings with the Chair of the Board of Directors, CEO, Managing Director, and Investor Relations Officer, to know the Company's management structure; and
- (e) The holding of guided tours to the main plants of the Company.

6.3. The integration Program should occur as soon as possible, from the date the new Board member takes office. In-person activities will be customized according to the availability of the new Board member.

6.4. It is the responsibility of the Company's Board members and Executive Board members to ensure the implementation of the Integration Program, and the Corporate Governance, Legal, Investor Relations, and People and Culture areas to ensure the completion of all the stages provided.

7. GENERAL PROVISIONS

7.1. The Board members, in addition to fulfilling the legal duties inherent to their positions, must act with elevated levels of ethical standards and encourage good corporate governance practices within the Company.

7.2. In the event of resignation or any other form of vacancy, the departing Board member will lose access to the governance portal.

7.3. This Charter will become effective upon its approval by the Board and may be amended when it is necessary to adapt it.

7.4. The rules contained in this Charter should reflect the content of the Company's Bylaws and cannot conflict with the provisions of Brazilian Corporation Law.

7.5. Omissions in this Charter, interpretation doubts, and possible amendments to their provisions will be decided in a Board meeting, held as provided for in the Bylaws and this Charter.

Caxias do Sul, May 11, 2022.

Board of Directors: David Abramo Randon, Daniel Raul Randon, Astor Milton Schmitt, Dan Antônio Marinho Conrado and Mônica Pires da Silva.

Information and Control		
Edition / Revision	Board of Directors' Meeting Number	Date
Internal Regulations	21/09	12/09/2009
1st revision	10/16	08/05/2016
2nd revision	16/19	11/06/2019
3rd revision	08/20	06/02/2020
4th revision	07/22	05/11/2022