

GRENDENE S.A. – LISTED COMPANY

Corporate Taxpayers ID – CNPJ/MF nº 89,850,341/0001-60

Company's Register: NIRE Nº 23300021118-CE

Notice to Shareholders - Dividends and Interest on Equity

We inform all shareholders that an Ordinary General Meeting of this Company, held on April 23, 2018, approved the ratification of the distribution of dividends of the year ended December 31, 2017 amounting to **R\$149,630,000.00 (one hundred and forty-nine million, six hundred and thirty thousand reais)**.

The dividends will be paid from May 16, 2018, without remuneration or monetary restatement without withholding tax and distributed as follows:

i) In the form of Interest on Equity – calculated as part of the total value of dividends, subject to the limits in Article 9, §7, of Law 9249/95, the gross amount of R\$130,000,000.00 (one hundred and thirty million reais), corresponding to gross value per share of R\$0.432295823, for shareholders who are proven to be immune or exempt under current legislation.

The Company requests that shareholders, companies and/or entities not subject to withholding income tax as legislation submit the documentation to the Company located at Av. Pedro Grendene, 131, Bairro Volta Grande, Farroupilha, RS, CEP 95180-000, care the Investor Relations Department, by May 07, 2018.

ii) In the form of dividends - complementary dividend of R\$19,630,000.00, or R\$0.065276669 per share. This amount will not be subject to any remuneration or monetary updating, nor any withholding tax.

The Interest on Equity and complementary dividends will be payable to stockholders in the Company's books of record on May 03, 2018 (the cut-off date). Thus Grendene's shares will trade ex-dividend and ex-Interest on Equity on May 4, 2018, on the B3 S.A. - Brasil, Bolsa, Balcão (B3).

This complementary distribution of Dividends and Interest on Equity (R\$149,630,000.00), plus the amount of R\$228,143,143.34, paid in advance in 2017, totaling a gross amount of R\$377,773,143.34 for the fiscal year 2017.

Shareholders will have their credits available on the date of the start of the payment of this right, in accordance with their current account and bank domicile supplied to Banco Itaú Unibanco S. A., the depositary institution of the shares of this Company, and those who hold the shares held in custody at B3 will have their credits transferred by the respective custodian agents, as of the date of the start of payment. Shareholders with outdated registrations that do not contain the CPF or CNPJ number or bank credit option will have their credits deposited after the cadastral regularization, which may be done at any branch of Itaú Unibanco S.A.

Sobral, April 23, 2018.

Francisco Olinto Velo Schmitt

Investor Relations Officer