LOJAS RENNER S.A.

RENNER CAMICADO YOUCOM realize

ANNUAL AND EXTRAORDINARY GENERAL MEETING

Management Proposal

Manual for participation in Shareholder's Meeting

April 18th, 2019

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CÓDIGO ABRASCA

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MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Dear Shareholders,

It gives us much pleasure to invite you to take part in the Extraordinary and Annual General Meeting ("E/AGM") called for April 18, 2019 at 1:00 p.m. (Brazil) at the Company's head office at Av. Joaquim Porto Villanova, 401, Jardim do Salso, Porto Alegre/RS – Brazil.

Lojas Renner S.A. was the first widely held company in Brazil and for this reason, over the years, it has been necessary to develop innovative mechanisms for the organization and execution of corporate actions such as the adoption of both the pioneering Manual for Participation in Shareholders' Meetings, along the lines of proxy statements characteristic of foreign companies, as well as the use of the public request for a power of attorney mechanism. The Company also employs the remote voting system allowing investor manifestations via ballot, shareholders being able to choose the most convenient way of taking part in the meetings: (i) personally, (ii) by the remote voting system, (iii) by representation or (iv) by the request for a public request for a power of attorney prepared by the Company

Seeking to further improve its service to shareholders, in 2018, the Company revised its entire system of Corporate Governance, new practices being adopted such as individual elections to the Board of Directors and also fine tuning of others already in existence. Lojas Renner was the first Brazilian company to disclose its "Report on the Brazilian Code of Corporate Governance", with an adoption rate of 96% (leaving just 2 items out of a total of 54). Again in 2018, the position of Corporate Governance Secretary was set up to support the activities related to the functioning of governance, the servicing of and interaction with shareholders and proxy advisory agencies, as well as for proposing and implementing processes which always foster best practices.

Another important event was triggered in November with the announcement of the succession of José Galló. As from the AGM of 2019, Fabio Faccio, currently Procurement Officer, will take over as Chief Executive Officer, thereby continuing a track record of enchantment, growth, consistency and innovation which have marked our trajectory to this day. At this point, we would also like to take the opportunity to highlight the visionary and inspirational leadership of Galló in the Company's transformation. Under his management, the Company grew from a regional retail network of 8 stores to become the largest fashion retailer in Brazil and from a family owned business to being the first Brazilian corporation. Galló will continue his commitment to the shareholders as a member of the Board of Directors, participating in strategic decisions and exercising an important role in the preservation of the corporate culture.

In the context of the composition of this body, one of the items on the agenda of the AGM is the election of the members to the Company's Board of Directors. Under the existing Corporate Bylaws of Lojas Renner S.A., current members are deemed automatically nominated for reelection. Additionally, for this election and based on the prevailing legislation, shareholders have requested the inclusion of a new name on Lojas Renner's distance voting ballot. In this context, we would emphasize the importance of analyzing the competencies and complementary nature of each candidate, given that for the first time we shall have 9 candidates for a corporate body, which according to the Management Proposal will be composed of 8 members.

Another item on the agenda of this AGM is the election of members of the Fiscal Council, this operating on a permanent basis in the Company and where its existing members are put forward annually for reelection. However, in 2019, after more than 13 years as fiscal councilors of Lojas Renner, the effective councilors Francisco Sérgio Quintana da Rosa and Helena Turolaion de Araujo Penna, are not to be renominated, Lojas Renner to indicate new names in the interests of renovation and in line with best practices of independence in Corporate Governance. Furthermore, based on the prevailing legislation, for this election, shareholders have requested the insertion on the distance voting ballot of an additional name for the Fiscal Council (effective and alternate). Hence, since we shall have 4 candidates for a body, pursuant to the Management Proposal made up of 3 members (effectives and alternates), once again we would emphasize to Shareholders the importance of analyzing each candidate whose name has been put forward.

To date, the meetings have enjoyed the active participation of the shareholders. For this reason your vote is extremely important, especially this year when we shall have a greater number of candidates than there are seats on the Company's principal organs. We are counting on your presence, and through the medium of the Corporate Governance Secretary, stand ready to provide any necessary clarifications.

Regards,

Osvaldo Burgos Schirmer
Chairman of the Board of Directors

MESSAGE FROM THE CEO

Dear Shareholders,

This Manual anticipates clarifications and guidance for voting on decisions to be adopted at the Company's E/AGM. The date, venue, matters to be decided and full guidance and procedures for voting are shown in detail in the Management Proposal/Manual for Participation in Shareholders' Meetings. Through the medium of this Manual, we reconcile the Company's pioneering practices with the requirements under CVM Instruction 481/09.

To assist our shareholders in their analyses and appreciation of the matters to be debated, we have included as attachments to this Manual, documents relating to each matter on the agenda of the day together with the different voting mechanisms and the list of documents required for each one.

Please also be aware that the quorum for the installation of the E/AGM is different for each of the meetings. In the case of the AGM, shareholders (or their representatives) holding at least 1/4 (one quarter) of the shares comprising the Company's capital stock must be present for voting the matters on the agenda for discussion, while in the case of the EGM, shares representing a quorum of at least 2/3 (two thirds) of the total will be required. Should the legal quorum not be reached to install either of the meetings, we shall announce fresh dates for the holding of the meetings on a second calling. In the latter case, the meetings may be installed irrespective of the number of shares present. The holders of American Depositary Receipts (ADRs) will enjoy voting rights for the matters listed in the Agenda of the Day according to the same criteria applicable to domestic investors. The holders of ADRs will be duly instructed by The Bank of New York Mellon, the financial depositary institution for the receipts representing Lojas Renner's shares.

Down the years, we – members of the Company's Executive Board and Board of Directors – have tirelessly pursued excellence in customer services in parallel growing results and the use of best corporate governance practices. Since 2005, this has generated a Total Return to the Shareholder of more than 4,000% (TRS). In addition, Lojas Renner is now placed as the 11th most valuable brand in Brazil and the highest positioned retailer in the Interbrands ranking.

As has already been announced, following the AGM on April 18, I shall be leaving the Chief Executive Officer's position at Renner after 20 years in the job and it is my hope that I can continue contributing to the shareholders through my seat on the Board of Directors by supporting strategic decisions and through the preservation of the corporate culture.

I leave the Executive Board of Brazil's largest fashion retailer with more than 550 stores (including those in the Renner, Camicado, Youcom and Ashua formats) to dedicate my work on the Board in a strategic guidance role, supporting the new cycle on which we have now embarked. We are looking ahead at many projects and initiatives directed towards a focus exclusively on the customer, the use of data for managing the product life cycle and also the omni transformation, integrating online and offline sales channels, as well as expanding the store network in Brazil and abroad. I am sure that my successor, Fabio Adegas Faccio, will continue our culture of enchantment and constant striving to increment results, with extreme dedication, contributing to the transformational projects which we are implementing, always with a strategic vision and one firmly set on the future and focused on innovation and the continued expansion of the business.

We are doing our very best to ensure that the E/AGM is installed on the first calling. For this reason, your participation is very important to the Company. Important also is, prior to voting, your in-depth analysis of the documentation for each one of the matters on the agenda of these meetings.

Our e-mail acionistas@lojasrenner.com.br can be used to contact the Company's Corporate Governance Secretary who will be available to clarify any questions relating to the meetings

Sincerely yours,

José Galló
Chief executive Officer

INVITATION

DATE: April 18, 2019

TIME: 1:00 p.m.

ADDRESS:
Corporation's Headquarters
Av. Joaquim Porto Villanova, 401, South Tower – 7th floor
Jardim do Salso – Zip Code 91410-400
Porto Alegre/ RS – Brasil

AGENDA:

I) **Annual General Meeting**

1. Examine, discuss and vote on the management statements and financial statements for the fiscal year ending December 31 2018
2. Examine, discuss and vote the proposal for the allocation of net income for the fiscal year and the distribution of dividends
3. Establish the number of members of the Board of Directors
4. Elect the members of the Board of Directors
5. Establish the amount of compensation of the members of Management
6. Establish the number of members of the Fiscal Council
7. Elect the members of the Fiscal Council
8. Establish the amount of compensation of the members of the Fiscal Council

II) **Extraordinary General Meeting**, which will only be held should Management's proposal for allocating the net income for fiscal year 2018 be approved by the Annual General Meeting, which precedes it. Items 2, 3 and 4 are conditional on the approval of item 1, while item 3 is also contingent on the approval of item 2 and the alteration of Article 6 of the Corporate Bylaws, mentioned in item 4, is conditional on the approval of item 3:

1. examine, discuss and vote the proposal for increasing the capital stock in the total amount of R$ 1,112,049,759.43, being R$ 72,049,759.43 through the incorporation of part of the Capital Reserves account (Stock Option Purchase and Restricted Shares Plan Reserve) and R$ 1,040,000,000.00 through the incorporation of part of the balance of the Profits Reserves account (Reserve for Investment and Expansion in the amount of R$ 895,819,393.51, Legal Reserve in the amount of R$ 87,640,775.88 and Tax Incentive Reserve of R$ 56,539,830.61);

2. examine, discuss and vote the proposal of a bonus in shares at the ratio of 10% (ten per cent), corresponding to an issue of 72,002,450 new common shares, being 1 (one) new common share for each 10 (ten) common shares, free of charge to the shareholders;

3. examine, discuss and vote the proposal to increase the Company's authorized capital stock up to the limit of 1,361,250,000 (one billion, three hundred and sixty-one million, two hundred and fifty thousand) common shares, in the light of and in the proportion to the bonus shares in item 2 above;

4. approve the alteration in the caption sentence to articles 5 and 6 of the Bylaws to incorporate the aforementioned decisions; as well as the increases in the subscribed and paid-in capital stock and the number of shares issued in the light of the resolutions of the Board of Directors approved on May 21, August 16 and November 21, all in the year 2018, with respect to the exercising of grants under the Company's Stock Option Purchase Plan, the subscribed and paid-in capital stock increasing to R$ 3,749,522,796.96 (three billion, seven hundred and forty-nine million, five hundred and twenty-two thousand, seven hundred and ninety-six reais and ninety-six cents), divided into 792,026,948 (seven hundred and ninety-two million, twenty-six thousand, nine hundred and forty-eight) common, nominative, book entry shares with no par value.

PROCEDURES AND TERMS

To take part in the Extraordinary and Annual General Meeting called for 2:00 p.m. on April 19, 2018, the Company's Shareholders may choose one of four options at their disposal: (i) Personal Participation, (ii) by Remote Voting, (iii) Representation pursuant to the First Paragraph of Article 126 of Law 6,404/76, or (iv) through the Public Request for a Power-of-Attorney arranged by the Company.

(i) PERSONAL PARTICIPATION
Pursuant to Paragraph 5, Article 10 of the Corporate Bylaws and to ensure better organization of the Meeting, the Company will begin registering Shareholders for the Meeting at least 72 (seventy-two) hours prior to the appointed time. Consequently, those shareholders that intend to participate personally may send the following documents before the event, care of the Investor Relations Officer, Laurence Beltrão Gomes to Av. Joaquim Porto Villanova, 401, Torre Sul, 7º andar, Bairro Jardim do Salso, Porto Alegre, RS, CEP.91410-400 or by e-mail acionistas@lojasrenner.com.br, or by presenting them personally at the beginning of the Meeting.

Natural Person
a) substantiating statement issued by the securities registrar in the past 5 (five) days; and
b) copy of a nationally valid identification document with recent photograph: (i) Brazilian ID (RG) issued by an authorized body; (ii) Foreign Residents ID (RNE) issued by an authorized body; (iii) Valid passport issued by an authorized body; (iv) Class Association ID valid as a civil identity document for legal purposes issued by an authorized body (OAB, CRM, CRC, CREA) or; (v) Brazilian driving license with photograph (in the new driving license format).

Legal Entity and Investment Funds
a) substantiating statement issued by the securities registrar in the past 5 (five) days;
b) power of attorney and copy of a nationally valid identification document with a recent photograph of the proxy;
c) relative to the shareholders participating in the fungible custody of nominative shares, the statement showing the respective shareholding participation, issued by a duly authorized body; and
d) a copy of the corporate bylaws or the current articles of association and of the act vesting the representative with appropriate powers.

For the purposes of the documents in relation to the act, which vests the representative with powers to vote in the name of a shareholder that is a legal entity, if the act is a meeting of the board of directors, then the shareholder should first obtain a document substantiating the filing of the act with the authorized registry. In the case of legal entities with representatives who are not named in the articles of association themselves or with any procedure for nominating via a separate act, the shareholder must prove the validity of the nomination by providing proof of the filing of the act with the authorized registry.

In the case of investment funds, the representative shall substantiate their quality as administrator of the fund or proxy nominated by the same in the form of the applicable legislation. In the case of foreign investment funds and corporate entities, in the documentation substantiating powers of representation, the sworn translation shall not be necessary if the original language of the document is Portuguese, English or Spanish. Documents written in other languages will only be accepted against presentation of a sworn translation into one of these 3 (three) aforementioned languages.

(ii) REMOTE VOTING
Pursuant to Article 21-A and subsequent articles to ICVM 481/09, the Company's shareholders may also exercise voting rights in General Meetings through a remote voting process, to be formalized in an electronic document known as a "Distance Voting Ballot" (Voting Ballot), the model for which is shown in Attachment XIII of this Manual and to be found in the website of the Company www.lojasrenner.com.br/ri, in the CVM Documents - Meetings and Minutes – Extraordinary and Annual General Meeting 2018. Remote voting using the Voting Ballot may be in three formats:

Directly to the Company
The Shareholder that chooses to send the Voting Ballot to the Company, shall print, complete, initial, sign and mail (Av. Joaquim Porto Villanova, 401, Torre Sul, 7º andar, Bairro Jardim do Salso, Porto Alegre, RS, Cep.91410-400) or forward it electronically (acionistas@lojasrenner.com.br) to Lojas Renner S.A., care of the Investor Relations Officer, Laurence Beltrão Gomes.

Pursuant to Article 21-B of ICVM 481/09, the Voting Ballot shall be received in up to 7 (seven) days prior to the meeting. Voting Ballot received after the stipulated date shall not be accepted by the Company. Pursuant to Article 21-U, the Company shall notify the Shareholder in up to 3 (three) days from receipt of the Voting List if the documents received are sufficient or otherwise for the vote to be deemed valid. Certification, notarization or consularization of the signature shall not be required.

In addition to the Voting Ballot, the Shareholder shall submit the following certified documents (certification is waived for those documents in the website of the CVM): Natural Person - ID with a photograph of the shareholder or their legal representative, being: Brazilian national's ID, Foreign Resident's ID, Brazilian driving licenses, passport or class association ID. Legal Entity (PJ) and Investment Funds (FI) - a) ID with a photograph of the shareholder or their legal representative, being: Brazilian national's ID, foreign resident's ID, Brazilian driving licenses, passport or class association ID; b) Articles of Association or consolidated and current Corporate Bylaws (in the case of a PJ), or the consolidated and current fund regulations (in the case of a FI); and c) a document substantiating powers of representation.

PROCEDURES AND TERMS

In the case of investment funds, the representative shall substantiate their quality as administrator of the fund or proxy nominated by the same in the form of the applicable legislation. In the case of foreign investment funds and corporate entities, in the documentation substantiating powers of representation, the sworn translation shall not be necessary if the original language of the document is Portuguese, English or Spanish. Documents written in other languages will only be accepted against presentation of a sworn translation into one of these 3 (three) aforementioned languages.

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(iii) REPRESENTATION, PURSUANT TO THE FIRST PARAGRAPH OF ARTICLE 126 OF LAW 6,404/76
The shareholder may also be represented by a proxy, constituted at least for a year, conditional on the latter being a shareholder, administrator of the Company, lawyer or financial institution, it being incumbent on the investment funds administrator to represent their investors pursuant to the First Paragraph, Article 126 of Law 6,404/76. The shareholders that are legal entities may be represented according to their corporate bylaws/articles of association.

When a proxy represents the shareholder, the regularity of the power of attorney will have to be verified prior to the opening of the Meeting as well as ownership of the shares.

The documents to be prepared for participation in the Meeting will be the same as those required for onsite participation as mentioned above, and in accordance with representation, whether a natural person, corporate entity or investment funds.

(iv) PUBLIC REQUEST FOR A POWER OF ATTORNEY ARRANGED BY THE COMPANY
As announced in the Announcement of a Public Request for a Power of Attorney, with view to ensuring the installation of a minimum quorum allowing the E/AGM to proceed upon first call, Management requests that shareholders who cannot be present at the Meeting or cannot be represented by a proxy nominated at their exclusive criterion, use one of the following proxies placed by the Company at their disposal.

Should you decide to take part in the E/AGM using one of the proxies nominated by the Company pursuant to ICVM 481/09, in accordance with the votes to be cast, the shareholders may nominate one of the lawyers indicated by the Company, details of whom are as follows:

In the event of a vote **In Favor**:
MARIA MEDEIROS BOFILL, Brazilian, married, lawyer, bearer of ID number 11025690544, enrolled in the tax register (CPF/MF) under number 962.461030-49 and in the Brazilian Bar Association (OAB/RS) under number 63.932 with professional address in the city of Porto Alegre, RS, Av. Carlos Gomes, 222, 5° andar, Bairro Boa Vista, CEP 90480-000.

In the event of a vote **Against**:
GABRIELA VITIELLO WINK, Brazilian, single, lawyer, bearer of ID number 5058550831, enrolled in the tax register (CPF/MF) under number 944415100-04 and in the Brazilian Bar Association (OAB/RS) under number 54,018 with professional address in the city of Porto Alegre, RS, Av. Carlos Gomes, 222, 5° andar, Bairro Boa Vista, CEP 90480-000.

In the event of an **Abstention**:
DANIEL BORN ROMAN, Brazilian, single, lawyer, bearer of ID number 1080002429, enrolled in the tax register (CPF/MF) under number 019.823.840-18 and in the Brazilian Bar Association (OAB/RS) under number 111.130 with professional address in the city of Porto Alegre, RS, Av. Carlos Gomes, 222, 5° andar, Bairro Boa Vista, CEP 90480-000.

The Power of Attorney Model is supplied by the Company's Management pursuant to Article 23 and respective Attachment 23 to ICVM 481/09, in accordance with the draft of the Public Request for a Power of Attorney included in this Manual. All the legal information and specific regulations necessary for granting the requested instrument can be found in this document.

MATTERS TO BE RESOLVED
In the Annual General Meeting

Pursuant to article 132 of the Law 6,404/76 ("Corporations Law" and article 10 of its Bylaws, the Company shall carry out an AGM once a year, within the four (4) months immediately subsequent to the ending of the fiscal year.

As per such provision of the Corporations Law, is of exclusive competence of the Annual General Meeting to resolve about the following matters contained in the agenda, which shall henceforth be emphasized and commented on:

•examine, discuss and vote on the Management accounts and financial statements for the fiscal year ending December 31 2018;

•examine, discuss and vote the proposal for the allocation of net income for the fiscal year and the distribution of dividends;

•establish the number of members of the Board of Directors;

•elect the members of the Board of Directors;

•establish the amount of compensation of the members of Management;

•establish the number of members of the Fiscal Council;

•elect the members of the Fiscal Council; and

•establish the amount of compensation of the members of the Fiscal Council.

You will find below explanations provided by the Corporation's management with respect to each one of the matters to be resolved in the Annual General Meeting.

MATTERS TO BE RESOLVED

In the Annual General Meeting

1. EXAMINE, DISCUSS AND VOTE ON THE MANAGEMENT STATEMENTS AND FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING DECEMBER 31 2018.

(A) MANAGEMENT STATEMENT

The documents provided by the Corporation's management are:
(i)Management report concerning the business statistics and the management analyses and discussions with respect to the main accounts of the Income Statement for the fiscal year (Attachment III hereto);
(ii)Management's comments on the Corporation's financial condition (Attachment IV hereto);
(iii)Financial statements and the respective explanatory notes (Attachment V hereto);
(iv)Independent auditors' report (Attachment VI hereto);
(v)Opinion from the Fiscal Council (Attachment VII hereto); and
(vi)Capital budget proposal and representations of the Corporation's officers pursuant to Article 25, §1, items V and VI of Rule 480 (Attachment VIII hereto).

The management documents mentioned above are an integral part hereof. Furthermore, such documents are separately available in the website of Securities Exchange Commission (CVM – Comissão de Valores Mobiliários) (www.cvm.gov.br) or in the Corporation's website (www.lojasrenner.com.br/ri).

The Management accounts are presented together with the management report and the financial statements prepared by the Corporation's Board of Executive Officers. Prior to disclosure to and approval by the shareholders, the accounts shall be previously approved by the Board of Directors. After issuance of opinion by the Fiscal Council, the accounts are then submitted to the AGM. The approval by the Board of Directors was obtained during the meeting of the board of directors held on February 07, 2019. On the same date, the Fiscal Council issued its Opinion.

The Management Report contains financial and non financial information, in addition to statistic and business information with respect to the analysis and discussions of the main accounts of the income statement for the fiscal year, as well as information related to employees, social responsibility, capital market, corporate governance, among others.

The Corporation recommends to its shareholders to duly exam the documents provided by the management of the Corporation, in order to resolve about the Management accounts.

(B) FINANCIAL STATEMENTS

The financial statements express the Corporation's financial and economic condition and the equity variation occurred within the fiscal year. Through the analysis of the financial statements, it is possible to evaluate the equity situation, the liquidity rates, the profit level and the Corporation's indebtedness level.

The financial statements have as effective date December 31, 2018 and refer to the fiscal year ended on the same date and are composed of six documents:
(i) Balance sheet;
(ii) Income statement for the fiscal year;
(iii) Statements of Changes in Equity - Parent Company and Consolidated;
(iv) Statements of Cash Flows;
(v) Statements of Comprehensive Income; and
(vi) Statement of Value Added.

The Explanatory Notes are presented together with the financial statements, with the purpose of supplementing such financial statements, as well as to assist in their analysis and comprehension. The shareholders shall duly exam the explanatory notes related to the Corporation's financial statements with the purpose to evaluate and approve (or not) such financial statements.

The Corporation's financial statements have been audited by KPMG Auditores Independentes. The auditors issued a report without caveats, pursuant to the full content of the opinion set forth in Attachment VI hereto. Lojas Renner's policy in relation to its independent auditors, with respect to the provision of services not related to the external audit rests on principles that preserve the auditor's independence. These principles are based on the fact that the auditors should not audit their own work, perform management functions or represent their client. During the fiscal year ending December 31, 2018, the Company's independent audit services conducted by KPMG Auditores Independentes, covered the examination of the financial statements, the Company's Annual Report assurance and the preparation of the evaluation report of shareholders' equity at book value of Realize CFI and Renner Administradora de Cartões de Crédito Ltda (RACC). The total fees payable to the independent auditors for fiscal year 2018 were R$ 812.0 thousand.

The Corporation recommends to its shareholders to duly exam the documentation provided by the Management in order to resolve about the Corporation's financial statements.

MATTERS TO BE RESOLVED

In the Annual General Meeting

2) EXAMINE, DISCUSS AND VOTE THE PROPOSAL FOR THE ALLOCATION OF NET INCOME FOR THE FISCAL YEAR AND THE DISTRIBUTION OF DIVIDENDS

(A) ALLOCATION OF NET INCOME

The Corporation's management shall submit the proposal for application of net profit of the fiscal year, pursuant to Annex 9-1-II to Rule 481. Such proposal is included in Attachment IX hereto. We recommend the careful reading of such Attachment after the reading hereof.

The Corporation's net profit for the fiscal year totalizes the amount of R$ 1,020.1 million. Net profit corresponds to the positive results of the fiscal year, after deduction of the provision for the income tax and the statutory profit sharing assignments.

The Management of the Company proposes the following application of net profit for the fiscal year: Dividends in the amount of R$ 408.1 million, representing 40% of the net profit for the fiscal year, Legal Reserve in the amount of R$ 51.0 million, representing 5% of the net profit for the fiscal year, Reserve for Investments and Expansion in the amount of R$ 507.0 million, representing 49.7% of the net profit for the fiscal year, Tax Incentive Reserve in the amount of R$ 32.9 million, representing 3.2% of the net profit for the fiscal year, according to article 195-A of Law 6,404/76 and the absorption of R$ 21.1 million for the initial adoption of CPC 48/ IFRS 9, representing 2.1% of the net profit. The proposal was adopted in the light of the Company's sustained growth policy, investments in new stores, in structure and the logistics process.

The Company understands that the proposal for application of net profits above was formulated in accordance with legal and statutory obligations of the Company, strictly pursuing its corporate purpose.

(B) DISTRIBUTION OF DIVIDENDS

Pursuant to Attachment IX hereto, the Management of the Company proposes to distribute the amount of R$ 408.3 million, which corresponds to forty per cent (40%) of Corporation's adjusted annual net profit and dividends prescribed in 2018, to be distributed among the Shareholders of the Corporation based on their respective participations.

Pursuant to Section 35 of the Bylaws, the interest over own capital in the amount of R$ 225.7 million, as declared in the Board of Directors' Meetings held on March 15, June 19, September 19 and December 19, 2018, have been attributed to the compulsory dividend proposed by the Management, and for such reason, the amount to be paid as a dividend, after the AGM, shall be R$ 182.6 million, corresponding to R$ 0. 254186 per share.

In February 15th, 2019 420,750 shares were transferred in the light of the Company's Restricted Shares Program. Therefore the number of shares considered for the calculation of the dividends per share changed from 717,939,098 as of December 31st, 2018 to 718,359,848.

The Corporation understands that the proposal for application of net profits above was formulated in accordance with legal and statutory obligations of the Company. The present proposal matches the expansion project of the business activities of the Company.

3) ESTABLISH THE NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS

Pursuant to Paragraph 3, Article 16 of the Company's Bylaws, the shareholders shall decide at the Annual General Meeting the effective number of members to sit on the Board of Directors. According to the Company's Bylaws, the Board of Directors shall be composed by, minimum five (05) to maximum nine (09) members.

Management proposes that 8 (eight) members sit on the Board of Directors.

The Company believes that the proposal to maintain the existing number of members on the Board of Directors is in accordance with the principles of corporate governance currently being followed.

MATTERS TO BE RESOLVED

In the Annual General Meeting

4) ELECT THE MEMBERS OF THE BOARD OF DIRECTORS

The election of the members of the Company's Board of Directors may take place through 3 (three) voting systems which are: (i) via an individual voting process ("Individual Voting"); (ii) through a multiple voting process ("Multiple Voting Process") or (iii) via separate voting process ("Separate Voting Process"), as described below.

As is already known, the current members of the Board of Directors shall be considered automatically nominated for reelection via a joint proposal of the members of the Board of Directors. Thus, the names indicated by the Company are Osvaldo Burgos Schirmer, Carlos Fernando Couto de Oliveira Souto, José Galló, Fábio de Barros Pinheiro, Heinz-Peter Elstrodt, Thomas Bier Herrmann, Juliana Rozenbaum Munemori, Christiane Almeida Edington, all adherent to the Policy for Indication of Members of the Board of Lojas Renner S.A..

The multiple voting process is a procedure whereby each share is attributed so many votes as there are vacancies to be filled on the Board of Directors, the shareholder's right to accumulate votes for one candidate only or distribute them among various candidates being recognized. Shareholders of the Company, representing at least 5% (five percent) of the capital stock, may request to the Company in writing the adoption of the multiple voting process up to 48 (forty-eight) hours prior to the holding of the AGM pursuant to Law 6.404/76.

Should the multiple voting process not have been requested, the members of the Board of Directors may decide by an absolute majority of those present to propose the name of substitute candidates to replace any current Director not standing for reelection should such a nomination be necessary to make up the total number of candidates for the seats on the Board, pursuant to the provision in Article 17 of the Company's Corporate Bylaws. Should the multiple voting process have been requested, each current member of the Board of Directors shall be considered a candidate for reelection to the Board of Directors.

It is secured to shareholders holding, whether solely or jointly, at least, 10% (tem percent) or more of the Company's common shares, the right to elect one Board Member in separate voting, compliance with the provision in Paragraph 1 of Article 16 above to be observed with respect to the independence of the Director.

The shareholders may only use one election mechanism. In the case of the distance voting ballot, should the shareholder use more than one form of voting, the Company will consider individual voting as the valid one, excluding the other forms.

The Board of Directors has the support of four committees: the Human Resources Committee, set up on June 08, 2005 as the Compensation Committee; the Sustainability Committee established on March 31, 2008; the Audit and Risk Management Committee on April 20, 2015 and with statutory status since March 09, 2018, and the Strategic Committee on April 17, 2014. Both the Board of Directors as well as the Committees have Internal Charters which regulate their respective activities.

Since October 2009, the Board of Directors is subject to a formal evaluation through which the directors annually appraise the Organ as a whole, their individual performances, the Chairman of this Body and the Committees, also including aspects with respect to the economic performance of the organization.

The Board of Directors was evaluated with the help of a specialized outside consultancy with solid knowledge and experience in appraisals of boards of large companies. The process involved an interview with all the Directors, the Board secretary and a group of Officers with greater access to the Board. All the directors evaluated their peers individually as well as a direct appraisal of the Chairman and the dynamic of the meetings. Each director received individual feedback as a result of the evaluation of their peers on a closed basis, that is consolidating the evaluation of all the other directors. Subsequently, the consultancy reviews feedback from the general evaluation of the Board at a specific meeting, which highlights the positive factors and points where there is room for improvement.

In 2018, Lojas Renner's Board of Directors met 16 times, closely monitoring the Company's management and businesses.

At the end of its onsite meetings and as a practice, the Board of Directors holds a "Non-Executive Session", without Company executives. Of the eight members of the Board, only one Director is a statutory officer of the Company. Hence, seven members are external and independent, thus fostering a plurality of opinions for establishing business strategies and guaranteeing the independence of executive activities.

As notified in the message of the Chairman of the Board of Directors, for this Annual General Meeting, based on the prevailing legislation, shareholders have asked the inclusion of a new name on the distance voting ballot. Thus, there will be 9 candidates disputing 8 seats on the Company's Board of Directors.

The Directors Osvaldo Burgos Schirmer, Carlos Fernando Couto de Oliveira Souto, Fábio de Barros Pinheiro, Heinz-Peter Elstrodt, Thomas Bier Herrmann, Juliana Rozenbaum Munemori and Christiane Almeida Edington have declared themselves independent in a document delivered to the Company in accordance with the criteria of independence ordained in the B3 S.A. – Brasil, Bolsa, Balcão's Novo Mercado's Listing Regulations.

The Board of Directors of Lojas Renner S.A. declares itself favorable to the qualification of each of the members of the Board of Directors mentioned above under the criteria of independence incorporated in the Novo Mercado Listing Regulations.

The document containing information under items 12.5 to 12.10 of the Reference Form attached to ICVM 480/09 for each one of the nominated members of the Board of Directors is included in this Manual under Attachment X.

MATTERS TO BE RESOLVED

In the Annual General Meeting

4) ELECT THE MEMBERS OF THE BOARD OF DIRECTORS

Indicated by de Company

Osvaldo Burgos Schirmer. Independent Member of the Board of Directors since April 2012 and elected Chairman of the Board on April 2013. Mr Schirmer is President of the People Committee and Strategic Committee, besides Audit and Risk Management Committee Member. He worked at Gerdau Group from 1986 to January 2013 and was appointed Financial Officer in 1987. He had been Executive Vice President of Gerdau S.A.'s Executive Committee from 2002 to January 2013. He was also Vice President of Finance, Controlling and Investor Relations Officer of Gerdau S.A. Mr. Schirmer is currently independent member of the Board of Directors of SLC Agrícola S.A. since June 2013, of CMPC Celulose since June 2016 and of Estácio S.A. since April 2016, where he accumulates the position of Coordinator of Audit and Finance Committee. He has been an advisory board member of SLC Participações, a privately held family holding of the SLC Group, since April 2017 and Board Member of Marcopolo as well as Coordinator of the Finance Committee since April 2018. He is founder and partner of SBA – Schirmer and Associates Business Advisors, since January 2013. Since February 2013, he has been the Chairman of the Board of the American Chamber of Commerce of the State of Rio Grande do Sul and Vice President of the American Chamber of Commerce of São Paulo.
He graduated in Business Administration from Universidade Federal do Rio Grande do Sul, has a Master's degree in Business Administration from Southern Illinois University (USA) and has concluded several specialization courses, among them one at the Harvard Business School (USA) in Administration for Senior Management.

Carlos Fernando Couto de Oliveira Souto. Independent Member of the Board of Directors of Lojas Renner since April 2015, he was elected Vice Chairman of the Board in April 2016, and he is currently member of the People Committee. He is founder, partner and CEO of the law firm Souto, Correa, Cesar, Lamberts & Amaral Advogados. He is Board Member of YPO (LAC Region), Associação Escola Panamericana de Porto Alegre (PAS), Câmara Americana de Comércio in Porto Alegre (AMCHAM) and Hospital Moinhos de Vento in Porto Alegre (HMV).

He graduated in Legal Science by Universidade Federal do Rio Grande do Sul, in 1989, with specialization in Philosophy and Political Economy by PUC/RS. Participated in the Direito e Economia da Empresa Program, by FGV, and the post graduation of the Prosecution Office. He is also graduated in OPM by Harvard Business School (HBS), including the module in Shanghai.

José Galló. Member of Lojas Renner's Board of Directors since April 1998, and also member of the Strategic Committee and Sustainability Committee. In September 1991 he was elected Managing Director of Lojas Renner S.A., and in March 1999 was elected Chief Executive Officer. He has been a Director of Renner Administradora de Cartões Ltda., Dromegon Participações Ltda., Realize Participações S.A. and since June 2008 a member of the Advisory Board of Instituto Lojas Renner. He was Director of Realize Crédito, Financiamento e Investimento S.A.. He has over 30 years of experience in retailing and is a member of the Board of Directors of Localiza Rent a Car S.A., Itaú Unibanco Holding S.A. and of Instituto de Desenvolvimento do Varejo (IRD - Institute of Retail Development). He was member of the Board of Directors of SLC Agrícola S.A. from April 2007 to May 2016. He is also Vice President of the Chamber of Store Directors of Porto Alegre and Ambassador of Endeavor Brasil in Rio Grande do Sul.
Mr. Galló graduated in Business Administration in 1974 from Fundação Getúlio Vargas.

Fábio de Barros Pinheiro. Independent Member of Lojas Renner's Board of Directors since August 2014 and he is currently President of the Audit and Risk Management Committee. He has been independent member of the Board of Directors of Banco Pan S.A.. since 2013, Chairman of Itsseg Seguros Inteligentes S.A. since January 2016 and independent member of the Board of Directors of Estre Ambiental Inc. since January 2018 and independent member of the Board of Directors of CPSEC (Companhia Paulista de Securitização). He was independent member of Galvani Indústria, Comércio e Serviços S.A. and Chairman of Grupo Dilleto and Eneva S.A.. He was also Managing Director of Banco UBS Pactual S.A.. He is also independent member of the Board of Directors of Grupo Laticínio São Vicente de Minas S.A. since 2013.
He graduated in Electrical Engineering from Universidade de Brasília (Brasília) in 1982 and has a MBA from Indiana University (Indiana - USA) in 1992.

MATTERS TO BE RESOLVED

In the Annual General Meeting

4) ELECT THE MEMBERS OF THE BOARD OF DIRECTORS

Indicated by de Company

Heinz-Peter Elstrodt. Independent Member of the Board of Directors of Lojas Renner since April 2016 and he is currently member of the Strategic Committee. Mr. Elstrodt is Emeritus Officer of McKinsey & Company. He joined McKinsey in 1983 and worked in Germany, USA and Brazil. He is co-founder of São Paulo branch, opened in 1988, and Head of Latin America, a group of 10 branches in 8 countries. After retiring from McKinsey in 2015, he became Member of several Board of Directors and started as lecturer at London Business School. He is Chairman of the Board of Directors of Semapa S.A., a holding company listed in Lisbon. He also works as advisor for some companies worldwide.
He graduated in Business and Industrial Engineering by Karlsruhe University, in Germany, in 1979 and is Ph.D in Business by Augusburg University, also in Germany, in 1982.

Juliana Rozenbaum Munemori. Independent Member of the Board of Directors since April 2017 and she is currently member of the Audit and Risk Management Committee. Since July 2013, she has been a member of the Board of Directors of Arezzo&Co and Coordinator of the Strategy Committee. Since June 2016, she has been an effective independent member of the Board of Directors of Duratex S.A as well as sitting on the Audit and Risk Management Committee and the Committee for Evaluation of Transactions with Related Parties. Since April 2018, is independent Member of EDP – Energias do Brasil S.A.'s Board of Directors, of the Corporate Governance and Related Parties Board and the Inclusion and Diversity Committee. Since December 2018 participates in the Startegy Committee of Suzano Papel e Celulose S.A. and, since January 2019 is Member of the Consultive Board of Euroframa Laboratórios S.A.. She has 13 years' experience in Sell Side Equity Research, her primary focus being on companies in the consumption and retail sector. She worked for different financial institutions between 2000 and May 2013, principally at Itaú BBA. Over the years, on various occasions she has been recognized by Institutional Investor magazine for her coverage of the retail and consumer goods sectors.
From 2013 to 2017, she worked as a consultant in consumption and retailing for the Investment Banking area of Itaú BBA. Previously, she worked as a Buy Side economist for institutions such as JGP, Pactual and Icatu. She is also a member of the Consultative Board of GoCase and Uatt, companies under the Endeavor Entrepreneurship umbrella, an organization of which she is an active mentor.
She graduated in Economics from the Pontifícia Universidade Católica (PUC) of Rio de Janeiro and holds a CFA designation.

Thomas Bier Herrmann. Independent Member of the Board of Directors since April 2017 and he is currently President of the Sustainability Committee. Has exercised his professional activities for 44 years at Grupo Renner Herrmann S.A. Since 1997, he has held the position of Chief Executive Officer of Renner Herrmann S.A. He was member of the Board of Directors of Lojas Renner from 1991 to 1998. He is a member of the Senior Board of the Rio Grande do Sul Steel Association and the Board of Directors of Hospital Moinhos de Vento, having been president of the latter institution from 1999 to 2005. He was a Director of Iochpe-Maxxion S/A from January 2008 to March 2015.
He graduated in Business Administration from the Universidade Federal do Rio Grande do Sul and in Law from Pontifícia Universidade Católica (PUC), Porto Alegre.

Christiane Almeida Edington. Independent Member of the Board of Director of Lojas Renner and Member of the Strategic Committee since April 2018. She has a solid experience of 30 years in various areas of Information Technology as well as 8 years leading the area of organizational processes and business in large companies. She is CEO of Dataprev, a state-owned company that provides IT solutions, being responsible for the social database of Brasil. Since January 2016, she has sat on the Board of CIONET – a world network of CIOs. She is Director of the OESIA Grupo, a Spanish company specialized in innovative technologies and has been a member of the Strategy Committee since January 2017. She acts as advisor in the Winning Woman Brazil Program. Since January 2016, she has been an Advisory Director of ZUP IT INNOVATION, a startup focused on the digital transformation of large companies. She was a Member of the Board of Directors of LIQ S.A. from January 2017 to January 2018. She was Executive Director for Information Systems (CIO) at Telefônica Vivo from March 2011 until April 2016. She was General Director for Information Systems (CIO) at Vivo S.A., from 2008 until 2011. She was Information Systems Director – CIO at Tele Leste Celular Participações (Telebahia Celular and Telergipe Celular) – Telefônica Group from 1998 to 2003. She began her career at Telecomunicações da Bahia S.A (Telebahia) – a Telebrás Group company, having from 1985 to 1998, held various technical and managerial functions. Member of the CIO Solidário Group and a participant in the Brazil Educational Project.
Graduated in Data Processing – Escola Baiana de Processamento de Dados (1985). She has a post-graduate degree in Software Engineering – Universidade Federal da Bahia (1994); a Master's degree in Business Management – Fundação Dom Cabral (2000); completed the Personnel Management program from the Universidade de São Paulo (2001); an MBA in Business Management - Fundação Getúlio Vargas (2002); completed the IESE Business School – Universidad de Navarra - Advanced Management Program (2002); an MBA in IT Governance - Instituto de Pesquisas Tecnológicas/USP (2007) and completed the Corporate Governance, Board of Directors program – IBGC (2016).

MATTERS TO BE RESOLVED

In the Annual General Meeting

5) ESTABLISH THE AMOUNT OF COMPENSATION OF THE MEMBERS OF MANAGEMENT

The Corporation submits the proposal for compensation of the management set out below, as well as any additional information contained in item 13 of the Corporation's Reference Form, pursuant to Attachment XI hereto.

The Company's management is proposing for fiscal year 2019 an aggregate compensation of up to R$ 45.2 million, the same amount proposed and approved for fiscal year 2018, restated at the INPC, albeit an amount which was not reached in 2018 due to some corporate and individual goals not having been met, which is pursuant to Article 152 of Law 6,404/1976, the conditions handed down in CVM Administrative Process RJ-2014-6629, as well as to Ofício Circular CVM/SEP/N°02/2018.

The compensation of members of the Management and the Fiscal Council from 2017, 2018 and estimated to 2019 are shown below.

Global Compensation of the Management	2017 (Paid)	2018 (Paid)	2019 (Estimated)
Fixed Compensation	**R$ 11,433,316.34**	**R$ 11,262,270.94**	**R$ 17,650,000.00**
Pro-labore	R$ 8,440,013.34	R$ 8,708,973.34	R$ 14,700,000.00
Committees Participation	R$ 1,509,600.00	R$ 1,641,600.00	R$ 1,950,000.00
Benefit	R$ 931,440.00	R$ 911,697.60	R$ 1,000,000.00
Others	R$ 552,263.00	R$ 0.00	R$ 0.00
Variable Compensation	**R$ 11,472,620.87**	**R$ 9,240,949.20**	**R$ 11,600,000.00**
Meeting Participation	R$ 921,300.00	R$ 946,200.00	R$ 1,100,000.00
Variable Compensation (Statutory Participation)	R$ 10,551,320.87	R$ 8,294,749.20	R$ 10,500,000.00
Stock-based Compensation	**R$ 18,245,448.30**	**R$ 13,030,852.06**	**R$ 16,000,000.00**
Expenses with the Stock Option/Restricted Plans	R$ 18,245,448.30	R$ 13,030,852.06	R$ 16,000,000.00
Total	**R$ 41,151,385.51**	**R$ 33,534,072.20**	**R$ 45,250,000.00**

The estimated value of the compensation for 2019 includes the restatement of compensation due to the Board of Directors, the Board of Executive Officers and the Fiscal Council according to the INPC inflation index 2018, besides an adequacy to the market as well as considering the achievement of 2019's goals. Further details on the compensation of the Boards and Fiscal Council are set out in Attachment XI hereto.

Pursuant to Section 14 of Corporation's Bylaws, the Board of Directors is entitled to distribute the amount of global compensation individually among the officers, upon consideration of the People Committee's report.

6) ESTABLISH THE NUMBER OF MEMBERS OF THE FISCAL COUNCIL

Pursuant to caput Article 28 of the Company's Bylaws, the shareholders shall decide at the Annual General Meeting the effective and alternate number of members to sit on the Fiscal Council. According to the Company's By Laws, the Fiscal Council shall be composed from three (03) to five (05) sitting members and equal number of alternate members.

Management's proposal is that the number of Fiscal Council members remain the same as current, or three effective members and three alternate members.

The Company believes that the proposal to maintain the existing number of members on the Fiscal Council is in accordance with the principles of corporate governance currently being followed.

MATTERS TO BE RESOLVED

In the Annual General Meeting

7) ELECT THE MEMBERS OF THE FISCAL COUNCIL

Pursuant the Corporation Bylaws, the Fiscal Council will be permanently installed and shall be composed of 3 (three) to 5 (five) effective members and alternate members in equal number. The amount shall be defined in the Annual General Meeting, with unified term of office of one (01) year, being allowed reelection.

Pursuant article 28 of the Corporation Bylaws, the majority of shareholders attending the AGM shall elect the majority of the Fiscal Council's members and their respective alternate members. The remaining shareholders shall elect the remaining members, as well as their alternate members. The shareholder or group of shareholders different from that one which elected a member as provided for in the previous paragraph shall have equal rights, observing same rules and conditions of election. Other shareholders, excluding those voting in the election of members for the Fiscal Council as provided for in the paragraphs above, may elect the effective members and its alternates who, in any case, shall be in an equal number of those elected under the terms of the paragraphs above, plus one (1).

In 2018, the Fiscal Council of Lojas Renner met 9 times, four of which being interactive meetings with the External Auditor. The Fiscal Council also was present during part of the meetings of the Audit and Risk Management Committee in addition to parts of the meetings of the Board of Directors on the occasion of approval of the Financial Statements and Management Report, capital budget, share bonus, dividends and interest on capital.

In 2019, after more than 13 years as fiscal councilors of Lojas Renner, the effective councilors Francisco Sérgio Quintana da Rosa and Helena Turola de Araujo Penna, are not to be renominated, Lojas Renner to indicate new names in the interests of renovation and in line with best practices of independence in Corporate Governance. To replace them, the Company is putting forward the names of Joarez José Piccinini and Cristell Lisania Justen to join Ricardo Zaffari Grechi, the remaining existing fiscal councilor and who has been effective since 2014.

As indicated in the message from the Chairman of the Board of Directors, also in the context of this election and the prevailing legislation, the shareholders have requested the inclusion on the Company's distance voting ballot of a name to sit on the Fiscal Council (effective and alternate). Hence, there will be 4 candidates (effectives and alternates) disputing 3 seats on the Company's Fiscal Council.

In the event of there being no further nominations by shareholders to compose the Fiscal Council, shareholders present at the General Meeting shall elect the members to the Fiscal Council from among all those nominated for this position, including those listed in Attachment X.

The document containing the principal information on each one of the members for election to the Fiscal Council, including those listed in items 12.5 to 12.10 of the Reference Form attached to Instruction 480 can be found in this Manual under Attachment X.

Suggested by the Company:

EFFECTIVE MEMBER

Joarez José Piccinini. Since 2009, he has been Financial Services managing director (Banco Randon and Randon Consórcios) for the Empresas Randon group. He has more than 20 years of activity in the Brazilian financial market, also with spells at the financial institutions of BankBoston, Sogeral and Maisonnave and with a broad-based experience in the international financial market, residing for 10 years in London, (FleetBoston/ Bank of America and Votorantim). While in London, he was a Councilor of the Brazil-United Kingdom Chamber of Commerce. Currently, he is Economic and Finance Director and Councilor on the Caxias do Sul Chamber of Commerce and Industry.

He graduated in Business Administration, with specialization course in Capital Markets, Derivatives and Analysis of Risk and Credit, the latter held in Boston, and has an MBA in Marketing from ESPM. He also completed a Board Directors course run by the IBGC (Brazilian Institute of Corporate Governance), São Paulo.

ALTERNATE MEMBER

Ricardo Gus Maltz. He was elected alternate member of Lojas Renner's Fiscal Concil in April 2010. He is Managing Partner at Legati Consultoria em Gestão Empresarial, an advisor company in business management. Professional experience as a company director (effective member on the Fiscal Council of Arezzo & Co and CEO), have led in a consultancy capacity several company restructuring processes in the industrial, frozen freight transportation, retail, services, footwear and components for footwear and leather sectors, among others. Academic Activity: developed as an FGV lecturer an MBA course with the discipline "Strategy of Companies" and postgraduation course in the discipline "Company Games". He has developed a line of research in succession processes at family-owned companies and strategic management with work published in the EnANPAD(2008) in an article entitled: Does Isomorphism Exist in Brazilian Academic Accounting Periodicals?

He has a degree in Economics from PUCRS, a Master from FGV - Ebape - RJ and postgraduate degree and Master in Finance and Business Management from FGV-EPGE and Strategic Marketing from Insper. Coordinated the Economy Division at Federasul for the 2013-2016 Management.

MATTERS TO BE RESOLVED

In the Annual General Meeting

7) ELECT THE MEMBERS OF THE FISCAL COUNCIL

Suggested by the Company:

EFFECTIVE MEMBER

Cristell Lisania Justen. Has worked as financial controller at CRP – Companhia de Participações since 2016. From 2001 to 2016, she was an auditor and senior manager at PwC in Porto Alegre/RS, also working on internal technical consultations related to the International Financing Reporting Standards (IFRS).

Graduated in Accounting Sciences from the Universidade Federal do Rio Grande do Sul (UFRGS), in 2002, with a post graduate qualification in Financial Control from Universidade Federal do Rio Grande do Sul (UFRGS), obtained in 2012.

ALTERNATE MEMBER

Roberto Zeller Branchi. He was elected alternate member of Lojas Renner's Fiscal Council on April 2016. Partner of Headcon Consultores Associados, he worked as Controller for CRP Companhia de Participações and Rexnord Correntes Ltda.. He also worked as Senior Manager for PricewaterhouseCoopers Auditores Independentes. He has been teacher at several MBAs and Specializations, a member of committees with the Conselho Federal de Contabilidade (CFC) and Conselho Regional de Contabilidade do Rio Grande do Sul (CRC/RS). Associated with the IBGC - Instituto Brasileiro de Governança Corporativa.
He is graduated in Accountability in 1999, post graduated in Management Controlling in 2001 and has a Master in Economics by Universidade Federal do Rio Grande do Sul in 2011.

EFFECTIVE MEMBER

Ricardo Zaffari Grechi . Effective member of the Fiscal Council of Lojas Renner since April 2014. He has been effective member of the Fiscal Council of Instituto Lojas Renner since 2014. He was tax audit and manager of PwC, in Porto Alegre (RS) and Joinville (SC). He is Partner of Kolb, Quintana, Hilgert & Grechi Advogados and CEO at Unetral S.A..
He has a degree in Legal and Social Sciences from the Universidade Federal do Rio Grande do Sul (UFRGS) in 1999 and in Accounting Sciences from the Pontifícia Universidade Católica of Rio Grande do Sul (PUCRS) in 2001.

ALTERNATE MEMBER

Roberto Frota Decourt . He was elected alternate member of Lojas Renner's Fiscal Concil in April 2010. He has been a Managing Partner at the Instituto Pantex de Pesquisa Ltda. since 2001, working as consultant and coach in the field of financial and risk management. He has been member of the Board of Directors of Connectplug since 2018. He was an effective member of the Fiscal Council of Metalúrgica Gerdau S.A. from 2007 to 2011 and from 2014 to 2016. He also has experience as a MBA and doctorate lecturer at Unisinos - Universidade do Vale dos Sinos (RS) since 2005.
Mr. Decourt has a degree in Business Administration and a Doctorate in Administration from EA/UFRGS - Escola de Administração da Universidade Federal do Rio Grande do Sul. He also has a Post Doctorate degree in Finance from Université Grenoble Alpes.

8) ESTABLISH THE AMOUNT OF COMPENSATION OF THE MEMBERS OF THE FISCAL COUNCIL

The compensation of the members of Fiscal Council shall be fixed in the AGM and the compensation to each member shall not be lower than ten per cent (10%) of the average compensation attributed to each executive officer, not included the benefits, allowances and shares profits.

For 2019, the Administration proposes to fix the values practiced in 2018, adjusted by the INPC inflation index 2018 bringing the total value of R$ 653.5 thousand. This amount is included in the aggregate compensation of Management shown in item 5 above.

Further details on the compensation of the members of Fiscal Council are set out in the Attachment XI hereto.

MATTERS TO BE RESOLVED

In the Extraordinary General Meeting

The Company's Management proposes to increase the capital stock through the incorporation of part of the balance of the Capital Reserves and the Profits Reserves accounts as well as a bonus share issue at the ratio of 10% (ten percent), being 1 (one) new common share for every 10 (ten) common shares. We would point out that items 2, 3 and 4 are conditional on the approval of item 1, while item 3 is also dependent on approval of item 2. The amendment of Article 6 of the Corporate Bylaws, mentioned in item 4, is contingent on approval of item 3.

The Company's Management shall present a proposal for increasing the capital stock pursuant to Attachment 14 to ICVM 481/09 and the Company's Fiscal Council shall issue an Opinion. The said proposal and Opinion can be found in Attachment III to this Manual. We recommend reading the aforementioned Attachment and Opinion following the reading of this section of the Manual.

1. EXAMINE, DISCUSS AND VOTE THE PROPOSAL FOR INCREASING THE CAPITAL STOCK IN THE TOTAL AMOUNT OF R$ 1,112,049,759.43, BEING R$ 72,049,759.43 THROUGH THE INCORPORATION OF PART OF THE CAPITAL RESERVES ACCOUNT (STOCK OPTION PURCHASE AND RESTRICTED SHARES PLAN RESERVE) AND R$ 1,040,000,000.00, THROUGH THE INCORPORATION OF PART OF THE BALANCE OF THE PROFITS RESERVES ACCOUNT (RESERVE FOR INVESTMENT AND EXPANSION IN THE AMOUNT OF R$ 895,819,393.51, LEGAL RESERVE IN THE AMOUNT OF R$ 87,640,775.88 AND TAX INCENTIVE RESERVES IN TE AMOUNT OF r$ 56,539,830.61);

Pursuant to Subsection IV, Article 200 of Law 6.404/76, Capital Reserves may be used for incorporation into the capital stock. Therefore, considering that the Company has an Option Plan Reserve for the Purchase of Shares (POCA) exercised in the amount of R$ 72,049,759.43 corresponding to an offsetting account of "expenses with POCA" in addition to the amount already paid up in Reais in the exercising of the options, Management takes the view that the incorporation of these reserves into the capital stock merely registers/formalizes the amount of an already realized economic event when the option was exercised;

The Company is undergoing an important investment cycle for expanding its operations, projecting for fiscal year 2019, investments of R$ 698.8 million. In order to sustain the cycle of investments Management has chosen to retain 60% of the profits reported for the last few years.

Considering continuing expansion and the required related investments without undermining the Company's capital structure, Management understands that it is necessary that part of the balance in the Profits Reserve for Investments and Expansion in the amount of R$ 895,819,393.51, be incorporated in the capital stock together with the full value of the Legal Reserve amounting to R$ 87,640,775.88 and tax incentive reserves in the amount of R$ 56,539,830.61.

The Company understands that the proposal to increase the capital stock of R$ 1,112,049,759.43, was formulated not only in accordance with the legal and statutory obligations of the Company but also in the light of the major expansion over the next few years and rigorously in line with its corporate objective.

2. EXAMINE, DISCUSS AND VOTE THE PROPOSAL OF A BONUS IN SHARES AT THE RATIO OF 10% (TEN PER CENT), CORRESPONDING TO AN ISSUE OF 64,355,058 NEW COMMON SHARES, BEING 1 (ONE) NEW COMMON SHARE FOR EACH 10 (TEN) COMMON SHARES, FREE OF CHARGE TO THE SHAREHOLDERS;

The share bonus will carry a ratio of 10% (ten percent) of the current total common shares, corresponding to the issue of 72,002,450 new shares at a unit cost attributed to the bonus shares of R$ 14.44. Shareholders shall receive as a bonus, 1 (one) new common share for every 10 (ten) common shares, held on the date of the Meeting, which approves the bonus. Shares held as treasury stock and those shares underlying the stock option and restricted shares plans as well as the ADRs will also enjoy the same bonus rights. The shares issued by the Company shall be traded "ex-bonus rights" as from the day immediately subsequent to approval by the AGM.

MATTERS TO BE RESOLVED

In the Extraordinary General Meeting

The new shares shall be distributed free of charge to the shareholders and shall be entitled in full to the rights which may be attributed to them as from the date of the Meeting which approves the said increase in the capital. The new share shall enjoy no rights applicable to fiscal year 2018. The shares resulting from the bonus, if approved, will be credited to shareholders' positions on the date still to be informed.

The bonus shall always be effected in whole numbers. Following approval by the Meeting, the Company shall establish a period of no less than 30 (thirty) days for the shareholders that wish to transfer share fractions arising from the bonus issue, pursuant to Article 169, Paragraph 3 of Law 6404/76. This period having elapsed, eventual remaining share fractions shall be separated, grouped in whole numbers and sold on the BM&FBOVESPA and the resulting net amount made available to the shareholders entitled to these fractions. The Company will notify the respective procedure in greater detail in due course.

The Company understands that the bonus may increase the liquidity of the shares traded in the market, without diluting shareholding positions, as well as the fact that a larger free float may generate increased business and permit an adjustment in share price, rendering the shares more accessible and attractive to a larger number of investors.

3. EXAMINE, DISCUSS AND VOTE THE PROPOSAL TO INCREASE THE COMPANY'S AUTHORIZED CAPITAL STOCK UP TO THE LIMIT OF 1,361,250,000 (ONE BILLION, THREE HUNDRED AND SIXTY-ONE MILLION, TWO HUNDRED AND FIFTY THOUSAND) COMMON SHARES, IN THE LIGHT OF AND IN THE PROPORTION TO THE BONUS SHARES IN ITEM 2 ABOVE;

The Company understands that the increase in capital stock and resulting bonus proposed under item 2 above, should be reflected in the authorized capital stock - as per the Corporate Bylaws - in the same proportion of 10%. Therefore, the Company shall be authorized to increase the capital stock up to the limit of 1,361,250,000 (one billion, three hundred and sixty-one million, two hundred and fifty thousand) common shares on the decision of the Board of Directors, irrespective of statutory amendment.

4. APPROVE THE ALTERATION IN THE CAPTION SENTENCE TO ARTICLES 5 AND 6 OF THE BYLAWS TO INCORPORATE THE AFOREMENTIONED DECISIONS; AS WELL AS THE INCREASES IN THE SUBSCRIBED AND PAID-IN CAPITAL STOCK AND THE NUMBER OF SHARES ISSUED IN THE LIGHT OF THE RESOLUTIONS OF THE BOARD OF DIRECTORS APPROVED ON MAY 21, AUGUST 16 AND NOVEMBER 21, ALL IN THE YEAR 2018; WITH RESPECT TO THE EXERCISING OF GRANTS UNDER THE COMPANY'S STOCK OPTION PURCHASE PLAN, THE SUBSCRIBED AND PAID-IN CAPITAL STOCK INCREASING TO R$ 3,749,522,796.96 (THREE BILLION, SEVEN HUNDRED AND FORTY-NINE MILLION, FIVE HUNDRED AND TWENTY-TWO THOUSAND, SEVEN HUNDRED AND NINETY-SIX REAIS AND NINETY-SIX CENTS), DIVIDED INTO 792,026,948 (SEVEN HUNDRED AND NINETY-TWO MILLION, TWNTY-SIX THOUSAND, NINE HUNDRED AND FORTY-EIGHT) COMMON, NOMINATIVE, BOOK ENTRY SHARES WITH NO PAR VALUE.

Should items 1, 2 and 3 above be approved by the Shareholders Meeting, the caption sentence to articles 5 and 6 of the Company's Bylaws shall be amended to reflect the said approvals.

In addition, the Company shall be required to update the caption sentence to Article 5 of its Corporate Bylaws with the amendment of the amount of the subscribed and paid up capital stock, as well as the number of shares issued. This shall reflect the decision of the Board of Directors in the meetings of May 21, August 16 and November 21, all in the year 2018; May 24, August 24 and November 17, all in the year 2016, and relating to the grants under the Company's Stock Option Plan. The shares were issued excluding preemptive rights, pursuant to Paragraph 3, Article 171 of Law 6.404/76, and in accordance with Paragraph 3 of Article 6 of the Company's Corporate Bylaws.

Thus, caption sentence to Article 5 of the Corporate Bylaws of Lojas Renner S.A. shall bear the following wording: "The total subscribed and paid up capital stock of the Company is R$ 3,749,522,796.96 (three billion, seven hundred and forty-nine million, five hundred and twenty-two thousand, seven hundred and ninety-six reais and ninety-six cents), divided into 792,026,948 (seven hundred and ninety-two million, twnty-six thousand, nine hundred and forty-eight) common shares, all nominative, book entry and with no par value." The caption sentence to Article 6 of the Corporate Bylaws of Lojas Renner S.A. shall bear the following wording: "The Company is hereby authorized to increase its capital up to the limit of 1,361,250,000 (one billion, three hundred and sixty-one million, two hundred and fifty thousand) common shares."

In order to better analyze the Company's Bylaws, please find in this Manual under Attachment XIII, a comparison of the Bylaws prior to the Meeting, following the Meeting and the Company's justifications for the proposed amendments.

ATTACHMENTS

ATTACHMENTS

ATTACHMENT I

ANNOUNCEMENT TO THE MARKET
PUBLIC REQUEST FOR A POWER OF ATTORNEY

Pursuant to Article 27 of Instruction 481 of December 17 2009, published by the Securities and Exchange Commission ("CVM"), Lojas Renner S.A. (Company) wishes to announce that the Company's management, with respect to the dispatch of its Manual for Participation in Shareholders' Meetings containing instructions in the Annual and Extraordinary General Meeting of the Company ("AGM/E"), to be held on April 18, 2019, will use the opportunity to make a **public request for a power of attorney**.

Considering the risks of non-installation of the AGM/E on first call, which are different for each of the meetings, with the need for a quorum of 1/4 (one quarter) of the capital stock for the subject matter of the AGM and 2/3 (two thirds) for matters within the competence of the EGM, and that a second call would represent additional costs, the Company has resolved to use the vehicle of the above mentioned public request for a power of attorney to seek the largest possible participation of its shareholder base in the AGM/E.

Is this context, the Company's management shall request powers of attorney in order that shareholders are guaranteed participation in the AGM/E and thus be able, should they so wish, to vote for or against or abstain on the items on the agenda of the day to be published in due course through the intermediary of a Call Notice.

The **Call Notice** shall contain the following items:

I) in an **Annual General Meeting**:

1. examine, discuss and vote on the management accounts and financial statements for the fiscal year ending December 31, 2018;
2. examine, discuss and vote on the proposal for the allocation of net income for the fiscal year and the distribution of dividends;
3. establish the number of members on the Board of Directors;
4. elect the members of the Board of Directors;
5. establish the aggregate compensation of the members of Management;
6. establish the number of members of the Fiscal Council;
7. elect the members of the Fiscal Council; and
8. establish the compensation of the members of the Fiscal Council.

II) in an **Extraordinary General Meeting**, which will only be held should Management's proposal for allocating the net income for fiscal year 2018 be approved by the Annual General Meeting, which precedes it. Items 2, 3 and 4 are conditional on the approval of item 1, while item 3 is also contingent on the approval of item 2 and the alteration of Article 6 of the Corporate Bylaws, mentioned in item 4, is conditional on the approval of item 3:

1. examine, discuss and vote the proposal for increasing the capital stock in the total amount of R$ 1,112,049,759.43, being R$ 72,049,759.43 through the incorporation of part of the Capital Reserves account (Stock Option Purchase and Restricted Shares Plan Reserve) and R$ 1,040,000,000.00, through the incorporation of part of the balance of the Profits Reserves account (Reserve for Investment and Expansion in the amount of R$ 895,819,393.51, Legal Reserve in the amount of R$ 87,640,775.88 and Fiscal incentive reserve in the amount of R$ 56,539,830.61);
2. examine, discuss and vote the proposal of a bonus in shares at the ratio of 10% (ten per cent), corresponding to an issue of 72,002,450 new common shares, being 1 (one) new common share for each 10 (ten) common shares, free of charge to the shareholders;
3. examine, discuss and vote the proposal to increase the Company's authorized capital stock up to the limit of 1,361,250,000 (one billion, three hundred and sixty-one million and two hundred and fifty thousand) common shares, in the light of and in the proportion to the bonus shares in item 2 above;
4. approve the alteration in the caption sentence to articles 5 and 6 of the Bylaws to incorporate the aforementioned decisions; as well as the increases in the subscribed and paid-in capital stock and the number of shares issued in the light of the resolutions of the Board of Directors approved on May 21, August 16 and November 21, all in the year 2018, with respect to the exercising of grants under the Company's Stock Option Purchase Plan, the subscribed and paid-in capital stock increasing to R$ 3,749,522,796.96 (three billion, seven hundred and forty-nine million, five hundred twenty-two thousand, seven hundred and ninety-six reais and ninety-six cents), divided into 792,026,948 (seven hundred ninety-two million, twenty-six thousand, nine hundred and forty-eight) common, nominative, book entry shares with no par value.

Porto Alegre, RS, February 28, 2019.

Laurence Beltrão Gomes
Investor Relations Officer

This statement was sent to the market through the IPE System on February 28, 2019, as Protocol 008133IPE180420190104352410-66.

ATTACHMENT II

FORM OF PROXY AND INFORMATION OF ANNEX 23 OF RULE 481/09

FORM OF PROXY

POWER OF ATTORNEY		
[SHAREHOLDER], [IDENTIFICATION], ("Grantor") hereby appoints and constitutes Mr. [NAME], [CITIZENSHIP], [MARITAL STATUS], [PROFESSION] with Identity Card N. [•], enrolled with CPF/MF under N. [•], resident and domiciled in the City of [•], State of [•], at [ADDRESS], to represent Grantor, in its capacity as shareholder of **Lojas Renner S.A.** ("Corporation"), in the Corporation's Annual and Extraordinary General Meeting to be held on first call on April 18, 2019, at 1 p.m., at the Corporation's headquarters located at Avenida Joaquim Porto Villanova, n° 401, Jardim do Salso, City of Porto Alegre, State of Rio Grande do Sul, to exam, discuss and vote on behalf of Grantor, in accordance with the voting instructions established below, concerning the following Agenda:		
I) In the Annual General Meeting:		
1) examine, discuss and vote on the management accounts and financial statements for the fiscal year ending December 31, 2018		
In favour ( )	**Against ( )**	**Abstain ( )**
2) examine, discuss and vote on the proposal for the allocation of net income for the fiscal year and the distribution of dividends		
In favour ( )	**Against ( )**	**Abstain ( )**
3) establish the number of members on the Board of Directors		
In favour ( )	**Against ( )**	**Abstain ( )**
4) elect the members of the Board of Directors:		
4.1 Osvaldo Burgos Schirmer (Independent)		
In favour ( )	**Against ( )**	**Abstain ( )**
4.2 Carlos Fernando Couto de Oliveira Souto (Independent)		
In favour ( )	**Against ( )**	**Abstain ( )**
4.3 José Galló		
In favour ( )	**Against ( )**	**Abstain ( )**
4.4 Fábio de Barros Pinheiro (Independent)		
In favour ( )	**Against ( )**	**Abstain ( )**
4.5 Heinz-Peter Elstrodt (Independent)		
In favour ( )	**Against ( )**	**Abstain ( )**
4.6 Thomas Bier Herrmann (Independent)		
In favour ( )	**Against ( )**	**Abstain ( )**
4.7 Juliana Rozenbaum Munemori (Independent)		
In favour ( )	**Against ( )**	**Abstain ( )**
4.8 Christiane Almeida Edington (Independent)		
In favour ( )	**Against ( )**	**Abstain ( )**
In case of multiple vote solicitation for Board of Directors election, I vote so that my shares are distributed in equal proportions among the members appointed by the Company.		
Yes ( )	**No ( )**	
5) establish the aggregate compensation of the members of Management		
In favour ( )	**Against ( )**	**Abstain ( )**
6) establish the number of members of the Fiscal Council		
In favour ( )	**Against ( )**	**Abstain ( )**
7) elect the members of the Fiscal Council		

7.1 Joarez José Piccinini (Effective) / Ricardo Gus Maltz (Alternate)		
In favour ( )	**Against ( )**	**Abstain ( )**
7.2 Cristell Lisania Justen (Effective) / Roberto Zeller Branchi (Alternate)		
In favour ( )	**Against ( )**	**Abstain ( )**
7. 3 Ricardo Zaffari Grechi (Effective) / Roberto Frota Decourt (Alternate)		
In favour ( )	**Against ( )**	**Abstain ( )**
8) establish the compensation of the members of the Fiscal Council		
In favour ( )	**Against ( )**	**Abstain ( )**
II) In the Extraordinary General Meeting which will only be held should Management's proposal for allocating the net income for fiscal year 2018 be approved by the Annual General Meeting, which precedes it. Items 2, 3 and 4 are conditional on the approval of item 1, while item 3 is also contingent on the approval of item 2 and the alteration of Article 6 of the Corporate Bylaws, mentioned in item 4, is conditional on the approval of item 3:		
1) examine, discuss and vote the proposal for increasing the capital stock in the total amount of R$ 1,112,049,759.43, being R$ 72,049,759.43 through the incorporation of part of the Capital Reserves account (Stock Option Purchase and Restricted Shares Plan Reserve) and R$ 1,040,000,000.00 through the incorporation of part of the balance of the Profits Reserves account (Reserve for Investment and Expansion in the amount of R$ 895,819,393.51, Legal Reserve in the amount of R$ 87,640,775.88 and Tax Incentive Reserve of R$ 56,539,830.61);		
In favour ( )	**Against ( )**	**Abstain ( )**
2) examine, discuss and vote the proposal of a bonus in shares at the ratio of 10% (ten per cent), corresponding to an issue of 72,002,450 new common shares, being 1 (one) new common share for each 10 (ten) common shares, free of charge to the shareholders		
In favour ( )	**Against ( )**	**Abstain ( )**
3) examine, discuss and vote the proposal to increase the Company's authorized capital stock up to the limit of 1,361,250,000 (one billion, three hundred and sixty-one million, two hundred and fifty thousand) common shares, in the light of and in the proportion to the bonus shares in item 2 above;		
In favour ( )	**Against ( )**	**Abstain ( )**
4) approve the alteration in the caption sentence to articles 5 and 6 of the Bylaws to incorporate the aforementioned decisions; as well as the increases in the subscribed and paid-in capital stock and the number of shares issued in the light of the resolutions of the Board of Directors approved on May 21, August 16 and November 21, all in the year 2018, with respect to the exercising of grants under the Company's Stock Option Purchase Plan, the subscribed and paid-in capital stock increasing to R$ 3,749,522,796.96 (three billion, seven hundred and forty-nine million, five hundred and twenty-two thousand, seven hundred and ninety-six reais and ninety-six cents), divided into 792,026,948 (seven hundred and ninety-two million, twenty-six thousand, nine hundred and forty-eight) common, nominative, book entry shares with no par value.		
In favour ( )	**Against ( )**	**Abstain ( )**

[Date] 2019

____
Grantor
By: (notarized signature)
Title:

YOUR PARTICIPATION IS VERY IMPORTANT.

YOUR ATTENDANCE WILL ENSURE THE HOLDING OF THE MEETING ON ONE SINGLE CALL,

THEREBY AVOIDING ANY COSTS TO BE INCURRED BY THE CORPORATION WITH RESPECT TO A SECOND CALL IF THE QUORUM IS LOWER THAN ¼ (ONE FOURTH) TO AGM AND 2/3 (TWO THIRDS) TO EGM OF THE VOTING SHAREHOLDERS.

Declaration of "Annex 23"

Corporation's Name:
Lojas Renner S.A., LREN3

Matters for which the power of attorney is necessary:
The matters included in the A/EGM Agenda, pursuant to the Call Notice of March 18, 2019.

Responsible for the request:
Lojas Renner S/A, by means of its Investor Relations Officer, Mr. Laurence Beltrão Gomes, a Brazilian citizen, married, economist, enrolled with Identity Card under N. 7009861084 SSP-RS and CPF/MF under N. 585.750.140-72, resident and domiciled in the City of de Porto Alegre, State of Rio Grande do Sul, with office at Av. Joaquim Porto Villanova, N. 401, Jardim do Salso, Zip Code 91410-400, in the City of Porto Alegre, State of Rio Grande do Sul, Brazil.

Interest on request:
The Corporation's management is solely interested in this process for request of power of attorney for the single purpose of providing the necessary *quorum* for the installation of the A/EGM on first call. The Corporation's management has no specific or extraordinary interest on the approval of the subject matters of the request process hereby carried out but is merely interested to encourage shareholders' participation.

Cost of the process:
The cost of such process basically involves any costs to be borne by the Corporation arising out of the disclosure of the Notice, the preparation and distribution of the Manual. The costs of such process will be lower than the cost incurred with a second call notice.

Address for delivery of powers of attorney:
Av. Joaquim Porto Villanova, 401, 7th floor,
Jardim do Salso, Porto Alegre, RS,
Zip Code. 91410- 400.
FAX: +55 51 2121 7121
Att Laurence Gomes or Diva Freire
e-mail: acionistas@lojasrenner.com.br;

Note on the Form of Proxy:
The form of proxy proposed by the Corporation should be adequate with the vote to be cast by you.

Accordingly, should you wish to vote **favorably** to one or more matters contained in the Agenda, you should appoint MARIA MEDEIROS BOFILL, Brazilian, married, lawyer, bearer of ID number 11025690544, enrolled in the tax register (CPF/MF) under number 962.461030-49 and in the Brazilian Bar Association (OAB/RS) under number 63.932 with professional address in the city of Porto Alegre, RS, Av. Carlos Gomes, 222, 5º andar, Bairro Boa Vista, CEP 90480-000.

Should you wish to vote **against** one or more matters contained in the Agenda, you should appoint GABRIELA VITIELLO WINK, Brazilian, single, lawyer, bearer of ID number 5058550831, enrolled in the tax register (CPF/MF) under number 944415100-04 and in the Brazilian Bar Association (OAB/RS) under number 54,018 with professional address in the city of Porto Alegre, RS, Av. Carlos Gomes, 222, 5º andar, Bairro Boa Vista, CEP 90480-000.

Should you wish to **abstain** from voting one or more matters contained in the Agenda, you should appoint DANIEL BORN ROMAN, Brazilian, single, lawyer, bearer of ID number 1080002429, enrolled in the tax register (CPF/MF) under number 019.823.840-18 and in the Brazilian Bar Association (OAB/RS) under number 111.130 with professional address in the city of Porto Alegre, RS, Av. Carlos Gomes, 222, 5º andar, Bairro Boa Vista, CEP 90480-000.

ATTACHMENT III

MANAGEMENT REPORT AND ANALYSIS

INTRODUCTION

In compliance with the legal provisions and in accordance with Brazilian corporate law, Lojas Renner S.A. presents as follows its Management Report, with comments on the operational and financial results for the fiscal year ending December 31, 2018. This report is a component part of the Company's Financial Statements which conform to the international accounting standards (IFRS), issued by the International Accounting Standards Board (IASB). The information herein presented is aligned to the Company's Integrated Report, which respects the global best practices and IIRC (International Integrated Reporting Council) guidelines.

MESSAGE FROM THE MANAGEMENT

The Company's history is made up of successive cycles. Since the decade of the nineties we have undergone a series of transformations, each year consistently improving and transforming our business model, always focused on the same value proposition: to be the brand which stands by the modern woman, with various fashion styles, with quality, at competitive prices with excellence in services rendered, in practical and agreeable shopping environments, enchanting and innovating in a sustainable manner.

In this journey, we initiated our business in the **family company cycle**, to be succeeded by a period as a **subsidiary of a foreign company** and, later in 2005, becoming the **first Brazilian corporation**, with 100% of its shares traded on the Stock Exchange and without the presence of a controlling shareholder.

With the transformations in the world fashion industry, from 2012, we began investing in the modernization of our business model, albeit still with some traditional retailing characteristics, but with numerous opportunities to evolve rapidly in the direction of the **Fashion Retailer Cycle**. With this goal in mind, we invested in the training of our store teams, created a shared services center in order to centralize the administrative tasks of the stores, directing the focus of our managers on the client and products. We also developed new structures for increasing the communication between store and product areas and specialized the businesses. During the same period, we built new distribution centers and altered the supply model for improved instore allocation of products as well as investing in processes for capturing trends, reducing lead times and seeking greater proximity with our suppliers.

From 2018, we began to prepare for a new cycle which is beginning to take shape. In this context, following the conclusion of the necessary infrastructure and the principal foundations, with the updating of the ERPs systems and the financial products and e-commerce platforms, we started on our path in the direction of the **Digital Cycle**. We have set out what is to go digital for Renner and worked on raising the awareness in our managers and teams on the evolution in our mindset in order to use technology to achieve and reinforce our value proposition. We have established the roadmap of work in the direction of digitization of the Company and we have organized this around three major structural projects: the first, directed to personified communication and construction of the **Unique View of the Customer**, the second, focused on the use of data for the **Product Life Cycle,** and the third, relative to the **Omnichannel Transformation**, with the complete integration of online and offline sales channels.

In this last year, we have already taken strides towards implementing these digital initiatives. We have launched new sites and apps for online sales at Renner, Camicado and Youcom, and also introduced smart devices at Renner stores, increasing the productivity of the operations and customer enchantment. These devices have apps for remote point-of-sales systems, faster checking for product availability, replacement and price markdowns as well as issuing sales management reports.

Already totally digital from conception, Realize CFI also reported important progress: it has launched a facial recognition system for reducing fraud and the self-issue of cards, with online approval of credit and immediate authorization for purchases. We have also developed our own Negotiation Portal which provides customers with an online self-service channel for the negotiation of past dues in an agile, secure and very simple way. The launch of the Portal has been instrumental in an increase of more than 30% in reaching agreements with delayed payment customers.

As to the issue of Sustainability, in 2018, our commitment to increasingly responsible fashion has gained traction. The year saw the launch of Renner's most important project within the scope of sustainability: the Re Seal, which represents the Company's commitment to bring this theme to the forefront of all our stakeholders. Since the first half, the stamp has been affixed on labeling of products manufactured with lower environmental and social impact. In recognition of the initiatives adopted, we have now been included in the 2018/2019 portfolio of the Dow Jones Sustainability World Index. We were also elected as the best retailing company in sustainable practices by *Exame* magazine's Sustainability Guide and are again components of B3's Corporate Sustainability Stock Index (ISE).

Progress has also been made on the Corporate Governance front in 2018. We were the first company listed on B3 to present the "Report on the Brazilian Corporate Governance Code", with a 96% adherence to the applicable practices. We revised the entire Corporate Governance System, in which new practices were adopted and others already in existence, improved. In addition, the Corporate Governance Secretary's position was created to support the activities related to the functioning of governance, the servicing and relationship with shareholders and proxy advisory agencies as well as for the proposition and implementation of processes.

Our Net Revenue from Merchandise Sales was R$ 7.5 billion, a growth of 13.4%, and Same Stores Sales of 7.4%. Gross Margin from the Retailing Operation was 56.5% and Total EBITDA, 23.7%. Net Income was R$ 1.0 billion, a growth of 39.2%. Over the course of the year, we have seen growing customer traffic through the stores and recurring gains in market share relative to IBGE (Federal Government Statistics Office) Monthly Retailing Survey Index, for apparel and footwear. On the Stock Exchange, our shares were traded at an average daily volume of R$ 118.3 million, maintaining our position as one of the most liquid shares among retail companies in Brazil.

All this has only been made possible thanks to the notable performance of our employees. Our team knows who we are, how we are and where we want to get to and thus all are thoroughly engaged, transforming our plans into reality. Indeed, in 2018, the level of employee engagement reached 87%, keeping us in the high performance zone on a worldwide comparative basis for more than eight years according to AONHewitt data. Additionally, we were once more, evaluated as the 11th most valuable brand in Brazil in the Interbrand ranking, being first in the retailing sector and also elected The Company of the Year by Exame Maiores e Melhores.

Again in 2018, an important stage was initiated with the announcement in November of a successor to the Chief Executive Officer, José Galló. As from April 2019, Fabio Faccio, currently Procurement Officer, will assume the position to continue the Company's track record of growth, consistency, innovation and transformation which have so characterized our trajectory to date. In this process, Galló will remain as a member of the Board of Directors with a participation in strategic decisions and an important role to play in preserving the corporate culture.

For 2019, it is our expectation that a better business environment, supported by low levels of inflation and controlled interest, combined with an environment of higher consumer confidence and low levels of household debt will give us still more confidence to invest in the digital transformation and continue our expansion both in Brazil as well as abroad. Currently, Renner is examining the Latin American market and plans to open as many as three stores in Argentina during 2019. The choice of this market is justified by its size, the favorable competitive environment and by the commercial opportunities in Mercosur as well as the similarity and proximity with the southern region of Brazil where our administrative headquarters and one of the distribution centers are located.

We would like to take the opportunity to thank all our shareholders, employees, suppliers and clients for the trust placed in our Company.

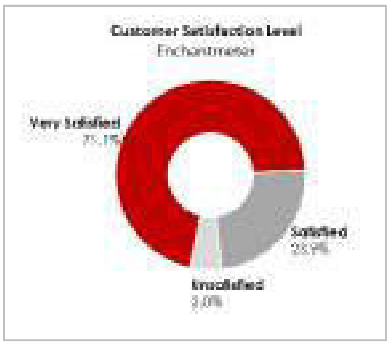
Osvaldo Burgos Schirmer	José Galló
Chairman of the Board of Directors	Chief Executive Officer

CORPORATE VALUES

ENCHANT … to exceed customer expectations.
OUR WAY …to do things in a simple and agile manner, with great energy and passion.
PEOPLE … to hire, develop and retain the best people.
OWNERS OF THE BUSINESS … to think and act like owners of our business unit.
OBSTINATE PURSUIT OF RESULTS … to seek results and not just good ideas.
QUALITY … our products and services have the highest level of quality.
SUSTAINABILITY … businesses and attitudes based on the principles of sustainability.

WE LOVE CHALLENGES: not knowing that something is impossible, we just go ahead and do it!

CULTURE OF ENCHANTMENT



To enchant is part of the Company's essence: it is one of its values and its reason for being, permeating principally the relationship with the customers in the search not only to satisfy, but to exceed expectations at all points of interaction.

More than 20 years ago, Lojas Renner pioneered the Enchantmeter, equipment which measures the customer shopping experience.

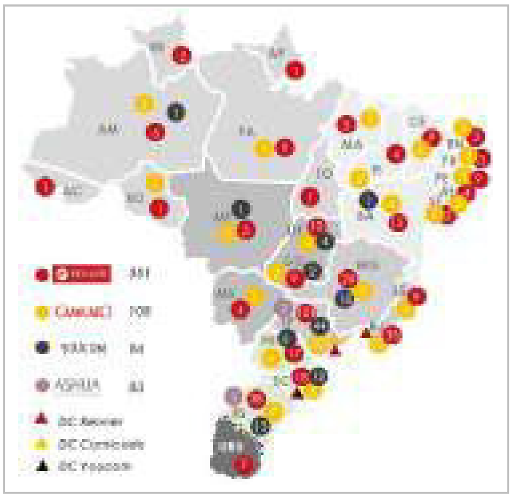
The Stories of Enchantment, recorded since 1996, support this culture. To the present, there are already more than 800 thousand written stories describing real-life situations in which customers are surprised by extraordinary initiatives taken by employees.

MACROECONOMIC SCENARIO

The year 2018 saw a gradual recovery in the Brazilian economy, with unemployment indicators in decline, a recovery in incomes, low rates of interest and inflation, combined also with lower levels of financial leverage and household income commitment. Nevertheless, the truckers' strike, the World Cup and uncertainties on the political front all contrived to produce a level of economic activity at below expectations in the first half.

Despite all, as the political horizon began to clear, a sequence of positive results began signaling a recovery in consumer confidence and improved traffic flows through the shopping centers with growing levels of sales in the market in general.

BUSINESSES



Lojas Renner S.A. was constituted in 1965 and has as its principal business the Renner store network which contributes 91% of the Company's Net Revenue. In addition, it is supported by the retailing operations of Camicado, Youcom and Ashua, as well as Realize CFI, the latter responsible for the management of the financial products.

On December 31, 2018 the Company had 549 stores distributed across Brazil as well as 7 units in Uruguay. In the logistical area, there are three Distribution Centers (DC) together with a cross docking operation, of which one is dedicated for Camicado. Lojas Renner, also operates through LRS Trading, in China to facilitate import business and help in prospecting new suppliers.

The year was characterized by the beginning of the Company's preparations for a new cycle which is now taking shape for the digital transformation. In this context, the first step was to decide what means going to be digital for Lojas Renner and then work on raising the awareness of managers and teams in order to create the necessary mindset.

The process of digitization aims to absorb technology to fulfill and reinforce the Company's value proposition and in this way, transform the customer experience, operational processes and the business model, generating more revenue and operational efficiency. To this end, a work schedule was established whereby initiatives were organized around three major structural projects.

The first focused on the construction of the Sole Vision of the Client. This seeks to create a consistent and personalized relationship experience with the customer, bringing more assertiveness in communication and relations with the brand. The second structural axis relates to the use of data for the Product Life Cycle, with initiatives which permeate from the capture of fashion trends to store assortment. The third project is the Omnichannel Transformation, where the aim is to guarantee a unique shopping experience through the use of store inventory and the complete integration of online and offline sales channels.

RENNER

Renner is the largest fashion retailer in Brazil and has 344 stores in Brazil, as well as 7 units in Uruguay, with an average sales area of 1.8 thousand m². In addition, Renner sells its products via e-commerce.

The Company develops and sells apparel, footwear and underwear for women, men and children through the medium of 20 proprietary brands, of which eight represent the Lifestyle concept, where each one reflects its own style of being and dressing. It also sells accessories and cosmetics through two proprietary brands as well as offering merchandise in some categories with third party labels.

STORES

In line with the continued plan of expansion at Renner, 26 stores were rolled out in 2018, of which four were unveiled in Uruguay. The Company constantly revises and evaluates the profitability of its operations and for this reason closed five stores during the year. There are currently 351 units in operation with an aggregate sales area of 632.7 thousand m².

Productivity is one of the most critical aspects of Renner's operation and in 2018, some important initiatives were taken in this direction. The operational interface for the points of sale was modernized permitting the installation of touch monitors at checkout points as well as dedicated screens for customers. This additional automation has simplified the process, facilitated service and increased the transparency of the operations for the customers as well as reducing employee training time.

During the year, investments were also made in improving instore mobility. With upgraded Wi-Fi network structures, smart devices can be used at all units, improving service response and supporting store management, optimizing the time taken by employees in conducting a series of activities.

For the customer, the principal use of these devices is focused on the mobile checkout, permitting the conclusion of a purchase from any instore location as well as for rapid real time checking of inventory on behalf of the customer for verifying stock as to the availability of a given product. From the employees' point of view, other applications permit more assertive actions and velocity in markdowns and replacement of products in the sales areas as well as the management and the instantaneous monitoring of store performance, optimizing managerial time, enabling faster decisions to be adopted and further shifting the focus to customer service.

In 2018, the Company also made progress with the project for installing RFID (Radio Frequency Identification) at Renner. Through a process of radio frequency, this allows product localization, counting and basic information to be identified very quickly and precisely. Tests have been made and a pilot project already implemented, initially for reducing stockouts and enhancing the inventory process.

E-COMMERCE

The new Renner e-commerce channel was launched in early 2018. In addition to upgrading the layout, more focused on fashion and lifestyle, the new virtual page also brings with it a series of new functions and services for enriching the online shopping experience. These functions and services include login via social networks, image search, one click shopping, voice search and the wish list, all of this with more speed and innovation.

The native app was installed at the year-end, since then offering a greater number of services to our customers as well as being more user friendly. In 2018, 75% of online sales were conducted via mobile with revenues via app growing by more than 260% in relation to 2017.

In line with the Omnichannel Transformation project, products purchased through the Renner e-commerce channel can be picked up at any store in Brazil. Besides providing a comfortable and versatile experience, this in-store pickup initiative has proven very positive by increasing the average ticket size as well as the volume of customer traffic through the physical stores. Approximately 25% of online sales were delivered to customers instore and about 10% of the consumers made additional purchases when picking up goods bought online. In this same context, new models of delivery were implemented: in Rio de Janeiro we have Same Day Delivery, in São Paulo, Next Day Delivery while express delivery is available in 23 estates in Brazil.

Additionally, the implementation of RFID will also improve stock control and allow the Company to use store inventory for e-commerce sales. With these developments, important improvements are expected both on the customer front, the order being received sooner from the nearest store, and also for Renner by reducing its expenses with freight and transportation.

URUGUAY

This operation began in 2017 and since then, receptivity from Uruguayan customers has been very positive with performance above expectations. The year 2018 was important for the maturing of some of the processes created for replication of the business model outside Brazil.

PRODUCT

As part of the continued Fashion Retailer Cycle, in 2018, the process of specialization of the teams was concluded, while some of the brand teams were also reinforced, principally in the design area. Innovations were also made in the launch of products with the creation of in-season capsule collections, where the entire process from trend capture to the launch of the product is made in a more agile manner.

As to the use of technology for product development, Renner has begun the PLM (Product Lifecycle Management) pilot project. This is a product life cycle management system which will allow the digitization of the development process of the items from trend capture to the purchase order, centralizing the management of the collections and the tracking of items. The system ensures greater standardization of processes through the creation of a data trail relative to the capture and development of the products. The system also improves the integration with suppliers and the management of materials.

Again during the year, Renner has begun the project for quantifying the predictions of fashion trends and ensuring analysis and correlation of external (social media, international fashion e-commerces, etc.) and internal data. Using this tool, it is possible to increase the probability of making the right predictions as to tendency and accelerating the decision making process right from the outset of the development process of the collections.

Additionally, the Company has two projects under development for assortment and distribution of items to the stores: the first relates to distribution based on prescriptive Advanced Analytics models, in which algorithms predict sales per item (SKU) and by store using historic data, in this way realizing data-driven distribution. The second project involves the digitization of the assortment, using algorithms for identifying the ideal mix considering the characteristics of each store. Both initiatives increase product assertiveness at the units with positive effects on turnover, sales and margin.

LOGISTICS

Some important transformations occurred in the logistics operations in 2018, leading to new levels of productivity, velocity and precision, resulting in a 7% reduction in product delivery times to the stores. A pilot project is also underway for nocturnal deliveries, such that the stores are able to begin their activities immediately the following day.

In terms of the logistical network and in the light of the increase in e-commerce operations, the Rio de Janeiro DC has been expanded with a revised layout to guarantee greater productivity and a more agile service.

CAMICADO

Acquired in 2011, Camicado is Brazil's largest home décor retailer with more than 25 years in the market. It has a large variety of products, among them articles for household decoration, kitchen utensils, table sets, portable electric items, cutlery, bed, bath and tableware and organization.

The Company has a footprint in 20 states throughout Brazil with 108 stores and a total of 46.8 thousand m² of sales area. In 2018, 10 new stores were opened. All stores in the chain are located in shopping centers and have an average sales area of 433 m².

Camicado's e-commerce business was also modernized during the year, a new online platform being launched in October. The new site gives customers the same shopping experience as with the physical stores where products are arranged by collection, as well as offering more responsive browsing, with more functions and services at the disposal of the user. At the end of the year, Camicado also began a pilot project for instore pickups in 11 units. In addition, the new e-commerce facility brought improvements to the wedding registry list, an important segment in this business, offering a greater range of personalization alternatives to the customer.

The new online platform has also enabled the creation of Camicado's own marketplace. During the year, all functions were created and tested for operationalizing this platform as well as developing partners (sellers). During the same period, progress was also made on work which will allow Camicado to participate in the activities of third party marketplaces.

YOUCOM

Launched in 2013, Youcom's target public is middle class between the ages of 18 and 35 in a format of a store specialized in youth fashion. The units have an average size of 164 m², with a differentiated ambience, offering quality products at competitive prices with a strong fashion appeal.

During the course of 2018, Youcom proceeded to expand its store network, rolling out 16 units in different regions, including four states where it still did not have a presence. As part of the ongoing review of profitability of its operations, 6 units were closed in 2018. At the end of December, Youcom was operating 94 physical stores in nine states plus the Federal District, amounting to 15.5 thousand m² of sales area.

In the same way as the other businesses, in July, the Company launched its new e-commerce site. This brings an updated layout with greater fashion content and new functions and services which enrich the online shopping experience. Among new features, particularly important are additional search functions, product visualization and customized browsing.

ASHUA

The Ashua Curve & Plus Size brand was launched in 2016, exclusively selling through Renner's e-commerce channel, offering products which enhance the value of curves and the female body, providing both quality and fashion information. As a result of customer demand and in response to good sales performance, in 2018, three physical stores were opened in the brand's name, each unit with a sales area of between 200 m² and 250 m².

The opening of the bricks and mortar stores was a natural evolution for the brand which had initially established its business through online sales, leveraging the capillarity of e-commerce for serving women throughout Brazil. The first store was opened in September in Porto Alegre, and the following two in the city of São Paulo. The units already operate in a totally omnichannel environment in line with their origins in the digital universe.

REALIZE CFI – FINANCIAL PRODUCTS

Realize Crédito, Financiamento e Investimento S.A. - Realize CFI is the Financial Institution which supports Renner's retail business through the management of financial products. It has the mission of being the best experience in financial solutions in retailing in the Americas for the customers of Lojas Renner S.A., in an enchanting, simple, innovative and sustainable way. The products are offered to Renner's customers as instruments of convenience and loyalty, aligned to the Company's value proposition to be a brand which stands by the modern woman.

Two types of credit card are offered to Renner's customers: the Renner Card (Private Label), which was created in 1973 and was one of the first store cards in Brazil, and the Co-Branded Card with the Mastercard and Visa flags and known as "Meu Cartão". The latter card can also be used at other establishments in Brazil and abroad. For shopping at Renner stores, both offer options either in the form of up to five interest-free monthly installments or eight fixed monthly payments with interest. The Saque Rápido (Quick Withdrawal), a personal loan facility, is also offered to eligible customers, as well as some assistance services and insurance.

Already totally digital right from conception, Realize CFI has also experienced important developments in the direction of the new cycle. Lojas Renner was the first retailer to completely digitize the process of capture, analysis, granting of credit and credit card liberation. Adjustment of limits over time and other services have also been digitized. For this purpose, mobile devices are used for facial recognition at any point in the store, significantly reducing fraud and the time involved in the capture process.

Using the "Quero Cartão Renner" app, the customer is able to effect the capture by himself using his own smartphone. The process is very secure and while being faster, uses exactly the same methodology of credit concession as other formats, including the use of facial recognition, all of which can be concluded with just a few clicks. Renner has integrated the e-commerce channels and Realize CFI, and is thus the only retailer to provide a credit card instantaneously and then make it available for purchase at the same time.

The Realize CFI's website and app has also been updated with simplification of the installment payments process. The use of these channels already represents approximately 30% of the monthly receivables using payment booklets and invoices. As well as reducing costs, the use of these channels is an incentive to effecting purchases via e-commerce.

In 2018, a Negotiation Portal was set up for providing an online self-service channel for negotiating debt, quickly, safely and very simply. With the launch of the Portal there has been an increase of more than 30% in agreements with past due customers, the agreed payments subsequently being honored by more than 75% of the customers.

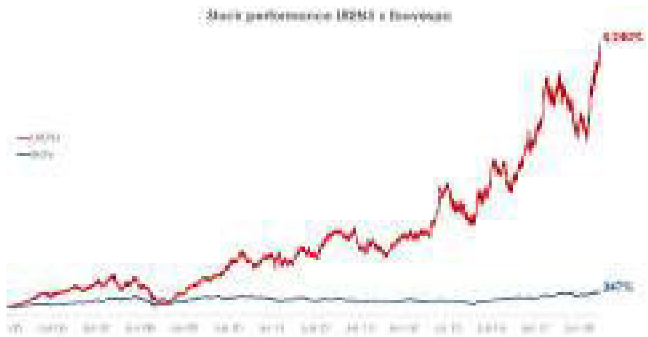
CAPITAL MARKETS AND CORPORATE GOVERNANCE

SHAREHOLDING BREAKDOWN

Lojas Renner S.A.'s equities have been traded on the stock market since May 1967, in July 2005, becoming a widely held corporate entity with a 100% free float, being deemed the first Brazilian corporation. The Company has 720,024,498 shares issued of which 0.29% are held as treasury stock. Of the total shares, 82.9% are held by foreign investors and 17.1% by Brazilians.

Approved in 2015 and 2016, the Share Buyback Programs totaled 2,085,400 common shares as at December 31, 2018 at the average price of R$ 21.36, these shares being held in treasury for the Company's Restricted Stock Plan.

EQUITIES TRADING



The equities of Lojas Renner S.A. are traded on B3 – Brasil, Bolsa, Balcão, under the LREN3 symbol and in the form of ADRs on the US OTC market under the LRENY symbol. LREN3's shares reported an appreciation of 20.9% (adjusted for corporate actions), in 2018, versus 15.0% in the case of the Ibovespa, recording a market capitalization of R$ 30.5 billion on December 28. In this period 3.2 million trades were transacted, involving 869.0 million shares and an average daily trading volume of R$ 118.3 million. In the case of the ADR program, launched at the end of 2017, a total of 1.5 million receipts were issued at the end of 2018.

REMUNERATION OF SHAREHOLDERS

In 2018, R$ 225.7 million was credited in the form of Interest on Capital to shareholders, to be eventually complemented by a further R$ 184.2 million in proposed dividends. If approved by the Annual General Meeting of 2019, total remuneration for fiscal year 2018 will have amounted to R$ 408.1 million, equivalent to a dividend yield of 1.3% (considering the closing share price on December 28, 2018) and a payout of 40%.

CORPORATE GOVERNANCE

In July 2005, Lojas Renner was the first company in Brazil with 100% of its shares traded on the B3 without a controlling shareholder. In the Corporate Governance model adopted since then, the strategic guidelines are laid down by the Board of Directors supported by four Statutory Committees: People, Sustainability, Audit and Risk and Strategic Management. Operating activities in turn are the responsibility of the Board of Executive Officers, which adheres to Board of Director guidance supported by certain Management Committees in its decision making. The Company has a permanently installed Fiscal Council.

In 2018, the Company revised its entire system of Corporate Governance wherein new practices were adopted such as individual elections to the Board of Directors, while other existing practices were refined. Lojas Renner was the first Brazilian corporation to publish the "Report on the Brazilian Code of Corporate Governance", and with just two items to be explained among the 54 in the document.

Principal Corporate Governance Practices

- Novo Mercado of B3 – Brasil, Bolsa, Balcão
- 100% free float
- Majority of the Board of Directors are independent (88%)
- Board Administration and Management Committees
- Different executives as Chairman of the Board and CEO
- Manual for Participation in Shareholders' Meetings
- Stock Options and Restricted Stock Plan
- Internal Board, Board of Executives and Committee charters
- Formal appraisal of Board of Directors and Executive Officers
- Secretaries to the Boards, Board of Executive Officers and Committees
- Board of Directors and Committees Portal
- Internal audit and compliance
- Whistle blowing channel
- Adherence to the Abrasca Self-Regulatory Code
- Various Corporate Policies
- Corporate Governance Secretary

Again in 2018, important changes were announced to the Board of Executive Officers of the Company in accordance with the development and succession of leaders plan. In September, with the resignation of the Officer Haroldo Rodrigues, Fabiana Taccola took over as Operations Officer. In November, it was announced that Fabio Faccio, the current Procurement Officer will be succeeding the Chief Executive Officer José Galló from April 2019.

During the year, the position of Corporate Governance Secretary was established for supporting the activities relating to the functioning of governance, attendance and relationship with shareholders and proxy advisory agencies as well as for the proposition and implementation of processes that always promote best practices.

SUSTAINABILITY – ENVIRONMENTAL, SOCIAL AND FINANCIAL

To think, plan and act sustainably is increasingly part of the mindset throughout the world. Combined with this, the Company believes that fashion should be conscious and responsible and in this way, sustainability is one of Lojas Renner's values and is part of its mission.

In 2018, Lojas Renner's commitment to increasingly responsible fashion has gained traction. The year saw the launch of the Re Seal, created to represent the Company's commitment to make this theme "front of mind" in the lives of all its stakeholder. In addition to the Re Seal, The Company has assumed the following goals and commitments up to 2021:

- 80% of low impact products, being 100% certified cotton;
- 100% of the national and international reselling chain with socio-environmental certification;
- 75% of corporate energy consumption will be from renewable energy sources; and
- 20% reduction in absolute CO2 emissions compared with the 2017 inventory.

The Company operates on the basis of the responsible fashion concept and consequently has drawn up a strategic sustainability plan for the 2016-2021 period. The Company's sustainability management is based on four strategic guidelines:

I. RESPONSIBLE SUPPLIERS

The relationship with the supply chain is a fundamental guideline in the sustainability strategy. For this reason, supplier management has evolved year by year in order to maximize the positive impact on the Company through the building of a supply chain which is ethical, responsible and increasingly more sustainable.

In the area of supplier monitoring, Lojas Renner adopts technical visits to resale suppliers as a practice for evaluation and mitigation of risks involved in this chain. During the year 4,394 onsite and remote supplier audits were conducted, representing all domestic suppliers and 48% of international companies. The Company also monitors suppliers known as non-resellers which include service suppliers in the areas of civil construction, logistics and maintenance. As an extension of this theme, the Company has also begun a pilot project using Blockchain for traceability purposes along the production chain.

Regarding supplier development, in 2018, the PMC (Continual Improvement Program), now in its sixth consecutive year, focused on the development of actions of strategic alignment with domestic suppliers of jeans/twill, woven fabric and knitwear.

II. ECOEFICIENT MANAGEMENT

Lojas Renner aims to achieve its commitment for reducing the corporate emissions of CO_2 by 2021 and for this purpose has been working to promote energy efficiency and expand the use of renewable energy sources in its operations and management-related actions, efficiency and improvements in logistics. In addition, for eight years now it has been a component of B3's Carbon Efficient Stock Index (ICO_2) and voluntarily responds to the Carbon Disclosure Project (CDP), an initiative for increasing the transparency and management of the theme. Again, over the past eight years, it has published its greenhouse gas emission inventory (GHG), and since 2014, receiving the Gold Seal for the GHG Protocol program. In 2018, 100% of GHG emissions relative to the 2017 inventory were offset.

The Company has operations which have been developed using sustainable construction principles on the basis of the premises of LEED (Leadership in Energy and Environmental Design) certification.

In terms of energy consumption, the percentage purchased in the free market from low impact renewable sources was 37%. Of the remaining 63% of energy acquired in the regulated contracting environment, 85% came from renewable sources. The total consolidated amount of energy consumed from renewable sources was 90.6%. All store illumination now uses LED lamps and approximately 100 units use remote monitoring of consumption permitting the identification and solution of problems quickly.

III. ENGAGEMENT OF EMPLOYEES, COMMUNITIES AND CUSTOMERS

Lojas Renner believes it has an important responsibility with its customers for creating a business which is ever more sustainable: by offering product lines which have increasingly less impact on the environment and informing its customer base of the productive process of these items. Consequently, the principal step in this direction was the launch of the Re Responsible Fashion Seal, emblematic of the way Renner thinks and practices sustainability and identifies the products, services and initiatives relative to the theme.

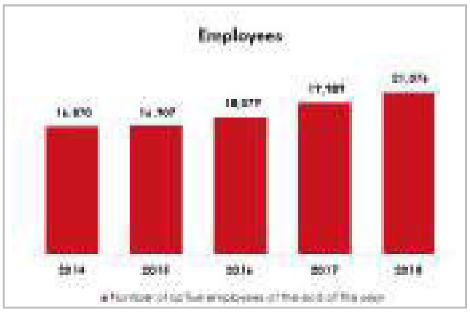
IV. SUSTAINABLE PRODUCTS AND SERVICES

In 2018, approximately 10% of the total of items produced were manufactured from low impact raw materials and using low impact processes. In line with the goal of only using certified cotton by 2021, in 2018, more than 8 million items were produced from this raw material, representing 15% of the total number of cotton fabric items.

Since 2017, in partnership with the Universidade de São Paulo (USP), the clean production (P+L) project is being implemented with jeans, knitwear and woven fabric suppliers of Renner and Youcom in order to reduce the textile waste. In 2018, 47 tons of waste were avoided to be generated and 700 tons were no longer dumped in landfills and gained new uses through recycling or reutilization.

PEOPLE MANAGEMENT

In line with the corporate Value "People", the Company is constantly investing in a positive working environment where people feel they are valued and recognized, supporting the objective of attracting and maintaining the best talents is observed. Annually, the voluntary and anonymous survey of Renner's employees has shown that the Company is on the right track. In 2018, the engagement index was 87%, with 94% of total headcount responding – both figures exceeding those for the domestic and international retail sector overall.



A structured career cycle is offered to the Company's 21.4 thousand employees with processes and tools for supporting their continued development as well as disseminating the Lojas Renner culture. Of these, particular mention should be made of the relaunch in 2018 of the Renner University – A network of learning experiences that seeks the transformation of knowledge into enchantment. The University operates a modern learning platform, stimulating the creation of networks of connections among employees for maximizing the exchange of knowledge. The University model is based on the pillars of Inspired Leadership, Culture of Enchantment, Management of the Business, Sustainability, Fashion and Product and promoting online and onsite courses and training together with actions directed to the strengthening of leadership and team development.

Additionally, as part of its program for promoting the individual development of employees, the Company undertakes the evaluation of skills, in 2018, this including 91% of all eligible employees, and the realization of Individual Development Plans (PDIs), post evaluation, with actions based on the learning model 70/20/10 (70% action on the job, 20% learning exchange and 10% formal training).

DESEMPENHO ECONÔMICO-FINANCEIRO

The following financial and operational information, except where otherwise stated, is in accordance with the international financing reporting standards ("IFRS") published by the International Accounting Standards Board (IASB) and the accounting practices adopted in Brazil ("BRGAAP"), including the pronouncements issued by the Accounting Pronouncements Committee (CPC). All variations as well as roundings presented herein are calculated on the basis of numbers in thousands of Reais.

Consolidated Information (R$ MM)	2018	2017	Var. %
Net Revenue from Merchandise Sales	7,485.4	6,600.1	13.4%
Growth in Same Store Sales (%)	7.4%	9.2%	-
Gross Profit from Merchandise Sales	4,228.0	3,677.2	15.0%
Gross Margin from Retailing Operation (%)	56.5%	55.7%	0.8p.p.
Operating Expenses (SG&A)[1]	(2,775.0)	(2,463.0)	12.7%
SG&A as a % of Net Revenue from Merchandise Sales (%)	37.1%	37.3%	-0.2p.p.
Ajusted EBITDA from Retailing Operation	1,423.9	1,144.2	24.4%
Ajusted EBITDA Margin from Retailing Operation (%)	19.0%	17.3%	1.7p.p.
Financial Products Result	349.4	331.6	5.4%
Ajusted Total EBITDA (Retail + Financial Products)	1,773.3	1,475.8	20.2%
Ajusted Total EBITDA Margin (%)	23.7%	22.4%	1.3p.p.
Net Income	1,020.1	732.7	39.2%
Net Margin (%)	13.6%	11.1%	2.5p.p.
ROIC LTM (%)	23.0%	21.0%	2.0p.p.

[1] *In the Income Statements for the fiscal year ending December 31, 2017, the expenses with Depreciation and Amortization, Tax Expenses and Management Profit Sharing, previously shown in the "Other Operating Income" item, were reclassified under Selling, General and Administrative Expenses. To facilitate analysis, Depreciation and Amortization Expenses have been excluded.*

Businesses Breakdown	2018	2017	Var.%	2018	2017	Var.%	2018	2017	Var.%
	RENNER*			CAMICADO			YOUCOM		
Stores in Operation	354	330	24	108	98	10	94	84	10
Net Openings	24	30	-	10	13	-	10	25	-
Selling Area (thousand m²)	632.7	599.8	5.5%	46.8	42.1	11.1%	15.5	13.1	18.2%
Net Revenue (R$ MM)	6,800.9	6,031.7	12.8%	505.0	444.0	13.7%	179.6	124.4	44.3%
Gross Margin (%)	56.7%	55.7%	1.0p.p.	52.5%	54.1%	-1.6p.p.	59.1%	60.3%	-1.2p.p.

* Includes 3 Ashua inaugurated in 3Q18.

Net Revenue from Merchandise Sales

The year was characterized by the assertiveness of the collections and efficient store operations. Instability in the macro environment and political uncertainty influenced consumer confidence, principally in the first half.

The challenges in the earlier part of the year having been absorbed, the Company resumed a good pace of sales in the second half with a growth in customer traffic through the Renner stores and an increase in items per basket, reflecting the good receptivity of the collections. Thus, Net Revenue from Merchandise Sales reported a growth of 13.4%, with Same Store Sales of 7.4%.

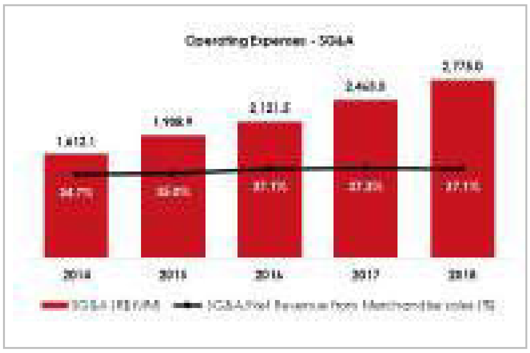
In addition, Camicado and Youcom operations continued to make a positive contribution to the businesses with an increase in sales of 13.7% and 44.3%, respectively.

Cost of Goods Sold (COGS) and Gross Profit from the Retailing Operation

COGS reported an increase of 11.4%, in relation to 2017, and less than the Net Revenue from Merchandise Sales. Consequently, Gross Profit from the Retailing Operation posted a growth of 15.0%, against 2017, while margins expanded 0.8 p.p. year-on-year. The gain is a reflection of the effect of the exchange rate hedge contracted for imported goods combined with disciplined commercial management.

The increase of 1.0 p.p. in Gross Margin from the Renner stores compensated for narrower margins at Youcom and Camicado, due to greater promotional activity at the two store formats.

Operating Expenses



As Selling, General and Administrative Expenses (SG&A) rose 12.7% in 2018, less than the growth of 13.4% in Net Revenue for the period, ensuring operational leverage.

Selling Expenses were R$ 2,075.4 million, equivalent to 27.7% of Net Revenue from Merchandise Sales as opposed to 28.3% in 2017, reflecting productivity gains and operational efficiency. General and Administrative Expenses in turn were R$ 699.6 million, 9.3% of Revenue from Merchandise Sales compared to 9.0% the previous year, principally a reflection of reinforcement of structures in the principal areas of the Company in the last twelve months in order to guarantee the competitiveness of the business, as well as the Digital Cycle initiatives adopted.

Other Operating Expenses amounted to R$ 30.0 million against R$ 70.9 million in 2017, this decrease due to recognition of tax credits and lower provisions for the employee Profit Sharing Program (PPR).

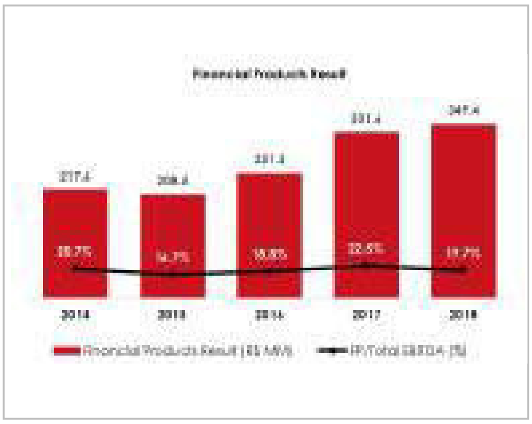
It should be remembered that in the Income Statements for the fiscal year ending December 31, 2017, the expenses with Depreciation and Amortization, Tax Expenses and Management Profit Sharing, previously shown in the "Other Operating Income" item, were reclassified under Selling, General and Administrative Expenses. To facilitate analysis, Depreciation and Amortization Expenses have been excluded.

Adjusted EBITDA from Retailing

Adjusted EBITDA from Retailing in 2018 was 24.4% greater than the preceding year. The result was largely due to the expansion in Gross Margin, the dilution of expenses and the reduction in Other Operating Expenses. The Adjusted Margin from Retailing was 19.0%, *versus* 17.3% in 2017, a 1.7 p.p. improvement.

Financial Products Result

Financial Products Result (R$ MM)	2018	2017	Var. %
Revenues, Net of Funding and Taxes	**914.0**	**822.2**	**11.2%**
Renner Card (Private Label)	299.1	341.3	-12.4%
Co-branded Card Meu Cartão	528.2	389.0	35.8%
Quick Withdrawal and Insurances	86.6	91.8	-5.7%
Credit Losses, Net of Recoveries	**(280.7)**	**(255.8)**	**9.7%**
Renner Card (Private Label)	(98.6)	(109.3)	-9.8%
Co-branded Card Meu Cartão	(181.3)	(139.1)	30.3%
Quick Withdrawal - Saque Rápido	(0.7)	(7.4)	-90.1%
Operating Expenses	**(283.9)**	**(234.8)**	**20.9%**
Financial Products Result	**349.4**	**331.6**	**5.4%**
% of Company's Total Adjusted EBITDA	19.7%	22.5%	-2.8p.p.



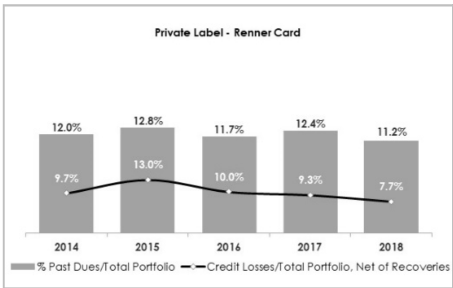
Revenues from Financial Products increased by 11.2%, driven by greater use of the Co-branded Meu Cartão and lower funding costs, with the migration of the portfolio to Realize CFI, initiated in 3Q17, compensating the reduction in rates charged for the principal products. Private Label revenue fell due to the reduced participation of interest-bearing installment on sales and the purchases with Meu Cartão at Renner stores, using the booklet payment format, that ceased to be registered in the Private Label portfolio and were transferred to the Meu Cartão portfolio.

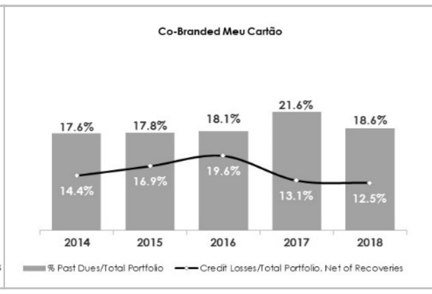
Net Losses were 9.7% greater in 2018, this a reflection of the increase in the Meu Cartão portfolio. This increase – below the 20.8% increase in the credit portfolio as a whole, reflects an improvement in the process of granting and recovering of credits.

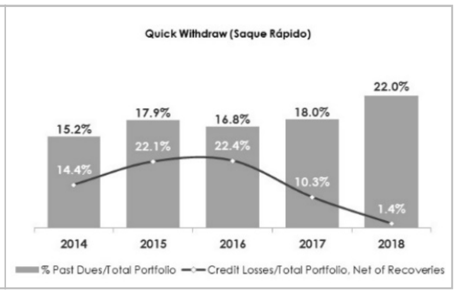
Operating Expenses increased by 20.9% due to the increase in Meu Cartão processing volume, costs of compliance of Realize CFI and the customer call center which were greater due to recent regulatory changes implemented by the Central Bank of Brazil (BACEN).

Overall, the financial products result in the fiscal year was 5.4% higher than 2017.

Portfolio Analysis





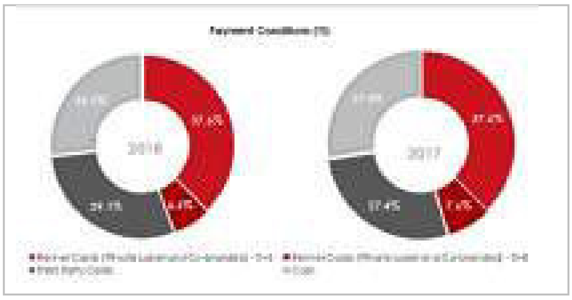


The total financial products portfolio, net of the FIDC fees, reached R$ 2,789.5 million, a year-on-year growth of 20.8%. The gross Private Label portfolio amounted to R$ 1,281.2 million in December 2018, 9.9% greater than the preceding year. The *Saque Rápido* (Quick Withdrawal) portfolio fell 29.3% and totaled R$ 50.8 million. The gross portfolio of Meu Cartão was R$ 1,457.4 million, an increase of 36.1%, principally due to the unification of limits and also greater use of this product.

In relation to delinquencies, Losses, Net of Recoveries on the Portfolio were lower for all three products, reflecting an improvement in the processes involving the granting and recovery of credit. In the case of the *Saque Rápido*, the decline was more accentuated due largely to the improvement in levels of recoveries realized on a significantly larger portfolio from preceding periods. With Meu Cartão, this relationship was lower despite the more robust growth of the portfolio.

The Percentage of Overdues on the Portfolio fell for both Meu Cartão and Private Label portfolios, reflecting the growth in the portfolios. The increase in the Percentage of Overdues in the case of the *Saque Rápido* occurred above all due to the running down of the portfolio, characterized by fewer new credit concessions as a percentage of the total.

Payment Conditions

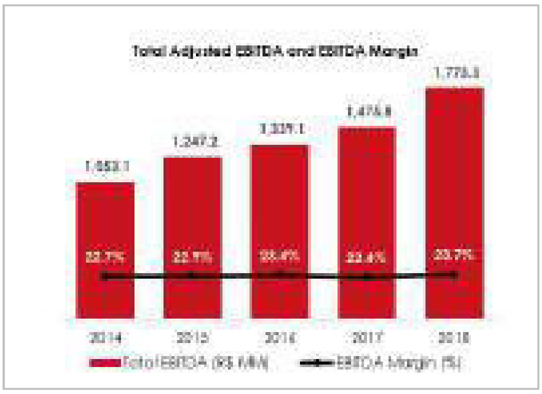


The number of Renner Cards issued totaled 30.6 million in December 2018, registering a participation of 44.2% of merchandise sales, a lesser percentage than previously. This largely reflected the reduction of the participation of 0+8 installment purchases, in turn due to the customer behavior, still reticent as to buying on credit with interest.

The average ticket for the Renner Card was R$ 201.41 in 2018, 3.1% higher than in 2017. Meanwhile the Company's average ticket was R$ 149.02, a growth of 3.4% year-on-year.

Total Adjusted EBITDA: Retailing + Financial Products

EBITDA Reconciliation (R$ MM)	2018	2017	2016
Net Income	**1,020.1**	**732.7**	**39.2%**
(+)Income and Social Contribution Taxes	350.1	271.5	29.0%
(+)Financial Result, Net	53.6	83.1	-35.5%
(+)Depreciation and Amortization	314.6	329.1	-4.4%
Total EBITDA	**1,738.4**	**1,416.3**	**22.7%**
(+) Stock Option Plan	20.5	27.6	-25.8%
(+) Statutory Participation	8.3	10.6	-21.4%
(+) Result on Write-Off and Provision for Impairment of Fixed Assets	6.1	21.4	-71.3%
Total Adjusted EBITDA*	**1,773.3**	**1,475.8**	**20.2%**
Total Adjusted EBITDA Margin*	23.7%	22.4%	1.3p.p.



**Pursuant to Article 4 of CVM Instruction 527, the Company has chosen to show its Adjusted EBITDA as in the above table in order to provide the information that best reflects the gross operational cash generation from its activities. These adjustments are based on: a) the Stock Option Plan – corresponding to the fair value of the respective financial instruments recorded "pro rata temporis", during the period services are rendered and offset by the Equity Capital Reserve and thus not representing a cash outflow; b) Statutory Participations are of a contingent nature and are related to the generation of profits pursuant to Article 187 of Law 6.404/76; and c) the Write-off or Sale of Fixed Assets refer to results accounted for this end, therefore having no cash impact.*

The Total Adjusted EBITDA recorded growth of 20.2%, representing a margin of 23.7%, *versus* 22,4% in 2017, reflecting stronger EBITDA Margin from Retailing.

Free Cash Flow

In 2018, the Company generated a Free Cash Flow of R$ 602.5 million, with an increase of R$ 159.1 million in relation to 2017. This result is largely a reflection of the important growth in the Company's operating cash generation.

The significant increase in Accounts Receivable was achieved on the back of higher sales and the greater use of Meu Cartão and the increase in Operational Financing, the consequence of the transition process of financing the portfolio from the Private Label, through the FIDC, to be wound up in May 2019 and transferred to Realize CFI.

Higher growth in the Meu Cartão portfolio in 2017 generated a proportionally greater increase in the Amounts to be Transferred to Retailers account last year than this year.

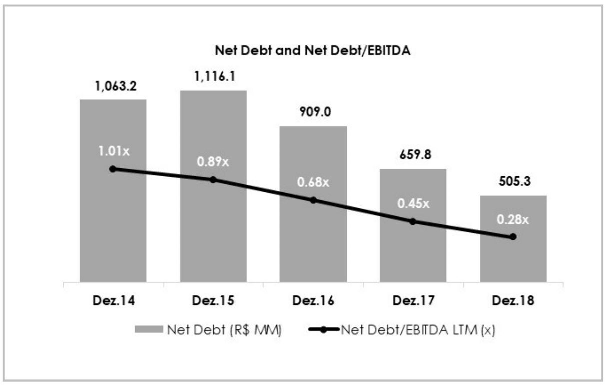
Cash Flow (R$ MM)	2018	2017	Var.
Total Adjusted EBITDA	**1,773.3**	**1,475.8**	**297.5**
(+/-) Income and Social Contribution Taxes/Others	(196.6)	(292.1)	95.4
Operating Cash Flow	**1,576.7**	**1,183.8**	**392.9**
(+/-) Changes in Working Capital	**(363.8)**	**(190.0)**	**(173.8)**
Accounts Receivable	(551.0)	(435.0)	(116.0)
Operating Financing (Financial Products)	154.1	(98.1)	252.2
Inventories	(187.1)	(140.9)	(46.2)
Suppliers	113.6	162.5	(49.0)
Other Accounts Receivable/Payable	106.7	321.5	(214.8)
(-) Capex	**(610.4)**	**(550.4)**	**(60.0)**
(=) Free Cash Flow	**602.5**	**443.4**	**159.1**

Financial Result, Net

In 2018, the Financial Result, Net was negative at R$ 53.6 million, a reduction of 35.5%, against 2017, above all due to the decline in the cost of financing as well as the reduction in net structural debt.

Debt/Net Cash and Cash Equivalents

Net Debt (R$ MM)	Dec. 18	Dec. 17	Var %
Borrowings and Financing	**(1,038.1)**	**(1,104.5)**	**-6.0%**
Current	(710.8)	(379.6)	87.3%
Noncurrent	(327.3)	(725.0)	-54.9%
Operational Financing	**(851.6)**	**(697.5)**	**22.1%**
Current	(712.6)	(127.4)	459.3%
Noncurrent	(139.0)	(570.1)	-75.6%
Gross Debt	**(1,889.6)**	**(1,802.0)**	**4.9%**
Cash and Cash Equivalents and Financial Investments	**1,384.4**	**1,142.2**	**21.2%**
Net Debt	**(505.3)**	**(659.8)**	**-23.4%**
Net Debt / Total Adjusted EBITDA (LTM)	*0.28x*	*0.45x*	-



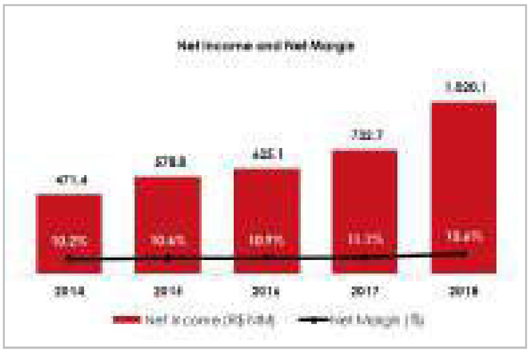
Operational finance is used for financing the Financial Products portfolios and its variation is reflection of the financed volumes of these products. Debt servicing charges related to capital management are booked to the Financial Result, Net. Conversely, the costs of Operational Financing relative to the volume of Financial Products – are reflected in the Operational Result.

On December 31, 2018, the Company's Net Debt was R$ 505.3 million, 23.4% less than the position held at December 31, 2017, the result of the positive cash generation reported in the period.

Net Income

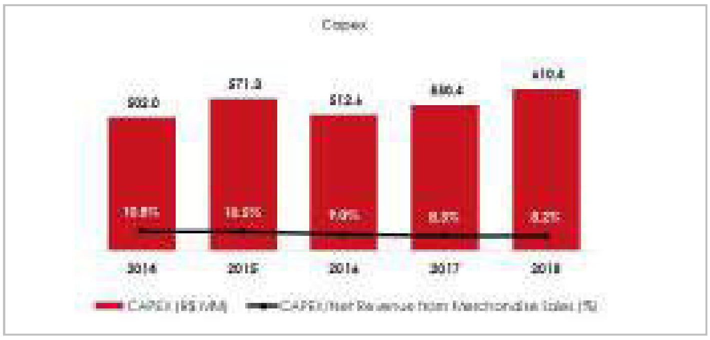
Net Income in 2018 posted growth of 39.2% compared with 2017, and a margin of 13.6% *versus* 11.1% for the preceding year. This reflected the improved operational result recorded in the period combined with a lower Net Financial Expense and Depreciation, the latter in line with the revised useful life of the fixed assets.

The lower effective income tax rate also contributed to the increase in Net Income. This reflected recognition of non-recurring tax credits in the period arising from a favorable final court ruling on the tax deductibility of expenses incurred with the Workers' Food Program (Programa de Alimentação do Trabalhador – PAT), as well as the recognition of amounts considered as investment subsidies in line with the requirements of Complementary Law 160/17.



INVESTMENTS

CAPEX Summary (R$ MM)	2018	2017
New Stores	225.1	222.4
Remodeling of Installations	167.9	142.0
IT Equipament & Systems	184.0	143.5
Distribution Centers	17.5	22.2
Others	15.8	20.3
Total Capex	**610.4**	**550.4**



In line with the long-term plan, in 2018 investments in fixed assets amounted to R$ 610.4 million. An allocation of 36.9% of the total was directed towards the opening of 55 new stores of which 26 Renner, 10 Camicado, 16 Youcom and 3 Ashua, the Plus & Curve Size fashion brand. A further 27.5% were invested in store remodeling as well as 30.1% in Technology Systems and Equipment and the remaining 5.5% in Distribution Centers and Others.

INDEPENDENT AUDITORS

Lojas Renner's policy in relation to its independent auditors, with respect to the provision of services not related to the external audit rests on principles that preserve the auditor's independence. These principles are based on the fact that the auditors should not audit their own work, perform management functions or represent their client. During the fiscal year ending December 31, 2018, the Company's independent audit services conducted by KPMG Auditores Independentes, covered the examination of the financial statements and the Company's Annual Report assurance. The total fees payable to the independent auditors for fiscal year 2018 were R$ 812.0 thousand.

AWARDS AND RECOGNITION

As a result of its activities over 2018, Lojas Renner was recognized by different institutions, each specialized in their areas of operation, as well as for various aspects of its business. These awards contributed to the Company's reputation and also serve as inspiration for 2019. Below is a list of the main recognitions:

Corporate Sustainability Stock Index (ISE) – component of the portfolio for the 5th consecutive year	B3 – Brasil, Bolsa, Balcão
Dow Jones Sustainability World Index – debut in the portfolio	S&P Dow Jones Indices
Best Loved Companies in E-commerce – 1st place in the Fashion and Accessories category	Ebit
Brands for Who Decides - In the list of the Top 10	*Jornal do Comércio*
Most remembered brand – Women's Apparel Category	*Jornal do Comércio*
Markie Awards - Best Omni-Channel Marketing Program	Oracle
Estadão More Brands – 1st place in the Apparel Store Category	*O Estado de SP* newspaper
Best CEOs 2018 – In the list of 15 CEOs honored for decisive actions in the performance of their companies	Forbes Magazine
Exame Best & Biggest – Company of the Year and 1st place in the Retail category	*Exame* magazine
The Best of *Dinheiro* – 1st place in the Clothing, Textile and Footwear category	*Istoé Dinheiro*
Reputation Index 2018 – Leader in the Textile category – Fashion Retail	Padrão Group
150 Best Companies in which to Work – 3rd place in the Retailing category	Você S/A magazine
Época Negócios 360° - 1st place in Corporate Governance in the Textile and Clothing category	Época Negócios
Real Black Friday -Winner in the Fashion and Accessories category	Proxy Media

Most Valuable Brazilian Brands – 11th place and 1st in Retailing category	Interbrand
Best CEO – Retailing category	Institutional Investor Magazine – Latin America
Best IR Program – Retailing category	Institutional Investor Magazine – Latin America

OUTLOOK

The year 2019 begins with positive prospects for an economic recovery in Brazil, the first green shoots of which were to be seen at the end of last year. In this context, the Company believes that the low levels of inflation and stability of employment, combined with a lower level of income commitment of households and reduced personal debt are very important indicators for increased consumer confidence and a recovery in consumption. Thus, Lojas Renner will continue to invest in new opportunities for growth and for strengthening of the business model, with efficiency and a high degree of competitiveness, always in alignment with our value proposition.

The Company will continue to expand its sales area in Brazil as well as abroad, where Renner is studying the Latin American market and will be rolling out up to 3 stores in Argentina in the second half of 2019. The choice of Argentina is justified by the size of the market, the favorable competitive environment and by the commercial opportunities to be found in Mercosur in addition to the similarity and proximity with the south of Brazil where Lojas Renner's administrative headquarters and one of the distribution centers is located.

For 2019, the Company expects to make R$ 698.8 million in investments, pursuant to the proposal to be made to the shareholders, which contemplates the rollout of from 25 to 30 Renner stores, including Uruguay and Argentina, around 10 units of Camicado and Youcom, in addition to 5 Ashua stores. Investments will also be made in the remodeling of existing operations, logistical infrastructure and technology.

In addition, during 2019, there will be significant changes in the Company's income statements, related to the IFRS 16 implementation, a rule issued by the International Accounting Standards Board which alters the accounting treatment given to leasing operations, pursuant to explanatory note 5.2.1.

The Company also has a pending lawsuit relative to the ICMS sales tax from the calculation base for PIS and COFINS taxes, with a final ruling possible in fiscal year 2019 and as shown in explanatory note 23.6.

ACKNOWLEDGEMENTS

The Company would like to thank all our shareholders, customers, suppliers and employees for their engagement, support, effort and dedication during 2018 and looks forward to the same endeavor in 2019.

Porto Alegre, February 07, 2019

ATTACHMENT IV

MANAGEMENT'S COMMENTS ON THE CORPORATION'S FINANCIAL CONDITION

10.1 Officers shall comment about:

a. overall financial and equity conditions

In 2018, the Company closed the fiscal year with net debt of R$ 505.3 million, considering financial services operations, which are classified as operational. Cash and cash equivalents at the end of the fiscal year amounted to R$ 1,384.4 million, an increase of 21.2% in relation to R$ 1,142.2 million on December 31, 2017, as consequence, mainly, of an increase of its cash generation from operational activities.

In 2017, the Company closed the fiscal year with net debt of R$ 659.8 million, considering financial services operations, which are classified as operational. Cash and cash equivalents at the end of the fiscal year amounted to R$ 1,142.2 million, an increase of 27.6% in relation to R$ 894.9 million on December 31, 2016, as consequence, mainly, of an increase of its cash generation from operational activities.

In 2016, the Company closed the fiscal year with net debt of R$ 909.0 million, considering financial services operations, which are classified as operational. Cash and cash equivalents at the end of the fiscal year amounted to R$ 894.9 million, an increase of 21.3% in relation to R$ 737.5 million on December 31, 2015, as consequence, mainly, of an increase of its cash generation from operational activities.

The Company's net debt is shown in the following table together with the net debt/EBITDA ratio for 2018 compared with years 2017 and 2016.

Net Debt (R$ Millions)	Dec/18	Dec/17	Dec/16
Borrowings and financing	**(1.038,1)**	**(1.104,5)**	**(1.008,3)**
Current	(710,8)	(379,6)	(615,4)
Non-current	(327,3)	(725,0)	(392,9)
Operational financing	**(851,6)**	**(697,5)**	**(795,6)**
Current	(712,6)	(127,4)	(378,3)
Non-current	(139,0)	(570,1)	(417,4)
Cash and cash equivalents and financial investments	**1.384,4**	**1.142,2**	**894,9**
Net Debt	**(505,3)**	**(659,8)**	**(909,0)**
Net Debt / Total Adjusted EBITDA (12M)	0,28x	0,45x	0,68x

On December 31, 2018, the Company's current liquidity was 1.4x, represented by the division of current assets and current liabilities (1.7x on December 31, 2017). The quick ratio which measures how much the Company has in cash and cash equivalents in relation to the current liabilities, was 0.2x on December 31, 2018 (0.4x on December 31, 2017).

b. capital structure

Company's Net Equity on December 31st, 2018, 2017 and 2016 totaled, respectively, R$ 3,954.5 million, R$ 3,223.4 million, R$ 2,636.9 million, demonstrating a path of constant growth, compatible with the results generated during this period.

As of December 31, 2018, loans and financings reached R$ 1,038.1 million (R$ 1,104.5 million on December 31st, 2017 and R$ 1.008.3 million on December 31st, 2016), being R$ 552.8 million related to debentures emissions, R$ 30.2 million related to funds raising with Banco do Nordeste and R$ 13.2 million with BNDES, R$ 425.2 to working capital (Law 4,131) and R$ 16.7 million to others. The abovementioned figures do not include the positions of financing tied to the operation of the activity of financial services, on totaled amount of R$ 851.6 million on December, 31 2018, classified as operational (R$ 697.5 million in 2017 and R$ 795.7 million in 2016).

The composition of the Company's capital structure at the end of financial year 2018, 2017 and 2016 is following below:

Capital Structure (R$ Millions)	Dec/18	AV	Dec/17	AV	Dec/16	AV
Liability (Current and Non-current)	4.866,5	*55,2%*	4.324,2	*57,3%*	3.838,3	*59,3%*
Equity capital	3.954,5	*44,8%*	3.223,4	*42,7%*	2.636,9	*40,7%*
Total (Liability + Equity Capital)	**8.821,0**	***100,0%***	**7.547,6**	***100,0%***	**6.475,2**	***100,0%***

There were no significant changes in the Company's capital structure over the last three years.

c. payment ability related to financial obligations assumed

The Executive Board understands that the Company's liquidity level, associated to its cash free generation, is compatible with its investments, expenses, debts and other values to be paid within next years.

The Company manages its cash and cash equivalents, establishing a strategic minimum amount of cash based on the cash cycle for retail operations as well as the minimum capital necessary for guaranteeing credit operations.

Management monitors forecasts of the Company's liquidity requirements on a continuous basis to ensure that it has sufficient cash to meet operating requirement. The global limits granted to the Company provide enough free space in its available committed credit lines without generating a risk of exceeding these limits or breaching loan covenants in loan agreements. These forecasts take into account the Company's debt financing plans.

The Company's solid balance sheet, its long relationship with important financial institutions and the capital markets, ensure very favorable access to funding via debt instruments or even the issue of new shares for increasing capital, if the case.

The balance of net indebtedness is a consequence of the capital management decisions and the results of the net charges of these positions are reflected in the financial results.

The other liabilities with the financial system refer to operating funding, which costs are charged to operating results and most of which is directly linked to the financing of the receivables from financial products. The net indebtedness, including operational financing, reflects the Company's total exposure to the obligations contracted in the financial system.

d. financing sources for working capital and for investments in non-current assets used

The Executive Board understands that Company has been essentially using equity to finance its activities, consistently presenting low indebtedness level when compared to its shareholders' equity position, as well as when compared to its cash position. As of December 31st, 2018, Company presented, including operational financing, net debt of R$ 505.3 million (net debt of R$659.8 million on December 31st, 2017 and net debt of R$ 909.0 million on December 31st, 2016), not estimating any cash need for the short and medium term.

The principal objective of issues was to provide funds to support the organic growth of the Company, allocated on the opening of new stores, refurbishment of existing stores, new distribution centers, technology investments and working capital.

e. financing sources for working capital and for investments in non-current assets intended to use to cover liquidity deficiencies.

Because the Company has good level cash of available cash in the beginning of the period, and considering cash generation expected for the year, Management understands that there are no liquidity deficiencies that demand other financing sources. Our projections for the next 5 years, however, indicate that due to the investment plan that will be implemented, added to maintenance of the current dividends policy, complementary financing may be needed.

Cash gross generation, represented through Adjusted EBITDA, of R$ 1,773.3 million as of December 31st, 2017, of R$ 1,475.8 million as of December 31st, 2017 and R$ 1,339.1 million as of December 31st, 2016, associated to an efficient working capital management, has been one of the main sources that allowed us to undertake the expansion plan. Such generation, associated to issuing of debts carried out in the last years, are, somehow, illustrated by evolution of Company's net debt end of the latest years: R$ 505.3 million as of December 31st, 2018, R$ 659.8 million as of December 31st, 2017 and R$ 909.0 million as of December 31st, 2016.

Considering a possible scenario of liquidity deficiency, sources of finance which could be used by the Company would include funding from the local capital markets, such as the issue of debentures, Northeast Constitutional Financing Fund (FNE), projects and studies Financing Fund (FINEP) and development banks, such as the Federal Government Development Bank - BNDES, Law 4131 credit lines and financing of working capital from financial institutions in the market.

Given that the Company has historically distributed profits at levels higher than the legal minimum, other possible sources of finance in the event of a credit squeeze would be through the retention of a larger percentage of the profits, or through a primary share issue.

f. Indebtedness levels and the characteristics of such debts, further describing: (i) relevant loan and financing agreements; (ii) other long-term relations with financial institutions; (iii) degree of subordination among debts; (iv) eventual restrictions imposed to issuer, especially regarding indebtedness limits and new debts acquisition, distribution of dividends, disposal of assets, new securities issuance and sale of corporate control, and if the company has been fulfill it as well.

Company's solid equity position and its long relation with important financial institutions and with the capital market guarantee conditions to comfortably raise funds with the financial institutions or directly by the capital market.

Loans, financing and debentures

Loans and financings position of the Company is the following (R$ million) for the years 2018, 2017 and 2016:

			Consolidated		
Descriptions	**Weighted annual rates**	**Maturity**	**31/12/2018**	**31/12/2017**	**31/12/2016**
National currency					
4th Issue - 2nd series	-	-	-	-	42,1
5th Issue - 1st series	-	-	-	73,6	147,6
5th Issue - 2nd series - (i)	IPCA + 5,7% a.a.	2017 - 2019	40,2	77,4	113,0
6th Issue - single series (i)	CDI + 0,85% a.a.	2017 - 2018	-	207,2	424,1
7th Issue - single series - (i)	108% CDI	2020	307,7	309,4	-
8th Issue - single series - (i)	104,5% CDI	2019	206,4	207,3	-
Structuring costs	-	-	(0,4)	(0,9)	(0,6)
(+/-) Swap - Debentures - (ii)	98,7% CDI	2017 - 2019	(1,1)	(1,7)	3,0
Northeast Fund - FNE - (iii)	6,97% a.a.	30/06/2023	11,0	13,7	15,6
Northeast Fund - FNE - (iii)	9,5% a.a.	29/06/2023	16,5	19,7	21,2
Northeast Fund - FNE - (iii)	11,01% a.a.	03/06/2024	1,9	2,1	-
Northeast Fund - FNE - (iii)	11,01% a.a.	25/07/2024	0,9	0,9	0,9
BNDES	-	-	-	-	27,4
BNDES	-	-	-	-	22,1
BNDES - (iv)	SELIC + 2,5% a.a.	15/07/2020	8,4	12,9	-
BNDES - (iv)	TJLP + 2,12% a.a.	15/07/2020	4,7	7,7	-
FINEP - (v)	-	-	-	18,3	-
Working Capital - guaranteed account - (vi)	112,5% CDI	-	16,4	16,2	2,0
Other loans	-	-	0,3	1,4	0,3
Foreign currency					
Working capital - Law 4.131 Central Bank of Brazil - (vi)	US$ + 2,61% a.a.	15/08/2019	168,3	143,9	-
Working capital - Law 4.131 Central Bank of Brazil - (vi)	US$ + 4,41% a.a.	10/06/2019	179,3	-	47,9
Working capital - Law 4.131 Central Bank of Brazil - (vi)	US$ + 2,43% a.a.	10/01/2019	42,0	-	36,0
Working capital - Law 4.131 Central Bank of Brazil - (vi)	US$ + 3,31% a.a.	27/12/2019	35,2	-	-
Working capital - Law 4.131 Central Bank of Brazil - (vi)	US$ + 3,16% a.a.	18/04/2019	34,3	-	-
Working capital - (vii)	10% a.a.	21/01/2019	8,5	-	-
Working capital - (vii)	10% a.a.	07/01/2019	3,6	-	-
(+/-) *swap* - Working capital - (ii)	103% CDI	15/08/2019	(29,2)	(4,4)	-
(+/-) *swap* - Working capital - (ii)	100,9% CDI	10/06/2019	(6,9)	-	2,0
(+/-) *swap* - Working capital - (ii)	103,9% CDI	10/01/2019	(6,6)	-	3,4
(+/-) *swap* - Working capital - (ii)	106,95% CDI	18/04/2019	(3,9)	-	-
(+/-) *swap* - Working capital - (ii)	102,5% CDI	27/12/2019	0,6	-	-
FINIMP	-	-	-	-	18,7
FINIMP	-	-	-	-	46,4
FINIMP	-	-	-	-	16,3
FINIMP	-	-	-	-	3,3
(+/-) *swap* - Finimp	-	-	-	-	6,0
(+/-) *swap* - Finimp	-	-	-	-	7,3
(+/-) *swap* - Finimp	-	-	-	-	1,9
(+/-) *swap* - Finimp	-	-	-	-	0,2
Total			**1.038,1**	**1.104,6**	**1.008,3**
Current liabilities			710,8	379,6	615,4
Non-current liabilities			327,3	725,0	392,9
Total			**1.038,1**	**1.104,6**	**1.008,3**

(i) Funds obtained from issuances of debentures were intended to maintain the Company's minimum strategic cash level.

(ii) Swap transactions of debentures and in foreign currency (4131) are hedging against foreign exchange rate and inflation rate fluctuations.

(iii) The Company signed financing agreements with Banco do Nordeste through FNE (Northeast Constitutional Financing Fund) to fund the expansion of its group of stores in that region.

(iv) The Company entered into a financing transaction with BNDES (Brazilian Bank for Economic and Social Development) using the Prodesign facility to invest in design by increasing and changing product development structure and processes.

(v) The Company entered into a financing transaction with FINEP (Studies and Projects Financer) for the purpose of partially paying the costs of its innovation projects. The Company decided to settle the borrowing in advance in April 2018.

(vi) The Company entered into contracts of the types of secured account and Law 4131 Bacen for working capital purposes and to invest in the organic expansion plan.

(vii) The direct subsidiary LRU obtained two borrowings for working capital purposes and to invest in the organic growth plan.

Debentures

On the matter of degree of subordination, the amounts for debenture issues are classified as unsecured debt, carrying no real guarantee.

For financing of Banco do Nordeste, the guarantee is through a surety letter. The mentioned agreement contains an obligation enforced to the Issuer for use and evidence of investment of funds as per agreed between the parties.

For debentures, the public deed indicates that the guarantee is of unsecured specie. The synthesis of financial indicators (Covenants) set forth in such operation, according to public offering document registered in CVM is the following:

Instrument	Issue	1st Indicator	2nd Indicator
5th Issue of debentures	15/06/2012	$\frac{Consolidated\ Net\ Debt}{EBITDA} \leq 3{,}0$	$\frac{EBITDA}{Consolidated\ Net\ Financial} \geq 2{,}0$
6th Issue of debentures	01/08/2013		
7th Issue of debentures	13/02/2017		
8th Issue of debentures	04/07/2017		

The Company has been monitoring those indexes periodically and compliance with significant safety margin has been confirmed. Other information on the debentures can be found in the Definite Prospect of Simple Debentures Distribution Public Offering, not convertible into shares, in two series, of Lojas Renner S.A.'s 4th and 5th issues, and in single series of the 6th, 7th, 8th issues of debentures.

Financing – financial service operations (R$ million)

	Weighted average charges - %	Consolidated		
		31/12/2018	31/12/2017	31/12/2016
Credit sales (i)	6.9% p.m	97,9	33,6	76,1
Quick withdrawal (ii)	11.44 p.m	-	45,6	102,8
Secured Account (iii)	20.7% p.m	1,2	1,6	174,5
Vendor (iv)	20.7% p.m	29,3	28,2	19,1
Interbank deposit	105.7% CDI	-	16,0	-
Financial bills (v)	103.25% CDI	160,8	150,8	-
Working capital - Law 4131 Bacen (vi)	US$ + 4,67% a.a.	131,8	-	-
(+/-) swap - working capital	101,8% CDI	7,2	-	-
Senior Quotas – FIDC Lojas Renner (vii)	CDI + 1,08% a.a.	424,0	424,3	427,7
Structuring cost - FIDC Lojas Renner (viii)	-	(0,7)	(2,6)	(4,5)
		851,6	**697,5**	**795,7**
Current liabilities		712,6	127,4	378,3
Non-current liabilities		139,0	570,1	417,4
Total		**851,6**	**697,5**	**795,7**

i. The values of "Credit sales" refer to the amounts financed to the clients of the Company by Financial Institutions, through Vendor, on shopping malls made under the condition of payment from seven to eight monthly installments at Lojas Renner S.A.

ii. The values of "Quick withdrawal" corresponded to the amounts of quick withdrawal agreement, granted to the clients by a bank with which there is special agreement and intermediated by the subsidiary RACC.

iii. The values of "Secured Account" are used for the financing of portfolios in delay of sales made by Renner Card to Camicado.

iv. The values of “Vendor” are made through the Special Agreement for Granting of Financing – Electronic Vendor with Itaú Unibanco, credit facility destined to financing of delinquent clients. The Company guarantees Itaú Unibanco in these transactions, serving as guarantor and chief payer of the liabilities assumed by clients.

v. Through its indirect subsidiary Realize CFI S.A., the Company issued Financial Bills for private distribution in the amount of R$150,000 on December 4, 2017, at the cost of 103.25% of CDI, with settlement period of two years after issuance date. This issue is solely intended to be used in the ordinary course of business and financing of operations.

vi. The indirect subsidiary Realize CFI SA entered into contract in modality 4.131 on August 27, 2018 with Banco Santander S.A. in the amount of US$ 33,000 at a cost of 4.67% p.a. plus exchange-rate changes, with maturity on August 17, 2020. This issue is solely intended to be used in the ordinary course of business and financing of operations.

vii. Represents the balance of senior quotas issued by FIDC Lojas Renner (note **Erro! Fonte de referência não encontrada.**), which is subject to public distribution under CVM Instruction 400/03, with priority of amortization and redemption in relation to subordinated quotas. This amount will be settled upon the closure of FIDC Loja Renner in May 2019.

viii. Refers to the balance of costs incurred in the structuring of FIDC Lojas Renner, which will be recognized in the net income (cost of financial services) over the life of the fund, according to the internal return rate (IRR) of the funding.

g. limits of use of financings already contracted and already used

On December 31, 2018, the agreed limit for financing from Banco do Nordeste S.A. was R$ 42.8 million, of which R$ 40.7 million had already been drawn, totalizing 93.0% of the limit, maturing until July 2024. The total of R$ 41.5 million, related to pro-design line, was also agreed with the BNDES. A total of R$ 22.2 million having been drawn, totalizing 53.5% of the limit, maturing until July 2020.

The Company has working capital lines, available with Banco Bradesco S.A. in the amount of R$ 75.0 million, in which R$ 16.4 million was disbursed, representing 22.0% of the total.

In addition, the Company has financing agreements with Banco MUFG Brasil SA and Banco Santander (Brasil) SA, in the amount of R $ 238.4 million (US $ 72.2 million) and R $ 166.0 million (US $ 45.0 million), maturing until December 2019. The Company used 100% of the financing.

Finally, the Company has working capital lines available with Banco Santander S.A. (Uruguay) in the amount of R $ 12.2 million (UYU 100 million). The Company used 100% of the financing.

On December 31, 2017, the agreed limit for financing from Banco do Nordeste S.A. in November 6, 2014, September 1, 2015, June 3, 2016 and November 8, 2016 respectively, was R$ 18.3 million, R$ 21.3, R$ 2.2 million and R$ 1.0 million, of which R$ 16.8 million had already been drawn of the 2014 contract, R$ 21.0 million had already been drawn of the 2015 contract and R$ 2.0 million of the 2016 contract, totalizing 93.0% of the limit. The pro-design line was also agreed with the BNDES for R$ 65.4 million, a total of R$ 40.0 million having been drawn by 2014 plus R$ 22.4 million in 2015, totalizing 95.4% of the limit.

On December 31, 2016, the contracted limit for financing with the Banco do Nordeste S.A. as of November 6, 2014 and September 01, 2015, respectively was R$ 18.3 million and R$ 21.3 million, of which R$ 168 million had already been drawn down against the loan agreement signed in 2014 and R$ 21.0 million from the agreement signed in 2015, totaling 95.5% of the utilizable limit. A loan agreement was also signed with the Brazilian Development Bank - BNDES for financing under the Prodesign facility for R$ 65.4 million. In 2014, R$ 40.0 million was drawn and in 2015, a further R$ 22.4 million, totaling R$ 62.4 million corresponding to 95.4% of the utilizable limit.

h. significant changes in each item of financial statements

Lojas Renner S.A. and Subsidiaries

Balance sheets
Identified on December 31, 2018, 2017 and 2016
(In thousands of reais)

	Consolidated		
Assets	**2018**	**2017**	**2016**
Current assets			
Cash and cash equivalents	944,7	1.059,9	894,9
Financial investments	439,7	82,4	-
Accounts receivable	3.162,7	2.644,3	2.209,3
FIDC Lojas Renner	1.110,3	923,2	782,3
Inventories	208,8	140,3	135,8
Recoverable taxes	10,9	6,9	0,4
Derivative financial instruments	53,3	51,1	62,9
Other assets	-	-	-
Total current assets	**5.930,3**	**4.908,0**	**4.085,6**
Non-current assets			
Long-term assets			
Recoverable taxes	78,3	80,3	66,6
Deferred income tax and social contribution	153,5	199,2	156,6
Other assets	29,4	20,3	21,1
Total long-term assets	**261,2**	**299,8**	**244,3**
Fixed assets	1.994,4	1.813,6	1.645,1
Intangible assets	635,1	526,2	500,2
Total non-current assets	**2.890,7**	**2.639,7**	**2.389,6**
TOTAL ASSETS	**8.821,0**	**7.547,7**	**6.475,2**

Lojas Renner S.A. and Subsidiaries
Balance sheets
Identified on December 31, 2018, 2017 and 2016
(In thousands of reais)

	Consolidated		
Liabilities and shareholders' equity	**2018**	**2017**	**2016**
Current liabilities			
Borrowings, financing and debentures	710,8	379,6	615,4
Financing - financial services operations	712,6	127,4	378,3
Financial leases	0,5	9,9	2,5
Suppliers	955,8	842,3	679,7
Obligations with credit card administrators	550,0	471,0	404,8
Tax liabilities	246,0	233,3	179,5
Social and labor obligations	70,0	59,4	55,6
Statutory payables	243,0	180,9	156,7
Rents payable	47,8	36,0	33,7
Provision for civil and labor risks	694,0	524,6	291,9
Derivative financial instruments	14,5	3,1	57,5
Other obligations	79,4	74,3	62,3
Total current liabilities	**4.324,4**	**2.941,7**	**2.917,9**
Non-current liabilities			
Borrowings, financing and debentures	327,3	725,0	392,9
Financing - financial services operations	139,0	570,1	417,4
Financial leases	33,5	58,9	69,5
Deferred income tax and social contribution	11		
Provision for tax risks	29,5	26,1	37,4
Other obligations	1,8	2,4	3,2
Total non-current liabilities	**542,2**	**1.382,5**	**920,4**
Total liabilities	**4.866,5**	**4.324,2**	**3.838,3**
Shareholders' equity			
Capital	2.637,5	2.556,9	1.178,4
Treasury shares	(44,5)	(27,9)	(19,0)
Capital reserves	124,1	94,3	298,3
Profit reserves	1.235,3	596,0	1.217,0
Other comprehensive income	2,1	4,1	(37,8)
	-	-	-
Total shareholders' equity	**3.954,5**	**3.223,4**	**2.636,9**
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	**8.821,0**	**7.547,7**	**6.475,2**

Lojas Renner S.A. and Subsidiaries
Income Statement
Income Statement for the years ended December 31, 2018, 2017 and 2016
(In thousands of Brazilian reais - R$)

	Consolidated		
	2018	**2017**	**2016**
Net operating revenues	**8.426,5**	**7.444,3**	**6.451,6**
Sales of goods	7.485,4	6.600,1	5.721,8
Financial products and services	941,1	844,2	729,8
Cost of sales and services	**(3.284,5)**	**(2.944,9)**	**(2.575,1)**
Goods sold	(3.257,4)	(2.922,9)	(2.536,6)
Financial products and services	(27,1)	(22,0)	(38,5)
Gross profit	**5.142,02**	**4.499,39**	**3.876,50**
Selling	(2.256,6)	(2.061,9)	(1.547,5)
General and administrative	(820,0)	(715,3)	(521,1)
Losses on receivables, net	(280,7)	(255,8)	(262,2)
Other operating results	(360,9)	(379,2)	(570,0)
Total operating expenses, net	**(3.718,2)**	**(3.412,2)**	**(2.900,8)**
Operating profit before financial results	**1.423,8**	**1.087,2**	**975,7**
Financial revenue	49,2	59,1	87,5
Financial expense	(102,8)	(142,2)	(190,8)
Total financial result, net	**(53,6)**	**(83,1)**	**(103,3)**
Operating profit before financial results	**1.370,2**	**1.004,1**	**872,4**
Financial revenue	(278,1)	(334,8)	(253,7)
Financial expense	(72,0)	63,3	6,3
Total financial result, net	**(350,1)**	**(271,5)**	**(247,3)**
Profit for the year	**1.020,1**	**732,7**	**625,1**

Fiscal year 2018 compared with fiscal year 2017

Analysis of the Income Statement

Net Revenue from Merchandise Sales

The year was characterized by the assertiveness of the collections and efficient store operations. Instability in the macro environment and political uncertainty influenced consumer confidence, principally in the first half.

The challenges in the earlier part of the year having been absorbed, the Company resumed a good pace of sales in the second half with a growth in customer traffic through the Renner stores and an increase in items per basket, reflecting the good receptivity of the collections. Thus, Net Revenue from Merchandise Sales reported a growth of 13.4%, with Same Store Sales of 7.4%.

In addition, Camicado and Youcom operations continued to make a positive contribution to the businesses with an increase in sales of 13.7% and 44.3%, respectively.

Gross Profit

COGS reported an increase of 11.4%, in relation to 2017, and less than the Net Revenue from Merchandise Sales. Consequently, Gross Profit from the Retailing Operation posted a growth of 15.0%, against 2017, while margins expanded 0.8 p.p. year-on-year. The gain is a reflection of the effect of the exchange rate hedge contracted for imported goods combined with disciplined commercial management.

The increase of 1.0 p.p. in Gross Margin from the Renner stores compensated for narrower margins at Youcom and Camicado, due to greater promotional activity at the two store formats.

Sales expenses and general and administrative expenses

As Selling, General and Administrative Expenses (SG&A) rose 12.7% in 2018, less than the growth of 13.4% in Net Revenue for the period, ensuring operational leverage.

Selling Expenses were R$ 2,075.4 million, equivalent to 27.7% of Net Revenue from Merchandise Sales as opposed to 28.3% in 2017, reflecting productivity gains and operational efficiency. General and Administrative Expenses in turn were R$ 699.6 million, 9.3% of Revenue from Merchandise Sales compared to 9.0% the previous year.

Financial services Result

Revenues from Financial Products increased by 11.2%, driven by greater use of the Co-branded Meu Cartão and lower funding costs, with the migration of the portfolio to Realize CFI, initiated in 3Q17, compensating the reduction in rates charged for the principal products. Private Label revenue fell due to the reduced participation of interest-bearing installment on sales and the purchases with Meu Cartão at Renner stores, using the booklet payment format, that ceased to be registered in the Private Label portfolio and were transferred to the Meu Cartão portfolio.

Net Losses were 9.7% greater in 2018, this a reflection of the increase in the Meu Cartão portfolio. This increase – below the 20.8% increase in the credit portfolio as a whole, reflects an improvement in the process of granting and recovering of credits.

Operating Expenses increased by 20.9% due to the increase in Meu Cartão processing volume, costs of compliance of Realize CFI and the customer call center which were greater due to recent regulatory changes implemented by the Central Bank of Brazil (BACEN).

Financial Result

In 2018, the Financial Result, Net was negative at R$ 53.6 million, a reduction of 35.5%, against 2017, above all due to the decline in the cost of financing as well as the reduction in net structural debt.

Income tax and social contribution

The income and social contribution taxes at the end of 2018 totaled R$350.1 million, an increase of 29.0%, compared to 2017. This increase is mainly due to the higher net income for the period.

Fiscal Year net income

Net Income in 2018 posted growth of 39.2% compared with 2017, and a margin of 13.6% *versus* 11.1% for the preceding year. This reflected the improved operational result recorded in the period combined with a lower Net Financial Expense and Depreciation, the latter in line with the revised useful life of the fixed assets.

The lower effective income tax rate also contributed to the increase in Net Income. This reflected recognition of non-recurring tax credits in the period arising from a favorable final court ruling on the tax deductibility of expenses incurred with the Workers' Food Program (Programa de Alimentação do Trabalhador – PAT), as well as the recognition of amounts considered as investment subsidies in line with the requirements of Complementary Law 160/17.

Balance Sheet Analysis:

Considerations about main accounts of assets:

Cash and cash equivalents

Cash and Cash Equivalents at the end of fiscal year 2018 were R$ 1,384.4 million, an increase of 21.2% compared with the R$ 1,142.2 million as of December 31, 2017. This reduction is a consequence, mainly, of cash generation of its operational activities.

Trade accounts receivable from clients

On December 31, 2018, trade accounts receivable totaled R$ 3,162.7 million, an increase of 19.6% compared with the balance of R$ 2,644.3 million for this item as at December 31, 2017. The increase in trade accounts receivable is related principally to the Company's sales growth, and the growth of the Co-branded portfolio, mainly due to the higher spending of this product.

Inventory

On December 31, 2018, inventory stood at R$ 1,110.3 million, representing an increase of 20.3% compared to December 31, 2017, when this item reported R$ 923.2 million. This increase in relation to 2017 is related to better stock composition at the end of 2018, and consider the higher imported volumes in transit, aligned to the sales expectation for the beginning of 2019.

Fixed assets

On December 31, 2018, fixed assets totaled R$ 1,994.4 million, representing an increase of 10.0% compared with December 31, 2017, when the fixed asset item totaled R$ 1,813.6 million. The increase in the Company's investments reflects the rollout of new stores in 2018, refurbishment and the remodeling of installations, as well as distribution centers, among others.

Intangible Assets

On December 31, 2018, intangible assets totaled R$ 526.2 million, corresponding to an increase of 20.7% in relation to December 31, 2017, when the amount for intangibles totaled R$ 635.1 million. This increase in corporate intangibles basically reflects the investments in the update of systems.

Comments on the key liability accounts:

Financing – Financial product operations

On December 31, 2018, the financing of these operations amounted to R$ 851.6 million, an increase of 22.1% compared with a balance of R$ 397.5 million on December 31, 2017. The main reason for this increase was the raising of 4,131 and the increase of "Vendors" operations (purchases of 7 and 8 monthly installments per Financial Institution per year), in line with FIDC Lojas Renner liquidation plan, which will mature in May 2019

Suppliers

On December 31, 2018, the outstanding amount for suppliers totaled R$ 955.8 million, an increase of 13.5% compared with R$ 842.3 million on December 31, 2017. This increase is in line with a greater volume of inventories.

Debentures

On December 31, 2018, the balance of debentures outstanding totaled R$ 552.8 million, a reduction of 36.6% relative to the R$ 872.3 million on December 31, 2017. The increase was related to amortization of the 6th debentures issuance.

Comments on the key equity accounts:

On December 31, 2018, the Company's net equity totaled R$ 3,954.5 million, an increase of 22.7% compared to R$ 3,223.4 million on December 31, 2017. The key reason for the increase in net equity lies in the retention of 60% of net income generated in 2018 to be allocated to the reserve accounts for investment, expansion and legal and tax incentive reserves.

Fiscal year 2017 compared with fiscal year 2016

Analysis of the Income Statement

Net Revenue from Merchandise Sales

In 2017, Net Revenue from Merchandise Sales totaled R$ 6,600.1 million, representing a growth of 15.4% with Same Store Sales of 9.2%.

The pace of sales growth was consistent during successive quarters of the year, reflecting greater customer flows through the stores and an increase in items purchased per ticket. Sales were also benefited from the well adjusted allocation of products in the stores combined with the correct execution of the operations and good assortment of inventory. The Camicado and Youcom operations also continued to contribute positively to the businesses with sales increases of 27.4% and 51.7%, respectively.

On the back of these results, Lojas Renner continued to outperform the market according to the IBGE's Monthly Survey of Trade Index for the first eleven months of 2017.

Gross Profit

Gross Profit from the Retailing Operation totaled R$ 3,677.2 million, a growth of 15.4% relative to 2016 with a margin of 55.7%, flat in relation to the preceding year. The exclusion of the ICMS sales tax from the PIS and Cofins charges base since April has also had a positive influence on the margin. However, the economic environment continued to impact consumer sentiment, the latter with sensitivity to price over the course of the year.

Sales expenses and general and administrative expenses

Selling, General and Administrative Expenses (SG&A) rose 16.2% in 2017, principally due to projects with work in progress at the Company and the rate of store rollouts. Proportional to Net Revenue from Merchandise Sales, operating expenses were practically unchanged, a reflection of efforts at Renner to control the routine expenses of the businesses.

Selling expenses were R$ 1,792.0 million, 27.2% of Net Revenue from Merchandise Sales, against 27.0% in 2016. In turn, General and Administrative Expenses reached R$ 610.7 million and represented 9.3% of Net Revenue from Merchandise Sales, against 9.1% for the same period in 2016.

Financial services Result

Over the course of the year, the Financial Products business underwent some changes resulting in alterations to the card processing systems as well as the startup in operations of the Financial Institution.

On July 1, the Meu Cartão product portfolio was transferred to Realize CFI resulting in some modifications in the composition of the portfolios of the different products. In-store purchases using Meu Cartão in the booklet payment format, ceased to be booked to the Private Label portfolio, migrating to the Meu Cartão portfolio together with withdrawals made using this product. In addition, credit limits for use both within and outside Renner and hitherto separate, were unified. In November, the migration of new Personal Loan agreements to Realize CFI began.

In 2017, the Financial Products Result reported year-on-year growth of 32.0%, representing 22.5% of Total EBITDA, largely due to improved levels of revenue and credit quality.

Revenue, Net of Funding and Taxes was 18.9% higher than in 2016, largely due to Co-Branded Meu Cartão business and lower funding costs. Increased revenue from Meu Cartão reflects the greater use of the product and the incorporation of revenues from booklet payment operations together with cash withdrawals. In this context, Private Label revenues rose 3.8% while Saque Rápido business recorded a decline of 19.2%. Worthy of note is that Private Label revenue continued to be depressed by the reduced use of the interest bearing 0+8 installment credit plan, this basically a reflection of a changing customer mood.

Financial Result

In 2017, the Net Financial Result was negative in R$ 83.1 million, a reduction of 19.6% in relation to 2016, above all due to lower Financial Expenses following the decline in the cost of financing.

Income Tax and Social Contribution

Income tax and social contribution at the end of fiscal year 2017 totaled R$ 271.5 million, an increase of 9.8% compared with the R$ 247.3 million in the same period of the previous year. This variation is related, mainly, to the increase of the net income of the year.

Fiscal Year net income

Net Income in 2017 was R$ 732.7 million, a 17.2% increase relative to 2016 equivalent to a Margin of 11.1% versus 10.9% in 2016. This result reflects the growth of Total Adjusted EBITDA and lower financial expenses.

Balance Sheet Analysis:

Considerations about main accounts of assets:

Cash and cash equivalents

Cash and Cash Equivalents at the end of fiscal year 2017 were R$ 1,142.2 million, an increase of 27.6% compared with the R$ 894.9 million as of December 31, 2016. This reduction is a consequence, mainly, of cash generation of its operational activities.

Trade accounts receivable from clients

On December 31, 2017, trade accounts receivable totaled R$ 2,644.3 million, an increase of 19.7% compared with the balance of R$ 2,209.3 million for this item as at December 31, 2016. The increase in trade accounts receivable is related principally to the Company's sales growth.

Inventory

On December 31, 2017, inventory stood at R$ 923.2 million, representing an increase of 18.0% compared to December 31, 2016, when this item reported R$ 782.3 million. This increase in relation to 2016 is related to better stock composition at the end of 2017 compared with December 2016 when changes in delivery processes with greater fragmentation of orders, postponements and delays in delivery of imported items as well as more rigorous quality control, resulted in a shortfall of products in some categories.

Fixed assets

On December 31, 2016, fixed assets totaled R$ 1,813.6 million, representing an increase of 10.2% compared with December 31, 2016, when the fixed asset item totaled R$ 1,645.1 million. The increase in the Company's investments reflects the rollout of new stores in 2017, refurbishment and the remodeling of installations, as well as IT Systems and Equipment, distribution centers, among others.

Intangible Assets

On December 31, 2017, intangible assets totaled R$ 526.2 million, corresponding to an increase of 5.2% in relation to December 31, 2016, when the amount for intangibles totaled R$ 500.2 million. This increase in corporate intangibles basically reflects the investments in the update of systems.

Comments on the key liability accounts:

Financing – Financial product operations

On December 31, 2017, the financing of these operations amounted to R$ 697.5 million, a reduction of 12.3% compared with a balance of R$ 796.7 million on December 31, 2016. This reduction is a consequence of the migration of some operations into the financial institution Realize CFI S.A., which finance its operations through equity, among other sources of financing.

Suppliers

On December 31, 2017, the outstanding amount for suppliers totaled R$ 842.3 million, an increase of 23.9% compared with R$ 679.7 million on December 31, 2016. This increase is in line with a greater volume of inventories.

Debentures

On December 31, 2017, the balance of debentures outstanding totaled R$ 873.9 million, an increase of 20.4% relative to the R$ 726.1 million on December 31, 2016. The increase was related to the 7th and 8th issues of debentures.

Comments on the key equity accounts:

On December 31, 2017, the Company's net equity totaled R$ 3,223.4 million, an increase of 22.2% compared to R$ 2,636.9 million on December 31, 2016. The key reason for the increase in net equity lies in the retention of 60% of net income generated in 2017 to be allocated to the reserve accounts for investment, expansion and legal and tax incentive reserves.

Fiscal year 2016 compared with fiscal year 2015

Analysis of the Income Statement

Net Revenue from Merchandise Sales

In 2016, Net Revenue from Merchandise Sales totaled R$ 5,721.8 million, representing a growth of 5.0% with Same Store Sales practically stable at -0.2%.

During the year, internal and non-recurring questions affected performance, some of these due to Company growth strategy and competitiveness. In the early months of the year, there was lower availability of light summer items, postponement of arrival of imported goods and a more rigorous quality control. In addition, specific issues with respect to two brands of female apparel arose resulting in a lower than expected performance. The conclusion of the upgrading of the ERPs in August also led to an inventory imbalance at store level, albeit a foreseeable effect of such implementation.

Sales were also influenced by the economic environment, reflected in reduced customer traffic through the shopping malls. Atypical temperatures during certain periods of the year also affected sales. Conversely, the Camicado and Youcom operations showed an impressive resilience in the face of the economic cycle and continued to make positive contributions, reporting sales growth of 18.2% and 96.5%, respectively. Thus, despite all the challenges of 2016, Lojas Renner continued to turn in a superior performance to the 6.2% decline reported for the sector as a whole as revealed in the Federal Government Statistics Office's (IBGE) data for the Monthly Retailing Survey Index to November 2016.

Gross Profit

Gross Profit from the Retailing Operation totaled R$ 3,185.1 million and recorded a growth of 6.7% in relation to 2015, equivalent to a margin of 55.7%, and a year-on-year improvement of 0.9p.p.. This increase relates to adjustments in commercial management despite the sector as a whole being dominated by promotional activity during the year. Equally, the better margins reported at Camicado and Youcom of 52.8% and 59.6%, respectively, also contributed to this result. The resumed debit of social taxes to payroll further benefited margins by 0.5p.p..

Sales expenses and general and administrative expenses

Operating Expenses (SG&A) totaled R$ 2,068.6 million in 2016, increasing by 11.3%, or 6.3%, if the effects of the resumed debiting of social taxes to payroll are discounted. This result reflects the rigid budgetary control exercised by the Company for adjusting operating expenses to the slower pace of sales and to offset additional pressures with respect to changes in tax treatment. On a same store basis, excluding the deduction of social taxes from payroll, Renner operating expenses would have been largely steady at 0.8%.

Selling Expenses were R$ 1,547.5 million, representing 27.1% of Net Revenue, an increase of 1.6p.p. when compared with 2015, largely a reflection of resumed charging of social taxes to payroll and the larger number of stores rolled out during the period. General and Administrative Expenses reached R$ 521.1 million and were 9.1% of Net Revenue. This was an increase in relation to 2015, also due to the resumed debit of social taxes to payroll and expenditure on the new Santa Catarina DC which was still not fully operational in 2015.

Income from financial services

In 2016, the Financial Products Result reported year-on-year growth of 20.6%, contributing 18.8% to Total Company EBITDA and reflecting improved revenue and a lower level of losses from the Renner Card. This performance reflected the important improvement in the level of credit losses, the result of initiatives implemented in the granting of credit, credit limit updates and collection strategy.

Financial Result

In 2016, the negative Net Financial Result was R$ 103.3 million, a slight improvement on the negative figure of R$ 104.6 million in 2015 and a reflection of a higher cash position and, to a lesser degree, reduced debt servicing due to lower leverage.

Income Tax and Social Contribution

Income tax and social contribution at the end of fiscal year 2016 totaled R$ 247.3 million, a decrease of 1.0% compared with the R$ 249.8 million as at December 31, 2015. This reduction is related, mainly, to an increase of the fiscal benefit of interest on capital payments.

Fiscal Year net income

The Company reported a 2016 Net Income of R$ 625.1 million, an 8.0% increase compared with 2015, a consequence of the factors mentioned above. Net Margin was 10.9% (or 11.5% if the resumption of social tax debits to payroll are excluded) versus 10.6% for the preceding year.

Balance Sheet Analysis:

Considerations about main accounts of assets:

Cash and cash equivalents

Cash and Cash Equivalents at the end of fiscal year 2016 were R$ 894.9 million, an increase of 21.3% compared with the R$ 737.5 million as of December 31, 2015. This increase is a consequence, mainly, of cash generation of its operational activities.

Trade accounts receivable from clients

On December 31, 2016, trade accounts receivable totaled R$ 2,209.3 million, an increase of 4.2% compared with the balance of R$ 2,119.8 million for this item as at December 31, 2015. The increase in trade accounts receivable is related principally to the Company's sales growth.

Inventory

On December 31, 2016, inventory stood at R$ 782.3 million, representing an increase of 25.7% compared to December 31, 2015, when this item reported R$ 622.5 million. This increase in relation to 2015 is related to better stock composition at the end of 2016 compared with December 2015 when changes in delivery processes with greater fragmentation of orders, postponements and delays in delivery of imported items as well as more rigorous quality control, resulted in a shortfall of products in some categories. At the end of 2016, we also brought forward the launch of the new collection. In addition, according to our plan, we expect to see the rollout of a large number of stores in the first half of 2017 compared with the same period in the preceding year.

Fixed assets

On December 31, 2016, fixed assets totaled R$ 1,645.1 million, representing an increase of 6.5% compared with December 31, 2015, when the fixed asset item totaled R$ 1,544.2 million. The increase in the Company's investments reflects the rollout of new stores in 2016, refurbishment and the remodeling of installations, as well as the new building of the Central Administration.

Intangible Assets

On December 31, 2016, intangible assets totaled R$ 500.2 million, corresponding to an increase of 18.6% in relation to December 31, 2015, when the amount for intangibles totaled R$ 421.8 million. This increase in corporate intangibles reflects the update of ERPs (commercial, credit and backoffice) of the Company.

Comments on the key liability accounts:

Financing – Financial product operations

On December 31, 2016, the financing of these operations amounted to R$ 796.7 million, representing stability compared with a balance of R$ 796.5 million on December 31, 2015.

Suppliers

On December 31, 2016, the outstanding amount for suppliers totaled R$ 679.7 million, an increase of 22.8% compared with R$ 553.5 million on December 31, 2015. This increase is in line with a greater volume of inventories.

Debentures

On December 31, 2016, the balance of debentures outstanding totaled R$ 726.1 million, a decrease of 23.1% relative to the R$ 943.8 million on December 31, 2015. The reduction was related to the payment of amortizations of the 4th and 5th issues of debentures.

Comments on the key equity accounts:

On December 31, 2016, the Company's net equity totaled R$ 2,636.8 million, an increase of 14.1% compared to R$ 2,310.9 million on December 31, 2015. The key reason for the increase in net equity lies in the retention of 60% of net income generated in 2016 to be allocated to the reserve accounts for investment, expansion and legal contingencies.

Liquidity and Sources of funding:

Consolidated cash flows (R$ Millions)	2018	2017	2016
Net cash provided by operating activities	811,4	845,6	914,2
Net cash used in investing activities	(609,8)	(545,5)	(476,9)
Net cash used in financing activities	(317,5)	(129,2)	(279,3)
Effect of exchange rate changes on cash and cash equivalents.	0,7	(5,9)	(0,6)
(Decrease) increase in cash and cash equivalents	**(115,2)**	**165,0**	**157,4**
At the beginning of the year	1.059,9	894,9	737,5
At the end of the year	944,7	1.059,9	894,9
(Decrease) increase in cash and cash equivalents	**(115,2)**	**165,0**	**157,4**

Analysis of the principal variations in cash flows between 2018 and 2017

Seasonal variation is inherent to the Company's business in the generation of results as well as in the equity positions arising from the operation. For the year ended on December 31, 2018, the Company increased its cash and cash equivalents as a result, mainly, of the cash generation from its operational activities.

Analysis of the principal variations in cash flows between 2017 and 2016

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Analysis of the principal variations in cash flows between 2016 and 2015

Seasonal variation is inherent to the Company's business in the generation of results as well as in the equity positions arising from the operation. For the year ended on December 31, 2016, the Company increased its cash and cash equivalents as a result, mainly, of the better cash generation from its operational activities.

10.2 Officers shall comment about:

a. results of issuer's operations, especially the following: (i) description of any important components of revenue; (ii) factors that materially affected operating income

Fiscal Year 2018

In 2018, we began to prepare for a new cycle which is beginning to take shape. In this context, following the conclusion of the necessary infrastructure and the principal foundations, with the updating of the ERPs systems and the financial products and e-commerce platforms, we started on our path in the direction of the Digital Cycle. We have set out what is to go digital for Renner and worked on raising the awareness in our managers and teams on the evolution in our mindset in order to use technology to achieve and reinforce our value proposition. We have established the roadmap of work in the direction of digitization of the Company and we have organized this around three major structural projects: the first, directed to personified communication and construction of the Unique View of the Customer, the second, focused on the use of data for the Product Life Cycle, and the third, relative to the Omnichannel Transformation, with the complete integration of online and offline sales channels.

In this last year, we have already taken strides towards implementing these digital initiatives. We have launched new sites and apps for online sales at Renner, Camicado and Youcom, and also introduced smart devices at Renner stores, increasing the productivity of the operations and customer enchantment. These devices have apps for remote point-of-sales systems, faster checking for product availability, replacement and price markdowns as well as issuing sales management reports.

Already totally digital from conception, Realize CFI also reported important progress: it has launched a facial recognition system for reducing fraud and the self-issue of cards, with online approval of credit and immediate authorization for purchases. We have also developed our own Negotiation Portal which provides customers with an online self-service channel for the negotiation of past dues in an agile, secure and very simple way. The launch of the Portal has been instrumental in an increase of more than 30% in reaching agreements with delayed payment customers.

As to the issue of Sustainability, in 2018, our commitment to increasingly responsible fashion has gained traction. The year saw the launch of Renner's most important project within the scope of sustainability: the Re Seal, which represents the Company's commitment to bring this theme to the forefront of all our stakeholders. Since the first half, the stamp has been affixed on labeling of products manufactured with lower environmental and social impact.

RENNER

In line with the continued plan of expansion at Renner, 26 stores were rolled out in 2018, of which four were unveiled in Uruguay. The Company constantly revises and evaluates the profitability of its operations and for this reason closed five stores during the year. There are currently 351 units in operation with an aggregate sales area of 632.7 thousand m^2.

Productivity is one of the most critical aspects of Renner's operation and in 2018, some important initiatives were taken in this direction. The operational interface for the points of sale was modernized permitting the installation of touch monitors at checkout points as well as dedicated screens for customers. This additional automation has simplified the process, facilitated service and increased the transparency of the operations for the customers as well as reducing employee training time.

During the last year, investments were also made in improving instore mobility. With upgraded Wi-Fi network structures, smart devices can be used at all units, improving service response and supporting store management, optimizing the time taken by employees in conducting a series of activities.

For the customer, the principal use of these devices is focused on the mobile checkout, permitting the conclusion of a purchase from any instore location as well as for rapid real time checking of inventory on behalf of the customer for verifying stock as to the availability of a given product. From the employees' point of view, other applications permit more assertive actions and velocity in markdowns and replacement of products in the sales areas as well as the management and the instantaneous monitoring of store performance, optimizing managerial time, enabling faster decisions to be adopted and further shifting the focus to customer service.

In 2018, the Company also made progress with the project for installing RFID (Radio Frequency Identification) at Renner. Through a process of radio frequency, this allows product localization, counting and basic information to be identified very quickly and precisely. Tests have been made and a pilot project already implemented, initially for reducing stockouts and enhancing the inventory process.

E-COMMERCE

The new Renner e-commerce channel was launched in early 2018. In addition to upgrading the layout, more focused on fashion and lifestyle, the new virtual page also brings with it a series of new functions and services for enriching the online shopping experience. These functions and services include login via social networks, image search, one click shopping, voice search and the wish list, all of this with more speed and innovation.

The native app was installed at the year-end, since then offering a greater number of services to our customers as well as being more user friendly. In 2018, 75% of online sales were conducted via mobile with revenues via app growing by more than 260% in relation to 2017.

In line with the Omnichannel Transformation project, products purchased through the Renner e-commerce channel can be picked up at any store in Brazil. Besides providing a comfortable and versatile experience, this in-store pickup initiative has proven very positive by increasing the average ticket size as well as the volume of customer traffic through the physical stores. Approximately 25% of online sales were delivered to customers instore and about 10% of the consumers made additional purchases when picking up goods bought online. In this same context, new models of delivery were implemented: in Rio de Janeiro we have Same Day Delivery, in São Paulo, Next Day Delivery while express delivery is available in 23 estates in Brazil.

Additionally, the implementation of RFID will also improve stock control and allow the Company to use store inventory for e-commerce sales. With these developments, important improvements are expected both on the customer front, the order being received sooner from the nearest store, and also for Renner by reducing its expenses with freight and transportation.

URUGUAY

This operation began in 2017 and since then, receptivity from Uruguayan customers has been very positive with performance above expectations. The year 2018 was important for the maturing of some of the processes created for replication of the business model outside Brazil.

PRODUCT

As part of the continued Fashion Retailer Cycle, in 2018, the process of specialization of the teams was concluded, while some of the brand teams were also reinforced, principally in the design area. Innovations were also made in the launch of products with the creation of in-season capsule collections, where the entire process from trend capture to the launch of the product is made in a more agile manner.

As to the use of technology for product development, Renner has begun the PLM (Product Lifecycle Management) pilot project. This is a product life cycle management system which will allow the digitization of the development process of the items from trend capture to the purchase order, centralizing the management of the collections and the tracking of items. The system ensures greater standardization of processes through the creation of a data trail relative to the capture and development of the products. The system also improves the integration with suppliers and the management of materials.

Again during the year, Renner has begun the project for quantifying the predictions of fashion trends and ensuring analysis and correlation of external (social media, international fashion e-commerces, etc.) and internal data. Using this tool, it is possible to increase the probability of making the right predictions as to tendency and accelerating the decision making process right from the outset of the development process of the collections.

Additionally, the Company has two projects under development for assortment and distribution of items to the stores: the first relates to distribution based on prescriptive Advanced Analytics models, in which algorithms predict sales per item (SKU) and by store using historic data, in this way realizing data-driven distribution. The second project involves the digitization of the assortment, using algorithms for identifying the ideal mix considering the characteristics of each store. Both initiatives increase product assertiveness at the units with positive effects on turnover, sales and margin.

LOGISTICS

Some important transformations occurred in the logistics operations in 2018, leading to new levels of productivity, velocity and precision, resulting in a 7% reduction in product delivery times to the stores. A pilot project is also underway for nocturnal deliveries, such that the stores are able to begin their activities immediately the following day.

In terms of the logistical network and in the light of the increase in e-commerce operations, the Rio de Janeiro DC has been expanded with a revised layout to guarantee greater productivity and a more agile service.

CAMICADO

In 2018, 10 new stores were opened. All stores in the chain are located in shopping centers and have an average sales area of 433 m².

Camicado's e-commerce business was also modernized during the year, a new online platform being launched in October. The new site gives customers the same shopping experience as with the physical stores where products are arranged by collection, as well as offering more responsive browsing, with more functions and services at the disposal of the user. At the end of the year, Camicado also began a pilot project for instore pickups in 11 units. In addition, the new e-commerce facility brought improvements to the wedding registry list, an important segment in this business, offering a greater range of personalization alternatives to the customer.

The new online platform has also enabled the creation of Camicado's own marketplace. During the year, all functions were created and tested for operationalizing this platform as well as developing partners (sellers). During the same period, progress was also made on work which will allow Camicado to participate in the activities of third party marketplaces.

YOUCOM

During the course of 2018, Youcom proceeded to expand its store network, rolling out 16 units in different regions, including four states where it still did not have a presence. As part of the ongoing review of profitability of its operations, 6 units were closed in 2018. At the end of December, Youcom was operating 94 physical stores in nine states plus the Federal District, amounting to 15.5 thousand m² of sales area.

In the same way as the other businesses, in July, the Company launched its new e-commerce site. This brings an updated layout with greater fashion content and new functions and services which enrich the online shopping experience. Among new features, particularly important are additional search functions, product visualization and customized browsing.

ASHUA

The Ashua Curve & Plus Size brand was launched in 2016, exclusively selling through Renner's e-commerce channel, offering products which enhance the value of curves and the female body, providing both quality and fashion information. As a result of customer demand and in response to good sales performance, in 2018, three physical stores were opened in the brand's name, each unit with a sales area of between 200 m² and 250 m².

The opening of the bricks and mortar stores was a natural evolution for the brand which had initially established its business through online sales, leveraging the capillarity of e-commerce for serving women throughout Brazil. The first store was opened in September in Porto Alegre, and the following two in the city of São Paulo. The units already operate in a totally omnichannel environment in line with their origins in the digital universe.

REALIZE CFI – FINANCIAL PRODUCTS

Already totally digital right from conception, Realize CFI has also experienced important developments in the direction of the new cycle. Lojas Renner was the first retailer to completely digitize the process of capture, analysis, granting of credit and credit card liberation. Adjustment of limits over time and other services have also been digitized. For this purpose, mobile devices are used for facial recognition at any point in the store, significantly reducing fraud and the time involved in the capture process.

Using the "Quero Cartão Renner" app, the customer is able to effect the capture by himself using his own smartphone. The process is very secure and while being faster, uses exactly the same methodology of credit concession as other formats, including the use of facial recognition, all of which can be concluded with just a few clicks. Renner has integrated the e-commerce channels and Realize CFI, and is thus the only retailer to provide a credit card instantaneously and then make it available for purchase at the same time.

The Realize CFI's website and app has also been updated with simplification of the installment payments process. The use of these channels already represents approximately 30% of the monthly receivables using payment booklets and invoices. As well as reducing costs, the use of these channels is an incentive to effecting purchases via e-commerce.

In 2018, a Negotiation Portal was set up for providing an online self-service channel for negotiating debt, quickly, safely and very simply. With the launch of the Portal there has been an increase of more than 30% in agreements with past due customers, the agreed payments subsequently being honored by more than 75% of the customers.

As consequence of the initiatives abovementioned, Company reached Net Revenues form Merchandise Sales of R$ 7,485.4 million, an expansion of 13.4%, and Same Store Sales of 7.4%. The Gross Profit from Retailing Operation increased 15.0%, compared to 2017, and the Gross Margin was 56.5%. The expansion is explained by the hedges contracted on imported goods.

As Selling, General and Administrative Expenses (SG&A) rose 12.7% in 2018, less than the growth of 13.4% in Net Revenue for the period, ensuring operational leverage.

Selling Expenses were R$ 2,075.4 million, equivalent to 27.7% of Net Revenue from Merchandise Sales as opposed to 28.3% in 2017, reflecting productivity gains and operational efficiency. General and Administrative Expenses in turn were R$ 699.6 million, 9.3% of Revenue from Merchandise Sales compared to 9.0% the previous year, principally a reflection of reinforcement of structures in the principal areas of the Company in the last twelve months in order to guarantee the competitiveness of the business, as well as the Digital Cycle initiatives adopted.

Other Operating Expenses amounted to R$ 30.0 million against R$ 70.9 million in 2017, this decrease due to recognition of tax credits and lower provisions for the employee Profit Sharing Program (PPR), due to the presented operational result.

Adjusted EBITDA from Retailing in 2018 was 24.4% greater than the preceding year. The result was largely due to the expansion in Gross Margin, the dilution of expenses and the reduction in Other Operating Expenses. The Adjusted Margin from Retailing was 19.0%, *versus* 17.3% in 2017, a 1.7 p.p. improvement.

Revenues from Financial Products increased by 11.2%, driven by greater use of the Co-branded Meu Cartão and lower funding costs, with the migration of the portfolio to Realize CFI, initiated in 3Q17, compensating the reduction in rates charged for the principal products. Private Label revenue fell due to the reduced participation of interest-bearing installment on sales and the purchases with Meu Cartão at Renner stores, using the booklet payment format, that ceased to be registered in the Private Label portfolio and were transferred to the Meu Cartão portfolio.

Net Losses were 9.7% greater in 2018, this a reflection of the increase in the Meu Cartão portfolio. This increase – below the 20.8% increase in the credit portfolio as a whole, reflects an improvement in the process of granting and recovering of credits.

Operating Expenses increased by 20.9% due to the increase in Meu Cartão processing volume, costs of compliance of Realize CFI and the customer call center which were greater due to recent regulatory changes implemented by the Central Bank of Brazil (BACEN).
The total financial products portfolio, net of the FIDC fees, reached R$ 2,789.5 million, a year-on-year growth of 20.8%. The gross Private Label portfolio amounted to R$ 1,281.2 million in December 2018, 9.9% greater than the preceding year. The *Saque Rápido* (Quick Withdrawal) portfolio fell 29.3% and totaled R$ 50.8 million. The gross portfolio of Meu Cartão was R$ 1,457.4 million, an increase of 36.1%, principally due to the unification of limits and also greater use of this product.

In relation to delinquencies, Losses, Net of Recoveries on the Portfolio were lower for all three products, reflecting an improvement in the processes involving the granting and recovery of credit. In the case of the *Saque Rápido*, the decline was more accentuated due largely to the improvement in levels of recoveries realized on a significantly larger portfolio from preceding periods. With Meu Cartão, this relationship was lower despite the more robust growth of the portfolio.

The Total Adjusted EBITDA recorded growth of 20.2%, representing a margin of 23.7%, *versus* 22,4% in 2017, reflecting stronger EBITDA Margin from Retailing.

Fiscal Year 2017

Our business model proved its resilience in 2017, when we resumed a growth trajectory and further ramping up our investments despite the many challenges on the Brazilian macroeconomic front. What drives us is undoubtedly the passion we feel for what we do. We have a sparkle in our eyes, a desire to do more and an inability to accept the status quo, all of which is what drives us forward.

Proximity to the customers, knowledge of the fashion business and a set of daily practices focused on the simplicity of processes and directed towards operational efficiency are what have allowed us to maximize the opportunities for expansion with the opening of 70 stores during the year.

We have also concluded some important projects which will be instrumental in allowing us to move forward and preserve our competitiveness. During the year, we completed an important stage in infrastructure investment so that we now have a modern technological platform which will serve as a foundation for integrating the shopping experience in all channels.

We began this process with the construction of new Distribution Centers, which allowed us to operate a new logistics model. We then undertook a complete updating of the Company's ERPs and last year, concluded the modernization of the e-commerce and financial products platforms. These are now ready to offer new functionalities and services in line with leading international benchmarks.

All these steps will provide us with greater accuracy and control over inventory, promoting productivity gains and greater use of new technologies and, consequently, an improved shopping experience for our customers. We also believe that this process of updating has been critical to offering a multichannel experience, leveraged with the use of data, significantly increasing our proximity to customers.

An event of particular importance in 2017 was the incorporation of Realize CFI, our Financial Institution, which will support the core retailing business. Realize CFI now provides us with more agility and flexibility for managing the financial arm of the business. It also gives us a capability to offer new functionalities and services to card holding customers, thus fostering improved relationships and interactivity with the Renner brand. As for the infrastructural aspect, during the year we finalized the replacement of the existing financial products platform for a more modern and flexible one, giving us faster connections with internal and external systems. Additionally, we digitized the processes for granting and recovery of credit, providing more convenience and agility to our customers.

Another key event during the year was the unveiling of the first Renner stores outside Brazil. As from September, we launched our brand in Uruguay where we already have three units in operation. This was a key step for testing our business model abroad and for consolidating technological infrastructure and processes. To date, prospects are positive in the light of the good receptivity of Uruguayan operations.

In the light of the various initiatives mentioned above, in 2017 we reported Net Revenue from Merchandise Sales of R$ 6.600.1 million, growth of 15.4% and Same Store Sales of 9.2%. Gross Margin from the Retail Operation was 55.7% and Total EBITDA, 22.4%, reaching R$ 1,475.8 million. Net Income was R$ 732.7 million, growth of 17.2%. Net income was R$ 732.7 million, a 17.2% growth. Over the course of the year, we saw growing customer traffic through the stores and posted an outstanding performance in apparel retailing in practically every month of 2017 according to IBGE (Brazilian Government Statistics Office) data. The average daily trading volume of our equities on the stock exchange was R$ 87.1 million, thus maintaining our position as one of the most liquid shares among companies in the Brazilian retail sector.

Thus, Gross Profit from the Retailing Operation reported growth of 15.4% relative to 2016 with a margin of 55.7%, flat in relation to the preceding year. The exclusion of the ICMS sales tax from the PIS and Cofins charges base since April has also had a positive influence on the margin. However, the economic environment continued to impact consumer sentiment, the latter with sensitivity to price over the course of the year. Equally, improved margins at Camicado and Youcom of 54.1% and 60.3%, respectively, also contributed to this result.

Selling, General and Administrative Expenses (SG&A) rose 16.2% in 2017, principally due to projects with work in progress at the Company and the rate of store rollouts. Proportional to Net Revenue from Merchandise Sales, operating expenses were practically unchanged, a reflection of efforts at Renner to control the routine expenses of the businesses.

Selling expenses were R$ 1,792.0 million, 27.2% of Net Revenue from Merchandise Sales, against 27.0% in 2016. In turn, General and Administrative Expenses reached R$ 610.7 million and represented 9.3% of Net Revenue from Merchandise Sales, against 9.1% for the same period in 2016.

Other Operating Expenses totaled R$ 131.0 million versus R$ 28.7 million in 2016. This increase is due to the impact of non-comparable items which positively influenced the result in 2016 but were not repeated in the same proportion in 2017, notably the reduced Recovery in Tax Credits and the normalization of provisioning for Employee Profit Sharing in the result in the light of the Company's operating performance during the year.

Adjusted EBITDA from the Retailing Operation was 5.2% higher year-on-year, reaching R$ 1,144.2 million and reflected principally the non-comparable items in Other Operating Expenses that positively impacted in 2016. As a result, Adjusted EBITDA Margin from Retailing was 17.3%, versus 19.0% in 2016.

Over the course of the year, the Financial Products business underwent some changes resulting in alterations to the card processing systems as well as the startup in operations of the Financial Institution.

In the light of these events, in December 2017, the Private Label portfolio amounted to R$ 1,181.2 million, 6.0% lower year-on-year while the Saque Rápido fell 50.3%, to R$ 71.9 million. Conversely, the Meu Cartão portfolio stood at R$ 1,063.4 million, an increase of 100.8% and impacted principally by the unification of limits as well as by the lengthening of maturities for financing invoices in installments following the Central Bank Resolution 4549, which since April 2017 changed the functioning of revolving credit lines.

Revenue, Net of Funding and Taxes was 18.9% higher than in 2016, largely due to Co-Branded Meu Cartão business and lower funding costs. Increased revenue from Meu Cartão reflects the greater use of the product and the incorporation of revenues from booklet payment operations together with cash withdrawals. In this context, Private Label revenues rose 3.8% while Saque Rápido business recorded a decline of 19.2%. Worthy of note is that Private Label revenue continued to be depressed by the reduced use of the interest bearing 0+8 installment credit plan, this basically a reflection of a changing customer mood.

Credit Losses, Net of Recoveries posted a decrease of 2.4% in relation to 2016. This follows measures taken in the last few years to improve the quality of new credit operations, management of the credit limits and more efficient collections. The increase in Meu Cartão losses reflects the greater level of provisioning, a result of the increase in the portfolio during the year.

Operating expenses rose 32.0% compared with the preceding year, largely due to Meu Cartão processing costs and in turn a function of the increase in volume, to higher expenses associated with credit recoveries and overheads in relation to the incorporation and operation of Realize CFI.

In 2017, the Financial Products Result reported year-on-year growth of 32.0%, representing 22.5% of Total EBITDA, reaching R$ 331.6 million, largely due to improved levels of revenue and credit quality.

Fiscal Year 2016

In the light of a recessive economy and a grave political crisis in Brazil, our belief was reinforced as to the capacity of strong brands with clear and competitive differentials and a consistent value proposition in maintaining a trajectory combining growth with profitability even under adverse circumstances. This is a reflection of our closeness to our customers, our fashion knowhow and a set of daily practices constantly being fine-tuned and focused on simplicity and operating efficiency. The combination of these factors has been instrumental in neutralizing inflationary pressures as well as additional expenses stemming from the resumption of social tax debits to payroll and new projects. In addition, we continued to upgrade our operations on the logistics front, achieving greater proximity with the stores and in the area of product quality and provision of a better shopping experience for our customers. Consequently, Renner was able to report an expansion in operating margins and growth in cash generation, with maintenance of the profitability levels close to those recorded in 2015.

In 2016, Net Revenue from Merchandise Sales totaled R$ 6.5 billion and Net Income R$ 625.1 million, increasing 5.0% and 8.0%, respectively, compared to 2015. Same Store Sales was practically stable at -0.2%. During the year, internal and non-recurring questions affected performance, some of these due to Company growth strategy and competitiveness. In the early months of the year, there was lower availability of light summer items, postponement of arrival of imported goods and a more rigorous quality control. In addition, specific issues with respect to two brands of female apparel arose resulting in a lower than expected performance. The conclusion of the upgrading of the ERPs in August also led to an inventory imbalance at store level, albeit a foreseeable effect of such implementation. Sales were also influenced by the economic environment, reflected in reduced customer traffic through the shopping malls. Atypical temperatures during certain periods of the year also affected sales. Conversely, the Camicado and Youcom operations showed an impressive resilience in the face of the economic cycle and continued to make positive contributions, reporting sales growth of 18.2% and 96.5%, respectively. Thus, despite all the challenges of 2016, Lojas Renner continued to turn in a superior performance to the 6.2% decline reported for the sector as a whole as revealed in the Federal Government Statistics Office's (IBGE) data for the Monthly Retailing Survey Index to November 2016.

Initiatives taken over the last few years in the granting process, the updating of credit limits and for collection strategy contributed to the result from financial products, which grew 20.6%, with non-performance of the Renner Card showing improvement. Another important milestone during the year was the authorization to constitute a financial institution. The necessary steps for incorporation are underway and expectations are that by the end of 2017, the Company will have its own structure, to be known as "Realize Crédito, Financiamento e Investimento S/A". By supporting the core retailing business alone, once this new business is up and running, we shall enjoy greater flexibility, agility and transparency in the management of financial products.

A further important event during the year was the review of the store opening plan with the expansion of 408 target to 450 Renner units in operation by 2021. We also announced the first operations outside Brazil in Uruguay with store openings scheduled as from the second half of 2017. In the case of Camicado, the target of 125 stores was maintained, while at Youcom we still visualize a potential for opening 300 units by 2021.

The annual investment program was implemented as planned, totaling R$ 512.6 million. This includes the opening of 64 stores under the Renner, Camicado and Youcom flags and the modernization of a further 14 units. The expansion of our corporate head office, with the construction of an additional 32.7 thousand m² and adhering to the best practices of sustainability, will allow increased process optimization. The design, procurement and planning teams will now be working physically together in the new premises, thus contributing to agility in the process for designing and developing collections.

Gross Profit from the Retailing Operation recorded a growth of 6.7% in relation to 2015, equivalent to a margin of 55.7%, and a year-on-year improvement of 0.9p.p.. This increase relates to adjustments in commercial management despite the sector as a whole being dominated by promotional activity during the year. Equally, the better margins reported at Camicado and Youcom of 52.8% and 59.6%, respectively, also contributed to this result. The resumed debit of social taxes to payroll further benefited margins by 0.5p.p..

Selling Expenses were 27.1% of Net Revenue, an increase of 1.6p.p. when compared with 2015, largely a reflection of resumed charging of social taxes to payroll and the larger number of stores rolled out during the period. General and Administrative Expenses were 9.1% of Net Revenue. This was an increase in relation to 2015, also due to the resumed debit of social taxes to payroll and expenditure on the new Santa Catarina DC which was still not fully operational in 2015. Operating Expenses (SG&A) increased by 11.3%, or 6.3%, if the effects of the resumed debiting of social taxes to payroll are discounted. This result reflects the rigid budgetary control exercised by the Company for adjusting operating expenses to the slower pace of sales and to offset additional pressures with respect to changes in tax treatment. On a same store basis, excluding the deduction of social taxes from payroll, Renner operating expenses would have been largely steady at 0.8%.

In 2016, the Financial Products Result reported year-on-year growth of 20.6%, contributing 18.8% to Total Company EBITDA and reflecting improved revenue and a lower level of losses from the Renner Card.

Credit Losses, Net of Recoveries reported a decrease of 6.7% in relation to 2015, principally resulting from the measures and strategies adopted in recent years for improving the granting of new credit, credit limit updates as well as greater efficiency in collections.

Total Adjusted EBITDA posted growth of 7.4%, equivalent to a Margin of 23.4%, 0.5p.p. higher than 2015. Ignoring the effect of the resumed debit of social charges to payroll, the Margin would have been 24.3%, an increase of 1.4 p.p., the result of the Company's focus on protecting its operating margins and the good results from the Financial Products business.

b. variations of revenues attributable to changes of prices, exchange rates, inflation, changes of volumes and introduction of new products and services

Company constantly works in differentiation of its products where every effort is in delivery of quality items, with higher added value comparing with competition. The fashion segment has, in its products, extremely short life cycles, with changes that make difficult comparison of prices from one period to another.

Thus, even though inflation to the consumer, measured by IPCA (index used by the government for inflation goals), was 3.75% in 2018 (2.95% in 2017), this cannot be considered the most significant impact on sales growth reported by the Company. Thus, comparing or attributing revenue growth because of volumes changes might lead to improper conclusions, because the same products are not necessarily being offered from one period to another. Company's prices policy has low sensibility on changes derived from foreign exchange variation. The products traded by the Company are mostly from national origin, which allows the administration of fluctuations of prices in imported products, without significant changes in consumer's price.

c. impact of inflation, variation of prices of main inputs and products, of foreign exchange and interest rate on the operating income and on the issuer's financial income

The fashion segment has, in its products, extremely short life cycles, with changes that make difficult comparison of prices from one period to another, once we are not offering to the consumer the same product. Therefore, comparing or attributing revenue increase to volume of pieces sold may lead to improper information, because Company does not recognize it as an adequate metric for disclosure. The same logics prevail regarding costs of goods sold.

Even if it is reasonable to estimate that inflation rates make sensitive both revenue and costs and expenses, we understand that improvements in the production processes of the supply chain and in Company's management neutralize a relevant part of effects which eventual price increases in our costs and expenses could generate, therefore, we believe that the operating income does not suffer material impact due to fluctuations in the inflation rates currently perceived in the Brazilian market.

Company's prices policy has low sensibility to derived from foreign exchange variation. Our activity is completely directed to the domestic market and our products are, mostly, from national origin, which allows the administration of fluctuations of prices in imported products, without significant changes in consumer's price. It is also emphasized that, in order to reduce possible impacts in profitability of imported products resulting from changes in foreign exchange rates, Company has been contracting hedge operations, through forward dollar call options (NDF- Non-Deliverable Forward). Once the purchases planning is defined, it is the basis of the price level of the currency that enables trade of goods in local market within the standards of expected profit margin and probable delivery terms.

When we limit the foreign exchange risks incurred in Company's operations execution, through derivative instruments contracting, we seek to guarantee minimum yield in transactions that involve assets or liabilities priced in foreign currency, as in profitability derived from trade of imported products or in limitation of costs in debt operations in foreign currency.

Thus, in the last three years the Company´s sales increase was originated mainly from the expansion plan, as well as the maturation of new stores. The gross margin from retail operations also showed consistent growth, which reinforces that variations in inflation, FX and interest rates that have occurred over the years brought no material impact on the Company's results.

Also, the financial result remained absolutely aligned to the capital structure used, consisting basically by financial revenues related to the cash and cash equivalents, as well as by financial expenses regarding the debt service and ordinary banking expenses.

10.3 Officers shall comment about relevant effects that events below had caused or are expected to be caused on the financial statements of the issuer and on its incomes:

a. introduction or disposal of operating segment

No operating segment was acquired or disposed during the fiscal years ending December 31, 2018, 2017 and 2016.

b. incorporation, acquisition or disposal of equity interest

Year ended December 31, 2018

Constitution of corporate stake

The Board of Directors approved in December 2018 the constitution of subsidiary of Lojas Renner SA in Argentine for future investments in opening stores in that country. The Company plans the opening of up to three stores in Argentina in the second half of 2019. The stores will be in Buenos Aires and Cordoba, with the same standards and positioning as the countries in which Renner already operates.

Year ended December 31, 2017

Subsidiary partial split

On July 1st, 2017, the Shareholder´s Meeting of Renner Administradora de Cartões de Crédito Ltda. and Realize CFI S.A., both direct and indirect subsidiary, respectively, approved the partial split of assets and liabilities of Renner Administradora de Cartões de Crédito Ltda., and merger in the Realize CFI S.A.. According to evaluation report issued on July 1st, 2017, based on accounting records on June 1st, 2017, this transaction resulted in an Equity of R$ 1,000 (a thousand Brazilian Reais), which R$ 779.1 million related to assets and R$ 779.1 million related to liabilities corresponding to "Meu Cartão" operations.

In those corporate acts which approved that transactions, it was defined that any equity variations occurring between the June 1st, 2017 and the effective date of merger will be absorbed by Realize CFI S.A. As of this date, the subsidiary Realize CFI S.A will succeed all the rights and obligations treated in the related corporate acts.

Constitution of corporate stake

Realize CFI S.A.

In March 2017, Realize Participações S.A. and Dromegon Participações Ltda. paid up capital in Realize CFI S.A., which is regulated by Central Bank of Brazil (Bacen).

Year ended December 31, 2016

Lojas Renner Uruguay S.A.

The Board of Directors approved in May 2016 the constitution of subsidiary of Lojas Renner SA in Uruguay for future investments in opening stores in that country. The operation in Uruguay started with the opening of three stores in the second half of 2017 and another two stores in 2018. The stores follow the same standard of the Brazilian units, maintaining the positioning of Brazil.

Realize Participações S.A.

In 2016, Lojas Renner S.A. paid R$ 15.2 million in capital on Realize Participações S.A, which is engaged in equity interest in financial institutions and other financial institutions authorized to operate by the Central Bank of Brazil.

c. non-usual events or operations

***CONTINGENT ASSETS* - ICMS in PIS and COFINS calculation basis**

ICMS in PIS and COFINS calculation basis - The Company has lawsuits in progress related to companies Lojas Renner S.A., Camicado and Youcom, for the purpose of obtaining the right to exclude ICMS from PIS and COFINS calculation basis, as well as offsetting amounts unduly paid. Lawsuits have already been favorably decided in Higher Courts, made by the Federal Regional Courts of the 3rd and 4th Regions and await a decision on Amendment of Judgment and/or appeals filed by the Federal Government. The likelihood of gain is assessed by its legal advisors as probable as to the merits and possible regarding the obtaining of patrimonial effects in relation to competencies prior to the date of the STF decision (which on March 15, 2017, decided, with general repercussion that ICMS does not comprise the calculation basis for the purposes of levy of PIS and COFINS). 54
As Company's lawsuits are still pending a final court decision, it is not possible to recognize asset related to credits to be surveyed beginning as of 5 years preceding the filing of lawsuits up to the period of March 2017 (STF decision date). Based on preliminary survey, prepared based on information available as of December 31, 2018 and according to court decisions rendered until now, the Company estimates possible value of credits as approximately R$1,300,000 in the Parent Company and R$1,320,000 in Consolidated for such period. However, since there is no final decision on the request for modulation of effects submitted by the Federal Government in the leading case files, which is the subject of general repercussions, and whereas, in addition to modulating effects, the Federal Government also claims the establishment of a calculation method less favorable to the taxpayer (excluding ICMS tax payable from the PIS/COFINS base), the estimated amount may change materially. Lastly, there is no way to ensure when or whether the estimated amounts will actually be realized. In relation to amounts related to periods later than STF decision date (March 15, 2017), when likelihood of loss is evaluated by legal advisors as remote, the Company has been recognizing effects on net income.

IFRS 16/ CPC 06 (R2) leases

The purpose of the standard IFRS 16/*CPC* 06 (R2) (applicable as of January 1, 2019) is to unify lease accounting model, requiring lessees to recognize assumed liabilities against respective assets related to their right to use all lease contracts, unless the following characteristics are in the scope that the standard is not applicable:

i) contract with term equal to 12 months or lower; and
ii) immaterial amount or is based on variable amounts.

During 2018, Lojas Renner S.A. and its subsidiaries evaluated possible impacts from first-time adoption of standard *CPC* 06 (R2)/*IFRS* 16 on its financial statements. This evaluation was divided into stages, such as:

i) Identification of contracts;
ii) Transition approach;
iii) Measurement of initial liabilities and initial assets; and
iv) Effects in first-time adoption.

In the evaluation carried out by the Company's Management, it was concluded that lease considerations are currently recorded as occupancy expenses will start to be recognized under "Depreciation" and "Financial expenses". Although this new pronouncement does not introduce any change to total amount that shall be taken to net income over the contract's useful life, it is correct to state that a temporal effect will occur mainly in net income due to the method adopted for recognition of interest and monetary restatements associated to leases, despite of no relevant effect as analyses carried out.

On January 1, 2019, the Company's management will recognize a right of use asset and a lease liability at present value of R$1,719,658 in the Parent Company and R$ 1,993,746 in Consolidated.

Year ended December 31, 2017

Start of operations in Uruguay – Lojas Renner Uruguay S.A.

Another key event during the year was the unveiling of the first Renner stores outside Brazil. As from September, we launched our brand in Uruguay where we already have three units in operation. This was a key step for testing our business model abroad and for consolidating technological infrastructure and processes. To date, prospects are positive in the light of the good receptivity of Uruguayan operations.

Debentures

7th issue of debentures

The Company's Board of Directors approved, at its meeting on January 18, 2017, the Company's seventh issue of simple, non-convertible debentures, in a single series, for public distribution with restricted efforts according to the Law 6.385, of December 7, 1976, as amended by CVM Instruction 476, of January 16, 2009, and other applicable regulations.

Thirty thousand debentures were issued, with a nominal unit value of R$ 10,000, totaling R$ 300 million. The net proceeds obtained by the Company through the Issue will be used to extend the Company's indebtedness profile.

8th issue of debentures

The Company's Board of Directors approved, at its meeting on June 20, 2017, the Company's eighth issue of simple, non-convertible debentures, in a single series, for public distribution with restricted efforts according to the Law 6.385, of December 7, 1976, as issued by CVM Instruction 476, of January 16, 2009, and other applicable regulations.

Twenty thousand debentures were issued, with a nominal unit value of R$ 10,000, totaling R$ 200 million. The financial resources to be obtained will be used to maintain the Company´s cash flow policy.

Subsidiary partial split

On July 1st, 2017, the Shareholder´s Meeting of Renner Administradora de Cartões de Crédito Ltda. and Realize CFI S.A., both direct and indirect subsidiary, respectively, approved the partial split of assets and liabilities of Renner Administradora de Cartões de Crédito Ltda., and merger in the Realize CFI S.A.. According to evaluation report issued on July 1st, 2017, based on accounting records on June 1st, 2017, this transaction resulted in an Equity of R$ 1,000 (a thousand Brazilian Reais), which R$ 779.1 million related to assets and R$ 779.1 million related to liabilities corresponding to "Meu Cartão" operations.

In those corporate acts which approved that transactions, it was defined that any equity variations occurring between the June 1st, 2017 and the effective date of merger will be absorbed by Realize CFI S.A. As of this date, the subsidiary Realize CFI S.A will succeed all the rights and obligations treated in the related corporate acts.

Authorization for the operation of a financial institution – Realize CFI S.A.

The Central Bank's Financial System Organization Department, through the Notice 501609156 published in the Official Gazette – section 3, on June 23, 2017, authorized the operations of Realize Crédito, Financiamento e Investimento S.A. ("Realize"), financial institution incorporated by Lojas Renner S.A.

10.4 Officers shall comment about:

a. significant changes in accounting practices

1.1.1 CPC 48/IFRS 9 - Financial Instruments

As of January 1, 2018, the standard *CPC* 48/IFRS 9 replaced the standard *CPC* 38/ *IAS 39* – Financial Instruments – Recognition and Measurement and as a result of the first-time adoption, the main changes were:

ii) classification and measurement of financial assets;
iii) impairment (replacement of "incurred losses" model by "expected credit losses" model); and
iv) hedge accounting.

(i) Classification and measurement of financial assets

CPC 48/IFRS 9 contains three main classification categories for financial assets: measured at amortized cost, at fair value through other comprehensive income and fair value. The Company considered two factors to define the classification of financial assets pursuant to standard: business model in which a financial asset is managed and on its characteristics of contractual cash flows.

(ii) "Expected credit losses" impairment model

CPC 48/IFRS 9 requires the Company's management to perform an evaluation based on twelve months or the entire life of financial asset, and to record effects when there is indication of expected credit losses in financial assets. The Company applied the simplified approach and recorded expected loss over the entire life of financial assets of trade accounts receivable.

b. significant effects from changes in accounting practices

Classification and measurement of financial assets

The following table and notes below explain the original measurement categories in CPC 38 / IAS 39 and the new measurement categories of CPC 48 / IFRS 9 for each class of financial assets of the Company as of January 1, 2018.

Financial assets	**Original classification CPC 38/IAS 39**	**New classification *CPC 48/IFRS 9***	**Book value as of 12/31/2017**	**Book value as of 01/01/2018**
Cash and cash equivalents (i)	Borrowings and receivables	Fair value (FVTPL)	1,059,873	1,059,873
Interest earnings bank deposits (i)	Available for sale	Fair value (FVTPL)	50,782	50,782
Interest earnings bank deposits	Stated at fair value	Fair value (FVTPL)	31,578	31,578
Trade accounts receivable (ii)	Borrowings and receivables	Amortized cost	2,644,258	2,610,726
Derivative financial instruments	FVTOCI (hedge accounting)	FVTOCI (hedge accounting)	6,917	6,917
Total			**3,793,408**	**3,759,876**

(i) For the balance of cash and cash equivalents, financial investments classified (previously) as available-for-sale, the Company Management irrevocably opted for the classification at fair value through profit or loss.

(ii) In trade accounts receivable, on January 1, 2018, expected losses in the amount of R$17,383 were recognized in the Parent Company and R$33,532 in Consolidated.

(iii) The Company's Management understands that the amortized cost classification represents the business model and risk management of the "FIDC (subordinated quota)." FIDC subordinated quota is comprised by contractual flows in payments of principal and interest. Moreover, the Company assessed that the formation of estimated losses for FIDC quotas of Lojas Renner were not applicable, since n the performance of receivables allocated to the fund, the level of profitability of these assets against the remuneration of senior quotas and the allocation of cash surplus predominantly in National Treasury Financial Bills. Accordingly, the Company does not expect to incur losses until the settlement of the fund, scheduled for May 2019.

The Company's management evaluates that current classification represents the best business model and management of financial assets.

"Expected credit losses" impairment model

More details in the table below:

Estimated losses from trade accounts receivable	**Balance at 12/31/2017**	**Adjustments of the first-time adoption**	**Balance at 01/01/2018**
Renner Card	53,064	16,569	69,633
Quick withdrawal	11,571	1,016	12,587
Meu Cartão (Co-Branded Card)	145,545	15,947	161,492
Total – Consolidated	**210,180**	**33,532**	**243,712**

Summary of effects from adopting CPC 48/IFRS 9

In table below, we present the summary of impacts from first-time adoption and respective effect on equity positions on January 1, 2018:

In thousands of reais	As stated at 12/31/2017	Adjustments of the adoption CPC 48 *IFRS 9*	Adjusted opening balance as of January 1, 2018
Accounts receivable - net of estimated losses	2,644,258	(33,532)	2,610,726
(*) Deferred income tax and social contribution	199,211	12,370	211,581
Equity valuation adjustment (available for sale)	1	(1)	-
Retained earnings	-	21,162	21,162

c. exemptions and emphasis in auditor's opinion

The Executive Board communicates that there were no qualifications in auditor's opinion in disclosures of fiscal years 2018, 2017 and 2016.

10.5 Officers shall indicate and comment about critical accounting policies adopted by the issuer, especially exploring accounting estimates performed by Management about doubtful and relevant matters to the description of the financial situation and results, which require personal and complex judgments, such as: provisions, contingencies, revenue recognition, tax credits, long-term assets, useful life of non-current assets, pension plans, adjustments of translation into foreign currency, environmental recovery costs, criteria for recovery testing of assets and financial instruments.

Estimates and critical accounting assumptions

Management evaluates critical accounting policies as those which are important for showing the financial conditions and results and also requiring more difficult and whether judgments subjective, on the part of Management, frequently a result of the need to establish estimates that have an impact on uncertain issues. These judgments become more subjective the more the number of assumptions increase, affecting the possible future solution of these uncertainties.

In addition to adhering to the different accounting norms and rules, Management understands that the adoption of the critical accounting policies involving estimates are essential for the generation of the best possible information on results and the equity condition at the close of each fiscal year, even if for these estimates precision is temporarily impossible given the subjectivity and complexity involved.

The principal operations and evaluations significantly impacted by estimates are:

Provisions for tax, civil and labor risk contingencies
Provisions are based on information of the Company´s legal counsel for the constitution of an amount considered sufficient to cover expected losses from lawsuits pending litigation, restated to the dates of the balance sheets. However, in the light of developments during litigation, classification of the probability of losses may not be definitive up to the conclusion of the lawsuits in question.

Provision for credit losses
Based on historical default levels and on the uncertainties in the macroeconomic context (inflation, interest rates, scenarios resulting in a reduction in credit lines, employment levels, salaries, etc).

Provision for losses on inventory
Based on historical levels for the Company's losses. These will only occur with the realization of the inventory, reflecting the Company's operational model and serving as a basis for restating losses provisions.

Discount rate applied to adjustments in the present value
The calculation of the discount rate for adjusting the present value involves analysis of the capital structure and uncertainties surrounding the macroeconomic scenario which influences variables used to determine rates.

Calculation of the fair values for call stock options and financial instruments

Based on macroeconomic context indicators (inflation, interest rates, volatility of the Company's shares, fluctuation in the dollar exchange rate, etc), we calculate the fair values for call stock options and financial instruments.

Estimate for the realization of deferred income tax and social contribution

The realization of deferred income tax and social contribution is based on technical feasibility studies, which present future taxable income projections, and so allowing the recovery of credits estimates for a period not longer than 10 years. In addition, the estimate for realization of deferred income tax and social contribution involves uncertainties surrounding other provisions.

Verification of the useful life of the fixed and intangible assets

The useful life of the property, plant and equipment and intangible assets is reviewed annually based on technical evaluations of specialist engineers for the area.

Evaluation of impairment of intangible assets with an indeterminate useful life

To define the recoverable value, the Company used cash flow projections pre-income tax and social contribution based on financial budgets approved by Management for a 10-year period considering the following assumptions: forecasted revenues, costs and expenses from 2019 to 2028, discount rate and growth rate to perpetuity, inflation rate, and schedule for opening stores, among others.

10.6 Officers shall describe relevant items that have not been emphasized in issuer's financial statements, indicating the following:

a. assets and liabilities directly or indirectly held by the issuer, which are not included in its balance sheet (off-balance sheet items), such as:

1. **operating leasing payable and receivable**
2. **portfolios of receivables written-off over which entity maintains risks and liabilities, indicating the respective liabilities**
3. **agreements for future purchase and sale of goods or services**
4. **unfinished construction agreements**
5. **agreements for future receipts of financings**

There are no relevant assets and liabilities that were not reflected in Company's explanatory notes to the consolidated financial statements for the years 2018, 2017 and 2016.

b. other items not emphasized in the financial statements

There are no other relevant items that were not emphasized in the Company's explanatory notes to the consolidated financial statements for the years 2018, 2017 and 2016.

10.7 Concerning each one of the items not emphasized in the financial statements mentioned in item 10.8, officers shall comment about:

a. how such items change or may change revenues, expenses, operating income, financial expenses or other items of the issuer's financial statements

Not applicable, because the Executive Board understands that there are no relevant assets and liabilities that were not reflected in Company's consolidated financial statements for the years 2018, 2017 and 2016.

b. nature and purpose of the operation

Not applicable, because the Executive Board understands that there are no relevant assets and liabilities that were not reflected in Company's consolidated financial statements for the years 2018, 2017 and 2016.

c. nature and amount of assumed obligations and rights generated in favor of the issuer as a result of the operation

Not applicable, because the Executive Board understands that there are no relevant assets and liabilities that were not reflected in Company's consolidated financial statements for the years 2018, 2017 and 2016.

10.8 Officers shall indicate and comment about the main elements of the issuer's business plan, specifically exploring the following items:

a. investments, including: (i) quantitative and qualitative description of ongoing investments and expected investments; (ii) investments financing sources; (iii) relevant ongoing divestitures and expected divestitures

The year 2019 begins with positive prospects for an economic recovery in Brazil, the first green shoots of which were to be seen at the end of last year. In this context, the Company believes that the low levels of inflation and stability of employment, combined with a lower level of income commitment of households and reduced personal debt are very important indicators for increased consumer confidence and a recovery in consumption. Thus, Lojas Renner will continue to invest in new opportunities for growth and for strengthening of the business model, with efficiency and a high degree of competitiveness, always in alignment with our value proposition.

The Company will continue to expand its sales area in Brazil as well as abroad, where Renner is studying the Latin American market and will be rolling out up to 3 stores in Argentina in the second half of 2019. The choice of Argentina is justified by the size of the market, the favorable competitive environment and by the commercial opportunities to be found in Mercosur in addition to the similarity and proximity with the south of Brazil where Lojas Renner's administrative headquarters and one of the distribution centers is located.

For 2019, the Company expects to make R$ 698.8 million in investments, pursuant to the proposal to be made to the shareholders, which contemplates the rollout of from 25 to 30 Renner stores, including Uruguay and Argentina, around 10 units of Camicado and Youcom, in addition to 5 Ashua stores. Investments will also be made in the remodeling of existing operations, logistical infrastructure and technology.

In order to support the investments, forecast in the Company's expansion plan, Management is proposing the retention of 49.7% of the net income for year 2018 in amount of R$ 507.0 million, on December 31 2018 totaling R$ 946.5 million in the account of Reserve for Investments and Expansion.

Financing Sources	R$ Million
Remaining balance profit reserves for investment and expansion 12/31/2017	**439.5**
Constitution for profit reserve for investment and expansion – 2018	507.0
Retained profits in reserve for investment and expansion 12/31/2018	**946.5**
Capital Expenditure Budget – Investment of Resources	**2019 Forecast**
Investments in Fixed Assets	**(549.1)**
New Stores	(147.2)
Remodeling and Upgrading	(75.2)
IT Systems and Equipment	(180.2)
Logistics	(121.3)
Others	(25.2)
Investments in Subsidiaries	**(149.7)**
Total Investments in Fixed Capital	**(698.8)**
Investments in Working Capital	**(716.1)**
Total Investment of Resources	**(1,414.9)**

The Company's Management believes as necessary the maintenance of the Earnings Reserve for Investment and Expansion at current levels, including the retained earnings reported for the year 2018, which will be added to operating cash generation for the year 2019 to support the expansion plan to be implemented in the current year, as well as to enable the financing structure to support the transfer of the portfolio of Credit Card Renner ("Private Label") to the Company's Financial Segment, with the liquidation of FIDC Lojas Renner in May 2019.

b. as long as already disclosed, indicate the acquisition of plants, equipment, patents or other assets that might materially influence the issuer's production capacity

In line with the long-term plan, in 2018 investments in fixed assets amounted to R$ 610.4 million. An allocation of 36.9% of the total was directed towards the opening of 55 new stores of which 26 Renner, 10 Camicado, 16 Youcom and 3 Ashua, the Plus & Curve Size fashion brand. A further 27.5% were invested in store remodeling as well as 30.1% in Technology Systems and Equipment and the remaining 5.5% in Distribution Centers and Others.

Lojas Renner S.A.

Nro. Seq	Date	State	City	Location	Total Area (m²)
1	12/14/2018	PA	Santarem	Rio Tapajós Shopping	1,783.0
2	12/13//2018	SC	Florianopolis	Lojas Centro Florianópolis	2,123.0
3	12/07/2018	DF	Brasília	Conjunto Nacional	1,899.6
4	12/07/2018	MG	Poços de Caldas	Shopping Poços de Caldas	2,365.9
5	12/06/2018	MG	Barbacena	Parque Barbacena Shopping	1,594.6
6	12/05/2018	MT	Rondonópolis	Rondon Plaza Shopping	2,290.6
7	12/19/2018	SP	Praia Grande	Litoral Plaza Shopping	2,759.0
8	11/13/2018	PR	Parnavaí	Shoping Cidade Parnavai	1,679.8
9	11/08/2018	RS	Passo Fundo	Passo Fundo Shopping	2,840.0
10	10/30/2018	SP	Itu	Plaza Shopping Itu	1,737.0
11	10/23/2018	MT	Cuiabá	Shopping Estação Cuiabá	2,898.0
12	10/04/2018	SP	Itapetininga	Itapê Shopping	1,795.7
13	09/27/2018	SP	São Paulo	Shopping Tucuruvi	192.8
14	09/13/2018	MA	Imperatriz	Shopping Imperial	2,027.3
15	09/13/2018	SP	São Paulo	Shopping Anália Franco	241.0
16	09/05/2018	RJ	Rio de Janeiro	Recreio Shopping Center	1,825.3
17	09/04/2018	RS	Porto Alegre	Shopping Praia de Belas	248.7
18	08/21/2018	MG	Divinópolis	Shopping Pátio Divinópolis	1,509.3
19	05/08/2018	PE	Olinda	Shopping Patteo Olinda	3,253.3
20	05/03/2018	MS	Dourados	Avenida Shopping Dourados	1,558.0
21	05/03/2018	SP	Valinhos	Shopping Valinhos	2,345.3
22	05/02/2018	PE	Camaragibe	Camará Shopping Center	2,538.7
23	04/26/2018	BA	Vitória da Conquista	Shopping Boulevard Vitória da Conquista	1,565.2
24	04/26/2018	PR	Guarapuava	Shopping Cidade dos Lagos	2,084.8
25	03/29/2018	PI	Parnaíba	Parnaíba Shopping	2,015.4

Lojas Renner Uruguay S.A

Nro. Seq	Date	State	City	Location	Total Area (m²)
1	12/18/2018	UY	Montevidéu	Las Piedras	1,610.9
2	11/23/2018	UY	Punta del Leste	Punta Shopping	1,548.8
3	05/07/2018	UY	Montevidéu	Portones Shopping	1,974.0
4	05/05/2018	UY	Rivera	Shopping Melancia	1,877.0

Maxmix Comercial Ltda. (Camicado)

Nro. Seq	Date	State	City	Location	Total Area (m²)
1	10/23/2018	MT	Cuiaba	Shopping Estação Cuiabá	513.7
2	09/14/2018	MG	Uberaba	Shopping Uberaba	563.1
3	08/16/2018	SE	Campina Grande	Partage Shopping	546.1
4	08/10/2018	PB	Aracaju	Riomar Aracajú	689.4
5	08/09/2018	MG	Belo Horizonte	Shopping Del Rey	477.3
6	07/31/2018	AM	Manaus	Shopping Manauara	661.0
7	07/12/2018	SC	Joinville	Garten Shopping	383.3
8	05/12/2018	AM	Manaus	Shopping Amazonas	343.9
9	04/26/2018	RO	Porto Velho	Porto Velho Shopping	649.0
10	04/20/2018	RJ	Rio de Janeiro	Shopping Tijuca	446.0

Fashion Business Comércio de Roupas Ltda (Youcom)

Nro. Seq	Data	Estado	Cidade	Localização	Total Área (m²)
1	11/19/2018	SP	Praia Grande	Litoral Plaza Shopping	235.5
2	10/23/2018	MT	Cuiaba	Shopping Estação Cuiabá	210.8
3	10/18/2018	PR	Ponta Grossa	Shopping Palladium Ponta Grossa	216.8
4	10/05/2018	AM	Manaus	Shopping Manauara	357.8

5	08/16/2018	SC	Blumenau	Neumarkt Shopping	204.5
6	07/05/2018	DF	Brasília	Shopping Conjunto Nacional	172.1
7	06/08/2018	SP	Suzano	Suzano Shopping Center	222.9
8	06/07/2018	SP	São Paulo	Shopping Metrô Itaquera	273.2
9	04/26/2018	DF	Brasília	Boulevard Brasília	186.0
10	04/25/2018	SP	São Caetano	Park Shopping São Caetano	247.0
11	04/19/2018	SC	Florianópolis	Iguatemi Florianópolis	239.0
12	04/13/2018	GO	Aparecida de Goiânia	Buriti Shopping	228.0
13	04/12/2018	BA	Salvador	Salvador Shopping	206.0
14	03/22/2018	GO	Goiânia	Goiânia Shopping	317.0
15	03/15/2018	MG	Varginha	Via Café Garden Shopping	199.0
16	03/08/2018	SC	Chapecó	Shopping Pátio Chapecó	242.0

c. new products and services, indicating the following: (i) description of surveys in progress already disclosed; (ii) total amounts spent by the issuer in surveys for development of new products and services; (iii) projects under development already disclosed; (iv) total amounts spent by the issuer in development of new products and services

There are no new projects with relevant investments other than the aforementioned ones.

10.9 Comment about other factors that have influenced in a relevant manner the operating performance and that have not been identified or commented in the other items of this section

All information relevant and pertinent to this topic has been mentioned in the items above.

(All amounts in thousands of Reais unless otherwise stated)

ATTACHMENT V

FINANCIAL STATEMENTS AND EXPLANATORY NOTES

Balance sheets
Identified on December 31, 2018 and 2017

	Parent company		Consolidated	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017
Assets				
Current assets				
Cash and cash equivalents	876,302	981,014	944,671	1,059,873
Financial investments	-	-	439,693	82,360
Accounts receivable	1,543,223	1,131,448	3,162,670	2,644,258
FIDC Lojas Renner	182,000	-	-	-
Inventories	944,195	772,052	1,110,305	923,176
Recoverable taxes	112,320	115,915	208,840	140,273
Derivative financial instruments	10,210	5,822	10,860	6,917
Other assets	47,460	42,956	53,296	51,084
Credits with related parties	22,808	-	-	-
Total current assets	**3,738,518**	**3,049,207**	**5,930,335**	**4,907,941**
Non-current assets				
Long-term assets				
Recoverable taxes	50,501	46,380	78,327	80,331
Credits with related parties	7,169	12,511	-	-
Deferred income tax and social contribution	71,451	112,994	153,458	199,211
Other assets	25,954	19,707	29,403	20,267
FIDC Lojas Renner	-	182,000	-	-
Total long-term assets	**155,075**	**373,592**	**261,188**	**299,809**
Investments	956,742	824,196	-	46
Fixed assets	1,717,872	1,603,710	1,994,449	1,813,627
Intangible assets	413,009	324,525	635,076	526,235
Total non-current assets	**3,242,698**	**3,126,023**	**2,890,713**	**2,639,717**
Total assets	**6,981,216**	**6,175,230**	**8,821,048**	**7,547,658**

See the accompanying notes to the individual and consolidated financial statements.

(All amounts in thousands of Reais unless otherwise stated)

Balance sheets
Identified on December 31, 2018 and 2017

	Parent company		Consolidated	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017
Liabilities and shareholders' equity				
Current liabilities				
Borrowings, financing and debentures	580,152	363,288	710,804	379,553
Financing - financial services operations	128,437	63,484	712,558	127,396
Financial leases	473	9,890	473	9,890
Suppliers	845,229	721,302	955,834	842,254
Obligations with credit card administrators	18,355	38,631	693,994	524,581
Tax liabilities	416,981	400,121	550,016	470,989
Social and labor obligations	222,567	211,433	246,009	233,338
Statutory payables	242,995	180,933	242,995	180,933
Rents payable	61,030	50,468	69,990	59,393
Provision for civil and labor risks	39,452	32,583	47,783	35,996
Derivative financial instruments	13,006	2,944	14,516	3,137
Debits with related parties	1,271	-	-	-
Other obligations	68,421	63,673	79,383	74,252
Total current liabilities	**2,638,369**	**2,138,750**	**4,324,355**	**2,941,712**
Non-current liabilities				
Borrowings, financing and debentures	326,573	724,076	327,258	724,972
Financing - financial services operations	-	-	139,028	570,109
Financial leases	33,467	58,896	33,467	58,896
Deferred income tax and social contribution	-	-	11,214	-
Provision for tax risks	27,059	24,094	29,452	26,083
Debits with related parties	-	3,743	-	-
Other obligations	1,236	2,225	1,762	2,440
Total non-current liabilities	**388,335**	**813,034**	**542,181**	**1,382,500**
Total liabilities	**3,026,704**	**2,951,784**	**4,866,536**	**4,324,212**
Shareholders' equity				
Capital	2,637,473	2,556,896	2,637,473	2,556,896
Treasury shares	(44,536)	(27,857)	(44,536)	(27,857)
Capital reserves	124,093	94,285	124,093	94,285
Profit reserves	1,235,334	596,022	1,235,334	596,022
Other comprehensive income	2,148	4,100	2,148	4,100
Total shareholders' equity	**3,954,512**	**3,223,446**	**3,954,512**	**3,223,446**
Total liabilities and shareholders' equity	**6,981,216**	**6,175,230**	**8,821,048**	**7,547,658**

See the accompanying notes to the individual and consolidated financial statements.

(All amounts in thousands of Reais unless otherwise stated)

Statements of net income
For the years ended December 31, 2018 and 2017

	Parent company		Consolidated	
	2018	2017	2018	2017
Net operating income	**7,114,770**	**6,461,417**	**8,426,541**	**7,444,305**
Sales of goods	6,746,769	6,027,890	7,485,433	6,600,073
Financial products and services	368,001	433,527	941,108	844,232
Costs of sales	**(2,966,719)**	**(2,703,389)**	**(3,284,517)**	**(2,944,913)**
Sales of goods	(2,949,101)	(2,682,228)	(3,257,398)	(2,922,882)
Financial products and services	(17,618)	(21,161)	(27,119)	(22,031)
Gross profit	**4,148,051**	**3,758,028**	**5,142,024**	**4,499,392**
Sales	(1,934,796)	(1,813,270)	(2,256,607)	(2,061,899)
Administrative and general	(732,099)	(651,504)	(819,994)	(715,269)
Losses on receivables, net	(91,173)	(116,623)	(280,673)	(255,835)
Other operating net income	(216,349)	(252,600)	(360,929)	(379,151)
Equity on profit/loss of subsidiaries	139,089	104,978	-	-
Operating expenses, net	**(2,835,328)**	**(2,729,019)**	**(3,718,203)**	**(3,412,154)**
Operating income before financial net income	**1,312,723**	**1,029,009**	**1,423,821**	**1,087,238**
Financial income	37,708	52,291	49,164	59,058
Financial expenses	(91,556)	(132,896)	(102,792)	(142,159)
Financial income, net	**(53,848)**	**(80,605)**	**(53,628)**	**(83,101)**
Income before income tax and social contribution	**1,258,875**	**948,404**	**1,370,193**	**1,004,137**
Current	(189,357)	(221,712)	(278,097)	(334,774)
Deferred assets	(49,382)	5,987	(71,960)	63,316
Income tax and social contribution, net	**(238,739)**	**(215,725)**	**(350,057)**	**(271,458)**
Net income for the year	**1,020,136**	**732,679**	**1,020,136**	**732,679**
Net income per share - Basic - R$	1.4106	1.0638	1.4106	1.0638
Net income per share - Diluted - R$	1.4003	1.0510	1.4003	1.0510
Number of shares at the end of the year (in thousands)	720,024	713,235	720,024	713,235

See the accompanying notes to the individual and consolidated financial statements.

(All amounts in thousands of Reais unless otherwise stated)

Statements of comprehensive income
For the years ended December 31, 2018 and 2017

	Parent company		Consolidated	
	2018	**2017**	**2018**	**2017**
Net income for the year	**1,020,136**	**732,679**	**1,020,136**	**732,679**
Equity valuation adjustments				
Items that will not be reclassified to net income	**(4,908)**	**40,223**	**(4,908)**	**40,223**
Cash flow hedge	(5,674)	57,380	(7,436)	60,944
Cash flow hedge in subsidiaries, net of taxes	(1,163)	2,352	-	-
Taxes related to net income from cash flow hedge	1,929	(19,509)	2,528	(20,721)
Accumulated translation adjustments				
Items that can be subsequently reclassified to net income	**2,956**	**1,702**	**2,956**	**1,702**
Accumulated translation adjustments	2,956	1,702	2,956	1,702
Other components of the comprehensive income	**(1,952)**	**41,925**	**(1,952)**	**41,925**
Total comprehensive income for the year	**1,018,184**	**774,604**	**1,018,184**	**774,604**

See the accompanying notes to the individual and consolidated financial statements.

(All amounts in thousands of Reais unless otherwise stated)

Statements of changes in shareholders' equity - Parent company and Consolidated
Identified on December 31, 2018

	Capital	Treasury shares	Capital reserves: Share purchase option plan reserve and restricted share plan	Profit reserves: Legal reserve	Profit reserves: Reserve for investment and expansion	Profit reserves: Tax incentive reserve	Profit reserves: Additional dividend proposed	Other comprehensive income: Equity valuation adjustments	Other comprehensive income: Accumulated translation adjustments	Retained earnings	Total
Balance at December 31, 2017	**2,556,896**	**(27,857)**	**94,285**	**36,634**	**439,472**	**23,669**	**96,247**	**2,496**	**1,604**	**-**	**3,223,446**
Initial adoption of CPC 48 / IFRS 9 – Expected Losses, net of taxes	-	-	-	-	-	-	-	-	-	(21,162)	(21,162)
Adjusted balance - January 1, 2018	**2,556,896**	**(27,857)**	**94,285**	**36,634**	**439,472**	**23,669**	**96,247**	**2,496**	**1,604**	**(21,162)**	**3,202,284**
Net income for the year	-	-	-	-	-	-	-	-	-	1,020,136	1,020,136
Capital increase	80,577	-	-	-	-	-	-	-	-	-	80,577
Repurchase of shares	-	(16,988)	-	-	-	-	-	-	-	-	(16,988)
Disposal of shares	-	309	(309)	-	-	-	-	-	-	-	-
Stock option plan	-	-	20,498	-	-	-	-	-	-	-	20,498
Restricted share plan	-	-	9,619	-	-	-	-	-	-	-	9,619
Other comprehensive income	-	-	-	-	-	-	-	(4,908)	2,956	-	(1,952)
Resolution - additional dividend proposed	-	-	-	-	-	-	(96,247)	-	-	-	(96,247)
Dividends prescribed	-	-	-	-	-	-	-	-	-	215	215
Distribution of income:	**-**	**-**	**-**	**51,007**	**507,042**	**32,871**	**144,639**	**-**	**-**	**(999,189)**	**(263,630)**
Legal reserve	-	-	-	51,007	-	-	-	-	-	(51,007)	-
Reserve for investment and expansion	-	-	-	-	507,042	-	-	-	-	(507,042)	-
Fiscal incentive reserve	-	-	-	-	-	32,871	-	-	-	(32,871)	-
Dividends (R$ 0.254333 per share)	-	-	-	-	-	-	144,639	-	-	(182,596)	(37,957)
Interest on own capital (R$ 0.315536 per share)	-	-	-	-	-	-	-	-	-	(225,673)	(225,673)
Balance on December 31, 2018	**2,637,473**	**(44,536)**	**124,093**	**87,641**	**946,514**	**56,540**	**144,639**	**(2,412)**	**4,560**	**-**	**3,954,512**

See the accompanying notes to the individual and consolidated financial statements.

(All amounts in thousands of Reais unless otherwise stated)

Statements of changes in shareholders' equity - Parent company and Consolidated
Identified on December 31, 2017

			Capital reserves		Profit reserves				Other comprehensive income			
	Capital	Treasury shares	Goodwill reserve	Share purchase option plan reserve and restricted share plan	Legal reserve	Reserve for investment and expansion	Tax incentive reserve	Additional dividend proposed	Equity valuation adjustments	Accumulated translation adjustments	Retained earnings	Total
Balance on January 1, 2017	**1,178,368**	**(19,021)**	**118,165**	**180,124**	**123,718**	**1,016,451**	**-**	**76,816**	**(37,728)**	**(97)**	**-**	**2,636,796**
Net income for the year	-	-	-	-	-	-	-	-	-	-	732,679	732,679
Capital increase	1,378,528	-	(118,165)	(119,684)	(123,718)	(956,283)	-	-	-	-	-	60,678
Repurchase of shares	-	(8,836)	-	-	-	-	-	-	-	-	-	(8,836)
Stock option plan	-	-	-	27,638	-	-	-	-	-	-	-	27,638
Restricted share plan	-	-	-	6,207	-	-	-	-	-	-	-	6,207
Other comprehensive income	-	-	-	-	-	-	-	-	40,224	1,701	-	41,925
Resolution - additional dividend proposed	-	-	-	-	-	-	-	(76,816)	-	-	-	(76,816)
Dividends prescribed	-	-	-	-	-	-	-	-	-	-	106	106
Distribution of income:	**-**	**-**	**-**	**-**	**36,634**	**379,304**	**23,669**	**96,247**	**-**	**-**	**(732,785)**	**(196,931)**
Legal reserve	-	-	-	-	36,634	-	-	-	-	-	(36,634)	-
Reserve for investment and expansion	-	-	-	-	-	379,304	-	-	-	-	(379,304)	-
Fiscal incentive reserve	-	-	-	-	-	-	23,669	-	-	-	(23,669)	-
Dividends (R$ 0.13523 per share)	-	-	-	-	-	-	-	96,247	-	-	(96,247)	-
Interest on own capital (R$ 0.28421 per share)	-	-	-	-	-	-	-	-	-	-	(196,931)	(196,931)
Balance at December 31, 2017	**2,556,896**	**(27,857)**	**-**	**94,285**	**36,634**	**439,472**	**23,669**	**96,247**	**2,496**	**1,604**	**-**	**3,223,446**

See the accompanying notes to the individual and consolidated financial statements.

(All amounts in thousands of Reais unless otherwise stated)

Statements of cash flows
For the years ended December 31, 2018 and 2017

	Parent company		Consolidated	
	2018	2017	2018	2017
Cash flows from operating activities				
Net income for the year	**1,020,136**	**732,679**	**1,020,136**	**732,679**
Adjustments to reconcile income (loss) to cash and cash equivalents generated by operating activities:				
Depreciation and amortization	275,767	300,008	314,574	329,051
Interest and structuring costs o loans and leases	76,914	119,789	82,337	122,810
Equity on profit/loss of subsidiaries	(139,089)	(104,978)	-	-
Income tax and social contribution	238,739	215,725	350,057	271,458
Estimated losses in assets, net	(18,147)	8,086	65,579	130,635
Other adjustments to net income	30,169	39,976	37,384	43,638
	1,484,489	**1,311,285**	**1,870,067**	**1,630,271**
Dividends received from subsidiaries	**87,178**	**63,469**	**-**	**-**
(Increase) decrease in assets				
Trade accounts receivable	(389,656)	(76,673)	(592,167)	(535,420)
Inventories	(170,431)	(142,460)	(190,359)	(166,320)
Recoverable taxes	(526)	6,948	(66,563)	(18,139)
Other assets	9,459	(5,198)	11,475	22,379
Increase (Decrease) in liabilities				
Suppliers	124,252	125,457	114,610	164,618
Financing - financial services operations	64,953	(2,005)	154,084	(98,130)
Obligations with credit card administrators	(20,277)	32,521	169,415	232,690
Tax liabilities	(46,407)	29,297	7,833	36,177
Other obligations	(4,531)	49,295	15,564	66,510
Payment of income tax and social contribution	(153,868)	(228,503)	(235,053)	(304,639)
Interest paid on borrowings, debentures and lease	(86,738)	(100,721)	(90,194)	(102,047)
Net cash generated in operating activities before financial investments	**897,897**	**1,062,712**	**1,168,712**	**927,950**
Interest earnings bank deposits	-	-	(357,333)	(82,360)
Net cash generated in operating activities	**897,897**	**1,062,712**	**811,379**	**845,590**
Cash flows from investment activities				
Acquisition of property, plant and equipment and intangible assets	(482,527)	(429,578)	(610,407)	(550,363)
Receipts by sales of fixed assets	589	9,340	593	4,847
Capital contribution in subsidiaries	(90,997)	(273,846)	-	-
Net cash (consumed) due to investments activities	**(572,935)**	**(694,084)**	**(609,814)**	**(545,516)**
Cash flows from financing activities				
Capital increase	80,577	60,678	80,577	60,678
Repurchase of shares	(16,988)	(8,836)	(16,988)	(8,836)
Funding of borrowings	166,680	664,402	307,801	864,536
Amortization of borrowings and debentures	(333,676)	(553,424)	(362,588)	(783,990)
Consideration of financial lease	(38,665)	(8,283)	(38,665)	(8,283)
Interest on own capital and dividends paid	(287,651)	(253,337)	(287,651)	(253,337)
Net cash consumed by financing activities	**(429,723)**	**(98,800)**	**(317,514)**	**(129,232)**
Effect of changes in exchange rate on the balance of cash and cash equivalents	49	**-**	747	(5,850)
(Decrease) Increase in cash and cash equivalents	**(104,712)**	**269,828**	**(115,202)**	**164,992**
Cash and cash equivalents at the beginning of the year	981,014	711,186	1,059,873	894,881
Cash and cash equivalents at the end of the year	**876,302**	**981,014**	**944,671**	**1,059,873**

See the accompanying notes to the individual and consolidated financial statements.

(All amounts in thousands of Reais unless otherwise stated)

Statements of added value
For the years ended December 31, 2018 and 2017

	Parent company		Consolidated	
	2018	2017	2018	2017
(+) Income	**9,211,613**	**8,326,562**	**10,561,696**	**9,373,440**
Sales of goods, net of cancellations and returns	8,860,120	7,963,469	9,786,838	8,687,666
Financial products and services	392,476	461,549	999,757	915,612
Estimated credit losses, net	(91,173)	(116,623)	(280,673)	(255,835)
Other income	50,190	18,167	55,774	25,997
(-) Inputs acquired from third parties	**(4,468,258)**	**(4,099,307)**	**(5,069,019)**	**(4,555,329)**
Cost of sales of goods and services rendered (including taxes)	(3,355,977)	(3,109,745)	(3,697,338)	(3,379,011)
Energy, outsourced services and other expenses	(1,043,686)	(906,902)	(1,292,328)	(1,087,295)
Loss in the realization of other assets, net	(68,595)	(82,660)	(79,353)	(89,023)
(=) Gross added value	**4,743,355**	**4,227,255**	**5,492,677**	**4,818,111**
(-) Retentions	**(275,767)**	**(300,008)**	**(314,574)**	**(329,051)**
Depreciation and amortization	(275,767)	(300,008)	(314,574)	(329,051)
(=) Net added value produced by the Entity	**4,467,588**	**3,927,247**	**5,178,103**	**4,489,060**
(+) Added value received as transfer	**178,596**	**159,771**	**51,089**	**61,820**
Equity on profit/loss of subsidiaries	139,089	104,978	-	-
Financial income, gross of taxes	39,507	54,793	51,089	61,820
(=) Total added value payable	**4,646,184**	**4,087,018**	**5,229,192**	**4,550,880**
(=) Distribution of added value	**4,646,184**	**4,087,018**	**5,229,192**	**4,550,880**
Personnel	**945,358**	**884,795**	**1,090,121**	**1,023,807**
Direct remuneration	701,969	638,086	823,314	758,167
Benefits	138,221	131,810	152,858	143,464
FGTS	65,078	58,426	73,035	65,154
Other	40,090	56,473	40,914	57,022
Stock option plan	20,499	34,499	20,499	34,499
Management remuneration	19,591	21,974	20,415	22,523
Taxes, duties and contributions	**2,057,195**	**1,830,534**	**2,379,811**	**2,065,821**
Federal taxes	746,016	688,986	940,361	828,268
State taxes	1,263,083	1,097,338	1,376,837	1,184,876
Municipal taxes	48,096	44,210	62,613	52,677
Third-party capital remuneration	**623,495**	**639,010**	**739,124**	**728,573**
Financial expenses	91,556	132,896	102,792	142,159
Rental expenses	531,939	506,114	636,332	586,414
Remuneration of own capital	**1,020,136**	**732,679**	**1,020,136**	**732,679**
Interest on own capital and dividends proposed	263,630	196,931	263,630	196,931
Retained earnings	612,082	439,607	612,082	439,607
Additional dividend proposed	144,424	96,141	144,424	96,141

See the accompanying notes to the individual and consolidated financial statements.

(All amounts in thousands of Reais unless otherwise stated)

1 OPERATIONS

Lojas Renner S.A. ("Parent Company") is a corporation with head office at Av. Joaquim Porto Villanova, 401, Porto Alegre, Rio Grande do Sul, listed in São Paulo Stock Exchange ("*B3 S.A.- Brasil, Bolsa e Balcão": LREN3*).

Lojas Renner S.A. and its direct and indirect subsidiaries, individually or jointly (the "Company" or the "Consolidated"), are mainly engaged in:

a) Retail trade of clothes and sports products, shoes, accessories and perfumery;
b) Retail trading of domestic appliances, towels & linen, furniture and decoration articles;
c) Granting of personal loans, financing of purchases, insurance and the practice of activities inherent to credit companies, such as branded card, among others.

2 HIGHLIGHTS

Below, the Management emphasizes certain important matters in this disclosure:

2.1 CONTINGENT ASSETS - ICMS IN PIS AND COFINS CALCULATION BASIS

The favorable judicial order of Federal Regional Court of the 4th Region, not final yet, recognized the right to exclusion of *ICMS* from *PIS* and *COFINS* calculation basis. Estimate of potential credit (Note 23.6)

2.2 NEW STANDARDS

CPC 06/IFRS 16 - Lease will become effective as of January 1, 2019. The Company's management concluded its evaluation of impacts from first-time adoption and describes measurement of the right of use asset and lease liability beginning as of its validity in note 5.2.1.

CPC 48/IFRS 9 - Financial instruments were adopted for the first time to the Company. Application of this new standard and its respective impacts are disclosed in note 5.1.

2.3 CONTINUITY OF EXPANSION PLAN

Continuing our international expansion plan, according to Communication to the Market made on January 28, 2019, we established a new subsidiary in Argentina (Note 3.7.1 and 14.2).

2.4 TAX BURDEN - STATEMENT OF ADDED VALUE

We presented information included in our Statement of Added Value, emphasizing participation of our tax burden in relation to wealth generated by the Company (note 4).

3 BASIS FOR THE PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

3.1 STATEMENT OF CONFORMITY

The individual and consolidated financial statements of the Company were prepared and presented in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and also in accordance with accounting practices adopted in Brazil (BR GAAP), considering Pronouncements, guidelines and interpretations issued by the Accounting Pronouncement Committee (*CPC*), approved by the Securities Commission (*CVM*) and the provisions of Corporation Law.

Financial statements were approved by the Company's Board of Directors on February 7, 2019.

3.2 STATEMENT OF RELEVANCE

The Company's management applied technical guideline *OCPC 7* and *CVM* Resolution 727/14 on preparation of financial statements, for the purpose of disclosing only relevant information that helps users of financial statements to make decisions, so that minimum requirements will be complied with. In addition, the Company's Management affirms that all relevant information is being evidenced and corresponds to the information used in the management of the business.

3.3 RECLASSIFICATION OF INCOME STATEMENT

The Company conducted reclassifications in balances of Income Statement for the year ended December 31, 2017, presented for comparison purposes, at the amounts of R$ 286,623, R$ 44,717 and R$ 11,424 in the Parent Company and R$ R$ 314,169, R$ 48,030, R$ 12,215 in the Consolidated for better disclosure, respectively, of depreciation and amortization expenses, tax expenses and expenses with Directors' fees, previously presented as "Other operating net income". The Company's management understands

(All amounts in thousands of Reais unless otherwise stated)

that said reclassification reflects the best information for monitoring its results. Reclassification did not change net income and did not change the Company's Balance Sheets, Statements of Comprehensive Income, Statement of Changes in Shareholders' Equity and Statement of Cash Flows.

3.4 BASIS OF MEASUREMENT

The financial statements were measured considering the historical cost as a basis of value, except for certain financial instruments measured at their fair values (Note 24.3).

3.5 FUNCTIONAL AND PRESENTATION CURRENCY

The individual and consolidated financial statements are being presented in Brazilian Reais, which is the Company's functional and presentation currency. All balances have been rounded to the nearest value, except otherwise indicated.

3.6 CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires, the Company's management to use estimates and assumptions that affect the reported amounts of assets, liabilities and other transactions. Since Management's judgment involves the determination of estimates related to the probability of future events, actual results may differ from these estimates.

In addition to compliance with prevailing accounting standards and rules, Management understands that the adoption of critical accounting estimates is essential to produce the best possible information on net income and financial situation upon each year closing, even if such information may temporarily lack accuracy as a result of subjectivity and complexity involved.

Main transactions and evaluations significantly impacted by estimates are as follows:

- i) Provisions for tax, civil and labor risks (Note 23);
- ii) Estimated credit losses (Note 8.3);
- iii) Estimated inventory losses (Note 10.1);
- iv) Discount rate applied to adjustment to present value (Notes 8.1 and 10.1);
- v) Determination of fair values of derivative financial instruments and stock option plans (Notes 24.1and 30.6);
- vi) Definition of the useful life of the fixed and intangible assets (Note 15.1);
- vii) Evaluation of impairment of intangible assets with undefined useful life (Note 16.1); and
- viii) Realization of deferred income tax and social contribution (Note 13.3).

3.7 ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these individual and consolidated financial statements are presented and summarized in notes of the respective account, and have been consistently adopted in the years presented to the Parent Company and its subsidiaries.

3.7.1 Consolidation

In the preparation of individual and consolidated financial statements, financial statements of subsidiaries closed on the same base date were used.

As established by CVM Instruction No. 408/04, the Company consolidates financial statements of FIDC Lojas Renner, as this represents a specific purpose entity whose activities are performed substantially in accordance with the Company's operating needs; the Company is being exposed to most risks and benefits related to the fund, as it owns all subordinated quotas. In consolidation process of FIDC Lojas Renner, assets and liabilities, as well as gains and losses from transactions between the Company and the Fund were eliminated.

(All amounts in thousands of Reais unless otherwise stated)

The Company's consolidated financial statements include the following companies:

	Country	Currency	Direct/Indirect interest 12/31/2018	12/31/2017
Direct subsidiaries				
Dromegon Participações Ltda. ("Dromegon")	Brazil	BRL	100.0%	100.0%
Renner Administradora de Cartões de Crédito Ltda. ("RACC")	Brazil	BRL	100.0%	100.0%
Maxmix Comercial Ltda. ("Camicado")	Brazil	BRL	100.0%	100.0%
Fashion Business Comércio de Roupas Ltda. ("Youcom")	Brazil	BRL	100.0%	100.0%
Lojas Renner Shanghai Trading Co. Ltd. ("LRS")	China	RMB	100.0%	100.0%
Lojas Renner Uruguay S.A. ("LRU")	Uruguay	UYU	100.0%	100.0%
Lojas Renner Argentina S.A.U. ("LRA")	Argentina	ARS	100.0%	-
Realize Participações S.A.	Brazil	BRL	100.0%	100.0%
Indirect subsidiaries				
Realize Crédito Financiamento e Investimento S.A. ("Realize CFI")	Brazil	BRL	100.0%	100.0%
Specific purpose Company				
(*) Credit Rights Investment Fund ("FIDC Lojas Renner")	Brazil	BRL	40.7%	33.0%

(*) Refers to participation percentage of subordinated quota (see note 9).

3.7.1.1 Dromegon

Dromegon owns some of the properties used in the Company's commercial transactions and its income is limited to the rent of these properties.

3.7.1.2 RACC

RACC is engaged in rendering intermediation financial services by means of executing into contract on bank correspondent product for personal loan, by means of agreement for borrowing extension by financial institutions.

3.7.1.3 Camicado

Camicado is engaged in retail trading of domestic appliances, towels & linen, and decoration articles.

3.7.1.4 Youcom

Youcom is engaged in specialized retail trading of clothing, shoes and accessories.

3.7.1.5 LRS

The purpose of LRS consists of performing the duties of purchasing, quality control and sample development, and acting as a vehicle for building up relationships with business partners and to provide support in the prospecting of new foreign suppliers.

3.7.1.6 LRU

The purpose of LRU has as object the specialized retail trade in clothing, sports and footwear, perfumery, cosmetics, watches and sporting goods.

3.7.1.7 LRA

The purpose of LRA will have as object the specialized retail trade in clothing, sports and footwear, perfumery, cosmetics, watches and sporting goods. On these financial statements' approval date, LRA was at pre-operating stage.

3.7.1.8 Realize Participações S.A.

Realize Participações S.A. is engaged in ownership interest in financial institutions and other financial institutions authorized to operate by the Central Bank of Brazil.

3.7.1.9 Realize CFI

The purpose of Realize CFI is practice of active, passive and accessory operations inherent to the credit companies, financing and investment, in accordance with the legal and regulatory provisions in force.

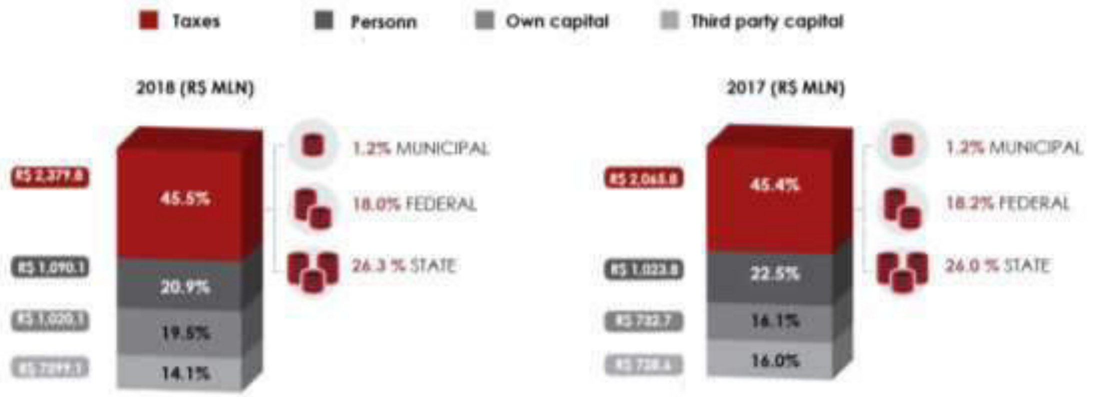
(All amounts in thousands of Reais unless otherwise stated)

4 STATEMENT OF ADDED VALUE

The purpose of this statement to evidence the wealth created by the Company and its distribution during a certain year and is presented by the Company, as required by the Brazilian Corporate Law, as part of its individual financial statements and as supplemental information to the consolidated financial statements since it is not a statement provided or mandatory as IFRS.

The Statement of added value has been prepared based on information obtained from the accounting records used as basis for the preparation of the financial statements and following the provisions in CPC 09 - Statement of Added Value.

We present below the distribution of wealth generated by the Company from the Consolidated point of view totaling the added value of R$ 5,229,192 (R$4,551,366 as of December 31, 2017):



5 EFFECTIVE AND NON-EFFECTIVE STANDARDS AND INTERPRETATIONS

5.1 STANDARDS EFFECTIVE IN 2018

This is the first set of annual financial statements of the Company in which CPC 47 / IFRS 15 - Revenue from Contracts with Customers and CPC 48 / IFRS 9 - Financial Instruments has been applied.

5.1.1 CPC 47/IFRS 15 - Revenue from Contracts with Customers

The Company's main revenues are from sale of goods and financial products and services. As evaluation carried out in the prior year in the five stages of the new income recognition model, the Company did not identify changes or impacts in the current recognition of its income, since they are recognized through transfer of control upon the delivery of the product (goods and financial products and services). Therefore, in 2018, the Company did not present effects and changes in income recognition.

5.1.2 CPC 48/IFRS 9 - Financial Instruments

As of January 1, 2018, the standard *CPC* 48/IFRS 9 replaced the standard *CPC* 38/ *IAS 39* – Financial Instruments – Recognition and Measurement and as a result of the first-time adoption, the main changes were:

- i) classification and measurement of financial assets;
- ii) impairment (replacement of "incurred losses" model by "expected credit losses" model); and
- iii) hedge accounting.

5.1.2.1 Classification and measurement of financial assets

CPC 48/IFRS 9 contains three main classification categories for financial assets: measured at amortized cost, at fair value through other comprehensive income and fair value. The Company considered two factors to define the classification of financial assets pursuant to standard: business model in which a financial asset is managed and on its characteristics of contractual cash flows.

For derivative financial instruments, adoption of this standard did not change the Company's accounting policies.

The following table and notes below explain the original measurement categories in CPC 38 / IAS 39 and the new measurement categories of CPC 48 / IFRS 9 for each class of financial assets of the Company as of January 1, 2018.

(All amounts in thousands of Reais unless otherwise stated)

The effect of the adoption of CPC 48/IFRS 9 on book values of financial assets as of January 1, 2018 refers only to the new requirements for impairment and new classifications:

Parent Company

Financial assets	Original classification *CPC 38/IAS 39*	New classification *CPC 48/IFRS 9*	Book value as of 12/31/2017	Book value as of 01/01/2018
Cash and cash equivalents (i)	Borrowings and receivables	Fair value (FVTPL)	981,014	981,014
Trade accounts receivable (ii)	Borrowings and receivables	Amortized cost	1,131,448	1,114,065
FIDC Lojas Renner (iii)	Borrowings and receivables	Amortized cost	182,000	182,000
Derivative financial instruments	FVTOCI (hedge accounting)	FVTOCI (hedge accounting)	5,822	5,822
Total			**2,300,284**	**2,282,901**

Consolidated

Financial assets	Original classification *CPC 38/IAS 39*	New classification *CPC 48/IFRS 9*	Book value as of 12/31/2017	Book value as of 01/01/2018
Cash and cash equivalents (i)	Borrowings and receivables	Fair value (FVTPL)	1,059,873	1,059,873
Interest earnings bank deposits (i)	Available for sale	Fair value (FVTPL)	50,782	50,782
Interest earnings bank deposits	Stated at fair value	Fair value (FVTPL)	31,578	31,578
Trade accounts receivable (ii)	Borrowings and receivables	Amortized cost	2,644,258	2,610,726
Derivative financial instruments	FVTOCI (hedge accounting)	FVTOCI (hedge accounting)	6,917	6,917
Total			**3,793,408**	**3,759,876**

(i) For the balance of cash and cash equivalents, financial investments classified (previously) as available-for-sale, the Company Management irrevocably opted for the classification at fair value through profit or loss.

(ii) In trade accounts receivable, on January 1, 2018, expected losses in the amount of R$17,383 were recognized in the Parent Company and R$33,532 in Consolidated.

(iii) The Company's Management understands that the amortized cost classification represents the business model and risk management of the "FIDC (subordinated quota)." FIDC subordinated quota is comprised by contractual flows in payments of principal and interest. Moreover, the Company assessed that the formation of estimated losses for FIDC quotas of Lojas Renner were not applicable, since n the performance of receivables allocated to the fund, the level of profitability of these assets against the remuneration of senior quotas and the allocation of cash surplus predominantly in National Treasury Financial Bills. Accordingly, the Company does not expect to incur losses until the settlement of the fund, scheduled for May 2019.

The Company's management evaluates that current classification represents the best business model and management of financial assets.

5.1.2.2 "Expected credit losses" impairment model

CPC 48/IFRS 9 requires the Company's management to perform an evaluation based on twelve months or the entire life of financial asset, and to record effects when there is indication of expected credit losses in financial assets. The Company applied the simplified approach and recorded expected loss over the entire life of financial assets of trade accounts receivable. Further details in table below:

Estimated losses from trade accounts receivable	Balance at 12/31/2017	Adjustments of the first-time adoption	Balance at 01/01/2018
Renner Card	53,064	16,569	69,633
Quick withdrawal	11,470	814	12,284
Total – Parent Company	**64,534**	**17,383**	**81,917**
Quick withdrawal	101	202	303
Meu Cartão (Co-Branded Card)	145,545	15,947	161,492
Total – Consolidated	**210,180**	**33,532**	**243,712**

5.1.2.3 Hedge accounting

The Company evaluated and adopted a new hedge accounting model in accordance with *IFRS 9*/ CPC 48 and determined that all existing hedge relations assigned as effective hedge relations will continue to be qualified for hedge accounting purposes in accordance with *IFRS* 9/CPC 48. Application of hedge requirements in IFRS 9/CPC 48 did not present a material impact on the Company's financial statements as of January 1, 2018.

5.1.2.4 Summary of effects from adopting CPC 48/IFRS 9

In table below, we present the summary of impacts from first-time adoption and respective effect on equity positions on January 1, 2018:

In thousands of reais	As stated at 12/31/2017	Adjustments of the adoption CPC 48 *IFRS 9*	Adjusted opening balance as of January 1, 2018
Accounts receivable - net of estimated losses	2,644,258	(33,532)	2,610,726
(*) Deferred income tax and social contribution	199,211	12,370	211,581
Equity valuation adjustment (available for sale)	1	(1)	-
Retained earnings	-	21,162	21,162

(*) Weighted nominal rates of 36.89%, resulting from combination of 34% and 40% rates of the Parent Company and 40% of the subsidiary Realize CFI.

5.2 INTERPRETATIONS EFFECTIVE AS OF JANUARY 1, 2019

The early adoption of standards, although encouraged by the IASB, is not allowed in Brazil by the Accounting Pronouncement Committee (*CPC*). The following new standards and interpretations were issued by the IASB but are not in force for the year 2018:

5.2.1 IFRS 16/ *CPC* 06 (R2) leases

The purpose of the standard IFRS 16/*CPC* 06 (R2) (applicable as of January 1, 2019) is to unify lease accounting model, requiring lessees to recognize assumed liabilities against respective assets related to their right to use all lease contracts, unless the following characteristics are in the scope that the standard is not applicable:

i) contract with term equal to 12 months or lower; and
ii) immaterial amount or is based on variable amounts.

During 2018, Lojas Renner S.A. and its subsidiaries evaluated possible impacts from first-time adoption of standard *CPC* 06 (R2)/*IFRS* 16 on its financial statements. This evaluation was divided into stages, such as:

i) Identification of contracts;
ii) Transition approach;
iii) Measurement of initial liabilities and initial assets; and
iv) Effects in first-time adoption.

Below, we describe evaluation of each stage of first-time adoption of the standard:

5.2.1.1 Identification of contracts

Management made a list of contracts and analyzed types of contracts that would be in lease scope and identified the following contract classifications:

5.2.1.1.1 Minimum rent - fixed

Rent contracts with minimum fixed rent value.

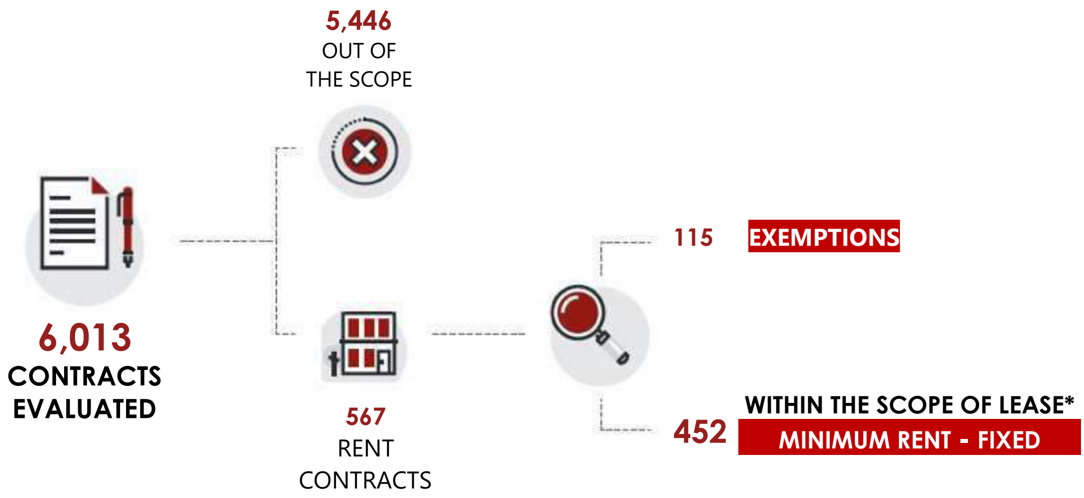
5.2.1.1.2 Exemptions

Rent contract within the scope of standard exemptions, namely:

i) validity period lower than one year;
ii) low-value agreements;
iii) contracts with rent value based on variable value;
iv) rent contract according to which the Company does not control the asset; and
v) do not present a determined period.

(All amounts in thousands of Reais unless otherwise stated)

The breakdown for analysis of contracts is as follows:



**They refer to store rents and administrative contracts (offices and distribution centers)*

5.2.1.2 Transition approach

The Company's management chose the simplified retrospective transition approach due to the following factors:

i) restatement of amounts is not required;
ii) does not affect the shareholders' equity and the distribution calculation of interest on own capital;
iii) allows the use of practical measures.

5.2.1.3 Measurement of lease liability and right of use asset

Of contracts that were in the rule's scope, the Company's management considered only minimum fixed rent value as lease component for liability evaluation purposes. On January 1, 2019, measurement of lease liability corresponds to total future fixed rent payments for which we considered renewals in accordance with the Company's internal policy, which usually occurs one year before contract maturity, when we identify "reasonable certainty" of renewal. These payment flows are adjusted at present value, considering real discount rate. Real discount rate corresponds to market quotations (reference at %, CDI accumulated on January 1, 2019, net of 2018 inflation) for funding at amounts that represent total investments for the opening of new stores, considering remaining period of each contract period. The Company chose to use the practical measure of using a single real discount rate in accordance with respective periods of contracts with similar characteristics.

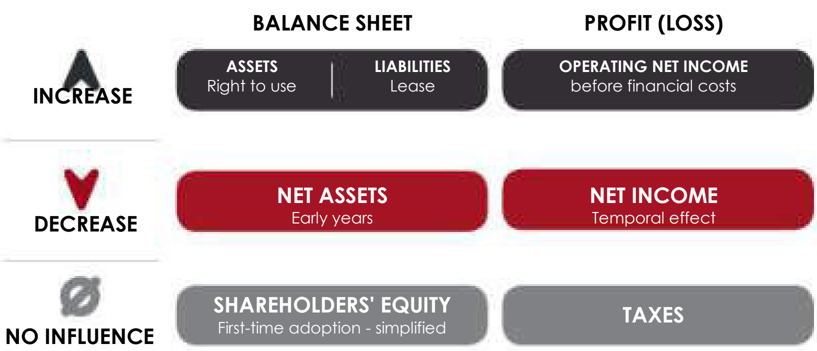
Measurement of right of use asset corresponds to initial lease liability value plus initial direct costs incurred. The Company's management chose to use the practical measure for transition and to not consider initial costs for initial measurement of right of use asset, thus maintaining the same initial lease liability value.

5.2.1.4 Effects in first-time adoption

In the evaluation carried out by the Company's Management, it was concluded that lease considerations are currently recorded as occupancy expenses will start to be recognized under "Depreciation" and "Financial expenses". Although this new pronouncement does not introduce any change to total amount that shall be taken to net income over the contract's useful life, it is correct to state that a temporal effect will occur mainly in net income due to the method adopted for recognition of interest and monetary restatements associated to leases, despite of no relevant effect as analyses carried out.

(All amounts in thousands of Reais unless otherwise stated)

With the first-time adoption of standard *CPC* 06 (R2)/IFRS 16 the Company expects the following impacts in the indicators below:



On January 1, 2019, the Company's management will recognize a right of use asset and a lease liability at present value of R$1,719,658 in the Parent Company and R$ 1,993,746 in Consolidated (note 20).

5.2.2 *ICPC 22/IFRIC* 23 Uncertainty on income tax treatment

Interpretation *ICPC* 22 clarifies how to apply *CPC* 32 recognition and measurement requirements when there is uncertainty about how to treat taxes on income. The Company's management must recognize and measure its current tax or deferred tax asset or liability, applying requirement of *CPC* 32 based on taxable income (tax losses), tax bases, tax losses not used, tax credits not used and determined tax rates, applying this Interpretation. The interpretation was approved on December 21, 2018, effective as of January 1, 2019.

In the Company's management evaluation, significant impacts from the standard are not expected, as all procedures adopted for determination and payment of taxes on income are backed by the law and on previous decisions of Administrative and Judicial Courts.

6 RISK MANAGEMENT

In the normal course of its operations, the Company is exposed to the following risks:

i) Market risk (including foreign exchange risk and interest rate risk);
ii) Credit risk (notes 7.4, 8.4 and 24.5);
iii) Liquidity risk; and
iv) Capital management.

The Company's risk management is performed by a multidisciplinary structure, enabling the Executive Board to evaluate whether the business management is in line with the policies and guidelines set by Management. In April 2012, the Company's Board of Directors created the Audit and Risk Management Committee, aimed at identifying and monitoring the main risk factors of the Company.

6.1 MARKET RISKS

6.1.1 Foreign exchange risk

The foreign exchange risk arises from current and future business operations, mainly generated by the import of goods denominated in US dollars and obtaining a borrowing in foreign currency.

The policy on foreign exchange risk management formulated by the Company's Management is to hedge up to 100% of its imports by means of currency forwards purchase contracts such as Non-Deliverable Forward (NDF) and the contracted amount of borrowing in foreign currency (*Bacen* [Central Bank of Brazil] Law 4.131) by means of Foreign exchange swap. For setting the dollar price used in the expected scenario, the Company follows future market projections of *"B3 S.A.- Brasil, Bolsa e Balcão"* for the next base date of disclosure.

It is important to highlight that the effective net exposure is mainly related to the future cash flows estimate, for which there is the possibility of adjustment to the price composition to be adopted in retail, as a way to offset possible reflections of costs because of scenarios of dollar price valuation. It should be greatly considered that the effective results should be noted only upon the settlement of import requests, borrowings in foreign currency and swaps.

(All amounts in thousands of Reais unless otherwise stated)

We show below the net exposure and the related sensitivity analysis regarding the requests for import of goods, swaps and borrowings in foreign currency as of December 31, 2018:

Derivatives for hedge accounting		Notional US$ (Pay) Receive	Probable US$ 1 = R$ 3.8954	Consolidated Currency appreciation Possible +25% US$ 1 = R$ 4.8693	Remote 50% US$ 1 = R$ 5.8431	Currency depreciation Possible +25% US$ 1 = R$ 2.9215	Remote 50% US$ 1 = R$ 1.9477
Hedge transactions	Import orders	(196,851)	1,676	(186,215)	(374,105)	189,566	377,456
Hedge instrument	NDF	196,851	(1,676)	186,215	374,105	(189,566)	(377,456)
Net Exposure of import orders		-	-	-	-	-	-
Derivatives not for hedge accounting							
Object	Borrowing (*Bacen* 4,131)	(155,873)	9,393	(135,906)	(281,205)	154,692	299,991
Instrument	*Swap*	150,232	(8,783)	130,593	269,970	(148,159)	(287,535)
Net exposure of swap		**(5,641)**	**610**	**(5,313)**	**(11,235)**	**6,533**	**12,456**
Total net exposure/effect			**610**	**(5,313)**	**(11,235)**	**6,533**	**12,456**
(*) Impact in net income, net of income tax and social contribution			**372**	**(3,240)**	**(6,852)**	**3,984**	**7,597**

(*) Weighted nominal rate of income tax and social contribution is 39.01%.

In relation to the impacts of borrowing and swap contracted for hedging the US dollar exposure in these contracts, the demonstrated net exposure is related to the fixed cost of interest plus Libor, not covered by the contracted hedge instrument.

6.1.2 Interest rate risk

The risk related to interest rates arises from transactions of cash equivalents, interest earning bank deposits, financing of financial services operations, debentures, borrowings and swap. The Company's policy is to keep 100% of its borrowings in the fixed rate market, with funding repaying fixed rates, and adjusted for the CDI, Selic, TJLP and Libor and also changes in inflation rates. Keeping financial assets indexed to the CDI, as well as the short-term realization of receivables adjusted for fixed interest rates, ensures the Company a low risk level associated with interest rates fluctuation.

The Company analyzes its exposure to interest rate on a dynamic basis. Several scenarios are simulated taking into consideration the refinancing, and the renewal of existing positions and natural hedge. Based on these scenarios, the company defines a reasonable change in interest rate and calculates impact on net income. The comparison between the contracted rates and the effective market rates is permanently followed up.

As of December 31, 2018, as required by IN CVM No. 475/08, the Company conducted sensitivity tests for adverse and favorable scenarios of interest (CDI, Selic and IPCA at 25% or 50% higher or lower than the probable scenario), considering the following assumptions: scenario expected for interest rate of the CDI, Selic, TJLP and IPCA for the next disclosure of, respectively, 6.43% p.a., 6.43% p.a., 7.03% p.a. and 3.42% p.a. CDI and SELIC estimates are based on projections of the future market *B3 S.A* and TJLP extracted from BNDES.

We present below the sensitivity analysis of the risk of interest rates on December 31, 2018:

Financial instruments	Risk	Consolidated Balance at 12/31/2018	Probable scenario	Interest increase Possible (+) 25% - R$	Remote (+) 50% - R$	Interest decrease Possible (-) 25% - R$	Remote (-) 50% - R$
(*) Cash equivalents	CDI decr.	722,614	10,684	13,355	16,026	8,013	5,342
(*) Interest earnings bank deposits	CDI decr.	439,693	6,611	8,264	9,917	4,958	3,306
Borrowings, financing, debentures and swap	CDI & IPCA incr.	(1,038,062)	(16,782)	(20,978)	(25,173)	(12,587)	(8,391)
Financing of financial services	CDI incr.	(851,586)	(13,625)	(17,031)	(20,438)	(10,219)	(6,813)
Decrease in net income for the year			**(13,112)**	**(16,390)**	**(19,668)**	**(9,835)**	**(6,556)**
(**) Impact on net income, net of Income Tax (IR)/ Social Contribution (SC)			**(8,532)**	**(10,665)**	**(12,798)**	**(6,400)**	**(4,266)**

(*) The income from cash equivalents and interest earning bank deposits are net of Social Integration Program (PIS) contributions and Social Contribution on Revenues (COFINS).

(**) Weighted nominal rate of income tax and social contribution is 34.93%.

6.2 LIQUIDITY RISK

The Company has adopted the Management of its cash and cash equivalents by setting a minimum strategic cash amount, based on the cash cycle of retail operations, as well as on the minimal capital required to guarantee the credit operations. Management's main goals in the Management of a strategic minimum cash are the following:

(All amounts in thousands of Reais unless otherwise stated)

i) precaution in times of uncertainty in economy;
ii) guarantee the implementation of the Company's investment and expansion strategy;
iii) guarantee the maintenance/expansion of financial product operations in times of credit restriction;
iv) guarantee debt amortization and services; and
v) guarantee the maintenance of the dividend distribution policy.

Management monitors the continuous forecasts of liquidity requirements to ensure the Company has sufficient cash to meet its operational needs. The global limits granted to the Company show sufficient free space available in its restricted credit lines, not giving rise to risk of breaching these borrowing limits or clauses. This forecast takes into account the debt finance plans of the Company. The Company has borrowings with contractual clauses that require the maintenance of financial covenants having debentures as the only operation of this type. Bellow, following the summary of the expected financial covenants, according to the public offering documents registered with the CVM:

Instrument	Issue date	1st indicator		2nd indicator	
5th Issuance of debentures	6/15/2012	Consolidated Net Debt / EBITDA	≤ 3.0	EBITDA / Financial income (loss)	≤ 2.0
7th Issuance of debentures	2/13/2017				
8th Issuance of debentures	7/4/2017				

The Company periodically monitors these covenants and has confirmed the compliance with significant security margin. The contractual cash flows of financial liabilities in Consolidated are as follows:

	Book balance	Contractual cash flow	up to 3 months	4–6 months	7–12 months	1–2 years	2–5 years	>5 years
Borrowings, financing and debentures	1,038,062	1,087,854	73,545	270,608	402,199	323,621	17,881	-
Financing - financial services operations	851,586	904,226	51,889	479,845	372,492	-	-	-
Financial leases	33,940	181,801	1,057	1,069	2,138	2,937	10,036	164,564
Suppliers	955,834	960,801	955,859	4,615	327	-	-	-
Obligations with credit card administrators	693,994	693,994	514,351	129,494	50,149	-	-	-
Derivative financial instruments	14,516	14,697	12,636	2,061	-	-	-	-
Total – December 31, 2018	**3,587,932**	**3,843,373**	**1,609,337**	**887,692**	**827,305**	**326,558**	**27,917**	**164,564**
Borrowings, financing and debentures	1,104,525	1,272,658	33,140	132,162	243,622	473,352	379,084	11,298
Financing - financial services operations	697,505	794,613	108,659	39,306	34,088	612,560	-	-
Financial leases	68,786	221,977	4,301	4,139	8,396	11,604	30,156	163,381
Suppliers	842,254	847,626	844,579	3,047	-	-	-	-
Obligations with credit card administrators	524,581	524,581	384,538	101,460	38,583	-	-	-
Derivative financial instruments	3,137	3,187	2,310	875	2	-	-	-
Total – December 31, 2017	**3,240,788**	**3,664,642**	**1,377,527**	**280,989**	**324,691**	**1,097,516**	**409,240**	**174,679**

Contractual cash flow includes principal plus future estimated interest. Additionally, the rating agency Standard & Poors rated the Company credit as brAAA in the national scale category (Brazil).

6.3 CAPITAL MANAGEMENT

The Company uses its own and third party's capital to finance its activities, the use of third party's capital aiming at optimizing its capital structure. The Company monitors the indebtedness levels in relation to its cash generation capacity and its capital structure as of is as follows: As of December 31, 2018, the position is as follows:

	Consolidated	
	12/31/2018	12/31/2017
Borrowings and financing	**(1,038,062)**	**(1,104,525)**
Current	(710,804)	(379,553)
Non-current	(327,258)	(724,972)
Operating financing	**(851,586)**	**(697,505)**
Current	(712,558)	(127,396)
Non-current	(139,028)	(570,109)
Gross indebtedness	**(1,889,648)**	**(1,802,030)**
Cash and cash equivalents and interest earning bank deposits	1,384,364	1,142,233
Net indebtedness	**(505,284)**	**(659,797)**
Shareholders' equity	**3,954,512**	**3,223,446**
Leverage ratio	**12.78%**	**20.47%**

The net indebtedness, including operational financing, reflects the Company's total exposure to the obligations contracted in the financial system and includes the decisions on capital management.

(All amounts in thousands of Reais unless otherwise stated)

7 CASH AND CASH EQUIVALENTS AND INTEREST EARNING BANK DEPOSITS

7.1 ACCOUNTING POLICY

Includes cash balance, demand deposits, short-term and highly liquid short-term interest earning bank deposits (FIDC Lojas Renner-Parent Company's subordinated quota), recorded at amounts similar to market values. Cash equivalents are measured at fair value through profit or loss.

Interest earning bank deposits not classified as cash equivalents are investments that do not have repurchase guarantees by the issuer in the primary market, only in the secondary market. Interest earning bank deposits are measured at fair value through profit or loss.

7.2 BREAKDOWN OF CASH AND CASH EQUIVALENTS

	Index	Weighted average rate p.a.	Parent Company 12/31/2018	Parent Company 12/31/2017	Consolidated 12/31/2018	Consolidated 12/31/2017
Cash and banks			166,478	152,385	222,057	215,792
Cash equivalents						
CDB	CDI	101.9%	331,994	340,175	453,545	360,280
Investment funds	CDI	100.2%	249,113	258,518	249,113	258,518
Repo operations in debentures	CDI	78.0%	-	172,682	7	183,970
Automatic Investment	CDI	10.0%	19,328	27,161	19,786	37,848
Financial income Fund FIDC	CDI	-	109,226	29,974	-	3,346
Fundo - BACEN Jud	CDI	51.2%	163	119	163	119
Total			**876,302**	**981,014**	**944,671**	**1,059,873**

7.3 BREAKDOWN OF FINANCIAL INVESTMENTS

	Index	Weighted average rate p.a.	Parent Company 12/31/2018	Parent Company 12/31/2017	Consolidated 12/31/2018	Consolidated 12/31/2017
Financial National treasury bills	SELIC	100.1%	-	-	439,693	82,360
Total			**-**	**-**	**439,693**	**82,360**

7.4 CREDIT RISK

According to the Company's financial policy, cash equivalents and financial investments shall be invested in financial institutions with long-term rating in domestic scale classified as low credit risk and that are renowned in the market for their soundness. The ratings of cash equivalents are according to the main risk rating agencies. We show below the credit quality of the cash equivalents as of December 31, 2018:

Rating - National Scale	Consolidated 12/31/2018	Consolidated 12/31/2017
brAAA	419,476	-
brAA+	369,182	81,157
brAA-	124,536	285,958
brA-	-	218,448
(*) N/a - Fundo Brasil Plural and Western Assets	89,572	258,518
(**) N/a - National Treasury Bills	159,541	82,360
Total - Cash equivalents and financial investments	**1,162,307**	**926,441**

(*) Not applicable, there is no classification of risk for Funds – Brasil Plural Crédito Privado Retail FIRF e Western in the main risk rating agencies. The assets that make up the fund's portfolio have a brAAA risk rating in at least one rating agency.

(**) Not applicable, there is no classification risk for National Treasury Bills in the national scale. The sovereign credit rating is BB (negative perspective) in the global scale, as per main rating agencies.

(All amounts in thousands of Reais unless otherwise stated)

8 TRADE ACCOUNTS RECEIVABLE

8.1 ACCOUNTING POLICY

Trade accounts receivable correspond to the amounts receivable for the sale of goods, through the use of co-branded card at the network of affiliated stores by the Visa and Mastercard system, and for the amounts of quick withdrawals granted to its customers by the indirect subsidiary Realize CFI and financial institutions in the agreement.

The discount rate applied to adjustments to present value involves analysis of capital structure and of macro-economic context uncertainties, which influence variables used to determine such rate.

Fixed credit sale transactions were brought to present value on transactions date, considering their terms and based on estimated rate of the Company's capital average weighted cost. The discount rate applied to adjustments to present value involves analysis of capital structure and of macro-economic context uncertainties, which influence variables used to determine such rate.

Contra-entry of adjustment to present value is the clients' account and its realization is recorded as sales income due to fruition term. Interest rate used was 0.99% p.m. to the Parent Company and 1.06% p.m. to the subsidiaries (1.85% p.m. on December 31, 2017 to the Parent Company and 1.06% p.m. to subsidiaries). With the adoption of *CPC* 48/IFRS 9 (expected losses), credit risk is no longer comprising this rate, because it was already reflected in the estimated credit losses of the portfolio falling due.

8.2 BREAKDOWN

	Parent Company		Consolidated	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017
Renner credit card (Private Label)	1,281,243	1,166,253	1,281,243	1,166,253
Branded card *(Meu Cartão)*	228,724	178,711	1,457,426	1,071,133
Third party cards	577,255	490,019	718,467	606,221
Quick withdrawal (*Saque rápido*)	1,574	15,978	50,849	71,889
Export - Related parties	13,293	9,153	-	-
Other receivables	888	370	3,659	3,752
(-) FIDC Lojas Renner	(453,893)	(601,057)	-	-
(-) Estimated credit losses	(65,406)	(64,534)	(305,766)	(210,180)
(-) Adjustment to present value	(40,455)	(63,445)	(43,208)	(64,810)
Total	**1,543,223**	**1,131,448**	**3,162,670**	**2,644,258**

8.3 ESTIMATED CREDIT LOSSES

The estimated credit loss is formed with a basis on the analysis of the portfolio of clients, in an amount considered sufficient by Management to cover any losses in the recovery of receivables.

Due to the practices of financial institutions, the portfolios of branded card (Meu Cartão - in English My Card) and of Quick Withdrawal with a maturity over 360 days are written off from the balance of trade accounts receivable against estimated losses in credit, except for Renner Credit Card (Private Label), which is written off when the bonds are overdue for more than 180 days.

8.3.1 Changes in estimated credit losses

	Parent Company			Consolidated			
	Renner Card	Quick Withdrawal	Total	Renner Card	Branded card	Quick Withdrawal	Total
Balances at 1/1/2017	**(57,860)**	**(34,989)**	**(92,849)**	**(57,860)**	**(24,090)**	**(34,989)**	**(116,939)**
Estimated losses, net	(190,739)	(30,189)	(220,928)	(190,739)	(192,152)	(30,290)	(413,181)
Write-offs	195,535	53,708	249,243	195,535	70,697	53,708	319,940
Balances at 12/31/2017	**(53,064)**	**(11,470)**	**(64,534)**	**(53,064)**	**(145,545)**	**(11,571)**	**(210,180)**
Initial adoption - CPC 48 / IFRS 9	(16,569)	(814)	(17,383)	(16,569)	(15,947)	(1,016)	(33,532)
Estimated losses, net	(190,053)	(4,292)	(194,345)	(190,053)	(223,621)	(12,497)	(426,171)
Write-offs	195,693	15,163	210,856	195,693	153,106	15,318	364,117
Balances at 12/31/2018	**(63,993)**	**(1,413)**	**(65,406)**	**(63,993)**	**(232,007)**	**(9,766)**	**(305,766)**

Criterion for estimated credit losses for Renner Card (Private Label) is based on balance realization history, taking into consideration recovery of receivables in arrears for up to 360 days. This methodology has calculated estimated losses in this balance with high level of accuracy, complying with concepts of international standards IFRS 9/ *CPC* 48. This criterion, both for distribution of ranges and attribution of estimated loss percentage, is not comparable with that used for financial institutions' loan portfolios, which follows the Central Bank of Brazil's standard (Resolution 2682), which establishes the transfer of clients' balances to the worst delay range, with application of minimum estimated loss percentages for each range.

(All amounts in thousands of Reais unless otherwise stated)

8.3.2 Coverage of losses per delay ranges and credit product is as follows:

	12/31/2018			12/31/2017		
Renner credit card (Private Label)	**Balance**	**Estimated losses**	**% coverage**	**Balance**	**Estimated losses**	**% coverage**
Not yet due	1,137,120	(17,644)	1.6%	1,019,379	-	-
Overdue (in days)						
1–30	50,079	(10,359)	20.7%	49,601	(9,847)	19.9%
31–60	23,230	(10,699)	46.1%	24,457	(12,730)	52.1%
61–90	18,865	(10,555)	56.0%	19,810	(12,629)	63.8%
91–120	18,375	(11,662)	63.5%	19,190	(13,604)	70.9%
121–150	17,305	(12,034)	69.5%	17,748	(13,374)	75.4%
151–180	16,269	(12,540)	77.1%	16,069	(12,895)	80.2%
181–360	98,343	(89,039)	90.5%	91,419	(83,214)	91.0%
Total portfolio	**1,379,586**	**(174,532)**	**12.7%**	**1,257,673**	**(158,293)**	**12.6%**
(-) Credits written-off 181–360	(110,539)	110,539	100.0%	(105,229)	105,229	100.0%
(+) Credits written-off 181–360 - recovered	12,196			13,809		
Book balance	**1,281,243**	**(63,993)**	**5.0%**	**1,166,253**	**(53,064)**	**4.5%**
Coverage ratio over 90			**123.2%**			**100.1%**

As regards branded card (*Meu Cartão*), and Quick Withdrawal, estimated credit losses are formed with a basis on the risk rating of operations, similar to the rating criteria of credit operations defined by the Central Bank of Brazil (Res. 2682).

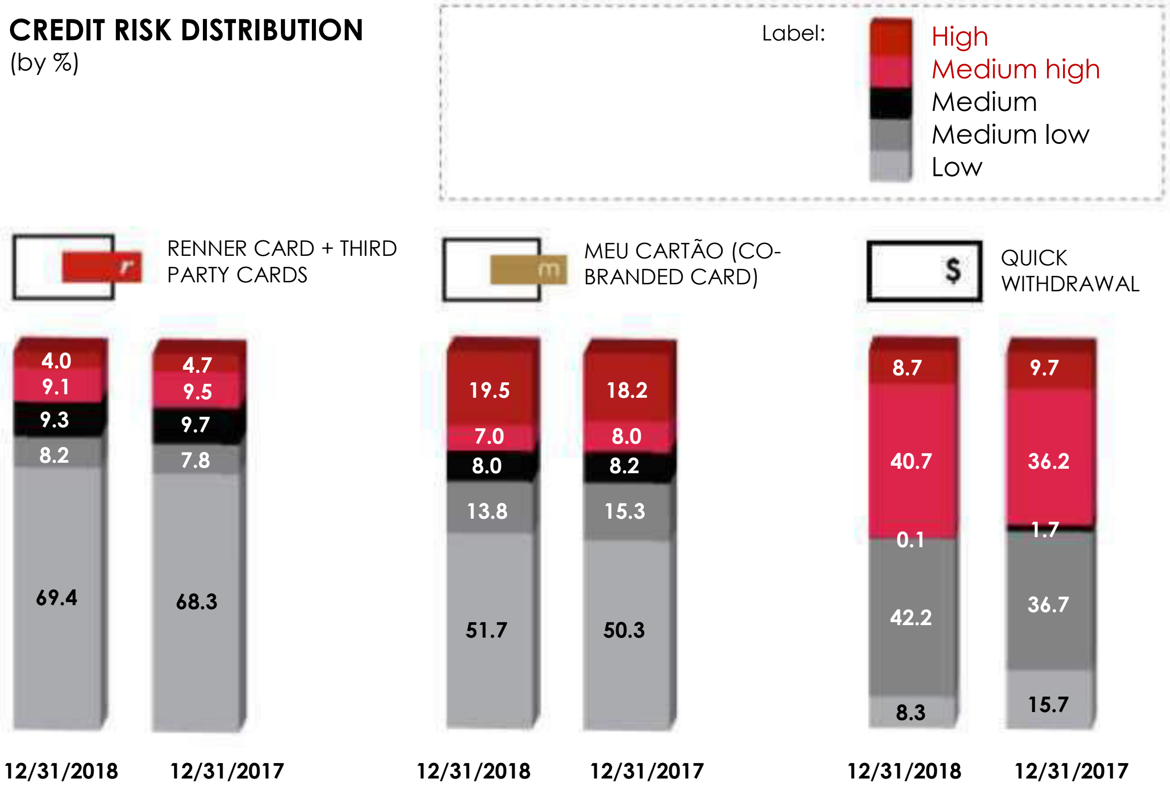
	12/31/2018			12/31/2017		
Branded card (*"Meu Cartão"*) - Days	**Balance**	**Estimated losses**	**% coverage**	**Balance**	**Estimated losses**	**% coverage**
A. 0–14	1,089,398	(24,839)	2.3%	829,983	(4,738)	0.6%
B. 15–30	53,688	(1,224)	2.3%	28,296	(357)	1.3%
C. 31–60	39,011	(1,849)	4.7%	29,762	(1,443)	4.9%
D. 61–90	48,803	(8,023)	16.4%	25,952	(4,246)	16.4%
E. 91–120	38,584	(18,979)	49.2%	27,023	(13,509)	50.0%
F. 121–150	27,381	(19,164)	70.0%	22,444	(15,709)	70.0%
G. 151–180	25,134	(22,502)	89.5%	19,471	(17,341)	89.1%
H. >180	135,427	(135,427)	100.0%	88,202	(88,202)	100.0%
Total	**1,457,426**	**(232,007)**	**15.9%**	**1,071,133**	**(145,545)**	**13.6%**
Estimated losses x Minimum required (Central Bank of Brazil)			**121.9%**			**112.7%**

	12/31/2018			12/31/2017		
Quick withdrawal - Days	**Balance**	**Estimated losses**	**% coverage**	**Balance**	**Estimated losses**	**% coverage**
A. 0–14	35,714	(813)	2.3%	52,328	(318)	0.6%
B. 15–30	2,164	(49)	2.3%	2,671	(34)	1.3%
C. 31–60	1,785	(84)	4.7%	2,305	(112)	4.8%
D. 61–90	1,408	(231)	16.4%	2,117	(346)	16.4%
E. 91–120	1,355	(667)	49.2%	1,982	(991)	50.0%
F. 121–150	1,273	(891)	70.0%	1,773	(1,241)	70.0%
G. 151–180	1,124	(1,007)	89.5%	1,681	(1,497)	89.1%
H. >180	6,026	(6,026)	100.0%	7,032	(7,032)	100.0%
Total	**50,849**	**(9,767)**	**19.2%**	**71,889**	**(11,571)**	**16.1%**
Estimated losses x Minimum required (Central Bank of Brazil)			**118.4%**			**112.8%**

(All amounts in thousands of Reais unless otherwise stated)

8.4 CREDIT RISK

The sales and credit grant policies of the Company are subordinated to the credit policies set out by its Management, supported by advanced technology systems and processes, related to the risk and fraud area, and aim at minimizing possible problems arising from the default of its clients. This objective is achieved by Company's Management through the judicious selection of the client portfolio, which takes into consideration their capacity to pay (credit analysis) and diversification of its operations (risk spread). Breakdown of credit quality risk in Consolidated is as follows:



The internal risk rating of the credit quality of the accounts receivable portfolio is as follows:

i. **Low Risk:** Clients with likelihood lower or equal to 9.3% of being over 60 days past due.
ii. **Medium low risk:** Clients with likelihood higher than 9.3 % and lower or equal to 16.8% of being over 60 days past due.
iii. **Medium Risk:** Clients with up to four months of Renner Card (CCR) or "Meu Cartão" and who do not show history of movement for purposes of measuring the likelihood of default.
iv. **Medium high risk:** Clients with likelihood higher than 16.8 % and lower or equal to 31.3% of being over 60 days past due.
v. **High risk:** Clients with likelihood higher than 31.3% of being over 60 days past due.

The Company's receivables are originated in its retail operations to individuals in a massified way, with individual credit analysis, with low average ticket, having as characteristic the absolute spread of credit risk and the lack of guarantee instrument, so that the amounts recorded in accounts receivable represent the appropriate size of the Company's exposure to credit risk.

9 INVESTMENT FUNDS IN CREDIT RIGHTS

In May 2014, FIDC Lojas Renner's operations began, whose purpose defined in regulation is the Investment in credit rights recognized as closed condominium, ruled by *CMN* Resolution 2.907/2001, *CVM* Instructions 356/2001 and 531/2013, by the Regulation and by other applicable legal and regulatory provisions, with the specific purpose of acquiring credit rights originated from the installment payment of shopping malls made by the Company's clients using the Company's installment plan free of charges, or granting of financing with charges by Banco Itaú S.A.. FIDC Lojas Renner has defined operational life, and it will be closed on May 12, 2019.

(All amounts in thousands of Reais unless otherwise stated)

Equity structure of FIDC Lojas Renner as of December 31, 2018 is as follows:

Quotas	Remuneration rate	% Shareholders' Equity of Fund	Amount (in thousands)	12/31/2018	12/31/2017
Subordinated	(*)	40.7% (33.0% 2017)	7,280	291,226	208,628
Senior	CDI + 1.08% p.a.	59.3% (67.0% 2017)	16,800	424,022	424,280
			24,080	**715,248**	**632,908**

(*) The regulation of FIDC Lojas Renner does not define any remuneration target, however defines that subordinated quotas should represent at least 30% of the shareholders' equity. If this percentage is below 30%, the subordinated quotas should be immediately paid up by Lojas Renner S.A. to stay within the minimum ratio.

Subordinated quota earnings are presented as cash and cash equivalents in Parent Company, totaling R$ 109,226 as of December 31, 2018 (R$ 26,628 as of December 31, 2017), and principal is presented as FIDC Lojas Renner in non-current assets R$182,000 (R$182,000 in non-current assets as of December 31, 2017).

The Parent Company acts as agent of collection in case of default of the Credit Rights, maintaining continuous Management of the portfolio after its transfer to FIDC Lojas Renner.

On December 31, 2018, FIDC Lojas Renner's balance sheet is as follows:

	12/31/2018	12/31/2017
Assets		
Cash equivalents	486	500
Interest earnings bank deposits	261,133	31,578
Accounts receivable	453,893	601,057
Total assets	**715,512**	**633,135**
Liabilities		
Accounts payable	264	227
Shareholders' equity	715,248	632,908
Total liabilities and shareholders' equity	**715,512**	**633,135**

10 INVENTORIES

10.1 ACCOUNTING POLICY

The inventories are measured at acquisition cost, including non-recoverable taxes, transportation costs, and other costs necessary to take inventories to current conditions. Costs of imported goods' inventories also consider any gains or losses from settled cash flow hedges that are transferred from shareholders' equity.

Inventories are valued at weighted average cost and deducted from estimated losses and adjustment to present value, when applicable. Estimated losses are based on historic levels of the Company's losses, and is accomplished only upon realization of inventories, which will reflect the Company's operation model and will be the basis for adjustment of the estimate.

10.2 BREAKDOWN

	Parent Company		Consolidated	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017
Goods for resale	851,182	743,580	1,005,972	867,682
Imports in transit	159,738	98,876	174,236	125,435
Advances to suppliers	8,850	6,909	9,505	6,995
Auxiliary materials and warehouse	5,052	5,024	9,382	8,621
Adjustment to present value	(18,822)	(18,900)	(19,698)	(19,886)
Estimated losses	(61,805)	(63,437)	(69,092)	(65,671)
Total	**944,195**	**772,052**	**1,110,305**	**923,176**

(All amounts in thousands of Reais unless otherwise stated)

10.3 ESTIMATED LOSSES

Changes in the estimate for inventory losses is stated in the table below:

	Parent Company	Consolidated
Balance on January 1, 2017	**(39,611)**	**(43,444)**
(-) Estimated losses, net	(64,656)	(67,679)
(+) Actual loss	40,830	45,457
(+/-) Translation adjustment	-	(5)
Balance on December 31, 2017	**(63,437)**	**(65,671)**
(-) Estimated losses, net	(65,773)	(73,221)
(+) Actual loss	67,405	69,819
(+/-) Translation adjustment	-	(19)
Balance on December 31, 2018	**(61,805)**	**(69,092)**

11 RECOVERABLE TAXES

	Parent Company		Consolidated	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017
ICMS	83,290	69,367	120,060	100,417
ICMS – Fixed Assets	55,402	53,051	64,319	61,172
Income tax and social contribution	8,432	25,627	38,112	26,719
PIS and COFINS	13,088	12,483	16,008	13,362
Tax credits from foreign subsidiaries	-	-	45,487	16,987
Other recoverable taxes	2,609	1,767	3,181	1,947
Total	**162,821**	**162,295**	**287,167**	**220,604**
Current assets	112,320	115,915	208,840	140,273
Non-current assets	50,501	46,380	78,327	80,331
Total	**162,821**	**162,295**	**287,167**	**220,604**

12 OTHER ASSETS

	Parent Company		Consolidated	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017
Prepaid expenses	5,782	7,270	5,426	5,619
Judicial deposits	10,081	10,530	10,132	10,615
Advances to third-parties	25,683	17,553	32,223	21,617
Advance to employees	5,916	6,406	6,793	7,177
Credits from agreement with suppliers	5,140	1,727	5,140	1,727
Insurance indemnities in progress	4,407	1,585	5,060	1,977
Insurance commissions receivable	2,651	6,315	2,651	6,315
Amounts receivable - CDCI	4,167	4,213	4,167	226
Other accounts receivable	9,587	7,064	11,107	16,078
Total	**73,414**	**62,663**	**82,699**	**71,351**
Current assets	47,460	42,956	53,296	51,084
Non-current assets	25,954	19,707	29,403	20,267
Total	**73,414**	**62,663**	**82,699**	**71,351**

13 INCOME TAX AND SOCIAL CONTRIBUTION

13.1 ACCOUNTING POLICY

Provision for income tax and social contribution are based on taxable income for the year.

Deferred income tax and social contribution are recognized on the temporary differences at the end of each year between the balances of assets and liabilities recognized in the financial statements and the respective tax bases employed to arrive at taxable income, including the balance of tax losses, where applicable.

The recovery of deferred tax asset balances is reviewed at the end of each year and, when it is no longer probable that future taxable profits will be available to allow for the recovery of the asset, in whole or in part. Management's evaluation is based on technical feasibility studies, which demonstrate projections of future taxable earnings, allowing for an estimate of the recovery of credits within a period of no more than 10 years. Also, estimated deferred income tax and social contribution' realization involves uncertainties of other estimates.

(All amounts in thousands of Reais unless otherwise stated)

The current and deferred taxes are recognized in net income, except when they correspond to items recorded in "Other comprehensive income" in the shareholders' equity.

13.2 BREAKDOWN

13.2.1 Parent Company

	12/31/2018		12/31/2017	
Deferred income tax/social contribution tax calculation bases	**IRPJ**	**CSLL**	**IRPJ**	**CSLL**
Estimated losses in assets	127,211	127,211	140,774	140,774
Provisions for tax, civil and labor risks	68,752	68,752	59,744	59,744
Adjustment to present value	54,729	54,729	77,959	77,959
Provision employee profit sharing	44,455	44,455	48,280	48,280
Restricted share plan	34,604	34,604	15,376	15,376
Equity valuation adjustments - hedge	2,796	2,796	-	-
Other provisions	-	-	686	-
Deferred tax assets	**332,547**	**332,547**	**342,819**	**342,133**
Review of the useful life	(61,857)	(61,857)	(1,249)	(1,249)
Equity valuation adjustments - hedge	-	-	(2,878)	(2,878)
Swap from borrowing	(37,181)	(37,181)	(6,176)	(6,176)
Other provisions	(23,175)	(23,866)	-	-
Deferred tax liabilities	**(122,213)**	**(122,904)**	**(10,303)**	**(10,303)**
Total - Deferred tax asset, net	**210,334**	**209,643**	**332,516**	**331,830**
Nominal rates	25%	9%	25%	9%
Deferred income tax and social contribution assets and liabilities	**52,583**	**18,868**	**83,129**	**29,865**

13.2.2 Consolidated

	12/31/2018		12/31/2017	
Deferred income tax/social contribution tax calculation bases	**IRPJ**	**CSLL**	**IRPJ**	**CSLL**
Estimated losses in assets	257,294	257,294	291,246	291,246
Provisions for tax, civil and labor risks	84,109	84,109	68,965	68,965
Adjustment to present value	57,940	57,940	79,324	79,324
Provision employee profit sharing	44,455	44,455	50,695	50,695
Restricted share plan	34,604	34,604	15,376	15,376
Income tax and social contribution losses (i)	128,218	128,788	112,921	109,928
Equity valuation adjustments - hedge	3,656	3,656	-	-
Other provisions	11,647	-	-	-
Deferred tax assets	**621,923**	**610,846**	**618,527**	**615,534**
Goodwill on acquisition of equity interest	(56,722)	(56,722)	(36,736)	(36,736)
Appreciation of assets	(29,234)	(29,234)	(29,624)	(29,624)
Review of the useful life	(64,821)	(64,821)	(1,249)	(1,249)
Equity valuation adjustments - hedge	-	-	(3,780)	(3,780)
Swap from borrowing	(47,032)	(47,032)	(6,176)	(6,176)
Other provisions	(24,510)	(25,281)	(1,503)	(3,089)
Deferred tax liabilities	**(222,319)**	**(223,090)**	**(79,068)**	**(80,654)**
Total - Deferred tax asset, net	**399,604**	**387,756**	**539,459**	**534,880**
Weighted nominal rates (ii)	25%	10.92%	25%	12.03%
Deferred income tax and social contribution assets and liabilities (iii)	**99,901**	**42,343**	**134,865**	**64,346**

(i) Credits recognized on tax losses and negative basis of social contribution of its subsidiaries Camicado, Youcom and LRU. The credits are supported by technical feasibility studies, which shows projections of taxable future net income, allowing for an estimate of recovery of credits in a period not exceeding 10 years. The technical feasibility studies are submitted annually to approval of the Company's Board of Directors.

(ii) The weighted nominal rate of Social Contribution is greater than the general rate of 9% due to the consolidation of the balances of the indirect subsidiary Realize CFI, which has a 15% rate as of 2019.

(iii) The Company's Management individually offsets deferred assets against the deferred liabilities of the Parent Company and its subsidiaries individually. Therefore, in Consolidated, net deferred liability belongs to subsidiary Camicado.

(All amounts in thousands of Reais unless otherwise stated)

Changes in deferred taxes, NET

Below are the changes in deferred taxes, recognized at weighted nominal tax rates:

	Parent Company	Consolidated
Balance on 1/1/2017	**126,516**	**156,616**
(+) Recognized in net income	5,987	63,171
(-) Recognized in other comprehensive income	(19,509)	(20,721)
(+) Translation adjustments	-	145
Balance on 12/31/2017	**112,994**	**199,211**
(-) Recognized in net income	(49,382)	(71,960)
(-) Recognized in other comprehensive income	1,929	2,528
(+) Translation adjustments	-	95
(+) Initial adoption - *CPC* 48 / IFRS 9	5,910	12,370
Balance on 12/31/2018	**71,451**	**142,244**

13.3 REALIZATION OF DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION ASSETS

Based on the history of realization of bases that originated the balances of deferred income and social contribution tax assets, as well as on the projections of net income for the following periods, we estimate the following schedule of recovery of tax credits:

Period	**Parent Company**	**Consolidated**
2019	91,988	157,581
2020	13,662	22,106
2021	3,421	9,917
2022	1,998	6,364
>2023	1,997	26,217
Total - Deferred assets	**113,066**	**222,185**

13.4 ANALYSIS OF THE EFFECTIVE RATE FOR THE INCOME TAX AND SOCIAL CONTRIBUTION

The reconciliation between the tax expense as calculated by the combined statutory rates and the income and social contribution tax expense charged to net income is presented below:

	Parent Company		Consolidated	
	2018	2017	2018	2017
Net income before income tax and social contribution	**1,258,875**	**948,404**	**1,370,193**	**1,004,137**
Combined statutory rate	**34%**	**34%**	**34%**	**34%**
Tax expense at nominal rate	**(428,018)**	**(322,457)**	**(465,866)**	**(341,407)**
Permanent (additions) exclusions				
Stock option plan expense	(6,969)	(9,397)	(6,969)	(9,397)
Net income from ownership interest	47,290	35,692	-	-
Interest on own capital	76,729	66,956	76,729	66,956
Management participation	(2,074)	(2,638)	(2,074)	(2,638)
Tax incentives (PAT) (i)	23,382	4,028	23,458	4,034
Investment subsidy (ii)	47,129	8,047	47,810	8,784
Innovation incentive (Law 11196/2005)	3,156	2,181	3,156	2,181
Income tax and social contribution differences of subsidiaries	-	-	(26,766)	(2,154)
Other exclusions	618	1,845	393	2,105
Exempt portion of the 10% surtax	18	18	72	78
Income tax and social contribution for the year	**(238,739)**	**(215,725)**	**(350,057)**	**(271,458)**
Current	(189,357)	(221,712)	(278,097)	(334,774)
Deferred assets	(49,382)	5,987	(71,960)	63,316
Effective tax rate	**18.96%**	**22.75%**	**25.55%**	**27.03%**

(i) During 2018, the Company obtained a final decision that allowed it to deduct, in double, the expenses incurred with the Workers' Meal Program (PAT), directly from taxable profit.

(ii) The Company used amounts of tax incentives for tax deduction purposes, which are considered investment grants pursuant to the requirements of ICMS Agreement 190/2017, arising from Complementary Law 160/2017.

(All amounts in thousands of Reais unless otherwise stated)

14 INVESTMENTS

14.1 BREAKDOWN

	Parent Company		Consolidated	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017
Investments in subsidiaries	955,452	822,860	-	-
Goodwill on asset appreciation	1,290	1,290	-	-
Other investments	-	46	-	46
Total	**956,742**	**824,196**	**-**	**46**

14.2 CHANGES IN INVESTMENTS IN SUBSIDIARIES

Subsidiaries	Balance on 12/31/2017	Capital contribution	Initial adoption of IFRS 9 - Estimated losses	Equity on profit/loss of subsidiaries	Other comprehensive income	Dividends	Reclassification of negative equity	Balance on 12/31/2018
RACC	61,286	-	-	17,109	-	(76,228)	-	2,167
Dromegon	16,154	-	(2)	6,371	-	(10,950)	-	11,573
Camicado	400,397	-	-	14,732	(1,291)	-	-	413,838
Youcom	91,877	40,000	-	(9,056)	128	-	-	122,949
LRS	-	-	-	1,997	429	-	(2,419)	7
Realize Participações S.A.	183,955	-	(9,688)	109,671	-	-	-	283,938
LRU	69,190	50,986	-	(1,736)	2,527	-	-	120,967
LRA	-	11	-	-	-	-	-	11
Realize CFI	1	-	-	1	-	-	-	2
Total	**822,860**	**90,997**	**(9,690)**	**139,089**	**1,793**	**(87,178)**	**(2,419)**	**955,452**

Subsidiaries	Balance on 1/1/2017	Capital contribution	Spin-off	Equity on profit/loss of subsidiaries	Other comprehensive income	Dividends	Reclassification of negative equity	Balance on 12/31/2017
RACC	55,907	-	(1)	61,278	-	(55,898)	-	61,286
Dromegon	17,131	-	-	6,594	-	(7,571)	-	16,154
Camicado	341,159	40,000	-	17,220	2,018	-	-	400,397
Youcom	70,003	33,000	-	(11,460)	334	-	-	91,877
LRS	-	-	-	(326)	(34)	-	360	-
Realize Participações S.A.	15,268	134,825	-	33,861	1	-	-	183,955
LRU	3,623	66,021	-	(2,189)	1,735	-	-	69,190
Realize CFI	-	-	1	-	-	-	-	1
Total	**503,091**	**273,846**	**-**	**104,978**	**4,054**	**(63,469)**	**360**	**822,860**

(All amounts in thousands of Reais unless otherwise stated)

15 FIXED AND INTANGIBLE ASSET

15.1 ACCOUNTING POLICY

The fixed assets and intangible assets are recorded at the cost of acquisition, formation or stores, deducted from accumulated depreciation or amortization. Depreciation and amortization are calculated under the straight-line method at rates that consider estimated useful lives of assets, as follows:

	Consolidated	
	Rate	Useful life
Fixed assets		
Properties	1.67–2%	50–60 years
Furniture and fixtures	10–25%	4–10 years
Facilities	5–10%	10–20 years
Machinery and equipment	5–10%	10–20 years
Leasehold improvements	10%	10 years
Vehicles	20%	5 years
Computers and peripherals	10–20%	5–10 years
Intangible assets		
IT systems	12.5–20%	5–8 years
Right to use properties	10%	10 years

As a procedure, the Company annually reviews the fixed and intangible assets technical assessments from specialized employees and aiming at:

i) Identifying evidences that its assets may be impaired;
ii) Identify changes in the form of use and maintenance that may affect the useful life of your fixed and intangible assets.

15.2 BREAKDOWN FIXED ASSETS

	Parent Company					
	12/31/2018			12/31/2017		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Land	288	-	288	288	-	288
Properties	92,898	(5,767)	87,131	92,898	(4,321)	88,577
Furniture and fixtures	430,181	(199,796)	230,385	366,615	(164,706)	201,909
Facilities	487,378	(223,056)	264,322	454,155	(204,036)	250,119
Machinery and equipment	256,745	(133,308)	123,437	227,546	(114,613)	112,933
Leasehold improvements	1,572,341	(746,423)	825,918	1,420,201	(632,926)	787,275
Vehicles	2,117	(399)	1,718	3,045	(546)	2,499
Computers and peripherals	232,947	(137,936)	95,011	188,831	(124,984)	63,847
Fixed assets in progress	89,662	-	89,662	96,263	-	96,263
Total	**3,164,557**	**(1,446,685)**	**1,717,872**	**2,849,842**	**(1,246,132)**	**1,603,710**

	Consolidated					
	12/31/2018			12/31/2017		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Land	288	-	288	288	-	288
Properties	107,835	(11,647)	96,188	107,835	(10,201)	97,634
Furniture and fixtures	492,833	(220,237)	272,596	412,297	(179,028)	233,269
Facilities	536,403	(240,806)	295,597	499,227	(218,994)	280,233
Machinery and equipment	265,221	(134,999)	130,222	231,475	(115,436)	116,039
Leasehold improvements	1,781,552	(787,926)	993,624	1,560,514	(659,145)	901,367
Vehicles	2,117	(399)	1,718	3,045	(546)	2,499
Computers and peripherals	247,017	(143,166)	103,851	197,640	(128,984)	68,656
Fixed assets in progress	100,363	-	100,363	113,640	-	113,640
Total	**3,533,629**	**(1,539,180)**	**1,994,449**	**3,125,961**	**(1,312,334)**	**1,813,627**

As of December 31, 2018, the balance of FIXED ASSETS, net of depreciation considers leased assets in the amount of R$ 27,021 (R$ 58,026 on December 31, 2017).

(All amounts in thousands of Reais unless otherwise stated)

15.3 RECONCILIATION OF NET BOOK VALUE OF FIXED ASSETS

15.3.1 Parent Company

Book value	Balance on 12/31/2017	Additions	Transf.	Write-offs	Estimated losses	Depreciation	Balance on 12/31/2018
Land	288	-	-	-	-	-	288
Properties	88,577	-	-	-	-	(1,446)	87,131
Furniture and fixtures	201,909	284	68,821	(1,385)	-	(39,244)	230,385
Facilities	250,119	29	37,417	(509)	-	(22,734)	264,322
Machinery and equipment	112,933	66	23,712	(97)	-	(13,177)	123,437
Leasehold improvements	787,275	356	166,859	(184)	-	(128,388)	825,918
Vehicles	2,499	17	-	(489)	-	(309)	1,718
Computers	63,847	483	54,715	(520)	-	(23,514)	95,011
Construction in progress	96,263	344,952	(351,524)	(29)	-	-	89,662
Total	**1,603,710**	**346,187**	**-**	**(3,213)**	**-**	**(228,812)**	**1,717,872**

Book value	Balance on 01/01/2017	Additions	Transf.	Write-offs	Estimated losses	Depreciation	Balance on 12/31/2017
Land	288	-	-	-	-	-	288
Properties	90,022	-	-	-	-	(1,445)	88,577
Furniture and fixtures	186,237	112	52,872	(1,196)	(142)	(35,974)	201,909
Facilities	262,485	178	29,302	(1,320)	(1,617)	(38,909)	250,119
Machinery and equipment	113,609	72	18,693	(454)	(1,279)	(17,708)	112,933
Leasehold improvements	728,549	382	186,439	(2,342)	(9,763)	(115,990)	787,275
Vehicles	988	2,268	-	(562)	-	(195)	2,499
Computers	51,209	201	31,547	(59)	-	(19,051)	63,847
Construction in progress	70,316	346,831	(318,853)	(2,031)	-	-	96,263
Total	**1,503,703**	**350,044**	**-**	**(7,964)**	**(12,801)**	**(229,272)**	**1,603,710**

15.3.2 Consolidated

Book value	Balance on 12/31/2017	Additions	Transf.	Write-offs	Estimated losses	Depreciation	Translation adjustment	Balance on 12/31/2018
Land	288	-	-	-	-	-	-	288
Properties	97,634	-	-	-	-	(1,446)	-	96,188
Furniture and fixtures	233,269	1,255	85,675	(1,471)	(467)	(45,622)	(43)	272,596
Facilities	280,233	233	42,181	(770)	(179)	(25,987)	(114)	295,597
Machinery and equipment	116,038	132	27,971	(143)	(22)	(13,759)	5	130,222
Leasehold improvements	901,370	4,496	234,736	(1,479)	(868)	(145,284)	655	993,626
Vehicles	2,499	17	-	(489)	-	(309)	-	1,718
Computers	68,656	2,355	59,191	(521)	(4)	(25,099)	(727)	103,851
Construction in progress	113,640	435,589	(449,754)	(29)	-	-	917	100,363
Total	**1,813,627**	**444,077**	**-**	**(4,902)**	**(1,540)**	**(257,506)**	**693**	**1,994,449**

Book value	Balance on 01/01/2017	Additions	Transf.	Write-offs	Estimated losses	Depreciation	Translation adjustment	Balance on 12/31/2017
Land	288	-	-	-	-	-	-	288
Properties	98,244	835	-	-	-	(1,445)	-	97,634
Furniture and fixtures	210,711	3,269	59,469	(148)	(283)	(39,705)	(44)	233,269
Facilities	289,600	5,553	30,033	(79)	(1,867)	(42,944)	(63)	280,233
Machinery and equipment	115,512	3,310	18,515	(454)	(1,288)	(19,545)	(12)	116,038
Leasehold improvements	799,784	19,506	222,859	(784)	(11,896)	(128,017)	(82)	901,370
Vehicles	990	2,268	-	(562)	-	(197)	-	2,499
Computers	54,017	1,883	33,066	(154)	-	(20,156)	-	68,656
Construction in progress	75,923	403,656	(363,942)	(2,031)	-	-	34	113,640
Total	**1,645,069**	**440,280**	**-**	**(4,212)**	**(15,334)**	**(252,009)**	**(167)**	**1,813,627**

(All amounts in thousands of Reais unless otherwise stated)

15.4 BREAKDOWN OF INTANGIBLE ASSET

	Parent Company					
	12/31/2018			12/31/2017		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
IT systems	701,935	(430,915)	271,020	625,723	(386,761)	238,962
Right to use properties	63,471	(46,075)	17,396	63,240	(43,302)	19,938
Trademarks and patents	6,017	(83)	5,934	5,609	(83)	5,526
Intangible asset in progress	118,659	-	118,659	60,099	-	60,099
Total	**890,082**	**(477,073)**	**413,009**	**754,671**	**(430,146)**	**324,525**

	Consolidated					
	12/31/2018			12/31/2017		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
IT systems	788,531	(462,211)	326,320	687,805	(409,978)	277,827
Right to use properties	87,500	(54,142)	33,358	83,894	(49,347)	34,547
Trademarks and patents	34,348	(83)	34,265	33,940	(83)	33,857
Intangible - others	3,500	(3,500)	-	3,500	(3,500)	-
Intangible asset in progress	124,454	-	124,454	63,325	-	63,325
Goodwill - Camicado	116,679	-	116,679	116,679	-	116,679
Total	**1,155,012**	**(519,936)**	**635,076**	**989,143**	**(462,908)**	**526,235**

15.5 RECONCILIATION OF NET BOOK VALUE OF INTANGIBLE ASSETS

15.5.1 Parent Company

Book value	Balance on 12/31/2017	Additions	Transf.	Write-offs	Estimated losses	Amort.	Balance on 12/31/2018
IT systems	238,962	8,918	67,321	-	-	(44,181)	271,020
Right to use properties	19,938	(1,311)	1,543	-	-	(2,774)	17,396
Trademarks and patents	5,526	408	-	-	-	-	5,934
Intangible asset in progress	60,099	128,325	(68,864)	(901)	-	-	118,659
Total	**324,525**	**136,340**	**-**	**(901)**	**-**	**(46,955)**	**413,009**

Book value	Balance on 01/01/2017	Additions	Transf.	Write-offs	Estimated losses	Amort.	Balance on 12/31/2017
IT systems	213,284	974	96,828	(3,800)	(2)	(68,322)	238,962
Right to use properties	12,541	1,837	7,974	-	-	(2,414)	19,938
Trademarks and patents	4,455	1,071	-	-	-	-	5,526
Intangible asset in progress	92,409	75,652	(104,802)	(3,160)	-	-	60,099
Total	**322,689**	**79,534**	**-**	**(6,960)**	**(2)**	**(70,736)**	**324,525**

15.5.2 Consolidated

Book value	Balance on 12/31/17	Additions	Transf.	Write-offs	Estimated losses	Amort.	Translation adjustment	Balance on 12/31/18
IT systems	277,827	28,581	71,633	(143)	-	(52,212)	634	326,320
Right to use properties	34,547	(1,954)	5,737	(88)	(110)	(4,856)	82	33,358
Trademarks and patents	33,857	408	-	-	-	-	-	34,265
Intangible asset in progress	63,325	139,295	(77,370)	(901)	-	-	105	124,454
Goodwill - Camicado	116,679	-	-	-	-	-	-	116,679
Total	**526,235**	**166,330**	**-**	**(1,132)**	**(110)**	**(57,068)**	**821**	**635,076**

(All amounts in thousands of Reais unless otherwise stated)

Book value	Balance on 01/01/17	Additions	Transf.	Write-offs	Estimated losses	Amort.	Translation adjustment	Balance on 12/31/17
IT systems	229,810	12,219	112,292	(3,800)	(2)	(72,621)	(71)	277,827
Right to use properties	24,408	3,615	11,041	-	(59)	(4,421)	(37)	34,547
Trademarks and patents	32,799	1,070	-	(12)	-	-	-	33,857
Intangible asset in progress	96,548	93,179	(123,333)	(3,160)	-	-	91	63,325
Goodwill - Camicado	116,679	-	-	-	-	-	-	116,679
Total	**500,244**	**110,083**	**-**	**(6,972)**	**(61)**	**(77,042)**	**(17)**	**526,235**

The Company is constantly evaluating its performance indicators in every business and unit and identified the need of recognizing assets' impairment that will not be used in the amount of R$1,540, in fixed assets and R$ 110 in intangible assets, both effects in Consolidated in the retail segment. Said amount was accounted for under caption 'other operating net income'. In this review process, no other assets with impairment needs were identified.

16 IMPAIRMENT TEST OF THE GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE

16.1 ACCOUNTING POLICY

Assets with an indefinite useful life, such as goodwill, are not subject to amortization and are tested every year to identify a possible impairment need.

For impairment valuation purposes, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash Generating Units - CGU), in conformity with the analysis of views used by the Management. Non-financial assets, except goodwill, that have been impaired, are subsequently reviewed for possible reversal of the impairment at each reporting date.

16.2 EVALUATION OF THE RECOVERABLE VALUE

The book value of the goodwill and the brand allocated Camicado is R$ 144,741 (R$ 144,741 on December 31, 2017).

To determine the recoverable value of Camicado, the Company used cash flow projections, before income tax and social contribution, based on financial budgets approved by management for a 10-year period, considering the following assumptions:

(i) Revenues: projected for the period from 2019 to 2028 considering historic growth of sales, as well as increase in sales due to the plan for opening new stores;
(ii) Costs and expenses: projected in the same year of revenues according to stores' performance and seeking expenses synergy through the Parent Company;
(iii) Discount rate: prepared taking into consideration information of the retail sector in which Camicado operates. The discount rate applied was 12.6% p.a. (13.5% p.a. as of December 31, 2017);
(iv) Growth rate at perpetuity: considered growth rate was 7.5% p.a. (7.5% p.a. as of December 31, 2017); e
(v) The Company conducted review tests on base date December 31, 2018 and concluded that there are no factors indicating the necessity of recognizing a provision for impairment, as recoverable value exceeded accounting value.

16.3 SENSITIVITY ANALYSIS

The Company conducted a sensitivity analysis on discount and growth rates.

Considering an addition and a reduction of 1% and 0.5%, respectively, on discount rate and on growth rate at perpetuity, the Company's Management concluded that the discounted cash flow would result in recoverable values, as shown in table below:

	Discount rate			Growth rate in perpetuity		
	Probable scenario	1% incr.	1% decr.	Probable scenario	0.5% incr.	0.5% decr.
Changes - Discounted cash flow	12.6%	(212,587)	317,496	7.5%	98,549	(80,951)

17 BORROWINGS, FINANCING, DEBENTURES AND FINANCIAL LEASE

17.1 ACCOUNTING POLICY

Balances of borrowing, financing and debentures are initially recognized at fair value upon receipt of funds. Subsequently, they start to be measured at amortized cost, that is, plus charges, interest calculated at effective rate, inflation adjustment, exchange-rate change, and amortizations - as provided for in contract - incurred up to balance sheet dates.

(All amounts in thousands of Reais unless otherwise stated)

Balance of working capital borrowing – Law 4.131 of Central Bank of Brazil is measured at fair value, using the discounted cash flow evaluation techniques, which converts future cash flows into a single value. The fair value reflects the current market expectations of future values.

According to the characteristics, certain lease contracts for assets intended to maintenance of the Company and its subsidiaries' activities are classified as financial lease. The classification of lease agreements is carried out upon their signing.

Financial lease contracts are recognized in the balance sheet at the lower of leased asset fair value and present value of minimum lease payments. Contracts are accounted for as fixed or intangible asset and a financing liability, and assets are subject to depreciation or amortization over the asset's economic useful life or according to lease contract term, when this is lower. Financial lease paid installments are partially recognized in liabilities, and the portion referring to financial charges are recognized in net income.

17.2 BREAKDOWN OF BORROWINGS, FINANCING AND DEBENTURES

	Weighted		Parent Company		Consolidated	
Descriptions	**annual rates**	**Maturity**	**12/31/2018**	**12/31/2017**	**12/31/2018**	**12/31/2017**
In domestic currency						
Debentures – 5th issue - 1st Series (i)	CDI + 0.97% p.a.	2016–2018	-	73,556	-	73,556
Debentures - 5th issue - 2nd series (i)	IPCA + 5.7% p.a.	2017–2019	40,173	77,411	40,173	77,411
Debentures 6th issue - single series (i)	CDI + 0.85% p.a.	2017–2018	-	207,172	-	207,172
Debentures 7th issue - single series (i)	108% CDI	2020	307,669	309,427	307,669	309,427
Debentures 8th issue - single series (i)	104.5% CDI	2019	206,424	207,308	206,424	207,308
Debentures - Structuring costs	-	-	(399)	(946)	(399)	(946)
(+/-) swap of debentures (ii)	98.7% CDI	2017–2019	(1,087)	(1,747)	(1,087)	(1,747)
Fundo do Nordeste - FNE (iii)	6.97% p.a.	6/30/2023	10,954	13,684	10,954	13,684
Fundo do Nordeste - FNE (iii)	9.5% p.a.	6/29/2023	16,468	19,721	16,468	19,721
Fundo do Nordeste - FNE (iii)	11.01% p.a.	6/3/2024	1,904	2,076	1,904	2,076
Fundo do Nordeste - FNE (iii)	11.01% p.a.	7/25/2024	-	-	859	927
BNDES (iv)	SELIC + 2.5% p.a.	7/15/2020	8,426	12,917	8,426	12,917
BNDES (iv)	TJLP + 2.12% p.a.	7/15/2020	4,736	7,678	4,736	7,678
FINEP (v)	TJLP + 4% p.a.	-	-	18,263	-	18,263
Working capital - secured account - (vi)	112.5% CDI	-	-	-	16,385	16,234
Other borrowings			-	1,408	322	1,408
Foreign currency						
Working capital - Law 4131 Bacen (vi)	US$ + 2.61% p.a.	8/15/2019	168,254	143,865	168,254	143,865
Working capital - Law 4131 Bacen (vi)	US$ + 4.41% p.a.	6/10/2019	179,297	-	179,297	-
Working capital - Law 4131 Bacen (vi)	US$ + 2.43% p.a.	1/10/2019	-	-	42,047	-
Working capital - Law 4131 Bacen (vi)	US$ + 3.31% p.a.	12/27/2019	-	-	35,160	-
Working capital - Law 4131 Bacen (vi)	US$ + 3.16% p.a.	4/18/2019	-	-	34,263	-
Working capital (vii)	10% p.a.	1/21/2019	-	-	8,548	-
Working capital (vii)	10% p.a.	1/7/2019	-	-	3,604	-
(+/-) swap - working capital (ii)	103% CDI	8/15/2019	(29,240)	(4,429)	(29,240)	(4,429)
(+/-) swap - working capital (ii)	100.9% CDI	6/10/2019	(6,854)	-	(6,854)	-
(+/-) swap - working capital (ii)	103.9% CDI	1/10/2019	-	-	(6,566)	-
(+/-) swap - working capital (ii)	106.95% CDI	4/18/2019	-	-	(3,914)	-
(+/-) swap - working capital (ii)	102.5% CDI	12/27/2019	-	-	629	-
Total			**906,725**	**1,087,364**	**1,038,062**	**1,104,525**
Current liabilities			580,152	363,288	710,804	379,553
Non-current liabilities			326,573	724,076	327,258	724,972
Total			**906,725**	**1,087,364**	**1,038,062**	**1,104,525**

(i) Funds obtained from issuances of debentures were intended to maintain the Company's minimum strategic cash level.

(ii) Swap transactions of debentures and in foreign currency (4131) are hedging against foreign exchange rate and inflation rate fluctuations.

(iii) The Company signed financing agreements with Banco do Nordeste through FNE (Northeast Constitutional Financing Fund) to fund the expansion of its group of stores in that region.

(iv) The Company entered into a financing transaction with BNDES (Brazilian Bank for Economic and Social Development) using the Prodesign facility to invest in design by increasing and changing product development structure and processes.

(All amounts in thousands of Reais unless otherwise stated)

(v) The Company entered into a financing transaction with FINEP (Studies and Projects Financer) for the purpose of partially paying the costs of its innovation projects. The Company decided to settle the borrowing in advance in April 2018.

(vi) The Company entered into contracts of the types of secured account and Law 4131 Bacen for working capital purposes and to invest in the organic expansion plan.

(vii) The direct subsidiary LRU obtained two borrowings for working capital purposes and to invest in the organic growth plan.

17.2.1 Schedule of realization of borrowings, debentures and financing

The covenants and the settlement schedule in accordance with the contractual cash flow (principal plus estimated future interest up to maturity) are shown in note 6.2.

17.2.2 Changes in borrowings

Changes in Parent Company's and consolidated borrowings are shown in Note 37.

17.3 FINANCIAL LEASES

During 2018, the Company's Management anticipated the settlement of lease agreements of IT systems in the amount of R$ 29,294.

In July 2012, the Company entered into a commercial financial lease agreement for rent of property (Administrative Head Office), for 50 years restated based on the accumulated change in annual INPC. At the end of the agreement, it is given preference in the acquisition of the property upon notice. As of December 31, 2018, financial lease liabilities are due as follows:

	Parent Company and Consolidated	
Minimum lease payments	**12/31/2018**	**12/31/2017**
< 1 year	4,264	16,836
More than one year and less than 5 years	12,972	41,760
>5 years	164,565	163,381
Total minimum payments	**181,801**	**221,977**
(-) Less future financial charges	(147,861)	(153,191)
Present value of minimum payments	**33,940**	**68,786**
Current	473	9,890
Non-current	33,467	58,896
Total	**33,940**	**68,786**

18 FINANCING - FINANCIAL SERVICES OPERATIONS AND GUARANTEES

18.1 FINANCING – FINANCIAL SERVICE OPERATIONS

	Weighted average	Parent Company		Consolidated	
Financing	**charges - %**	**12/31/2018**	**12/31/2017**	**12/31/2018**	**12/31/2017**
Credit sales (i)	6.9% p.m.	97,937	33,628	97,937	33,628
Quick withdrawal (ii)	10.9% p.m.	-	-	-	45,597
Secured Account (iii)	20.7% p.m.	1,165	1,619	1,165	1,619
Vendor (iv)	20.7% p.m.	29,335	28,237	29,335	28,237
Interbank deposit	-	-	-	-	16,007
Financial bills (v)	103.25% CDI	-	-	160,755	150,768
Working capital - Law 4131 Bacen (vi)	US$ + 4.67% p.a.	-	-	131,829	-
(+/-) swap - working capital	101.8% CDI	-	-	7,199	-
Senior Quotas – FIDC Lojas Renner (vii)	CDI + 1.08% p.a.	-	-	424,022	424,280
Structuring cost - FIDC Lojas Renner (viii)	-	-	-	(656)	(2,631)
		128,437	**63,484**	**851,586**	**697,505**
Current liabilities		128,437	63,484	712,558	127,396
Non-current liabilities		-	-	139,028	570,109
Total		**128,437**	**63,484**	**851,586**	**697,505**

i. The values of "Credit sales" refer to the amounts financed to the clients of the Company by Financial Institutions, through Vendor, on shopping malls made under the condition of payment from seven to eight monthly installments at Lojas Renner S.A.

(All amounts in thousands of Reais unless otherwise stated)

ii. The values of “Quick withdrawal" corresponded to the amounts of quick withdrawal agreement, granted to the clients by a bank with which there is special agreement (“bank agreement”) and intermediated by the subsidiary RACC.

iii. The values of “Secured Account” are used for the financing of portfolios in delay of sales made by Renner Card to Camicado.

iv. The values of “Vendor” are realized through the Special Agreement for Granting of Financing – Electronic Vendor with Itaú Unibanco, credit facility destined to financing of delinquent clients. The Company guarantees Itaú Unibanco in these transactions, serving as guarantor and chief payer of the liabilities assumed by clients.

v. Through its indirect subsidiary Realize CFI S.A., the Company issued Financial Bills for private distribution in the amount of R$150,000 on December 4, 2017, at the cost of 103.25% of CDI, with settlement period of two years after issuance date. This issue is solely intended to be used in the ordinary course of business and financing of operations.

vi. The indirect subsidiary Realize CFI SA entered into contract in modality 4.131 on August 27, 2018 with Banco Santander S.A. in the amount of US$ 33,000 at a cost of 4.67% p.a. plus exchange-rate changes, with maturity on August 17, 2020. This issue is solely intended to be used in the ordinary course of business and financing of operations.

vii. Represents the balance of senior quotas issued by FIDC Lojas Renner (note 9), which is subject to public distribution under CVM Instruction 400/03, with priority of amortization and redemption in relation to subordinated quotas. This amount will be settled upon the closure of FIDC Loja Renner in May 2019.

viii. Refers to the balance of costs incurred in the structuring of FIDC Lojas Renner, which will be recognized in the net income (cost of financial services) over the life of the fund, according to the internal return rate (IRR) of the funding.

18.2 GUARANTEES

Parent Company is the guarantor and main payer, and is jointly responsible for all (main and accessory) obligations deriving from the following transactions (further details in note 18.1):

i) Credit sales;
ii) Quick withdrawal;
iii) Secured account; and
iv) *Vendor*.

19 SUPPLIERS

19.1 ACCOUNTING POLICY

It is initially recognized at fair value and, subsequently, measured at amortized cost using the effective interest rate method. Purchase transactions were brought to present value on transactions date, considering their terms and based on estimated rate of the Company’s capital cost. Interest rate used to calculate credit purchases’ adjustment to present value was 0.99% p.m. to the Parent Company and its subsidiaries (1.06% p.m. on December 31, 2017). Adjustment of purchases to present value is recorded in supplier and its reversal is in account sales cost, due to fruition of term in case of suppliers.

19.2 BREAKDOWN

	Parent Company		Consolidated	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017
Trade suppliers	685,163	601,562	765,678	702,392
Adjustment to present value	(4,548)	(4,386)	(4,966)	(5,372)
Suppliers - use and consumption	164,614	124,126	195,122	145,234
Total	**845,229**	**721,302**	**955,834**	**842,254**

As of December 31, 2018, the amount of pre-payments made to suppliers whose original maturity was subsequent to December 31, 2018 totaled R$ 272,183 (R$ 295,392 on December 31, 2017). The discounts obtained from these pre-payments are recorded as reduction of the cost of sales, since they are directly related to the goods supply agreement.

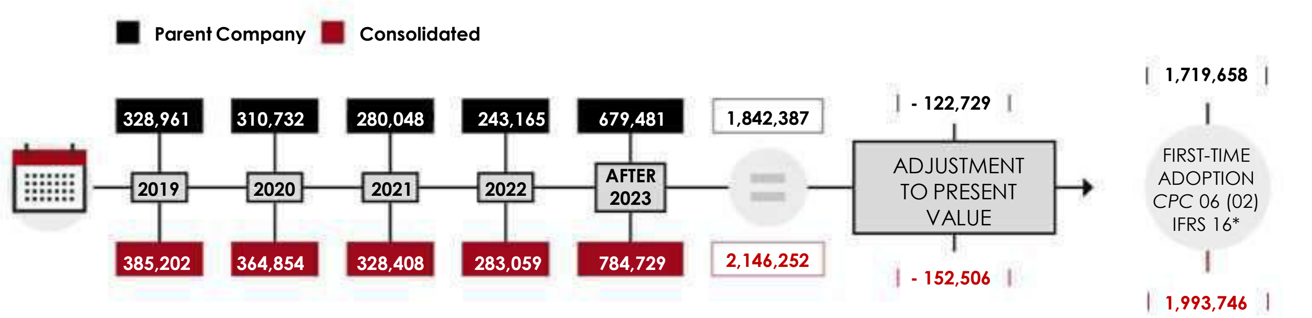
(All amounts in thousands of Reais unless otherwise stated)

20 RENTS PAYABLE

The Company and its subsidiaries have rental agreements for its commercial, logistics and administrative units. These contracts are classified as operating lease, except for its head office agreement (see note 17.3), classified as financial lease.

The minimum contractual amounts are readjusted annually in accordance with the changes in the main inflation indices.

Future commitments deriving from these contracts are distributed as follows:



(*) Amount corresponding to future minimum fixed rents brought to present value, which will be accounted for on January 1, 2019 on the date of first-time adoption of standard *CPC* 06 (R2) / IFRS 16 (note 5.2.1).

21 TAX LIABILITIES

	Parent Company		Consolidated	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017
Income tax and social contribution	140,177	134,024	222,638	177,577
ICMS payable	202,641	177,353	215,899	188,642
PIS/COFINS	57,405	70,133	66,796	77,764
Taxes payable - Foreign subsidiaries	-	-	22,876	5,508
Other taxes	16,758	18,611	21,807	21,498
Total	**416,981**	**400,121**	**550,016**	**470,989**

22 SOCIAL CHARGES AND LABOR LEGISLATION LIABILITIES

	Parent Company		Consolidated	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017
Salaries payable	36,875	33,335	42,580	37,948
Profit sharing	61,300	73,451	61,791	77,292
Provision for vacation and bonus	61,329	55,489	70,602	63,235
Social charges	63,063	49,158	70,766	54,863
Total	**222,567**	**211,433**	**246,009**	**233,338**

23 PROVISION FOR TAX, CIVIL, LABOR RISKS, CONTINGENT LIABILITIES AND ASSETS

23.1 ACCOUNTING POLICY

The Company and its subsidiaries are party to tax, labor and civil lawsuits and administrative processes in course before courts and governmental agencies, derived from the normal course of its business. Management, based on information from its legal advisors, formed a provision in an amount considered sufficient to cover estimated losses from lawsuits in progress.

23.1.1 Tax provisions

Tax provisions are established taking into consideration individuality of each process, classification of loss, and internal and external legal advisors' evaluation. For the classification of possible loss, the Company's records provision at the estimated amounts of court costs and attorney fees based on the history incurred and current contractual bases negotiated with its legal advisors, since the outflow of future disbursements is likely.

(All amounts in thousands of Reais unless otherwise stated)

23.1.2 Civil and labor provisions

The civil and labor provisions are periodically reviewed, considering the development of lawsuits, and the history of effectively settled amounts once that Company's Management understands that there is a likelihood of outflow of funds to comply with these obligations.

23.2 PROVISIONS

The breakdown of provisions as of December 31, 2018 is as follows:

	Parent Company		Consolidated	
Nature	**12/31/2018**	**12/31/2017**	**12/31/2018**	**12/31/2017**
Civil	19,707	18,155	26,165	20,654
Labor	19,745	14,428	21,618	15,342
Tax	32,168	29,646	39,114	35,454
(-) Judicial deposits	(5,109)	(5,552)	(9,662)	(9,371)
	66,511	**56,677**	**77,235**	**62,079**
Classified as:				
Current liabilities	39,452	32,583	47,783	35,996
Non-current liabilities	27,059	24,094	29,452	26,083
Total	**66,511**	**56,677**	**77,235**	**62,079**

Most significant tax provisions refer to:

(i) disallowance of *ICMS* credit right in acquisitions from suppliers considered as disreputable;
(ii) disallowance of *ICMS* credit right (on energy, acquisitions of merchandise, rate difference, among others);
(iii) increase in *SAT* (Occupational Accident Insurance) rate and establishment of *FAP* (Accident Prevention Factor);
(iv) collection of anticipated *ICMS* rate difference upon entry of goods in the state, received from another state;
(v) disallowance of expense with payment of interest on own capital of prior years; and
(vi) Requirement of *INSS/IRRF* on non-salary portions.

And regarding the civil and labor provisions, the Company and its subsidiaries are party to civil and labor lawsuits that have consumption-related nature with different objects.

23.3 CHANGES IN THE PROVISION FOR TAX, CIVIL AND LABOR RISKS

	Parent Company				
	Civil	**Labor**	**Tax**	**(-) Judicial deposits**	**Total**
Balances on 1/1/2018	18,155	14,428	29,646	(5,552)	56,677
(+/-) Provisions / (reversal)	1,552	5,317	1,145	443	8,457
(-) Charges	-	-	1,377	-	1,377
Balances at 12/31/2018	**19,707**	**19,745**	**32,168**	**(5,109)**	**66,511**

	Consolidated				
	Civil	**Labor**	**Tax**	**(-) Judicial deposits**	**Total**
Balances on 1/1/2018	20,654	15,342	35,454	(9,371)	62,079
(+/-) Provisions / (reversal)	5,511	6,276	2,093	(291)	13,589
(-) Charges	-	-	1,567	-	1,567
Balances at 12/31/2018	**26,165**	**21,618**	**39,114**	**(9,662)**	**77,235**

(All amounts in thousands of Reais unless otherwise stated)

23.4 TAX CONTINGENT LIABILITIES

Contingent liabilities plus interest and inflation adjustment for which disbursement is possible, in the opinion of our internal and external legal advisors, are stated below:

	Parent Company		Consolidated	
Nature	**12/31/2018**	**12/31/2017**	**12/31/2018**	**12/31/2017**
Tax	364,367	354,607	381,966	367,244

The significant lawsuits related to contingent liabilities as of December 31, 2018 and 2017 are detailed below:

i) ICMS – Disreputable suppliers – Refers to proceedings related to supposed undue crediting of ICMS related to the acquisition of goods from suppliers considered disreputable by the tax authorities. The proceedings are underway and no date has been set for the disbursement of these resources. The restated amount of the lawsuit was R$ 137,924 in the Parent Company and R$ 139,128 in the Consolidated (R$ 139,461 in the Parent Company and R$ 140,627 in the Consolidated as of December 31, 2017).

ii) ICMS - Anticipated RS - Refers to tax assessment notices for collection of anticipated ICMS rate difference upon entry of goods in the state, received from another state. The proceedings are underway at the administrative level and no date has been set for the disbursement of these resources. The restated amount of the lawsuit was R$ 79,034 in the Parent Company and in Consolidated (R$ 75,582 in the Parent Company and in Consolidated as of December 31, 2017). In case the Company settles such lawsuits, the credit of the amount of R$ 34,888 corresponding to the required tax may be obtained to rebate the ICMS of its commercial operations.

iii) INSS/IRPF non-wage installments – Refers to tax assessment notices filed for charging social security contribution on amounts considered by the Company as not taxable by said contribution, as well as application of ex-officio fine because income tax was not withheld on said amounts. The proceeding is underway and no date has been set for the disbursement of this resource. The restated amount of the lawsuit was R$ 36,268 in the Parent Company and in Consolidated (R$ 34,893 in the Parent Company and in Consolidated as of December 31, 2017).

iv) IRPJ/CSLL - Interest on own capital of formers years - Refers to the disallowance of expenses with payment of interest on capital calculated based on prior year's shareholders' equity. The proceeding is underway and no date has been set for the disbursement. The restated amount of the lawsuit was R$ 27,787 in the Parent Company and in Consolidated (R$ 25,363 in the Parent Company and in Consolidated as of December 31, 2017).

v) ICMS - Disallowance of third party credits - Disallowance of ICMS credits acquired from third parties in Rio de Janeiro State. The proceedings are underway and no date has been set for the disbursement. The restated amount of the lawsuits was R$ 19,063 in the Parent Company and in Consolidated (R$ 18,994 in the Parent Company and in Consolidated as of December 31, 2017).

vi) ICMS – breakdown of inventories – Refers to tax assessment notices and tax enforcements for collection of ICMS deriving from differences in tax and accounting inventories calculated through survey of inventory quantities that, in the Company's understanding, are due to breakdown of inventories. The proceedings are underway and no date has been set for the disbursement. The restated amount of the lawsuit was R$ 16,503 in the Parent Company and R$ 17,831 in Consolidated (R$ 18,198 in the Parent Company and in Consolidated as of December 31, 2017).

vii) Other contingent assets with the amount of lawsuit restated totaling R$ 47,788 in the Parent Company and R$ 62,855 in Consolidated (R$ 42,116 in the Parent Company and R$ 53,587 in the Consolidated as of December 31, 2017) refer to sundry matters, both federal, state and municipal.

23.5 CONTINGENT, CIVIL AND LABOR LIABILITIES

For civil and labor lawsuits, the Company chooses to consider the history of obligations effectively settled, considering that they refer to massified lawsuits of consumer civil nature and of diverse labor nature, in which lawsuit value frequently does not reflect contingency value. For this reason, the Company considers that amounts for which a provision was recorded correspond to exposure to this kind of risk.

23.6 CONTINGENT ASSETS

ICMS in PIS and COFINS calculation basis - The Company has lawsuits in progress related to companies Lojas Renner S.A., Camicado and Youcom, for the purpose of obtaining the right to exclude ICMS from PIS and COFINS calculation basis, as well as offsetting

(All amounts in thousands of Reais unless otherwise stated)

amounts unduly paid. Lawsuits have already been favorably decided in Higher Courts, made by the Federal Regional Courts of the 3rd and 4th Regions and await a decision on Amendment of Judgment and/or appeals filed by the Federal Government. The likelihood of gain is assessed by its legal advisors as probable as to the merits and possible regarding the obtaining of patrimonial effects in relation to competencies prior to the date of the STF decision (which on March 15, 2017, decided, with general repercussion that ICMS does not comprise the calculation basis for the purposes of levy of PIS and COFINS).

As Company's lawsuits are still pending a final court decision, it is not possible to recognize asset related to credits to be surveyed beginning as of 5 years preceding the filing of lawsuits up to the period of March 2017 (STF decision date). Based on preliminary survey, prepared based on information available as of December 31, 2018 and according to court decisions rendered until now, the Company estimates possible value of credits as approximately R$1,300,000 in the Parent Company and R$1,320,000 in Consolidated for such period. However, since there is no final decision on the request for modulation of effects submitted by the Federal Government in the leading case files, which is the subject of general repercussions, and whereas, in addition to modulating effects, the Federal Government also claims the establishment of a calculation method less favorable to the taxpayer (excluding ICMS tax payable from the PIS/COFINS base), the estimated amount may change materially. Lastly, there is no way to ensure when or whether the estimated amounts will actually be realized.

In relation to amounts related to periods later than STF decision date (March 15, 2017), when likelihood of loss is evaluated by legal advisors as remote, the Company has been recognizing effects on net income.

24 FINANCIAL INSTRUMENTS

Derivative financial instruments are entered into as defined by an internal policy approved by the Management, in order to hedge the foreign exchange risk taken in import orders and borrowings abroad, as well as to hedge interest rate risk.

Company Management determines the classification of its non-derivative financial assets and liabilities at the time of their initial recognition, pursuant to the business model in which the asset is managed and its respective characteristics of contractual cash flows in *CPC* 48/IFRS 9. Financial liabilities are measured according to their nature and purpose.

24.1 ACCOUNTING POLICY

Derivatives are recognized at fair value through other comprehensive income. The fair values of derivative financial instruments are determined based on the macro-economic scenario indicators and method for recognizing the resulting gain or loss depends on whether the derivative is or is not designated as a hedge instrument. Regarding the derivatives for hedge, the method depends on the nature of the item that is being hedged. The Company adopts hedge accounting and assigns forward contracts (NDF) as cash flow hedge.

The Company documents, early in each transaction, the relationship between the hedge instruments and the hedge-protected items, as well as the risk Management objectives and the strategy for conducting several hedge transactions. The Company also documents its evaluation - both at the start of hedging and continuously - that derivatives used in hedging transactions are highly effective to offset hedged items' cash flow.

24.1.1 Cash flow hedge

The Company only applies cash flow hedge accounting to protect itself against exchange-rate change risk deriving from import orders not yet paid.

The effective portion of the change in the fair value of designated derivatives and qualified as cash flow hedge, and not settled, is recognized in shareholders' equity as "Equity valuation adjustments" in other comprehensive income. This portion is realized upon elimination of risk for which derivative was contracted. Upon settlement of financial instruments, gains and losses previously deferred in equity are transferred from and included in initial measurement of asset's cost.

24.1.2 Swap

In the Swap transactions not designed for hedge accounting, respective gains or losses are recognized in the financial net income.

(All amounts in thousands of Reais unless otherwise stated)

24.2 FINANCIAL INSTRUMENTS BY CATEGORY

24.2.1 Parent Company

	Amortized cost	Fair value	Fair value through other comprehensive income	Total
Financial assets				
Cash and cash equivalents	-	876,302	-	876,302
Trade accounts receivable	1,543,223	-	-	1,543,223
FIDC Lojas Renner	182,000	-	-	182,000
Derivative financial instruments (hedge)	-	-	10,210	10,210
Financial liabilities				
Derivative financial instruments (hedge)	-	-	(13,006)	(13,006)
Borrowings, financing and debentures	(596,355)	(310,370)	-	(906,725)
Financing - financial services operations	(128,437)	-	-	(128,437)
Financial leases	(33,940)	-	-	(33,940)
Suppliers	(845,229)	-	-	(845,229)
Obligations with credit card administrators	(18,355)	-	-	(18,355)
Total - December 31, 2018	**102,907**	**565,932**	**(2,796)**	**666,043**
Financial assets				
Cash and cash equivalents	-	981,014	-	981,014
Trade accounts receivable	1,131,448	-	-	1,131,448
FIDC Lojas Renner	182,000	-	-	182,000
Derivative financial instruments (hedge)	-	-	5,822	5,822
Financial liabilities				
Derivative financial instruments (hedge)	-	-	(2,944)	(2,944)
Borrowings, financing and debentures	(949,675)	(137,689)	-	(1,087,364)
Financing - financial services operations	(63,484)	-	-	(63,484)
Financial leases	(68,786)	-	-	(68,786)
Suppliers	(721,302)	-	-	(721,302)
Obligations with credit card administrators	(38,631)	-	-	(38,631)
Total as of January 1, 2018	**(528,430)**	**843,325**	**2,878**	**317,773**

24.2.2 Consolidated

	Amortized cost	Fair value	Fair value through other comprehensive income	Total
Financial assets				
Cash and cash equivalents	-	944,671	-	944,671
Interest earnings bank deposits	-	439,693	-	439,693
Trade accounts receivable	3,162,670	-	-	3,162,670
Derivative financial instruments (hedge)	-	-	10,860	10,860
Financial liabilities				
Derivative financial instruments (hedge)	-	-	(14,516)	(14,516)
Borrowings, financing and debentures	(626,073)	(411,989)	-	(1,038,062)
Financing - financial services operations	(712,558)	(139,028)	-	(851,586)
Financial leases	(33,940)	-	-	(33,940)
Suppliers	(955,834)	-	-	(955,834)
Obligations with credit card administrators	(693,994)	-	-	(693,994)
Total - December 31, 2018	**140,271**	**833,347**	**(3,656)**	**969,962**
Financial assets				
Cash and cash equivalents	-	1,059,873	-	1,059,873
Interest earnings bank deposits	-	82,360	-	82,360
Trade accounts receivable	2,644,258	-	-	2,644,258
Derivative financial instruments (hedge)	-	-	6,917	6,917
Financial liabilities	-	-	-	
Derivative financial instruments (hedge)	-	-	(3,137)	(3,137)
Borrowings, financing and debentures	(966,836)	(137,689)	-	(1,104,525)
Financing - financial services operations	(697,505)	-	-	(697,505)
Financial leases	(68,786)	-	-	(68,786)

(All amounts in thousands of Reais unless otherwise stated)

Suppliers	(842,254)	-	-	(842,254)
Obligations with credit card administrators	(524,581)	-	-	(524,581)
Total as of January 1, 2018	**(455,704)**	**1,004,544**	**3,780**	**552,620**

24.3 MEASUREMENT AND HIERARCHY OF FAIR VALUES

The Company uses discounted cash flow evaluation technique to measure financial assets and liabilities' fair values, and as an assumption, the present value of estimated cash flows based on future market quotations. For the financial assets and liabilities not measured at fair value, which book balances are a reasonable approximation, we did not include the fair values as established in the *CPC* 40/IFRS 7. As of financial, fair values of financial assets and liabilities are classified in "Level 2" of the fair value hierarchy versus book balances:

24.3.1 Parent Company

	12/31/2018		12/31/2017	
Financial assets and liabilities	**Fair value**	**Book balance**	**Fair value**	**Book balance**
Cash and cash equivalents	876,302	876,302	981,014	981,014
Working capital - Law 4131 Bacen	(347,551)	(347,551)	(143,865)	(143,865)
Debentures (i)	(551,148)	(553,867)	(864,644)	(873,928)
Financial lease (i)	(33,940)	(33,940)	(70,188)	(68,786)
Financing - financial services operations (i)	(130,402)	(128,437)	(66,534)	(63,484)
Derivative financial instruments (hedge)	(2,796)	(2,796)	2,878	2,878
Swaps	37,181	37,181	6,176	6,176
Total	**(152,354)**	**(153,108)**	**(155,163)**	**(159,995)**

24.3.2 Consolidated

	12/31/2018		12/31/2017	
Financial assets and liabilities	**Fair value**	**Book balance**	**Fair value**	**Book balance**
Cash and cash equivalents	944,671	944,671	1,059,873	1,059,873
Interest earnings bank deposits	439,693	439,693	82,360	82,360
Working capital - Law 4131 Bacen	(459,021)	(459,021)	(143,865)	(143,865)
Debentures (i)	(551,148)	(553,867)	(864,644)	(873,928)
Financial lease (i)	(33,940)	(33,940)	(70,188)	(68,786)
Financing - financial services operations (i)	(848,571)	(851,586)	(757,446)	(697,505)
Derivative financial instruments (hedge)	(3,656)	(3,656)	3,780	3,780
Swaps	39,833	39,833	6,176	6,176
Total	**(472,139)**	**(477,873)**	**(683,954)**	**(631,895)**

(i) The Company measures fair values of debentures, financial lease and financing for disclosure purposes – financial services.

Level 2 - Inputs that are observable for assets or liabilities, whether directly or indirectly, except for prices quoted (not adjusted) in active markets for identical assets and liabilities to which the Entity may have access on the measurement date.

24.4 DERIVATIVE FINANCIAL INSTRUMENTS

The Management of these instruments is done through operating strategies, aimed at liquidity, profitability and security. The Company and its subsidiaries do not invest in derivatives or any other financial instruments on a speculative basis. The Company has used as a hedging instrument for its exposure to volatility of foreign currency exchange, Non-Deliverable Forward (NDF) and swap contracts.

The information on transactions with derivatives is segregated between designated to hedge accounting (cash flow hedge) and not designated to hedge accounting. In the table below, we present the breakdown of derivatives:

		Parent Company		Consolidated	
Description Derivatives	**Category**	**12/31/2018**	**12/31/2017**	**12/31/2018**	**12/31/2017**
NDF (Import orders)	Designated for hedge	(2,796)	2,878	(3,656)	3,780
Interest rate swap	Not designated for hedge	1,087	1,747	1,087	1,747
Foreign exchange swap	Not designated for hedge	36,094	4,429	38,746	4,429
	Total	**34,385**	**9,054**	**36,177**	**9,956**
	Current assets	10,210	5,822	10,860	6,917
	Current liabilities	24,175	(8,108)	32,516	(8,301)
	Non-current liabilities	-	11,340	(7,199)	11,340
	Total	**34,385**	**9,054**	**36,177**	**9,956**

(All amounts in thousands of Reais unless otherwise stated)

24.4.1 Derivatives for hedge accounting

24.4.1.1 NDF (Non-Deliverable Forward)

Hedge instrument			Hedge transactions	
Maturities	**Notional (US$)**	**(*) Fair value**	**Transaction**	**Estimated maturity**
1/1/2019–8/31/2019	176,512	(2,796)	Import orders	1/1/2019–8/31/2019
Total Parent Company	**176,512**	**(2,796)**		
1/1/2019–6/30/2019	20,339	(860)	Import orders	1/1/2019–6/30/2019
Total Consolidated	**196,851**	**(3,656)**		

(*) Non-Deliverable Forwards are priced under the discounted cash flow method, using projections from "B3 S.A.- Brasil, Bolsa e Balcão".

During the year, the NDF transactions used to hedge the cash flow risk of import orders were effective and complied with the levels established by accounting pronouncement *CPC* 48/IFRS 9.

24.4.1.2 Cash flow

The cash flows related to import orders of goods for resale are initially recorded in the inventories and subsequently in net income as the inventories are realized in the normal course of operations.

The table below shows the expected cash flow from the import orders of future operations exposed to foreign currency hedged by derivatives, using as reference the US dollar exchange rate expected for the next reporting date of R$ 3.8954:

	1Q19	**2Q19**	**3Q19**	**Total**
Resale goods import orders	391,905	254,151	120,757	766,813
Notional amount - US$ thousand	**100,607**	**65,244**	**31,000**	**196,851**

24.4.2 Derivatives not for hedge accounting

24.4.2.1 Swaps

						Amount receivable (payable)	
Type	**Maturity**	**Long Position**	**Short Position**	***Notional***	**Note**	**12/31/2018**	**12/31/2017**
Interest rate swap	2017–2019	IPCA + 5.7% p.a.	98.7% CDI	R$ 31,838	17,2	1,087	1,747
Foreign exchange swap	Aug 2019	US$ + 2.61% p.a.	103% CDI	US$ 43,550	17,2	29,240	4,429
Foreign exchange swap	Jun 2019	US$ + 4.41% p.a.	100.9% CDI	US$ 45,000	17,2	6,854	-
			Total – Parent Company			**37,181**	**6,176**
Foreign exchange swap	Jan 2019	US$ + 2.43% p.a.	103.9% CDI	US$ 10,779	17,2	6,566	-
Foreign exchange swap	Dec 2019	US$ + 3.31% p.a.	102.5% CDI	US$ 9,100	17,2	(629)	-
Foreign exchange swap	Apr 2019	US$ + 3.16% p.a.	100.9% CDI	US$ 8,803	17,2	3,914	-
Foreign exchange swap	Aug 2020	US$ + 4.67% p.a.	101.8% CDI	US$ 33,000	18,1	(7,199)	-
			Total – Consolidated			**39,833**	**6,176**

Swaps are stated in balance of borrowing, financing and debenture (see Note 17.2 and Financing - financial services operations (see Note 18.1) since they are in compliance with *CPC* 40/IFRS 7.

24.4.2.2 Change of the swaps

	Parent Company	**Consolidated**
Balance on January 1, 2017	**(20,320)**	**(23,891)**
Settlement of principal	22,272	27,120
Interest payment	5,721	5,721
Loss from fair value	(1,497)	(2,774)
Balance on December 31, 2017	**6,176**	**6,176**
Interest payment	4,302	5,725
Gain from fair value	26,703	27,932
Balance on December 31, 2018	**37,181**	**39,833**

(All amounts in thousands of Reais unless otherwise stated)

24.5 CREDIT RISK

The ratings of derivatives are in accordance with the main risk rating agencies. Below we present the credit risk of derivative assets at December 31, 2018 (currency forward contracts of the Non-Deliverable Forward (NDF) type), since the balances of swaps are presented in Note 6.2 on liquidity 6.2:

	Consolidated	
Rating - National Scale	**12/31/2018**	**12/31/2017**
brAAA	56,076	12,965
(*) N/a	2,445	128
Total - Derivative financial instrument (assets)	**58,521**	**13,093**

(*) Not applicable, because it is not included in the national scale rating.

25 OTHER OBLIGATIONS

	Parent Company		Consolidated	
	12/31/2018	**12/31/2017**	**12/31/2018**	**12/31/2017**
Advances from financial institutions (a)	2,225	3,214	4,911	4,903
Obligations with customers (b)	22,281	18,317	44,857	40,749
Obligations related to the transactions with insurance (c)	5,909	8,712	6,101	9,021
Transfer of operation of financial products (d)	16,928	14,616	-	-
Acquisition of ICMS credits (e)	19,008	12,929	19,693	12,929
Other obligations (f)	3,306	8,110	5,583	9,090
Total	**69,657**	**65,898**	**81,145**	**76,692**
Current liabilities	68,421	63,673	79,383	74,252
Non-current liabilities	1,236	2,225	1,762	2,440
Total	**69,657**	**65,898**	**81,145**	**76,692**

(a) Refer to advances of payroll agreements from financial institute, among others related with Branded Card.
(b) Refer to balances in favor to clients, which credits may be used as payment for purchases in the Company and goods bought from bridal registries, but not yet delivered.
(c) Advances related to insurance operations related to exclusivity contract and insurance premiums paid by clients to be transferred to the insurance company.
(d) Refer to the agreement of transfers of the quick withdrawal agreement and transfers of "*Meu Cartão*" (co-branded card) operations balances.
(e) Refer to balances payable corresponding to the acquisition of *ICMS* credits.
(f) Refer to balances payable corresponding to royalties, payroll advance borrowings, among others.

26 RELATED PARTIES

The Company, the subsidiaries and related persons perform transactions among themselves, related to the financial, business and operational aspects of the Company. We describe below the most significant transactions:

26.1 PARENT COMPANY'S CONTEXT

26.1.1 Lease agreements

In August 2018, the Company updated lease agreements by means of addendum with the subsidiary Dromegon referring to the buildings of the stores located in the downtown of Porto Alegre, Santa Maria and Pelotas. The lease values for these properties were set at 4.29%, 4% and 4% of gross monthly sales by stores, in this order. These lease agreements are effective for ten years and may be renewed.

26.1.2 Quick withdrawal extension service agreement

The Company provides quick withdrawal services, through its indirect subsidiary Realize CFI, making it possible for Renner customers to obtain quick withdrawal. Lojas Renner is a party in the transaction through its operating infrastructure, providing bank correspondent product services.

(All amounts in thousands of Reais unless otherwise stated)

26.1.3 Use of Renner Card and "Meu Cartão" (co-branded card) in Camicado

One of the main synergy drivers pointed out by management in the Camicado integration process is the acceptance of Renner Card (CCR) and "Meu Cartão" (co-branded card) in Camicado stores.

26.1.4 Agreement to apportion corporate costs and expenses

As a means of optimizing the corporate structure made available to management, Lojas Renner and its subsidiaries entered into 59
agreements among themselves to share their structures, mainly focused on sharing back-office and corporate structure.

26.1.5 Import intermediation

The Parent Company carries out commercial transactions with its subsidiary LRS, which operates as import intermediary. Such operation is in line with the Company's strategy of increasing the approximation to and development of its international base of suppliers. The revenue from intermediation commission was produced at a price compatible with the market conditions.

26.1.6 Export of goods and services

The Parent Company carries out commercial transactions with its subsidiary LRU related to the export of merchandise for building inventories and be prepared for retail transactions in that country. In addition, Parent Company also exports services to this subsidiary, as part of an agreement for the sharing of corporate expenses. All commercial transactions carried out with this subsidiary are priced considering market conditions.

26.2 CONSOLIDATED CONTEXT

26.2.1 Agreements or other significant obligations between the company and its Management members

According to Chapter IV, art. 13 of the Company's Bylaws, the Company's Management is incumbent upon the Board of Directors and the Executive Management. The investiture of these Management members in their position is for a term of office drafted in a book, signed by the invested Management member, not requiring any guarantee of Management, and conditioned to the prior signature of the Statement of Compliance of Management Members regarding the Novo Mercado Listing Rules.

The Board of Directors, elected at Shareholders' Meeting, have unified terms of office of one year, re-election being permitted. The Board of Directors' members in office are automatically considered appointed for re-election by joint proposal of the Board of Directors' members.

The Executive Management, which members are elected and may be removed from office at any time by the Board of Directors, have term of office of two years, re-election being permitted, and are tied to a service contract, which remuneration comprises a fixed component annually adjusted for the INPC and a variable component, which amount reflects the financial performance of the Company.

A Board of Directors' Meeting held on April 19, 2018 elected the Company's Executive Board, according to which their term in office started as of the date and will end on the date of the next Annual Shareholders' Meeting, in 2020.

26.2.2 Remuneration of the members of the Board of Directors and Executive Board (the "Management")

Pursuant to Corporation Law and the Company's bylaws, it is the responsibility of shareholders, at a Annual Shareholders' Meeting, to set the total amount of the annual Management fees. It is up to the Board of Directors to distribute the allowance among the Management members after considering the Committee of Persons.

The Annual Shareholders' Meeting held on April 19, 2018, approved the Management members' global remuneration limit up to R$ 44,000 (forty-four million) for fiscal year 2018. This amount consists of funds that include fixed remuneration, variable remuneration, which sum, besides participation in meetings, the statutory participation (Art. 34 of the Bylaws and paragraph 1 of art. 152 of Law 6.404/76), and the cost of the share plan and the restricted share plan (notes 30 and 31).

The summary of amounts for the years ended December 31, 2018 and 2017 are as follows:

	Parent Company		Consolidated	
	2018	2017	2018	2017
Management remuneration	(11,296)	(11,424)	(12,119)	(12,215)
Management profit sharing	(8,295)	(10,551)	(8,295)	(10,551)
Stock option plans	(9,501)	(15,233)	(9,501)	(15,233)

(All amounts in thousands of Reais unless otherwise stated)

Restricted share plan	(3,530)	(3,012)	(3,530)	(3,012)
Total	**(32,622)**	**(40,220)**	**(33,445)**	**(41,011)**

Total management remuneration is impacted by calculation of operating and financial indicators that are reflected in the Company's net income.

26.3 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

26.3.1 ACCOUNTING POLICY

Transactions between the Company's subsidiaries, including balances, gains and losses not realized in these transactions were eliminated, when applicable. The subsidiaries' accounting policies were adjusted to ensure consistency with the Parent Company's accounting practices.

(All amounts in thousands of Reais unless otherwise stated)

26.3.2 Balances with related companies

The main asset and liability balances, as well as the transaction amounts recorded in net income for the period from related party transactions arise from transactions performed at arm's length in the respective transaction types and are summarized below:

Operations - Assets (liabilities)	RACC	Dromegon	Camicado	Youcom	LRS	Realize Participações S.A.	LRU	Realize CFI	Total
Accounts receivable									
Export of goods for resale	-	-	-	-	-	-	13,293	-	13,293
Branded card operations ("Meu Cartão")	-	-	-	-	-	-	-	228,724	228,724
Credit with related parties									
Sharing of expenses	-	-	795	257	7,170	4	155	21,596	29,977
Debits with related parties									
Sharing of expenses	(92)	6	-	-	(26)	-	-	(18)	(130)
Rents payable	-	(1,087)	(54)	-	-	-	-	-	(1,141)
Obligations with credit card administrators									
Branded card operations ("Meu Cartão")	(1,404)	-	-	-	-	-	-	(16,951)	(18,355)
Other obligations									
Renner credit card operations	-	-	(16,326)	-	-	-	-	-	(16,326)
Quick withdrawal operations	-	-	-	-	-	-	-	(602)	(602)
Total – December 31, 2018	**(1,496)**	**(1,081)**	**(15,585)**	**257**	**7,144**	**4**	**13,448**	**232,749**	**235,440**
Accounts receivable									
Export of goods for resale	-	-	-	-	-	-	9,153	-	9,153
Branded card operations ("Meu Cartão")	-	-	-	-	-	-	-	178,711	178,711
Credit with related parties									
Sharing of expenses	-	-	395	970	6,167	1	78	7,319	14,930
Negative equity	-	-	-	-	(2,419)	-	-	-	(2,419)
Other assets									
Quick withdrawal operations	-	-	-	-	-	-	-	638	638
Debits with related parties									
Quick withdrawal operations	(2,513)	-	-	-	-	-	-	-	(2,513)
Sharing of expenses	-	5	-	-	(40)	-	-	11	(24)
Rents payable	-	(1,090)	(116)	-	-	-	-	-	(1,206)
Obligations with credit card administrators									
Branded card operations ("Meu Cartão")	(26,040)	-	-	-	-	-	-	(12,591)	(38,631)
Other obligations									
Renner credit card operations (Private Label)	-	-	(14,616)	-	-	-	-	-	(14,616)
Total - December 31, 2017	**(28,553)**	**(1,085)**	**(14,337)**	**970**	**3,708**	**1**	**9,231**	**174,088**	**144,023**

(All amounts in thousands of Reais unless otherwise stated)

26.3.3 Transactions with related companies

Type of income (expense)	RACC	Dromegon	Camicado	Youcom	LRS	LRU	Realize CFI	12/31/2018 Total
Apportionment for corporate expenses	(629)	72	4,137	4,505	1,718	-	16,277	26,080
Intermediation commission	-	-	-	-	(13,223)	-	-	(13,223)
Property rental expenses	-	(7,232)	-	-	-	-	-	(7,232)
Income from rendering of services	-	-	-	-	-	1,920	16,188	18,108
Export of goods	-	-	-	-	-	42,124	-	42,124
Total	**(629)**	**(7,160)**	**4,137**	**4,505**	**(11,505)**	**44,044**	**32,465**	**65,857**

Type of income (expense)	RACC	Dromegon	Camicado	Youcom	LRS	LRU	Realize CFI	12/31/2017 Total
Apportionment for corporate expenses	29,435	64	3,555	3,914	1,310	-	7,582	45,860
Intermediation commission	-	-	-	-	(6,427)	-	-	(6,427)
Property rental expenses	-	(7,169)	-	-	-	-	-	(7,169)
Income from rendering of services	-	-	-	-	-	1,680	7,359	9,039
Sale of Fixed assets and intangible assets	-	-	-	-	-	-	4,493	4,493
Export of goods	-	-	-	-	-	15,296	-	15,296
Financial returns	-	-	-	-	-	-	1,383	1,383
Total	**29,435**	**(7,105)**	**3,555**	**3,914**	**(5,117)**	**16,976**	**20,817**	**62,475**

(All amounts in thousands of Reais unless otherwise stated)

27 SHAREHOLDERS' EQUITY

27.1 CAPITAL

The Company's authorized capital limit is 1,237,500,000 (one billion, two hundred and thirty-seven million and five hundred thousand) common shares, all without par value. Within the limits authorized in the Articles of Association, the Company will be able to increase the capital independently of statutory reform. The Board of Directors will determine the conditions for the share issue, including price and timeframe for payment.

According to art. 40 of the Company By-laws, any person or group of shareholders that acquires or becomes the holder of shares issued by the Company (Purchasing Shareholder) in a quantity greater than or equal to 20% of the total shares issued, shall, within 60 days after the date of acquisition, hold a Public Offering (PO) for the acquisition of all the shares, complying with provisions of CVM regulations, of the regulations of B3 and of the Company's By-laws. On December 31, 2018, no shareholder individually holds ownership interest greater than or equal to 20%.

Each common share corresponds to the right to one vote in the deliberations of the General Meeting, as well as the right to participate in the allocation of income, in the form of dividends, proposed in compliance with the Company's By-laws and in accordance with articles 190 and 202 of Law 6404/76, which establish a minimum compulsory dividend equivalent to 25% of the adjusted net income.

27.1.1 The changes in the Capital is shown below:

	Share quantity (thousand)	Total
Balance on January 1, 2017	**643,551**	**1,178,368**
Capital increase, RCA on May 17, August 17 and November 16	5,329	60,678
Incorporation with capital reserves	-	237,849
Share bonus (Incorporation of profit reserves)	64,355	1,080,001
Balance on December 31, 2017	**713,235**	**2,556,896**
Capital increase, RCA on May 21, August 16 and November 21	6,789	80,577
Balance on December 31, 2018	**720,024**	**2,637,473**

27.2 TREASURY SHARES

As of December 31, 2018, treasury shares balance is R$44,536 (R$27,857 as of December 31, 2017) corresponding to 2,085,400 common shares at average weighted cost of R$21.36 (R$18.58 as of December 31, 2017).

27.2.1 Changes in treasury shares

	Amount (in thousand)	Amount	Average price
Balance on January 1, 2017	**1,100**	**19,021**	**17.29**
Repurchase of shares	399	8,836	22.15
Balance on December 31, 2017	**1,499**	**27,857**	**18.58**
Repurchase of shares	600	16,988	28.31
Disposal of shares	(14)	(309)	21.36
Balance on December 31, 2018	**2,085**	**44,536**	**21.36**

27.3 CAPITAL RESERVES

27.3.1 Stock option plan reserve and restricted share plan

Refer to the contra-entry of the stock option plan expenses, as described in Notes 30 and 31. The allocation of capital reserves depends on resolution at Special Shareholders' Meeting. The balance on December 31, 2018 is R$ 124,093 (R$ 94,285 on December 31, 2017).

(All amounts in thousands of Reais unless otherwise stated)

27.4 PROFIT RESERVES

27.4.1 Legal reserve

In compliance with art. 193 of Law 6404/76 and art. 34, item (a) of the Company's Bylaws, the legal reserve is set up at amount equivalent to 5% of the net income for each year. The balance on December 31, 2018 is R$ 87,641 (R$ 36,634 on December 31, 2017).

27.4.2 Reserve for investment and expansion

This reserve is formed according to the intended use decided on by the Management bodies, to cover investments in the Company's expansion plan, as provided for in art. 34, item (c) of the Company's by-laws. The balance on December 31, 2018 is R$ 946,514 (R$ 439,472 on December 31, 2017).

27.4.3 Tax incentive reserve

The Company uses ICMS tax incentives in the form of "presumed credit," with its respective impacts on net income, having earned the amount of R$ 32,871 at the Parent Company in 2018. The Company's management, in view of the publication of Complementary Law 160/17 and in compliance with Law 6404/76, allocated these incentives as tax incentive reserve. The balance of tax incentive reserve on December 31, 2018 is R$ 56,540 (R$ 23,669 on December 31, 2017).

27.4.4 Additional dividend proposed

Refers to dividends proposed in addition to the minimum mandatory dividend. The balance on December 31, 2018 is R$ 144,639.

27.5 OTHER COMPREHENSIVE INCOME

They are presented as other comprehensive income: Accumulated translation adjustments and the unrealized net income on derivative financial instruments as equity valuation adjustments. The amount of adjustments recorded represents an accumulated balance of earnings, net of taxes, in the amount of R$ 2,148 on December 31, 2018 (R$ 4,100 of gain, net of taxes, on December 31, 2017).

28 DIVIDENDS AND INTEREST ON OWN CAPITAL

28.1 ACCOUNTING POLICY

The Company's bylaws and corporate law establish that a minimum of 25% of the adjusted annual net income must be distributed as dividends. Accordingly, the Company records provision, upon the closing of each year, in the amount of the minimum compulsory dividend that has not yet been distributed if such limit was not attained by interim remunerations. Dividends exceeding this limit are segregated in a specific account of shareholders' equity denominated "Additional dividends proposed". When decided by Management, interest on own capital is calculated in dividends for the year. The tax benefit of interest on own capital is recognized in the net income (Note 13.4).

28.2 DISTRIBUTION OF INTEREST ON OWN CAPITAL

In Board of Directors meeting held on January 17, 2019, the Company's management proposed distribution of 40% of net income generated in 2018, supplementing by R$144,639, as dividends, the amount already defined as interest on own capital during the year. This distribution of dividends will be submitted for approval to the Annual Shareholders' Meeting to be held by April 2019. Interest on own capital plus dividends total 40% of net income for the year, complies with provisions of Articles 201 and 202 of Law 6404/76 and Art. 36 of the Company's Bylaws.

(All amounts in thousands of Reais unless otherwise stated)

Dividends and interest on own capital were calculated and distributed as follows:

Basis of calculation for dividends and adjusted interest on own capital	**2018**	**2017**
Net income for the year	1,020,136	732,679
(-) Legal reserve	(51,007)	(36,634)
(-) Tax incentive reserve	(32,871)	(23,669)
Adjusted net income for the year	**936,258**	**672,376**
Minimum compulsory dividend (25%)	234,064	168,094
Amount additional to the minimum in the form of JSCP	-	28,837
Proposed additional dividend (without prescribed dividend)	173,990	96,141
Total interest on own capital and dividends	**408,054**	**293,072**
Percentage distributed over the net income for the year	40%	40%

Breakdown of distribution:	**2018**	**2017**
Distributed in the form of interest on own capital	225,673	196,931
(-) Withholding income tax on interest on own capital	(29,566)	(27,367)
Complement (excess) of minimum mandatory dividend	37,957	(1,470)
Total minimum mandatory dividend	**234,064**	**168,094**
Proposed additional dividend (without prescribed dividend)	144,424	96,141
(+ Withholding income tax on interest on own capital	29,566	27,367
(+) Excess of minimum mandatory dividend	-	1,470
Total minimum mandatory dividend in excess	**173,990**	**124,978**
Total distributed to shareholders	**408,054**	**293,072**

The statement of the proposal for distribution of interest on own capital and dividends as of December 31, 2018 and 2017 is as follows:

Period	**Nature**	**Payment**	**(*) Outstanding shares (thousand)**	**R$/share**	**12/31/2018**
1Q18	JSCP - RCA 3/15/2018	Apr 2019	711,735	0.072964	51,931
2Q18	JSCP - RCA 6/19/2018	Apr 2019	714,575	0.073243	52,338
3Q18	JSCP - RCA 9/19/2018	Apr 2019	715,881	0.079685	57,045
4Q18	JSCP - RCA 12/19/2018	Apr 2019	717,939	0.089644	64,359
4Q18	Dividends - RCA 1/17/2019	Apr 2019	717,939	0.254034	182,381
4Q18	Dividends prescribed - RCA 1/17/2019	Apr 2019	717,939	0.000299	215
			Total	**0.569869**	**408,269**

Period	**Nature**	**Payment**	**(*) Outstanding shares (thousand)**	**R$/share**	**12/31/2017**
1Q17	JSCP - RCA 03/16/2017	Apr 2018	642,187	0.074760	48,010
2Q17	JSCP - RCA 06/20/2017	Apr 2018	709,646	0.064743	45,945
3Q17	JSCP - RCA 09/19/2017	Apr 2018	711,486	0.070408	50,094
4Q17	JSCP - RCA 12/14/2017	Apr 2018	711,736	0.074300	52,882
4Q17	Dividends - RCA 04/19/2018	Apr 2018	711,736	0.135080	96,141
4Q17	Dividends prescribed - RCA 04/19/2018	Apr 2018	711,736	0.000149	106
			Total	**0.419440**	**293,178**

(*) The number of outstanding shares does not consider treasury shares.

In addition to the portion of 40% of net income for the year of R$408,054 (R$293,072 as of December 31, 2017), the amount of R$ 215 (R$ 106 as of December 31, 2017), referring to redistribution of dividends adjusted to accumulated income account, are also being assigned.

29 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit attributable to company shareholders by the weighted average number of common shares issued during the year.

(All amounts in thousands of Reais unless otherwise stated)

Diluted earnings per share is calculated by adjusting the weighted average number of common shares, presuming the conversion of all the potential diluted common shares for the stock option plans.

The number of shares calculated as described above is compared to the number of issued shares, assuming that the stock option plan is exercised. Basic and diluted earnings (losses) per share for years ended December 31, 2018 and 2017 are as follows:

	Parent Company and Consolidated	
Basic/Diluted numerator	**2018**	**2017**
Net income for the year	1,020,136	732,679
Weighted average of common shares	723,217	688,745
Potential increase in common shares on account of the option plan	5,307	8,413
Basic earnings per share - R$	**1.4106**	**1.0638**
Diluted earnings per share - R$	**1.4003**	**1.0510**

30 STOCK OPTION PLAN

30.1 ACCOUNTING POLICY

The Company approved a stock option plan for selected Management members and executives, offering them the possibility of acquiring the Company's shares in the form and at conditions described in the plan. Fair value of granted stock option plans is calculated at the date of respective grant using the Black&Scholes model. Expense is recorded at a "*pro rata temporis*" basis, which starts on grant date and ends on the date in which the beneficiary acquires the right to exercise the option.

Currently, the Company maintains two stock option plans, totaling six programs and two ongoing contract grants. Details of stock option plans are as follow:

30.2 1ST PLAN (PROGRAMS 2005–2015 AND CONTRACT GRANTS)

All stock option plan granted through 2015 follow the stock option plan approved at the Special Shareholders' Meeting of the Company, held on May 25, 2005, and amended by the Annual and Special Shareholders' Meetings held on April 10, 2007 and March 30, 2009. The programs establish that 50% of options shall be vested after the lapse of three years (1st tranche) from their respective grant, and the remaining portion (2nd tranche) after the lapse of four years (considering only the options comprising the same grant).

On March 5, 2014, it was approved the contractual grant of options of the CEO, which establishes that the option exercise is subject to a total grace period of six years, counted as of the grant date, and from the second and third anniversary of the grant date, it shall be granted the advance exercise of a portion of 30% of the options in each anniversary, taking into account that the balance of 40% may be exercised from the last quarter of the fourth year counted as of the contract signature date, and provided that a target of Company's valuation is met through the Total Shareholder Return (TSR), set by the Board of Directors.

30.3 2ND PLAN (PROGRAMS 2016–2018 AND CONTRACT GRANTS)

On September 23, 2015, at the Special Shareholders' Meeting a new stock option plan was approved, which still did not have any grants through the reporting dates of the financial statements. Each program will have four tranches, with 25% being exercisable after one year and successively. On February 9, 2017, a new contractual options granting was approved by the Chief Executive Officer, which provides for the same conditions of the 2nd Stock option plans.

30.4 COMMON FEATURES OF THE PLANS

Both plans establish the oversight by the Committee of Personnel ("Committee"), created according to the Company's Bylaws, which is composed of the independent members of the Board of Directors ("Board"). Committee members may not be benefitted in stock options. Once an option becomes exercisable, the beneficiary (selected Management members and Executives) may exercise it at any time, at its own discretion, up to the end of the 6-year period counted as of such option grant date. Plans also provide for the right to exercise them in case of death, retirement or permanent disability of the member.

In case of obligation of carrying out a public offering, under the terms of Art. 39, 40, 41 and 42 of the Bylaws, or in the event of success of the tender offer of the Company, if any of these cases result in the termination without cause of a Plan participant by initiative of the Company, all options granted to the respective participant and that are not yet vested shall automatically become vested, which condition is restricted to the termination that occurs up to 12 months in case of the Plan approved in 2015.

(All amounts in thousands of Reais unless otherwise stated)

30.5 POSITION OF STOCK OPTION PLAN

Grant	Exercise value	Grant date	Grace period 1st tranche	Grace period 2nd tranche	Grace period 3rd tranche	Grace period 4th tranche	Position of grants (Quantity) Balance on 12/31/2018	Balance on 12/31/2017
9th grant	14.19	2/22/2013	2/22/2016	2/21/2017	-	-	-	240
10th grant	10.21	2/19/2014	2/18/2017	2/18/2018	-	-	201	1,902
Contractual grant	10.16	3/5/2014	3/4/2016	3/4/2017	9/30/2017	-	713	3,312
11th grant	13.25	2/12/2015	2/11/2018	2/11/2019	-	-	1,611	3,168
11th compl. grant	15.83	4/16/2015	4/15/2018	4/15/2019	-	-	14	28
						Subtotal - 1st plan	**2,539**	**8,650**
1st grant	15.40	2/4/2016	2/3/2017	2/3/2018	2/3/2019	2/3/2020	1,076	1,725
2nd grant	21.71	2/9/2017	2/9/2018	2/9/2019	2/9/2020	2/8/2021	1,086	1,521
Contractual grant	21.71	2/9/2017	2/9/2018	2/9/2019	2/9/2020	2/8/2021	1,564	1,564
3rd grant	36.21	2/8/2018	2/8/2019	2/8/2020	2/7/2021	2/7/2022	1,011	-
						Subtotal - 2nd plan	**4,737**	**4,810**
						Total	**7,276**	**13,460**

The closing share price of the Company as of December 31, 2018 is R$ 42.40 (R$ 35.49 as of December 31, 2017).

Each option corresponds to the right to subscribe one share of the Company. As of December 31, 2018, there were 7,276 thousand options in the Money. We show below the effects in the net equity per share and the respective percentage of reduction in the ownership interests of the current shareholders as of December 31, 2018 (December 31, 2017):

	12/31/2018	12/31/2017
Shareholders' equity	3,954,512	3,223,446
Number of shares - thousand	720,024	713,235
Book value per share - R$	5.49	4.52
Shareholders' equity, considering the in the Money options exercised	4,096,086	3,415,881
Number of shares, considering the in the Money options exercised	727,300	726,695
Book value of the share, considering the in the Money options exercised	5.63	4.70
% of decrease in the ownership interest of current shareholders, considering the in the Money options exercised	1.01%	1.89%

(All amounts in thousands of Reais unless otherwise stated)

30.6 ASSUMPTIONS TO FAIR VALUE MEASUREMENT OF STOCK OPTION PLAN

Assumptions for measuring the fair value of stock option plans *Black&Scholes*. For determining fair value, the Company adopted assumptions as:

(a) Option exercise value: corresponds to the weighted average rate over the last 30 share trading sessions of Lojas Renner S.A before the grant date.
(b) The Company's share price volatility: corresponds to the weighting of the trading history of the Company's share.
(c) Risk-free interest rate: The Company used the Interbank Deposit Certificate (CDI) available on the grant date and projected for the maximum grace period of the option.
(d) Expected dividend: this percentage corresponds to the payment of dividends per share in relation to the market value of the Company's shares on the grant date.
(e) Vesting period: represents the maximum period for beneficiaries to exercise their options.

30.7 CHANGES IN STOCK OPTION PLAN

	Amount (in thousands)
Balance on January 1, 2017	**14,486**
Options granted	2,816
Options exercised	(5,329)
Options canceled	(229)
Share bonus effect - Special Shareholders' Meeting on May 3, 2017	1,716
Balance on December 31, 2017	**13,460**
Options granted	1,178
Options exercised	(6,789)
Options canceled	(573)
Balance on December 31, 2018	**7,276**

In year ended December 31, 2018, expenses with share purchase option plan totaled R$ 20,498 (R$27,638 on December 31, 2017) in Parent Company and Consolidated.

31 RESTRICTED SHARE PLAN

31.1 ACCOUNTING POLICY

The Company approved a restricted share plan for selected Management members and executives, offering them the possibility of acquiring restricted share in the form and at conditions described in the plan. Expense is recorded at a pro rata temporis basis, which starts on grant date and ends on the date in which the Company transfers the right of shares to the beneficiary. Expenses corresponds to the number of issued shares multiplied by the share price on the grant date. The provision of social security contributions is updated monthly according to the closing price of the Company.

On September 23, 2015, at the Special Shareholders' Meeting a Restricted Share Plan was approved. The plan shall be administered by the Committee of Personnel of the Company ("Committee"), created in compliance with the Bylaws, which is composed of independent members of the Board of Directors ("Board"). The plan establishes that the Committee and Board members shall not be eligible to the Restricted Share plan.

31.2 MAIN CHARACTERISTICS OF THE RESTRICTED SHARE PLAN

For purposes of this plan, the Board of Directors may, upon previous recommendation of the Committee, grant a number of registered and book-entry common shares of the Company, not in excess of 1% of the totality of issued shares. The restricted shares to be granted to participants should be those that are held in the Company's treasury.

The grants of Restricted Shares shall be periodically performed to benefit the management members and executives of the Company who occupy strategic positions for the businesses, so identified by the Committee. The definite transfer of Restricted Shares to the participants is conditioned to the fulfillment of a grace period of three years for each grant, and at the end of the grace period, the participant shall have employment agreement with the Company, otherwise, the grants shall be cancelled. All Restricted Shares which grace period has not been completed yet shall be due and shall be transferred to the owners, heirs or successors in case of death, permanent invalidity or retirement.

In case public offer is mandatory pursuant to the terms of Art. 39, 40, 41 and 42 of the Bylaws, or in the hypothesis public offer is successful for acquisition of the Company's control, if any of these cases result in termination without cause of a Plan member at

(All amounts in thousands of Reais unless otherwise stated)

the Company's initiative, all restricted shares assigned to the respective member that are still within grace year will be transferred to the member by recommendation of the Committee and if approved by the Board of Directors.

On February 9, 2017, a contractual restricted shares granting was approved by the Chief Executive Officer due to the extension of his contract. The contractual grant has the same conditions of exercise and grace period of the other existing grants.

31.3 POSITION OF RESTRICTED SHARE PLAN

Grant	Grant date	Grace period 1st tranche	Position of grants (Quantity) 12/31/2018	12/31/2017
1st grant	2/4/2016	2/3/2019	421	484
2nd grant	2/9/2017	2/9/2020	369	292
Contractual grant	2/9/2017	2/9/2020	292	425
3rd grant	2/8/2018	7/2/2021	269	-
			1,351	**1,201**

31.4 CHANGES IN RESTRICTED SHARE PLAN

	Amount (In thousands)
Balance on January 1, 2017	**453**
Options granted	654
Options canceled	(16)
Share bonus effect - Special Shareholders' Meeting on May 3, 2017	110
Balance on December 31, 2017	**1,201**
Options granted	317
Options canceled	(147)
Options exercised	(20)
Balance on December 31, 2018	**1,351**

In the year ended December 31, 2018, expenses with restricted share purchase plan, including principal and social charges, R$ 19,946 (R$ 12,089 on December 31, 2017).

32 INFORMATION PER BUSINESS SEGMENT

32.1 ACCOUNTING POLICY

The operating segments are presented consistently with the internal report supplied to the Company's main operating decision maker. The main decision maker, in charge of allocating funds and evaluating performance of operating segments is the Company's Board of Directors. Information of operating segments is divided in:

(i) **Retail:** sale of garment items (women, men and children fashion), perfumery, cosmetics, watches, as well as the home & decoration segment; including Renner, Camicado, Youcom and Ashua operations;

(ii) **Financial products:** granting of quick withdrawals, financing of purchases and insurance, and the practice of active and liabilities inherent to credit companies, such as branded card, among others.

	Retail		Financial Products		Total	
	2018	2017	2018	2017	2018	2017
Net operating income	7,485,433	6,600,073	941,108	844,232	8,426,541	7,444,305
Cost of sales	(3,257,398)	(2,922,882)	(27,119)	(22,031)	(3,284,517)	(2,944,913)
Gross profit	**4,228,035**	**3,677,191**	**913,989**	**822,201**	**5,142,024**	**4,499,392**
Sales	(2,075,387)	(1,866,000)	-	-	(2,075,387)	(1,866,000)
General and administrative	(699,571)	(596,999)	-	-	(699,571)	(596,999)
Losses on receivables, net	-	-	(280,673)	(255,835)	(280,673)	(255,835)
Other operating net income	(29,190)	(69,958)	(283,886)	(234,771)	(313,076)	(304,729)
Net income from segments	**1,423,887**	**1,144,234**	**349,430**	**331,595**	**1,773,317**	**1,475,829**
Depreciation and Amortization	(301,643)	(314,169)	(12,931)	(14,882)	(314,574)	(329,051)
Stock option plan					(20,498)	(27,638)
Write-off and provision for fixed assets losses					(6,130)	(21,351)
Management profit sharing					(8,294)	(10,551)
Net financial income					(53,628)	(83,101)
Income tax and social contribution					(350,057)	(271,458)
Net income for the year					**1,020,136**	**732,679**

The segment profit or loss shown in the above table does not deduct the expenses with depreciation and amortization, with the stock option plan and net income from write-off of assets. The exclusion of these expenses in the calculation of the net income of

(All amounts in thousands of Reais unless otherwise stated)

segments is in line with the way Management evaluates the performance of each business and its contribution to the cash generation of the Company. The Company does not allocate the financial net income by segment, understanding that its composition is more related to corporate decisions on capital structure than to the nature of the net income of each business segment.

33 INCOME

33.1 ACCOUNTING POLICY

Beginning on January 1, 2018 the *CPC 47 / IFRS* 15 – Revenue from Contracts with Customers came into effect, which deals with the new approach to recognize revenue from transactions with customers. This standard establishes a model aimed at evidencing whether the criteria for accounting were satisfied or not. The steps of this new process also comprise the following:

i) Identification of the contract with the client;
ii) Identification of performance obligations;
iii) Determination of transaction price;
iv) Allocation of transaction price; and
v) Income recognition upon satisfaction of performance obligation.

Considering the above-mentioned aspects, revenues shall be recorded at the amount that reflects the Company's expectation of receiving in consideration of the products and financial services offered to customers.

Management evaluated the effects of adopting the standard and did not identify any change or impact from the recognition of such income, regarding the possible changes in the recognized amounts and the changes in the performed control activities, as they are recognized to the extent there is transfer of control of products and services.

The gross income is less rebates and discounts and eliminations of income between related parties and adjustment to present value, as Note 8.1.

Sale of goods – retail: The Company operates with a chain of retail outlets to trade its goods. Income is recognized in net income upon the effective delivery of the goods to the customer. Sales are spot sales, in cash and debit cards, or forward sales through third party cards, Renner card, through financing granted through agreements with financial institutions or through the indirect subsidiary Realize CFI.

Sales of financial products and services: The Company carries out own credit transactions and offers quick withdrawals and sales financing by means of agreements with financial institutions. Operating net income is recognized in net income considering effective interest rate, throughout contract validity and for agreed operations, according to the effective provision of services.

33.2 BREAKDOWN

	Parent Company		Consolidated	
	2018	2017	2018	2017
Gross operating income	**9,843,444**	**8,967,857**	**11,420,402**	**10,179,721**
Sales of goods	9,450,968	8,506,308	10,420,645	9,264,109
Financial products and services	392,476	461,549	999,757	915,612
Deductions	**(2,728,674)**	**(2,506,440)**	**(2,993,861)**	**(2,735,416)**
Returns and cancellations	(590,848)	(542,839)	(633,807)	(576,443)
Taxes on sales	(2,113,351)	(1,935,579)	(2,301,405)	(2,087,593)
Taxes on financial products and services	(24,475)	(28,022)	(58,649)	(71,380)
Net operating income	**7,114,770**	**6,461,417**	**8,426,541**	**7,444,305**

According to Company's product return policy, the client receives a bonus voucher at the same price of the returned good for further use in a new purchase.

(All amounts in thousands of Reais unless otherwise stated)

34 EXPENSES PER TYPE

The Company's statement of net income is shown by duty. We show below the details of expenditures by nature.

34.1 SELLING EXPENSES

	Parent Company		Consolidated	
	2018	2017	2018	2017
Personal	(689,123)	(647,842)	(799,897)	(735,586)
Occupancy	(474,232)	(439,453)	(566,832)	(512,954)
Outsourced services	(69,505)	(55,473)	(81,395)	(64,571)
Utilities and services	(197,243)	(185,106)	(219,214)	(201,443)
Promotions	(176,494)	(152,295)	(205,841)	(171,086)
Depreciation and amortization	(155,550)	(174,840)	(181,220)	(195,899)
Other expenses	(172,649)	(158,261)	(202,208)	(180,360)
	(1,934,796)	**(1,813,270)**	**(2,256,607)**	**(2,061,899)**

34.2 GENERAL AND ADMINISTRATIVE EXPENSES

	Parent Company		Consolidated	
	2018	2017	2018	2017
Personal	(310,993)	(262,035)	(336,607)	(281,382)
Occupancy	(30,321)	(30,647)	(35,189)	(34,296)
Outsourced services	(191,672)	(166,302)	(218,001)	(185,175)
Utilities and services	(49,775)	(47,252)	(54,560)	(51,585)
Depreciation and amortization	(109,705)	(111,783)	(120,423)	(118,270)
Other expenses	(39,633)	(33,485)	(55,214)	(44,561)
	(732,099)	**(651,504)**	**(819,994)**	**(715,269)**

34.3 OTHER OPERATING INCOME

	Parent Company		Consolidated	
	2018	2017	2018	2017
Financial products and services	(145,368)	(112,730)	(283,062)	(233,865)
Depreciation and amortization	(10,512)	(13,385)	(12,931)	(14,882)
Net income from write-off of fixed assets	(2,822)	(18,006)	(6,130)	(21,351)
Stock option plan	(20,498)	(27,638)	(20,498)	(27,638)
Management profit sharing	(8,294)	(10,551)	(8,294)	(10,551)
Other operating net income	(1,778)	(4,398)	(6,951)	(6,719)
Recovery of tax credits	32,167	6,804	36,773	13,501
Employee profit sharing	(59,244)	(72,696)	(59,836)	(77,646)
	(216,349)	**(252,600)**	**(360,929)**	**(379,151)**

35 FINANCIAL COSTS

	Parent Company		Consolidated	
	2018	2017	2018	2017
Financial income	**37,708**	**52,291**	**49,164**	**59,058**
Gains on cash equivalents	28,646	50,685	31,291	53,996
Foreign-exchange gains	348	345	7,079	3,722
SELIC interest on tax credits	7,857	67	9,824	97
Other financial income	857	1,194	970	1,243
Financial expenses	**(91,556)**	**(132,896)**	**(102,792)**	**(142,159)**
Interest on borrowings, financing and swap	(76,102)	(117,682)	(81,525)	(120,703)
Loss on hedge transactions - settled	-	(3,840)	-	(3,840)
Foreign-exchange losses	(365)	(501)	(3,666)	(3,407)
Liability interest	(5,978)	(682)	(7,384)	(896)
Other financial expenses	(9,111)	(10,191)	(10,217)	(13,313)
Net financial income	**(53,848)**	**(80,605)**	**(53,628)**	**(83,101)**

(All amounts in thousands of Reais unless otherwise stated)

36 INSURANCE COVERAGE

The Company and its subsidiaries have insurance policies taken out with the main insurance companies in Brazil, which were determined in accordance with the orientation of experts, and take into consideration the nature and the value of risk involved. As of December 31, 2018, the Company and its subsidiaries had insurance coverage for legal liability and property and casualty insurance (basic coverage: against fire, thunder, explosion and other financial loss policy coverage) and for inventory, as shown below:

	Consolidated	
	12/31/2018	**12/31/2017**
Civil liability and Directors & Officers (D&O)	98,200	98,200
Property and inventories	4,356,319	3,942,960
Vehicles	20,276	22,850
	4,474,795	**4,064,010**

(All amounts in thousands of Reais unless otherwise stated)

37 SUPPLEMENTARY INFORMATION TO THE CASH FLOW

37.1 PARENT COMPANY

	Capital	Treasury shares	Financial leases	Borrowings, financing and debentures	Statutory payables	Total
Balance on January 1, 2017	**1,178,368**	**(19,021)**	**72,018**	**962,369**	**156,679**	**2,350,413**
Changes in cash	**60,678**	**(8,836)**	**(11,466)**	**13,440**	**(260,071)**	**(206,255)**
Receipt (payment) from financing activities	60,678	(8,836)	(8,283)	110,978	(253,337)	(98,800)
Interest paid on borrowings, debentures and lease	-	-	(3,183)	(97,538)	-	(100,721)
Management profit sharing	-	-	-	-	(6,734)	(6,734)
Changes not affecting cash	**1,317,850**	**-**	**8,234**	**111,555**	**284,325**	**1,721,964**
Interest expenses and structuring costs	-	-	8,234	111,555	-	119,789
Incorporation of capital reserves	237,849	-	-	-	-	237,849
Share bonus increase	1,080,001	-	-	-	-	1,080,001
Distribution of interest on own capital, dividends and Management members' profit sharing	-	-	-	-	284,325	284,325
Balance on December 31, 2017	**2,556,896**	**(27,857)**	**68,786**	**1,087,364**	**180,933**	**3,866,122**
Changes in cash	**80,577**	**(16,988)**	**(42,865)**	**(249,534)**	**(290,177)**	**(518,987)**
Receipt (payment) from financing activities	80,577	(16,988)	(38,665)	(166,996)	(287,651)	(429,723)
Interest paid on borrowings, debentures and lease	-	-	(4,200)	(82,538)	-	(86,738)
Management profit sharing	-	-	-	-	(2,526)	(2,526)
Changes not affecting cash	**-**	**309**	**8,019**	**68,895**	**352,239**	**429,462**
Disposal/ transfer of shares	-	309	-	-	-	309
Interest expenses and structuring costs	-	-	8,019	68,895	-	76,914
Distribution of interest on own capital and dividends	-	-	-	-	352,239	352,239
Balance on December 31, 2018	**2,637,473**	**(44,536)**	**33,940**	**906,725**	**242,995**	**3,776,597**

(All amounts in thousands of Reais unless otherwise stated)

37.2 CONSOLIDATED

	Capital	Treasury shares	Financial leases	Borrowings, financing and debentures	Statutory payables	Total
Balance on January 1, 2017	**1,178,368**	**(19,021)**	**72,018**	**1,008,267**	**156,679**	**2,396,311**
Changes in cash	**60,678**	**(8,836)**	**(11,466)**	**(18,318)**	**(260,071)**	**(238,013)**
Receipt (payment) from financing activities	60,678	(8,836)	(8,283)	80,546	(253,337)	(129,232)
Interest paid on borrowings, debentures and lease	-	-	(3,183)	(98,864)	-	(102,047)
Management profit sharing	-	-	-	-	(6,734)	(6,734)
Changes not affecting cash	**1,317,850**	**-**	**8,234**	**114,576**	**284,325**	**1,724,985**
Interest expenses and structuring costs	-	-	8,234	114,576	-	122,810
Incorporation of capital reserves	237,849	-	-	-	-	237,849
Share bonus increase	1,080,001	-	-	-	-	1,080,001
Distribution of interest on own capital, dividends and Management members' profit sharing	-	-	-	-	284,325	284,325
Balance on December 31, 2017	**2,556,896**	**(27,857)**	**68,786**	**1,104,525**	**180,933**	**3,883,283**
Changes in cash	**80,577**	**(16,988)**	**(42,865)**	**(140,781)**	**(290,177)**	**(410,234)**
Receipt (payment) from financing activities	80,577	(16,988)	(38,665)	(54,787)	(287,651)	(317,514)
Interest paid on borrowings, debentures and lease	-	-	(4,200)	(85,994)	-	(90,194)
Management profit sharing	-	-	-	-	(2,526)	(2,526)
Changes not affecting cash	**-**	**309**	**8,019**	**74,318**	**352,239**	**434,885**
Disposal/ transfer of shares	-	309	-	-	-	309
Interest expenses and structuring costs	-	-	8,019	74,318	-	82,337
Distribution of interest on own capital and dividends	-	-	-	-	352,239	352,239
Balance on December 31, 2018	**2,637,473**	**(44,536)**	**33,940**	**1,038,062**	**242,995**	**3,907,934**

BOARD OF DIRECTORS, BOARD OF EXECUTIVE OFFICERS, FISCAL COUNCIL AND CONTROLLING

BOARD OF DIRECTORS

Osvaldo Burgos Schirmer

Chairman of the Board of Directors

Carlos Fernando Couto de Oliveira Souto

Vice Chairman of the Board of Directors

José Galló

Director

Fábio de Barros Pinheiro

Director

Heinz-Peter Elstrodt

Director

Christiane Almeida Edington

Director

Thomas Bier Herrmann

Director

Juliana Rozenbaum Munemori

Director

BOARD OF EXECUTIVE OFFICERS

José Galló

Chief Executive Officer

Laurence Beltrão Gomes

Chief Financial and Administration Officer and Investor Relations Officer

Clarice Martins Costa

Human Resources Officer

Fabiana Silva Taccola

Operations Officer

Fabio Adegas Faccio

Procurement Officer

Emerson Silveira Kuze

Information Technology and Management Officer

FISCAL COUNCIL

Francisco Sérgio Quintana da Rosa

Chairman of the Director Fiscal Council

Helena Turola de Araujo Penna

Director

Ricardo Zaffari Grechi

Director

CONTROLLING

Luciano Teixeira Agliardi

Controller General Manager - Accountant CRC-RS 61.106/O-5

ATTACHMENT VI

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT ON INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

To the Directors and Shareholders of

Lojas Renner S.A.

Porto Alegre – RS

Opinion

We have audited the individual and consolidated financial statements of Lojas Renner S.A. ("Company"), identified as Parent Company and Consolidated, respectively, comprising the balance sheet as of December 31, 2018 and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows, for the year then ended, as well as the corresponding notes, comprising the significant accounting policies and other explanatory notes.

In our opinion, the aforementioned financial statements present fairly, in all material respects, the individual and consolidated financial position of Lojas Renner S.A. as of December 31, 2018, the individual and consolidated performance of its operations and its individual and consolidated cash flows for the year then ended, in conformity with accounting practices adopted in Brazil and International Financial Reporting Standards - IFRS issued by the International Accounting Standards Board (IASB).

Basis for opinion

Our audit was conducted in accordance with Brazilian and international auditing standards. Our responsibilities under those standards are further described in the following section denominated "Auditors' Responsibilities for the Audit of the Individual and Consolidated Financial Statements". We are independent in relation to the Company and its subsidiaries, in accordance with the relevant ethical principles provided for in the Accountant's Code of Professional Ethics and in professional standards issued by the Federal Accounting Council, and we comply with other ethical responsibilities according to these standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

The key audit matters are those who, in our professional judgment, were the most significant in our audit of current year. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and, therefore, we do not express a separate opinion on these matters.

Provisions and contingent liabilities – tax, labor and civil – Parent and Consolidated

See Note 23 to the individual and consolidated financial statements

Key audit matters

The Company and its subsidiaries are party to tax, labor and civil lawsuits and administrative processes in course before courts and governmental agencies (mainly related to the use of tax credits), derived from the normal course of its business.

The measurement, accounting recognition as a provision, and the respective disclosure of contingent liabilities require the judgment of the Company, its subsidiaries and its legal advisors, mainly because the Brazilian law is complex and the same provision often allows more than one interpretation.

Changes in the assumptions used by the Company and its subsidiaries to exercise such judgments, or changes in external conditions, including the positioning of tax, labor and civil authorities, can significantly impact the disclosures and amounts recognized in the individual and consolidated financial statements. Thus, this matter was considered a key audit matter.

How our audit addressed this matter

Our audit procedures included, among others, the assessment of the criteria and judgments used by the Company and its subsidiaries to classify the risk of loss in legal and administrative claims, including the measurement of the amounts to be recorded in the financial statements. We analyzed the recognized provisions and disclosures on contingent liabilities considering the external confirmations received from the internal and external legal advisors of the Company and its subsidiaries, and the case laws, opinions and legal opinions, when applicable. We also evaluated whether the disclosures in the explanatory notes consider all material aspects. As a result of above-summarized procedures, we consider that provisions and related disclosures are acceptable in the context of individual and consolidated financial statements taken as a whole.

Impairment of trade accounts receivable - Parent Company and Consolidated

See Notes 3.6, 5.1.2.2 and 8 to the individual and consolidated financial statements

Key audit matters

As described in the notes 3.6, 5.1.2.2 and 8 to the financial statements, in determining the estimated levels of impairment loss of trade accounts receivable, the Company makes significant judgments related to the data, criteria, assumptions, specifically relating to available credit levels attributed, macroeconomic factors and historical default data. Due to the high degree of judgment required to determine the estimates of the expected levels of impairment of trade accounts receivable, considering the high volume of transactions originated by the sale of goods and financial products by the Company and its subsidiaries upon the adoption of *CPC* 48 (IFRS 9) Accounting Technical Pronouncement as of January 1, 2018, including required disclosures, we consider this matter material for the audit.

How our audit addressed this matter

Our audit procedures performed on a sampling basis included, among others, the evaluation of the design, implementation, and effectiveness of internal controls related to the recording of sales transactions and accounts receivable, documentary verification of the data used by the Company and its subsidiaries in determining expected losses on trade accounts receivable, mainly on the maturity date of the notes and recalculation of the average historical performance of customer losses and estimated losses recorded; comparing the criteria used by the Company and its subsidiaries for the adoption of the new accounting standards, including the analysis of the indicators used in internal projections with those used in determining the expected losses; evaluating the assumptions and judgments used by the Company and its subsidiaries using practical expedients when measuring expected credit losses, and comparing the historical pattern of losses with that used by the Company and its subsidiaries to determine the grouping levels that indicate similar loss patterns.

Additionally, we analyzed if disclosures made in individual and consolidated financial statements, described in notes to financial statements 5.1.2.2 and 8, consider all aspects significant for the disclosure.

Based on procedures summarized above, we considered that the measurement of the recoverable value of trade accounts receivable and related disclosures in the context of individual and consolidated financial statements taken as a whole are acceptable.

Other matters - Statements of added value

The individual and consolidated statements of added value (DVA) for the year ended December 31, 2018, prepared under the responsibility of the Company's management, and presented herein as supplementary information for IFRS purposes, have been subject to audit procedures jointly performed with the audit of the Company's financial statements. In order to form our opinion, we evaluated whether those statements are reconciled with the financial statements and accounting records, as applicable, and whether their format and contents are in accordance with criteria determined in the Technical Pronouncement *CPC* 09 - Statement of Added Value. In our opinion, the statements of value added have been fairly prepared, in all material respects, in accordance with the criteria determined by the aforementioned Technical Pronouncement, and are consistent with the overall individual and consolidated financial statements.

Other information accompanying individual and consolidated financial statements and the auditors' report

Management is responsible for the other information comprising the management report.

Our opinion on the individual and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the individual and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with Accounting Practices Adopted in Brazil and with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of the individual and consolidated financial statements, management is responsible for assessing the Company's ability to continue as going concern, disclosing, when applicable, the matters related to its going concern, and the use of this accounting basis in the preparation of the financial statements, unless the management intends to liquidate the Company and its subsidiaries, or cease their operations, or do not have any realistic alternative to avoid the discontinuance of operations.

Those charged with governance of the Company and its subsidiaries are the people responsible for overseeing the process of preparation of the financial statements.

Auditors' Responsibilities for the Audit of the Individual and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance that the individual and consolidated financial statements, taken as a whole, are free from material misstatements, regardless of whether any such misstatement is caused by fraud or error, and issue an audit report containing our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that the audit conducted pursuant to Brazilian and international auditing standards will always detect any existing material misstatements. Misstatements may arise from fraud or error, and are considered material when, individually or in aggregate, may influence, from a reasonable perspective, the economic decisions of users taken based on such financial statements.

As part of an audit conducted according to the Brazilian and international auditing standards, we exercise professional judgment, and maintain professional skepticism during the audit. Moreover:

We identified and assessed the risks of material misstatement in the individual and consolidated financial statements, whether caused by fraud or error, we planned and performed audit procedures in response to such risks, and we obtained proper and sufficient audit evidence to support our opinion. The risk of not detecting material misstatement resulting from fraud is higher than that arising from error, once the fraud may involve the act of dodging the internal controls, collusion, falsification, omission or false intentional representations.

We obtained an understanding of the internal controls relevant to the audit to plan the audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal controls of the Company and its subsidiaries.

We assessed the suitability of the accounting policies used and the reasonableness of the accounting estimates and respective disclosures made by Management.

We reached a conclusion as to the suitability of Management's use of the accounting basis for going concern and, based on the audit evidence obtained, as to whether there is a material uncertainty regarding events or conditions that could raise a significant doubt regarding the Company's and its subsidiaries' capacity for going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and subsidiaries to cease to continue as a going concern.

We assessed the overall presentation, structure and content of financial statements, including disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner consistent with the objective of fair presentation.

We obtained appropriate and sufficient audit evidence regarding the financial information of the entities or business activities of the group to express an opinion on the individual and consolidated financial statements. We are responsible for the management, oversight and performance of audit of the group, and, consequently, the audit opinion.

We communicated with the ones responsible for governance with respect to, among other aspects, the planned scope, time of the audit and significant audit findings, including possible material weaknesses in internal controls identified by us during our work.

We also provide those charged with governance with a statement that we complied with relevant ethical requirements, including the applicable requirements of independence, and communicate all potential relationships or matters that could materially affect our independence, including, where applicable, the related safeguards.

Out of matters that were communicated to people responsible for governance, we determined those that were considered as the most significant in the audit of financial statements for current year and that, accordingly, comprise the key audit matters. We describe these matters in our audit report, unless a law or regulation has prohibited the public disclosure of the issue, or when, under extremely rare circumstances, we determine that the issue shall not be reported in our report, because the adverse consequences from such report may, from a reasonable perspective, exceed the benefits from the report for public interest.

Porto Alegre, February 07, 2019

KPMG Auditores Independentes

CRC SP-014428/F-7

(Original report in Portuguese signed by)

Cristiano Jardim Seguecio

Accountant CRC SP-244525/O-9 T-RS

ATTACHMENT VII

REPORT AND OPINION OF THE AUDIT RISK MANAGEMENT COMMITTEE AND FISCAL COUNCIL

REPORT OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

1 INTRODUCTION AND GENERAL INFORMATION

In April 2012, the Company's Board of Directors established the Audit and Risk Management Committee of Lojas Renner S.A., the Committee subsequently being made statutory following approval by the Extraordinary General Meeting of March 2018.

The Committee is an advisory body reporting directly to the Board of Directors, of a statutory nature, with operating autonomy. It has a consultative character and its functioning is disciplined by the provisions of its Internal Charter and the Company's bylaws. The Committee exercises its consultative functions on behalf of the Board of Directors with respect to fulfilling its supervisory responsibilities for monitoring the integrity of the Financial Statements and internal control systems. It also revises and evaluates the independence and performance of the outside auditors as well as the Company's internal auditors. The Committee is also responsible for revising areas of the Company where risks are significant as well as monitoring compliance with legal and regulatory requirements.

Currently, the Committee is made up of 3 (three) independent members of the Board of Directors, elected by their peers, members to have adequate experience in matters relating to corporate accounting, pursuant to the Brazilian Securities and Exchange Commission – CVM instruction, and 1 (one) external member nominated by the Board, also with recognized experience in corporate accounting matters, as called for by the Committee's Internal Charter.

2 Summary of activities in 2018

During fiscal year 2018, the Audit and Risk Management Committee held 5 ordinary meetings, at which decisions were taken and recommendations formulated for submission to the Board of Directors. On two occasions, meetings were held jointly with the Fiscal Council. During the same period, they were reported in the meetings with the Board of Directors, at which the work undertaken by the Committee was presented as well as recommendations requiring approval. The principal matters discussed during the year are as follows:

2.1 FINANCIAL STATEMENTS

- Revision and recommendations to the Board of Directors as to the approval of the quarterly and annual financial statements;
- Monitoring of provisions for accounting estimates and risks;
- Analysis of the proposals for new guarantees and renewal of existing ones, capture and increase of limits in a revolving credit line for Lojas Renner and subsidiaries, as well as recommendations to the Board of Directors for decisions on these proposals;
- Analysis of financing alternatives for the Uruguay operation, approval and recommendation on the increase in the Capital Stock for this operation, to be decided by the Board of Directors;
- Analysis of Tax and Accounting treatment of tax breaks for subsidizing investment for the fiscal years from 2012 to 2016, as well as the legal justification and opinions of legal offices and the independent auditor; and
- Analysis of the information with respect to the implementation of IFRS 16 by the accounting area.

2.2 MANAGEMENT OF RISKS AND INTERNAL CONTROLS

- Examination of the Risks of the Procurement Area and respective Action Plans;
- Examination of the Risks of the Supply Chain Area and respective Action Plans;
- Evaluation of the Risks itemized in the Reference Form as well as related management and monitoring initiatives;
- Analysis of the summary of risks and related action plans and comments with respect to Realize CFI; and

- Examination of Realize CFI's risk control system in addition to the principal risks identified and their indicators, controls and processes.

2.3 COMPLIANCE AND ETHICS

- Examination and recommendations for submission for Board of Directors approval of the Company's new Compliance and Anti-Corruption Policy.

2.4 CODE OF CONDUCT AND WHISTLEBLOWING CHANNEL

- Monitoring of the complaints received through the channels as well as relative actions adopted by Management.

2.5 INTERNAL AUDIT

- Revision and approval of the Company's principal risks presented by the Internal Audit, including Subsidiary Companies: Camicado, Youcom, Realize CFI and RACC, and subsequently presented to the Board of Directors;
- Examination of the Internal Audit's goals and indicators as well as evolution and situation of the points of sale closed in 2017;
- Examination and approval of the plan for projects to be executed in 2018;
- Analysis of the audit project with respect to Lojas Renner Shanghai's processes as well as approval of the actions proposed;
- Examination of the review presented with respect to the Renner BR and Renner UY accounts payable process; and
- Recommendation for monitoring the Internal Audit for the implementation of the action plans with respect to work executed by PricewaterhouseCoopers Auditores Independentes at Realize CFI.

2.6 INDEPENDENT AUDIT

- Analysis and approval of information provided by KPMG Auditoria Independente with respect to the Closing 2017;
- Examination of KPMG Auditoria Independente's plan and strategy for Fiscal Year 2018;
- Analysis of studies, proposals and comparison of independent audit services, and approval with respect to the renewal of the contract with KPMG Auditores Independentes; and
- Examination of the work undertaken by PricewaterhouseCoopers Auditores Independentes at Realize CFI.

2.7 ONE-OFF DISCUSSIONS

- Analysis and approval of the proposal for updating the WACC rate for 2018;
- Monitoring of the result and the evaluation of the Company's inventory losses;
- Analysis of the status of legal actions with respect to tax issues, as well as approval of initiatives to be taken and proposed by the legal advisors;
- Examination and approval of changes proposed to the Committee's internal charter; and
- Examination and recommendation for Board of Directors approval of the changes to the Governance, Risks and Compliance Policy and to the Transactions with Related Parties Policy as well as the Net Results Allocation Policy.

3 OPINION OF THE AUDIT AND RISKS MANAGEMENT COMMITTEE

Pursuant to the legal provisions, the Audit and Risks Management Committee of Lojas Renner S.A. has reviewed the Management Report and Financial Statements for the fiscal year ending December 31, 2018. On the basis of the aforementioned review and further considering the information and clarifications provided by the Company's Management and by KPMG Auditores Independentes, received during the course of the fiscal year, the Audit and Risks Management Committee recommends that the Board of Directors approve the Management Report and Financial Statements (including explanatory notes) for the fiscal year ending December 31, 2018.

OPINION OF THE AUDIT AND RISKS MANAGEMENT COMMITTEE

Pursuant to the legal provisions, the Audit and Risks Management Committee of Lojas Renner S.A. has reviewed the Management Report and Financial Statements for the fiscal year ending December 31, 2018. On the basis of the aforementioned review and further considering the information and clarifications provided by the Company's Management and by KPMG Auditores Independentes, received during the course of the fiscal year, the Audit and Risks Management Committee recommends that the Board of Directors approve the Management Report and Financial Statements (including explanatory notes) for the fiscal year ending December 31, 2018.

Porto Alegre, February 06, 2019.

Members:

Fábio de Barros Pinheiro

Osvaldo Burgos Schirmer

José Carlos Hruby

Juliana Rozenbaum Munemori

OPINION OF THE FISCAL COUNCIL

Subject to compliance with the legal and statutory provisions, in accordance with Article 163 of Law 6404/76, the Fiscal Council of Lojas Renner has examined the Management Report, the Financial Statements and the Earnings Dividends Distribution Proposal for the fiscal year ending December 31, 2017. Based on the examination carried out and further considering the report without qualification of the independent auditors – KPMG Auditores Independentes dated February 07, 2019, as well as the information and clarifications received during the course of the fiscal year, the Council is of the unanimous opinion that the said documents are suitable for submission to the Annual General Meeting of Shareholders.

Porto Alegre, February 07, 2019.

Francisco Sérgio Quintana da Rosa

Helena Turola de Araújo Penna

Ricardo Zaffari Grechi

ATTACHMENT VIII

CAPITAL BUDGET PROPOSAL AND OFFICERS' REPRESENTATIONS

MANAGEMENT PROPOSAL FOR CAPITAL EXPENDITURES BUDGET

The following table presents the Company's capital expenditures budget for year 2018, pursuant to Normative Instruction 480/09, published by the CVM – Brazilian Securities and Exchange Commission on December 7 2009.

Given that the budget consists of forecasts and business prospects, such involve risks, uncertainties and assumptions, the application of resources depends on circumstances that may or may not occur.

General economic conditions, prevailing industrial conditions and other operational factors may affect the amounts forecasted for allocation in fixed assets and working capital.

In order to support the investments, forecast in the Company's expansion plan, Management is proposing the retention of 49.7% of the net income for year 2018 in amount of R$ 507.0 million, on December 31 2018 totaling R$ 946.5 million in the account of Reserve for Investments and Expansion.

Financing Sources	R$ Million
Remaining balance profit reserves for investment and expansion 12/31/2017	**439.5**
Constitution for profit reserve for investment and expansion – 2018	507.0
Retained profits in reserve for investment and expansion 12/31/2018	**946.5**
Capital Expenditure Budget – Investment of Resources	**2019 Forecast**
Investments in Fixed Assets	**(549.1)**
New Stores	(147.2)
Remodeling and Upgrading	(75.2)
IT Systems and Equipment	(180.2)
Logistics	(121.3)
Others	(25.2)
Investments in Subsidiaries	**(149.7)**
Total Investments in Fixed Capital	**(698.8)**
Investments in Working Capital	**(716.1)**
Total Investment of Resources	**(1,414.9)**

The Company's Management believes as necessary the maintenance of the Earnings Reserve for Investment and Expansion at current levels, including the retained earnings reported for the year 2018, which will be added to operating cash generation for the year 2019 to support the expansion plan to be implemented in the current year, as well as to enable the financing structure to support the transfer of the portfolio of Credit Card Renner ("Private Label") to the Company's Financial Segment, with the liquidation of FIDC Lojas Renner in May 2019.

Porto Alegre, February 7, 2019.

BOARD OF DIRECTORS

Osvaldo Burgos Schirmer
Chairman

Carlos Fernando Couto de Oliveira Souto
Vice Chairman

José Galló
Board Member

Fábio de Barros Pinheiro
Board Member

Heinz-Peter Elstrodt
Board Member

Christiane Almeida Edington
Board Member

Thomas Bier Herrmann
Board Member

Juliana Rozenbaum Munemori
Board Member

BOARD OF EXECUTIVE OFFICERS

José Galló
Chief Executive Officer

Laurence Beltrão Gomes
Chief Financial and Investor Relations Officer

Clarice Martins Costa
Human Resource Officer

Fabiana Silva Taccola
Operations Officer

Fabio Adegas Faccio
Procurement Officer

Emerson Silveira Kuze
Technology and Business Management Officer

STATEMENT FROM THE BOARD OF EXECUTIVE OFFICERS ON THE FINANCIAL STATEMENTS

Pursuant to subsection VI, Article 25 of CVM Instruction 480 of December 7, 2009, the Board of Executive Officers states that it has reviewed, discussed and agreed the Company's Financial Statements for the fiscal year 2018, authorizing their conclusion as of this date.

Porto Alegre, February 7, 2019.

BOARD OF EXECUTIVE OFFICERS

José Galló
Chief Executive Officer

Laurence Beltrão Gomes
Chief Financial and Investor Relations Officer

Clarice Martins Costa
Human Resource Officer

Fabiana Silva Taccola
Operations Officer

Fabio Adegas Faccio
Procurement Officer

Emerson Silveira Kuze
Technology and Business Management Officer

STATEMENT OF THE BOARD OF EXECUTIVE OFFICERS ON THE REPORT OF THE INDEPENDENT AUDITORS

In conformity with sub-item V, article 25 of CVM Instruction 480 of December 7, 2009, the Board of Executive Officers declares that it has reviewed and discussed the content and opinion expressed in the report of the Independent Auditors on the Company's Financial Statements for year 2018, issued on this date.

The Board of Executive Officers declares that it agrees with the content and opinion expressed in the said report of the Independent Auditors on the Company's Financial Statements.

Porto Alegre, February 7, 2019.

BOARD OF EXECUTIVE OFFICERS

José Galló Chief Executive Officer	**Laurence Beltrão Gomes** Chief Financial and Investor Relations Officer	**Clarice Martins Costa** Human Resource Officer
Fabiana Silva Taccola Operations Officer	**Fabio Adegas Faccio** Procurement Officer	**Emerson Silveira Kuze** Technology and Business Management Officer

ATTACHMENT IX

PROPOSAL FOR APPLICATION OF NET PROFIT
ANNEX 9-1-II OF CVM RULE 481/09

1. Net profit for the fiscal year.
The Corporation's net profit, which correspond to the result for the year after deductions of provisions for income and social contribution taxes and statutory participations, in the year of 2018, amounted to R$ 1,020,1 million, a growth by 39.2% as compared to the amount of R$ 732.7 million in 2018.

2. Global amount and value per share of dividends, including interim dividends and interest on own capital already declared.
The compensation payable to Shareholders, proposed by the Corporation's management, to be submitted to approval on the Shareholders' Meeting, will amount to R$ 408,3 million (R$ 0.569722 per share). This amount, includes R$ 215.0 thousand related to prescribed dividends.

3. Percentage of distribution of net profit for the fiscal year.
The Board of Directors, in a meeting held on January 17, 2019, elected to propose to shareholders, in the next Annual General Meeting to be held on April 18, 2019, the distribution of forty percent (40%) of net profit for the fiscal year of 2018, as dividends and interest on capital. The proposal was adopted in the light of the Company's sustained growth policy and its investments plan.

4. Global amount and value per share of dividends distributed based on net profit for prior fiscal years.
In 2018, the Corporation did not distribute any dividends based on prior-year profits.

5. Information, net of interim dividends and interest on capital already declared:
a. Gross amount of dividend and interest on capital, individually, based on the number of shares of each type and class.
On March 15, June 19, September 19 and December 19, 2018, the Board of Directors approved the payment, as interest on capital, of the amount of R$ 225.7 million (R$ 0.315536 per share). In addition, the Board of Directors proposes, for approval by the Shareholders, in General Meeting, the amount of R$ 182.6 million (R$ 0.254186 per share), as dividends. For the calculation of dividend per share purposes, treasury shares (1.7 million) were excluded. In February 15th, 2019 420,750 shares were transferred in the light of the Company's Restricted Shares Program. Therefore the number of shares considered for the calculation of the dividends per share changed from 717,939,098 as of December 31st, 2018 to 718,359,848.

b. Payment method and term for dividends and interest on capital.
Both the interest on capital and dividends will be paid in cash and will have a payment term equivalent to up to ten (10) days after approval by the Annual General Meeting of 2019, which are to be held on April 18, 2019.
c. Potential levy of monetary restatement and interest on dividends and interest on capital.
There is no levy of monetary restatement and interest on dividends and interest on capital.
d. Date of declaration of payment of dividends and interest on capital taken into account for identification of shareholders entitled to receive dividends and interest on capital.
Holders of the shares on the date of the AGM 2019 shall have the right to receive the dividends to be decided at the said meeting. As for interest on equity, shareholders who held shares on the dates of their respective approval by the Board of Directors shall be entitled to payment.

6. In the event of declaration of dividends or interest on capital based upon profits recorded in biannual balance sheets or balance sheets for shorter periods: a. Inform the amount of dividends or interest on capital already declared; b. Inform the respective payment dates.
The payment of interest on capital have been approved on March 15, June 19, September 19 and December 19, 2018, in the total amount of R$ 225.7 million (R$ 0.315536 per share). And the Annual General Meeting, which will approve dividends in the total amount of R$ 182.6 million (R$ 0.254186 per share), is to be held on April 18, 2019. Both the interest on capital and dividends will be paid in cash and will have a payment term equivalent to up to ten (10) days after approval by the Annual General Meeting of 2019, which are to be held on April 18, 2019.

7. Comparative table indicating the following amounts per share of each type and class: a. Net profit for the fiscal year and for the three (3) prior years; b. Dividend and interest on capital distributed within the three (3) preceding years.

	2015*	2016	2017**	2018
Net Profit	R$ 0.9044	R$ 0.9728	R$ 1.0273	R$ 1.4168
Interest on Capital	R$ 0.1768	R$ 0.27024	R$ 0.28421	R$ 0.315536
Dividends	R$ 0.1860	R$ 0.1195	R$ 0.13523	R$ 0.24186
Total Interest on Capital + Dividends	R$ 0.3628	R$ 0.3897	R$ 0.41944	R$ 0.569722

*Stock split of all existing common share into five common shares, in 2015.
*Bonus in shares at a ratio of 10%, in 2017.

8. Information of the allocation of profits to the legal reserve: a) Identify the amount allocated to legal reserve and, b) Describe in details the method for calculation of the legal reserve.
Were allocated 5% of net profit to the Legal Reserve in the amount of R $ 51.0 million.

9. Should the Corporation holds preferred shares with right to receive fixed or minimum dividends: a. Describe the method for calculation of fixed or minimum dividends; b. Inform whether the net profit for the year is sufficient to fully pay fixed or minimum dividends; c. Identify if any potential unpaid portion is cumulative; d. Identify the global amount of fixed or minimum dividends to be paid with respect to each class of preferred shares; e. Identify fixed or minimum dividends to be paid with respect to each class of preferred shares.
The Corporation does not issue any preferred shares as it participates in the *Novo Mercado* segment of B3 – Brasil, Bolsa, Balcão, where the regulation requires the issuance of common shares only by corporations.

10. With respect to the compulsory dividend:
a. Calculation method set forth in the bylaws.
The Corporation's Bylaws, pursuant to item (b) of Section 34, establishes that the portion necessary for the payment of any compulsory dividend should not be lower, in each year, than twenty five per cent (25%) of the annual adjusted net profit, as set forth in Section 202 of the Corporation Law.
b. Is the dividend being paid in full?
Yes. The compulsory dividend set forth in the Corporation's Bylaws is being paid in full.
c. Amount potentially withheld.
No amount withheld.

11. In the event of withholding of the compulsory dividend due to the Corporation's financial condition: a. Inform the withholding amount; b. Describe, in details, the Corporation's financial condition, including any aspects relating to the liquidity analysis, working capital and positive cash flows; c. Explain the withholding of dividends.
No compulsory dividend withholding.

12. In the event of allocation of the net profit to the contingency reserve: a. Inform the amount allocated to the reserve; b. Identify any probable loss and the reason therefore; c. Explain why the loss is probable; d. Explain the establishment of the reserve.
No allocation of net profit to the contingency reserve.

13. In the event of allocation of the net profit to the unrealized profit reserve: a. Inform the amount allocated to the unrealized profit reserve; b. Inform the nature of unrealized profits which originated the reserve.
No allocation of net profit to the unrealized profit reserve.

14. In the event of allocation of the net profit to statutory reserves:
a. Describe the statutory clauses which provide for the reserve;
Item (c) to Article 34 of the Company's Corporate Bylaws determines that the remaining portion of the adjusted net income shall be allocated to the Investment and Expansion Reserve, which aims at reinforcing the Company's capital stock and working capital, with a view to ensuring adequate operational conditions. The balance of this reserve, added to the balances of other profit reserves, except for unrealized profit reserves and contingency reserves may not exceed the amount of capital stock. Once this maximum limit is reached, the General Meeting may resolve on the application of excess in the payment of subscribed capital or capital stock increase, or in the distribution of dividends.
b. Inform amount allocated to the reserve;
This year, R$ 507.0 million will be proposed to be retained to cover part of the investments programmed in the Company's expansion plan to be executed in the course of fiscal year 2019.

c. Describe how the amount was calculated.

Of the total net income of R$ 1,020.1 million in 2018, 5% will be allocated to the legal reserve, 40% to dividends (as proposed by Management), 49.7% to the reserve for investment and expansion, 3.2% to tax incentives reserve and 2.1% to the initial adoption of CPC 48/ IFRS 9.

15. In the event of withholding of profits provided for in the capital budget. a. Withholding amount. b. Capital budget.

With the exception of Item 14 above, no further retention of profits based on the capital budget is contemplated.

16. In the event of allocation of the net profit to the tax incentive reserve:

a. Inform the amount allocated to the reserve;

The amount allocated to tax incentive reserve was R$ 32.9 million, corresponding to 3.2% of the net profit of 2018, according to Article 195-A of Law 6,404/76.

b. Explain the nature of allocation.

The Company uses ICMS tax incentives in the form of "presumed credit," with its respective impacts on Income, having earned the amount of R$ 32,871 thousand at the Parent Company in 2018. The Company's management, in view of the publication of Complementary Law 160/17, is assigning such benefits, such as Tax incentive reserve, which shall be approved in the Annual Shareholders' Meeting, to be held on April 18, 2019. Benefit amounts are not part of dividends calculation basis and may only be incorporated to capital in accordance with Law 6404/76.

ATTACHMENT X
INFORMATION ON THE CANDIDATES INDICATED BY THE CORPORATION'S MANAGEMENT
(PURSUANT TO ITEMS 12.5 TO 12.10 OF THE CORPORATION'S REFERENCE FORM)

BOARD OF DIRECTORS

12.5 (a) Name	OSVALDO BURGOS SCHIRMER	CARLOS FERNANDO COUTO DE OLIVEIRA SOUTO	JOSÉ GALLÓ	FÁBIO DE BARROS PINHEIRO	HEINZ PETER ELSTRODT	THOMAS BIER HERRMANN	JULIANA ROZENBAUM MUNEMORI	CHRISTIANE ALMEIDA EDINGTON
12.5 (b) Date of Birth	08.22.1950	01.30.1967	09.11.1951	04.19.1960	10.27.1956	07.28.1950	07.21.1976	02.05.1965
12.5 (c) Profession	Business Administration	Lawyer	Business Administration	Engineer	Business Administration	Business Administration	Economist	Executive
12.5 (d) CPF or Passaport Number	108.187.230-68	469.694.890-00	032.767.670-15	275.497.201-34	091.243.758-88	148.854.500-63	081.606.157-28	387.697.355-49
12.5 (e) Elective position held	Chairman of the Board of Directors	Member of the Board of Directors	Member of the Board of Directors	Member of the Board of Directors	Member of the Board of Directors	Member of the Board of Directors	Member of the Board of Directors	Member of the Board of Directors
12.5 (f) Election date	04.19.2018	04.19.2018	04.19.2018	04.19.2018	04.19.2018	04.19.2018	04.19.2018	04.19.2018
12.5 (g) Investiture date	04.19.2018	04.19.2018	04.19.2018	04.19.2018	04.19.2018	04.19.2018	04.19.2018	04.19.2018
12.5 (h) Term of office	Until 2019´s AGM	Until 2019´s AGM	Until 2019´s AGM	Until 2019´s AGM	Until 2019´s AGM	Until 2019´s AGM	Until 2019´s AGM	Until 2019´s AGM
12.5 (i) Other positions or duties exercised in the issuer	Chairman of the People Committee and of the Strategic Committee, Member of the Audit and Risk Management Committee	Member of the People Committee	Chief Executive Officer, Member of the Strategic and Sustainability Committees	Chairman of the Audit and Risk Management Committee	Member of the Strategic Committee	Chairman of the Sustainability Committee and Member Sustainability Committees	Member of the Audit and Risk Management Committee	Member of the Strategic Committee
12.5 (j) Indication of election by the controlling shareholder or not	No, the Company does not have a controlling shareholder	No, the Company does not have a controlling shareholder	No, the Company does not have a controlling shareholder	No, the Company does not have a controlling shareholder	No, the Company does not have a controlling shareholder	No, the Company does not have a controlling shareholder	No, the Company does not have a controlling shareholder	No, the Company does not have a controlling shareholder
12.5 (k) If an independent member and, if so, what was the criterion used for determining this independence	Yes. Criterion as per Paragraph 1, Article 16 of the Company's Corporate Bylaws	Yes. Criterion as per Paragraph 1, Article 16 of the Company's Corporate Bylaws	None	Yes. Criterion as per Paragraph 1, Article 16 of the Company's Corporate Bylaws	Yes. Criterion as per Paragraph 1, Article 16 of the Company's Corporate Bylaws	Yes. Criterion as per Paragraph 1, Article 16 of the Company's Corporate Bylaws	Yes. Criterion as per Paragraph 1, Article 16 of the Company's Corporate Bylaws	Yes. Criterion as per Paragraph 1, Article 16 of the Company's Corporate Bylaws
12.5 (l) Number of consecutive terms of office	7 terms of office	4 terms of office	21 terms of office	5 terms of office	3 term of office	2 term of office	2 term of office	1 term of office
12.5 (n) Description of any of the following events which have occurred over the last five (5) years: i. any criminal sentence; ii. any sentence in any administrative proceeding by CVM and the penalties applied; iii. any final and unappealable sentence, at legal or administrative level, which has suspended or disqualified the candidate in connection with the performance of any professional or business activity	Nothing on record	Nothing on record	Nothing on record	Nothing on record	Nothing on record	Nothing on record	Nothing on record	Nothing on record
12.6 Percentage participation in those meetings of the Board of Directors held after taking office	100%	100%	100%	100%	94%	100%	100%	100%
12.7 Is he/she a member of any statutory committee, as well as any audit, risk, financial and People Committees in the Corporation?	Yes, Audit and Risk Management Committee, Strategic Committee and People Committee	Yes, People Committee	Yes, Strategic Committee and Sustainability Committee	Yes, Audit and Risk Management Committee	Yes, Strategic Commitmee	Yes, Sustainability Committee and People Committee	Yes, Audit and Risk Management Committee	Yes, Strategic Commitmee
12.8 Percentage participation in meetings of the Committees of which he/she is a member after taking office	Audit and Risk Management Committee = 80% Strategic Committee = 100% People Committee = 100%	People Committee = 100%	Strategic Committee = 100% Sustainability Committee = 100%	Audit and Risk Management Committee = 100%	Strategic Committee = 100%	Sustainability Committee = 100% People Committee = 100%	Audit and Risk Management Committee = 100%	Strategic Committee = 100%
12.9 Existence of marital relationship, firm relationship or family relationship up to the second degree between: a. the issuer's officers and directors; b. (i) the issuer's officers and (ii) the officers and directors of any of the issuer's subsidiaries, whether direct or indirect; c. (i) the issuer's or its subsidiaries' officers and directors, whether direct or indirect and (ii) the issuer's direct and indirect controlling shareholders; d. (i) the issuer's officers and directors and (ii) the officers and directors of any of the issuer's controlling shareholders, whether direct or indirect:	None	None	None	None	None	None	None	None
12.10 Subordination, service rendering or control relationships kept, over the last three (3) fiscal years, between the issuer's officers and directors and: a. any of the issuer's direct or indirect subsidiaries; b. any of the issuer's direct or indirect controlling shareholders; c. if material, any supplier, customer, debtor or creditor of the issuer, its subsidiary or controlling shareholders or the subsidiaries of any of the foregoing:	None	None	None	None	None	None	None	None

12.5(m)

OSVALDO BURGOS SCHIRMER

i. Main professional experiences over the last five (5) years, informing: corporation's name; positions and duties inherent to the position; main activity of the corporation where such experiences took place, by emphasizing the entities or organizations comprising (i) the issuer's economic group, or (ii) any partners with direct or indirect ownership interest equivalent to or greater than five percent (5%) of the issuer's securities of similar class or type: Independent Member of the Board of Directors since April 2012 and elected Chairman of the Board on April 2013. Mr Schirmer is President of the People Committee and Strategic Committee, besides Audit and Risk Management Committee Member. He worked at Gerdau Group from 1986 to January 2013 and was appointed Financial Officer in 1987. He had been Executive Vice President of Gerdau S.A.'s Executive Committee from 2002 to January 2013. He was also Vice President of Finance, Controlling and Investor Relations Officer of Gerdau S.A. Mr. Schirmer is currently independent member of the Board of Directors of SLC Agrícola S.A. since June 2013, of CMPC Celulose since June 2016 and of Estácio S.A. since April 2016, where he accumulates the position of Coordinator of Audit and Finance Committee. He has been an advisory board member of SLC Participações, a privately held family holding of the SLC Group, since April 2017 and Board Member of Marcopolo as well as Coordinator of the Finance Committee since April 2018.

ii. Description of all management positions he holds in other companies or third sector organizations: Founder and partner of SBA – Schirmer and Associates Business Advisors, since January 2013. Since February 2013, he has been the Chairman of the Board of the American Chamber of Commerce of the State of Rio Grande do Sul and Vice President of the American Chamber of Commerce of São Paulo.

CARLOS FERNANDO COUTO DE OLIVEIRA SOUTO

i. Main professional experiences over the last five (5) years, informing: corporation's name; positions and duties inherent to the position; main activity of the corporation where such experiences took place, by emphasizing the entities or organizations comprising (i) the issuer's economic group, or (ii) any partners with direct or indirect ownership interest equivalent to or greater than five percent (5%) of the issuer's securities of similar class or type: Independent Member of the Board of Directors of Lojas Renner since April 2015, he was elected Vice Chairman of the Board in April 2016, and he is currently member of the People Committee. He is founder, partner and CEO of the law firm Souto, Correa, Cesar, Lamberts & Amaral Advogados.

ii. Description of all management positions he holds in other companies or third sector organizations: Board Member of YPO (LAC Region), Associação Escola Panamericana de Porto Alegre (PAS), Câmara Americana de Comércio in Porto Alegre (AMCHAM) and Hospital Moinhos de Vento in Porto Alegre (HMV).

JOSÉ GALLÓ

i. Main professional experiences over the last five (5) years, informing: corporation's name; positions and duties inherent to the position; main activity of the corporation where such experiences took place, by emphasizing the entities or organizations comprising (i) the issuer's economic group, or (ii) any partners with direct or indirect ownership interest equivalent to or greater than five percent (5%) of the issuer's securities of similar class or type: Member of Lojas Renner's Board of Directors since April 1998, and also member of the Strategic Committee and Sustainability Committee. In September 1991 he was elected Managing Director of Lojas Renner S.A., and in March 1999 was elected Chief Executive Officer. He was Director of Realize Crédito, Financiamento e Investimento S.A. He has over 30 years of experience in retailing and is a member of the Board of Directors of Localiza Rent a Car S.A., Itaú Unibanco Holding S.A. and of Instituto de Desenvolvimento do Varejo (IRD - Institute of Retail Development). He was member of the Board of Directors of SLC Agrícola S.A. from April 2007 to May 2016.

ii. Description of all management positions he holds in other companies or third sector organizations: Director of Renner Administradora de Cartões Ltda., Dromegon Participações Ltda., Realize Participações S.A. and since June 2008 a member of the Advisory Board of Instituto Lojas Renner. He is also Vice President of the Chamber of Store Directors of Porto Alegre and Ambassador of Endeavor Brasil in Rio Grande do Sul.

FÁBIO DE BARROS PINHEIRO

i. Main professional experiences over the last five (5) years, informing: corporation's name; positions and duties inherent to the position; main activity of the corporation where such experiences took place, by emphasizing the entities or organizations comprising (i) the issuer's economic group, or (ii) any partners with direct or indirect ownership interest equivalent to or greater than five percent (5%) of the issuer's securities of similar class or type: . Independent Member of Lojas Renner's Board of Directors since August 2014 and he is currently President of the Audit and Risk Management Committee. He has been independent member of the Board of Directors of Banco Pan S.A.. since 2013, Chairman of Itsseg Seguros Inteligentes S.A. since January 2016 and independent member of the Board of Directors of Estre Ambiental Inc. since January 2018 and independent member of the Board of Directors of CPSEC (Companhia Paulista de Securitização). He was independent member of Galvani Indústria, Comércio e Serviços S.A. and Chairman of Grupo Dilleto and Eneva S.A.. He was also Managing Director of Banco UBS Pactual S.A..

ii. Description of all management positions he holds in other companies or third sector organizations: independent member of the Board of Directors of Grupo Laticínio São Vicente de Minas S.A. since 2013.

HEINZ PETER ELSTRODT

i. Main professional experiences over the last five (5) years, informing: corporation's name; positions and duties inherent to the position; main activity of the corporation where such experiences took place, by emphasizing the entities or organizations comprising (i) the issuer's economic group, or (ii) any partners with direct or indirect ownership interest equivalent to or greater than five percent (5%) of the issuer's securities of similar class or type: . Independent Member of the Board of Directors of Lojas Renner since April 2016 and he is currently member of the Strategic Committee. Mr. Elstrodt is Emeritus Officer of McKinsey & Company. He joined McKinsey in 1983 and worked in Germany, USA and Brazil. He is co-founder of São Paulo branch, opened in 1988, and Head of Latin America, a group of 10 branches in 8 countries. After retiring from McKinsey in 2015, he became Member of several Board of Directors and started as lecturer at London Business School. He is Chairman of the Board of Directors of Semapa S.A., a holding company listed in Lisbon.

ii. Description of all management positions he holds in other companies or third sector organizations: He also works as advisor for some companies worldwide.

THOMAS BIER HERRMANN

i. Main professional experiences over the last five (5) years, informing: corporation's name; positions and duties inherent to the position; main activity of the corporation where such experiences took place, by emphasizing the entities or organizations comprising (i) the issuer's economic group, or (ii) any partners with direct or indirect ownership interest equivalent to or greater than five percent (5%) of the issuer's securities of similar class or type: Independent Member of the Board of Directors since April 2017 and he is currently President of the Sustainability Committee. Has exercised his professional activities for 44 years at Grupo Renner Herrmann S.A. Since 1997, he has held the position of Chief Executive Officer of Renner Herrmann S.A. He was member of the Board of Directors of Lojas Renner from 1991 to 1998. He was a Director of Iochpe-Maxxion S/A from January 2008 to March 2015.

ii. Description of all management positions he holds in other companies or third sector organizations: He is a member of the Senior Board of the Rio Grande do Sul Steel Association and the Board of Directors of Hospital Moinhos de Vento, having been president of the latter institution from 1999 to 2005.

JULIANA ROZENBAUM MUNEMORI

i. Main professional experiences over the last five (5) years, informing: corporation's name; positions and duties inherent to the position; main activity of the corporation where such experiences took place, by emphasizing the entities or organizations comprising (i) the issuer's economic group, or (ii) any partners with direct or indirect ownership interest equivalent to or greater than five percent (5%) of the issuer's securities of similar class or type: Independent Member of the Board of Directors since April 2017 and she is currently member of the Audit and Risk Management Committee. Since July 2013, she has been a member of the Board of Directors of Arezzo&Co and Coordinator of the Strategy Committee. Since June 2016, she has been an effective independent member of the Board of Directors of Duratex S.A as well as sitting on the Audit and Risk Management Committee and the Committee for Evaluation of Transactions with Related Parties. Since April 2018, is independent Member of EDP – Energias do Brasil S.A.'s Board of Directors, of the Corporate Governance and Related Parties Board and the Inclusion and Diversity Committee. Since December 2018 participates in the Startegy Committee of Suzano Papel e Celulose S.A. and, since January 2019 is Member of the Consultive Board of Euroframa Laboratórios S.A.. She has 13 years' experience in Sell Side Equity Research, her primary focus being on companies in the consumption and retail sector. She worked for different financial institutions between 2000 and May 2013, principally at Itaú BBA. Over the years, on various occasions she has been recognized by Institutional Investor magazine for her coverage of the retail and consumer goods sectors. From 2013 to 2017, she worked as a consultant in consumption and retailing for the Investment Banking area of Itaú BBA. Previously, she worked as a Buy Side economist for institutions such as JGP, Pactual and Icatu.

ii. Description of all management positions he holds in other companies or third sector organizations: She is also a member of the Consultative Board of GoCase and Uatt, companies under the Endeavor Entrepreneurship umbrella, an organization of which she is an active mentor.

CHRISTIANE ALMEIDA EDINGTON

i. Main professional experiences over the last five (5) years, informing: corporation's name; positions and duties inherent to the position; main activity of the corporation where such experiences took place, by emphasizing the entities or organizations comprising (i) the issuer's economic group, or (ii) any partners with direct or indirect ownership interest equivalent to or greater than five percent (5%) of the issuer's securities of similar class or type: Independent Member of the Board of Director of Lojas Renner and Member of the Strategic Committee since April 2018. She has a solid experience of 30 years in various areas of Information Technology as well as 8 years leading the area of organizational processes and business in large companies. She is CEO of Dataprev, a state-owned company that provides IT solutions, being responsible for the social database of Brasil. Since January 2016, she has sat on the Board of CIONET – a world network of CIOs. She is Director of the OESIA Grupo, a Spanish company specialized in innovative technologies and has been a member of the Strategy Committee since January 2017. She acts as advisor in the Winning Woman Brazil Program. Since January 2016, she has been an Advisory Director of ZUP IT INNOVATION, a startup focused on the digital transformation of large companies. She was a Member of the Board of Directors of LIQ S.A. from January 2017 to January 2018. She was Executive Director for Information Systems (CIO) at Telefônica Vivo from March 2011 until April 2016. She was General Director for Information Systems (CIO) at Vivo S.A., from 2008 until 2011. She was Information Systems Director – CIO at Tele Leste Celular Participações (Telebahia Celular and Telergipe Celular) – Telefônica Group from 1998 to 2003. She began her career at Telecomunicações da Bahia S.A (Telebahia) – a Telebrás Group company, having from 1985 to 1998, held various technical and managerial functions.

ii. Description of all management positions he holds in other companies or third sector organizations: Member of the CIO Solidário Group and a participant in the Brazil Educational Project.

FISCAL COUNCIL

12.5 (a) Name	JOAREZ JOSÉ PICCININI	CRISTELL LISANIA JUSTEN	RICARDO ZAFFARI GRECHI	RICARDO GUS MALTZ	ROBERTO ZELLER BRANCHI	ROBERTO FROTA DECOURT
12.5 (b) Date of Birth	09.03.1960	02.05.1979	04.08.1975	12.12.1958	09.22.1972	05.07.1972
12.5 (c) Profession	Business Administration	Accountant	Lawyer and Accountant	Economist	Accountant	Business Administration
12.5 (d) CPF or Passaport Number	293.961.580-20	935.873.410-87	711.496.350-53	360.267.860-15	705.046.790-15	212.672.418-29
12.5 (e) Elective position held	-	-	Effective Member of the Fiscal Council	Alternate Member of the Fiscal Council	Alternate Member of the Fiscal Council	Alternate Member of the Fiscal Council
12.5 (f) Election date	-	-	04.19.2018	04.19.2018	04.19.2018	04.19.2018
12.5 (g) Investiture date	-	-	05.02.2018	05.02.2018	05.02.2018	05.02.2018
12.5 (h) Term of office	-	-	Until 2018´s AGM	Until 2018´s AGM	Until 2018´s AGM	Until 2018´s AGM
12.5 (i) Other positions or duties exercised in the issuer	None	None	None	None	None	None
12.5 (j) Indication of election by the controlling shareholder or not	No, the Company does not have a controlling shareholder	No, the Company does not have a controlling shareholder	No, the Company does not have a controlling shareholder	No, the Company does not have a controlling shareholder	No, the Company does not have a controlling shareholder	No, the Company does not have a controlling shareholder
12.5 (k) If an independent member and, if so, what was the criterion used for determining this independence	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
12.5 (l) Number of consecutive terms of office	-	-	5 terms of office	9 terms of office	3 term of office	8 terms of office
12.5 (n) Description of any of the following events which have occurred over the last five (5) years: i. any criminal sentence; ii. any sentence in any administrative proceeding by CVM and the penalties applied; iii. any final and unappealable sentence, at legal or administrative level, which has suspended or disqualified the candidate in connection with the performance of any professional or business activity	Nothing on record	Nothing on record	Nothing on record	Nothing on record	Nothing on record	Nothing on record
12.6 Percentage participation in those meetings of the Board of Directors held after taking office	-	-	100%	-	-	-
12.7 Is he/she a member of any statutory committee, as well as any audit, risk, financial and People Committees in the Corporation?	No	No	No	No	No	No
12.8 Percentage participation in meetings of the Committees of which he/she is a member after taking office	No	No	No	No	No	No
12.9 Existence of marital relationship, firm relationship or family relationship up to the second degree between: a. the issuer's officers and directors; b. (i) the issuer's officers and (ii) the officers and directors of any of the issuer's subsidiaries, whether direct or indirect; c. (i) the issuer's or its subsidiaries' officers and directors, whether direct or indirect and (ii) the issuer's direct and indirect controlling shareholders; d. (i) the issuer's officers and directors and (ii) the officers and directors of any of the issuer's controlling shareholders, whether direct or indirect:	None	None	None	None	None	None
12.10 Subordination, service rendering or control relationships kept, over the last three (3) fiscal years, between the issuer's officers and directors and: a. any of the issuer's direct or indirect subsidiaries; b. any of the issuer's direct or indirect controlling shareholders; c. if material, any supplier, customer, debtor or creditor of the issuer, its subsidiary or controlling shareholders or the subsidiaries of any of the foregoing:	None	None	None	None	None	None

12.5(m) - EFFECTIVE

JOAREZ JOSÉ PICCININI

i. Main professional experiences over the last five (5) years, informing: corporation's name; positions and duties inherent to the position; main activity of the corporation where such experiences took place, by emphasizing the entities or organizations comprising (i) the issuer's economic group, or (ii) any partners with direct or indirect ownership interest equivalent to or greater than five percent (5%) of the issuer's securities of similar class or type: Since 2009, he has been Financial Services managing director (Banco Randon and Randon Consórcios) for the Empresas Randon group. He has more than 20 years of activity in the Brazilian financial market, also with spells at the financial institutions of BankBoston, Sogeral and Maisonnave and with a broad-based experience in the international financial market, residing for 10 years in London, (FleetBoston/ Bank of America and Votorantim). While in London, he was a Councilor of the Brazil-United Kingdom Chamber of Commerce. Currently, he is Economic and Finance Director and Councilor on the Caxias do Sul Chamber of Commerce and Industry.

ii. Description of all management positions he holds in other companies or third sector organizations: There is no additional information.

CRISTELL LISANIA JUSTEN

i. Main professional experiences over the last five (5) years, informing: corporation's name; positions and duties inherent to the position; main activity of the corporation where such experiences took place, by emphasizing the entities or organizations comprising (i) the issuer's economic group, or (ii) any partners with direct or indirect ownership interest equivalent to or greater than five percent (5%) of the issuer's securities of similar class or type: Has worked as financial controller at CRP – Companhia de Participações since 2016. From 2001 to 2016, she was an auditor and senior manager at PwC in Porto Alegre/RS, also working on internal technical consultations related to the International Financing Reporting Standards (IFRS).

ii. Description of all management positions he holds in other companies or third sector organizations: There is no additional information.

RICARDO ZAFFARI GRECHI

i. Main professional experiences over the last five (5) years, informing: corporation's name; positions and duties inherent to the position; main activity of the corporation where such experiences took place, by emphasizing the entities or organizations comprising (i) the issuer's economic group, or (ii) any partners with direct or indirect ownership interest equivalent to or greater than five percent (5%) of the issuer's securities of similar class or type: Effective member of the Fiscal Council of Lojas Renner since April 2014. He has been effective member of the Fiscal Council of Instituto Lojas Renner since 2014. He was tax audit and manager of PwC, in Porto Alegre (RS) and Joinville (SC).

ii. Description of all management positions he holds in other companies or third sector organizations: He is Partner of Kolb, Quintana, Hilgert & Grechi Advogados and CEO at Unetral S.A..

12.5 (m) ALTERNATE

RICARDO GUS MALTZ

i. Main professional experiences over the last five (5) years, informing: corporation's name; positions and duties inherent to the position; main activity of the corporation where such experiences took place, by emphasizing the entities or organizations comprising (i) the issuer's economic group, or (ii) any partners with direct or indirect ownership interest equivalent to or greater than five percent (5%) of the issuer's securities of similar class or type: He was elected alternate member of Lojas Renner's Fiscal Concil in April 2010. He is Managing Partner at Legati Consultoria em Gestão Empresarial, an advisor company in business management. Professional experience as a company director (effective member on the Fiscal Council of Arezzo & Co and CEO), have led in a consultancy capacity several company restructuring processes in the industrial, frozen freight transportation, retail, services, footwear and components for footwear and leather sectors, among others. Academic Activity: developed as an FGV lecturer an MBA course with the discipline "Strategy of Companies" and postgraduation course in the discipline "Company Games". He has developed a line of research in succession processes at family-owned companies and strategic management with work published in the EnANPAD(2008) in an article entitled: Does Isomorphism Exist in Brazilian Academic Accounting Periodicals?

ii. Description of all management positions he holds in other companies or third sector organizations: There is no additional information.

ROBERTO ZELLER BRANCHI

i. Main professional experiences over the last five (5) years, informing: corporation's name; positions and duties inherent to the position; main activity of the corporation where such experiences took place, by emphasizing the entities or organizations comprising (i) the issuer's economic group, or (ii) any partners with direct or indirect ownership interest equivalent to or greater than five percent (5%) of the issuer's securities of similar class or type: Roberto Zeller Branchi. He was elected alternate member of Lojas Renner's Fiscal Council on April 2016. Partner of Headcon Consultores Associados, he worked as Controller for CRP Companhia de Participações and Rexnord Correntes Ltda.. He also worked as Senior Manager for PricewaterhouseCoopers Auditores Independentes. He has been teacher at several MBAs and Specializations, a member of committees with the Conselho Federal de Contabilidade (CFC) and Conselho Regional de Contabilidade do Rio Grande do Sul (CRC/RS). Associated with the IBGC - Instituto Brasileiro de Governança Corporativa.

ii. Description of all management positions he holds in other companies or third sector organizations: There is no additional information.

ROBERTO FROTA DECOURT

i. Main professional experiences over the last five (5) years, informing: corporation's name; positions and duties inherent to the position; main activity of the corporation where such experiences took place, by emphasizing the entities or organizations comprising (i) the issuer's economic group, or (ii) any partners with direct or indirect ownership interest equivalent to or greater than five percent (5%) of the issuer's securities of similar class or type: He was elected alternate member of Lojas Renner's Fiscal Concil in April 2010. He has been a Managing Partner at the Instituto Pantex de Pesquisa Ltda. since 2001, working as consultant and coach in the field of financial and risk management. He has been member of the Board of Directors of Connectplug since 2018. He was an effective member of the Fiscal Council of Metalúrgica Gerdau S.A. from 2007 to 2011 and from 2014 to 2016. He also has experience as a MBA and doctorate lecturer at Unisinos - Universidade do Vale dos Sinos (RS) since 2005.

ii. Description of all management positions he holds in other companies or third sector organizations: There is no additional information.

ATTACHMENT XI
ADDITIONAL INFORMATION ON THE COMPENSATION OF MANAGEMENT
(Pursuant to item 13 of the Reference Form of Rule 480/09)

13.1.Compensation policy or practice, inclusive for the Non-statutory Board of Executive Officers

a. Purpose of the compensation policy or practice

Overall Compensation Principle

The Corporation makes use of a solid corporate and management policy focused on enchantment, which seeks to exceed customers' expectations. In line with such belief, the purpose of the compensation programs is to attract and retain professionals, who have the capabilities and ethical principles required by the corporation, and to encourage them to achieve goals and create value to shareholders. For this reason, the programs seek to recognize and reward the individual performance in relation to the Corporation's results, at competitive market levels.

The Corporation's compensation is based upon the following assumption:

- Shareholders' interests on the creation of long-term sustainable value;
- Business goals and strategies;
- Best market practices;
- Corporation's vision, mission and values.

Pursuant to the best Corporate Governance practices, the Chairman of the Board of Directors and the Chief Executive Officer are distinct executive officers. Lojas Renner has a permanent Fiscal Council, a People Committee, a Sustainability Committee, an Audit and Risk Management Committee and Strategic Committee. Furthermore, the Board of Directors can create other committees.

As set forth in the Bylaws, in addition to the duties set forth in the applicable legislation, the election and removal of the members of the Board of Directors and the establishment of the annual overall compensation of the members of the Board of Directors, the Board of Executive Officers and the Fiscal Council is incumbent upon the General Meeting. In the fiscal year ended on December 31, 2018 Administrators' compensation totaled R$ 33.5 million, which includes fixed compensation, variable compensation and expenses related to the stock options plan, as per provided for in tables of item 13.2 below.

The Board of Directors is responsible for the distribution of global compensation among the Directors and Officers, after taking into account the opinion of the People Committee. The Board of Directors is also responsible for establishing the profit sharing amount payable to the Corporation's officers and employees, as well as for the execution of any agreement to be entered into by and between the Corporation and any Officer, which provides for the payment of any sums, including in the form of indemnification, as a result of the Officer's voluntary or involuntary resignation; transfer of Control; or any other similar event.

The People Committee, consisting of independent directors, is responsible for analyzing management's compensation policies and programs.

The programs and amounts of individual compensation of the Board of Executive Officers are proposed to the Committee by the Chief Executive Officer, in reliance upon the compensation policy currently in force. In making his/her proposal, the Chief Executive Officer takes into consideration the Corporation's results in the preceding year, individual performance, market compensation surveys and other aspects, such as retention risks, capabilities and expertise, experience and potential of each executive officer. The Chief Executive Officer is advised by the Corporation's human resources department and can resort to specialized external advisors concerning technical subject matters.

The People Committee is responsible for examining and issuing an opinion on the suggestions made by the Chief Executive Officer with respect to the executive officers, and for submitting the Chief Executive Officer's compensation to the approval of the Board of Directors. The Committee, upon examination and presentation of suggestions, adopts the same parameters used by the Chief Executive Officer in the compensation payable to the executive officers, that is, the Corporation's results in the preceding year, individual performance, market compensation surveys and other aspects, such as retention risks, capabilities and expertise, experience and potential of each executive officer in the Corporation. The Committee is also advised by the Corporation's human resources department and by external advisors specialized in executive compensation and legal subject matters. In such cases, the People Committee has direct access to the external advisors, without the Board of Executive Officers' involvement or participation.

The People Committee is also responsible for recommending the compensation policies and amounts payable to the directors. Upon analysis of the directors' policies and compensation, the People Committee relies upon good corporate governance practices, market compensation surveys and other aspects, such as capabilities, experience and background of each director. The People Committee can also be advised by the Corporation's in-house departments, as well as by external advisors, without the Board of Executive Officers' involvement or participation.

The Corporation's Fiscal Council is permanent and is composed of independent professionals, elected at AGM, with the powers and duties conferred upon the Fiscal Council by operation of law. The Fiscal Council's compensation is set by the Annual General Meeting which elected its members, in conformity with paragraph 3 of article 162 of the Corporation Law and Company's Bylaw.

The Corporation has entered into, in March 2014, a new service agreement with its Chief Executive Officer. The Contract which provides for: (i) the retention of the executive for at least 3 (three) years and, at the criteria of the Board of Directors, renewable for a further 2 (two) years, amounting to total of 05 (five) years; (ii) a fixed monthly income adjusted annually at the National Consumer Price Index (INPC); (iii) variable annual compensation conditional on meeting metrics pre-established by the People Committee and approved by the Board of Directors, such metrics taking into consideration indicators which demonstrate the creation of value for the Company and its shareholders; (iv) the anticipated stock option grant, as of this date, for 1,250,000 (one million, two hundred and fifty thousand) shares, corresponding to an average dilution of approximately 0.33% per year, for the period during which the Contract is in effect. The exercising of the options shall be subject to a total vesting period of six years as from the grant date. As of the second and third anniversary from the grant date, the early exercising of 30% (thirty percent) of the options on each anniversary date shall be permitted, the exercising of the remaining balance of 40% (forty percent) being permitted from the last quarter of the fourth year as from signature date of this Contract. The options may be exercised conditional on the TSR – Total Shareholders Return or, alternatively, the ROIC approved and set by the Board of Directors, being met. The shares with respect to the final balance of 40% may only be traded by the Officer 12 (twelve) months after their exercise date. The Contract further provides that no additional stock option grants shall be awarded to the Chief Executive Officer during the life of the Contract. At a meeting on February 4, 2016, the Board of Directors approved the proposal of the People Committee with respect to the extension of the Chief Executive Officer's contract with the Company for a further 2 years as from January 01, 2017 pursuant to the Rights and Obligations Adjustment Agreement dated March 05, 2014. On February 09, 2017, the Chief Executive Officer was granted 1,422,000 (one million, four hundred and twenty-two thousand) stock options and 265,000 (two hundred and sixty-five thousand) restricted shares in the light of the extension of his contract for 02 (two) years with the same exercise tenors established in the Plans approved in the Extraordinary General Meeting of September 23, 2015. The Corporation has entered into, in March 2009, a service agreement with its Chief Executive Officer. For this contract, the Corporation considered its usual parameters as well as the executive's consistent performance above goals and expectations, his importance for the Corporation's business plans and challenges in the next years, and the lack of specialized talents in the retail segment. The Agreement provides for the executive officer's term of office of, at minimum, five (5) years, whose compensation encompass a fixed amount annually restated based on the INPC and a variable amount that reflects his/her individual performance and the Corporation's financial performance. As part of the individual goals, the Board of Directors will evaluate in an annual basis the performance of the executive in creating and implementing a succession plan for the executive officers, including for the position of Chief Executive Officer. The proposal of the People Committee was approved in March 2009 and created a new stock option plan (contractual granting), upon the granting of 1,822 thousand stock call options to the Corporation's Chief Executive Officer. The contractual granting of stock options, the only one during the vesting period, sets forth that the exercise of options is subjected to a total vesting period of six years counted from the granting date. The early exercise will be allowed as of the second anniversary of the granting date, in portions of 20% per annum, provided that upon achievement of the corporation's valuation goals by means of the Total Shareholder Return (TSR) indicator, established by the Board of Directors. In the light of the extension of his contract from January 1, 2019 until April18, 2019, pursuant to the Memorandum of Understanding for the Amendment of Rights and Obligations, signed on March 05, 2014 and the decision to extend the same on October 18, 2018, at a Meeting of the Board of Directors, and pursuant to the relevant Agreement, a Call Option for Shares and Restricted Shares was granted in accordance with plans approved by the Extraordinary General Meeting of September 23, 2015 for a total of 121,000 (one hundred and twenty-one thousand) stock options and 36,000 (thirty-six thousand) restricted shares, to the Chief Executive Officer, the exercising of these shares hereby granted to comply with the terms contained in the said plans.

b. Compensation composition:

i. Description of the compensation components and the purpose of each of such amounts

The compensation payable to the members of the Board of Directors is composed of:

- Fixed compensation: based upon customary market practices and whose purpose is to recognize the directors' importance, both internally and externally;
- Variable compensation: represented by the tangible participation in the meetings of the Board of Directors.

The Board of Directors elects, among its members, three (3) Directors to compose the People Committee, who are independent directors, pursuant to the provisions set forth in Paragraph 1 of article 16 of the Bylaws and the Bovespa's Novo Mercado Listing Regulation. To perform of their duties, the directors elected are entitled to a compensation equivalent to one additional meeting so long as the directors compose the committee. The fixed portion of the Board Chairman's compensation is one third more than for the remaining Directors. From 2011 onwards, an additional fee a third higher than fixed amount received for sitting on the committees was introduced for the latter's respective chairmen.

In addition to the compensation described above, the members of the Board of Directors, as set forth in the Internal Rules of the Corporation's Board of Directors, are also reimbursed, by the Corporation, for all transportation and accommodation expenses necessary for the performance of their respective duties.

The overall compensation payable to the Board of Executive Officer consists of four components:

- Fixed Compensation: the purpose of which is to recognize and acknowledge the importance of the position, both internally and externally, as well as the executive officer's individual performance, experience, educational background and expertise.
- Fringe Benefits: the purpose of which is to supplement the public welfare benefits and protect the officers and family members in accordance with customary market practices, by ensuring perfect conditions for the exercise of the position.
- Variable Compensation: the purpose of which is to reward the achievement and overcoming of the Corporation's and individual's goals in line with the budget, strategic planning and the market.
- Stock Option Plan and Restricted Stock Plan: the purpose of which is to strengthen the retention of executive officers and align their interests with the shareholders' interests with respect to the creation of long-term and sustainable value to the business.

The compensation payable to the Corporation's Fiscal Council consists of:

- Fixed Compensation: the total amount equivalent to, at least, ten per cent (10%) of the average compensation attributed to each executive officer, not included benefits, allowances and shares profits.

In addition to the compensation described above, the members of the Fiscal Council are also reimbursed, by the Corporation, for all transportation and accommodation expenses necessary for the performance of their respective duties, in conformity with the legislation in force. From 2011 onwards, a higher compensation for the Fiscal Board Chairman was introduced being one third more than for the remaining members of the Board.

ii. Proportion of each component in overall compensation related to the last three fiscal years:

Fiscal Year 2016

	Board of Directors	Committees (b)	Board of Executive Officers	Fiscal Council
Fixed Compensation	62.4%	100.0%	21.5%	100.00
Benefit	N/A	N/A	3.3%	N/A
Variable Compensation	37.6%	N/A	24.9%	N/A
Stock-based Compensation (a)	N/A	N/A	50.3%	N/A
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Fiscal Year 2017

	Board of Directors	Committees (b)	Board of Executive Officers	Fiscal Council
Fixed Compensation	61.5%	100.0%	19.0%	100.00
Benefit	N/A	N/A	2.5%	N/A
Variable Compensation	38.5%	N/A	28.8%	N/A
Stock-based Compensation (a)	N/A	N/A	49.7%	N/A
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Fiscal Year 2018

	Board of Directors	Committees (b)	Board of Executive Officers	Fiscal Council
Fixed Compensation	61.4%	100.0%	23.0%	100.00%
Benefit	N/A	N/A	3.2%	N/A
Variable Compensation	38.6%	N/A	28.7%	N/A
Stock-based Compensation (a)	N/A	N/A	45.1%	N/A
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Note: (a) – Adoption of the Black&Scholes method.

(b) – The members of the Sustainability Committee did not receive remuneration until June 2016

iii. Calculation and adjustment method for each of the compensation components

The compensation levels are based upon customary market practices obtained annually by means of salary surveys conducted by specialized consulting companies, out of which are selected specific companies that reflect one of the following characteristics:

- Similar size to Lojas Renner, in terms of revenues;
- Retail segment;
- Competitors in terms of human resources;
- Consistent and similar compensation policies.

The fixed compensation or the fixed fees are based upon average compensation paid by the market and adjusted on an annual basis in conformity with market practices, individual performance and other factors, such as the executive officer's potential, specific capabilities, experience on the position and retention risks.

The benefits offered by the Corporation are in line with market practices. Officers are entitled to the following benefits:

- Health care plan
- Physical check-up
- Life insurance
- Vehicle
- Mobile telephone

The Variable Compensation is based upon the concept of profit sharing, in which a target reward ("target") is defined and associated with the Corporation's and individual's weighted-average performance goals. For this reason, the following components are used: Operating Income (Loss), Net Operating Revenues, Return on Invested Capital (ROIC) and Succession Plans. The financial goals are based upon the budget approved by the Board of Directors. The achievement of goals is evaluated at the end of the year and the corresponding reward is calculated, in accordance with the Corporate Governance policies previously described.

Any potential gains arising out of the Stock Option Plan are subjected to the corporation's appreciation, which is measured through the corporation's stock prices on stock exchanges, based on the option strike price (stock call option). Further details on the Stock Option Plan are available in items 13.4 to 13.8.

iv. Reasons supporting the compensation composition

The desired competitive position of overall compensation (sum of all components) corresponds to the third market fourth (75%), and fixed portions (base salary and benefits) are aligned with the average market amounts. The purpose of such composition is:

- To compete with customary market practices, which allows to attract and retain professionals with the necessary qualifications;
- To associate a portion of the compensation with the corporation's results;
- To generate balance between the different compensation components, which encourage the achievement of short, medium and long-term results, within reasonable risk levels;
- To balance the short and long-term variable compensation aiming at the generation of sustainable annual results and creation of value to shareholders.

v. the existence of members non remunarated by the issuer and the reason for this fact

The CEO is also Board of Directors Member, not receiving compensation for the Board of Directors Member and therefore he is not in the number of members and neither on the amount of the remuneration of the Board of Directors. The members of the Sustainability Committee did not receive remuneration for participation on this Committee until June 2016.

c. Key performance indicators taken into account in the determination of each compensation component

The set of components of the compensation seeks to recognize the Corporation's and individual's performance, at competitive market levels. Fixed compensation is based upon the market average compensation obtained from salary surveys conducted by specialized consulting companies and individual performance.

Individual performance is measured by a cross between skills and results. The skills are achieved through the annual evaluation of the executive, based on their adherence to the principles and values of the company and their individual skills. The result is achieved through the individual goals that stem from the company's strategic planning and are deployed for all executives.

Variable compensation payable to the Board of Executive Officers is based upon business goals and strategies, aiming at the creation of long-term and sustainable value to the Corporation.

The main financial indicators used in the variable compensation are the following: Operating Income (Loss), Net Operating Revenues, Return Over Capital Invested (ROIC). In the long term variable compensation (POCA), the indicator is the Corporation's market value, according to its share price in the stock market.

d. How compensation is structured to reflect the evolution of performance indicators

One of the base salary adjustment factors is individual performance (which is measured based on individual goals, capabilities and conduct).

Variable Compensation is based upon the concept of profit sharing, in which a target reward ("target") is defined and associated with the Corporation's and individual's weighted-average financial performance goals. The financial goals are based upon the budget, which is approved by the Board of Directors, and include the estimate of the plan's costs. Therefore, the achievement of goals automatically generates the funds necessary for the payment of reward, thereby resulting in a self-financed plan.

The Stock Option Plan consists of granting rights to purchase the corporation's stock, in conformity with price and term rules, previously approved by the shareholders at the General Meeting. Strike price is the weighted-average trading price during thirty (30) consecutive days of trading on the stock exchange, prior to the date of the event that gave rise to the application thereof, and a total vesting period of four years is defined for the exercise of the options. In case the executive officer resigns or is removed from the company during the vesting period, he/she will no longer be entitled to any rights. Therefore, the executive officers' gains arising out of the Stock Option Plan rely directly upon the appreciation of the corporation's stock after the granting of the options and during the vesting period.

The Restricted Stock Plan consists in granting company stock transfer rights, respecting rules deadlines previously approved by the shareholders at the General Meeting. The Restricted Stocks to be granted to participants will be those in the Company's treasury. The definite transfer of Restricted Stocks to the participants is conditioned to the fulfillment of a grace period of three years for each grant, and at the end of the grace period, the participant shall have employment agreement with the Company in full effect, or the grants shall be cancelled.

e. How the compensation policy or practice is aligned with the short, medium and long-term interests of the issuer

The corporation's compensation strategy is based upon customary market practices, which allows the attraction, retention and motivation of qualified professionals with respect to the implementation and operation of business strategies approved by shareholders. The payment of the annual variable compensation plans is subjected to the corporation's short and medium term financial growth components (Net Operating Revenues), operating efficiency (Operating Income (Loss)) and ROIC. The long-term incentive plan (POCA) is based upon the Stock Option Plan and restricted stock, therefore, relies directly upon the appreciation of the corporation's market value, that is, the appreciation of the corporation's stock in the long run.

f. Existence of compensation supported by subsidiaries, direct or indirect controlled or controlling companies

The members of the Board of Directors, People Committee, Board of Executive Officers and Fiscal Council are not entitled to compensation supported by subsidiaries, direct or indirect controlled or controlling companies.

g. Existence of any compensation or benefit subjected to the occurrence of any given corporate event, such as the transfer of the issuer's shareholding control

The agreement entered into with the Chief Executive Officer contains a clause which sets forth that the Chief Executive Officer will be entitled to the payment of indemnification in the event of verification, with respect to any Corporation's shareholder or third party, of the obligation to conduct a Public Offering for the acquisition of shares issued by the Corporation, in conformity with the Corporation Bylaws, or in the event of successful conduction of the public offering for acquisition of the Corporation's control, in conformity with article 257 of Law 6,404/76, which results in rescission of agreement within twelve months following such event. The indemnification will be equivalent to the sum of twelve times the amount of the monthly compensation, plus the variable compensation amounts received by the officer in the year prior to rescission, excluding POCA.

13.2 Regarding the compensation recorded during the three (3) last fiscal years and the compensation payable in the current fiscal year to the members of the Board of Directors, the Statutory Board of Executive Officers and the Fiscal Council:

The amounts recorded as Self Employment Income, Committee Participation and Others, in the Annual Fixed Compensation, and the amounts recorded as Participation in Meeting, in the Variable Compensation, are recorded in the Corporation's Financial Statements as Management Compensation. The Variable Compensation payable to the members of the Statutory Board of Executive Officers is recorded in the Corporation's Financial Statements as Statutory Profit Sharing. The notes included below in the tables for each year should be observed for purposes of better understanding.

The methodology regarding the pricing of the stock option plan ("SOP") used to determine the values mentioned in the table above, as well as the content of this Formulary, took into consideration the guidelines of the CVM 562's Determination and Statement CPC 10. The referred rulings enforce the companies to book its mechanisms in accordance with the 'fair value' by means of solid and standard methods, taking into consideration parameters and factors used by market agents when pricing similar assets. With regards to Company, it was applied the Black Scholes' method, which is widely used in the market, and that takes into account six parameters (share market price at the date the option was granted, exercise of the option price, volatility history, history of paid dividends by each share, duration of stock option and interest rate free of market risk). Further information is placed in the item 13.8 of this document.

The result of the Black Scholes' method may be deduced as the present value of the potential future earnings, in case the premises assumed turn into facts. Therefore, it is important to mention that the amount resulted does not represent profits effectively exercised by the officers in the reported fiscal year, considering that the premises of a stock option plan is that the officers may not become entitled to obtaining any kind of earning. The referred risks are related to dismissals, which may terminate the granted stock option, and mainly to share price fluctuation during the granted stock option plan, considering that eventual depreciation over the exercise price neutralizes the earnings.

Year 2016 – Annual Amounts

	Board of Directors	**Statutory Board of Executive Officers**	**Fiscal Council**	**TOTAL**
Number of Members (a)	8.00	6.00	3.00	17.00
Number of Remunerated Members (b)	7.00	6.00	3.00	16.00
ANNUAL FIXED COMPENSATION (R$)				
Self-employment Income	1,373,920.00	6,251,280.00	526,320.00	8,151,520.00
Participation in Committee	1,265,700.00	-	-	1,265,700.00
Benefits	-	882,880.00	-	882,880.00
Others (c)	-	-450,000.00	-	-450,000.00
VARIABLE COMPENSATION (R$)				
Participation in Meeting	829,600.00	-	-	829,600.00
Variable Compensation	-	6,733,667.00	-	6,733,667.00
RETIREMENT BENEFIT				
BENEFITS DUE TO THE INTERRUPTION IN THE EXERCISE OF THE POSITION	-	-	-	-
STOCK-BASED COMPENSATION INCLUDING OPTIONS (R$)	-	13,589,791.57	-	13,589,791.57
TOTAL (R$)	**3,469,220.00**	**27,007,618.57**	**526,320.00**	**31,003,158.57**

Notes: The value of the compensation for 2016 includes the restatement of compensation due to the Board of Directors, the Board of Executive Officers and the Fiscal Council according to the INPC inflation index 2015, at 11.3%.

(a) – In order to determine the number of members of each organ, the total number in each month was added and divided by 12 (simple average).

(b) – The Chief Executive Officer is also a member of the Board of Directors, being unremunerated for exercising the position of Director and for this reason not included in the number of members with seats on the board.

(c) – The gratification booked to Others for the Board of Executive Officers in 2015 was reversed and paid in 2016.

Year 2017 – Annual Amounts

	Board of Directors	**Statutory Board of Executive Officers**	**Fiscal Council**	**TOTAL**
Number of Members (a)	8.00	6.00	3.00	17.00
Number of Remunerated Members (b)	7.00	6.00	3.00	16.00
ANNUAL FIXED COMPENSATION (R$)				
Self-employment Income	1,471,113.34	6,404,900.00	564,000.00	8,440,013.34
Participation in Committee	1,509,600.00	-	-	1,509,600.00
Benefits	-	931,440.00	-	931,440.00
Others (c)	-	552,263.00	-	552,263.00
VARIABLE COMPENSATION (R$)				
Participation in Meeting	921,300.00	-	-	921,300.00
Variable Compensation	-	10,551,320.87	-	10,551,320.87
RETIREMENT BENEFIT				
BENEFITS DUE TO THE INTERRUPTION IN THE EXERCISE OF THE POSITION	-	-	-	-
STOCK-BASED COMPENSATION INCLUDING OPTIONS (R$)	-	18,245,448.30	-	18,245,448.30
TOTAL (R$)	**3,902,013.34**	**36,685,372.17**	**564,000.00**	**41,151,385.51**

Notes: (*) The value of the compensation for 2017 includes the restatement of compensation due to the Board of Directors, the Board of Executive Officers and the Fiscal Council according to the INPC inflation index 2016.

(a) – In order to determine the number of members of each organ, the total number in each month was added and divided by 12 (simple average).

(b) – The Chief Executive Officer is also a member of the Board of Directors, being unremunerated for exercising the position of Director and for this reason not included in the number of members with seats on the board.

(c) – The gratification booked to Others for the Board of Executive Officers in 2016 was reversed and paid in 2017.

Year 2018 – Annual Amounts

	Board of Directors	**Statutory Board of Executive Officers**	**Fiscal Council**	**TOTAL**
Number of Members (a)	8.00	6.00	3.00	17.00
Number of Remunerated Members (b)	7.00	6.33	3.00	16.33
ANNUAL FIXED COMPENSATION (R$)				
Self-employment Income	1,505,370.00	6,627,603.34	576,000.00	8,708,973.34
Participation in Committee	1,641,600.00	-	-	1,641,600.00
Benefits	-	911,697.60	-	911,697.60
VARIABLE COMPENSATION (R$)				
Participation in Meeting	946,200.00	-	-	946,200.00
Variable Compensation	-	8,294,749.20	-	8,294,749.20
RETIREMENT BENEFIT	-	-	-	-
BENEFITS DUE TO THE INTERRUPTION IN THE EXERCISE OF THE POSITION	-	-	-	-
STOCK-BASED COMPENSATION INCLUDING OPTIONS (R$)	-	13,030,852.06	-	13,030,852.06
TOTAL (R$)	**4,093,170.00**	**28,864,902.20**	**576,000.00**	**33,534,072.20**

Notes: (*) The value of the compensation for 2018 includes the restatement of compensation due to the Board of Directors, the Board of Executive Officers and the Fiscal Council according to the INPC inflation index 2017, besides an adequacy to the market.

(a) – In order to determine the number of members of each organ, the total number in each month was added and divided by 12 (simple average).

(b) – The Chief Executive Officer is also a member of the Board of Directors, being unremunerated for exercising the position of Director and for this reason not included in the number of members with seats on the board.

Year 2019 – Estimated Annual Amounts (*)

	Board of Directors	Statutory Board of Executive Officers	Fiscal Council	TOTAL
Number of Members (a)	8.00	6.00	3.00	17.00
Number of Remunerated Members (b)	8.00	6.00	3.00	17.00
ANNUAL FIXED COMPENSATION (R$)				
Self-employment Income	7,995,000.00	6,051,480.00	653,520.00	14,700,000.00
Participation in Committee	1,950,000.00	-	-	1,950,000.00
Benefits	-	1,000,000.00	-	1,000,000.00
VARIABLE COMPENSATION (R$)				
Participation in Meeting	1,100,000.00	-	-	1,100,000.00
Variable Compensation (c)	-	10,500,000.00	-	10,500,000.00
RETIREMENT BENEFIT	-	-	-	-
BENEFITS DUE TO THE INTERRUPTION IN THE EXERCISE OF THE POSITION	-	-	-	-
STOCK-BASED COMPENSATION INCLUDING OPTIONS (R$) (d)	4,400,000.00	11,600,000.00	-	16,000,000.00
TOTAL (R$)	**15,445,000.00**	**29,151,480.00**	**653,520.00**	**45,250,000.00**

Notes: (*) The value of the remuneration estimated for 2019 incorporates the readjustment of the fees of the Board of Directors, the Executive Board and the Fiscal Council according to the INPC for 2018 and market conditions, as well as considering that the goals for 2019 will all be met.

(a) – In order to determine the number of members of each organ, the total number in each month was added and divided by 12 (simple average).

(b) – The Chief Executive Officer is also a member of the Board of Directors, being unremunerated for exercising the position of Director and for this reason not included in the number of members with seats on the board.

(c) – The amount mentioned corresponds to variable compensation, payable should the goals established by the Company be achieved.

(d) – The value of the share-based remuneration in the Board of Directors represents contractual grants of the Chief Executive Officer, received when still a member of the Executive Board.

13.3 Variable compensation to the members of the Board of Directors, the Statutory Board of Executive Officers and the Fiscal Council:

The Corporation does not pay bonus, but adopts the so-called variable compensation, which is recorded in the Corporation's Financial Statements as Statutory Profit Sharing. The members of the Fiscal Council do not receive variable compensation. Regarding the Board of Directors, the variable compensation is composed exclusively of the attendance to the meetings.

The variable compensation provided for the year ended on 12.31.2016.

	Board of Directors	Statutory Board of Executive Officers	Fiscal Council	TOTAL
Number of Members (a)	8.00	6.00	3.00	17.00
Number of Remunerated Members (a)	-	6.00	-	6.00
Bonus				
Minimum amount set out in the compensation plan (R$)	-	-	-	-
Maximum amount set out in the compensation plan (R$)	-	-	-	-
Amount set out in the compensation plan, upon achievement of the goals established (R$)	-	-	-	-
Profit Sharing				
Minimum amount set out in the compensation plan (R$)	-	Zero	-	Zero
Maximum amount set out in the compensation plan (b)	-	No Limit	-	No Limit
Amount set out in the compensation plan, upon achievement of the goals established (R$) (c)	-	7,571,460.00	-	7,571,460.00
Amount effectively recognized in net profit for the fiscal years (R$)	-	6,733,667.00		6,733,667.00

The variable compensation provided for the year ended on 12.31.2017.

	Board of Directors	Statutory Board of Executive Officers	Fiscal Council	TOTAL
Number of Members (a)	8.00	6.00	3.00	17.00
Number of Remunerated Members (a)	-	6.00	-	6.00
Bonus				
Minimum amount set out in the compensation plan (R$)	-	-	-	-
Maximum amount set out in the compensation plan (R$)	-	-	-	-
Amount set out in the compensation plan, upon achievement of the goals established (R$)	-	-	-	-
Profit Sharing				
Minimum amount set out in the compensation plan (R$)	-	Zero	-	Zero
Maximum amount set out in the compensation plan (b)	-	No Limit	-	No Limit
Amount set out in the compensation plan, upon achievement of the goals established (R$) (c)	-	8,073,000.00	-	8,073,000.00
Amount effectively recognized in net profit for the fiscal years (R$)	-	10,551,320.87	-	10,551,320.87

The variable compensation provided for the year ended on 12.31.2018.

	Board of Directors	Statutory Board of Executive Officers	Fiscal Council	TOTAL
Number of Members (a)	8.00	6.00	3.00	17.00
Number of Remunerated Members (a)	-	6.33	-	6.33
Bonus				
Minimum amount set out in the compensation plan (R$)	-	-	-	-
Maximum amount set out in the compensation plan (R$)	-	-	-	-
Amount set out in the compensation plan, upon achievement of the goals established (R$)	-	-	-	-
Profit Sharing				
Minimum amount set out in the compensation plan (R$)	-	Zero	-	Zero
Maximum amount set out in the compensation plan (b)	-	No Limit	-	No Limit
Amount set out in the compensation plan, upon achievement of the goals established (R$) (c)	-	13,000,000.00	-	13,000,000.00
Amount effectively recognized in net profit for the fiscal years (R$)	-	8,294,749.20	-	8,294,749.20

The variable compensation estimated for the current fiscal year (2019 – forecast).

	Board of Directors	Statutory Board of Executive Officers	Fiscal Council	TOTAL
Number of Members (a)	8.00	6.00	3.00	17.00
Number of Remunerated Members (a)	-	6.00	-	6.00
Bonus				
Minimum amount set out in the compensation plan (R$)	-	-	-	-
Maximum amount set out in the compensation plan (R$)	-	-	-	-
Amount set out in the compensation plan, upon achievement of the goals established (R$)	-	-	-	-
Profit Sharing				
Minimum amount set out in the compensation plan (R$)	-	Zero	-	Zero
Maximum amount set out in the compensation plan (b)	-	No Limit	-	No Limit
Amount set out in the compensation plan, upon achievement of the goals established (R$) (c)	-	10,500,000.00	-	10,500,000.00

Notes: (a) – In order to determine the number of members of each organ, the total number in each month was added and divided by 12 (simple average).

(b) – The variable compensation payable to the Chief Executive Officer provides for a maximum amount.

(c) – In fiscal year 2017, forecasted values were less than the effectively recognized values in the result due to targets being exceeded for these years, contrary to fiscal years 2016 and 2018.

13.4 The compensation plan based on shares for the Board and the Board of Executive Officers

a. general terms and conditions

The Stock Option Plan approved by the Company's Extraordinary General Shareholders' Meeting held on May 25, 2005 and amended by the Extraordinary General Shareholders´ Meetings held on April 10, 2007 and March 30, 2009; and the Stock Options and Restricted Stock Plans approved by the Company's Extraordinary General Shareholders' Meeting held on September 23, 2015 are subject to oversight by the People Committee ("Committee"), created pursuant to the Company´s Corporate Bylaws and comprised of independent members of the Company's Board of Directors ("Board").

The members of the Committee may not be beneficiaries of the stock options, the purpose of the Plan.

In exercising its powers, the Committee is subject to the limits enshrined in law, in the Corporate Bylaws, in the applicable regulations, in the Plan and in the guidelines established by the Company's shareholders in a general shareholders meeting. The Committee has wide powers to implement the Plan and to suggest necessary and suitable measures for its administration. However, the Committee's decisions are not binding on the Company, except when ratified by the Board. Cases not covered herein are regulated by the Board, where necessary being submitted for the decision of a General Shareholders Meeting.

The grant of stock options and restricted stock for subscription or acquisition of Participants selected by the People Committee are made periodically through the Stock Options Grants Programs and Restricted Stock Programs ("Grants Programs"). For each Grants Program, the Committee determines the characteristics as listed below. These characteristics are set at the Committee´s discretion, always conditional on adherence to the rules of the Plan.

The Committee shall establish the conditions for each one of the Programs, respecting the general criteria for each Plan. In the Stock Options Plan ("Plan"), approved by the Company´s Extraordinary General Shareholders' Meeting held on May 25, 2005, and amended by the Extraordinary General Shareholders Meeting held on April 10, 2007 and March 30, 2009, the requirements are: (i) The total quantity of the Company´s common shares, traded on the stock exchanges, which may be subscribed upon the exercising of the option; (ii) The list of eligible participants as well as the number of options granted to each participant; (iii) The vesting periods for exercising the option, where the exercising dates may be scheduled so that the options become exercisable in relation to progressively larger quantities of common shares underlying the option or with respect to other rules for exercising the options; (iv) The subscription price; (v) The conditions for subscribing the shares; (vi) The maximum vesting period for exercising the option or the criteria for doing so; (vii) Any restrictions on the trading of the subscribed shares due to the exercising of the option; and (viii) Eventual penalties. In the Stock Option Plan approved by the Company´s Extraordinary General Shareholders' Meeting held on September 23, 2015, the requisites are: (i) The total number of the Company´s common shares, traded on the stock exchanges, which may be subscribed or acquired by the Participants upon the exercising of the option; (ii) The list of eligible Participants as well as the quantity of options granted to each Participant; (iii) The periods at the end of which the option becomes exercisable, pursuant to item "7" of this Plan; (iv) The subscription price of the shares or the price for acquisition of the shares held as treasury stock; (v) The conditions for the paying in of the shares to be subscribed or for payment of the shares to be acquired; (vi) The maximum period for exercising the option or the criteria for determining the same; (vii) Any restrictions on trading of the subscribed and/or acquired shares due to the exercising of the option; and (viii) Eventual penalties. Conversely, the Restricted Stock Plan approved by the Company´s Extraordinary General Shareholders' Meeting held on September 23, 2015, subject to approval of the Board, the Committee may grant to eligible Participants a quantity of Restricted Shares, under each program, conditional on compliance with the following requirements: (i) Compliance with a Grace Period of 3 (three) years; and (ii) At the end of the Grace Period, the Participant's work contract with the Company must be in full force and effect, without prejudice of the other provisions of the Plan and the Program.

Any option granted in accordance with any Grants Program is subject to all terms and conditions established in the Plan. The provisions contained in the Plan shall prevail in the event of conflict between the Plan and the provisions of the Grants Programs or any instrument or agreement entered into as a result of the Plan.

The terms and conditions for each option granted under the Plan and the Grants Programs are set out in the Instrument of Adherence to the Stock Option Plan and in the Private Instrument to the Restricted Shares Plan signed by the participant.

b. principal objectives of the Plan

The objectives of the Stock Options Plans are: (a) to attract, motivate and retain qualified executives, (b) to align the interests of the executives with those of the Company and its shareholders, and (c) to incentivize Statutory Officers, Executives and Employees (as described in item 3 of the Plan) to contribute to the results of the Company through the granting of options on the Company´s capital stock. Again, the Restricted Stock Plan is created with the purpose of: (i) stimulating the expansion, success and execution of the corporate objectives of Lojas Renner S.A. ("Company"); (ii) attract and retain the best professionals over time and offer incentives which align the interests of these professionals with the continued growth and success of the Company; and (iii) to enable the Company or other corporations under its control ("Subsidiaries") to maintain the Participants' or Beneficiaries' link as employees to the Company or other corporations.

c. manner in which the Plan contributes to these objectives

The Stock Option Plan consists of the concession of rights to subscribe Company shares, conditional on compliance with predetermined rules for price and term. The exercise price is based on the quotation of the share on the grant date and there is a total vesting period of four years for exercising the options. Should the executive resign from the Company during the vesting period, the beneficiary will lose his rights under the Plan. Hence, the compensation of the executive under the Plan is directly contingent on the appreciation of the Company´s share following the grant of the options and during the vesting period. Under normal market conditions, the share price on the exchange reflects corporate strategies and the consistent and positive financial strategies employed over the long term.

The Restricted Stock Plan consists in the concession of Company share transfer rights conditional on compliance with the rules on terms, pre-approved by the shareholders in a General Meeting. The Restricted Stock to be granted to the participants will be those held as the Company´s treasury stock. The definitive transfer of the Restricted Stock to participants will be contingent on a grace period of three years for each grant, at the end of which the participant's work contract with the Company must continue to be in full force and effect. Should this not be the case, the employee's stock grants shall be cancelled.

By allowing Participants to become shareholders of the Company, it endeavors to retain talented employees and align their objectives with those of the Company. Using this model, the sharing of corporate risks and gains can be achieved through the appreciation in value of the shares acquired within the scope of the Plans.

d. how is the plan incorporated into the issuer's compensation policy

The Plans carry a significant weighting in the overall compensation of the statutory officers (see item 13.1.ii) and senior management, ensuring that executives are duly focused on the long-term capitalization of the Company, and consequently the creation of sustainable results. In 2018, the Plan represented 45.1% of the compensation of the Board of Executive Officers. As at December 31, 2018, the Plan's participants consisted of 6 statutory officers, 1 Board Director (ex-CFO and IRO) and 49 non-statutory officers.

e. how the plan is aligned to the interests of the management and issuer over the short, medium and long term

The objective of the Company's aggregate compensation strategy is to ensure that compensation matches that of the market as a whole. As the Plan represents a significant weighting of aggregate overall compensation, the executives are cognizant that the competitiveness of their compensation is linked to the sustainable growth in the Company's value over the short, medium and long terms and which, in turn, is also the expectation of the shareholders.

As the Plans are normally subject to annual option grants at market values, there is a continual focus on the future appreciation of the shares and the Company. In addition, the number of options granted to each program is made in such a way that executives will only enjoy compensation aligned to the market if there is an appreciation of the shares aligned to shareholder expectations. Conversely, should there be a devaluation, executives will not be eligible for any compensation under the Plan and for this reason, total compensation will be lower than practiced by the market at large.

f. maximum number of shares which can be granted under the Plans

The stock options granted under the Stock Option Plan approved in 2005, including those already exercised or otherwise, and discounting those cancelled due to termination, may provide rights on a quantity of underlying shares not exceeding 9% (nine percent) of the total shares issued by the Company at any time, over a period of 10 years as from May 25, 2005 to May 25, 2015 and as long as the total number of shares issued or those which may potentially be issued under the terms of the Plan shall always be within the limit of the Company's authorized capital.

The stock option grants under the Stock Option Plan approved in 2015, including those already exercised or otherwise, and discounting those cancelled due to termination situations (see items 11 and 12 of the Plan) may give rights on a number of shares not exceeding 3% (three percent) of the total shares issued by the Company at any time, and contingent on the total number of shares issued or may potentially be issued under the terms of the Plan always being within the limit of the Company's authorized capital.

For the purposes of the Restricted Stock Plan and upon the prior recommendation of the Committee, the Board may grant a number of common, nominative and book entry shares issued by the Company not exceeding 1% (one percent) of the total number of shares issued by the Company at any time ("Restricted Stock"). Restricted Stock to be granted to Participants will be represented by shares held in the Company's treasury stock.

The percentages for each Plan correspond to the total in each Plan, including Statutory Officers, Non-statutory Executives and Employees. There is no specific percentage for Management.

In relation to the Stock Options Plan for 2005-2015, until December 31, 2018, 38,076,500 stock options (already excluding those cancelled) had been granted to Management, representing 5.29% of the Company's capital stock, of these, 36,939,400 shares (5.13%) having been exercised (7,312,800 shares pertaining to Officers who have already left the Company). In relation to the Stock

Options and Restricted Shares Plan 2016-2020, 3,045,425 stock options (already excluding cancelations) had been granted to Management, representing 0.42% of the capital stock, of which, 534,600 were exercised (88,825 relative to an Officer who has already left the Company), and a further 520,400 restricted shares (0.07% of the capital stock), to Management.

g. maximum number of options to be granted

The stock options granted under the Stock Option Plan approved in 2005, including those already exercised or otherwise, and discounting those cancelled due to termination situations, may provide rights to a number of shares not exceeding 9% (nine percent) of the total number of shares issued by the Company and any time, in the 10-year period from May 25, 2005 to May 25, 2015, and contingent on the total number of shares issued or may potentially be issued under the Plan albeit always within the limit of the Company's authorized capital.

The stock option granted under the Stock Option Plan approved in 2015, including those already exercised or otherwise, and discounting those cancelled due to termination situations (see items 11 and 12 of the Plan) extend rights on a number of underlying shares not exceeding 3% (three percent) of the total shares issued by the Company at any time, and contingent on the total number of shares issued or may potentially be issued under the terms of the Plan albeit always within the limit of the Company's authorized capital.

For the purposes of the Restricted Stock Plan and upon the prior recommendation of the Committee, the Board may grant a number of common, nominative and book entry shares issued by the Company not exceeding 1% (one percent) of the total number of shares issued by the Company at any time ("Restricted Stock"). Restricted Stock to be granted to Participants will be represented by shares held as treasury stock.

These percentages for each Plan correspond to the total in each Plan, including Statutory Officers, Non-statutory Executives and Employees. There is no specific percentage for Management.

In relation to the Stock Options Plan for 2005-2015, until December 31, 2018, 38,076,500 stock options (already excluding those cancelled) had been granted to Management, representing 5.29% of the Company's capital stock, of these, 36,939,400 shares (5.13%) having been exercised (7,312,800 shares pertaining to Officers who have already left the Company). In relation to the Stock Options and Restricted Shares Plan 2016-2020, 3,045,425 stock options (already excluding cancelations) had been granted to Management, representing 0.42% of the capital stock, of which, 534,600 were exercised (88,825 relative to an Officer who has already left the Company), and a further 520,400 restricted shares (0.07% of the capital stock), to Management.

h. conditions for acquisition of shares

Professionals participating in the Plan are those selected from among Officers, Executives and Employees of the Company and its subsidiaries ("Participants" or "Beneficiaries") by the Chief Executive Officer, submitted to the People Committee and approved by the Board. For the purposes of this Plan: (a) "Officers" means Statutory Officers of the Company and/or its Subsidiaries; (b) "Executives" means staff who exercise non-statutory functions or management who are employees of the Company and/or its Subsidiaries; and (c) "Employees" means staff holding strategic positions in the businesses of the Company and/or its Subsidiaries, as identified by the Committee and approved by the Board. Up to the present, no grants have been made either to the members of the Board or to Service Providers. The Plan does not permit grants to be made to the members of the People Committee.

Those eligible shall respect a vesting period before exercising their options during which time they must remain working for, or rendering services to the Company. This period will be established on the occasion of each grant based on market practices and in accordance with the recommendations of the People Committee.

i. criteria for setting the acquisition or exercise price

The basic price for exercising the options and payment of the subscription or acquisition of shares by the Beneficiaries of the Stock Option Plan shall be decided by the Board, pursuant to the Committee's recommendation for each Program. Prices will be aligned to the legal parameters prevailing on the date of the option grant date, but will never be less than 100% (one hundred percent) of the Stock Exchange Value of the shares issued by the Company on the date of the option grant. This same price (100% of the Stock Exchange Value) shall be observed in the event of sale of treasury stock by the Company to the Participants. For the Purposes of the Plan and each Program, the Stock Exchange Value of the shares for the exercising of the option shall be the weighted average price for the last 30 (thirty) consecutive trading days on the stock exchange prior to the grant date.

For all intents and purposes, the value of the Restricted Stock shall correspond to 100% (one hundred percent) of the average price (excluding the after market) of the Company´s shares on the stock exchange for the day immediately preceding the date of transfer of the Restricted Stock to the Participant.

j. criteria for setting the vesting period

The Stock Option Plan approved in 2005 established that 50% of the options (considering the options comprising the same grant only) may be vested after three years, contingent on compliance with the other conditions of the Program and Plan. Following the elapsing of four years from their respective grant, the remaining options (considering the options comprising the same grant only) may be vested, subject to the other conditions of this Program and Plan.

In the case of the Stock Option Plan approved in 2015, 25% (twenty-five percent) of the options may be exercisable by the Participant after a year from their respective grant, considering the options for the same grant only, subject to compliance with the remaining conditions of this Plan, and in the same way successively at the rate of 25% (twenty-five percent) for each subsequent annual period. Following the elapse of four years from their respective grant, all the options considering only the options of the same grant, will become exercisable, subject to the remaining conditions of this Plan and the respective Program. The period for exercising the options shall never exceed 6 (six) years as from option grant date.

The Committee shall decide the period for exercising the options on a case by case basis according to the legal parameters on the date of the option grant, although this will never exceed 6 (six) years as from the option grant date.

In the case of the Restricted Stock Plan, the Grace Period is of 3 (three) years, at the end of which, the work contract of the Participant with the Company must be in full force and effect without prejudice of compliance with the remaining provisions of the Plan and the Program.

k. settlement

The stock price shall be paid by the holders of the stock options pursuant to the conditions determined by the Committee, contingent on subscription of the minimum pursuant to Law 6.404/76, in the event that the Committee authorizes the subscription by installment of the share price. The settlement of the subscription price of the shares earmarked to the exercising of the option shall be made in cash. Complementary to the Plan approved in 2005 and pursuant to the Grant Program, the participant shall have up to 4 (four) days following the exercise of the options to effect settlement and within a term not exceeding 5 (five) days, as from the exercising of the option for the Plan approved in 2015.

In the case of the Restricted Stock, following the elapsing of the Grace Period, and contingent on compliance with all the conditions to the Plan and the other applicable conditions, the Company shall transfer ownership of the Shares to the Participant within a term of 3 days.

l. restrictions on transfer of the shares

The shares earmarked for the exercising of the stock options may not be sold to third parties while not totally subscribed.

In the case of the first and second grant, the Chief Executive Officer, José Galló was restricted from selling, transferring, pledging or otherwise negotiating 50% of the shares subscribed or acquired within a term of 01 (one) year as from the date of their respective subscription or acquisition. The other beneficiaries were not subject to this restriction. It should be pointed out that the above restriction also applied to the ex-CFO and ex-IRO, José Carlos Hruby, although upon his retirement on August 31, 2010, this obligation ceased. It should be further noted that with respect to the two aforementioned grants, the Company had just two statutory officers where both have already exercised the aforementioned grants, the restriction period having already expired.

m. criteria and events triggering suspension, amendment or extinguishment of the Plan

The Plan shall expire at any time, (a) upon the decision of an Extraordinary General Meeting, (b) upon cancellation of the Company's registration as a publicly held company, (c) upon cessation of trading of the common shares in the over-the- counter market, organized market or stock exchange as a result of the corporate reorganization of the Company, (d) the dissolution and liquidation of the Company, or (e) by the elapsing of a term of 10 (ten) years for the Plan approved on May 25, 2005, and by the elapsing of the term of 5 (five) years for the Plans approved on September 23, 2015, as from this date.

The extinguishment of the Plan by resolution of the Company's shareholders shall neither affect the efficacy of the options still outstanding and previously granted, nor the prevailing restrictions as to negotiability of the shares and/or the right of preference.

In the case of the Stock Option Plan approved on May 25, 2005, in the event of a Corporate Reorganization of the Company (Corporate Reorganization of the Company means the incorporation, merger, spin-off or reorganization of the Company, in which the Company is not the surviving Company), the Plan and the Grants Programs shall be extinguished as well as any option granted up to then. The exception to this scenario is when the resolutions on the reorganization establish the permanence of the Plan and/or any Grants Program and assumption of options granted up to the date of the Corporate Reorganization with the substitution of these options for new options. In this case, the successor Company, its affiliate or subsidiary shall assume the appropriate readjustments in the number, type and price of shares and in this case, the Plan and the respective Grants Program shall continue in the form thereby established. In the event of cancelation of the Company's registration as a publicly held company, cessation of trading, dissolution and liquidation of the Company, the Plan and the options granted under the said Plan shall be automatically extinguished.

In the case of the Stock Option Plan approved on September 23, 2015, in the event of a Corporate Reorganization of the Company, the Plan and the Programs shall be subject to scrutiny by the Board, in order to decide on the permanence of the Plan and/or any Program and the assumption of the options granted up to the date of the Corporate Reorganization with the substitution of these options by new options. In this context, Corporate Reorganization of the Company means the incorporation, incorporation of shares, merger, spin-off or reorganization of the Company, in which the Company is not the surviving Company. In the event of cancelation of the Company's registration as a publicly held company, cessation of trading, dissolution and liquidation of the Company, the Plan and the Programs shall be subject to the analysis of the Board in order to make a decision on the permanence of the Plan and/or any Program and the eventual assumption of the options granted up to then and their substitution for new options.

Should a Corporate Reorganization of the Company (as defined below) be implemented, in the case of the Restricted Stock Plan approved on September 23, 2015, the respective Plan and the Programs shall be analyzed by the Board in order to decide on the permanence of the Plan and/or any Program and the assumption of the Restricted Stock granted up to the date of the Corporate Reorganization with the substitution of this Restricted Stock by new stock issued by the corporation resulting from the Corporate Reorganization (Successor Company). In the context of this plan, Corporate Reorganization of the Company means the incorporation, incorporation of shares, merger, spin-off or reorganization of the Company, in which the Company is not the surviving Company. In the event of cancelation of the Company's registration as a publicly held company, cessation of trading, dissolution and liquidation of the Company, the Plan and the Programs shall be subject to the analysis of the Board in order to make a decision as to the permanence of the Plan and/or any Program and the transfer of the Restricted Shares to the Participant.

n. effects of the withdrawal of the member of management from the collegiate bodies of the issuer on his rights under the share-based compensation plan

None of the Plan's provisions guarantees the beneficiary's right of permanence as an employee or service provider to the Company or its subsidiaries, or interferes in any way with the right of the Company or of its subsidiaries, subject to the legal conditions and those of the work contract or the contract as a service provider, as the case may be, to rescind at any time the relationship with the participant. Furthermore, none of the Plan's provisions, gives to any holder of an option, rights concerning their permanence up to the expiry of their term of office as a Statutory Officer, or interferes in any way with the right of the Company to remove him/her or assuring the right to his/her reelection to the position.

In the event of termination of the participant upon the initiative of the Company or of its subsidiary, except with Cause and with the exception of termination due to situations established in the specific clauses of the Plans in adherence to the specific criteria required under the Plans, all the options which have been granted to the participant and which have not been exercised shall be automatically extinguished, *ipso jure*, irrespective of prior notice or indemnification. Notwithstanding, it shall be incumbent on the holder of the options, the right to exercise the options already exercisable on the date of termination over a period 90 (ninety) days, non-renewable, as from the date of termination, against settlement at sight and the paying in of the remaining balance in the case of subscription by installment. At the Committee's discretion, this term may be extended, when such a decision is justified by the specific circumstances of the case. In the case of the Restricted Stock Plan, under any circumstances of Termination of the Participant at the initiative of the Company or its subsidiary, with or without Cause, and with the exception of termination in the light of situations established under Clause 8 of this Plan, pursuant to the specific criteria in the said Clause 8 below, all the Restricted Stock which has been allocated to the participant and with a Grace Period which has still to expire, shall be automatically extinguished, *ipso jure,* without any obligation on the part of the Company to indemnify the said participant.

In the case of resignation of the participant at his own initiative, for whatever reason, all options, which have been granted to him and are still not exercisable, shall be automatically extinguished irrespective of prior notice or indemnification. Notwithstanding, the holder of the options has the right to exercise the options which are already exercisable on the date of termination for a non-renewable term of 30 (thirty) days as from the date of termination through settlement at sight and the paying in of the remaining balance in the case of subscription by installment. Where Termination of the Participation occurs at the participant's own request for whatever reason, in the case of the Restricted Stock Plan, all the Restricted Stock which has been allocated to the participant and with a Grace Period which has still to expire, shall be automatically extinguished, *ipso jure*, without any obligation on the part of the Company to indemnify the said participant.

In the event that termination of the holder of the Company´s options occurs due to Cause, the options granted and not yet exercised shall be extinguished, *ipso jure*, irrespective of prior notice or indemnification. The term for exercising exercisable options shall expire on the day immediately preceding termination date. Should the shares subscribed under the Plan not have been fully subscribed, the participant shall have the number of shares reduced proportionally to the amount effectively subscribed.

In the case of the decease of an option holder, all options not yet exercisable become immediately exercisable and the option shall be extensive to heirs or successors of the option holder, by legal succession or by testamentary provision up to the expiry of the term of the option grant. In this case, the option may be exercised in full or partially by the heirs and /or successors of the option holder with settlement at sight. Should the shares subscribed under the Plan not be fully paid in, the legal representative of the participant shall have the original exercising period (which will be automatically extended for 2 (two) years as from the date of decease should the option expire prior to this date) to effect subscription of the total value of the subscribed shares or will have the number of shares reduced proportionally to the value effectively subscribed. In the case of the decease of a Participant, all Restricted Stock where the Grace Period has not yet elapsed shall become immediately due and will be transferred to the heirs or successors of the deceased Participant, holder of the Restricted Stock by legal succession or testamentary provision.

In the case of permanent incapacity or retirement of a participant, all options not yet exercisable shall become immediately exercisable and the payment of the exercise price shall be made at sight. The options already exercisable may be exercised within the original period conditional on payment being effected at sight. Should the shares subscribed under the Plan not be fully subscribed, the participant shall have the option's original exercise period (which will be automatically extended for 2 (two) years from the date of permanent incapacity or retirement should the option expire before that date) to effect the paying in of the total value of the subscribed shares or alternatively, shall have the total number of shares reduced proportionally to the value effectively paid in. In the event of permanent incapacity or retirement with the resignation of a Participant, all the Restricted Stock where the Grace Period has not expired becomes immediately due to the Participant. For the purposes of the Plans, retirement is deemed the termination of the legal relationship of the Retired Participant at the initiative of the Company or its subsidiary which qualified the said Participant for the option grant or for the restricted stock based on the Participant being more than 60 (sixty) years of age and his retirement having been approved by the Brazilian Social Security Service - INSS.

Except in the case of assignment to heirs or successors, in the event of decease pursuant to item (7) of the Restricted Stock Plan, the restricted stock granted pursuant to the Plan is personal and non-transferable, the Beneficiary therefore not being able under any circumstances to assign, transfer or in any way sell to third parties the granted restricted stock, or the rights and obligations inherent to them. The Beneficiary undertakes neither to encumber the restricted stock granted nor insititute any lien whch may prevent the execution of the provision in the Plan.

In the event of the requirement to implement a public offering for acquisition of the Company's shares pursuant to the Company's Corporate Bylaws, or in the event of the success of a public offering for the acquisition of control of the Company pursuant to Article 257 of Law 6.404/76, either one or the other resulting in termination without Cause of a Plan Participant, at the Company's initiative within a term of up to 12 (twelve) months of this event, it is hereby established that all the options previously granted or restricted stock attributed to the respective Participant and still not exercisable, shall become exercisable upon the recommendation of the Committee and when approved by the Board.

The early exercise of options or anticipated transfer of the restricted stock granted under the terms of the Plans may be implemented under other circumstances not expressly foreseen herein, always against the prior examination and opinion of the Committee, which shall evaluate the specific situation and, if the case, recommend approval to the Company's Board.

All the options of José Carlos Hruby, the Company's ex-CFO and ex-IRO, became exercisable on his retirement from his duties on August 31, 2010, albeit the maximum vesting period for exercising each grant remained the same pursuant to the Plan and each Grant Program.

13.5 The stock-based compensation of the Board of Directors and Statutory Board of Executive Officers

The members of the Corporation's Board of Directors are eligible to the Stock Option Plan approved on General Meeting held on May 25, 2015, however, no member has received any grant up to the date hereof.

Stock-based compensation – year ended on 12.31.2016

For the year 2016, the 7th grant will no longer be recognized in the Corporation's results, and, therefore, is not indicated in the table below.

	Board of Directors	**Board of Executive Officers**					
Number of members	8	6	6	6	6	6	6
Number of remunerated members	-	5	5	6	5	5	5
As regards each granting of call options:	-	8th grant	9th grant	10th grant (A) and contractual grant (B)*	11th grant	1st grant POCA Plan approved in EGM held on 09.23.15	1st grant RESTRICTED Plan approved in EGM held on 09.23.15
granting date	-	02.06.2012	02.22.2013	02.19.2014(A) 03.05.2014(B)	02.12.2015	02.04.2016	02.04.2016

number of options granted	-	970,500	502,500	740,000 (A) 6,250,000 (B)	801,000	640,000	97,000
period for the options to become exercisable	-	50% on 02.06.2015 and 50% on 02.06.2016	50% on 02.22.2016 and 50% on 02.22.2017	(A) 50% on 02.19.2017 and 50% on 02.19.2018 (B) 30% on 03.05.2016, 30% on 03.05.2017 and 40% from the 4th quarter of 2017	50% on 02.12.2018 and 50% on 02.12.2019	25% on 02.04.2017, 25% on 02.04.2018, 25% on 02.04.2019 and 25% on 02.04.2020	100% on 02.04.2019
maximum period for exercise of options	-	02.06.2018	02.22.2019	(A) 02.19.2020 (B) 03.05.2020	02.12.2021	02.04.2022	02.04.2019
restriction period of transfer of shares	-	-	-	-	-	-	-
weighted-average price of each of the following groups of options (price per share):							
(a) outstanding at the beginning of the fiscal year	-	R$ 11.03	R$ 15.61	(A) R$ 11.24 (B) R$ 11.18	R$ 14.58	-	-
(b) forfeited during the fiscal year	-	-	-	-	-	-	-
(c) exercised during the fiscal year	-	R$ 11.03	R$ 15.61	(B)R$ 11.18	-	-	-
(d) expired during the fiscal year	-	-	-	-	-	-	-
Fair value of options on the granting date (per option)	-	R$ 6.42	R$ 6.04	(A) R$ 5.27 (B) R$ 5.98	R$ 7.48	R$ 11.37	R$ 17.80 (closing price)
Potential dilution in the event of exercise of all options granted	-	0.15% of the capital stock on 12.31.2016	0.08% of the capital stock on 12.31.2016	1.09% of the capital stock on 12.31.2016	0.12% of the capital stock on 12.31.2016	0.10% of the capital stock on 12.31.2016	0.02% of the capital stock on 12.31.2016

Note: *The contractual granting described above was granted to the Corporation's Chief Executive Officer on March 05, 2014, the retention of the executive for at least 3 (three) years and, at the criteria of the Board of Directors, renewable for a further 2 (two) years, amounting to total of 05 (five) years; the anticipated stock option grant, as of this date, for 1,250,000 (one million, two hundred and fifty thousand) shares, corresponding to an average dilution of approximately 0.33% per year, for the period during which the Contract is in effect. The strike price of the said stock option grant was set at R$ 55.88 (fifty-five reais and eighty-eight cents) per share, which corresponds to the average weighted price for trades over the past 30 (thirty) consecutive trading sessions on the Stock Exchange. The exercising of the options shall be subject to a total vesting period of six years as from the grant date. As of the second and third anniversary from the grant date, the early exercising of 30% (thirty percent) of the options on each anniversary date shall be permitted, the exercising of the remaining balance of 40% (forty percent) being permitted from the last quarter of the fourth year as from signature date of this Contract. The options may be exercised conditional on the TSR – Total Shareholders Return or, alternatively, the ROIC approved and set by the Board of Directors, being met. The shares with respect to the final balance of 40% may only be traded by the Officer 12 (twelve) months after their exercise date. The "Contract" further provides that no additional stock option grants shall be awarded to the Chief Executive Officer during the life of the Contract.

Stock-based compensation – year ended on 2017

For the year 2017, the 8th grant will no longer be recognized in the Corporation's results, and, therefore, is not indicated in the table below. Grants prior to May 2017 were restated by the bonus in shares approved at the General Shareholders' Meeting on 05.03.2017.

	Board of Directors	**Board of Executive Officers**						
Number of members	8	6	6	6	6	6	6	6
Number of remunerated members	-	5	6	5	5	5	6	6
As regards each granting of call options:	-	9th grant	10th grant (A) and contractual grant (B)*	11th grant	1st grant POCA Plan approved in EGM held on 09.23.15	1st grant RESTRICTED Plan approved in EGM held on 09.23.15	2nd grant POCA Plan approved in EGM held on 09.23.15	2nd grant RESTRICTED Plan approved in EGM held on 09.23.15
granting date	-	02.22.2013	02.19.2014(A) 03.05.2014(B)	02.12.2015	02.04.2016	02.04.2016	02.09.2016	02.09.2017
number of options granted	-	552,750	814,000 (A) 6,875,000 (B)	881,100	704,000	106,700	449,900 (A) 1,564,200 (B)	77,000 (A) 291,500 (B)

period for the options to become exercisable	-	50% on 02.22.2016 and 50% on 02.22.2017	(A) 50% on 02.19.2017 and 50% on 02.19.2018 (B) 30% on 03.05.2016, 30% on 03.05.2017 and 40% from the 4th quarter of 2017	50% on 02.12.2018 and 50% on 02.12.2019	25% on 02.04.2017, 25% on 02.04.2018, 25% on 02.04.2019 and 25% on 02.04.2020	100% on 02.04.2019	25% on 02.09.2018, 25% on 02.09.2019, 25% on 02.09.2020 and 25% on 02.09.2021	100% on 02.09.2020
maximum period for exercise of options	-	02.22.2019	(A) 02.19.2020 (B) 03.05.2020	02.12.2021	02.04.2022	02.04.2019	02.09.2023	02.09.2020
restriction period of transfer of shares	-	-	-	-	-	-	-	-
weighted-average price of each of the following groups of options (price per share):								
(a) outstanding at the beginning of the fiscal year	-	R$ 14.19	(A) R$ 10.22 (B) R$ 10.16	R$ 13.25	R$ 15.40	-	(A) R$ 21.71 (B) R$ 21.71	-
(b) forfeited during the fiscal year	-	-	-	-	-	-	-	-
(c) exercised during the fiscal year	-	R$ 14.19	(A) R$ 10.22 (B) R$ 10.16	-	R$ 15.40	-	-	-
(d) expired during the fiscal year	-	-	-	-	-	-	-	-
Fair value of options on the granting date (per option)	-	R$ 5.49	(A) R$ 4.79 (B) R$ 5.44	R$ 6.80	R$ 10.34	-	(A) R$ 11.17 (B) R$ 11.17	-
Potential dilution in the event of exercise of all options granted	-	0.08% of the capital stock on 12.31.2017	1.08% of the capital stock on 12.31.2017	0.12% of the capital stock on 12.31.2017	0.10% of the capital stock on 12.31.2017	0.01% of the capital stock on 12.31.2017	0.28% of the capital stock on 12.31.2017	0.05% of the capital stock on 12.31.2017

Stock-based compensation – year ended on 2018

For the year 2018, the 9th grant will no longer be recognized in the Corporation's results, and, therefore, is not indicated in the table below.

	Board of Directors	**Board of Executive Officers**							
Number of members	8	6	6	6	6	6	6	6	6
Number of remunerated members	-	6	5	5	5	6	6	6	6
As regards each granting of call options:	-	10th grant (A) and contractual grant (B)*	11th grant	1st grant POCA Plan approved in EGM held on 09.23.15	1st grant RESTRICTED Plan approved in EGM held on 09.23.15	2nd grant POCA Plan approved in EGM held on 09.23.15	2nd grant RESTRICTED Plan approved in EGM held on 09.23.15	3rd grant POCA Plan approved in EGM held on 09.23.15	3rd grant RESTRICTED Plan approved in EGM held on 09.23.15
granting date	-	02.19.2014(A) 03.05.2014(B)	02.12.2015	02.04.2016	02.04.2016	02.09.2016	02.09.2017	02.08.2018	02.08.2018
number of options granted	-	958,300 (A) 6,875,000 (B)	985,600	744,700	102,300	454,025 (A) 1,564,200 (B)	77,000 (A) 291,500 (B)	282,500	49,600
period for the options to become exercisable	-	(A) 50% on 02.19.2017 and 50% on 02.19.2018 (B) 30% on 03.05.2016, 30% on 03.05.2017 and 40% from the 4th quarter of 2017	50% on 02.12.2018 and 50% on 02.12.2019	25% on 02.04.2017, 25% on 02.04.2018, 25% on 02.04.2019 and 25% on 02.04.2020	100% on 02.04.2019	25% on 02.09.2018, 25% on 02.09.2019, 25% on 02.09.2020 and 25% on 02.09.2021	100% on 02.09.2020	25% on 02.08.2019, 25% on 02.08.2020, 25% on 02.08.2021 and 25% on 02.08.2022	100% on 02.08.2021

maximum period for exercise of options	-	(A) 02.19.2020 (B) 03.05.2020	02.12.2021	02.04.2022	02.04.2019	02.09.2023	02.09.2020	02.08.2024	02.08.2021
restriction period of transfer of shares	-	-	-	-	-	-	-	-	-
weighted-average price of each of the following groups of options (price per share):									
(a) outstanding at the beginning of the fiscal year	-	(A) R$ 10.22 (B) R$ 10.16	R$ 13.25	R$ 15.40	-	(A)R$ 21.71 (B) R$ 21.71	-	R$ 36.21	-
(b) forfeited during the fiscal year	-	-	-	-	-	-	-	-	-
(c) exercised during the fiscal year	-	(A) R$ 10.22 (B) R$ 10.16	-	R$ 15.40	-	(A)R$ 21.71	-	-	-
(d) expired during the fiscal year	-	-	-	-	-	-	-	-	-
Fair value of options on the granting date (per option)	-	(A) R$ 4.79 (B) R$ 5.44	R$ 6.80	R$ 10.34	-	(A) R$ 11.17 (B) R$ 11.17	-	R$ 16.90	-
Potential dilution in the event of exercise of all options granted	-	1.09% of the capital stock on 12.31.2018	0.14% of the capital stock on 12.31.2018	0.10% of the capital stock on 12.31.2018	0.01% of the capital stock on 12.31.2018	0.28% of the capital stock on 12.31.2018	0.05% of the capital stock on 12.31.2018	0.04% of the capital stock on 12.31.2018	0.01% of the capital stock on 12.31.2018

Stock-based compensation – year current on 2019

For the year 2019, the 10th grant will no longer be recognized in the Corporation's results, and, therefore, is not indicated in the table below.

	Board of Directors	**Board of Executive Officers**								
Number of members	8	6	6	6	6	6	6	6	6	6
Number of remunerated members	-	5	5	5	6	6	6	6	6	6
As regards each granting of call options:	-	11th grant	1st grant POCA Plan approved in EGM held on 09.23.15	1st grant RESTRICTED Plan approved in EGM held on 09.23.15	2nd grant POCA Plan approved in EGM held on 09.23.15	2nd grant RESTRICTED Plan approved in EGM held on 09.23.15	3rd grant POCA Plan approved in EGM held on 09.23.15	3rd grant RESTRICTED Plan approved in EGM held on 09.23.15	4rd grant POCA Plan approved in EGM held on 09.23.15	4rd grant RESTRICTED Plan approved in EGM held on 09.23.15
granting date	-	02.12.2015	02.04.2016	02.04.2016	02.09.2016	02.09.2017	02.08.2018	02.08.2018	02.07.2019	02.07.2019
number of options granted	-	985,600	744,700	102,300	454,025 (A) 1,564,200 (B)	77,000 (A) 291,500 (B)	282,500	49,600	280,000 (A) 121,000 (B)	56,000 (A) 36,000 (B)
period for the options to become exercisable	-	50% on 02.12.2018 and 50% on 02.12.2019	25% on 02.04.2017, 25% on 02.04.2018, 25% on 02.04.2019 and 25% on 02.04.2020	100% on 02.04.2019	25% on 02.09.2018, 25% on 02.09.2019, 25% on 02.09.2020 and 25% on 02.09.2021	100% on 02.09.2020	25% on 02.08.2019, 25% on 02.08.2020, 25% on 02.08.2021 and 25% on 02.08.2022	100% on 02.08.2021	25% on 02.07.2020, 25% on 02.07.2021, 25% on 02.07.2022 and 25% on 02.07.2023	100% on 02.07.2022
maximum period for exercise of options	-	02.12.2021	02.04.2022	02.04.2019	02.09.2023	02.09.2020	02.08.2024	02.08.2021	02.07.2025	02.07.2022
restriction period of transfer of shares	-	-	-	-	-	-	-	-	-	-
weighted-average price of										

each of the following groups of options (price per share):										
(a) outstanding at the beginning of the fiscal year	-	R$ 13.25	R$ 15.40	-	(A)R$ 21.71 (B) R$ 21.71	-	R$ 36.21	-	-	-
(b) forfeited during the fiscal year	-	-	-	-	-	-	-	-	-	-
(c) exercised during the fiscal year	-	-	R$ 15.40	-	(A)R$ 21.71	-	-	-	-	-
(d) expired during the fiscal year	-	-	-	-	-	-	-	-	-	-
Fair value of options on the granting date (per option)	-	R$ 6.80	R$ 10.34	-	(A) R$ 11.17 (B) R$ 11.17	-	R$ 16.90	-	-	-
Potential dilution in the event of exercise of all options granted	-	0.14% of the capital stock on 12.31.2018	0.10% of the capital stock on 12.31.2018	0.01% of the capital stock on 12.31.2018	0.28% of the capital stock on 12.31.2018	0.05% of the capital stock on 12.31.2018	0.04% of the capital stock on 12.31.2018	0.01% of the capital stock on 12.31.2018	0.06% of the capital stock on 02.07.2019	0.01% of the capital stock on 02.07.2019

13.6 As regards the outstanding options of the members of the Statutory Board of Executive Officers at the end of the last fiscal year:

	Board of Directors	Board of Executive Officers
Number of Members	-	6
Number of Remunerated Members	-	6
As regards to the options not yet exercisable		
number	-	2,544,375
period for the options to become exercisable	-	See item 13.5 above
maximum period for exercise of options	-	11th grant: 02/12/2021 1st grant: 02/04/2022 2nd grant: 02/09/2023 Contractual (new): 02/09/2023 3nd grant: 02/08/2024
restriction period of transfer of shares	-	No restriction
weighted-average strike price	-	R$ 21.07
fair value of options on the last day of the fiscal year	-	See item 13.5 above
As regards to exercisable options		
number	-	1,103,550
maximum period for exercise of options	-	Contractual: 03/05/2020 New contractual: 02/09/2023
restriction period of transfer of shares	-	No restriction
weighted-average strike price	-	R$ 16,25
fair value of options on the last day of the fiscal year	-	See item 13.5 above
fair value of total options on the last day of the fiscal year	-	R$ 8,529,028.50

13.7 Options exercised and shares delivered relating to the stock-based compensation payable to the members of the Statutory Board of Executive Officers

In the years 2015, 2016 and 2017, options were exercised by the Board of Executive Officers and the Board of Directors (former officer) as shown below.

The quantities and values from 2015 and 2016 were not adjusted for the bonus in shares approved at the Extraordinary General Meeting held on 05.03.2017.

	Board of Directors			Board of Executive Officers		
Year	2016	2017	2018	2016	2017	2018
Number of Members	8	8	8	6	6	6
Number of exercising members	0	0	0	5	6	6
As regards to options exercised						
number of shares	0	0	0	1,830,250	3,007,550	3,898,825
weighted-average strike price	0	0	0	R$ 11.71	R$ 10.76	R$ 11.16
total amount of the difference between the strike price and the market price of the shares relating to the options exercised	0	0	0	R$ 19,360,505.00	R$ 56,773,286.50	R$ 88,470,814.50
As regards to shares delivered						
number of shares	NA	NA	NA	NA	NA	NA
weighted-average acquisition price	NA	NA	NA	NA	NA	NA
total amount of the difference between the acquisition price and the market price of the shares acquired	NA	NA	NA	NA	NA	NA

13.8 Summary description of the information necessary for the understanding of the data disclosed in items 13.6 to 13.8, as well as the explanation on the pricing method of shares and options, indicating, at least: (a) pricing model; (b) data and assumptions used in the pricing model, including the weighted average share price, exercise price, expected volatility, option time, expected dividends and interest rate free of risk; (c) method used and assumptions made to incorporate the effects of expected antecipated exercise; (d) way of determining the expected volatility; (e) if any other characteristic of the option was incorporated into the measurement of fair value

Stock Option Plan

<u>Assumptions for measuring the fair value of stock options</u>

The fair value of granted stock options is calculated on the respective grant date based on the Black&Scholes model. For determining fair value, the Company adopted assumptions as:

(a) Option exercise value: corresponds to the weighted average rate over the last 30 stock trading sessions of Lojas Renner S.A before the grant date.
(b) The Company's stock price volatility: corresponds to the weighting of the trading history of the Company's stock.
(c) Risk-free interest rate: the Company used the Interbank Deposit Certificate (CDI) available on the grant date and projected for the maximum grace period of the option.
(d) Expected dividend: this percentage corresponds to the payment of dividends per share in relation to the market value of the Company's shares on the grant date.
(e) Vesting period: represents the maximum period for beneficiaries to exercise their options.

The summary chart with information used for determining the fair values of grants is as follows:

Option plans (Approved date)	Grants	Exercise value	Grant date	Vesting period	Expected dividend (%)	Stock price volatility	Risk-free interest-rate	Fair value on grant date per share (R$)
1st plan - May/05	8th grant	10.04	2/6/12	-	3.37%	29.38%	29.38%	5.84
1st plan - May/05	9th grant	14.19	2/22/13	-	2.77%	22.40%	9.05%	5.49
1st plan - May/05	10th grant	10.21	2/19/14	-	3.97%	24.11%	12.20%	4.79
1st plan - May/05	Contractual grant	10.16	3/5/14	-	3.72%	26.77%	11.89%	5.44
1st plan - May/05	11th grant	13.25	2/12/15	0.12	1.80%	27.82%	11.77%	6.80
2nd plan - setember/05	1st grant	15.40	2/4/16	1.09	1.67%	40.69%	14.38%	10.34
2nd plan - setember/05	2nd grant	21.71	2/9/17	2.11	1.52%	34.03%	14.38%	11.17
2nd plan - setember/05	Contractual grant	21.71	2/9/17	2.11	1.52%	34.03%	14.38%	11.17
2nd plan - setember/05	3nd grant	36.21	2/8/18	3.11	1.12%	32.54%	14.38%	16.90

Share Purchase Option Plan Position in 2018, 2017 and 2016:

							Position of grants (Quantity)		
Option plans (Approved date)	**Grant date**	**Exercise amount**	**Grace period 1st tranche**	**Grace period 2nd tranche**	**Grace period 3rd tranche**	**Grace period 4rd tranche**	**On 12/31/18**	**On 12/31/17**	**On 12/31/16**
1st plan - May/05 - 8th grant	2/6/12	10.04	2/5/15	2/5/16	-	-	-	-	-
1st plan - May/05 - 9th grant	2/22/13	14.19	2/22/16	2/21/17	-	-	-	-	233
1st plan - May/05 - 10th grant	2/19/14	10.21	2/18/17	2/18/18	-	-	-	407	740
1st plan - May/05 - Contractual grant	3/5/14	10.16	3/4/16	3/4/17	9/30/17	-	713	3,312	5,013
1st plan - May/05 - 11th grant	2/12/15	13.25	2/11/18	2/11/19	-	-	425	881	801
							1,138	**4,600**	**6,786**
2nd plan - Sep/05 - 1st grant	2/4/16	15.40	2/3/17	2/3/18	2/3/19	2/3/20	337	560	640
2nd plan - Sep/05 - 2nd grant	2/9/17	21.71	2/9/18	2/9/19	2/9/20	2/8/21	328	450	-
2nd plan - Sep/05 - Contractual grant	2/9/17	21.71	2/9/18	2/9/19	2/9/20	2/8/21	1,564	1,564	-
2nd plan - Sep/05 - 3nd grant	2/8/18	36.21	2/8/19	2/8/20	2/9/20	2/8/21	283	-	-
							3,648	**7,174**	**7,426**

For the years ended December 31, 2018, 2017 and 2016, the Company recognized as spending option plan granted to Managements, R$ 9,501 thousand, R$ 15,233 thousand and R$ 13,062 thousand, respectively.

Considering the exercise of 3,648 thousand options in the money in 2018, 7,174 thousand options in the money in 2017 and 7,426 thousand options in the money in 2016, we present below the effects on the Company's equity value per share and the related percentage reduction in the ownership interest of the current stockholders on December 31, 2018, 2017 and 2016:

	12/31/18	**12/31/17**	**12/31/16**
Equity	3.954.512	3.223.446	2.636.795
Number of shares - thousand	720.024	713.235	643.551
Book value per share - R$	5,49	4,52	4,10
Equity, considering the in the Money options exercised	4.023.860	3.325.277	2.719.046
Number of shares, considering the in the Money options exercised	723.672	720.409	650.977
Book value of the share, considering the in the Money options exercised	5,56	4,62	4,18
% of decrease in the ownership interest of current stockholders, considering the in the Money options exercised	0,50%	1,00%	1,14%

Restricted Shares Award

Assumptions for measuring the fair value of restricted shares

The fair value of the restricted shares corresponds to the closing share price ("LREN3") on the grant date.

Restricted Shares Position in 2018, 2017 and 2016:

			Position of grants (Quantity)		
Grants	**Grant date**	**Grace period 1st tranche**	**31/12/2018**	**31/12/2017**	**31/12/2016**
1st grant	04/02/16	03/02/19	102	107	97
2nd grant	09/02/17	09/02/20	77	77	-
Contractual grant	09/02/17	09/02/20	292	292	-
3nd grant	08/02/18	07/02/21	50	-	-
			521	**476**	**97**

13.9 Information on the number of shares, quotas and any other securities convertible into shares held by body:

Issuer: Lojas Renner's Shares – LREN3;

Date: 12/31/2017

Board of Directors: 87 common shares;

Board of Executive Officers: 8,016,790 common shares;

Technical and Consultative Bodies: 310,775 common shares

Fiscal Council: 0 common shares;

Treasury: 2,085,400 common shares.

13.10 Information regarding private pension plans granted to the members of the Board of Directors and Statutory Board of Executive Officers:

a. board

The Corporation does not grant to the members of the Board of Directors, People Committee, Board of Executive Officers and Fiscal Council a private pension or retirement plan to guarantee supplementary benefits to those of the Brazilian social security.

b. number of members

The Corporation does not grant to the members of the Board of Directors, People Committee, Board of Executive Officers and Fiscal Council a private pension or retirement plan to guarantee supplementary benefits to those of the Brazilian social security.

c. name of the plan

The Corporation does not grant to the members of the Board of Directors, People Committee, Board of Executive Officers and Fiscal Council a private pension or retirement plan to guarantee supplementary benefits to those of the Brazilian social security.

d. number of management members who are qualified for retirement

The Corporation does not grant to the members of the Board of Directors, People Committee, Board of Executive Officers and Fiscal Council a private pension or retirement plan to guarantee supplementary benefits to those of the Brazilian social security.

e. conditions for anticipated retirement

The Corporation does not grant to the members of the Board of Directors, People Committee, Board of Executive Officers and Fiscal Council a private pension or retirement plan to guarantee supplementary benefits to those of the Brazilian social security.

f. total amount of contributions accumulated under the retirement plan until the end of the latest fiscal year, excluding the direct contributions made by the management members

The Corporation does not grant to the members of the Board of Directors, People Committee, Board of Executive Officers and Fiscal Council a private pension or retirement plan to guarantee supplementary benefits to those of the Brazilian social security.

g. total amount accumulated on contributions made during the latest fiscal year, discounted the direct contributions made by the management members

The Corporation does not grant to the members of the Board of Directors, People Committee, Board of Executive Officers and Fiscal Council a private pension or retirement plan to guarantee supplementary benefits to those of the Brazilian social security.

h. allowance of anticipated redemption and condition for that, if any

The Corporation does not grant to the members of the Board of Directors, People Committee, Board of Executive Officers and Fiscal Council a private pension or retirement plan to guarantee supplementary benefits to those of the Brazilian social security.

13.11 For the last 3 fiscal years, regarding the Board of Directors, the Statutory Board of Executive Officers and the Fiscal Council:

	Board of Directors	Board of Executive Officers (*)	Fiscal Council
Number of Members (a)			
2016	8.00	6.00	3.00
2017	8.00	6.00	3.00
2018	8.00	6.33	3.00
Number of Remunarated Members (a)			
2016	7.00	6.00	3.00
2017	7.00	6.00	3.00
2018	7.00	6.33	3.00
Higher Annual Individual Compensation (b)			
2016	831,240.00	14,700,544.28	210,720.00
2017	889,200.00	21,484,446.30	225,600.00
2018	912,000.00	12,515,208.11	230,400.00
Lowest Annual Individual Compensation (b)			
2016	394,680.00	2,464,923.46	157,800.00
2017	446,800.00	2,955,993.99	169,200.00
2018	467,400.00	2,523,002.47	172,800.00
Average Annual Individual Compensation			
2016	495,602.86	4,501,269.76	175,440.00
2017	557,430.48	6,114,228.70	188,000.00
2018	584,738.57	4,560,016.15	192,000.00

Note: (a) – In order to determine the number of members of each organ, the total number in each month was added and divided by 12 (simple average). The Chief Executive Officer is also a member of the Board of Directors, being unremunerated for exercising the position of Director and for this reason not included in the number of members with seats on the board.

(b) – It was excluded the compensation of the members that did not exercised their position in the 12 months of the year.

All the compensations presented in the table in item 13.2 (*) were considered to reach the highest, lowest and medium values for individual compensation. For the Statutory Board of Executive Officers, regarding the compensation based upon shares, the result of the Black&Scholes method may be deduced as the present value of the potential future earnings, in case the premises assumed turn into facts. Therefore, it is important to mention that the amount resulted does not represent profits effectively exercised by the officers in the reported fiscal year, considering that the premises of a stock option plan is that the officers may not become entitled to obtaining any kind of earning. The referred risks are related to dismissals, which may terminate the granted stock option, and mainly to share price fluctuation during the granted stock option plan, considering that eventual depreciation over the exercise price neutralizes the earnings.

13.12 Mechanisms of compensation or indemnification methods for the management, in the event of removal from position or retirement

There is no provision in any agreement, insurance policy or other compensation or indemnification instruments for the members of the Board of Directors, People Committee and Fiscal Council in the event of removal from position or retirement. The agreement with the Chief Executive Officer contains a clause which sets forth that the Chief Executive Officer will be entitled to indemnification in the event of, with respect to any Corporation's shareholder or third party, obligation to conduct a public offering for acquisition of the shares issued by the Corporation, in conformity with the Corporation's Bylaws, or in the event of successful condition of public offering for acquisition of the Corporation's control, in conformity with Section 257 of Law 6,404/76, and any such conduction results in termination of agreement in the twelve months subsequent to the event. Such indemnification will be paid in the amount equivalent to the sum of twelve times the monthly compensation amount, increased by the portions of the variable compensation received by the Chief Executive Officer in connection with the prior year in which the termination has occurred, excluding the Stock Options Plan (POCA).

13.13 Percentage rate of the overall compensation payable to the Management and to the Fiscal Council, who are parties related to the controlling shareholders

The Corporation does not have a controlling shareholder.

13.14. The compensation payable to the Management or to the Fiscal Council, grouped by bodies, for any reason other than the position held by such members

The members of the Board of Directors, People Committee, Board of Executive Officers and Fiscal Council do not receive any compensation beyond the one regarding their function in the Company.

13.15 The compensation amounts recorded in the results of the issuer's direct or indirect controlling shareholders, companies under common control and subsidiaries, such as the compensation payable to the Management or to the Fiscal Council

The members of the Board of Directors, People Committee and Fiscal Council do not receive any compensation from the issuer's direct or indirect controlling shareholders, companies under common control, and subsidiaries. Two Directors received pro-labor from one of the Company's subsidiaries, but the amount paid to these Officers by the Company was reduced.

13.16 Other information relevant

All members of the Board of Directors, Board of Executive Officers and Fiscal Council are covered by Insurance Against Civil Liability (D&O), which the maximum limit of indemnification amounts to R$ 60.0 million and that the liability insurance premium for directors was R$ 84.5 thousand (based on July 2018). Such insurance is renewed in an annual basis, in July of each year, without deductible, and its scope has worldwide coverage, except for claims related to environmental pollution, United States and Canada. With policy based on claims with notice, in which the insurance object is the payment of indemnification due to insured individuals resulting from a damaging act practiced by them during the insurance term or in a date not previous to the coverage retroactive date, by which such insured individuals are held responsible for damages repair, decided by legal, arbitration judgment or agreement previously approved by insurer.

ATTACHMENT XII

CAPITAL INCREASE PROPOSAL AND FISCAL COUNCIL OPINION
(Attachment 14 to CVM Instruction 481)

1. Inform the increase in the amount and the new capital stock
The proposed increase for the Company's capital stock will be R$ 1,112,049,759.43. As a result, the Company's capital stock will be R$ 3,749,522,796.96 (three billion, seven hundred and forty-nine million, five hundred and twenty-two thousand, seven hundred and ninety-six reais and ninety-six cents), divided into 792,026,948 (seven hundred and ninety-two million, twnty-six thousand, nine hundred and forty-eight) common, nominative, book entry shares with no par value.

2. Inform if the increase will be made through: a. conversion of debentures into shares; b. exercising of subscription rights or subscription bonus; c. capitalization of profits or reserves; or d. subscription of new shares.
The capital stock increase will be through the incorporation of profits or reserves, by R$ 72,049,759.43 through the incorporation of part of the capital reserves account (stock option purchase and restricted shares plan reserve) and R$ 1,040,000,000.00, through the incorporation of part of the balance of the profits reserves account (reserve for investment and expansion in the amount of R$ 895,819,393.51, legal reserve in the amount of R$ 87,640,775.88 and tax incentive reserves in te amount of R$ 56,539,830.61).

3. Explain in detail the reasons for the increase and its legal and economic consequences.
Pursuant to Subsection IV, Article 200 of Law 6.404/76, Capital Reserves may be used for incorporation into the capital stock. Therefore, considering that the Company has an Option Plan Reserve for the Purchase of Shares (POCA) exercised in the amount of R$ 72,049,759.43 corresponding to an offsetting account of "expenses with POCA" in addition to the amount already paid up in Reais in the exercising of the options, Management takes the view that the incorporation of these reserves into the capital stock merely registers/formalizes the amount of an already realized economic event when the option was exercised;

The Company is undergoing an important investment cycle for expanding its operations, projecting for fiscal year 2019, investments of R$ 698.8 million. In order to sustain the cycle of investments Management has chosen to retain 60% of the profits reported for the last few years.

Considering continuing expansion and the required related investments without undermining the Company's capital structure, Management understands that it is necessary that part of the balance in the Profits Reserve for Investments and Expansion in the amount of R$ 895,819,393.51, be incorporated in the capital stock together with the full value of the Legal Reserve amounting to R$ 87,640,775.88 and tax incentive reserves in the amount of R$ 56,539,830.61. This increase in the capital stock pursuant to the realization of the Share Bonus for shareholders, is also designed to increase share liquidity without dilution of shareholder participation.

4. Provide a copy of the fiscal council's opinion, if applicable
Transcription, in its entirety, of the Opinion of the Fiscal Council registered at the Extraordinary Meeting of that Council, dated 02.09.2017: "Pursuant to Subsection III, Article 163 of Law 6.404/76, the Fiscal Council of Lojas Renner S.A., is in agreement with the proposal to increase the Company's capital stock, authorized by the Board of Directors at a meeting held today and for deliberation at the next Extraordinary/Annual General Meeting to be convened. The said proposal consists of (i) the increase in the capital stock in the total amount of R$ 1,112,049,759.43, being R$ 72,049,759.43 through the incorporation of part of the capital reserves account (stock option purchase and restricted shares plan reserve) and R$ 1,040,000,000.00, through the incorporation of part of the balance of the profits reserves account (reserve for investment and expansion, legal reserve and tax incentive reserves) with the corresponding issue of 72,002,450 new common bonus shares at a ratio of 10% (ten percent), (ii) the increase in the Company's authorized capital stock in the same proportion as the bonus with the consequent amendment to articles 5 and 6 of the Company's Corporate Bylaws. Porto Alegre, February 7, 2019. Francisco Sérgio Quintana da Rosa, Chairman of the Fiscal Council; Helena Turola de Araújo Penna, Director; e Ricardo Zaffari Grechi, Director."

5. In the event of a capital increase through subscription of shares: a. Describe the allocation of such funding; b. State the number of issued shares of each type and class; c. Describe the rights, advantages and restrictions attached to the shares to be issue; d. State whether the subscription will be public or private; e. In the case of private placement, inform if related parties, as defined by the accounting rules that address this topic, will subscribe shares in the capital increase, specifying the respective amounts when those amounts are already known; f. Inform the issue price of new shares or in the event of public distribution, state the reasons why their price bookmarks should be delegated to the board; g Inform the nominal value of issued shares or, in the case of shares without nominal value, the portion of the issue price that will be allocated to capital reserve; h. Provide management's opinion on the effects of the capital increase, especially regarding to the dilution caused by the increase; i. Inform the criteria for calculating the issue price and justify in detail the economic aspects that determine your choice; j. If the issue price has been fixed at a premium or discount in relation to market value, identify the reasons for the premium or discount and explain how it was determined; k. Provide a copy of all reports and studies that supported the establishment of the issue price; l. Inform the price of each type and classes of shares of the company in markets where they are traded, identifying: i. Minimum, average and maximum price for each year for the last 3 (three) years. Minimum, average and maximum price of for the last 2 (two) years, iii. Minimum,

average and maximum price of each month in the last 6 (six) months iv. Average price in the last 90 days, m. Inform issuing price of shares after capital increases held in the last 3 (three) years; n. Present percentage of potential dilution resulting from the issue; o. Inform terms, conditions and form of subscription and payment of issued shares; p. State whether shareholders will have preemptive rights to subscribe the new shares issued, detailing the terms and conditions subject to which this right may be exercised; q. Inform the management's proposal for any remaining shares unsubscribed from this issue; r. Describe in detail the procedures to be adopted in the event of a partial ratification of the capital increase; s. If the issue price of shares is wholly or partly realized in the form of goods; i. Display full description of the goods, ii. Clarify the relationship between goods incorporated into company's assets and its corporate purpose, iii. Provide a copy of the appraisal of those goods, if available.

The increase in the capital stock will be executed without the issue of new shares, but through the incorporation of the Capital Reserves and the Profits Reserves.

6. In the event of an increase in the capital through the capitalization of profits and reserves: (a)

a. Inform if this will imply the alteration of the nominal value of the shares, if this exists, or distribution of new shares among the shareholders

According to the statutory provisions, the shares issued by the Company have no nominal value, including those that will be issued as a result of the capital increase proposed herein. The 72,002,450 shares to be issued shall be allocated free of charge to the shareholders, as a bonus, in the proportion of 1 (one) new common share for each 10 (ten) common shares they held on the base date.

b. Inform if the capitalization of profits or reserves will be effected with or without modification to the number of shares in the companies with shares with no nominal value

The proposed capitalization will increase the number of shares issued by the Company from 720,024,498 to 792,026,948 all nominative, book entry and with no par value.

c. In the event of distribution of new shares:

(i) Inform the number of shares issued for each type and class;

72,002,450 common shares will be issued.

(ii) Inform the percentage that the shareholders will receive in shares;

Shareholders shall receive as a bonus, 1 (one) new common share for every 10 (ten) common shares, held on the date of the Meeting, which approves the bonus. Shares held as treasury stock and those shares underlying the stock option and restricted shares plans as well as the ADRs will also enjoy the same bonus rights.

(iii) Describe the rights, advantages and restrictions attributed to the shares to be issued;

The new shares shall be distributed free of charge to the shareholders and shall be entitled in full to the rights which may be attributed as from the date of the Meeting which approves the said increase in the capital stock, participating in equality of conditions for all benefits including dividends and eventual remuneration of capital which may be approved during the fiscal year, albeit not enjoying any rights with respect to fiscal year 2018.

(iv) Inform the cost of acquisition in reais per share to be attributed for the shareholders to meet the requirements of Article 10 of Law 9.249 of December 26, 1995;

The cost of acquisition per bonus shares is R$ 14.44.

(v) Inform the way in which share fractions will be handled if the case.

The bonus shall always be effected in whole numbers. Eventual remaining share fractions shall be separated, grouped in whole numbers and sold on the B3 and the resulting net amount made available to the shareholders entitled to these fractions. The Company will notify the respective procedure in greater detail in due course, as well as the base date of the bonus right.

d. Inform the term envisaged in Paragraph 3, Article 169 of Law 6.404 of 1976.

Prior to the sale by auction specified in item 6.c.v, the Company shall establish a period of no less than 30 (thirty) days for the shareholders that wish to transfer share fractions arising from the bonus issue.

e. Inform and supply information and documents contained in item 5 above, when applicable

Not applicable.

7. In the event of an increase in capital by conversion of debentures into shares or exercise of subscription warrants: (a) Inform the number of shares issued for each type and class; (b) Describe the rights, advantages and restrictions attributed to the shares to be issued.

The increase in the capital stock will not be through conversion of debentures into shares or exercise of subscription warrants.

8. The provision on items 1 to 7 of this Annex does not apply to capital increases resulting from a stock option plan, in which case the issuer must inform: (a) the date of the general meeting of shareholders in which the stock option plan was approved; (b) the value of the capital increase and the new capital stock; (c) number of issued shares of each type and class; (d) the issue price of the new shares; (e) quotation of each of the issuer's classes and classes of shares in the

markets in which they are traded, identifying: (i) minimum, average and maximum quotation of each year in the last three (3) years; (ii) minimum, average and maximum quotation of each quarter, in the last 2 (two) years; (iii) minimum, average and maximum quotation of each month, in the last 6 (six) months; (iv) average quotation in the last 90 days; (f) percentage of potential dilution resulting from the issue.

Not applicable.

ATTACHMENT XIII

COMPARISON OF THE COMPANY STATUS WITH THE PROPOSED AMENDMENTS

LAWS BEFORE EGM	LAWS AFTER EGM	JUSTIFICATION
CHAPTER I **NAME, HEADQUARTERS, PURPOSE AND TERM**	**CHAPTER I** **NAME, HEADQUARTERS, PURPOSE AND TERM**	
Article 1 - LOJAS RENNER S.A. is a joint-stock Company ruled by these present Bylaws and by applicable legislation. **Paragraph 1** – With the admission of the Company to the Novo Mercado of B3 S.A. – Brasil, Bolsa, Balcão ("B3"), the Company, its shareholders, including the controlling shareholders, managers and members of the Fiscal Council, when installed, are subject to the provisions of the Novo Mercado Regulations. **Paragraph 2** – The provisions of the Novo Mercado Regulations shall prevail over the provisions stated on these Bylaws.	**Article 1** - LOJAS RENNER S.A. is a joint-stock Company ruled by these present Bylaws and by applicable legislation. **Paragraph 1** – With the admission of the Company to the Novo Mercado of B3 S.A. – Brasil, Bolsa, Balcão ("B3"), the Company, its shareholders, including the controlling shareholders, managers and members of the Fiscal Council, when installed, are subject to the provisions of the Novo Mercado Regulations. **Paragraph 2** – The provisions of the Novo Mercado Regulations shall prevail over the provisions stated on these Bylaws.	
Article 2 - The Company's headquarters and jurisdiction are located in the City of Porto Alegre, State of Rio Grande do Sul, at Av. Joaquim Porto Villanova, 401, Jardim do Salso, CEP 91410-400. **Sole Paragraph** - The Company may install, close and change address of branches, agencies, warehouses, offices and any other establishments in the country or overseas by the Board of Executive Officers' resolution.	**Article 2 -** The Company's headquarters and jurisdiction are located in the City of Porto Alegre, State of Rio Grande do Sul, at Av. Joaquim Porto Villanova, 401, Jardim do Salso, CEP 91410-400. **Sole Paragraph** - The Company may install, close and change address of branches, agencies, warehouses, offices and any other establishments in the country or overseas by the Board of Executive Officers' resolution.	
Article 3 - The Company is engaged in: (a) the marketing of clothing goods, as well as the marketing of fragrances, cosmetics, hygiene products, correlatos, watches, home appliances, sport items, toys, electric and electronic items and other items of department stores; (b) the import and export of goods mentioned in the items above; (c) the rendering of travel agency services, tourism operator and related services; (d) the rendering of credit card services; (e) the rendering of debts and titles collection for and on behalf of third parties; (f) the rendering of data processing services; (g) the rendering of control and financed sale processing; (h) the participation in the corporate capital of other companies; (i) the ownership and maintenance of trademarks and patents; and (j) the intermediation of financial services, such as personal loans, capitalization bonds and insurance brokerage.	**Article 3 -** The Company is engaged in: (a) the marketing of clothing goods, as well as the marketing of fragrances, cosmetics, hygiene products, correlatos, watches, home appliances, sport items, toys, electric and electronic items and other items of department stores; (b) the import and export of goods mentioned in the items above; (c) the rendering of travel agency services, tourism operator and related services; (d) the rendering of credit card services; (e) the rendering of debts and titles collection for and on behalf of third parties; (f) the rendering of data processing services; (g) the rendering of control and financed sale processing; (h) the participation in the corporate capital of other companies; (i) the ownership and maintenance of trademarks and patents; and (j) the intermediation of financial services, such as personal loans, capitalization bonds and insurance brokerage.	
Article 4 - The Company's term is indeterminate.	**Article 4 -** The Company's term is indeterminate.	
CHAPTER II **CAPITAL STOCK**	**CHAPTER II** **CAPITAL STOCK**	
Article 5 - The total subscribed and paid up capital stock of the Company is R$ 2,556,895,779.34 (two billion, five hundred and fifty-six million, eight hundred and ninety-five thousand, seven hundred and seventy-nine reais and thirty-four	**Article 5 -** The total subscribed and paid up capital stock of the Company is R$ 3,749,522,796.96 (three billion, seven hundred and forty-nine million, five hundred and twenty-two thousand, seven hundred and ninety-six reais and	Update the value of the subscribed and paid up capital stock and number of common shares, to contemplate the

centavos), divided into 713,235,181 (seven hundred and thirteen million, two hundred and thirty-five thousand, one hundred and eighty-one) common shares, all nominative, book entry and with no par value. **Sole Paragraph** - Each one of the branches, not only the stores but also distribution centers (warehouses), shall be allocated the capital of R$ 1,000.00 (one thousand Reais).	ninety-six cents), divided into 792,026,948 (seven hundred and ninety-two million, twnty-six thousand, nine hundred and forty-eight) common shares, all nominative, book entry and with no par value. **Sole Paragraph** - Each one of the branches, not only the stores but also distribution centers (warehouses), shall be allocated the capital of R$ 1,000.00 (one thousand Reais).	proposed increase of the capital stock in the total amount of R$ 1.112.049.759,43, by R$ 72,049,759.43 through the incorporation of part of the capital reserves account (stock option purchase and restricted shares plan reserve) and R$ 1,040,000,000.00, through the incorporation of part of the balance of the profits reserves account (reserve for investment and expansion in the amount of R$ 895,819,393.51, legal reserve in the amount of R$ 87,640,775.88 and tax incentive reserves in te amount of R$ 56,539,830.61), as well as the bonus shares in the ratio of 10% (ten percent) of the common shares, which will correspond to the issue of 72,002,450 new common shares. It also reflects the capital increases in the light of the Board's decisions approved on May 21, August 16, November 21, all dates in the year 2018 relating to the exercising of grants under the Company's Stock Option Plan. These changes to Article 5 reflect only the effects of capital increases already deliberate and scrolling, with no further legal or economic effect to the conformation of the Bylaws to the share capital.
Article 6 - The Company is hereby authorized to increase its capital up to the limit of 1,237,500,000 (one billion, two hundred and thirty-seven million, five hundred thousand) common shares. **Paragraph 1** - Within the limits authorized by this Article, the Company, by means of Board of Directors' resolution, may increase its capital stock, regardless of Bylaws amendment. The Board of Directors shall define the issuance conditions, including price and term for payment of subscribed shares. **Paragraph 2 -** Within the limit of authorized capital, the Board of Directors may resolve on the issuance of subscription bonus. **Paragraph 3 -** Within the limit of capital authorized and pursuant to the plans approved by the General Meeting, the Board of Directors may grant call option, restricted stock or share subscription to its managers, executives,	**Article 6 -** The Company is hereby authorized to increase its capital up to the limit of 1,361,250,000 (one billion, three hundred and sixty-one million, two hundred and fifty thousand) common shares. **Paragraph 1** - Within the limits authorized by this Article, the Company, by means of Board of Directors' resolution, may increase its capital stock, regardless of Bylaws amendment. The Board of Directors shall define the issuance conditions, including price and term for payment of subscribed shares. **Paragraph 2 -** Within the limit of authorized capital, the Board of Directors may resolve on the issuance of subscription bonus. **Paragraph 3 -** Within the limit of capital authorized and pursuant to the plans approved by the General Meeting, the Board of Directors may grant call option, restricted stock or share subscription to its managers, executives,	Update the authorized capital to contemplate the proposed share bonus in a ratio of 10% (ten percent).

employees and service providers, as well as managers, executives, employees and service providers, of other companies directly or indirectly controlled by the Company, without preemptive right for shareholders. **Paragraph 4** - It is void to the Company issue preferred shares and beneficiary parties. **Paragraph 5** - Every shareholder or group of shareholders shall disclose, upon communication to the Company, which shall contain the information provided in the regulations in force, the acquisition of shares that, in addition to those shares already held by it, exceeds the amount equivalent to 5%, 10%, 15%, and successively, of the Company's capital, as well as, each time its participation in the capital stock is reduced in amount equivalent to 5% of the total shares issued by the Company. The holders of convertible debentures, bonus of subscription, restricted stock and call option of shares securing that their holders acquire the quantity provided for herein shall also have such obligation. The violation of the provisions set forth in this Article shall entail the application of penalties provided for in article 120 of Law 6.404/76 to violator(s).	employees and service providers, as well as managers, executives, employees and service providers, of other companies directly or indirectly controlled by the Company, without preemptive right for shareholders. **Paragraph 4** - It is void to the Company issue preferred shares and beneficiary parties. **Paragraph 5** - Every shareholder or group of shareholders shall disclose, upon communication to the Company, which shall contain the information provided in the regulations in force, the acquisition of shares that, in addition to those shares already held by it, exceeds the amount equivalent to 5%, 10%, 15%, and successively, of the Company's capital, as well as, each time its participation in the capital stock is reduced in amount equivalent to 5% of the total shares issued by the Company. The holders of convertible debentures, bonus of subscription, restricted stock and call option of shares securing that their holders acquire the quantity provided for herein shall also have such obligation. The violation of the provisions set forth in this Article shall entail the application of penalties provided for in article 120 of Law 6.404/76 to violator(s).	
Article 7 - The capital stock shall be exclusively represented by common shares and each common share shall correspond to the right to one vote in General Meeting's decisions, except for the provisions in Paragraph 2 of the Article 10 hereof.	**Article 7 -** The capital stock shall be exclusively represented by common shares and each common share shall correspond to the right to one vote in General Meeting's decisions, except for the provisions in Paragraph 2 of the Article 10 hereof.	
Article 8 - All the Company's shares shall be book-entry and shall be held in deposit account, with financial institutional authorized by the Securities and Exchange Commission of Brazil ("CVM"), on behalf of its titleholders. **Sole Paragraph -** The transfer and registering costs, as well as cost of service related to the book-entry shares may be directly charged to shareholder by a depositary institution, as to be defined in bookkeeping agreement for the shares.	**Article 8 -** All the Company's shares shall be book-entry and shall be held in deposit account, with financial institutional authorized by the Securities and Exchange Commission of Brazil ("CVM"), on behalf of its titleholders. **Sole Paragraph -** The transfer and registering costs, as well as cost of service related to the book-entry shares may be directly charged to shareholder by a depositary institution, as to be defined in bookkeeping agreement for the shares.	
Article 9 - Upon the Board of Directors' discretion, the preemptive right in the issuance of shares, debentures convertible into shares and subscription bonus may be excluded, as well as reduced the term for its exercise, the placement of which is made through the sale at stock exchange or through public subscription, or even by means of share swap in a public offering for acquisition of Power of Control, (as defined in Paragraph 1 of the Article 39 hereof) under the terms set forth by law, within the limit of authorized capital.	**Article 9 -** Upon the Board of Directors' discretion, the preemptive right in the issuance of shares, debentures convertible into shares and subscription bonus may be excluded, as well as reduced the term for its exercise, the placement of which is made through the sale at stock exchange or through public subscription, or even by means of share swap in a public offering for acquisition of Power of Control, (as defined in Paragraph 1 of the Article 39 hereof) under the terms set forth by law, within the limit of authorized capital.	
CHAPTER III **GENERAL MEETING**	**CHAPTER III** **GENERAL MEETING**	
Article 10 - The General Meeting shall meet ordinarily once a year and extraordinarily, when duly called under the terms of Law 6,404, dated December 15, 1976 and further amendments ("Brazilian Corporate Law") or of these Bylaws. **Paragraph 1 -** General Meeting's resolutions shall be taken by absolute majority vote.	**Article 10 -** The General Meeting shall meet ordinarily once a year and extraordinarily, when duly called under the terms of Law 6,404, dated December 15, 1976 and further amendments ("Brazilian Corporate Law") or of these Bylaws. **Paragraph 1 -** General Meeting's resolutions shall be taken by absolute majority vote.	

Paragraph 2 - The General Meeting resolving on the deregistering as a publicly-held Company, shall be called, at least, thirty (30) days in advance. **Paragraph 3** - The resolution on the alteration or exclusion of Article 40 hereof shall be taken by the absolute majority of attending votes, computing one single vote per shareholder, irrespective of their interest in the capital stock, as provided for by paragraph 1 of the Article 110 of the Brazilian Corporate Law. **Paragraph 4 -** The General Meeting only may resolve on issues of the agenda, included in the respective call notice, being prohibited the inclusion of generic headings, save exceptions provided for by the Brazilian Corporate Law. **Paragraph 5** - The Company shall initiate the registration of shareholders to take part in the General Meeting, with at least 72 (seventy two) hours in advance, being incumbent on the shareholders submit, besides identity document, as the case may be: (i) receipt issued by depositary institution over the past five (5) days; (ii) power of attorney; and/or (iii) referring to shareholders participating in the registered share fungible custody, an statement containing respective shareholding, issued by appropriate entity. **Paragraph 6** - Without limitation of the above provision, the shareholder that attends the general meeting with the documents mentioned in the preceding paragraph up to the time of the initial work of the meeting, may participate and vote notwithstanding not having previously delivered the said documents. **Paragraph 7** - The provision in Paragraph 5 above shall not apply to shareholders that choose to exercise voting rights via remote voting ballot, which shall be subject to the legal requirements and terms and applicable regulations. **Paragraph 8** - The Minutes of the Meeting shall: (i) be drawn up in the summary format of facts occurred, containing a summarized indication of attending shareholders' vote, blank votes and abstentions; and (ii) be published not mentioning the signatures.	**Paragraph 2** - The General Meeting resolving on the deregistering as a publicly-held Company, shall be called, at least, thirty (30) days in advance. **Paragraph 3** - The resolution on the alteration or exclusion of Article 40 hereof shall be taken by the absolute majority of attending votes, computing one single vote per shareholder, irrespective of their interest in the capital stock, as provided for by paragraph 1 of the Article 110 of the Brazilian Corporate Law. **Paragraph 4 -** The General Meeting only may resolve on issues of the agenda, included in the respective call notice, being prohibited the inclusion of generic headings, save exceptions provided for by the Brazilian Corporate Law. **Paragraph 5** - The Company shall initiate the registration of shareholders to take part in the General Meeting, with at least 72 (seventy two) hours in advance, being incumbent on the shareholders submit, besides identity document, as the case may be: (i) receipt issued by depositary institution over the past five (5) days; (ii) power of attorney; and/or (iii) referring to shareholders participating in the registered share fungible custody, an statement containing respective shareholding, issued by appropriate entity. **Paragraph 6** - Without limitation of the above provision, the shareholder that attends the general meeting with the documents mentioned in the preceding paragraph up to the time of the initial work of the meeting, may participate and vote notwithstanding not having previously delivered the said documents. **Paragraph 7** - The provision in Paragraph 5 above shall not apply to shareholders that choose to exercise voting rights via remote voting ballot, which shall be subject to the legal requirements and terms and applicable regulations. **Paragraph 8** - The Minutes of the Meeting shall: (i) be drawn up in the summary format of facts occurred, containing a summarized indication of attending shareholders' vote, blank votes and abstentions; and (ii) be published not mentioning the signatures.	
Article 11 - The General Meeting shall be convened and presided over by the Chairman of the Board of Directors, or in his absence or impediment, convened and presided over by another Board member, executive officer or shareholder appointed in written by the Chairman of the Board of Directors. The Chairman of the General Meeting shall appoint up to two (2) Secretaries.	**Article 11 -** The General Meeting shall be convened and presided over by the Chairman of the Board of Directors, or in his absence or impediment, convened and presided over by another Board member, executive officer or shareholder appointed in written by the Chairman of the Board of Directors. The Chairman of the General Meeting shall appoint up to two (2) Secretaries.	
Article 12 - It shall be incumbent upon the General Meeting, in addition to attributions provided for by law: I. To elect and remove from office the Board of Directors' members; II. Establish the total annual remuneration for the Board of Directors' members and Board of Executive Officers, as well of the total remuneration of the Statutory Audit Committee; III. To attribute share bonuses and decide on eventual stock reverse split and splitting; IV. To approve stock option plans, *restricted stock* or shares subscription to its managers, executives, employees and service providers, as well as to	**Article 12 -** It shall be incumbent upon the General Meeting, in addition to attributions provided for by law: I. To elect and remove from office the Board of Directors' members; II. Establish the total annual remuneration for the Board of Directors' members and Board of Executive Officers, as well of the total remuneration of the Statutory Audit Committee; III. To attribute share bonuses and decide on eventual stock reverse split and splitting; IV. To approve stock option plans, *restricted stock* or shares subscription to its managers, executives, employees and service providers, as well as to	

managers, executives, employees and service providers of other companies directly or indirectly controlled by the Company; V. To resolve, according to the proposal submitted by the Management, over the allocation of net income for the year and the distribution of dividends; VI. To elect the liquidator, as well as the Statutory Audit Committee, which shall operate during the liquidation period; VII. To resolve on the Company's delisting from Novo Mercado of the B3; and VIII. To resolve on the deregistering as a publicly-held Company with CVM, adhering to the provisions in the Articles 41 and 42 hereof.	managers, executives, employees and service providers of other companies directly or indirectly controlled by the Company; V. To resolve, according to the proposal submitted by the Management, over the allocation of net income for the year and the distribution of dividends; VI. To elect the liquidator, as well as the Statutory Audit Committee, which shall operate during the liquidation period; VII. To resolve on the Company's delisting from Novo Mercado of the B3; and VIII. To resolve on the deregistering as a publicly-held Company with CVM, adhering to the provisions in the Articles 41 and 42 hereof.	
CHAPTER IV **MANAGEMENT BODIES**	**CHAPTER IV** **MANAGEMENT BODIES**	
Section I – Common Provisions to the Management Bodies	**Section I – Common Provisions to the Management Bodies**	
Article 13 - The Company shall be administered by the Board of Directors and by the Board of Executive Officers. **Paragraph 1 -** The members shall be invested in office by instrument drawn up in proper book, signed by the manager invested in office, which should incorporate compliance with the said commitment clause in Article 48 of these Corporate Bylaws and their agreement to the Novo Mercado Listing Regulations, being discharged any management guarantee, and conditioned to the subscription of the Company's Conduct Code and, in the specific event of the Board of Directors' members, the Board of Directors' Internal Regulation. **Paragraph 2 -** The managers shall remain in their positions until the investiture of their deputies, unless if otherwise resolved by the General Meeting or by the Board of Directors, as the case may be. **Paragraph 3 -** The positions of Chair of the Board of Directors and Chief Executive Officer or principal executive of the Company may not be accumulated by the same person, excepting in the event of a vacancy. In this case, the Company must: (i) disclose the accumulation of positions due to vacancy not later than the business day following its occurrence; (ii) disclose within a term of 60 (sixty) days, as from the vacancy, steps taken to end the accumulation of positions; and (iii) to terminate the accumulation within a term of up to 1 (one) year.	**Article 13 -** The Company shall be administered by the Board of Directors and by the Board of Executive Officers. **Paragraph 1 -** The members shall be invested in office by instrument drawn up in proper book, signed by the manager invested in office, which should incorporate compliance with the said commitment clause in Article 48 of these Corporate Bylaws and their agreement to the Novo Mercado Listing Regulations, being discharged any management guarantee, and conditioned to the subscription of the Company's Conduct Code and, in the specific event of the Board of Directors' members, the Board of Directors' Internal Regulation. **Paragraph 2 -** The managers shall remain in their positions until the investiture of their deputies, unless if otherwise resolved by the General Meeting or by the Board of Directors, as the case may be. **Paragraph 3 -** The positions of Chair of the Board of Directors and Chief Executive Officer or principal executive of the Company may not be accumulated by the same person, excepting in the event of a vacancy. In this case, the Company must: (i) disclose the accumulation of positions due to vacancy not later than the business day following its occurrence; (ii) disclose within a term of 60 (sixty) days, as from the vacancy, steps taken to end the accumulation of positions; and (iii) to terminate the accumulation within a term of up to 1 (one) year.	
Article 14 - The General Meeting shall determine a global annual remuneration to be distributed amongst managers and it shall be incumbent upon the Board of Directors to carry out the distribution of funds on an individual basis, after considering the opinion of the committee that deals with the remuneration of the Managers.	**Article 14 -** The General Meeting shall determine a global annual remuneration to be distributed amongst managers and it shall be incumbent upon the Board of Directors to carry out the distribution of funds on an individual basis, after considering the opinion of the committee that deals with the remuneration of the Managers.	
Article 15 - Any of the management bodies validly meets with the attendance of the majority of its members and resolves by the absolute majority vote of those attending the meeting, except for the provisions in Paragraph 2 of Article 18 and Article 21 hereof. **Sole Paragraph -** The previous call of meeting is only exempted as a condition for its validity, if all its members attend the meeting. Management body members shall	**Article 15 -** Any of the management bodies validly meets with the attendance of the majority of its members and resolves by the absolute majority vote of those attending the meeting, except for the provisions in Paragraph 2 of Article 18 and Article 21 hereof. **Sole Paragraph -** The previous call of meeting is only exempted as a condition for its validity, if all its members attend the meeting. Management body members shall	

be considered as attending members if they voice their vote by means of delegation in favor of other member of the respective body, by advanced written vote, and vote by fax, email or any other means of communication.	be considered as attending members if they voice their vote by means of delegation in favor of other member of the respective body, by advanced written vote, and vote by fax, email or any other means of communication.	
Section II - Board of Directors	**Section II - Board of Directors**	
Article 16 - The Board of Directors shall be composed by, minimum five (05) to maximum nine (09) members, mostly by external members, elected by the General Meeting for a term of office of one (01) year, reelection being allowed, from which, at least 2 (two) members or one third (1/3) of the total members, whichever is the greater, shall be Independent Members. **Paragraph 1** - For the purposes of this Article, an Independent Member is defined as such in the B3's Novo Mercado Listing Regulations, the nominees to the Board of Directors characterized as Independent Directors to be decided in the General Meeting which elects them, also being considered as independent the director (s) elected through the mechanism pursuant to Article 141, paragraphs 4 and 5 of the Corporate Law, in the event that there is a controlling shareholder. **Paragraph 2** - When the calculation of the percentage set forth in the caption sentence to this Article, results in a fractional number, the procedure to be adopted is to round it up to the next highest whole number. **Paragraph 3 -** In the Annual General Meeting, shareholders shall resolve upon the effective number of Board of Directors' members. **Paragraph 4 -** The Board of Directors' member shall have a solid reputation, and may not be elected, except for release from the General Meeting, who (i) occupies positions in companies which may be deemed as company's competitors; or (ii) who has or represents conflicting interests with the company; voting right may not be exercised by the Board of Directors' member if same impediment factors are characterized thereafter. **Paragraph 5 -** The Board of Directors' member may not have access to information or participate in the Board of Directors' meetings, related to issues which have or represent conflicting interests with the Company. **Paragraph 6 -** The Board of Directors, for a better understanding of its attributes, may create committees or work groups with defined purposes, always with a view of advising the Board of Directors, being composed of persons designated thereby among management members and/or other persons directly or indirectly related to the Company. **Paragraph 7 -** The acting members of the Board of Directors shall be automatically appointed for reelection by jointly proposal of the Board of Directors' members. If the multiple vote proceeding was not requested, the Board of Directors' members may resolve, by resolution of the majority of the members present in such meeting, on the appointment of alternate members to occupy the position of any acting Member that refuses reelection, to the extent that such appoint is necessary to compose the total number of candidates for occupying the positions in the Board of Directors, with due regard for Article 17 below. In the event of request of multiple	**Article 16** - The Board of Directors shall be composed by, minimum five (05) to maximum nine (09) members, mostly by external members, elected by the General Meeting for a term of office of one (01) year, reelection being allowed, from which, at least 2 (two) members or one third (1/3) of the total members, whichever is the greater, shall be Independent Members. **Paragraph 1** - For the purposes of this Article, an Independent Member is defined as such in the B3's Novo Mercado Listing Regulations, the nominees to the Board of Directors characterized as Independent Directors to be decided in the General Meeting which elects them, also being considered as independent the director (s) elected through the mechanism pursuant to Article 141, paragraphs 4 and 5 of the Corporate Law, in the event that there is a controlling shareholder. **Paragraph 2** - When the calculation of the percentage set forth in the caption sentence to this Article, results in a fractional number, the procedure to be adopted is to round it up to the next highest whole number. **Paragraph 3 -** In the Annual General Meeting, shareholders shall resolve upon the effective number of Board of Directors' members. **Paragraph 4 -** The Board of Directors' member shall have a solid reputation, and may not be elected, except for release from the General Meeting, who (i) occupies positions in companies which may be deemed as company's competitors; or (ii) who has or represents conflicting interests with the company; voting right may not be exercised by the Board of Directors' member if same impediment factors are characterized thereafter. **Paragraph 5 -** The Board of Directors' member may not have access to information or participate in the Board of Directors' meetings, related to issues which have or represent conflicting interests with the Company. **Paragraph 6 -** The Board of Directors, for a better understanding of its attributes, may create committees or work groups with defined purposes, always with a view of advising the Board of Directors, being composed of persons designated thereby among management members and/or other persons directly or indirectly related to the Company. **Paragraph 7 -** The acting members of the Board of Directors shall be automatically appointed for reelection by jointly proposal of the Board of Directors' members. If the multiple vote proceeding was not requested, the Board of Directors' members may resolve, by resolution of the majority of the members present in such meeting, on the appointment of alternate members to occupy the position of any acting Member that refuses reelection, to the extent that such appoint is necessary to compose the total number of candidates for occupying the positions in the Board of Directors, with due regard for Article 17 below. In the event of request of multiple	

vote proceeding, each Board of Directors' acting member shall be deemed a candidate for reelection for the Board of Directors. **Paragraph 8 -** In the event the Company receives a written request on the part of shareholders intending to adopt the multiple vote process, as provided for by the Article 141, Paragraph 1 of the Brazilian Corporate Law, the Company shall disclose the receipt and the content of such request, immediately: (i) by electronic means to CVM (Securities and Exchange Commission of Brazil) and B3; and (ii) by inclusion in the Company's website. **Paragraph 9 -** The Audit and Risk Management Committee, an advisory body answering to the Board of Directors, comprises at least 3 (three) members, being that at least 1 (one) is an Independent Director, and at least 1 (one) must have recognized experience in corporate accounting matters. I. The same member of the Audit and Risk Management Committee may accumulate both characteristics set forth in the caption sentence. II.The activities of the coordinator of the Audit and Risk Management Committee are set out in its Internal Charter, approved by the Board of Directors. III.It is incumbent on the Audit and Risk Management Committee, among other matters to: (a) opine on the engagement and dismissal of the independent audit services; (b) appraise financial filings, interim financial statements and annual financial statements; (c) monitor the activities of the Company's internal audit and internal controls area; (d) appraise and monitor the Company's risk exposure; (e) appraise and monitor and recommend to Management the correction or improvement of the Company's internal policies, including the Related Parties Transactions Policy; and (f) have the means to receive and handle information on the non-compliance with legal provisions and norms governing the Company as well as internal regulations and codes, including the provision for specific procedures for protecting whistle blowers and assuring the confidentiality of the information.	vote proceeding, each Board of Directors' acting member shall be deemed a candidate for reelection for the Board of Directors. **Paragraph 8 -** In the event the Company receives a written request on the part of shareholders intending to adopt the multiple vote process, as provided for by the Article 141, Paragraph 1 of the Brazilian Corporate Law, the Company shall disclose the receipt and the content of such request, immediately: (i) by electronic means to CVM (Securities and Exchange Commission of Brazil) and B3; and (ii) by inclusion in the Company's website. **Paragraph 9 -** The Audit and Risk Management Committee, an advisory body answering to the Board of Directors, comprises at least 3 (three) members, being that at least 1 (one) is an Independent Director, and at least 1 (one) must have recognized experience in corporate accounting matters. I. The same member of the Audit and Risk Management Committee may accumulate both characteristics set forth in the caption sentence. II.The activities of the coordinator of the Audit and Risk Management Committee are set out in its Internal Charter, approved by the Board of Directors. III.It is incumbent on the Audit and Risk Management Committee, among other matters to: (a) opine on the engagement and dismissal of the independent audit services; (b) appraise financial filings, interim financial statements and annual financial statements; (c) monitor the activities of the Company's internal audit and internal controls area; (d) appraise and monitor the Company's risk exposure; (e) appraise and monitor and recommend to Management the correction or improvement of the Company's internal policies, including the Related Parties Transactions Policy; and (f) have the means to receive and handle information on the non-compliance with legal provisions and norms governing the Company as well as internal regulations and codes, including the provision for specific procedures for protecting whistle blowers and assuring the confidentiality of the information.	
Article 17 - Secured that the shareholders holding, whether solely or jointly, at least, 10% (tem percent) or more of the Company's common shares, the right to elect one Board Member in separate voting, compliance with the provision in Paragraph 1 of Article 16 above to be observed with respect to the independence of the Director.	**Article 17** - Secured that the shareholders holding, whether solely or jointly, at least, 10% (tem percent) or more of the Company's common shares, the right to elect one Board Member in separate voting, compliance with the provision in Paragraph 1 of Article 16 above to be observed with respect to the independence of the Director.	
Article 18 - The Board of Directors shall have one (01) Chairman and one (01) Vice-Chairman who shall be elected by the majority of the members present in the first meeting held by the Board of Directors, to be held after the investiture of such members, or in the event of any resignation or vacancy of such positions. The Vice-Chairman shall perform the duties of Chairman in the	**Article 18 -** The Board of Directors shall have one (01) Chairman and one (01) Vice-Chairman who shall be elected by the majority of the members present in the first meeting held by the Board of Directors, to be held after the investiture of such members, or in the event of any resignation or vacancy of such positions. The Vice-Chairman shall perform the duties of Chairman in the	

absence and temporary impairment thereof, regardless of any formality. In the event of absence or temporary impairment of the Chairman or Vice-Chairman, the Chairman's duties shall be performed by another member of the Board of Directors appointed by the Chairman. In the event of vacancy of member of Board of Directors, in view of resignation or any other reason, the remaining members may appoint an alternate member that shall occupy the position until the first General Meeting that shall elect a new member to occupy the position until the end of the term of office. **Paragraph 1 -** The Chairman of the Board of Directors shall call and preside over the meetings of the body and General Meetings, except for, in case of General Meetings, the assumptions in which another Board member, Executive Officer or shareholder is appointed, in writing, to preside over the works. **Paragraph 2 -** The casting vote shall be attributed to the Chairman of the body at the Board of Directors' resolutions, in case of tie vote.	absence and temporary impairment thereof, regardless of any formality. In the event of absence or temporary impairment of the Chairman or Vice-Chairman, the Chairman's duties shall be performed by another member of the Board of Directors appointed by the Chairman. In the event of vacancy of member of Board of Directors, in view of resignation or any other reason, the remaining members may appoint an alternate member that shall occupy the position until the first General Meeting that shall elect a new member to occupy the position until the end of the term of office. **Paragraph 1 -** The Chairman of the Board of Directors shall call and preside over the meetings of the body and General Meetings, except for, in case of General Meetings, the assumptions in which another Board member, Executive Officer or shareholder is appointed, in writing, to preside over the works. **Paragraph 2 -** The casting vote shall be attributed to the Chairman of the body at the Board of Directors' resolutions, in case of tie vote.	
Article 19 - The Board of Directors shall meet ordinarily, six (6) times a year and on extraordinarily, whenever called by the Chairman or by the majority of its members. The Board meetings may take place by conference call, video conference or any other means of communication allowing the identification of the member and the simultaneous communication with all other persons attending the meeting. **Paragraph 1 -** The calls for the meetings shall be made by means of written communication delivered to each member of the Board of Directors, at least, five (5) days in advance, which shall contain the agenda, date, time and venue of the meeting. **Paragraph 2 -** All the Board of Directors' resolutions shall be included in Minutes drawn up in the respective Board's book and signed by the Board members attending the meeting.	**Article 19 -** The Board of Directors shall meet ordinarily, six (6) times a year and on extraordinarily, whenever called by the Chairman or by the majority of its members. The Board meetings may take place by conference call, video conference or any other means of communication allowing the identification of the member and the simultaneous communication with all other persons attending the meeting. **Paragraph 1 -** The calls for the meetings shall be made by means of written communication delivered to each member of the Board of Directors, at least, five (5) days in advance, which shall contain the agenda, date, time and venue of the meeting. **Paragraph 2 -** All the Board of Directors' resolutions shall be included in Minutes drawn up in the respective Board's book and signed by the Board members attending the meeting.	
Article 20 - It shall be incumbent upon the Board of Directors, in addition to other attributions required by laws or Bylaws: I. To define the Company's business general guidance; II. (a) to elect and remove from office the Company's Executive Officers; (b) to appraise the performance of the Chief Executive Officer and to examine the appraisals of the remaining members of the Board of Executive Officers; and (c) to structure a succession plan with respect to the Chief Executive Officer and to evaluate and supervise the succession plans for members of the Board of Executive Officers proposed by the Board on a collegiate basis; III. To attribute to Officers respective duties, including designating the Investor Relations Officer, in compliance with provisions hereof; IV. To resolve on the call for a General Meeting, when deemed convenient, or in the case of Article 132 of Brazilian Corporate Law; V. To inspect executive officers' management, examining at any time, the Company's books and documents and requesting information about agreements entered into or about to be executed and any other acts;	**Article 20 -** It shall be incumbent upon the Board of Directors, in addition to other attributions required by laws or Bylaws: I. To define the Company's business general guidance; II. (a) to elect and remove from office the Company's Executive Officers; (b) to appraise the performance of the Chief Executive Officer and to examine the appraisals of the remaining members of the Board of Executive Officers; and (c) to structure a succession plan with respect to the Chief Executive Officer and to evaluate and supervise the succession plans for members of the Board of Executive Officers proposed by the Board on a collegiate basis; III. To attribute to Officers respective duties, including designating the Investor Relations Officer, in compliance with provisions hereof; IV. To resolve on the call for a General Meeting, when deemed convenient, or in the case of Article 132 of Brazilian Corporate Law; V. To inspect executive officers' management, examining at any time, the Company's books and documents and requesting information about agreements entered into or about to be executed and any other acts;	

VI. To choose and withdraw independent auditors; VII. To call independent auditors to provide clarifications deemed necessary; VIII. To access the Management Report and the Board of Executive Officers' accounts and resolve on its submission to the General Meeting; IX. To approve annual and multi-annual budgets, strategic plans, expansion projects and investment programs, as well as to follow-up their execution; X. To previously manifest on any matter to be submitted to the General Meeting; XI. To authorize the issue of the Company's shares under the limits authorized in Article 6 hereof, by determining issuance conditions, including price and payment term for subscribed shares, and may also exclude the preemptive right or reduce the term for its exercise in the issuance of shares, subscription bonus and convertible debentures, placement of which is made through sale at stock exchange or by means of a in public subscription or share swap in takeover bid, under the terms established by law; XII. To resolve on the Company's acquisition of shares issued thereby to be held in treasury and/or further cancellation or disposal; XIII. To resolve on the issuance of subscription bonus, as provided by Paragraph 2 of the Article 6 of these Bylaws; XIV. To grant call option, restricted stock or share subscription to its managers, executives, employees and service providers, as well as to managers, executives, employees and service providers of other companies directly or indirectly controlled by the Company, without preemptive right for the shareholders, under the terms of programs approved in General Meeting, after considering the opinion of the committee that deals with the remuneration of the Managers; XV. To establish the amount of profit sharing of Executive Officers and Employees of the Company, after the opinion of the committee that deals with the remuneration of the Managers; XVI. The allocation among Managers, individually, of portion of the global annual remuneration of Managers set forth by General Meeting, after the opinion of the committee that deals with the remuneration of the Managers; XVII. The approval, after the opinion of the committee that deals with the remuneration of the Managers, of any agreement entered into between the Company and any Executive Officer including the payment of amounts, as well as the payment of indemnification amounts, in view of (i) Executive Officer's voluntary or involuntary withdrawal; (ii) change in control; or (iii) any other similar event; XVIII. To resolve on the issuance of simple debentures, not convertible into shares and unsecured guarantee; XIX. To authorize the Company to render guarantees to third party liabilities, except in the case cited in Article 23, item IX of these Corporate Bylaws;	VI. To choose and withdraw independent auditors; VII. To call independent auditors to provide clarifications deemed necessary; VIII. To access the Management Report and the Board of Executive Officers' accounts and resolve on its submission to the General Meeting; IX. To approve annual and multi-annual budgets, strategic plans, expansion projects and investment programs, as well as to follow-up their execution; X. To previously manifest on any matter to be submitted to the General Meeting; XI. To authorize the issue of the Company's shares under the limits authorized in Article 6 hereof, by determining issuance conditions, including price and payment term for subscribed shares, and may also exclude the preemptive right or reduce the term for its exercise in the issuance of shares, subscription bonus and convertible debentures, placement of which is made through sale at stock exchange or by means of a in public subscription or share swap in takeover bid, under the terms established by law; XII. To resolve on the Company's acquisition of shares issued thereby to be held in treasury and/or further cancellation or disposal; XIII. To resolve on the issuance of subscription bonus, as provided by Paragraph 2 of the Article 6 of these Bylaws; XIV. To grant call option, restricted stock or share subscription to its managers, executives, employees and service providers, as well as to managers, executives, employees and service providers of other companies directly or indirectly controlled by the Company, without preemptive right for the shareholders, under the terms of programs approved in General Meeting, after considering the opinion of the committee that deals with the remuneration of the Managers; XV. To establish the amount of profit sharing of Executive Officers and Employees of the Company, after the opinion of the committee that deals with the remuneration of the Managers; XVI. The allocation among Managers, individually, of portion of the global annual remuneration of Managers set forth by General Meeting, after the opinion of the committee that deals with the remuneration of the Managers; XVII. The approval, after the opinion of the committee that deals with the remuneration of the Managers, of any agreement entered into between the Company and any Executive Officer including the payment of amounts, as well as the payment of indemnification amounts, in view of (i) Executive Officer's voluntary or involuntary withdrawal; (ii) change in control; or (iii) any other similar event; XVIII. To resolve on the issuance of simple debentures, not convertible into shares and unsecured guarantee; XIX. To authorize the Company to render guarantees to third party liabilities, except in the case cited in Article 23, item IX of these Corporate Bylaws;	

XX. To establish area of the Board of Executive Officers' authority to contract any funding and the issuance of any credit instruments, such as bonds, notes, commercial papers, and others, commonly used in the market, also resolving on their issuance and redemption conditions, and in cases defined thereby, it may require a prior authorization from the Board of Directors as a condition of validity of action;	XX. To establish area of the Board of Executive Officers' authority to contract any funding and the issuance of any credit instruments, such as bonds, notes, commercial papers, and others, commonly used in the market, also resolving on their issuance and redemption conditions, and in cases defined thereby, it may require a prior authorization from the Board of Directors as a condition of validity of action;	
XXI.To approve the contracting of a depositary institution, rendering book-entry shares services;	XXI.To approve the contracting of a depositary institution, rendering book-entry shares services;	
XXII. To provide, in compliance with rules of these Bylaws and laws in force, the order of its works and adopt or enact ruling standards for its operation;	XXII. To provide, in compliance with rules of these Bylaws and laws in force, the order of its works and adopt or enact ruling standards for its operation;	
XXIII. To decide on the payment or credit of interest on own capital to shareholders, under the terms of the applicable laws;	XXIII. To decide on the payment or credit of interest on own capital to shareholders, under the terms of the applicable laws;	
XXIV.To authorize the Board of Executive Officers to carry out disposal or burden of fixed assets, the acquisition of fixed assets and the assumption of other financial commitments associated with projects in which the Company plans to invest, whenever the amount of sold, burdened or acquired assets or financial commitments exceeds ten per cent (10%) of the annual net revenues earned in the previous fiscal year;	XXIV.To authorize the Board of Executive Officers to carry out disposal or burden of fixed assets, the acquisition of fixed assets and the assumption of other financial commitments associated with projects in which the Company plans to invest, whenever the amount of sold, burdened or acquired assets or financial commitments exceeds ten per cent (10%) of the annual net revenues earned in the previous fiscal year;	
XXV. To authorize the Board of Executive Officers to carry out the contracting of loans and other financings, whenever, in view of these loans or other financings, the amount of principal of all outstanding loans and financings of the Company exceeds twenty per cent (20%) of the annual net revenues earned in the previous fiscal year; and	XXV. To authorize the Board of Executive Officers to carry out the contracting of loans and other financings, whenever, in view of these loans or other financings, the amount of principal of all outstanding loans and financings of the Company exceeds twenty per cent (20%) of the annual net revenues earned in the previous fiscal year; and	
XXVI.To authorize the drawing up of financial statements and distribution of dividends or interest on own capital in periods equal or lower than six (6) months at the account of income earned in these financial statements or at the retained earnings account of profit reserve account existing in the last annual or semi-annual balance sheet, as provided for by these Bylaws and applicable laws.	XXVI.To authorize the drawing up of financial statements and distribution of dividends or interest on own capital in periods equal or lower than six (6) months at the account of income earned in these financial statements or at the retained earnings account of profit reserve account existing in the last annual or semi-annual balance sheet, as provided for by these Bylaws and applicable laws.	
XXVII.Express in favor or against any public offering for the acquisition of shares, which has as its purpose the shares issued by the Company, based on a prior well-founded opinion disclosed in up to 15 (fifteen) days from the publication of the notice of the public offering for the acquisition of shares, covering at least (i) about the convenience and opportunity of the public offering for the acquisition of shares as to the overall interest of the Company and the shareholders, including relative to the price and the potential impacts on the liquidity of the shares; (ii) the strategic plans announced by the offeror in relation to the Company; (iii) in respect of alternatives to the acceptance of the OPA and available in the market; and (iv) other points which the Board of Directors deem as pertinent as well as other information required under the applicable CVM rules.	XXVII.Express in favor or against any public offering for the acquisition of shares, which has as its purpose the shares issued by the Company, based on a prior well-founded opinion disclosed in up to 15 (fifteen) days from the publication of the notice of the public offering for the acquisition of shares, covering at least (i) about the convenience and opportunity of the public offering for the acquisition of shares as to the overall interest of the Company and the shareholders, including relative to the price and the potential impacts on the liquidity of the shares; (ii) the strategic plans announced by the offeror in relation to the Company; (iii) in respect of alternatives to the acceptance of the OPA and available in the market; and (iv) other points which the Board of Directors deem as pertinent as well as other information required under the applicable CVM rules.	

XXVIII. To express an opinion on the terms and conditions for corporate reorganizations, increases in capital and other transactions which may provoke a change in the Company's control; XXIX. Periodically to evaluate the Company's exposure to risks and the efficacy of risk management systems, internal controls and the integrity and compliance system; XXX. To approve (i) the Company's Code of Conduct, (ii) the Policy for Nominating Members of the Board of Directors, its Committees, and of the Board of Executive Officers, (iii) the Remuneration Policy, (iv) Risk Management Policy, (v) Related Parties Transactions Policy, and (vi) Securities Trading Policy, as well as their respective amendments; XXXI. To express an opinion on compliance or otherwise on (i) the criteria of independence as set forth in the Novo Mercado Listing Regulations, of each candidate nominated to occupy a position on the Board of Directors in the general meeting´s management proposal for election of Management, and (ii) the Policy for Nominating Members of the Board of Directors, of its Committees and of the Board of Executive Officers; XXXII. To approve a process for appraising the Board of Directors, its Committees and Board of Executive Officers; XXXIII. To establish responsibilities for the Internal Audit and for the compliance function, internal controls and corporate risks. **Paragraph 1 -** The Board of Directors' members who are Executive Officers shall abstain from voting in issues provided for in items V and XIV to XVII of this Article 20. **Paragraph 2 -**The Company shall not grant financing or guarantees to its Board members or Executive Officers.	XXVIII. To express an opinion on the terms and conditions for corporate reorganizations, increases in capital and other transactions which may provoke a change in the Company's control; XXIX. Periodically to evaluate the Company's exposure to risks and the efficacy of risk management systems, internal controls and the integrity and compliance system; XXX. To approve (i) the Company's Code of Conduct, (ii) the Policy for Nominating Members of the Board of Directors, its Committees, and of the Board of Executive Officers, (iii) the Remuneration Policy, (iv) Risk Management Policy, (v) Related Parties Transactions Policy, and (vi) Securities Trading Policy, as well as their respective amendments; XXXI. To express an opinion on compliance or otherwise on (i) the criteria of independence as set forth in the Novo Mercado Listing Regulations, of each candidate nominated to occupy a position on the Board of Directors in the general meeting´s management proposal for election of Management, and (ii) the Policy for Nominating Members of the Board of Directors, of its Committees and of the Board of Executive Officers; XXXII. To approve a process for appraising the Board of Directors, its Committees and Board of Executive Officers; XXXIII. To establish responsibilities for the Internal Audit and for the compliance function, internal controls and corporate risks. **Paragraph 1 -** The Board of Directors' members who are Executive Officers shall abstain from voting in issues provided for in items V and XIV to XVII of this Article 20. **Paragraph 2 -**The Company shall not grant financing or guarantees to its Board members or Executive Officers.	
Article 21 – The approval of the qualified majority of two thirds of Board of Directors' members is necessary to resolve on: I. Proposal to buyback, redeem, reimburse or amortize shares; II. Proposal to create or issue subscription bonus or instruments convertible into shares issued by the Company; III. Proposal to change the Company's purpose; IV. Proposal to merge the Company into another one, merger of another Company by the Company, share merger involving the Company, its merger or spin-off; V. Proposal to liquidate, dissolve or extinguish the Company or cease the status of Company's liquidation; or VI. Proposal of Company's interest in group of Companies.	**Article 21 –** The approval of the qualified majority of two thirds of Board of Directors' members is necessary to resolve on: I. Proposal to buyback, redeem, reimburse or amortize shares; II. Proposal to create or issue subscription bonus or instruments convertible into shares issued by the Company; III. Proposal to change the Company's purpose; IV. Proposal to merge the Company into another one, merger of another Company by the Company, share merger involving the Company, its merger or spin-off; V. Proposal to liquidate, dissolve or extinguish the Company or cease the status of Company's liquidation; or VI. Proposal of Company's interest in group of Companies.	
Section III- Board of Executive Officers	**Section III- Board of Executive Officers**	

Article 22 - The Board of Executive Officers, members of which shall be elected and removed from office at any time by the Board of Directors, shall be composed of four (4) to eight (8) Executive Officers, one of them the Chief Executive Officer, one of them the Chief Financial and Administrative Officer, one of them the Chief Operating Officer, one of them the Chief Product Officer, one of them the Chief Human Resources Officer, one of them the Chief Information Officer and the other without a specific designation, all of them with two (2) year term of office, re-election is authorized. The Board of Directors shall designate one of the Company's Executive Officers for the position as Investor Relations Officer. **Paragraph 1 -** The election of the Board of Executive Officers shall take place until five (5) business days after Annual General Meeting is held, and the investiture of those elected shall coincide with the expiration of their predecessors' term of office. **Paragraph 2 -** The Chief Executive Officer in his temporary impediments or absences shall be replaced by another Executive Officer elected by the Chief Executive Officer. In the event of vacancy of the position as Chief Executive Officer, his provisional deputy shall be chosen among other executive officers by decision of executive officers and shall assume the Presidency until the first subsequent meeting of the Board of Directors, which shall be immediately called by the Chairman of the Board of Directors and shall designate the deputy of the Chief Executive Officer for the remaining term of office. **Paragraph 3 -** Other Executive Officers shall be replaced, in cases of absence of temporary impediment, by another executive officer, elected by the Chief Executive Officer. In the event of vacancy in the position as Executive Officer, a provisional deputy shall chosen by the Chief Executive Officer and shall assume the Executive Board until the first subsequent meeting of the Board of Directors, which shall designate deputy for the remaining term of office. **Paragraph 4 -** The Investor Relations Officer shall monitor the compliance with obligations provided for in Article 43 hereof by Company's shareholders and shall report to the General Meeting and the Board of Directors, when requested, his conclusions, reports and diligences.	**Article 22** - The Board of Executive Officers, members of which shall be elected and removed from office at any time by the Board of Directors, shall be composed of four (4) to eight (8) Executive Officers, one of them the Chief Executive Officer, one of them the Chief Financial and Administrative Officer, one of them the Chief Operating Officer, one of them the Chief Product Officer, one of them the Chief Human Resources Officer, one of them the Chief Information Officer and the other without a specific designation, all of them with two (2) year term of office, re-election is authorized. The Board of Directors shall designate one of the Company's Executive Officers for the position as Investor Relations Officer. **Paragraph 1 -** The election of the Board of Executive Officers shall take place until five (5) business days after Annual General Meeting is held, and the investiture of those elected shall coincide with the expiration of their predecessors' term of office. **Paragraph 2 -** The Chief Executive Officer in his temporary impediments or absences shall be replaced by another Executive Officer elected by the Chief Executive Officer. In the event of vacancy of the position as Chief Executive Officer, his provisional deputy shall be chosen among other executive officers by decision of executive officers and shall assume the Presidency until the first subsequent meeting of the Board of Directors, which shall be immediately called by the Chairman of the Board of Directors and shall designate the deputy of the Chief Executive Officer for the remaining term of office. **Paragraph 3 -** Other Executive Officers shall be replaced, in cases of absence of temporary impediment, by another executive officer, elected by the Chief Executive Officer. In the event of vacancy in the position as Executive Officer, a provisional deputy shall chosen by the Chief Executive Officer and shall assume the Executive Board until the first subsequent meeting of the Board of Directors, which shall designate deputy for the remaining term of office. **Paragraph 4 -** The Investor Relations Officer shall monitor the compliance with obligations provided for in Article 43 hereof by Company's shareholders and shall report to the General Meeting and the Board of Directors, when requested, his conclusions, reports and diligences.	
Article 23 - The Board of Executive Officers has all the powers to practice the acts necessary for the Company's regular operation and execute the Company's purposes, no matter how special these are, including to sell and burden fixed assets, waive rights, compromise and agree, observing the relevant legal or statutory provisions. It shall be incumbent thereupon to administer and manage the Company's businesses, especially: I. To comply with and cause the observance to these Bylaws and resolutions of the Board of Directors and General Meeting; II. To resolve on the opening, closing and change in addresses of branches, agencies, warehouses, offices and any other Company's establishments in the country or overseas;	**Article 23 -** The Board of Executive Officers has all the powers to practice the acts necessary for the Company's regular operation and execute the Company's purposes, no matter how special these are, including to sell and burden fixed assets, waive rights, compromise and agree, observing the relevant legal or statutory provisions. It shall be incumbent thereupon to administer and manage the Company's businesses, especially: I. To comply with and cause the observance to these Bylaws and resolutions of the Board of Directors and General Meeting; II. To resolve on the opening, closing and change in addresses of branches, agencies, warehouses, offices and any other Company's establishments in the country or overseas;	

III. To submit annually to the Board of Directors' examination, the Management Report and accounts of the Board of Executive Officers, accompanied by the independent auditors' report, as well as proposal for allocation of income earned in the previous year; IV. To prepare and propose to the Board of Directors, annual and multi-year budgets, strategic plans, expansion projects and investment programs; V. To approve the creation and closing down of subsidiary and the Company's interest in the capital of other companies, in the country or overseas; VI. To approve the disposal or burden of fixed assets, the acquisition of assets and the assumption of other financial commitments associated with projects in which the Company plans to invest, under the condition that the Board of Directors has approved this contracting whenever the amount of sold, burdened or acquired assets or financial commitments assumed exceeds ten per cent (10%) of the annual net revenues earned in the previous fiscal year; VII. Contract loans and other financings, under the condition that the Board of Directors has approved this contracting whenever in view of these loans or other financings, the amount of principal of all outstanding loans and financings of the Company exceeds twenty per cent (20%) of the annual net revenues earned in the previous fiscal year; VIII. Sell real properties, assign in rem rights or grant in rem right in loan guarantee; IX. To provide collateral in Residential Rental Contracts signed by executives and employees of the Company and other companies controlled directly or indirectly by the Company; and X.Decide on any issue, which is not private incumbency of the General Meeting or the Board of Directors.	III. To submit annually to the Board of Directors' examination, the Management Report and accounts of the Board of Executive Officers, accompanied by the independent auditors' report, as well as proposal for allocation of income earned in the previous year; IV. To prepare and propose to the Board of Directors, annual and multi-year budgets, strategic plans, expansion projects and investment programs; V. To approve the creation and closing down of subsidiary and the Company's interest in the capital of other companies, in the country or overseas; VI. To approve the disposal or burden of fixed assets, the acquisition of assets and the assumption of other financial commitments associated with projects in which the Company plans to invest, under the condition that the Board of Directors has approved this contracting whenever the amount of sold, burdened or acquired assets or financial commitments assumed exceeds ten per cent (10%) of the annual net revenues earned in the previous fiscal year; VII. Contract loans and other financings, under the condition that the Board of Directors has approved this contracting whenever in view of these loans or other financings, the amount of principal of all outstanding loans and financings of the Company exceeds twenty per cent (20%) of the annual net revenues earned in the previous fiscal year; VIII. Sell real properties, assign in rem rights or grant in rem right in loan guarantee; IX. To provide collateral in Residential Rental Contracts signed by executives and employees of the Company and other companies controlled directly or indirectly by the Company; and X.Decide on any issue, which is not private incumbency of the General Meeting or the Board of Directors.	
Article 24 - It shall be incumbent upon the Chief Executive Officer, besides coordinating the action of Executive Officers and directing the execution of activities related to the Company's general planning: I. To call and preside over the Board of Executive Officers' meetings; II. To maintain the Board of Directors' members informed on the Company's activities and the course of its operations; III. To propose, without exclusive initiative, to the Board of Directors the attribution of duties to each Executive Officer upon his/her respective election, under the terms of Article 25 hereof; IV. To perform other attributions conferred to him by the Board of Directors; V. To appoint the deputy of the Executive Officers in cases of absence or temporary impediment; and VI. To appoint the provisional deputy of other Executive Officers in cases of vacancy, observing the provisions in the Paragraph 3, of the Article 22, in fine, hereof.	**Article 24 -** It shall be incumbent upon the Chief Executive Officer, besides coordinating the action of Executive Officers and directing the execution of activities related to the Company's general planning: I. To call and preside over the Board of Executive Officers' meetings; II. To maintain the Board of Directors' members informed on the Company's activities and the course of its operations; III. To propose, without exclusive initiative, to the Board of Directors the attribution of duties to each Executive Officer upon his/her respective election, under the terms of Article 25 hereof; IV. To perform other attributions conferred to him by the Board of Directors; V. To appoint the deputy of the Executive Officers in cases of absence or temporary impediment; and VI. To appoint the provisional deputy of other Executive Officers in cases of vacancy, observing the provisions in the Paragraph 3, of the Article 22, in fine, hereof.	

Article 25 - In addition to the set forth in the paragraphs below, it is the duty of the Executive Officers to assist and help the Chief Executive Officer in the management of the Corporation's business and precede the activities regarding the function which were assigned to them by the Board of Directors. Paragraph 1 - The Chief Financial and Administrative Officer, in general, is in charge of the administration and management of the administrative area, establishing specifics policies for the area, specially the management of the Corporation and its controlled companies' financial activities, as well as the consolidation and follow up of the Corporation's budget. Paragraph 2 - The Chief Human Resources Officer is in charge of the administration and management of the human resources area and sustainability area, establishing specifics policies to the area. Paragraph 3 - The Chief Product Officer, in general, is in charge of the administration and management of the purchases area, establishing specifics policies for the area, specially entering into goods purchase agreements, stipulating costs, terms and conditions, as well as its distribution and redistribution between the several Corporation's stores. Paragraph 4 - The Chief Operating Officer, in general, is in charge of the administration and management of the operations area, establishing specifics policies for the area, specially the management of the logistics and distributions centers, coordinates and manages the operational activities of the stores and proceeds with the maintenance of the Corporation's operational procedures. Paragraph 5 - The Chief Information Officer is in charge of the administration and management of the information and technology area, establishing specifics policies for the area, being responsible for the strategy's definition, developing and implementing systems and solutions in accordance with the Corporation's business necessities, manager of data, voice and image communications networks and the automation of Corporation's procedures. Paragraph 6 - The Chief Investor Relations Officer is in charge of the administration and management of the investors relations area, establishing specifics policies for the area, providing information to the public of investors, the CVM, Stock Exchange and over-the-counter market in which the Corporation is listed, keeping up-to-date the Corporation's publicly held register, accomplishing with all the legislation and regulation applicable to the publicly held companies.	**Article 25 -** In addition to the set forth in the paragraphs below, it is the duty of the Executive Officers to assist and help the Chief Executive Officer in the management of the Corporation's business and precede the activities regarding the function which were assigned to them by the Board of Directors. Paragraph 1 - The Chief Financial and Administrative Officer, in general, is in charge of the administration and management of the administrative area, establishing specifics policies for the area, specially the management of the Corporation and its controlled companies' financial activities, as well as the consolidation and follow up of the Corporation's budget. Paragraph 2 - The Chief Human Resources Officer is in charge of the administration and management of the human resources area and sustainability area, establishing specifics policies to the area. Paragraph 3 - The Chief Product Officer, in general, is in charge of the administration and management of the purchases area, establishing specifics policies for the area, specially entering into goods purchase agreements, stipulating costs, terms and conditions, as well as its distribution and redistribution between the several Corporation's stores. Paragraph 4 - The Chief Operating Officer, in general, is in charge of the administration and management of the operations area, establishing specifics policies for the area, specially the management of the logistics and distributions centers, coordinates and manages the operational activities of the stores and proceeds with the maintenance of the Corporation's operational procedures. Paragraph 5 - The Chief Information Officer is in charge of the administration and management of the information and technology area, establishing specifics policies for the area, being responsible for the strategy's definition, developing and implementing systems and solutions in accordance with the Corporation's business necessities, manager of data, voice and image communications networks and the automation of Corporation's procedures. Paragraph 6 - The Chief Investor Relations Officer is in charge of the administration and management of the investors relations area, establishing specifics policies for the area, providing information to the public of investors, the CVM, Stock Exchange and over-the-counter market in which the Corporation is listed, keeping up-to-date the Corporation's publicly held register, accomplishing with all the legislation and regulation applicable to the publicly held companies.	
Article 26 - As a rule and except for the cases, purpose of the subsequent Paragraphs, the Company shall be represented by two (2) members of the Board of Executive Officers, or by one (1) member of the Board of Executive Officers and one (1) attorney-in-fact, or by two (2) attorneys-in-fact, within the limit of respective terms of office. **Paragraph 1** - The acts to which these present Bylaws require the previous authorization of the Board of Directors only may be practiced since this	**Article 26 -** As a rule and except for the cases, purpose of the subsequent Paragraphs, the Company shall be represented by two (2) members of the Board of Executive Officers, or by one (1) member of the Board of Executive Officers and one (1) attorney-in-fact, or by two (2) attorneys-in-fact, within the limit of respective terms of office. **Paragraph 1** - The acts to which these present Bylaws require the previous authorization of the Board of Directors only may be practiced since this	

condition is fulfilled. **Paragraph 2 -** The Company may be represented by only one (1) Executive Officer or one (1) attorney-in-fact in the following cases: (a) when the act to be practiced imposes single representation, the Company shall be represented by any Executive Officer or attorney-in-fact with special powers; (b) when referring to hire service providers or Employees; (c) when referring to receiving and giving acquittance to amounts due to the Company, issue and trade, including endorsing and discounting trade acceptance bills related to its sales, as well as in cases of correspondence not creating liabilities for the Company, as well as the practice of administrative routine acts, including those practiced with government agencies, mixed capital companies, Internal Revenue Service, State Treasury Departments, Municipal Treasury Departments, Boards of Trade, all courts in any level, INSS (Social Security Brazilian Institute), FGTS (Government severance indemnity fund for employees) and collecting banks and other of similar nature. **Paragraph 3 -** The Board of Directors may authorize the practice of other acts binding upon the Company by only one of the members of the Board of Executive Officers or attorney-in-fact, or also, by the adoption of authority limiting criteria, restrict in certain cases, the Company's representation to only one Executive Officer or one attorney-in-fact. **Paragraph 4 -** When constituting attorneys-in-fact, the following rules shall be observed: (a) all the powers of attorney shall be granted by two (2) members of the Board of Executive Officers; (b) when the term of office aims the practice of acts, which depend on the previous authorization of the Board of Directors, its granting shall be expressly subject to this authorization, which shall be mentioned in its wording; (c) the powers of attorney shall specify the extension of powers granted therein, as well as the term of office, except for ad judicia power of attorney, which may have indeterminate duration. **Paragraph 5** - The Company may neither be represented by attorneys-in-fact in the disposal of real properties, in the assignment of in rem rights, nor in the granting of in rem rights in loan guarantee. **Paragraph 6 -** The acts practiced not complying with the provisions of this Article shall neither be valid, nor bind the Company.	condition is fulfilled. **Paragraph 2 -** The Company may be represented by only one (1) Executive Officer or one (1) attorney-in-fact in the following cases: (a) when the act to be practiced imposes single representation, the Company shall be represented by any Executive Officer or attorney-in-fact with special powers; (b) when referring to hire service providers or Employees; (c) when referring to receiving and giving acquittance to amounts due to the Company, issue and trade, including endorsing and discounting trade acceptance bills related to its sales, as well as in cases of correspondence not creating liabilities for the Company, as well as the practice of administrative routine acts, including those practiced with government agencies, mixed capital companies, Internal Revenue Service, State Treasury Departments, Municipal Treasury Departments, Boards of Trade, all courts in any level, INSS (Social Security Brazilian Institute), FGTS (Government severance indemnity fund for employees) and collecting banks and other of similar nature. **Paragraph 3 -** The Board of Directors may authorize the practice of other acts binding upon the Company by only one of the members of the Board of Executive Officers or attorney-in-fact, or also, by the adoption of authority limiting criteria, restrict in certain cases, the Company's representation to only one Executive Officer or one attorney-in-fact. **Paragraph 4 -** When constituting attorneys-in-fact, the following rules shall be observed: (a) all the powers of attorney shall be granted by two (2) members of the Board of Executive Officers; (d) when the term of office aims the practice of acts, which depend on the previous authorization of the Board of Directors, its granting shall be expressly subject to this authorization, which shall be mentioned in its wording; (e) the powers of attorney shall specify the extension of powers granted therein, as well as the term of office, except for ad judicia power of attorney, which may have indeterminate duration. **Paragraph 5** - The Company may neither be represented by attorneys-in-fact in the disposal of real properties, in the assignment of in rem rights, nor in the granting of in rem rights in loan guarantee. **Paragraph 6 -** The acts practiced not complying with the provisions of this Article shall neither be valid, nor bind the Company.	
CHAPTER V **STATUTORY AUDIT COMMITTEE**	**CHAPTER V** **STATUTORY AUDIT COMMITTEE**	
Article 27 - The Statutory Audit Committee I shall operate, on a permanent basis, and shall have the powers and incumbencies provided by law.	**Article 27** - The Statutory Audit Committee I shall operate, on a permanent basis, and shall have the powers and incumbencies provided by law.	
Article 28 - The Statutory Audit Committee shall be composed from three (03) to five (05) sitting members and equal number of alternate members, the number of which shall be established by General Meeting, whether	**Article 28 -** The Statutory Audit Committee shall be composed from three (03) to five (05) sitting members and equal number of alternate members, the number of which shall be established by General Meeting, whether	

shareholders or not, to be elected or removed from office, at any time, by the General Meeting. In the event of any Controlling Shareholder, the provisions set forth in paragraph 4 of Article 161 of Corporate Law shall be applied and, if there is no Controlling Shareholder, the rules provided for in Paragraphs 1, 2 and 3 hereof shall be applied. **Paragraph 1** - The majority of shareholders present at the Annual Shareholders' Meeting shall elect the majority of the Statutory Audit Committee's members and the respective alternate members. The other shareholders shall elect the remaining members, as well as their alternate members. **Paragraph 2 -** The shareholder of group of shareholders different from that one which elected a member as provided for by Paragraph 1 of this Article shall have equal rights, observing same rules and conditions of election. **Paragraph 3** - Other shareholders, excluding those voting in the election of members for the Statutory Audit Committee, as provided for by Paragraphs 1 or 2 of this Article, may elect the sitting members and deputies, who in any case, shall be in equal number of those elected, under the terms of the Paragraphs 1 and 2 of this Article, plus one (1). **Paragraph 4 -** The Statutory Audit Committee's members shall have an unified one (1)-year term of office, and may be re-elected. **Paragraph 5 -** The Statutory Audit Committee's members, in their first meeting, shall elect their Chairman. **Paragraph 6 -** The members of the Statutory Committee shall be invested in their respective positions upon execution of the instrument of investiture, drawn up in the book of minutes of the Statutory Audit Committee, which should incorporate their compliance with the said commitment clause in Article 47 of these Corporate Bylaws and the agreement to the Listing Regulation of Novo Mercado of B3, conditioned to the previous subscription of the Company's Conduct Code and of the Statutory Audit Committee Internal Regulation.	shareholders or not, to be elected or removed from office, at any time, by the General Meeting. In the event of any Controlling Shareholder, the provisions set forth in paragraph 4 of Article 161 of Corporate Law shall be applied and, if there is no Controlling Shareholder, the rules provided for in Paragraphs 1, 2 and 3 hereof shall be applied. **Paragraph 1** - The majority of shareholders present at the Annual Shareholders' Meeting shall elect the majority of the Statutory Audit Committee's members and the respective alternate members. The other shareholders shall elect the remaining members, as well as their alternate members. **Paragraph 2 -** The shareholder of group of shareholders different from that one which elected a member as provided for by Paragraph 1 of this Article shall have equal rights, observing same rules and conditions of election. **Paragraph 3** - Other shareholders, excluding those voting in the election of members for the Statutory Audit Committee, as provided for by Paragraphs 1 or 2 of this Article, may elect the sitting members and deputies, who in any case, shall be in equal number of those elected, under the terms of the Paragraphs 1 and 2 of this Article, plus one (1). **Paragraph 4 -** The Statutory Audit Committee's members shall have an unified one (1)-year term of office, and may be re-elected. **Paragraph 5 -** The Statutory Audit Committee's members, in their first meeting, shall elect their Chairman. **Paragraph 6 -** The members of the Statutory Committee shall be invested in their respective positions upon execution of the instrument of investiture, drawn up in the book of minutes of the Statutory Audit Committee, which should incorporate their compliance with the said commitment clause in Article 47 of these Corporate Bylaws and the agreement to the Listing Regulation of Novo Mercado of B3, conditioned to the previous subscription of the Company's Conduct Code and of the Statutory Audit Committee Internal Regulation.	
Article 29 - The Statutory Audit Committee shall meet, pursuant to law, whenever it is necessary, and shall analyze, at least on a quarterly basis, the financial statements. **Paragraph 1 -** Regardless of any formality, the meeting in which the totality of Statutory Audit Committee's members attends shall be considered as regularly called. **Paragraph 2** - The Statutory Audit Committee is manifested by absolute majority of votes, with the attendance of the majority of its members.	**Article 29** - The Statutory Audit Committee shall meet, pursuant to law, whenever it is necessary, and shall analyze, at least on a quarterly basis, the financial statements. **Paragraph 1 -** Regardless of any formality, the meeting in which the totality of Statutory Audit Committee's members attends shall be considered as regularly called. **Paragraph 2** - The Statutory Audit Committee is manifested by absolute majority of votes, with the attendance of the majority of its members.	
Article 30 - The Statutory Audit Committee's members shall be replaced in their absences and impediments, by respective deputy.	**Article 30 -** The Statutory Audit Committee's members shall be replaced in their absences and impediments, by respective deputy.	
Article 31 - In the event of vacancy in the position as Statutory Audit Committee's member, the respective deputy shall fill in his position; if there is no deputy, the General Meeting shall be called to perform the election of members for the vacant position.	**Article 31 -** In the event of vacancy in the position as Statutory Audit Committee's member, the respective deputy shall fill in his position; if there is no deputy, the General Meeting shall be called to perform the election of members for the vacant position.	

Article 32 - The remuneration of the Statutory Audit Committee's members shall be set forth by the Annual General Meeting electing them, observing the Paragraph 3 of the Article 162 of the Brazilian Corporate Law.	**Article 32 -** The remuneration of the Statutory Audit Committee's members shall be set forth by the Annual General Meeting electing them, observing the Paragraph 3 of the Article 162 of the Brazilian Corporate Law.	
CHAPTER VI **PROFIT SHARING**	**CHAPTER VI** **PROFIT SHARING**	
Article 33 - Fiscal year starts on January 1 and ends on December 31 of each year. **Sole Paragraph** - At the end of each fiscal year, the Board of Executive Officers shall prepare the Company's financial statements, observing the relevant legal precepts.	**Article 33 -** Fiscal year starts on January 1 and ends on December 31 of each year. **Sole Paragraph** - At the end of each fiscal year, the Board of Executive Officers shall prepare the Company's financial statements, observing the relevant legal precepts.	
Article 34 - Jointly with the financial statements for the year, the Board of Directors shall submit to the Annual General Meeting a proposal on the allocation of net income for the year, calculated after the deduction of interest referred to in Article 190 of the Brazilian Corporate Law and Sole Paragraph of this Article of these Bylaws, adjusted for the purposes of calculating dividends, under the terms of the Article 202 of same laws, observing the following order of deduction: (a) five per cent (5%), at least, for legal reserve, until reaching twenty per cent (20%) of the capital stock. In the year in which the balance of legal reserve accrued of capital reserves amounts exceeds thirty per cent (30%) of the capital stock, the allocation of part of net income for the year for legal reserve shall not be mandatory; (b) the portion necessary to pay a mandatory dividend may not be lower, in each year, than twenty-five per cent (25%) of the annual adjusted net income, as provided for by Article 202 of the Brazilian Corporate Law; (c) the remaining portion of the adjusted net income shall be allocated to the Investment and Expansion Reserve, which aims at reinforcing the Company's capital stock and working capital, with a view to ensuring adequate operational conditions. The balance of this reserve, added to the balances of other profit reserves, except for unrealized profit reserves and contingency reserves may not exceed the amount of capital stock. Once this maximum limit is reached, the General Meeting may resolve on the application of excess in the payment of subscribed capital or capital stock increase, or in the distribution of dividends. **Sole Paragraph** - The General Meeting may attribute profit sharing to the members of Board of Directors and Board of Executive Officers, not exceeding ten per cent (10%) of remaining income for the year, after deducting accrued losses and provisions for income tax and social contribution, in cases, form and legal limits.	**Article 34 -** Jointly with the financial statements for the year, the Board of Directors shall submit to the Annual General Meeting a proposal on the allocation of net income for the year, calculated after the deduction of interest referred to in Article 190 of the Brazilian Corporate Law and Sole Paragraph of this Article of these Bylaws, adjusted for the purposes of calculating dividends, under the terms of the Article 202 of same laws, observing the following order of deduction: (a) five per cent (5%), at least, for legal reserve, until reaching twenty per cent (20%) of the capital stock. In the year in which the balance of legal reserve accrued of capital reserves amounts exceeds thirty per cent (30%) of the capital stock, the allocation of part of net income for the year for legal reserve shall not be mandatory; (b) the portion necessary to pay a mandatory dividend may not be lower, in each year, than twenty-five per cent (25%) of the annual adjusted net income, as provided for by Article 202 of the Brazilian Corporate Law; (c) the remaining portion of the adjusted net income shall be allocated to the Investment and Expansion Reserve, which aims at reinforcing the Company's capital stock and working capital, with a view to ensuring adequate operational conditions. The balance of this reserve, added to the balances of other profit reserves, except for unrealized profit reserves and contingency reserves may not exceed the amount of capital stock. Once this maximum limit is reached, the General Meeting may resolve on the application of excess in the payment of subscribed capital or capital stock increase, or in the distribution of dividends. **Sole Paragraph** - The General Meeting may attribute profit sharing to the members of Board of Directors and Board of Executive Officers, not exceeding ten per cent (10%) of remaining income for the year, after deducting accrued losses and provisions for income tax and social contribution, in cases, form and legal limits.	
Article 35 – By proposal of the Board of Executive Officers, approved by the Board of Directors, subject to the approval of the Annual General Meeting, the Company may pay or credit interest to shareholders, as remuneration of own capital thereof, observing the applicable laws. Eventual amounts then	**Article 35 –** By proposal of the Board of Executive Officers, approved by the Board of Directors, subject to the approval of the Annual General Meeting, the Company may pay or credit interest to shareholders, as remuneration of own capital thereof, observing the applicable laws. Eventual amounts then	

disbursed may be imputed to the amount of mandatory dividend provided for herein. **Paragraph 1 -** In case of credit of interest to shareholders during the fiscal year, shareholders shall be remunerated with dividends they are entitled to, ensuring them the payment of eventual remaining balance. In the event of amount of dividend is lower than the amount credited to them, the Company may not charge the excess balance to shareholders. **Paragraph 2** - Effective payment of interest on own capital, if credit occurred during the fiscal year, shall be made by decision of the Board of Directors, in the course of the fiscal year or the following year, but never after the dates of payment of dividends.	disbursed may be imputed to the amount of mandatory dividend provided for herein. **Paragraph 1 -** In case of credit of interest to shareholders during the fiscal year, shareholders shall be remunerated with dividends they are entitled to, ensuring them the payment of eventual remaining balance. In the event of amount of dividend is lower than the amount credited to them, the Company may not charge the excess balance to shareholders. **Paragraph 2** - Effective payment of interest on own capital, if credit occurred during the fiscal year, shall be made by decision of the Board of Directors, in the course of the fiscal year or the following year, but never after the dates of payment of dividends.	
Article 36 – The Company may draw up semi-annual balance sheets, or of lower periods and declare by decision of the Board of Directors: (a) payment of dividend or interest on own capital at the account of income earned in semi-annual balance sheet, imputed to the amount of mandatory dividend, if any; (b) distribution of dividends in periods lower than six (6) months, or interest on own capital, imputed to the amount of mandatory dividend, if any, provided that the total dividend paid each half-year period of the fiscal year does not exceed the amount of capital reserves; and (a) (c) payment of interim dividend or interest on own capital, at the account of retained earnings or profit reserves existing in the last annual or semi-annual balance sheet, imputed to the amount of mandatory dividend, if any.	**Article 36 –** The Company may draw up semi-annual balance sheets, or of lower periods and declare by decision of the Board of Directors: (a) payment of dividend or interest on own capital at the account of income earned in semi-annual balance sheet, imputed to the amount of mandatory dividend, if any; (b) distribution of dividends in periods lower than six (6) months, or interest on own capital, imputed to the amount of mandatory dividend, if any, provided that the total dividend paid each half-year period of the fiscal year does not exceed the amount of capital reserves; and (b) (c) payment of interim dividend or interest on own capital, at the account of retained earnings or profit reserves existing in the last annual or semi-annual balance sheet, imputed to the amount of mandatory dividend, if any.	
Article 37 - The General Meeting may resolve on the capitalization of profit or capital reserves, including those created in interim balance sheets, in compliance with applicable laws.	**Article 37 -** The General Meeting may resolve on the capitalization of profit or capital reserves, including those created in interim balance sheets, in compliance with applicable laws.	
Article 38 – Dividends not received or not claimed shall become time-barred within three (3) years, as from the date these are available to shareholder and shall revert in favor of the Company.	**Article 38** – Dividends not received or not claimed shall become time-barred within three (3) years, as from the date these are available to shareholder and shall revert in favor of the Company.	
CHAPTER VII **DISPOSAL OF SHARE CONTROL, DEREGISTERING AS PUBLICLY-HELD COMPANY AND COMPANY'S DELISTING FROM THE NOVO MERCADO**	**CHAPTER VII** **DISPOSAL OF SHARE CONTROL, DEREGISTERING AS PUBLICLY-HELD COMPANY AND COMPANY'S DELISTING FROM THE NOVO MERCADO**	
Article 39 - The sale of the Company's Control, directly or indirectly, whether through a single operation or through successive operations, shall be agreed on condition that the Acquiring Party of the control shall make a mandatory public tender offering for acquisition of shares, namely those shares of the Company's issuance in the ownership of the remaining shareholders, in compliance with the conditions and the terms in the legislation and the regulations in effect and the Novo Mercado Listing Regulations, in order to guarantee the said shareholders equality of treatment in relation to that given to the seller of control. In the event of the indirect sale of Control, the Acquiring Party shall disclose the amount attributed to the Company for the purposes of	**Article 39** - The sale of the Company's Control, directly or indirectly, whether through a single operation or through successive operations, shall be agreed on condition that the Acquiring Party of the control shall make a mandatory public tender offering for acquisition of shares, namely those shares of the Company's issuance in the ownership of the remaining shareholders, in compliance with the conditions and the terms in the legislation and the regulations in effect and the Novo Mercado Listing Regulations, in order to guarantee the said shareholders equality of treatment in relation to that given to the seller of control. In the event of the indirect sale of Control, the Acquiring Party shall disclose the amount attributed to the Company for the purposes of	

setting the price of the public offering for acquisition as well as the justified demonstration of this amount. **Paragraph 1 -** For the purposes of these Bylaws, the capitalized expressions below shall have the following meaning: "Acquiring Shareholder" has the meaning ascribed to it in Article 40 of these Bylaws. "Controlling Shareholder" means the shareholder(s) or Group of Shareholders that exercises the Power of Control of the Company. "Selling Controlling Shareholder" means the Controlling Shareholder when this promotes the Sale of Control of the Company. "Controlling Shares" means the bloc of shares which assures to their owner(s), directly or indirectly, the individual and/or shared exercising of the Power of Control of the Company. "Acquiring Party" means the entity to which the Selling Controlling Shareholder transfers Controlling Shares through a Sale of Control of the Company. "Sale of Control of the Company" means the remunerated transfer to third parties of the Controlling Shares. "Power of Control" (as well as its correlated terms, "Controller", "Controlled", "under common Control" or "Control") means the effective power used by a shareholder to direct the corporate activities and guide the workings of the Company's organs, whether directly or indirectly, de facto or de jure, irrespective of the shareholding stake held. "Group of Shareholders" means the group of two or more persons (a) bound by contracts or agreements of any nature, including shareholders' agreements, unwritten or written, whether directly or by means of Controlled, Controlling companies or under Common Control; or (b) among which there is a relation of Control, whether directly or indirectly; or (c) under common Control; or (d) acting and representing a common interest. Amongst examples of persons representing a common interest (i) a person holding, directly or indirectly, an equity interest equal or higher than fifteen per cent (15%) of capital stock of another person; and (ii) two persons having a third investor in common, holding, directly or indirectly, an equity interest equal or higher than fifteen per cent (15%) of the capital stock of two persons. Any joint-ventures, investment funds or clubs, foundations, associations, trusts, condominiums, cooperatives, securities portfolio, universality of rights, or any other form of organization or undertaking, organized in Brazil or overseas, shall be considered as part of a same Group of Shareholders whenever two or more amongst these entities: (x) are administered or managed by same legal entity or by parties related to a same legal entity; or (y) have in common the majority of its managers. "OPA" means a public offering for acquisition of shares. **Paragraph 2 –** In case the Sale of Control of the Company also subjects the acquirer of Control to the obligation of performing the OPA required by the Article 40 hereof, the OPA acquisition price shall be the highest between the	setting the price of the public offering for acquisition as well as the justified demonstration of this amount. **Paragraph 1 -** For the purposes of these Bylaws, the capitalized expressions below shall have the following meaning: "Acquiring Shareholder" has the meaning ascribed to it in Article 40 of these Bylaws. "Controlling Shareholder" means the shareholder(s) or Group of Shareholders that exercises the Power of Control of the Company. "Selling Controlling Shareholder" means the Controlling Shareholder when this promotes the Sale of Control of the Company. "Controlling Shares" means the bloc of shares which assures to their owner(s), directly or indirectly, the individual and/or shared exercising of the Power of Control of the Company. "Acquiring Party" means the entity to which the Selling Controlling Shareholder transfers Controlling Shares through a Sale of Control of the Company. "Sale of Control of the Company" means the remunerated transfer to third parties of the Controlling Shares. "Power of Control" (as well as its correlated terms, "Controller", "Controlled", "under common Control" or "Control") means the effective power used by a shareholder to direct the corporate activities and guide the workings of the Company's organs, whether directly or indirectly, de facto or de jure, irrespective of the shareholding stake held. "Group of Shareholders" means the group of two or more persons (a) bound by contracts or agreements of any nature, including shareholders' agreements, unwritten or written, whether directly or by means of Controlled, Controlling companies or under Common Control; or (b) among which there is a relation of Control, whether directly or indirectly; or (c) under common Control; or (d) acting and representing a common interest. Amongst examples of persons representing a common interest (i) a person holding, directly or indirectly, an equity interest equal or higher than fifteen per cent (15%) of capital stock of another person; and (ii) two persons having a third investor in common, holding, directly or indirectly, an equity interest equal or higher than fifteen per cent (15%) of the capital stock of two persons. Any joint-ventures, investment funds or clubs, foundations, associations, trusts, condominiums, cooperatives, securities portfolio, universality of rights, or any other form of organization or undertaking, organized in Brazil or overseas, shall be considered as part of a same Group of Shareholders whenever two or more amongst these entities: (x) are administered or managed by same legal entity or by parties related to a same legal entity; or (y) have in common the majority of its managers. "OPA" means a public offering for acquisition of shares. **Paragraph 2 –** In case the Sale of Control of the Company also subjects the acquirer of Control to the obligation of performing the OPA required by the Article 40 hereof, the OPA acquisition price shall be the highest between the	

prices determined in compliance with this Article 39 and Article 40, Paragraph 2 of these Bylaws.	prices determined in compliance with this Article 39 and Article 40, Paragraph 2 of these Bylaws.	
Article 40 - Any person or Group of Shareholders, buying or to becoming titleholder of shares issued by the Company, in quantity equal or higher than twenty per cent (20%) of total shares issued by the Company ("Acquiring Shareholder") shall, no later than sixty (60) days as from the acquisition date or the event, which resulted in the share ownership in quantity equal or higher than twenty per cent (20%) of total shares issued by the Company, shall carry out or request the registration of, as the case may be, OPA of the totality of shares issued by the Company, observing CVM's applicable rules, B3's rules and terms of this Article. **Paragraph 1 -** OPA shall (i) be indistinctly addressed to all Company's shareholders, (ii) be performed in auction to be held at B3, (iii) be launched by price determined according to provisions of Paragraph 2 of this Article, and (iv) paid in cash, in domestic currency, against the acquisition in OPA of shares issued by the Company. **Paragraph 2 -** The acquisition price in OPA of each share issued by the Company may not be less than the highest amount between (i) the economic value determined in appraisal report; (ii) one hundred and twenty per cent (120%) of share issuance price in any capital increase made by means of public offering occurred within a period of twenty-four (24) months prior to the date the performance of OPA becomes mandatory, under the terms of this Article 40, duly updated by IPCA until effective payment; and (iii) one hundred twenty per cent (120%) of average unit quotation of shares issued by the Company during a period of ninety (90) days prior to the performance of OPA at stock exchange where highest trading volume for the shares issued by the Company occurs. **Paragraph 3 -** The performance of OPA mentioned in the caput of this Article shall not exclude the possibility of another Company's shareholder, or as the case may be, the Company itself to prepare a competing OPA, under the terms of the applicable rules. **Paragraph 4 -** The Acquiring Shareholder shall undertake to answer CVM's eventual requests or requirements, prepared based on applicable laws, related to OPA, within maximum terms prescribed in applicable rules. **Paragraph 5 -** In the assumption the Acquiring Shareholder does not comply with obligations imposed by this Article, including regarding the observance to maximum terms (i) for the performance or request of OPA registration; or (ii) to comply with eventual CVM's requests or requirements, the Company's Board of Directors shall call for an Extraordinary General Meeting, in which the Acquiring Shareholder may not vote to resolve on the suspension of rights exercise by Acquiring Shareholder, who did not observe any obligation imposed by this Article, as provided for in Article 120 of the Brazilian Corporate Law, without damage to the Acquiring Shareholder's responsibility for losses	**Article 40 -** Any person or Group of Shareholders, buying or to becoming titleholder of shares issued by the Company, in quantity equal or higher than twenty per cent (20%) of total shares issued by the Company ("Acquiring Shareholder") shall, no later than sixty (60) days as from the acquisition date or the event, which resulted in the share ownership in quantity equal or higher than twenty per cent (20%) of total shares issued by the Company, shall carry out or request the registration of, as the case may be, OPA of the totality of shares issued by the Company, observing CVM's applicable rules, B3's rules and terms of this Article. **Paragraph 1 -** OPA shall (i) be indistinctly addressed to all Company's shareholders, (ii) be performed in auction to be held at B3, (iii) be launched by price determined according to provisions of Paragraph 2 of this Article, and (iv) paid in cash, in domestic currency, against the acquisition in OPA of shares issued by the Company. **Paragraph 2 -** The acquisition price in OPA of each share issued by the Company may not be less than the highest amount between (i) the economic value determined in appraisal report; (ii) one hundred and twenty per cent (120%) of share issuance price in any capital increase made by means of public offering occurred within a period of twenty-four (24) months prior to the date the performance of OPA becomes mandatory, under the terms of this Article 40, duly updated by IPCA until effective payment; and (iii) one hundred twenty per cent (120%) of average unit quotation of shares issued by the Company during a period of ninety (90) days prior to the performance of OPA at stock exchange where highest trading volume for the shares issued by the Company occurs. **Paragraph 3 -** The performance of OPA mentioned in the caput of this Article shall not exclude the possibility of another Company's shareholder, or as the case may be, the Company itself to prepare a competing OPA, under the terms of the applicable rules. **Paragraph 4 -** The Acquiring Shareholder shall undertake to answer CVM's eventual requests or requirements, prepared based on applicable laws, related to OPA, within maximum terms prescribed in applicable rules. **Paragraph 5 -** In the assumption the Acquiring Shareholder does not comply with obligations imposed by this Article, including regarding the observance to maximum terms (i) for the performance or request of OPA registration; or (ii) to comply with eventual CVM's requests or requirements, the Company's Board of Directors shall call for an Extraordinary General Meeting, in which the Acquiring Shareholder may not vote to resolve on the suspension of rights exercise by Acquiring Shareholder, who did not observe any obligation imposed by this Article, as provided for in Article 120 of the Brazilian Corporate Law, without damage to the Acquiring Shareholder's responsibility for losses	

and damages caused to other shareholders as a result of failure to comply with obligations imposed by this Article.	and damages caused to other shareholders as a result of failure to comply with obligations imposed by this Article.	
Paragraph 6 - Any Acquiring Shareholder who buys or becomes titleholder of other rights, inclusive usufruct or trust, over shares issued by the Company in quantity equal or higher than twenty per cent (20%) of total shares issued by the Company, shall equally undertake to, within no later than sixty (60) days as from the date of such acquisition or event, which resulted in the ownership of these rights over shares in quantity equal or higher than twenty per cent (20%) of total shares issued by the Company, perform or request the registration, as the case may be, of an OPA, under the terms outlined in this Article.	**Paragraph 6 -** Any Acquiring Shareholder who buys or becomes titleholder of other rights, inclusive usufruct or trust, over shares issued by the Company in quantity equal or higher than twenty per cent (20%) of total shares issued by the Company, shall equally undertake to, within no later than sixty (60) days as from the date of such acquisition or event, which resulted in the ownership of these rights over shares in quantity equal or higher than twenty per cent (20%) of total shares issued by the Company, perform or request the registration, as the case may be, of an OPA, under the terms outlined in this Article.	
Paragraph 7 - The obligations included in the Article 254-A of the Brazilian Corporate Law and Article 39 of these Bylaws do not exclude Acquiring Shareholder's compliance with obligations mentioned in this Article, except for the provisions in the Articles 45 and 46 hereof.	**Paragraph 7 -** The obligations included in the Article 254-A of the Brazilian Corporate Law and Article 39 of these Bylaws do not exclude Acquiring Shareholder's compliance with obligations mentioned in this Article, except for the provisions in the Articles 45 and 46 hereof.	
Paragraph 8 - The provisions in this Article shall not apply in the assumption of one person becoming titleholder of shares issued by the Company in quantity higher than twenty per cent (20%) of total shares issued thereby as a result (i) of legal succession, under the condition that the shareholder sells unsubscribed shares within sixty (60) days as from the relevant event; (ii) merger of another Company by the Company, (iii) merger of shares of another Company by the Company, or (iv) subscription of Company's shares, made in one single primary issuance, approved in General Shareholders' Meeting of the Company, called by its Board of Directors, and proposal of capital increase has determined the fixation of share issuance price based on economic value obtained from an economic-financial appraisal report of the Company prepared by specialized company with proven experience in the valuation of publicly-held companies.	**Paragraph 8 -** The provisions in this Article shall not apply in the assumption of one person becoming titleholder of shares issued by the Company in quantity higher than twenty per cent (20%) of total shares issued thereby as a result (i) of legal succession, under the condition that the shareholder sells unsubscribed shares within sixty (60) days as from the relevant event; (ii) merger of another Company by the Company, (iii) merger of shares of another Company by the Company, or (iv) subscription of Company's shares, made in one single primary issuance, approved in General Shareholders' Meeting of the Company, called by its Board of Directors, and proposal of capital increase has determined the fixation of share issuance price based on economic value obtained from an economic-financial appraisal report of the Company prepared by specialized company with proven experience in the valuation of publicly-held companies.	
Paragraph 9 - For the purposes of calculating the percentage of twenty per cent (20%) of total shares issued by the Company outlined in the caput of this Article, involuntary additions of shareholding deriving from cancellation of shares held in treasury or reduction of Company's capital stock with the cancellation of shares shall not be computed.	**Paragraph 9 -** For the purposes of calculating the percentage of twenty per cent (20%) of total shares issued by the Company outlined in the caput of this Article, involuntary additions of shareholding deriving from cancellation of shares held in treasury or reduction of Company's capital stock with the cancellation of shares shall not be computed.	
Paragraph 10 - In the event CVM's rules applicable to OPA provided for in this Article determines the adoption of a calculation criterion for the fixation of acquisition price of each Company's share in OPA, which results in acquisition price higher than that determined under the terms of the Paragraph 2 of this Article, that acquisition price calculated under the terms of CVM's rules shall prevail in the effectiveness of OPA provided for in this Article.	**Paragraph 10 -** In the event CVM's rules applicable to OPA provided for in this Article determines the adoption of a calculation criterion for the fixation of acquisition price of each Company's share in OPA, which results in acquisition price higher than that determined under the terms of the Paragraph 2 of this Article, that acquisition price calculated under the terms of CVM's rules shall prevail in the effectiveness of OPA provided for in this Article.	
Paragraph 11 - The amendment limiting the shareholders' right to perform the OPA provided for in this Article or its exclusion shall oblige the shareholder(s) who vote(d) in favor of this amendment or exclusion in General Meeting's resolution, to carry out the OPA provided for in this Article.	**Paragraph 11 -** The amendment limiting the shareholders' right to perform the OPA provided for in this Article or its exclusion shall oblige the shareholder(s) who vote(d) in favor of this amendment or exclusion in General Meeting's resolution, to carry out the OPA provided for in this Article.	

Paragraph 12 – The acquiring shareholder (offeror) of the OPA provided for in this Article is obliged to disclose his intention in relation to the management of the Company and the reasons for which the shareholders should accept the OPA or consent to the acquisition of control of the Company, also being responsible for the veracity, quality and sufficiency of this information. Such information should be at least the same as required from the Board of Directors as to the issue of the opinion with regard to the offering.	**Paragraph 12 –** The acquiring shareholder (offeror) of the OPA provided for in this Article is obliged to disclose his intention in relation to the management of the Company and the reasons for which the shareholders should accept the OPA or consent to the acquisition of control of the Company, also being responsible for the veracity, quality and sufficiency of this information. Such information should be at least the same as required from the Board of Directors as to the issue of the opinion with regard to the offering.	
Article 41 - In the tender offer to be carried out by Controlling Shareholder or by the Company for the deregistering as a publicly-held Company, the minimum price to be offered shall correspond to the fair value determined in appraisal report, referred in the Article 45 hereof, respecting the legal norms and applicable regulations.	**Article 41 -** In the tender offer to be carried out by Controlling Shareholder or by the Company for the deregistering as a publicly-held Company, the minimum price to be offered shall correspond to the fair value determined in appraisal report, referred in the Article 45 hereof, respecting the legal norms and applicable regulations.	
Article 42 - The voluntary delisting from the Novo Mercado shall be preceded by a public tender offering that follows the procedures required by the regulations of the CVM governing public offerings for acquisition of shares for delisting as a public company, this complying with the following requirements: (i) the offered price must be fair, a further evaluation of the Company in the manner established in the corporate legislation therefore being possible; and (ii) shareholders with more than 50% of the shares of the free float shall accept the public offering or alternatively expressly agree to delist without the sale of the shares. **Paragraph 1 –** Pursuant to this Article, free float means the shares held by shareholders that expressly agree with delisting from the Novo Mercado or enroll for the share offering auction pursuant to the regulations published by the CVM governing public offerings for the acquisition of shares of a publicly held company for cancellation of registration. **Paragraph 2 –** If the quorum pursuant to the caption sentence of this Article is reached: I. the acceptors of the public offering may not be subject to the apportionment in the sale of their stake, observing procedures for waiving the limits pursuant to the regulations published by the CVM governing public offerings for the acquisition of shares; and II. the offeror shall be obliged for a period of 1 (one) month from auction date to acquire the remaining free float at the final price reached in the public offering, restated up to the effective payment date pursuant to the bidding notice and the prevailing legislation and regulations, the said payment to take place within a maximum term of 15 (fifteen) days from the date on which the shareholder exercises this discretion.	**Article 42** - The voluntary delisting from the Novo Mercado shall be preceded by a public tender offering that follows the procedures required by the regulations of the CVM governing public offerings for acquisition of shares for delisting as a public company, this complying with the following requirements: (i) the offered price must be fair, a further evaluation of the Company in the manner established in the corporate legislation therefore being possible; and (ii) shareholders with more than 50% of the shares of the free float shall accept the public offering or alternatively expressly agree to delist without the sale of the shares. **Paragraph 1 –** Pursuant to this Article, free float means the shares held by shareholders that expressly agree with delisting from the Novo Mercado or enroll for the share offering auction pursuant to the regulations published by the CVM governing public offerings for the acquisition of shares of a publicly held company for cancellation of registration. **Paragraph 2 –** If the quorum pursuant to the caption sentence of this Article is reached: I. the acceptors of the public offering may not be subject to the apportionment in the sale of their stake, observing procedures for waiving the limits pursuant to the regulations published by the CVM governing public offerings for the acquisition of shares; and II. the offeror shall be obliged for a period of 1 (one) month from auction date to acquire the remaining free float at the final price reached in the public offering, restated up to the effective payment date pursuant to the bidding notice and the prevailing legislation and regulations, the said payment to take place within a maximum term of 15 (fifteen) days from the date on which the shareholder exercises this discretion.	
Article 43 – The voluntary delisting from the Novo Mercado may occur irrespective of whether the public offering mentioned in Article 42 of these Bylaws is held if a waiver is approved by the general meeting.	**Article 43** – The voluntary delisting from the Novo Mercado may occur irrespective of whether the public offering mentioned in Article 42 of these Bylaws is held if a waiver is approved by the general meeting.	

Paragraph 1 - The general meeting mentioned in the caption sentence to this Article shall be installed upon first call if attended by shareholders representing at least 2/3 (two thirds) of the total free float. **Paragraph 2** – Should the quorum pursuant to Paragraph 1 above not be reached, the general meeting may be installed on second call with any number of shareholders owning the free float in attendance. **Paragraph 3** - The decision to waive the holding of the public offering shall be made on a majority of votes cast by shareholders of the free float and attending the general meeting.	**Paragraph 1** - The general meeting mentioned in the caption sentence to this Article shall be installed upon first call if attended by shareholders representing at least 2/3 (two thirds) of the total free float. **Paragraph 2** – Should the quorum pursuant to Paragraph 1 above not be reached, the general meeting may be installed on second call with any number of shareholders owning the free float in attendance. **Paragraph 3** - The decision to waive the holding of the public offering shall be made on a majority of votes cast by shareholders of the free float and attending the general meeting.	
Article 44 – In the event of a corporate reorganization involving the transfer of the Company's shareholding base, the resulting companies must apply for listing on the Novo Mercado within 120 (one hundred and twenty) days from the date of the general meeting that approved the said reorganization. If the reorganization involves resulting companies that do not intend to apply for listing on the Novo Mercado, the majority of the Company's shareholders holding the free float attending the general meeting must give their approval to this structure.	**Article 44 –** In the event of a corporate reorganization involving the transfer of the Company's shareholding base, the resulting companies must apply for listing on the Novo Mercado within 120 (one hundred and twenty) days from the date of the general meeting that approved the said reorganization. If the reorganization involves resulting companies that do not intend to apply for listing on the Novo Mercado, the majority of the Company's shareholders holding the free float attending the general meeting must give their approval to this structure.	
Article 45 – The Appraisal Report provided for in Article 41 of these Bylaws shall be prepared by specialized company, with proved experience and regardless of the decision power held by the Company, its Managers and Controlling Companies and the report shall further fulfill the requirements set forth in Paragraph 1 of Article 8 of Company Law, as well as mention the liability provided for in Paragraph 6 of such Article 8.	**Article 45 –** The Appraisal Report provided for in Article 41 of these Bylaws shall be prepared by specialized company, with proved experience and regardless of the decision power held by the Company, its Managers and Controlling Companies and the report shall further fulfill the requirements set forth in Paragraph 1 of Article 8 of Company Law, as well as mention the liability provided for in Paragraph 6 of such Article 8.	
Article 46 - The preparation of a single OPA is authorized, aiming more than one of the purposes provided for in this Chapter VII, in the Listing Regulation of Novo Mercado or in the regulation issued by CVM, provided that it is possible to make compatible the procedures of all types of OPA, not damaging the offering receivers and obtain CVM's authorization when required by applicable laws.	**Article 46 -** The preparation of a single OPA is authorized, aiming more than one of the purposes provided for in this Chapter VII, in the Listing Regulation of Novo Mercado or in the regulation issued by CVM, provided that it is possible to make compatible the procedures of all types of OPA, not damaging the offering receivers and obtain CVM's authorization when required by applicable laws.	
Article 47 - The shareholders responsible for the performance of OPA provided for in this Chapter VII, in the Listing Regulation Novo Mercado or in the regulation issued by CVM may ensure its effectiveness by means of any shareholder or third party and in the event of deregistering as a publicly-held Company, by the Company. The Company or shareholder, as the case may be, does not exempt itself or himself from the responsibility of performing the OPA until this is concluded, in compliance with the applicable rules.	**Article 47** - The shareholders responsible for the performance of OPA provided for in this Chapter VII, in the Listing Regulation Novo Mercado or in the regulation issued by CVM may ensure its effectiveness by means of any shareholder or third party and in the event of deregistering as a publicly-held Company, by the Company. The Company or shareholder, as the case may be, does not exempt itself or himself from the responsibility of performing the OPA until this is concluded, in compliance with the applicable rules.	
CHAPTER VIII **ARBITRATION COURT**	**CHAPTER VIII** **ARBITRATION COURT**	
Article 48 - The Company, its shareholders, management, members of the Fiscal Council (effective members and alternates), undertake to resolve through arbitration by the Market Arbitration Panel, in accordance with its regulations, any disputes which may arise among them, related with or	**Article 48 -** The Company, its shareholders, management, members of the Fiscal Council (effective members and alternates), undertake to resolve through arbitration by the Market Arbitration Panel, in accordance with its regulations, any disputes which may arise among them, related with or	

originating from their position as issuer, shareholders, management and members of the Fiscal Council, particularly in the light of the provisions of Law 6.385/76, Law 6.404/76, these Corporate Bylaws, the rules published by the National Monetary Council, by the Central Bank of Brazil and by the CVM as well as other rules governing the securities market in general in addition to those of the Novo Mercado Listing Regulations, of other rules established by the B3 and the Novo Mercado Participation Agreement. **Paragraph 1 –** The arbitration chamber shall be made up of 3 (three) arbitrators, appointed pursuant to the Arbitration Regulation of the Arbitration Chamber of Mercado. **Paragraph 2 –** Arbitration shall be conducted in the municipality of São Paulo, state of São Paulo, Brazil. The language of the arbitration process shall be Portuguese. The arbitration shall be conducted and adjudicated according to Brazilian Law. **Paragraph 3 –** Without in anyway limiting the validity of this arbitration clause, petitioning for writs of prevention and urgency by the parties, prior to the constitution of the arbitration tribunal, may be submitted to the Law Courts. Once the arbitration tribunal has been constituted, all petitioning for writs of prevention or urgency shall be submitted to the said arbitration tribunal, the latter being from then on authorized to maintain, revoke or modify writs of prevention and petitioning for urgency previously solicited to the Law Courts.	originating from their position as issuer, shareholders, management and members of the Fiscal Council, particularly in the light of the provisions of Law 6.385/76, Law 6.404/76, these Corporate Bylaws, the rules published by the National Monetary Council, by the Central Bank of Brazil and by the CVM as well as other rules governing the securities market in general in addition to those of the Novo Mercado Listing Regulations, of other rules established by the B3 and the Novo Mercado Participation Agreement. **Paragraph 1 –** The arbitration chamber shall be made up of 3 (three) arbitrators, appointed pursuant to the Arbitration Regulation of the Arbitration Chamber of Mercado. **Paragraph 2 –** Arbitration shall be conducted in the municipality of São Paulo, state of São Paulo, Brazil. The language of the arbitration process shall be Portuguese. The arbitration shall be conducted and adjudicated according to Brazilian Law. **Paragraph 3 –** Without in anyway limiting the validity of this arbitration clause, petitioning for writs of prevention and urgency by the parties, prior to the constitution of the arbitration tribunal, may be submitted to the Law Courts. Once the arbitration tribunal has been constituted, all petitioning for writs of prevention or urgency shall be submitted to the said arbitration tribunal, the latter being from then on authorized to maintain, revoke or modify writs of prevention and petitioning for urgency previously solicited to the Law Courts.	
CHAPTER IX **COMPANY'S LIQUIDATION**	**CHAPTER IX** **COMPANY'S LIQUIDATION**	
Article 49 - The Company shall enter into liquidation in the cases determined by laws, and it shall be incumbent upon the General Meeting to elect the liquidator or liquidators, as well as the Statutory Audit Committee, which shall operate during such period, observing the legal formalities.	**Article 49 -** The Company shall enter into liquidation in the cases determined by laws, and it shall be incumbent upon the General Meeting to elect the liquidator or liquidators, as well as the Statutory Audit Committee, which shall operate during such period, observing the legal formalities.	
CHAPTER X **FINAL AND TEMPORARY PROVISIONS**	**CHAPTER X** **FINAL AND TEMPORARY PROVISIONS**	
Article 50 - Contingency not covered by these Bylaws shall be resolved by the General Meeting and regulated according to the precepts of the Brazilian Corporate Law, pursuant to the provisions in the Novo Mercado Regulations.	**Article 50 -** Contingency not covered by these Bylaws shall be resolved by the General Meeting and regulated according to the precepts of the Brazilian Corporate Law, pursuant to the provisions in the Novo Mercado Regulations.	
Article 51 - The Company is forbidden to grant financing or guarantees of any kind to third parties, under any circumstance, for business foreign to corporate interests.	**Article 51 -** The Company is forbidden to grant financing or guarantees of any kind to third parties, under any circumstance, for business foreign to corporate interests.	

ATTACHMENT XIV

ANNUAL AND EXTRAORDINARY GENERAL MEETING

CALL NOTICE

The Shareholders are hereby convened to participate in the Annual and Extraordinary General Meeting to be held on April 18, 2019 at 1:00 p.m. at the head offices of Lojas Renner S.A. ("Company"), located at Av. Joaquim Porto Villanova, 401, in the district of Jardim do Salso in the city of Porto Alegre, state of Rio Grande do Sul in order to deliberate on the following AGENDA:

I) in an **Annual General Meeting** to:

1. examine, discuss and vote on the management accounts and financial statements for the fiscal year ending December 31, 2018;
2. examine, discuss and vote on the proposal for the allocation of net income for the fiscal year and the distribution of dividends;
3. establish the number of members on the Board of Directors;
4. elect the members of the Board of Directors;
5. establish the aggregate compensation of the members of Management;
6. establish the number of members of the Fiscal Council;
7. elect the members of the Fiscal Council; and
8. establish the compensation of the members of the Fiscal Council.

II) in an **Extraordinary General Meeting**, which will only be held should Management's proposal for allocating the net income for fiscal year 2018 be approved by the Annual General Meeting, which precedes it. Items 2, 3 and 4 are conditional on the approval of item 1, while item 3 is also contingent on the approval of item 2 and the alteration of Article 6 of the Corporate Bylaws, mentioned in item 4, is conditional on the approval of item 3:

1. examine, discuss and vote the proposal for increasing the capital stock in the total amount of R$ 1,112,049,759.43, being R$ 72,049,759.43 through the incorporation of part of the Capital Reserves account (Stock Option Purchase and Restricted Shares Plan Reserve) and R$ 1,040,000,000.00 through the incorporation of part of the balance of the Profits Reserves account (Reserve for Investment and Expansion in the amount of R$ 895,819,393.51, Legal Reserve in the amount of R$ 87,640,775.88 and Tax Incentive Reserve of R$ 56,539,830.61);
2. examine, discuss and vote the proposal of a bonus in shares at the ratio of 10% (ten per cent), corresponding to an issue of 72,002,450 new common shares, being 1 (one) new common share for each 10 (ten) common shares, free of charge to the shareholders;
3. examine, discuss and vote the proposal to increase the Company's authorized capital stock up to the limit of 1,361,250,000 (one billion, three hundred and sixty-one million, two hundred and fifty thousand) common shares, in the light of and in the proportion to the bonus shares in item 2 above;
4. approve the alteration in the caption sentence to articles 5 and 6 of the Bylaws to incorporate the aforementioned decisions; as well as the increases in the subscribed and paid-in capital stock and the number of shares issued in the light of the resolutions of the Board of Directors approved on May 21, August 16 and November 21, all in the year 2018, with respect to the exercising of grants under the Company's Stock Option Purchase Plan, the subscribed and paid-in capital stock increasing to R$ 3,749,522,796.96 (three billion, seven hundred and forty-nine million, five hundred and twenty-two thousand, seven hundred and ninety-six reais and ninety-six cents), divided into 792,026,948 (seven hundred and ninety-two million, twenty-six thousand, nine hundred and forty-eight) common, nominative, book entry shares with no par value.

General Information:

1. The Company wishes to inform that it will use the remote voting process pursuant to CVM Instruction 481/2009. Should the shareholder so wish, he may opt to exercise his voting rights through the remote voting system pursuant to the said instruction by sending the corresponding voting list through his respective custody agent, securities depositary bank or directly to the Company in accordance with the guidance in the Manual for Participation in Shareholders' Meetings – Management Proposal.

2. Those shareholders not wishing to avail themselves of the remote voting process mentioned in item 1 above, may use the representation by the attorneys placed at their disposal, pursuant to the Public Request for a Power-of-Attorney effected by the Company or be represented pursuant to

Paragraph 1, Article 126 of Law 6404/1976, or, further participate personally in the Meeting. In the case of any of the options, the shareholder must present, in addition to an identity document, as the case may be: (a) proof issued by the securities depositary institution in the last 5 (five) days; (b) power-of-attorney; and/or (c) with respect to the shareholders participating in the fungible custody of nominative shares, the statement showing the respective shareholding interest issued by the competent authority. In order that the Meeting may be better organized, the Company requests that those shareholders choosing to participate via the representation cited in this item 2 or personally, send the necessary documents up to 72 hours prior to the Meeting to the e-mail acionistas@lojasrenner.com.br or by delivery to the address, Av. Joaquim Porto Villanova, 401, 7º andar, Torre Sul, B. Jardim do Salso, Porto Alegre, RS, Cep. 91410-400, care of the Investor Relations Officer, Laurence Beltrão Gomes.

3. Pursuant to CVM Instruction 165 of December 11, 1991, as amended by CVM Instruction 282 of June 26, 1998, we hereby inform that the minimum percentage for requesting the adoption of the multiple voting procedure is 5% (five percent) of the voting capital.

4. The shareholders shall find all the necessary information for the better understanding of the aforementioned matters in the "Manual for Shareholders' Participation – Management Proposal – Annual and Extraordinary General Meeting" which can be accessed through the Company' website www.lojasrenner.com.br/ri and the CVM website www.cvm.gov.br. The Company has an e-mail acionistas@lojasrenner.com.br to access the Corporate Governance Secretary, which is equipped to clarify any questions with respect to the Meeting.

Porto Alegre, RS, March 18, 2019.

Osvaldo Burgos Schirmer
Chairman of the Board of Directors