

**MARCOPOLO S.A.**  
C.N.P.J nr. 88.611.835/0001 -29  
Public company  
NIRE no. 43 3 0000723 5

## **NOTICE TO SHAREHOLDERS**

### **PRIVATE SUBSCRIPTION CAPITAL INCREASE RESOLVED BY THE BOARD OF DIRECTORS**

**MARCOPOLO S.A.** (BM&FBovespa: POMO3, POMO4), announces to shareholders and the market that, at a meeting of the Board of Directors held today, it approved the capital increase in the Company's authorized capital for private subscription through the issue of new dematerialized preferred shares, according to the terms and conditions below:

**1. Amount of increased capital and number of shares to be issued**

The capital increase will take place through the issue for private subscription, within the limit of authorized capital, at least 9,040,583 preferred shares and a maximum of 36,162,333 new book entry preferred shares without par value, at the issue price of BRL 2.70 per share, which will result in a capital increase of at least BRL 24,409,574.10 and a maximum of BRL 97,638,299.10.

**2. Issue price**

The issue price per share is BRL 2.70, set in accordance with section III of § 1 of article 170 of Law 6,404/76, based on the weighted average price of the preferred shares issued by the Company in the last 60 trading sessions of BM&FBOVESPA prior to this date (11/07/2016), with a discount of 18.9%.

**3. Objectives of the capital increase and Allocation of funds**

The capital increase aims at strengthening the Company's financial position, due to the current economic climate and Brazil's politics, which affected the segment of capital goods, especially the bus industry of the country.

The proceeds from the capital increase will be allocated to the Company's cash.

**4. Base Date:**

The base date of the equity position that will be considered for the right of pre-emption is November 10, 2016.

**5. Trading ex-subscription**

The shares purchased from November 11, 2016 will not be entitled to preemptive rights in this capital increase.

**6. Rights of new shares**

The shares subscribed in the capital increase in question are identical to other existing preferred shares Company and shall grant their holders the same rights as the existing preferred shares and will be entitled to full rights to any remuneration (dividends and/or interest on equity) declared from the approval of the capital increase by the Board of Directors.

**7. Right of first refusal**

Shareholders may exercise their preemptive rights to subscribe new shares to be issued in the period from 11 November 2016 to 12 December 2016. Observing the

procedures established by Itaú Unibanco S.A., a financial institution responsible for the bookkeeping of the Company's shares, and BM&FBOVESPA, the Company's shareholders, in accordance with Article 171 of the Corporation Law, will have subscription rights of first refusal of new shares, at the rate of 3.9999999602%, i.e. 1 (one) new stock for every 25 (twenty-five) shares (common and preferred) held in the Company's capital on November 10, 2016. The fractional shares resulting from the exercise of preemptive rights will be disregarded.

After the deadline for the exercise of preemptive rights, the Company will issue a notice calling the shareholders who have exercised their right of first refusal and expressly requested any unsubscribed shares in the subscription bulletin, to execute the subscription of unsubscribed shares to which they are entitled. Any surplus will be divided among the shareholders who have asked on the application form intention to participate in them in proportion to their subscription to the capital increase.

#### **8. Form of Payment**

The subscribed shares shall be paid upon subscription in cash. The shareholder may decide to pay the subscribed shares by offsetting of credits originating from interest on equity declared by the Company on Jul/11/2016 (net of income tax), which will be paid on December 15, 2016. Shareholders who choose to pay with credit of interest on own capital, must inform in the Application Form that they want to use this option.

Shareholders with shares escrowed at Itaú Unibanco shall, both for cash payments and for payment by using the credit of interest on equity, attend the Specialized Investor Assistance Branches, at the addresses at the end of this Notice.

#### **9. Assignment of preemptive rights**

Under § 6 of Article 171 of Law 6,404/76, shareholders may assign their right of preference.

If shareholders wish to trade their preemptive rights to subscribe, they must do so within the period for exercising the right of first refusal provided for in item 7 above, and should proceed sufficiently in advance to allow assigned subscription rights to be exercised within the said period.

#### **10. Potential dilution**

The percentage of potential dilution resulting from the issuance is 3.9999999602% of the total share capital, with the shares issued by the Company and held in treasury being excluded from the calculation. As for the holders of common shares, considering that only preferred shares will be issued, the dilution percentage of the participation of these shareholders, exclusively with regard to the percentage of common shares in relation to total capital, will be approximately 1.44%.

#### **11. Procedure for unsubscribed shares**

In any apportionment of unsubscribed shares, shareholders who have expressed interest in shares remaining in the subscription bulletin, shall have the period of December 16 to December 20, 2016, to subscribe for such unsubscribed shares and pay them in cash.

If there are still remaining shares not subscribed after the end of the preemptive exercise period and after closure of the reoffering round, and since reaching the minimum subscription of 9,040,583 new preferred shares, the remaining unsubscribed shares will be canceled and the Board of Directors shall make the partial ratification of the Capital Increase. To this end, we inform that the Company's controllers commit to subscribe and pay the minimum established for approval of this capital increase, which is BRL 24,409,574.10.

## **12. Partial approval of the capital increase**

A partial approval of the capital increase will be accepted, as long as the minimum set of BRL 24,409,574.10, or 25% of the total increase, is reached, which corresponds to the total number of shares that the Company's controllers will be entitled to, and pledged to subscribe to this capital increase.

In this case, the Board of Directors will make the partial ratification of the capital increase with cancellation of the remaining shares.

In the event of partial ratification of the capital increase, the right to revise its investment decision will be provided to subscribers, conditioned on the subscription of shares at the full subscription of the capital increase or part of the subscription of shares originally issued in an amount not less than the minimum subscription. In the latter case, the subscriber shall state in the Application Form if they want to exercise their preemptive rights to all of the shares of the capital increase or the amount equivalent to the proportion between the number of actually subscribed shares and the maximum number of shares regarding the capital increase. In the absence of an explicit statement, it shall be deemed that the subscriber is interested in receiving the totality of the shares subscribed.

In addition, in the case of partial placement of the shares subject to the capital increase, in addition to the indication in the Application Form of the intention to condition its subscription to the maximum or minimum subscription of the capital increase, the shareholder shall not be granted additional term for retraction, i.e. no other period will be granted for the investment review.

The Company's shareholders and/or assignees of preemptive rights to subscribe for new shares that conditional their participation in the capital increase due to the partial approval, shall be refunded the amounts paid, without interest or monetary restatement, refund or deduction, if any, of the amounts related to taxes and should, therefore, indicate in the Application Form the following data for the Company to return the surplus amount (which is the total amount paid by the subscriber, reduced by the amount needed to keep only its proportionate interest in the Company's share capital): bank, branch, current account, name or company name, taxpayer registration number (CPF/CNPJ), address and phone number.

## **13. Documents for subscription**

The subscription rights holders for rights held at the Central Securities Depository who wish to exercise their preemptive rights or assign such right, should consult their custodians regarding the required documents.

The subscription rights holders for rights held at Itaú Unibanco who wish to exercise their preemptive rights or assign such rights directly through Itaú Unibanco, should submit the following documents:

- (i) Individuals: Identity Card, CPF, proof of address and proof of income;
- (ii) Legal Entity: Bylaws and minutes of the election of the current board or consolidated Articles of Association in force; CNPJ; corporate documentation granting powers of representation; and Identity Card, CPF and proof of residence of their representatives.

## **14. Procedures to be followed by the shareholders for subscription and assignment of subscription rights**

Shareholders with shares held in custody at the Central Depository of the BM & FBOVESPA must exercise their respective rights through their custody agents (brokers), in accordance with the rules and terms established by the Central Depository of the BM & FBOVESPA.

For shareholders with escrowed shares at Itaú Unibanco SA, the application forms will be available at specialized branches in the period from 11 November to 12 December 2016 at the following addresses:

**Belo Horizonte (MG):**

Av. João Pinheiro, 195 – Subsolo – Centro  
Belo Horizonte - MG

**Rio de Janeiro (RJ):**

Av. Almirante Barroso, 52- 2º andar – Centro  
Rio de Janeiro - RJ

**São Paulo (SP):**

Rua Boa Vista, 176 – 1º Subsolo – Centro  
São Paulo - SP

**Salvador (BA):**

Av. Estados Unidos, 50 - 2º andar – Comércio  
Salvador – BA

For questions or more information:

**Itaú Unibanco S.A.**

Superintendence of Services to Companies and Foundations  
3003-9285 (capital and metropolitan areas)  
0800 7209285 (other locations)  
Opening hours are on working days from 9 am to 6 pm

**Marcopolo S.A.**

Investor Relations Management  
Phone n.: (54) 2101.4609 and 2101.4950

Caxias do Sul/RS, November 7, 2016.

José Antonio Valiati  
Director of Investor Relations