

	Corporate Policy IMSA-PL-0005
	Subject: Allocation of Profits
	Effective date: May 22, 2024
Topic: Allocation of profits	Revision level: R.01

## OBJECTIVE

**1.1.** The purpose of this Allocation of Profits Policy (“Policy”) is to establish the guidelines that must be observed when preparing the proposal for the allocation of the profits of Iochpe-Maxion S.A. (“Company”), with the aim of preserving the integrity of its share capital, guaranteeing the Company's financial sustainability in the short, medium and long term and remunerating its shareholders, in compliance with the legal and statutory provisions in force.

**1.2.** In addition, this Policy seeks to provide greater transparency on the rules and procedures relating to the distribution of profits through dividends (mandatory, interim and/or intermediate) and interest on equity (“JCP”).

**1.3.** This Policy was prepared in accordance with the Company's bylaws, Law No. 6,404 of December 15, 1976, as amended (“Brazilian Corporate Law”), the rules of the Brazilian Securities and Exchange Commission (“CVM”) on the subject and other applicable legislation and regulations, taking into account good corporate governance practices and the economic and financial characteristics of the Company's business.

## II. SCOPE

**2.1.** This Policy applies to the Company.

## III. POLICY

### 3.1. Competence and Calculation of Results

3.1.1. The Company's fiscal year will last twelve (12) months, starting on January 1<sup>st</sup> of each year and ending on December 31<sup>st</sup> of the same year. At the end of each financial year, the Board of Executive Officers, in accordance with its internal regulations, shall draw up the financial statements required by law and, on a quarterly basis, the corresponding interim accounting information, in compliance with the rules in force at the time.

3.1.2. The general shareholders' meeting is the body responsible for deciding on the allocation of net profit for the year and the distribution of dividends, and the Board of Directors, with the support of the Board of Executive Officers, must prepare a proposal on the allocation to be given to the net profit for the year, based on the provisions of the Company's bylaws, CVM rules and the Brazilian Corporate Law, particularly observing the provisions of articles 193 to 202 of said law.

3.1.3. The Board of Directors, at the proposal of the Board of Executive Officers, may also decide to draw up balance sheets for periods shorter than the annual period and declare dividends or JCP on account of the profit calculated in these balance sheets, as well as declare them on account of retained earnings or profit reserves existing in the last annual or interim balance sheet.

3.1.4. The Finance Committee shall advise the Board of Directors on the matters set out in this Policy.

3.1.5. The Statutory Audit Committee is responsible for monitoring the quality and integrity of the Company's quarterly information, interim statements and financial statements, among other duties provided for in its internal regulations, the Company's bylaws and applicable legislation and regulations.

3.1.6. It is the responsibility of the Fiscal Council, if installed, to give an opinion on the proposals of the management bodies, to be submitted to the general meeting, relating to investment plans or capital budgets and the distribution of dividends, as well as to give an opinion on the information relating to the Company's financial situation referred to in item 3.2.7 below among other duties provided for in the Brazilian Corporate Law.

### **3.2. Allocation of Profits for the Year**

3.2.1. Accumulated losses and the provision for income tax and social contribution on net profit will be deducted from the Company's profit for the year.

3.2.2. The net profit for the year, calculated in accordance with the terms of the Brazilian Corporate Law and the Company's bylaws, will be allocated as follows:

- (i) five percent (5%) for the constitution of the legal reserve, which shall not exceed twenty percent (20%) of the share capital;
- (ii) thirty-seven percent (37%) for distribution to shareholders as a mandatory dividend; and
- (iii) the remaining balance, which is not appropriated to the statutory reserve referred to in item 3.2.4 below or retained as provided for in the capital budget approved by the general meeting (pursuant to article 196 of the Brazilian Corporate Law), will be allocated as an additional dividend to the shareholders.

3.2.2.1. For the purposes of allocating the profits referred to in this item 3.2, it will be considered the adjusted net profit corresponding to the net profit for the year plus the depreciation realized in the Company's equity on the revaluation of fixed assets (attributed cost), resulting from the initial adoption of the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board - IASB in Brazil, particularly the following pronouncements issued by the Accounting Pronouncements Committee (“CPC”): CPC 27 - Property, Plant and Equipment,

CPC 37 - Initial Adoption of International Accounting Standards and CPC 43 - Initial Adoption of Technical Procedures CPC 15 to 41, as resolved at the Company's Board of Directors meeting held on April 29, 2010.

3.2.3. The Company may cease to set up the legal reserve in the financial year in which the balance of this reserve, plus the amount of the capital reserves referred to in § 1 of article 182 of the Corporate Law, exceeds thirty percent (30%) of the share capital.

3.2.4. The Investment and Working Capital Reserve, provided for in Paragraph 2 of Article 42 of the bylaws, is intended to ensure investments in permanent assets and increase working capital, including through the amortization of the Company's debts, as well as the capitalization and financing of controlled and associated companies. This statutory reserve will be formed with an annual installment of at least ten percent (10%) and a maximum of fifty-eight percent (58%) of the net profit for the year, with a maximum limit that cannot exceed, together with the legal reserve, the value of the share capital.

3.2.5. Notwithstanding the provisions of items (ii) and (iii) of item 3.2.2 above, the shareholders' general meeting, on the proposal of the Board of Directors, may allocate part of the net profit for the year to the creation of reserves for contingencies, tax incentives and unrealized profits, under the terms of articles 195, 195-A and 197 of the Brazilian Corporate Law, respectively.

3.2.6. The balance of profit reserves, except for contingencies, tax incentives and unrealized profits, may not exceed the Company's share capital. If this limit is reached, the general meeting will decide on the application of the excess in the payment or increase of the share capital or in the distribution of dividends, under the terms of article 199 of the Brazilian Corporate Law.

3.2.7. The dividend referred to in item (ii) of item 3.2.2 above will not be mandatory in the fiscal year in which the Board of Directors informs the ordinary general meeting that it is incompatible with the Company's financial situation, under the terms of §§ 4 and 5 of article 202 of the Brazilian Corporation Law. In this case, the profits that are not distributed will be recorded as a special reserve and, if not absorbed by losses in subsequent fiscal years, will be paid as a dividend as soon as the Company's financial situation so permits.

### **3.3. Distribution of Profits (Dividends and JCP)**

3.3.1. By resolution of the general meeting, the Company shall distribute annually to the shareholders, as a dividend, a portion of the net profit for the year to be determined in accordance with the legal and statutory provisions, as mentioned in item **Error! Reference source not found.** above.

3.3.2. As authorized by the bylaws, the Company, by resolution of the Board of Directors, based on a proposal from the Board of Executive Officers, may also:

- (i) declare interim dividends, on account of the profit calculated in the half-yearly balance sheet or in the balance sheet drawn up in shorter periods, in the latter case provided that the total dividends paid in each half-year of the fiscal year do not exceed the amount of the Company's capital reserves;
- (ii) declare interim dividends, to the account of retained earnings or profit reserves existing in the last annual or interim balance sheet; and/or
- (iii) pay or transfer JCP, in accordance with applicable tax legislation, which may be imputed to the mandatory dividend referred to in item 3.2.2 (ii) above, net of withholding income tax, when applicable.

3.3.3. Dividends declared in accordance with the provisions of item (i) of item 3.3.1 above shall be imputed to the mandatory dividend, integrating such amount for all legal purposes. In turn, dividends declared in accordance with the provisions of item (ii) of item 3.3.1 above may also be imputed to the mandatory dividend, integrating such amount for all legal purposes.

3.3.4. Both in drawing up the proposal for the allocation of the profit for the year and in deciding on the distribution of dividends and JCP, the Company's management bodies will take into account various factors, such as the assumptions contained in the Company's strategic business plan and budget, its financial situation and operating results, availability and capacity to generate cash, the need to make investments, maintain and expand production capacity, prospects for current and potential markets and other investment opportunities. The contractual clauses in force at the time that may limit or restrict the distribution of dividends and/or JCP by the Company will also be observed.

3.3.5. Whenever possible, subject to the provisions of item 3.3.4 above, the Company will endeavor to distribute income to shareholders, in the form of dividends and/or JCP, every six months, preferably between March and April and between September and October of each year.

3.3.6. In addition, priority should be given to the distribution format available under current legislation that offers the greatest financial and operational efficiency for the Company.

#### **3.4. Deadline for Payment and Prescription**

3.4.1. Dividends and JCP will be paid on the dates established by the general meeting or by the Board of Directors, as the case may be, in compliance with the applicable legal provisions.

3.4.2. The dividend must be paid, unless otherwise decided by the competent body, within sixty (60) days of the date on which it is declared and, in any case, within the financial year.

3.4.3. The amount of dividends and/or JCP declared will not be subject to any monetary restatement.

3.4.4. The other rules and procedures relating to the payment of dividends and JCP will be informed by means of a notice to shareholders, published in due course on the Company's website ([www.iochpe.com.br](http://www.iochpe.com.br)) and the CVM's website ([www.cvm.gov.br](http://www.cvm.gov.br)).

3.4.5. Dividends and JCP that are not claimed within three (3) years from the date on which they were made available to the shareholders shall revert to the Company.

#### IV. GENERAL PROVISIONS

4.3. Subject to legal, regulatory and statutory provisions, this Policy is for information purposes only and none of the provisions contained herein should be interpreted as creating rights, such as granting profit-sharing rights, or interfering in any way with the decisions of the management bodies on matters that fall within their competence by legal or statutory provision.

4.4. The Company reserves the right to update, revise and amend this Policy at any time, as provided for in item 5.3 below, including on the recommendation of the Finance Committee.

#### V. APPROVAL AND TERM

5.3. This Policy shall come into force on the date of its approval by the Board of Directors and shall remain in force for an indefinite period, until further notice. Any changes to this Policy shall be subject to prior resolution by the Board of Directors.

5.4. This Policy was approved, in its original version, by the Company's Board of Directors at a meeting held on September 25, 2019, having been amended as indicated in the table below, and is available on the Company's website ([www.iochpe.com.br](http://www.iochpe.com.br)) and on CVM's website ([www.cvm.gov.br](http://www.cvm.gov.br)).

VERSION	TERM DATE	REVISION		REVISED BY
		Section	Modifications	
Original	09/25/2019	N/A	N/A	Board of Directors (according to the meeting held on 09/25/2019)
R.01	05/22/2024	General 3.2.2.1	Improved wording and clarification on adjusted net income, due to the initial adoption of IFRS	Board of Directors (according to the meeting held on 05/22/2024)

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