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# GRUPO MADERO

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## MADERO INDÚSTRIA E COMÉRCIO S.A.

### DIRECTOR APPOINTMENT POLICY

#### 1. PURPOSE, SCOPE AND REFERENCES

1.1. This Director Appointment Policy ("Appointment Policy" or "Policy"), approved at the Board of Directors of Madero Indústria e Comércio SA ("Company") meeting, held on September 8, 2021, aims to determine guidelines, criteria and procedures for appointing members to the Board of Directors, the Executive Board and the Company's Committees, as well as establish the periodic evaluation mechanism for the members of these corporate bodies.

1.2. This Policy has as references: (i) corporate governance rules from the Company's Bylaws; (ii) the Company's Code of Conduct; (iii) Law nº 6.404, from December 15, 1976, as amended ("Brazilian Corporate Law"); (iv) the Brazilian Code of Corporate Governance – Publicly-Held Companies ("CBGC"); and (v) the Novo Mercado Regulation of B3 SA – Brasil, Bolsa, Balcão ("Novo Mercado Regulation").

#### 2. BOARD OF DIRECTORS

##### A. Guidelines and Criteria for Appointment

2.1. As a general guideline, the process of nominating and selecting candidates for the Board of Directors should aim for the diversification in all respects, including gender, race, ethnicity, disability, origin, or otherwise, with an adequate number of independent directors, and a size that enables committees to be created, encouraging effective debates of ideas and supporting technical, exempt and reasoned decisions.

2.2. The Bylaws provide that the Board of Directors must be composed of at least 9 (nine) and at most 11 (eleven) effective members, be they shareholders or not and residing in the country or not, to be elected and removed by the general shareholder assembly, with a unified term of office of 2 (two) years, each year being considered as the period between 2 (two) ordinary general assemblies, with reelection being allowed.

2.2.1. Among the members of the Board of Directors, at least 2 (two) or 20% (twenty percent), whichever is greater, shall be independent directors, as defined in the Novo Mercado Regulation, where the decision of those appointed to the Board of Directors as independent members shall be resolved at the General Assembly when they are elected, and if a member that is a controlling shareholder is elected pursuant to Article 141, §§ 4 and 5 of Brazilian Corporation Law, that member shall also be considered as independent.

2.2.2. Additionally, following the general guideline provided for in item 2.1 above, the appointment process shall endeavor the best efforts so that the Board of Directors is composed of members taking into account: (i) time availability of its members for their functions to be performed and the diversity of knowledge, experiences, behaviors, cultural aspects, age and gender (according to CBGC recommended practice 2.2.2(ii)); and (ii) must have a majority of external members, and at least one third of independent members (according to recommended practice 2.2.1(i) of the CBGC).

2.3. Members appointed to the Company's Board of Directors, including the independent members, must meet the following criteria, in addition to the legal and regulatory requirements, and those expressed in the Company's Bylaws and other corporate agreements that may exist that have the Company as their main purpose:

- (a) alignment and commitment to the Company's principles, values and culture and its Code of Conduct;
- (b) a solid reputation;
- (c) never been the subject of an unappealable decision that caused their suspension or disqualification by the CVM, making them ineligible for the positions of director of a publicly-held company;
- (d) never been prevented by law, or convicted of bankruptcy, malfeasance, active or passive corruption, concussion, or embezzlement against popular economy, public faith, property or the national financial system, or be convicted of any criminal penalty that prohibits access to public office;
- (e) academic background compatible with the duties of the members of the Board of Directors, as described in the Bylaws and the Internal Regulations of the Board of Directors;
- (f) professional experience in various topics;
- (g) be free from any conflicts of interest with the Company (unless waived by the general assembly); and
- (h) available time to adequately dedicate oneself to the role and responsibility undertaken, which is not limited to attending meetings of the Board of Directors and prior reading of documentation.

***B. Appointment Procedure***

2.4. The members of the Board of Directors shall be evaluated at the end of each term of office by the Chairman of the Board of Directors, seeking compliance to the criteria contained in this Policy, upon approval of candidates proposed by Directors.

2.5. The proposal for re-election of directors shall consider the results from the Board of Directors' periodic evaluation process and the conclusions regarding the adequacy or need for adjustments in its composition.

2.6. The characterization of those appointed to the Board of Directors as independent directors must be resolved at the general shareholder assembly in which they are elected, pursuant to article 17 of the Novo Mercado Regulation and article 17, third paragraph of the Bylaws.

2.6.1. Each nominee for independent director shall submit a statement to the Board of Directors, attesting to their compliance with the independence criteria established in the Novo Mercado Regulation, including the respective justification, if any of the situations provided for in paragraph 2 of article 16 of the Novo Mercado Regulation and Article 17, paragraph four of the Bylaws are applicable; and

2.6.2. The Company's Board of Directors shall approve a statement which shall be included in management's proposal regarding the general assembly for the election of directors, as to whether or not the candidate is in compliance with the independence criteria.

2.6.3. The above procedure does not apply to nominations of candidates to be members of the board of directors:

- (a) members that do not meet the deadline for inclusion of candidates in the ballot sheet, as provided for in the regulations issued by the CVM on remote voting; and
- (b) members up for election by separate vote (applicable to companies with a controlling shareholder).

### **3. EXECUTIVE BOARD**

#### ***A. Guidelines and Criteria for Appointment***

3.1. As a general guideline, the process of nominating and filling Executive Board positions (as well as non-statutory directors and managerial positions) should aim at the formation of a group aligned with the Company's ethical principles and values, taking into account diversity in all aspects, including gender, race, ethnicity, disability, origin, or otherwise, aiming to be occupied by people with complementary skills that are qualified to tackle the Company's challenges.

3.2. The Executive Board, whose members will be elected and removed at any time by the Board of Directors, will be composed of a minimum of 5 (five) and a maximum of 10 (ten) members, 1 (one) Chief Executive Officer, 1 (one) Officer Financial Vice President, 1 (one) Chief Operating Officer, 1 (one) Investor Relations Officer and other Officers without specific designation. The positions of Chief Executive Officer and Investor Relations Officer must be filled mandatorily, while the other positions are optional. The Directors may accumulate positions.

3.4. Company Directors' appointment must comply with the following criteria, according to each function:

- (a) alignment and commitment to the Company's principles, values and culture and its Code of Conduct;
- (b) have a solid reputation;
- (c) academic training compatible with the position's attributions, as described in the Bylaws;
- (d) knowledge and professional experience compatible with the position for which they were appointed;
- (e) never been the subject of an unappealable decision that caused their suspension or disqualification by the CVM, making them ineligible for the positions of director of a publicly-held company;
- (f) never been prevented by law, or convicted of bankruptcy, malfeasance, active or passive corruption, concussion, or embezzlement against popular economy, public faith, property or the national financial system, or be convicted of any criminal penalty that prohibits access to public office;
- (g) qualified to implement the strategies, face the challenges and achieve the Company's objectives; and
- (h) free from conflict of interest with the Company.

***B. Appointment Procedure***

3.4. According to the Bylaws, the Chief Executive Officer shall recommend other candidates to the Board of Directors.

3.5. The proposal for the reelection of the Chief Executive Officer shall take into consideration their periodic assessment by the Board of Directors. Likewise, the Directors re-election proposal must consider their annual evaluations by the Chief Executive Officer.

#### **4. COMMITTEES**

##### ***A. Guidelines and Criteria for Appointment***

4.1. In addition to the Statutory Audit Committee, the Bylaws provide, in article 32, that the Board of Directors may establish committees for advisory on the performance of its activities. The scope, composition and function of each committee will be defined by the Board of Directors in the resolution that approves its creation.

4.2. Regarding the Statutory Audit Committee, as defined in the Novo Mercado Regulation and in the Company's Bylaws, it shall be composed of at least 3 (three) members, as follows:

- (a) at least one (1) must be an independent director, as defined in the Novo Mercado Regulation;
- (b) at least 1 (one) of must have recognized experience in corporate accounting matters, in accordance with the rules issued by CVM;
- (c) 1 (one) of the members may have both the qualifications described in items (a) and (b) above; and
- (d) none of the members may be controlling shareholder, or director, or subordinate to a director of the Company, of its controlling shareholder, directly or indirectly, or of its subsidiaries, affiliates or companies under common control.

4.3. Regarding the Company's non-statutory Committees, the appointment criteria established in this Appointment Policy must be observed, as well as the guidelines and attributions approved by the Board of Directors or the Executive Board (as applicable), upon its establishment.

4.4. The non-statutory Committees of the Board of Directors will be composed of at least 1 (one) member of the Board of Directors, and may include external specialists that are not directors, that are appointed and removed by the Board of Directors.

4.5. The appointment by the Board of Directors of the members of the established Committees, will take place at the first meeting of the Board of Directors after the Annual General Assembly.

4.6. Each Committee's coordinator will also be its spokesperson and preferably will be a member of the Board of Directors.

***B. Appointment Procedure***

4.7. The appointment of candidates to be members of advisory Committees for the Company's Board of Directors may come from any member of the Board of Directors or by the Chief Executive Officer, before the date of the Board of Directors' meeting that will appoint the Committee members.

4.8. The proposal for re-election of Committee members shall consider the results of the Committee's periodic evaluation process.

4.9. The nomination, appointment and reelection of the names of candidates for members of the Board's Advisory Committees will be made by the Chief Executive Officer.

**5. EVALUATION**

5.1. The periodic evaluation process of the Board of Directors, its Committees and the Executive Board will follow the mechanism established in the **Annex** of this Policy

**6. GENERAL PROVISIONS**

6.1. This Policy and its application shall be monitored by the Company's Board of Directors.

**7. TERM**

7.1. This Policy approved by the Board of Directors, is effective as of the date hereof and may only be modified by resolution of the Company's Board of Directors.

Ponta Grossa, July 13, 2022.

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**Annex**

**Management and Evaluation Process for the Board of Directors' Advisory Committees**

**Board of Directors and Board of Directors' Advisory Committees**

*Evaluation scope and frequency.* In order to continuously improve its effectiveness, supporting the Directors themselves in analyzing their contributions towards establishing action plans for the body's constant improvement, during the Directors' term of office, the Board will hold at least 1 (one) self-assessment of each of its members, individually, and an assessment of the performance of the board itself, as a collegiate body and of the advisory committees to the Board of Directors ("Committees").

The chairman of the Board is responsible for conducting this process, and the use of a specialized external advisor is optional.

*Evaluation adopted methodology and main criteria.* The evaluation process of the Board of Directors is structured by taking into account the main specific responsibilities of the body and issues commonly dealt with, such as monitoring the Company's performance, quality of decisions on resource allocation, development of human capital, risks monitoring, strategic direction, innovation and future vision development, strengthening of values and ethical conduct; and Committee effectiveness.

*Results of the Evaluation.* The consolidated results of the Board's and Directors' evaluations will be disclosed to all Board members.

**Executive Board**

*Evaluation scope and frequency.* In order to constantly improve its effectiveness in supporting the Directors themselves analyze their contributions, as well as establishing action plans for the constant improvement of the body, during the term of office of the Directors, the Board of Directors will carry out at least once (1) a formal evaluation of the performance of the Executive Board and of each of the Executive Officers, individually. The Directors who have been in the role for more than 90 days will be eligible to participate in the evaluation process, as an evaluator or evaluated.

Additionally, the Directors will also be evaluated annually and individually, through a performance evaluation process, which includes evaluation by their immediate superior. The Chief Executive Officer, in turn, also participates in the Performance Assessment process, being assessed by the Chairman of the Board of Directors. The Executive Board, as a group, is evaluated by the Board of Directors.

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# GRUPO MADERO

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*Evaluation adopted methodology and main criteria.* The Board's evaluation process is structured by taking into account the main specific responsibilities of the body and issues normally dealt with, such as monitoring the Company's performance and quality of decisions on the Company's operations.

*Results of the Evaluation.* The consolidated results of the Executive Director's evaluations will be disclosed to all executive members, and the results of the individual evaluations to each person concerned, from the Chief Executive Officer and the Board of Directors. The results will be discussed in individual *feedback* sessions, in order to encourage each member's learning and improvement.

The results of the evaluations of the Board of Directors, its Committees and the Executive Board, as well as their respective members, are used by the Company to identify member's strengths and weaknesses. Once these points are identified, the Company may establish action plans for the constant improvement of the bodies. Action plans can be used, for example, to set goals for the following year, for eventual compensation adjustments or even for appointment to other positions in the Company's management.

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