

GRENDENE S.A.

Publicly Held Company

*Corporate Taxpayers ID – CNPJ/MF nº 89,850,341/0001-60
Company's Register: NIRE Nº 23300021118-CE*

NOTICE TO SHAREHOLDERS 3rd Interim dividends of 2017

We are writing to inform shareholders that, the Board of Directors at the meeting held on October 26, 2017, decided “ad referendum” that it will propose to the Ordinary General Meeting that will examine the balance sheet and financial statements for the 2017 financial year, the **3rd distribution of interim dividends in the amount of R\$73,480,889.01** (seventy-three million, four hundred and eighty thousand, eight hundred and eighty-nine reais and one cent) referring to the period up to September 30, 2017. The shareholders of common shares will receive an **interim dividend of R\$0.244355986 per share. The dividends will be paid from November 22, 2017**, without remuneration or monetary restatement and no withdrawal tax will be imposed on the dividend.

Shareholders whose names were registered with the Company on November 06, 2017 will have the right to receive the interim dividends. The Company's shares will be traded ex-dividend from November 07, 2017 on the BM&FBOVESPA.

The payment of the amounts to be distributed will be made as follows:

- a) Shareholders who have already provided details of their bank account to Itaú Unibanco S.A. will have their credit made available through their current account;
- b) For shareholders who have not provided details of their bank account, Itaú Unibanco S.A., as the Depositary Financial Institution, will send an advisory notice on the payment to the shareholders, which should be presented at one of its branches with instructions for processing the respective bank account credit.

Sobral (CE), October 26, 2017.

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Francisco Olinto Velo Schmitt
Investor Relations Officer