

**MARCOPOLO S.A.**  
National Registry of Legal Entities no.: 88.611.835/0001-29  
A Publicly-Held Company  
NIRE NO. 43 3 0000723 5

**NOTICE TO SHAREHOLDERS**

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

**MARCOPOLO S.A.** (B3: POMO3, POMO4), hereby notify to the shareholders and to the market that in a meeting of the Board of Directors held on this date, a capital stock increase has been approved within the limit of the Company's authorized capital, for private subscription, through the issuance of new book-entry preferred shares, according to the following terms and conditions:

**1. Capital stock increase amount and number of shares to be issued**

The increase in capital stock will be made by issuing at least 4,445,977 preferred book-entry shares within the authorized capital limit, and at most 21,933,779 new preferred book-entry shares for private subscription with no par value, at the issue price of BRL 3.20 per book-entry share, which shall result in a capital stock increase of at least BRL 14,227,126.40 and at most BRL 70,188,092.80.

**2. Issue Price**

The issue price is BRL3.20 per share, established pursuant to Section 1º, paragraph 170, item III of the Corporations Act, based on the weighted average quotation of preferred shares issued by the Company in the last 60 trading days of BM&FBOVESPA prior to this date (December 10<sup>th</sup> 2018), at a 17.74% discount.

**3. Purposes of the capital increase and allocation of funds.**

The capital increase has the purpose of reinforcing the Company's financial position and supporting the investments for plant adjustment and industrial performance improvement. The funds from capital increase will be allocated to the Company cash.

**4. Reference date**

The reference date for stock ownership that will be considered for the preemptive right in the subscription is December 14<sup>th</sup> 2018.

**5. Ex-subscription trade**

Any shares purchased from December 17<sup>th</sup> 2018 on will not be entitled to the preemptive right under this capital increase.

**6. Rights of the new shares.**

The shares subscribed for under the capital increase in question shall be identical to the other existing preferred shares issued by the companies and shall confer upon the holders thereof the same rights as the existing preferred shares and shall be entitled to any payment in full (dividends and/or interest on the stockholders' equity) as declared upon the ratification of this capital increase by the Board of Directors.

**7. Preemptive right**

The shareholders may exercise their preemptive right in the subscription for new shares to be issued from December 20<sup>th</sup> 2018 through January 18<sup>th</sup> 2019.

Observing the procedures established by Itaú Unibanco S.A., the financial institution responsible for the bookkeeping of the shares issued by the Company and by BM&FBOVESPA, the company shareholders, pursuant to section 171 of the Corporation Acts, shall have preemptive right to subscribe for new shares, in the proportion of 2.3809523654%, i.e., 1 (one) new share for each 42 (forty-two) share (common and preferred) held of the Company's capital on December 14th 2018. Fractions of shares arising from the exercise of the preemptive right shall be disregarded.

Once the period for exercising the preemptive right has elapsed, the Company shall issue a Notice for shareholders who have exercised their preemptive right and expressly requested any remainder in the Subscription List to subscribe for the remainder they are entitled to. Any remainder will be divided among shareholders who have stated their intention to take part in them in the Subscription List, proportionally to the respective subscription for the capital increase.

#### **8. Payment Method**

The shares subscribed for must be paid in on February 1<sup>st</sup> 2019, in cash and/or by offsetting the credits originated from interest on the stockholders' equity declared by the Company on December 10th 2018 (net of income tax), which will be paid beginning on February 1st 2019. Shareholders who choose payments with credits from interest on the stockholders' equity must state that they wish to make use of such option in the Subscription List.

Shareholders with book-entry shares in Itaú Unibanco, both for cash payment and for payment through the utilization of the credit of interest on the stockholders' equity, must appear in Branches Specializing in Service to Investors, at the addresses stated at the end of this Notice, or in the Company unit located at Avenida Rio Branco 4889, Ana Rech, in Caxias do Sul, RS.

#### **9. Assignment of the preemptive right**

Pursuant to section 171, paragraph 6 of Act 6,404/76, the shareholders may assign their preemptive right.

If the shareholder wishes to trade his or her preemptive right in the subscription, he or she must make it within the time frame for the exercise of the preemptive right under section 7 above, and must proceed sufficiently in advance to allow the assigned subscription rights to be exercised within the aforementioned period.

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

The potential dilution percentage resulting from the issue is 2.3158155596% on the total capital stock.

#### **11. Procedure with remaining shares**

In the event of a division of any remainder, the shareholders who state their interest to subscribe for any remaining shares in the Subscription List may subscribe for them at the same price and pay them in cash, solely in the following periods: from February 4th 2019 through February 7th 2019 (1st distribution) and from February 14th 2019 through February 19th 2019 (2nd distribution).

The amount of remaining shares that each shareholder or assignee of the preemptive right for subscription shall be entitled to subscribe for in the 1<sup>st</sup> round of remaining shares shall be computed in the proportion of the shares subscribed in the period of preference.

The amount of remaining shares that each shareholder or assignee of the preemptive right for subscription shall be entitled to subscribe for in the 2nd round of remaining shares shall be computed in the proportion of the shares subscribed in the period of preference.

If there are still remaining shares not subscribed for after the end of the preemptive right period and the end of the period to subscribe for remaining shares, and provided that the minimum subscription for 4,445,977 new preferred shares is achieved, the remaining shares will be cancelled and the Board of Directors shall proceed with the partial ratification of the capital increase. For this purpose, we inform that the Company controllers have undertaken to subscribe and pay up the minimum amount established for ratification of this capital increase, which is BRL 14,227,126.40

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

A partial ratification of the capital increase will be admitted provided that the minimum of BRL 14,227,126.40 or 20.27% of the total increase amount is achieved as established, corresponding to the total amount of shares that the Company controllers will be entitled to and have undertaken to subscribe for under this capital increase.

In this case, the Board of Directors shall partially ratify the capital increase and cancel the remaining shares.

In the event of partial ratification of the capital increase, the subscribers shall have the right to review their investment decision, conditioning the subscription for shares upon the maximum subscription for capital increase or upon the subscription for part of the originally issued shares, in a number not smaller than the minimum subscription. In this last case, the subscriber must state in the Subscription List whether he or she wishes to exercise his or her preemptive rights over all the shares under the capital increase or on a number equivalent to the ratio of shares actually subscribed for to the maximum number of shares under the capital increase. In the absence of an express statement, it shall be assumed that the subscriber is interested in receiving all the shares for which he or she has subscribed.

Also in the event of partial placement of the shares under the capital stock increase, apart from the statement in the Subscription List of the intention to condition their subscription upon the maximum or minimum subscription for the capital increase, no additional period shall be given for the shareholder for revocation, i.e., no further period shall be given for review of the investments.

The Company shareholders and/or assignees of the preemptive rights to subscribe for new shares who condition their participation in the capital increase upon the partial ratification shall have the amounts paid by him/her/them returned, with no interest or adjustment for inflation, with no reimbursement or deduction of any taxes, if applicable, and for this purpose they must include the following details in the Subscription List so that the Company may return the exceeding amounts (which shall be the total amount paid by the subscriber, minus the necessary amount for the subscriber to maintain only his or her proportional interest in the Company's capital stock): bank, branch, bank account, individual or company name, Individual Taxpayer Registration Number or National Registry of Legal Entities, address and phone number.

## **13. Documents for subscription**

Holders of subscription rights held in custody in the Asset Deposit Center who wish to exercise their preemptive right or assign such right must ask their custody agents about the necessary documents.

The holders of subscription rights of book-entry shares in Itaú Unibanco who wish to exercise their preemptive right or assign such right either directly or by means of Itaú Unibanco must present the following documents:

- (i) Individual: ID Card, Individual Taxpayer Registration Number, proof of address and proof of income
- (ii) Legal entity: By-law and minutes of election of the current executive board or restated articles of organization in force; National Registry of Legal Entities; corporate documents granting power of attorney; and ID Card, Individual Taxpayer Registration Number and proof of address of their representatives.

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

Shareholders with shares held in custody in the BM&FBOVESPA Asset Deposit Center must exercise their respective rights by means of their custody agents (Brokers), according to the rules and time frames stipulated by the BM&FBOVESPA Asset Deposit Center itself.

For shareholders with book-entry shares in Itaú Unibanco S.A. the subscription lists will be available in specialized branches from December 20<sup>th</sup> 2018, to January 18<sup>th</sup> 2019, at the following addresses:

##### **Belo Horizonte (MG):**

Av. João Pinheiro, 195 – Basement – Downtown  
Belo Horizonte - MG

##### **Rio de Janeiro (RJ):**

Av. Almirante Barroso, 52- 2nd floor - Downtown  
Rio de Janeiro - RJ

##### **São Paulo (SP):**

Rua Boa Vista, 176 – 1st Basement – Downtown  
São Paulo - SP

##### **Salvador (BA):**

Av. Estados Unidos, 50 - 2nd Floor- Trade  
Salvador – BA

In order to answer questions or obtain further information:

##### **Itaú Unibanco S.A.**

Superintendence of Services to Companies and Foundations  
3003-9285 (state capitals and metropolitan regions)  
0800 7209285 (other places)  
Open on business days, from 9 AM to 6 PM

##### **Marcopolo S.A.**

Investor Relations Management  
Telephones: (54) 2101.4609 and 2101.4950

Caxias do Sul, RS, December 10<sup>th</sup> 2018

José Antonio Valiati  
Investor Relations Officer