



MANAGEMENT PROPOSAL

**MANUAL FOR SHAREHOLDER PARTICIPATION IN THE
ORDINARY AND EXTRAORDINARY GENERAL MEETINGS
TO BE HELD ON APRIL 30, 2021**

INVITATION

Date: April 30, 2021

Time (Brasília): 10:00 a.m.

Location: Online, via the Digital Platform

Matters:

At the Ordinary General Meeting:

1. Examine, discuss and vote on the Management Accounts and Financial Statements, submitted with the Management Report, the Report of the Independent Auditors and the Opinion of the Company's Statutory Auditing and Risk Management Committee for the fiscal period ending on December 31, 2020;
2. Discuss and decide on the proposal of Company Management to absorb the losses in the fiscal period ended December 31, 2020 and create a reserve for tax incentive profits;
3. Define the number of members of the Company Board of Directors.
4. Discuss and decide on electing members to the Company Board of Directors;
5. Define the overall amount of compensation of Company officers in the 2021 fiscal period.

At the Extraordinary General Meeting:

1. Amend the Company Bylaws to adjusted it to the Company's current model of business, as per article 4 of Management's Proposal; and
2. Consolidate the Company's Bylaws

The Company prepared this Manual to clearly and succinctly present the proposals to be discussed at the Ordinary and Extraordinary General Meetings, and the procedures required to attend and participate in the meetings.

MESSAGE FROM MANAGEMENT

Dear Shareholder,

For a variety of reasons, 2020 will not easily be forgotten! For C&A Brasil, while 2020 required postponing some of the value creation levers in our plans, we were able to open new stores and once again demonstrate our ability to rise to the challenges of a crisis, such as developing new market skills (digital and omnichannel), cost management and focus on cash generation. We also demonstrated our commitment to our employees with a number of initiatives like complementing the income of those furloughed due to provisional measures issued by Government, or the service channels created to provide support and answer questions in times of anxiety. Above all, for those who were part of our journey in 2020, the year will be remembered as one of overcoming challenges and of transformation. We defined our ambition as being a digital fashion company with B&M stores and human warmth - C&A Fashion Tech. Our B&M stores - 295 by the end of 2020 -, remain the cornerstone of the customer experience, however we plan to keep up with their changes in behavior, remaining relevant and improving our offer.

Focusing on the last quarter of the year, we continue to face numerous challenges. After a gradual improvement in sales as stores and dressing rooms reopened and hours of operation returned to normal, December saw a resurgence of the pandemic as the second wave hit in what is normally the best month of the year. New government decrees required that stores close and hours of operation were again curtailed. These measures, combined with increased consumer insecurity regarding the pandemic heavily impacted store traffic, especially in shopping malls. This resulted in a 0.8% drop in same store sales in 4Q20.

Once again, a highlight for the fourth quarter was the solid growth of our online sales. Even as B&M stores reopened, our GMV (Gross Merchandise Value), including revenue from Galeria C&A (1P + 3P) increased 278% to R\$ 205.6 million. Our total net revenue in the quarter increased 0.3%.

Important progress was made this quarter in our growth plan value creation levers. Despite the pandemic, the year was positive for building the basis for C&A Fashion Tech.

Starting in 4Q20 we consolidated the plan into 4 levers, grouping topics related to stores into a single lever. Below is the progress made and outlook for each one:

❖ **New stores and formats:** in 4Q20 we again turned our focus to expanding the number of stores, opening 6 new units. It is important to point out that in the current scenario we found opportunities in this lever that resulted in lower occupancy costs and prioritized stores based on space available in mature malls with lots of potential, such as Shopping Rio Sul in Rio de Janeiro. In 2021 we will continue opening new stores across the country, most of them in operationally mature malls. Stores are increasingly relevant as they are part customer online and offline journeys. Our aim is to provide an easy, intuitive and pleasant experience. In addition to stores, we will continue testing new formats such as the mini-stores opened in the last quarter in high-flow locations (bus and subway stations).

❖ **Modernizing our Supply Chain:** we made important progress in modernizing all three fronts of our supply chain: i) distribution network; ii) omnichannel operations and iii) technology.

In our distribution network, we opened our distribution center in Santa Catarina and continue to investigate new optimization fronts. In the year we developed our logistics network in the South, which includes the distribution center mentioned above. We reinforced our organization, reviewed processes and consolidated our sorter operation. The sorter picks individual SKUs, reducing lead times and cost, increasing sales and improving inventory efficiency. Our second sorter will start up in 1H21, and a third one will be purchased and put into operation in 2H21. With three sorters running, by the end of 2021 we will be distributing most of our inventory by SKU (stock-keeping unit) rather than package. This is an important step in our supply modernization lever, moving to a push-and-pull operating model.

On the omnichannel operations front, in 3Q20 we adopted a new shipping matrix, significantly reducing our exposure to the Postal Service. This helped stabilize the new customer service levels. Since the start of the pandemic, we tripled the percent 2-day deliveries; in many locations, over 50% of our orders are delivered in 2 days. Implementation of our model of hub stores for ship-from-store operations is also progressing and included 14 stores by the end of December. This has had a

significant impact on our processing capacity, and in some cases these stores are able to process 1,000 orders a day. The plan for this front in 2021 is to further improve our shipping matrix and implement other ship-from-store hubs. In addition, we will automate distribution centers, focusing on those dedicated to online sales, installing robots capable of shipping 50 thousand units a day. We expect to improve our order picking efficiency and improve our processes, reducing potential mistakes. The last front is technology, comprised of the following projects: The RFID (radiofrequency identification tags) pilot project was completed last quarter, with the entire assortment of 9 stores, and is Mindse7 categories in all stores in which it is present. Furthermore, the pilot added suppliers to the process. With the results of the increased inventory accuracy pilot - achieving benchmark levels and increasing omnichannel sales, selling every last SKU, in 2021 our ambition is to end the year with a significant share of the company's assortment using RFID. In the project to replace the legacy WMS (Warehouse Management System), in 4Q20 we retained the services of a world leading consultant to support the project and have progressed in the technical design to ensure we are able to migrate in 2021.

- ❖ **Digital Transformation:** this was the great highlight of 2020. In addition to broadly operationalizing a number of omnichannel initiatives, such as click-and-collect, drive-thru, ship-from-store and infinite aisles, providing a range of options to our clients and a wider assortment, we also started social [network] selling projects. Specifically, WhatsApp and Minha C&A (My C&A) sales - digital consultants with optimized stores on the C&A app and site - grew significantly in the 4Q with the seamless adoption by customers and high levels of engagement. Right now, all stores in the country have associates dedicated to WhatsApp sales and completed 615 thousand services in December alone.

Finally, we have the Galeria C&A initiative. By the end of 2020, our marketplace had 229 active sellers, complementing our product offering to our customers. With strongly growing sales, in 4Q20 we strengthened the Galeria C&A hunting and farming teams, using tools to increase onboarding and seller interface productivity. Finally, our customers recognized our effort to be a full-range platform for self-

expression in fashion, and the year ended with more than 3.4 million monthly active users (MAUs).

- ❖ **Credit offering:** in this lever we continue to search for ways to improve our offer of financial products, today provided by a partnership with Bradescard. To achieve this goal, in 4Q20 we had an intense agenda of negotiations with the partner to find new formats, products and terms that will allow us to increase our credit offering to our customers, given the importance of credit, in particular in the current situation. Meanwhile, digital solutions are being developed to facilitate and improve the customer experience, with online information on their bills, limits, terms and payment codes.

We also made important progress in corporate governance. In our first year as a traded company, our Board of Directors and the Audit and Risk Management Committee were actively involved in providing strategic direction for C&A. Two additional committees were created: Digital Acceleration and, more recently, Human Resources, focusing on themes relevant for the current scenario. In October 2020 we elected the first female board member.

We are proud of the recognition we received from different stakeholders. We know we have a long way to go, but they confirm we are on the right path and encourage us. Some of these recognitions include being once again on the Great Place to Work (GPTW) Ranking for 2020, being among the top 3 Jury picks for the Academia iBest award for Fashion eCommerce, achieving the highest score on the Fashion Transparency Brazil Index for 2020, issued by Fashion Revolution, and being among the 3 brands most associated with diversity in Brazil, according to a survey by Grupo Croma.

The outlook for 2021 includes the uncertainties brought on by the pandemic and the country's macroeconomic scenario, which impacts the general purchasing power. In spite of this, we remain optimistic and are confident in our long-term agenda for growth and value creation. The learnings of 2020 will be applied to mitigate the challenges of 2021. Company management, recently reinforced, is motivated with the funds and other resources required to deliver along the various growth levers, providing professional opportunities for all.

Barueri, March 30, 2021.

Sincerely,

The Management of C&A Modas S.A.

Shareholder Service Channels

Alameda Araguaia, 1.222

Barueri, SP - CEP: 06455-000

Site: <https://ri.cea.com.br/>

E-mail: ri@cea.com.br

Telephones: (11) 2134-9259

CALL NOTICE

Pursuant to article 4, Paragraph 2, item I and article 21-C Paragraphs 2 and 3 of CVM Instruction 481 of December 17, 2009 ("CVMI 481"), we are calling the shareholders of **C&A Modas S.A.** (the "Company" or "C&A") to meet in **ORDINARY AND EXTRAORDINARY GENERAL MEETINGS** ("OGM" or "Meetings") to be held in digital format only on April 30, 2021 at 10:00 am, to discuss and decide the following Order of the Day:

At the Ordinary General Meeting:

1. Examine, discuss and vote on the Management Accounts and Financial Statements, submitted with the Management Report, the Report of the Independent Auditors and the Opinion of the Company's Statutory Audit and Risk Management Committee for the fiscal period ending on December 31, 2020;
2. Decide on the proposal of Company Management to absorb the losses in the fiscal period ended December 31, 2020 and create a reserve for tax incentive profits;
3. Define the number of members of the Company Board of Directors.
4. Discuss and decide on electing members to the Company Board of Directors;
5. Define the overall amount of compensation of Company officers in the 2021 fiscal period.

At the Extraordinary General Meeting:

1. Amend the Company Bylaws to adjusted it to the Company's current model of business, as per article 4 of Management's Proposal; and
2. Consolidate the Company's Bylaws.

Procedures for Participation:

Considering the guidelines issued by the health authorities regarding the Coronavirus pandemic, in particular those limiting meetings and circulation, the General Meetings shall take place in digital format only, therefore shareholders may only participate via:

- (i) A Distance Voting Ballot ("Ballot" or "DVB"), a template for which is available to the shareholders on the Company (<https://ri.cea.com.br/>), CVM (<http://www.cvm.gov.br>) and B3 S.A. – Brasil, Bolsa, Balcão ("B3") (www.b3.com.br) websites,
- (ii) The Digital Platform, which may be accessed in person or by a representative, duly appointed as per article 21-C, paragraphs 2 and 3 of CVM Instruction 481, in which case shareholders may (i) simply take part in the Meetings, whether or not he/she submitted a Ballot; (ii) take part in the meetings and vote, in which case any voting instructions that may have already been submitted via a Ballot shall be null and void, and the vote made via the Digital Platform shall prevail.

Evidence of the shareholder's qualifications as a Company shareholder must be submitted as per article 125 of Law 4,404 of December 15, 1976 (the "Brazilian Corporate Law"), and article 11 of C&A's Bylaws, as applicable.

To participate in the Meetings via the Digital Platform, shareholders or their legal representatives must submit a request to the Company either (1) via e-mail ri@cea.com.br or (2) on paper, sent to the Company's Investor Relations Department in the City of Barueri, State of São Paulo at Alameda Araguaia 1222, CEP 06455-000. Such requests must be submitted with the following documents:

- (i) For Individuals:
 - a. The shareholder's valid photo-id (original or certified copy). The following are considered valid photo-id: (1) National i.d. card (RG); (2) Foreigner's i.d. card (RNE); (3) Passport; (4) Professional Board Membership Card legally accepted as identification (e.g. OAB, CRM, CRC, CREA); (5) Driver's License (CNH);
 - b. Proof of ownership of shares issued by C&A, provided by the depository or custodian financial institution;

- c. An e-mail to receive the individual and non-transferable invitation (and potential additional communications) to access the Digital Platform and thus participate in the meeting.
- (ii) Legal Entity Shareholder (e.g.: Investment Funds):
- a. The legal representative's valid photo-id (original or certified copy). The following documents may be submitted: (1) National i.d. card (RG) or Foreigner's i.d. card (RNE); (2) Passport; (4) Professional Board Membership Card legally accepted as identification (e.g. OAB, CRM, CRC, CREA); (4) Driver's License (CNH);
 - b. Documents proving the individual's capacity as legal representative, including a power of attorney, a copy of the professional qualifications and minutes appointing board members or Directors and, in the case of investment funds, copies of (1) the fund Bylaws in effect, (2) documents demonstrating the professional qualifications of the Chair or Administrator, as applicable, and (3) Minutes appointing said members. If these documents are in a foreign language, they must be translated into Portuguese by a certified translator but need not be notarized or consularized. Documents in English and Spanish do not need to be translated;
 - c. Proof of ownership of shares issued by C&A, provided by the depository or custodian financial institution;
 - d. An e-mail to receive the individual and non-transferable invitation (and potential additional communications) to access the Digital Platform and thus participate in the meeting.

According to paragraph 3, article 5 of CVM Instruction 481, regardless of how shareholders choose to submit these documents, they must be available no later than 2 (two) days prior to the Meeting or, in this case, by 10:00 a.m. Brasília time on April 28, 2021.

According to article 3 of CVM Instruction 165 of December 11, 1991, and item I article 4 of CVM Instruction 481, the minimum percent share capital required to request the use of multiple voting to elect members of the Board of Directors at the Ordinary General Meeting is 5% (five percent) of the voting capital. The option to request that the process of multiple voting be used must be exercised by the shareholders no later than 48 (forty-

eight) hours before the Meeting or, in this case, by 10:00 a.m. on April 28, 2021, as defined in paragraph 1, article 141 of the Brazilian Corporate Law.

In the case of borrowed shares, the borrower shall the voting rights unless otherwise established in the agreement between the parties.

Decisions at the Ordinary and Extraordinary General Meetings shall be made by majority vote, with each common share having the right to 1 (one) vote in the deliberations listed in the order of the day.

All of the documentation regarding matters for discussion and decision during the Ordinary and Extraordinary General Meetings are available to the shareholders from the Company's Department of Investor Relations located in the city of Barueri, in the state of São Paulo at Alameda Araguaia 1222, CEP 06455-000, or on the Company, CVM (www.cvm.gov.br) or B3 (www.b3.com.br) websites, as per Brazilian Corporate Law and CVM Instruction 481.

The documents listed in Article 133 of Brazilian Corporate Law were published in *Valor Econômico* and *Diário Oficial do Estado de São Paulo* (State of São Paulo Official Gazette) on March 19, 2020. Thus, publication of the notice in article 133 Paragraph 5 of the same law is waived.

The Company informs its shareholders wishing to participate in these Meetings that, as per CVM Instruction 481, instructions for accessing the Digital Platform and/or submit the DVB are available in the Manual for Shareholder Meetings and Instructions for Participating in Shareholder Meetings.

DESPITE THE POSSIBILITY OF PARTICIPATING VIA DIGITAL PLATFORM, C&A URGES ITS SHAREHOLDERS TO USE A DISTANCE VOTING BALLOT.

Barueri, March 30, 2021.

Luiz Antonio de Moraes Carvalho
Chairman of the Board of Directors

INSTRUCTIONS TO PARTICIPATE IN THE MEETINGS

Voting Rights

The shareholder's of **C&A Modas S.A.** (the "Company" or "C&A") shall have to vote on all of the items in the Order of the Day, except in cases where they are legally impeded from doing so.

Calling Ordinary and Extraordinary General Meetings to order

Article 125 of Law 6,404 of December 15 1976 (the Brazilian Corporate Law) states that an **Ordinary General Meeting** shall be installed after the first call if shareholder's representing at least 25% (twenty-five percent) of the Company's voting capital are present. Article 135 of said law requires the presence of shareholder's representing at least 2/3 (two-thirds) of the voting capital to install an **Extraordinary General Meeting**.

Given the inclusion of matters regarding a proposed statutory reform, in the event the legal quorum for the **Extraordinary General Meeting** is not met, the following shall take place (i) the **Ordinary General Meeting** shall proceed and deliberate on the matters within its span of authority, so long as there is a legal quorum for such; (ii) the **Extraordinary General Meeting** shall not be installed; (iii) following a second call the **Extraordinary General Meeting** shall proceed and discuss and decide on the statutory reform within the deadlines and procedures stipulated in Brazilian Corporate Law.

Participation in Fully Digital General meetings

In line with the guidelines issued by the health authorities regarding the Coronavirus, in particular those restricting circulation, meetings and crowds, the **ORDINARY AND EXTRAORDINARY GENERAL MEETINGS of C&A Modas S.A.**, called for April 30, 2021 at 10:00 am (the "OEGM" or "Meetings") shall be fully digital. Therefore, shareholder's shall participate as follows:¹

1. Using a Distance Voting Ballot ("**Ballot**" or "DVB"), a template for which is available to the shareholder's on the Company (<https://ri.cea.com.br/>), CVM (<http://www.cvm.gov.br>) and B3 S.A. - Brasil, Bolsa, Balcão ("**B3**") (www.b3.com.br) websites. Instructions for completing the Ballot, the documents that must be submitted with it, the deadlines and other relevant information are described in detail in the document entitled *HOW TO VOTE VIA DISTANCE VOTING BALLOT*, which is part of the General Meeting Manual, and in the Distance Voting Ballot itself, available on the company website;
2. Via the **Digital Platform**

¹ According to article 4, paragraph 2, item I and article 21-C, paragraphs 2 and 3 of CVM Instruction 481 of December 17 2009:

The Digital Platform may be accessed in person or by a duly appointed representative, as per article 21-C, paragraphs 2 and 3 of CVM Instruction 481 of December 17, 2009, in which case shareholder's may:

- (i) Merely take part in the Meetings, whether or not he/she/it submitted the Ballot;
- (ii) Participate in the meetings and vote, in which case any voting instructions that may have already been submitted via a Ballot shall be disconsidered, and the vote made via the Digital Platform shall prevail.

Important: to organize the work of the General Meeting the Presiding Desk (start of the work) shall ask shareholder's who submitted a Ballot and decide to participate in the meeting via Digital Platform if they intend to (a) merely participate in the meeting and maintain any votes already submitted via Ballot as valid and unchanged, OR (b) participate in the meeting and vote, in which case their Ballot will be automatically canceled and the shareholder must vote on the Order of the Day again, abiding by the procedures stipulated. For shareholder's opting to merely participate in the General Meeting, as per letter "(a)" above, votes in the Ballot may not be changed during the course of the meeting.

2.1 Qualification and Participation via Digital Platform

C&A will provide a Digital Platform so shareholder's may participate and/or vote remotely at the Meetings, without prejudice to using the Ballot as a means of exercising their voting rights.

In order to participate and vote at Meetings shareholder's must abide by the instructions described below:

To participate via the *Ten Meetings* digital platform, shareholder's must first go to <https://www.tenmeetings.com.br/assembleia/portal/?id=18CEEC86D1B>, complete all of the registration data and attach all documents required to qualify them to participate in and/or vote at the Meetings no later than 2 (two) days before the scheduled date of the Meeting or, in this case, on or before March 28, 2021. Once the Company has approved their registration, shareholder's will receive their individual login and password to access the platform via the e-mail provided in the registration process.

Legal representatives/attorneys-in-fact must do the same at <https://www.tenmeetings.com.br/assembleia/portal/?id=18CEEC86D1B>.

After receiving e-mail confirmation of registration, the legal representative/attorney-in-fact shall use the link sent to the e-mail used for registration to list all of the shareholder's he/she is representing and attach proof of shareholding and representation as mentioned above. Legal representatives shall receive an individual e-mail on the qualifications of each shareholder he/or she will represent and, if required, will provide additional documentation. Legal representatives of more than one shareholder may only vote at the General Meeting on behalf of those shareholder's whose qualification has been confirmed by the Company.

Only shareholder's or their legal representatives/attorneys-in-fact who qualified according to this Manual and Management Proposal may access the General Meeting via the Digital Platform. The Company warns shareholder's who fail to submit a request and the documents required to participate on time will not be eligible to participate in the General Meeting.

Any request for registration on the Digital Platform must be submitted with the following documents:

- **Individuals:**
 - (a) The shareholder's valid photo-id (original or certified copy). The following are considered valid photo-id: (i) National i.d. card (RG); (ii) Foreigner's i.d. card (RNE); (iii) Passport; (iv) Professional Board Membership Card legally accepted as identification (e.g. OAB, CRM, CRC, CREA); (v) Driver's License (CNH);
 - (b) Proof of ownership of shares issued by C&A, provided by the depository or custodian financial institution;
 - (c) An e-mail to receive the individual and non-transferable invitation (and potential additional communications) to access the Digital Platform and thus participate in the General Meeting.
- **Legal Entities:**
 - (a) The legal representative's valid photo-id (original or certified copy). The following documents may be submitted: (i) National i.d. card (RG) or Foreigner's i.d. card (RNE); (ii) Passport; (iii) Professional Board Membership Card legally accepted as identification (e.g. OAB, CRM, CRC, CREA); (iv) Driver's License (CNH);
 - (b) Documents proving the individual's capacity as legal representative, including a power of attorney, a copy of the professional qualifications and minutes appointing board members or Directors and, in the case of investment funds, copies of (i) the fund Bylaws in effect, (ii) documents demonstrating the professional qualifications of the Chair or Administrator, as applicable, and (iii) Minutes appointing said members. [If these documents are in a foreign language (other than Spanish or English) they must be translated into Portuguese by a certified translator but need not be notarized or consularized.
 - (c) Proof of ownership of shares issued by C&A, provided by the depository or custodian financial institution;

- (d) An e-mail to receive the individual and non-transferable invitation (and potential additional communications) to access the Digital Platform and thus participate in the General Meeting.

Statements proving shareholder ownership of shares issued by C&A issued no more than 5 (five) days before the date of the General Meetings.

2.2 Participation via Power of Attorney

Shareholder's may participate in the General Meeting via a duly issued Power of Attorney, as per article 126 Paragraph 1 of the Brazilian Corporate Law.

Any Power of Attorney granted by a legal entity shareholder to enable its legal representative to participate in the General Meeting must be submitted with documents proving representation.

According to Official Memo/CVM/SEP/1/2021 dated February 26, 2021:

- (i) Any shareholder may be represented at the General Meetings by a representative appointed within no more than 1 (year). Said representative must be a company shareholder, administrator or attorney. If the shareholder is a traded company, the representative may be a financial institution, for investment funds the administrator shall represent the investors;
- (ii) Legal entity shareholder's may be represented at the General Meeting via their legal representatives or duly constituted attorneys-in-fact, as per the company Bylaws and the rules of the Brazilian Civil Code (Law 10,406 of January 10, 2002). Thus there is no need that this representative be an attorney-in-fact, company shareholder, administrator or attorney.

Any Power of attorney and/or corporate documents written in a foreign language other than English or Spanish must be translated into Portuguese by a sworn translator. The documents do not have to be notarized or consularized.

Powers of Attorney granted electronically by Shareholder's shall only be admitted if digitally signed with digital certification. The Company may, at its sole discretion, reject a power of attorney issued electronically if it does not include elements proving authorship, completeness and good standing.

2.3 Foreign Shareholder's Present at the General Meeting

Foreign shareholder's must submit the same documents as Brazilian shareholder's. As an exception, for these particular General Meetings the Company shall waive the need to notarize, consularize or apostille shareholder representation documents. All that is required is to submit a simple copy of the originals of the documents via the Digital Platform, as per the registration procedures described above.

2.4 Important Comments

Given that the General Meeting shall be fully digital, shareholder's will not be able to be physically present.

As a exception, for this General Meeting C&A shall waive the requirement to submit the actual physical documents demonstrating Shareholder representation to the Company, the need to notarize the grantor's signature on the Shareholder representation document, the need to notarize, consularize, apostille and arrange for certified translations of Shareholder representation documents in English and Spanish. All that is required is the submission of simple copies of the originals of these documents to the Company e-mail above.

Based on the provisions of article 5, paragraph 3 of CVM Instruction 481, shareholder's who do not submit the documents required to participate on time shall not be admitted to the Digital Platform.

Once the request to qualify to participate is received by the Digital Platform on time and as stipulated, and the documents have been reviewed, C&A shall send an individual and non-transferable invitation to the Meeting to the shareholder's e-mail with instructions on how o access the Digital Platform and participate in the Meetings.

Shareholder's who qualify on the Digital Platform:

- (i) May participate and exercise their voting rights via the platform;
- (ii) Be considered present and as having signed the minutes, as per article 21-V, paragraph 1 of CVMI 481.

Shareholder's whose Ballot are considered valid by C&A will also be considered as having been present at the Meetings.

Shareholder's accredited on the Digital Platform agree to:

- (i) Use the individual invitations solely to remotely follow the General Meeting;
- (ii) Refrain from transferring all or part of their individual invitation to any third party, whether a shareholder or not, remember that invitations are non-transferable;
- (iii) Refrain from recording or reproducing all or part of any content or information transmitted online during the General Meeting to any third party, whether a shareholder or not.

Shareholder's who properly requested to participate in the General Meeting and did not receive an individual invitation for online access up to 24 (twenty-four) hours prior to the Meeting or, in this case, by 10:00 am on April 29, 2021 should contact C&A's Investor Relations Department at ri@cea.com.br.

We reiterate that the Digital Platform complies with the requirements of CVM Instruction 481's article 21-C, paragraph 1: (a) the possibility of shareholder manifestation and simultaneous access to documents presented during the Meeting and not made available ahead of time; (b) recording the Meeting in full; (c) the possibility of shareholder's communicating with each other [during the Meeting].

Shareholder's who qualify to participate in the Meetings hereby authorize the Company to use any information in the General Meeting recording to (a) register the possibility to manifest themselves and see any documents presented during the Meeting; (b) record the authenticity and security of any communication during the meeting; (c) register presence and votes cast via Digital Platform; (d) comply with the requirements of applicable legal authorities; (e) defend the Company, its managers and contractors in any legal, arbitration, regulatory or administrative sphere.

Shareholder's present may manifest themselves via the Digital Platform at the discretion of the Presiding Desk, which will give them the floor by turning on their audio. A maximum time for each of the shareholder's present will be established to make sure the meeting runs smoothly.

C&A recommends that qualified shareholder's go on the Digital Platform at least 20 minutes before the scheduled start of the Meeting to validate their access and become familiar with the system.

ACCESS AFTER THE SCHEDULED START OF THE MEETING (10:00 AM ON APRIL 30, 2021) WILL NOT BE ALLOWED. SHAREHOLDER'S WHO ARE CONNECTED AT THE START OF THE MEETING AND LOSE THE CONNECTION FOR ANY REASON (E.G. LOSS OF INTERNET) MAY RECONNECT.

DESPITE THE POSSIBILITY OF PARTICIPATING VIA DIGITAL PLATFORM, C&A URGES ITS SHAREHOLDER'S TO USE A DISTANCE VOTING BALLOT TO ENSURE THEIR VOTE IS CAST DURING THE ORDINARY AND EXTRAORDINARY GENERAL MEETINGS.

HOW TO VOTE VIA DISTANCE VOTING BALLOT

A Distance Voting Ballot ("Ballot" or "DVB") must be completed if shareholder's wish to exercise their distance voting rights, as per CVM Instruction 481 of December 17, 2009 ("CVMI # 481").

For this, it is essential that the DVB, available on the Company (<https://ri.cea.com.br>), B3 S.A. – Brasil, Bolsa, Balcão (www.b3.com.br) and CVM (www.cvm.gov.br) websites, be completed with the full name (or company name) of the shareholder and its taxpayer number (Registration with the Ministry of the Economy, CPF for individuals and CNPJ for legal entities), and an e-mail for future contact.

The following instructions must be followed for the Ballot to be considered valid and for the corresponding votes to be counted at the entirely digital² **ORDINARY AND EXTRAORDINARY GENERAL MEETINGS** called for April 30, 2021 at 10:00 am ("OEGM" or "Meetings").

- (i) All fields in the DVB must be completed;
- (ii) According to applicable legislation, shareholder's or their legal representatives, as applicable, must sign the Ballot and initial all pages. Digital signatures are accepted with digital certification;
- (iii) Along with the Voting, all shareholder's or their legal representatives must forward documents proving they are shareholder's and thus qualified to participate in the General Meeting. Foreign shareholder's must submit sworn translations of any documents in a foreign language other than Spanish or English, as per the instructions below and the General Meeting Manual published by the Company.

Shareholder's must make sure their Ballot is free of conflicting data lest their votes be considered null and void.

For further information on the candidates and others matters to be analyzed we suggest reading the Management Proposals and General Meeting Manual.

C&A STRONGLY RECOMMENDS THAT ITS SHAREHOLDERS USE DISTANCE VOTING BALLOT

Instructions for submitting the Ballot

Shareholder's who choose to exercise their distance voting right may:

² According to article 4, paragraph 2, item I and article 21-C, paragraphs 2 and 3 of CVM Instruction 481:

- (i) Transmit instructions on completing the ballot to qualified service providers, as per the following instructions (items 1 and 2), or
- (ii) Fill out and submit this Ballot directly to the Company (item 3).

Regardless of how the shareholder chooses to submit the ballot, any diverging instructions submitted by the same taxpayer number (CPF or CNPJ) for the same decision will be reconsidered.

1. Exercise of the right to distance voting through a custody agent

Shareholder's who choose to exercise their right to distance voting via their custody agent must transmit their voting instructions, abiding by the rules defined by the custody agent, who will forward said voting decisions to the B3 Central Depository.

Shareholder's who so desire must contact their custody agents and check on the relevant procedures. According to CVM Instruction 481, the shareholder must submit its completed Ballot to the custody agent no later than 7 (seven) days prior to the date of the General Meeting or, in this case, on or before April 23, 2021, unless the custody agent determines a different period.

C&A shall have up to 3 (three) days from the date it receives the Ballot to inform the shareholder that the documents received are suitable and the vote shall be considered valid or inform the shareholder of any need for corrections and for resubmitting the DVB or the accompanying documents, which in any case must be received no later than 7 (seven) days before the date of the General Meeting (CVM 481 art. 21-U).

Thus, it is important to clarify that custody agents are not required to receive Company shareholder Ballot (CVM 481 paragraph 4, article 21-B). For this reason, we recommend that shareholder's check with their Custody Agent if they provide this service, the procedure involved and the cost.

2. Exercise of the right to distance voting via the Bookkeeping Agent - Banco Bradesco S.A.

Shareholder's with book-entry shares may exercise their right to distance voting via **Banco Bradesco S.A.** ("Banco Bradesco"), the institution that manages C&A's book-entry share system. In this case, the shareholder/representative must go to any Banco Bradesco branch in Brazil and hand in the duly completed, signed and initialed ballot and documents proving their quality as shareholder's.

According to CVM Instruction 481, shareholder's must deliver their voting DVB no later than 7 (seven) days before the General meeting or in this case, on or before April 23, 2021, unless a different period is defined by Banco Bradesco.

Explanations and/or clarifications regarding sending Voting Ballot directly to the Bookkeeping Agent may be resolved via the following channel:

Banco Bradesco S.A.

Address: Cidade de Deus, s/n - Vila Yara, Osasco, SP, Brasil, CEP 06029-900

Department of Shares and Custody, Prédio Amarelo, Térreo

Telephone: (0800) 7011616

e-mail: dac.acecustodia@bradesco.com.br.

Contact persons: [for shareholder's with shares custodied by Bradesco bookkeeping services the right to vote shall be exercised by going to a Bradesco Branch]

Banco Bradesco informs that the data above was added only so that shareholder's will have a channel they can use to answer any questions they may have regarding submitting the Ballot to the Bookkeeping Agent. However, Banco Bradesco will not receive Ballot sent online. Only DVBs delivered to any Banco Bradesco branch will be accepted, as per the terms and conditions above and specified in the General Meeting Manual.

3. Exercise of the right to vote by sending the Voting Ballot directly to the Company

Shareholder's to choose to exercise their right to distance voting by submitting their DVB directly to C&A shall send the duly completed Ballot and the documents listed below to:

- A) Alameda Araguaia, 1.222, Barueri, São Paulo, CEP 06455-000, C&A Department of Investor Relations, or
- B) By e-mail to ri@cea.com.br with acknowledgment of receipt.

Documents required:

- (i) A duly completed Voting Ballot that has been signed and initialed on all pages. Digital signature with digital certificate is allowed.
- (ii) Documents that must be submitted with the DVB:

a. For Individuals:

- Valid photo-id with the CPF number;
- for legal representatives appointed less than one year from the date of the General Meeting, submit the representative's photo i.d. and the Power of Attorney.

b. For Legal Entity Shareholder's:

- The most recent consolidated Bylaws or Articles of Incorporation and corporate documents proving the shareholder's legal representation;
- CNPJ;
- the legal representative's photo i.d.

c. Investment Fund Shareholder's

- The most recent consolidated fund regulations with its CNPJ;

- The Bylaws or Articles of Incorporation of the administrator or manager, as applicable, with the fund's voting policy and corporate documents proving power of representation;
- the legal representative's photo i.d.

The following shall be accepted as photo i.d.: RG, RNE, Passport, Officially Recognized Professional Board Membership Documents.

According to article 21-B of CVMI 481, the shareholder shall deliver the Ballot to the Company no later than 10:00 am on Friday, April 23, 2021. Ballot received by the Company after this will be disconsidered.

C&A shall have up to 3 (three) days from the date it receives the Ballot to inform the shareholder that the documents received are suitable and the vote shall be considered valid, or inform the shareholder of any need for corrections and resubmitting the DVB or the accompanying documents, which in any case must be received no later than 5 (five) days before the date of the General Meeting.

4. Common rules for submitting and validating DVBs

As a exception, for this General Meeting C&A shall waive the requirement to submit the actual physical documents demonstrating Shareholder representation to the Company, the need to notarize the grantor's signature on the Shareholder representation document, the need to notarize, consularize, apostille and arrange for certified translations of Shareholder representation documents in English and Spanish. All that is required is the submission of simple copies of the originals of these documents to the Company e-mail above. Powers of Attorney granted electronically by Shareholder's shall only be admitted if digitally signed with digital certification ensuring the authenticity of the information submitted.

Regardless of how submitted (items 1, 2 or 3 above), we recommend that shareholder's submit, transmit or arrange proof of delivery of the Voting Ballot (which will be available at least 1 month before the date of the General Meeting) and the accompanying documents as early as possible so that there is enough time to analyze them and, if necessary, return them for correction in time to re-submit said documents.

Any DVB submitted, transmitted or acknowledged (a) outside the deadline, (b) not properly completed or (c) without the required accompanying documents, as applicable, shall be disconsidered by the Company. For shareholder's who choose to submit the Ballot directly to C&A (as per item 3 above), in the event it is not accepted they will be informed of this in an e-mail sent to the e-mail indicated by the shareholder.

Important: to organize the work of the General Meeting the Presiding Desk (start of the work) shall ask shareholder's who submitted a Ballot and decide to participate in the meeting via Digital Platform if they intend to (a) merely participate in the meeting and maintain any votes already submitted via Ballot as valid and unchanged, OR (b) participate in the meeting and vote, in which case their Ballot will be automatically canceled and the shareholder must vote on the Order of the Day again, abiding by the procedures stipulated. For shareholder's opting to merely participate in the General



Meeting, as per letter "(a)" above, votes in the Ballot may not be changed during the course of the meeting.

ORDINARY GENERAL MEETING

PRESENTATION TO THE SHAREHOLDER'S

ITEM 1

Examine, discuss and vote on the Management Accounts and Financial Statements submitted with the Management Report, the Report of the Independent Auditors and the Opinion of the Company's Statutory Auditing and Risk Management Committee for the fiscal period ending on December 31, 2020;

Dear Shareholders,

The Management Report and Financial Statements, together with the Report of the Independent Auditors for the fiscal period ended December 31, 2020 are available on the C&A website at:

<https://ri.cea.com.br/central-de-resultados/>

Attachment I: Company Executive Officer comments on the Company's financial situation, as per article 9, item III of CVM Instruction 481/09, prepared under the terms of item 10 of the Reference Form (as per CMV Instruction 480/09).

Barueri, March 30, 2021.

Luiz Antonio de Moraes Carvalho
Chairman of the Board of Directors

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Attachment I:

Company Executive Officer comments on the Company's financial situation, as per article 9, item III of CVM Instruction 481/09, prepared under the terms of item 10 of the Reference Form (as per CMV Instruction 480/09).

ATTACHMENT 1 - COMMENTS BY COMPANY EXECUTIVE OFFICERS

In compliance with article 9, item II of CVM Instruction 481, and Section 10, Attachment 24 to CVM Instruction 480

10. Comments by Company Executive Officers

10.1 - Overall financial and equity situation

The amounts in this item 10.1 were taken from the Company's Consolidated Financial Statement for the periods ending December 31, 2020, 2019 and 2018.

On January 1, 2019 a new standard became effective, governing the accounting handling of Lease Operations (IFRS 16/CPC 06(R2) issued by the IASB and CPC respectively. The company adopted the modified retrospective approach to implement this standard. Thus, the financial information for December 31, 2018 has not been adjusted to reflect adoption of IFRS 16/CPC 06(R2) and for this reason some of the financial information is not comparable to that for December 31, 2019, which do reflect the effects of adopting the standard. For further information about IFRS 16/CPC 06(R2), please refer to item 10.4 of the Reference Form transcribed below.

The terms "HA" and "VA" in the columns of some of the tables below mean "Horizontal Analysis" and "Vertical Analysis" respectively.

(a) Overall financial and equity situations

We believe that the Company's financial and equity condition is sufficient to implement its business plan and fulfill its short and long-term obligations. The Company's cash generation, together with the credit lines available, are sufficient to finance its activities and to cover its need for funds to execute its business plan.

On December 31, 2020, the total indebtedness ratio (current liabilities plus non-current liabilities divided by shareholder's equity) was 1.8x. On that same date, the Company's position in terms of cash and cash equivalents was R\$ 1.5 billion, and its net debt (the sum of loans payable to related parties and leases - current and non-current - less cash and cash equivalents) totaled R\$ 298 million. The financial leverage ratio, measured as net debt divided by shareholder's equity was -0.1x.

On December 31, 2019, the total indebtedness ratio (current plus non-current liabilities divided by shareholder's equity) was 1.2x. On that same date, the Company's position in terms of cash and cash equivalents was R\$ 447 million, and its net debt (the sum of current and non-current related party loans payable - less cash and cash equivalents) totaled negative R\$ 447 million. The financial leverage ratio, measured as net debt divided by shareholder's equity was -0.2x.

On December 31, 2018, the total indebtedness ratio (current liabilities plus non-current liabilities divided by shareholder's equity) was 2.1x. On that same date, the Company's position in terms of cash and cash equivalents was R\$ 446 million, and its net debt (the sum of current and non-current related party loans payable less cash and cash equivalents) totaled R\$ 463 million. The financial leverage ratio, measured as net debt divided by shareholder's equity was 0.4x.

(b) Capital Structure

In 2020 the Company took out R\$ 1.2 billion in loans. In 2019 it issued an IPO and paid off related party loans ahead of schedule. The Company's capital structure has fluctuated over the years due to these factors.

(in R\$ million and %)	On December 31,		
	2020	2019	2018
Third-party capital (current + non-current liabilities)	4,654.8	3,297.5	2,363.3
Equity (Shareholder's Equity)	2,654.8	2,739.6	1,115.0
Total capital (third party + equity)	7,309.6	6,037.1	3,478.3
Percent third-party capital	63.7%	54.6%	67.9%
Percent equity	36.3%	45.4%	32.1%

(c) Capacity to pay in relation to financial commitments made

It is our belief that the Company's financial condition is sufficient to meet its financial commitments due over the next few years. On December 31, 2020 the general liquidity ratio (total assets divided by the sum of current and non-current liabilities) and the current liquidity ratio (current assets divided by current liabilities) were 1.6 and 1.6 respectively. On December 31, 2020, the Company's Net Debt (measured as the sum of current and non-current loans payable less the balance of cash and cash equivalents) totaled R\$ 298 million. The Company's relationship with financial institutions gives it access to additional credit lines, should this be necessary.

(d) Sources of financing used for working capital and for investments in non-current assets

Over the past three years, the Company's main sources of financing were (i) cash flow from Company operating activities; (ii) loans taken out from related and third parties; and (iii) capital increases through issuing of shares. These funds are used by the Company to primarily cover costs, expenses and investments related to (i) operating the business and (ii) capital outlays.

It is our belief that the sources of financing used by the Company are adequate for its indebtedness profile, and meet the working capital and investment needs, always maintaining a suitable financial debt profile and consequently the Company's payment capacity.

(e) Sources of financing used for working capital and for investments in non-current assets that the Company intends to use to cover liquidity shortages

Management does not foresee any need for resources that cannot be supported with the current or future resources available to the Company. If additional funds are required to cover short-term liquidity shortages, we intend to raise funds in the Brazilian capital markets and/or financial institutions.

Item 10.1(f) of the Reference Form describes the main credit lines contracted by the Company, and their characteristics.

(f) Indebtedness levels and the characteristics of these debts

The balance of loans payable on December 31, 2020 was R\$ 1.2 billion, on December 31, 2019 there were no loans payable while on December 31, 2018 the balance of loans payable was R\$ 907 million. In 2018 the balance was owed to related parties.

(i) Material loan and financing agreements

On December 31, 2020 the Company had R\$ 1.2 billion in loan agreements.

(ii) Other long-term relationships with financial institutions

The Company maintains close relationships with the main financial institutions in the Brazilian market. On December 31, 2020 it had long-term transactions with financial institutions totaling R\$ 821 million.

The Company's Executive Officers further state that the current relationships with financial institutions are adequate to meet potential financing needs to expand its business. New relationships with financial institutions may be developed in line with Company strategies.

(iii) Degree of subordination between debts

None of the Company's debts on December 31, 2020 had any specific subordination condition, thus there is no priority relationship between them. The degree of subordination between Company debts is determined in accordance with the provisions of current legislation.

(iv) Any restrictions imposed on the issuer, in particular in relation to indebtedness and the taking out of new debt, the distribution of dividends, the disposal of assets, the issuing of new securities and the transfer of corporate control

None of the Company debt on December 31, 2020 had restrictions or limits on indebtedness or the taking out of new debt. The only financial covenant is net debt/EBITDA ratio larger than or equal to 3.

Change in the controlling shareholding is a non-automatic acceleration clause, in which case creditors must be aligned regarding the risk of the new controlling entity.

The disposal of assets in an amount that exceeds 5% of the total company assets must be notified and approved by the creditors ahead of time.

(g) Limits on the use of financing already contracted

On December 31, 2020 the Company had no financing agreement or contracting limit that had not been fully realized.

(h) Significant changes in each item of the financial statements

The following figures and analyses are derived from the Company's consolidated financial statements for the periods ending December 31, 2020, 2019 and 2018.

STATEMENT OF OPERATIONS

FISCAL PERIOD ENDING DECEMBER 31, 2020 COMPARED TO THE FISCAL PERIOD ENDING DECEMBER 31, 2019

STATEMENT OF EARNINGS (R\$ million and percentages)	Fiscal period ending on December 31, 2020	VA	Fiscal period ending on December 31, 2019	VA	HA
NET REVENUE	4,085.5	100.0%	5,285.2	100%	-22.7%
Cost of goods sold and services rendered	(2,188.9)	-53.6%	(2,717.1)	-51.40%	-19.4%
GROSS PROFIT	1,896.6	46.4%	2,568.1	48.60%	-26.1%
OPERATING (EXPENSES) AND INCOME					
General and administrative expenses	(491.7)	-12.0%	(498.0)	-9.4%	-1.3%
Sales	(1,648.4)	-40.3%	(1,755.3)	-33.2%	-6.1%
Other net operating income (expenses)	79.3	1.9%	718.3	13.6%	-89.0%
INCOME BEFORE FINANCIAL RESULTS	(164.2)	-4.0%	1,033.1	19.5%	-115.9%
Gain (loss) on derivatives	0.0	0.0%	(26.1)	-0.5%	-100.0%
Foreign exchange variation	(11.7)	-0.3%	29.6	0.6%	-139.6%
Financial expenses	(214.1)	-5.2%	(255.8)	-4.8%	-16.3%
Financial income	134.3	3.3%	641.3	12.1%	-79.1%
Financial results	(91.4)	-2.2%	388.9	7.4%	-123.5%
INCOME (LOSS) BEFORE INCOME TAXES	(255.7)	-6.3%	1,422.0	26.9%	-118.0%
Income taxes	89.3	2.2%	(450.0)	-8.5%	-119.9%
NET INCOME (LOSS) FOR THE PERIOD	(166.3)	-4.1%	972.0	18.4%	-117.1%

Net Revenue

Net revenue for the period ending December 31, 2020 was R\$ 4.1 million compared to R\$ 5.3 million on December 31, 2019, a decrease of R\$ 1.2 billion or 22.7%. This reduction is substantially due to the impact of the pandemic, which caused a 24.4% drop in apparel sales and 13.4% Fashiontronics.

Cost of goods sold and services rendered

The cost of goods sold and services rendered in the fiscal period ending December 31, 2020 was R\$ 2.2 million, compared to R\$ 2.7 billion on December 31, 2019, a drop of R\$ 528 million or 19.4%. The cost of goods sold and services rendered was 53.6% and 51.4% of net revenue in the periods ending on December 31, 2020 and 2019 respectively. This drop in the cost of goods sold and services rendered as a percent of net revenue is associated with the drop in sales during the period.

Gross Profit

Gross profit for the period ending December 31, 2020 was R\$ 1.9 billion compared to R\$ 2.6 billion on December 31, 2019, an drop of R\$ 671 million or 26.1%. Gross profit was 46.4% and 48.6% of net revenue (gross margin) respectively, in the periods ending December 31, 2020 and 2019 respectively. This reduction in gross margin is due to factors that impacted the cost of goods sold and services rendered.

General and administrative expenses

General and administrative expenses for the period ending December 31, 2020 were R\$ 492 million compared to R\$ 498 million on December 31, 2019, a decrease of R\$ 6 million or 1.3%. General and administrative expenses were 12% and 9.4% of net revenue respectively in the periods ending December 31, 2020 and 2019 respectively. This drop in general and administrative expenses is due to a R\$ 10 million reversal in labor contingencies and the containment of miscellaneous administrative expenses.

Sales Expenses

Sales expenses for the period ending December 31, 2020 were R\$ 1.6 billion compared to R\$ 1.7 billion on December 31, 2019, a drop of R\$ 107 million or 6.1%. Sales expenses were 40.3% and 33.2% of net revenue respectively in the periods ending December 31, 2020 and 2019. The Company opted to adopt the practical expedient in CPC06 (R2) and consider lease discounts due to the pandemic as a deduction of occupancy costs.

Other net operating income (expenses)

Other net operating income for the period ending December 31, 2020 amounted to R\$ 79 million, compared to R\$ 718 million in the period ending on December 31, 2019, a variation of R\$ 639 million. This variation is primarily due to extemporaneous PIS and COFINS credit in the amount of R\$ 663 million (principal), less attorney, consulting and auditing fees, and the recovery of social security credits, net of attorney fees related to winning the PIS/COFINS, MFTZ and Reintegra lawsuits.

Operating profit (loss) before financial results

Losses before financial results for the period ending December 31, 2020 were R\$ 164 million compared to a profit of R\$ 1 billion on December 31, 2019, a reduction of R\$ 1.2 million. Income (loss) before financial results were -4.0% and 19.5% of net revenue respectively in the periods ending December 31, 2020 and 2019. This reduction is primarily due to the factors listed above.

Gain (loss) on derivatives

In the social period ending December 31, 2020 there were no gains (losses) from derivatives, while in the fiscal period ending December 31, 2019 there was a loss of R\$ 26 million from settling a Swap agreement.

Foreign exchange variation

The result of foreign exchange variations in the period ending on December 31, 2020 was a loss of R\$ 12 million, compared to income of R\$ 30 million in the period ending on December 31, 2019, a R\$ 41 million reduction. This is the result of the increased valuation of the US Dollar vs. the Brazilian Real in 2020.

Financial expenses

Financial expenses for the period ending December 31, 2020 were R\$ 214 million compared to R\$ 256 million on December 31, 2019, a decrease of R\$ 42 million or 16.3%. One of the factors behind this drop is the settlement of related party loans.

Financial income

Financial income for the period ending December 31, 2020 was R\$ 134 million, compared to R\$ 641 million on December 31, 2019, a decrease of R\$ 507 million. This is due to updating previously unused PIS and COFINS tax credits due to the exclusion of ICM from the basis of calculation, updating the tax credits from the Manaus Free Trade Zone and Reintegra lawsuits. It also includes interest on credits from previously unused PIS/COFINS on imports.

Financial Results

Financial results for the period ending on December 31, 2020 were expenses of R\$ 91 million, compared to income of R\$ 389 million in the period ending on December 31, 2019, a variation of R\$ 480 million. This reduction is primarily due to the factors listed above.

Income (loss) before income taxes

Income before income taxes for the period ending on December 31, 2020 was R\$ 256 million, compared to R\$ 1.4 billion in the period ending on December 31, 2019, a variation of R\$ 1.7 billion. To a large extent this variation can be attributed to the recognition of tax credits in connection with the favorable ruling on the claim that confirmed the Company's right to exclude ICMS tax from basis for calculating PIS and COFINS, as commented above in explaining the variation in the lines entitled "other net operating revenue (expenses)" and "financial revenue", and the increase in gross profits due to a slight improvement in the Company's commercial performance.

Income taxes

Income taxes for the period ending December 31, 2020 amounted to R\$ 89 million compared to expenses of R\$ 450 million on December 31, 2019, a variation of R\$ 539 million. This variation is largely attributed to recognition of deferred taxes in the amount of R\$ 436 million related to deferred taxation of tax credits associated with the favorable ruling that recognized the Company's right to exclude ICMS from the basis for calculating PIS and COFINS in the period ending on December 31, 2019.

Net income (loss) for the period

Losses for the period ending on December 31, 2020 amounted to R\$ 166 million, compared to a profit of R\$ 972 million in the period ending on December 31, 2019, a variation of R\$ 1.1 billion. This variation is substantially due to the factors listed above.

FISCAL PERIOD ENDING DECEMBER 31, 2019 COMPARED TO THE FISCAL PERIOD ENDING DECEMBER 31, 2018

STATEMENT OF EARNINGS (R\$ million and percentages)	Fiscal period ending on December 31, 2019	VA	Fiscal period ending on December 31, 2018	VA	HA
NET REVENUE	5.285,2	100%	5.139,1	100%	2.8%
Cost of goods sold and services rendered	2.717,1	-51.4%	2.590,0	-50.4%	4.9%
GROSS PROFIT	2.568,1	48.6%	2.549,1	49.6%	0.7%
OPERATING (EXPENSES) AND INCOME					
General and administrative expenses	(498.0)	-9.4%	(461.9)	-9.0%	-7.8%
Sales	(1,755.3)	-33.2%	(1,720.2)	-33.5%	2.0%
Other net operating income (expenses)	718,3	13.6%	(10.8)	-0.2%	-6,078.7%
INCOME BEFORE FINANCIAL RESULTS	1.033,1	19.5%	356,2	6.9%	190.0%
Gain (loss) on derivatives	(26.1)	-0.5%	17,2	0.3%	-251.5%
Financial expenses	(275.4)	-5.2%	(316.9)	-6.2%	-13.1%
Financial income	690,4	13.1%	169,0	3.3%	308.5%
Finance results	388,9	7.4%	(130.7)	-2.5%	-397.6%
INCOME (LOSS) BEFORE INCOME TAXES	1.422,0	26.9%	225,6	4.4%	530.5%
Income taxes	(450.0)	-8.5%	(51.9)	-1.0%	766.9%
NET INCOME (LOSS) FOR THE PERIOD	972,0	18.4%	173,6	3.4%	459.8%

Net Revenue

Net revenue for the period ending December 31, 2019 was R\$ 5.3 million compared to R\$ 5.1 million on December 31, 2018, an increase of R\$ 146 million or 2.8%. This increase is largely due to a 4.1% increase in apparel sales and 1% increase in Fashiontronic sales.

Cost of goods sold and services rendered

The cost of goods sold and services rendered in the fiscal period ending December 31, 2019 was R\$ 2.7 billion, compared to R\$ 2.6 billion on December 31, 2018, an increase of R\$ 127 million or 4.9%. As a percent of net revenue it was 51.4% and 50.4% in the periods ending on December 31, 2019 and 2018 respectively. The increase in the cost of goods sold and services rendered as a percent of net revenue is due to (i) lower gross margins due to increased promotions; (ii) higher tax burden in Fashiontronics with the end of the "Lei do Bem", (iii) a drop in financial services revenue (the Bradescard partnership), and (iv) an increase in the cost of imported goods.

Gross Profit

Gross profit for the period ending December 31, 2019 was R\$ 2.6 billion compared to R\$ 2.5 billion on December 31, 2018, an increase of R\$ 19 million or 0.7%. Gross profit was 48.6% and 49.6% of net revenue (gross margin) respectively, in the periods ending December 31, 2019 and 2018. This reduction in gross margin is due to factors that impacted the cost of goods sold and services rendered.

General and administrative expenses

General and administrative expenses for the period ending December 31, 2019 were R\$ 498 million compared to R\$ 462 million on December 31, 2018, an increase of R\$ 36 million or 7.8%. General and administrative expenses were 9.4% and 9.0% of net revenue respectively in the periods ending December 31, 2019 and 2018. This increase in general and administrative expenses is primarily the result of higher expenses for depreciation and amortization due to investments made to support growth levers in digital transformation and supply chain.

Sales Expenses

Sales expenses for the period ending December 31, 2019 were R\$ 1.7 billion compared to R\$ 1.7 billion on December 31, 2018, an increase of R\$ 35 million or 2.0%. Sales expenses were 33.2% and 33.5% of net revenue respectively in the periods ending December 31, 2019 and 2018. This increase is due to higher personnel expenses and higher occupancy costs due to the larger number of stores and increases in depreciation due to the faster pace of investments.

Other net operating income (expenses)

Other net operating income for the period ending December 31, 2019 was R\$ 718 million, compared to an expense of R\$ 11 million in the period ending on December 31, 2018, a variation of R\$ 729 million. To a substantial degree, this variation is attributed to the recognition of the tax credits resulting from the court's favorable final ruling in the case that confirmed the Company's right to exclude ICMS tax from the calculation basis of PIS/COFINS, amounting to R\$ 663 million (R\$ 645 million if attorney, consulting and auditing fees are deducted). For further information please refer to note 25.5 of the Financial Statements for the period ending December 31, 2019.

Profit before financial results

Income before financial results for the period ending December 31, 2019 was R\$ 1 billion, compared to R\$ 356 million on December 31, 2018, an increase of R\$ 677 million. Income before financial results was 19.5% and 6.9% of net revenue respectively in the periods ending December 31, 2019 and 2018. The increase in income before financial results as a share of net revenue is primarily due to the recognition of previously unused tax credits due to the favorable ruling in the case confirming the Company's right to exclude ICMS from the basis for calculating PIS/COFINS, and a slight increase in the Company's commercial performance.

Gain (loss) on derivatives

The result of gains (losses) from derivatives for the period ending on December 31, 2019 were losses of R\$ 26 million, compared to revenue of R\$ 17 million in the period ending on December 31, 2018, a variation of R\$ 43 million. This is due to a change in the profile of Company loans and the protection mechanisms used. Starting in the second half of 2018, loans that had been denominated in foreign currency were recorded in local currency, as agreements expired and according to the Company's working capital needs.

Financial expenses

Financial expenses for the period ending December 31, 2019 were R\$ 275 million compared to R\$ 317 million on December 31, 2018, a decrease of R\$ 41 million or 13.1%. This reduction is due to the impact of exchange variations on related party loans previously denominated in foreign currency and, since 2018, denominated in local currency. This was partially offset by the increase in lease interest expenses (R\$ 137 million) due to adopting IFRS16 / CPC 06.

Financial income

Financial income for the period ending December 31, 2019 was R\$ 690 million compared to R\$ 169 million on December 31, 2018, an increase of R\$ 521 million. This increase is due to R\$ 618 million in monetary correction of the PIS and COFINS tax credit entered as "other net operating revenue (expenses)" in 2019.

Financial Results

Financial results for the period ending on December 31, 2019 were a revenue of R\$ 389 million, compared to expenses of R\$ 131 million in the period ending on December 31, 2018, a variation of R\$ 520 million. This improvement is due to the factors listed above.

Income (loss) before income taxes

Income before income taxes for the period ending on December 31, 2019 was R\$ 1.4 billion, compared to R\$ 226 million in the period ending on December 31, 2018, a variation of R\$ 1.2 billion. To a large extent, this variation can be attributed to the recognition of tax credits in connection with the favorable ruling on the claim that confirmed the Company's right to exclude ICMS tax from basis for calculating PIS and COFINS, as commented above in explaining the variation in the lines entitled "other net operating revenue (expenses)" and "financial revenue", and the increase in gross profits due to a slight improvement in the Company's commercial performance.

Income taxes

Income taxes for the period ending December 31, 2019 amounted to R\$ 450 million compared to R\$ 52 million on December 31, 2018, an increase of R\$ 398 million. This variation is largely attributed to recognition of deferred taxes in the amount of R\$ 436 million related to deferred taxation of tax credits associated with the favorable ruling that recognized the Company's right to exclude ICMS from the basis for calculating PIS and COFINS in the period ending on December 31, 2019.

Net income (loss) for the period

Net income for the period ending on December 31, 2019 was R\$ 972 million, compared to R\$ 174 million in the period ending on December 31, 2018, a variation of R\$ 798 million. This variation is substantially due to the factors listed above.

STATEMENTS OF FINANCIAL POSITION

COMPARISON OF THE MAIN CONSOLIDATED ACCOUNTS ON DECEMBER 31, 2020 AND 2019

ASSETS (in R\$ million and percentages)	On December 31, 2020	VA	On December 31, 2019	VA	HA
Current					
Cash and cash equivalents	1.509,2	20.6%	447,1	7.4%	237.5%
Trade receivables	1.063,8	14.6%	1.151,5	19.1%	-7.6%
Derivatives	0,2	0.0%	0,7	0.0%	-66.0%
Related parties	0,1	0.0%	0,4	0.0%	-68.9%
Inventories	641,0	8.8%	544,7	9.0%	17.7%
Taxes recoverable	271,7	3.7%	795,6	13.2%	-65.8%
Income Taxes recoverable	10,9	0.1%	38,0	0.6%	-71.2%
Other assets	22,9	0.3%	21,6	0.4%	6.2%
Total current assets	3.520,0	48.2%	3.000,0	49.7%	17.3%
Non-current					
Taxes recoverable	1.157,4	15.8%	521,1	8.6%	122.1%
Deferred taxes	71,5	1.0%	-	-	0.0%
Judicial deposits	81,5	1.1%	101,8	1.7%	-19.9%
Other assets	2,7	0.0%	2,0	0.0%	34.2%
Property and equipment	667,2	9.1%	717,4	11.9%	-7.0%
Right-of-use assets	1.514,4	20.7%	1.507,8	25.0%	0.4%
Intangibles	295,0	4.0%	187,3	3.1%	57.5%
Total non-current assets	3.789,7	51.8%	3,037.1--]	50.3%	24.8%
TOTAL ASSETS	7.309,6	100.0%	6.037,1	100.0%	21.1%

LIABILITIES (in R\$ million and percentages)	On December 31, 2020	VA	On December 31, 2019	VA	HA
Current					
Lease liabilities	390.6	5.3%	357.9	5.9%	9.1%
Suppliers	1,158.9	15.9%	804.0	13.3%	44.1%
Loans	390.6	5.3%	0.0	0.0%	0.0%
Derivatives	6.8	0.1%	3.9	0.1%	74.1%
Labor liabilities	136.1	1.9%	128.6	2.1%	5.9%
Related parties	34.8	0.5%	69.5	1.2%	-50.0%
Interest on shareholder's equity and dividends payable	0.0	0.0%	144.8	2.4%	-100,0%
Taxes payable	107.0	1.5%	183.6	3.0%	-41.7%
Income Tax and Social Contribution payable	0.3	0.0%	35.7	0.6%	-99.1%
Other liabilities	26.6	0.4%	23.1	0.4%	15.3%
Total current liabilities	2,251.7	30.8%	1,751.1	29.0%	28.6%
Non-current					
Lease liabilities	1,264.2	17.3%	1,229.8	20.37%	2.8%
Suppliers	24.8	0.3%	0.0	0,0	0.0%
Loans	820.7	11.2%	0.0	0,0	0.0%
Related parties	0.0	0.0%	0.0	0.0%	0.0%
Labor liabilities	4.4	0.1%	3.6	0.1%	23.4%
Provisions for tax, civil and labor proceedings	230.1	3.1%	233.8	3.9%	-1.6%
Taxes payable	25.0	0.3%	1.1	0.0%	2,172.5%
Deferred taxes	0.0	0.0%	45.6	0.8%	-100,0%
Other liabilities	33.9	0.5%	32.6	0.5%	4.0%
Total non-current liabilities	2,403.1	32.9%	1,546.4	25.6%	55.4%
Total shareholder's equity	2,654.8	36.3%	2,739.6	45.38%	-3.1%

Total liabilities and shareholder's equity	7,309.6	100.0%	6,037.1	100%	21.1%
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Current assets

On December 31, 2020 current assets were R\$ 3.5 billion, and on December 31, 2019 they were R\$ 3 billion. On December 31, 2020, current assets were 48.2% of total assets, compared to 49.7% on December 31, 2019. This increase of R\$ 520 million or 17.3% is primarily the result of a larger balance of cash and cash equivalents (which went from R\$ 447 million on December 31, 2019 to R\$ 1.5 billion on December 31, 2020), with had a greater impact on the financial investments line.

Non-current assets

On December 31,, 2020 non-current assets were R\$ 3.8 billion, and on December 31, 2019 they were R\$ 3 billion. On December 31, 2020 non-current assets were 51.8% of total assets, compared to 50.3% on December 31, 2019. This R\$ 1.3 billion (24.8%) increase is primarily in taxes to recover (which went from R\$ 521 million on December 31, 2019 to R\$ 1.1 billion on December 31, 2020) due to a new expectation of realizing PIS and COFINS credits from the basis for calculating ICMS, and the recognition of tax credits related to the MFTZ and Reintegra.

Current liabilities

On December 31,, 2020 current assets were R\$ 2.3 billion, against R\$ 1.7 billion on December 31, 2019. On December 31, 2020, current liabilities were 30.8% of total liabilities plus shareholder's equity, compared to 29.0% on December 31, 2019. This R\$ 501 million (28.6%) increase is primarily the result of loans taken out, with the first installment of R\$ 391 million due within 1 year, recorded in the statement dated December 31, 2020, and a R\$ 355 million in trade receivables.

Non-current liabilities

On December 31,, 2020 non-current liabilities were R\$ 2.4 billion, and on December 31, 2019 they were R\$ 1.5 billion. As a percent of total liabilities plus shareholder's equity non-current liabilities were 32.9% on December 31, 2020 and 25.6% on December 31, 2019. This R\$ 857 million (55.4%) increase is primarily due to loans taken out in the amount of R\$ 821 million coming due after December 31, 2021.

Shareholder's Equity

On December 31, 2020, shareholder's equity was R\$ 2.7 billion, compared to R\$ 2.7 billion on December 31, 2019. This R\$ 85 million (3.1%) reduction is primarily due to R\$ 166 million in net losses in the fiscal period ending December 31, 2020 due to a reversal of part of the profit reserve to absorb the losses.

STATEMENTS OF FINANCIAL POSITION

COMPARISON OF THE MAIN CONSOLIDATED ACCOUNTS ON DECEMBER 31, 2019 AND 2018

ASSETS (in R\$ million and percentages)	On December 31. 2019	VA	On December 31. 2018	VA	HA
Current					
Cash and cash equivalents	447.1	7.4%	446.0	12.8%	0.2%
Trade receivables	1,151.5	19.1%	1,142.8	32.9%	0.8%
Derivatives	0.7	0.0%	55.1	1.6%	-98.8%
Related parties	0.4	0.0%	0.3	0.0%	37.5%
Inventories	544.7	9.0%	490.6	14.1%	11.0%
Taxes recoverable	795.6	13.2%	17.1	0.5%	4,542.8%
Income Taxes recoverable	38.0	0.6%	25.7	0.7%	47.8%
Other assets	21.6	0.4%	17.9	0.5%	20.5%
Total current assets	3,000.0	49.7%	2,195.6	63.1%	36.6%
Non-current					
Taxes recoverable	521.1	8.6%	7.6	0.2%	6,713.1%
Deferred taxes	-	-	370.6	10.7%	-100,0%
Judicial deposits	101.8	1.7%	67.7	1.9%	50.3%
Other assets	2.0	0.0%	2.9	0.1%	-31.9%
Property and equipment	717.4	11.9%	636.9	18.3%	12.6%
Right-of-use assets leases	1,507.8	25.0%	-	-	-
Intangibles	187.3	3.1%	196.9	5.7%	-4.9%
Total non-current assets	3,037.1	50.3%	1,282.8	36.9%	88.1%
TOTAL ASSETS	6,037.1	100.0%	3,478.3	100.0%	73.6%

LIABILITIES (in R\$ million and percentages)	On December 31. 2019	VA	On December 31. 2018	VA	HA
Current					
Lease liabilities	357.9	5.9%	0.2	0.0%	155,504.8%
Suppliers	804.0	13.3%	678.8	19.5%	18.4%
Derivatives	3.9	0.1%	0.4	0.0%	877.2%
Labor liabilities	128.6	2.1%	130.9	3.8%	-1.8%
Related parties	69.5	1.2%	656.0	18.8%	-89.4%
Interest on shareholder's equity and dividends payable	144.8	2.4%	58.6	1.7%	147.2%
Taxes payable	183.6	3.0%	160.9	4.6%	14.1%
Income Tax and Social Contribution payable	35.7	0.6%	26.6	0.8%	34.3%
Other liabilities	23.1	0.4%	40.6	1.2%	-43.2%
Total current liabilities	1,751.1	29.0%	1,750.1	50.3%	0.1%
Non-current					
Lease liabilities	1,229.8	20.37%	1.6	0.0%	75,906.7%
Related parties	0.0	0.0%	313.5	9.0%	9.0%
Labor liabilities	3.6	0.1%	4.1	0.1%	-12.5%
Provisions for tax, civil and labor proceedings	233.8	3.9%	262.6	7.5%	-11%
Taxes payable	1.1	0.0%	-	-	-
Deferred taxes	45.6	0.8%	-	-	-
Other liabilities	32.6	0.5%	31.5	0.9%	3.4%
Total non-current liabilities	1,546.4	25.6%	613.2	17.6%	152.2%
Total shareholder's equity	2,739.6	45.38%	1,115.0	32.1%	145.7%
Total liabilities and shareholder's equity	6,037.1	100%	3,478.3	100.0%	73.6%

Current assets

On December 31, 2019 current assets were R\$ 3 billion, and on December 31, 2018 they were R\$ 2.2 billion. They were 49.7% of total assets on December 31, 2018 against 63.1% on December 31, 2018. This R\$ 804 (36.6%) increase is primarily due to an increase in the balance of taxes recoverable, which went from R\$ 17 million on December 31, 2018 to R\$ 796 million on December 31, 2019, and the recognition of tax credits resulting from the favorable ruling that confirmed the Company's right to exclude ICMS from the basis for calculating PIS/COFINS.

Non-current assets

On December 31, 2019, non-current assets were R\$ 3 billion, and on December 31, 2018 they were R\$ 1.3 billion. On December 31, 2019, non-current assets were 50.3% of total assets, compared to 36.9% on December 31, 2018. This increase of R\$ 1.8 million (136.8%) is primarily the result of the following:

- (i) The favorable final ruling that confirmed the Company's right to exclude ICMS from the basis for calculating PIS/COFINS, which had an impact on taxes recoverable, the balance of which went from R\$ 8 million on December 31, 2018 to R\$ 521 million on December 31, 2019,
- (ii) the adoption on January 1, 2019 of CPC Technical Pronouncement CPC 06 (R2) lease Transactions (IFRS 16), which directly impacted right-of-use leases (from a balance of zero on December 31, 2018 to R\$ 1.5 billion on December 31, 2019).

Current liabilities

On December 31, 2019, current liabilities were R\$ 1.7 billion, compared to R\$ 1.7 billion on December 31, 2018. They were 29.0% of total liabilities plus shareholder's equity on December 31, 2019 against 50.3% on December 31, 2018. This R\$ 1 million or 0.1% increase is primarily the result of (i) adopting Technical Pronouncement CPC 06 (R2) lease Transactions (IFRS 16) as of January 1 2019, increasing lease transactions by R\$ 358 million; (ii) higher interest on equity and dividends payable, in the amount of R\$ 86 million, and (iii) increased trade payables of R\$ 125 million. This increase was offset by settling related party loans, which dropped from R\$ 712 million on December 31, 2018 to R\$ 69 million on December 31, 2019.

Non-current liabilities

On December 31, 2019, current liabilities were R\$ 1.5 billion, compared to R\$ 613 million on December 31, 2018. They were 25.6% of total liabilities plus shareholder's equity on December 31, 2019 against 17.6% on December 31, 2018. This increase of R\$ 933 (152.2%) is primarily the result of the following:

- (i) Adopting Technical Pronouncement CPC 06 (R2) lease Transactions (IFRS 16), which impacted the balance of lease transactions, which went from R\$ 2 million on December 31, 2018 to R\$ 1.2 billion on December 31, 2019.

Shareholder's Equity

On December 31, 2019, shareholder's equity was R\$ 2.7 billion, compared to R\$ 1.1 billion on December 31, 2018. This increase of R\$ 1.6 billion (145.7%) is due primarily to net income for the period ending December 31, 2019, which totaled R\$ 972 million, boosted by the recognition of previously unused tax credits resulting from the court's favorable final ruling in the case that confirmed the Company's right to exclude ICMS tax from the basis for calculating PIS and COFINS, and a R\$ 814 increase in capital due opening the Company's capital and issuing new shares.

CASH FLOW

The following table shows the Company's Consolidated Cash Flows for the periods indicated

FISCAL PERIOD ENDING DECEMBER 31, 2020 COMPARED TO THE FISCAL PERIOD ENDING DECEMBER 31, 2019

(in R\$ million and percentages)	Fiscal period ending on December 31,		
	2020	2019	HA
Cash flow from (invested in) operating activities	604.6	851.9	-29.0%
Net cash invested in investment activities	(260.0)	(321.3)	-19.1%
Net cash invested in financing activities	717.4	(529.5)	-235.5%

Operating activities

Net cash from operating activities totaled R\$ 605 million in the period ending December 31, 2020, compared to R\$ 852 million net cash invested operating activities on December 31, 2019. This R\$ 247 million variation is justified primarily by the following:

- (i) Transferring the supplier discount transactions to banks, enabling C&A to pay its obligations on the original due date.

Investment activities

Net cash applied to investment activities totaled R\$ 260 million in the period ending December 31, 2020, compared to R\$ 321 million on December 31, 2019. This R\$ 61.3 million (19.1%) reduction is primarily due to the impact of the pandemic and negotiating investments with longer payment terms.

Financing activities

Net cash used in financing activities totaled R\$ 717 million in the period ending December 31, 2020, compared to R\$ 529 million on December 31, 2019. This R\$ 1.2 billion increase is due to loans taken out in 2020 totaling R\$ 1 billion.

FISCAL PERIOD ENDING DECEMBER 31, 2019 COMPARED TO THE FISCAL PERIOD ENDING DECEMBER 31, 2018

(in R\$ million and percentages)	Fiscal period ending on December 31,		
	2019	2018	HA
Cash flow from (invested in) operating activities	851.9	358.5	137.6%
Net cash invested in investment activities	(321.3)	(246.4)	30.4%
Net cash invested in financing activities	(529.5)	(97.9)	440.9%

Operating activities

Net cash from operating activities totaled R\$ 852 million in the period ending December 31, 2019, compared to R\$ 358 million net cash invested operating activities on December 31, 2018. This R\$ 493 million variation is justified primarily by the following:

- (i) a R\$ 354 increase in cash generation from classifying lease payments as financing activities, following the adoption of IFRS16 / CPC (06) on January 1, 2019.
- (ii) R\$ 69 increase in operating cash generation in accounts receivable, due to a larger share of apparel sales in 2019 (with receivable terms shorter than fashiontronics).

Investment activities

Net cash applied to investment activities totaled R\$ 321 million in the period ending December 31, 2019, compared to R\$ 246 million on December 31, 2018. This R\$ 75 million (30.4%) increase is primarily due to an increase in the number of new stores opened, revamping stores to the CVP model and investments in IT technology and logistics.

Financing activities

Net cash used in financing activities totaled R\$ 529 million in the period ending December 31, 2019, compared to R\$ 98 million on December 31, 2018. This R\$ 432 million increase is due to adopting IFRS16/CPC 06, which in 2019 classifies lease payments in the amount of R\$ 354 million as financing activities.

10.2 - Operating and financial results

(a) Results of the issuer's operations

(i) Description of any material components of revenue

It is our belief that the bases that support the Company's revenue, and hence its operations in the years ending December 31, 2020, 2019 and 2018 are largely comprised of the re-sale of apparel and mobile phones, by the offer of financial products and services through its partnership with Banco Bradesco S.A. and, to a lesser extent, to revenue from the provision of services, such as (i) information technology services, (ii) revenue from shipping, (iii) commissions from the sale of telephony plans and mobile phone top-ups, and (iv) marketplace revenue, comprised of commissions resulting from providing a digital platform on which commercial partners offer their goods and services.

(ii) Factors that have a material impact on operating results

The Company operates in the retail fashion segment, its operations consist primarily of the sale of apparel and mobile phones. As a result, our operating results depend on macroeconomic conditions and are influenced by the following factors:

(i) *Real GDP growth and increasing consumer purchasing power*: Our retail industry is sensitive to variations in consumer purchasing power. Indicators such as GDP, which in 2018, 2019 and 2020 was 1.3%, 1.1% and 4.1% respectively, and the average annual unemployment rate, which was 12.3%, 11.9% and 13.5% in the same periods, show a challenging economic outlook for the country, which could result in possible demand fluctuations.

(ii) *Inflation*: The impact of inflation is mainly felt on our expenses, such as salaries, lease agreements and consumables, which for the most part are adjusted on an annual basis based on indices linked to the IPCA (Extended Consumer Price Index) or the IGPM (General Market Price Index). Inflation (IPCA) in 2018, 2019 and 2020 was 3.7%, 4.3% and 4.5% respectively.

(iii) *Exchange rate*: The exchange rate has a direct impact on our operating results, mainly due to its impact on the cost of goods sold, given that a significant percentage of our products are imported. Fluctuations in the US Dollar exchange can cause our costs to go up. The year-on-year increase in the value of the US Dollar compared to the Brazilian Real was 17.1%, 4.0% and 28.9% in 2018, 2019 and 2020 respectively.

(iv) *Consumer buying behavior*: We constantly assess customer demand and the trends that could indicate possible changes in buying behavior. We perform surveys of trends, innovations and satisfaction among customers and non-customers, which also help us understand where we can improve our business processes. Development and implementation of the omnichannel concept are examples of changes we made to monitor and ensure the best possible shopping experience for our customers.

(v) *Seasonality*: Retail is highly seasonal, with each quarter having its own characteristics. In the second quarter we have Mother's Day, and in the fourth Black Friday and Christmas, all of which are important for retail apparel sales.

(vi) *Climate*: Fashion retail is susceptible to the climate, especially during the winter months. For example, several warm days in a row during winter can leave part of our inventory on the shelves, as it is not compatible with the actual weather conditions. Periods of unusual weather may mean the Company must sell off excess inventory at discounted prices, thus reducing its margins.

(b) Variations in revenue attributable to changes in price, exchange rates, inflation, or volume, as well as the introduction of new products and services.

The Company seeks to develop its products by tracking the constantly changing fashion trends. As a result, the Company and the fashion industry have very short product life cycles, and changes that make it hard to compare prices between periods. Because of this, it is impossible to say that inflation has a significant impact on the increase in revenue from the sale of goods. Likewise, comparing or attributing revenue growth to changes in the volume of products sold may lead to inappropriate conclusions, as it is not necessarily the case that the same products are being offered from one period to the next.

We offer a balanced mix of domestic and imported goods. The Company's pricing policy is more closely linked to consumer purchasing power and to the prices charged by our competitors. For this reason, changes in the exchange rate do not necessarily produce adjustments in prices or changes in revenue.

(c) Impact of inflation, of variations in the prices of the main inputs and goods, in the exchange rate and in the interest rate on the issuer's operating and financial results

As mentioned, the Company and the fashion industry have very short product life cycles, and changes that make it hard to compare both the price and the cost of goods sold between periods. While the inflation rate may impact our costs, our management and our work with the supply chain seek to reduce these impacts.

However, it is our opinion that variations in the inflation rate have a significant impact on our expenses. Although improvements in the Company's management and more efficient internal processes can mitigate part of the inflationary effect, inflation directly impacts our expenses, particularly wages, lease agreements, shipping and energy which, for the most part, are adjusted on an annual basis using indices linked to the IPCA or IGPM.

Variations in the exchange rate also have a direct impact on the cost of goods sold. Higher exchange rates increase our costs, and it is not always possible to pass along all of this increase to our prices, thus impacting our gross margin from the sale of goods. Most of our goods are produced in Brazil. To mitigate any impact of exchange variations on the margin of our imported goods, the Company uses NDF (Non-Deliverable Forward) hedges.

(Amounts in R\$ thousand, except where otherwise stated - USD thousand)

		Negative Scenarios Possible			
		Notional US\$	Scenario o Likely USD 1 = R\$ 5,14	Scenario o +25% USD 1 = R\$ 6,43	Scenario Remote +50% USD 1 = R\$ 7,71
		(Payable)/Receivable			
Hedge object	Purchasing orders for imported goods	(27,091)	1,536	(33,276)	(68,088)
Hedge Instruments	NDF	24,433	(1,385)	30,011	61,407
	Net exposure of import orders	(2,658)	151	(3,265)	(6,681)
	Non-recoverable taxes (36%)	(9,753)	553	(11,979)	(24,512)
	Total net exposure	(12,411)	704	(15,244)	(31,193)
	Impact on earnings, net of IT/SC		465	(10,061)	(20,587)

An increase in the basic interest rate does not have a material impact on our results, as on December 31, 2020 the Company had loans outstanding and financial investments linked to the CDI, which partially offset each other.

Parent Company and Consolidated

					Increasing interest		Decreasing interest	
	Risk	Balance on December 31, 2020	Rate	Likely scenario	Possible Scenario +25%	Remote Scenario +50%	Possible Scenario -25%	Remote Scenario -50%
Financial investments (ii)	Lower CDI	1,441,747	CDI	6,736	8,420	10,104	5,052	3,368
Loans	Higher CDI	(1,211,252)	CDI	(5,814)	(7,267)	(8,721)	(4,360)	(2,907)
Net exposure/Impact on earnings prior to IT/SC				922	1,153	1,383	692	461
				230.495				
Impact on earnings, net of IT/SC				609	761	913	457	304

10.3 - Events with actual and expected material impact on the financial statements

(a) Introduction or divestment of operating segments

In 2018, 2019 and 2020, no operating segment was introduced, nor was there any divestment that could be construed as an introduction or divestment of a cash generating unit.

(b) Establishment, acquisition or divestment of equity interests

All information about the establishment, acquisition or divestment of equity interests involving the Company or companies of its economic group has been made available in items 8.1 and 15.7 of the Reference Form.

(c) Unusual events or transactions

In 2018, 2019 and 2020 there were no unusual events or transactions involving the Company or its activities that may have had, or are expected to have, any material effect on the Company's financial statements or results.

10.4 - Significant changes in accounting practices - exceptions and points raised in the auditor's opinion

(a) Significant changes in accounting practices

As of January 1, 2019, the Company adopted the new accounting interpretations of CPC 06 (R2)/IFRS 16 leases, replacing the existing instructions under CPC 06 (R1)/IAS 17 and interpretation ICPC 22/IFRIC 23 – Uncertainty over income tax treatments.

In addition, as of January 1, 2018, the Company adopted the new accounting interpretations of CPC 47/IFRS 15 - Revenues from Contracts with Customers and CPC 48/IFRS 9 - Financial Instruments.

(b) Significant effects of the changes in accounting practices

CP 47/IFRS 15 - Revenue from Contracts with Customers

The Company has evaluated the effects of applying the standard, and has not identified changes or impacts in recognizing its revenue with regard to possible variations in the amounts shown on the books, and variations in the control activities undertaken, given that revenue has always been recognized using the "cash and carry" model, which means the goods pass to the customer's control at the time consideration is received, and, in the case of sales on credit, to the extent that the Company has fulfilled its performance obligations.

The customer's right to return goods also has no material effect since, in most cases, returns are followed by a new purchase. E-commerce sales are an exception, but no provision is yet required because of the magnitude of such sales.

Consumer behavior regarding how they use exchange vouchers and gift cards has been analyzed for possible recognition of breakage at the time of issuance. These instruments are valid for one month and one year, respectively. Management has evaluated the unused volume and considered it to be not so relevant as to require an adjustment to revenue

CPC48 (IFRS 9) - Financial Instruments

CPC 48 - Financial instruments (equivalent to international standard IFRS 9), replaces CPC 38 (equivalent to international standard IAS 39) for the periods as of January 1, 2018, consolidating all three aspects for booking financial instruments: classification and measurement; impairment; and hedge accounting.

Hedge accounting has been applied prospectively. Financial assets were classified retrospectively, with January 1, 2018 as the initial adoption date; for comparison purposes, the data was adjusted to the period starting January 1 2016, but with no financial impact. Application of impairment based on expected losses has had no effect on the Company's financial statements, given that the risk of loss from the financial assets is extremely low and, therefore, irrelevant.

Classification and measurement

The following table explains the original measurement categories under CPC 38 (equivalent to IAS 39) and the new measurement categories of CPC 48 for each class of the Company's financial assets and liabilities on January 1, 2018. The book value of the financial assets and liabilities on January 1, 2018 did not change with the adoption of CPC 48.

Financial assets	Original classification CPC 38 / IAS 39	New classification CPC48 / IFRS9
Cash and cash equivalents	Loans and receivables	Amortized cost
Trade receivables	Loans and receivables	Amortized cost
Judicial deposits	Loans and receivables	Amortized cost
Related parties	Loans and receivables	Amortized cost
Derivatives	Fair value through profit or loss	Fair value through profit or loss
Derivatives (<i>hedge accounting</i>)	Financial assets at fair value through other comprehensive income	Financial assets at fair value through other comprehensive income
Financial liabilities		
Lease liabilities	Loans and financing	Amortized cost
Derivatives	Fair value	Fair value
Suppliers	Loans and financing	Amortized cost
Related parties	Loans and financing	Amortized cost

Financial assets and liabilities originally classified as loans and receivables, and loans and financing, respectively, are retained to capture contractual cash flow and to generate

cash flows that exclusively represent payments of principal and interest. For this reason, they are classified as amortized cost when applying CPC 48.

Hedge Accounting

The Company has evaluated and adopted the new hedge accounting model under CPC 48, and has determined that all existing hedge relationships designated as effective hedge relationships will continue to be classified for hedge accounting purposes in accordance with CPC48. Application of the hedge requirements under IFRS9/CPC48 had no impact on the Company's financial statements as of January 1, 2018.

The standards and interpretations adopted after the base date of these financial statements are shown below.

CPC 06 (R2) (IFRS 16) Leases

CPC06 (R2) / IFRS16 introduced a single lease accounting model in the lessees' accounting information. As a result, the Company, as a lessee, recognized right-of-use assets representing its rights to use the underlying assets, and lease liabilities representing its obligation to make lease payments.

The Company previously classified its leases as operational or financial based on its assessment of whether or not the lease substantially transferred all risks and benefits associated with the use of the asset. In accordance with CPC 06 (R2) / IFRS 16, the Company recognizes the lease right-of-use assets and liabilities for most lease agreements in its statement of financial position.

The Company recognizes a right-of-use asset and a lease liability on the date of commencement of the lease. The right-of-use asset is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment, and adjusted for certain re-measurements of the lease liability. Depreciation is calculated using the straight-line-approach over the remaining term of the contracts. The Company used the amounts of fixed or in-substance fixed lease payments, which are the minimum payments agreed in agreements with variable payments based on revenue achieved, gross of PIS and COFINS. Prepaid lease payments and provision for store restoration less incentives received from lessors are added to the right-of-use assets. Specifically, variable payment amounts are recognized monthly as operating expenses.

Lease liabilities are initially measured at the present value of residual lease payments, discounted using the incremental borrowing rate, which is defined as the equivalent nominal interest rate (including inflation) the lessee would incur if it were to contract a loan for a similar term and similar guarantees.

Transition effects

The Company has applied judgment to determine the lease term of some contracts, considering the provisions of Law 8,245 ("Tenant Law"), which grants the lessee the right to contractual renewals when certain conditions are met, as well as past practices regarding the Company's success in renewing its contracts. An assessment of whether the Company is reasonably certain of exercising these options has an impact on the lease term, which significantly affects the amount of recognized lease liabilities and right-of-use assets

In the transition, for leases previously classified as operating leases under CPC 06 (R2) / IFRS 16, lease liabilities were measured at the present value of the remaining payments, discounted using the Company's incremental borrowing interest rate on January 1, 2019, Right-of-use assets were measured as the value equivalent to the lease liability at the initial adoption, adjusted for any prepayments. On initial adoption, provisions for store dismantling and incentives received from lessors were reclassified to compose the right-of-use asset

The Company elected to use the practical expedient of transition and not to recognize lease right-of-use assets and liabilities for certain low-value assets leases and for short-term leases (12 months or less). The Company recognizes payments associated with these leases as an expense, applying the straight-line approach over the lease term.

Furthermore, the Company does not consider initial direct costs of measuring the right-of-use asset at the initial adoption

In measuring lease liabilities for those leases previously classified as operating leases, the Company discounted lease payments using an incremental borrowing rate on January 1, 2019 (real rate, excluding inflation), which reflects the Company's funding rate under market conditions. The weighted average annual rate applied was 3.0% to 4.6%, depending on the contractual term.

Applying the criteria above resulted in the recognition, on January 1, 2019, of a right-of-use asset and a lease liability in the amount of R\$ 1.7 billion which, complemented by the reclassification of balances already recorded in the balance sheet on the adoption date, resulted in a right-of-use asset and a lease liability of R\$ 1.7 billion and R\$ 1.7 billion respectively, represented by properties leased for use as stores, distribution centers and data centers.

Effects of adopting the Guidelines of regulator instruction CVM/SNC/SEP 01/2020

With the issuing of this Official Memo, the Company reviewed the premises used for calculating lease assets and liabilities, and considered the cash flows of future payments gross of potential PIS and COFINS credits, discounting them using a nominal interest rate ranging from 6.6% to 8.8%. This methodology is in agreement with CPC06 (R2) /IFRS16.

The impact of this change was prospectively considered by remeasuring the changes in lease balances.

ICPC 22/IFRIC 23 Uncertainty regarding income tax treatments

CPC 32 specifies requisites for current taxes and deferred tax assets and liabilities. The Company must apply CPC 32 requirements based on applicable tax law. However, it may not be clear how tax law applies to a given transaction. According to fiscal legislation, acceptance of a certain tax treatment may not be known until the relevant tax or court authority makes a decision in future.

Consequently, the challenge or examination of a specific tax treatment by the tax authorities could affect how the entity's current tax or deferred assets or liabilities are booked.

The Company does not believe this interpretation generated significant impact, as all of the procedures used to calculate and pay income taxes are supported by legislation and precedent in Administrative and Judicial Courts.

(c) Qualifications and emphases found in the auditor's report

The Company's Executive Officers inform that the report of the independent auditors on the financial statements for the period ending December 31, 2020 contain no qualifications or emphases. However, the report of the independent auditors on the financial statements for the year ending December 31, 2018 contains a paragraph with an emphasis mentioning the restatement of the Company's financial statements for the years ending December 31, 2018, 2017 and 2016, as shown below:

"On May 31, 2019, April 9, 2018 and May 2, 2017, we issued our unqualified audit reports on the Company's financial statements for the years ending December 31, 2018, 2017 and 2016 respectively, which are being restated. As mentioned in Explanatory Note 2, these financial statements were amended and the Company is restating them to include the statements of value added, refine certain disclosures in the accompanying

notes, and restate the accounting balances resulting from having adopted an accounting policy that Management believes better reflects the Company's operations. Consequently, our audit report is taking these alterations into account and replacing the reports previously issued. Our opinion contains no qualification regarding this issue."

10.5 - Critical accounting policies

The Company's individual and consolidated financial statements were prepared and are presented in accordance with the accounting practices adopted in Brazil (BR GAAP), including the provisions of Brazilian Corporate Law and the accounting standards and procedures issued by the Brazilian Securities Commission (CVM) and the Accounting Pronouncements Committee (CPC), which conform to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The accounting estimates involved in preparing the financial statements are based on objective and subjective factors, based on the judgment of Management to determine the appropriate amount to be recognized in the financial statements. The settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements, due to the probabilistic approach inherent to the estimating process.

Significant items subject to these estimates and premises include:

- a) Determination of the lifetime of property & equipment and intangibles;
- b) Analysis of the recovery of values of property & equipment and intangibles;
- c) Provisions for expected credit losses;
- d) Provisions for inventory losses;
- e) Deferred income tax and social contribution;
- f) Taxes and timeliness applied when determining adjustment to present value of assets and liabilities;
- g) Provisions for tax, civil and labor proceedings;
- h) Actuarial liabilities;
- i) Determining the fair value of derivative financial instruments;
- j) Provision for restoring stores to their original condition;
- k) Profit sharing;
- l) Share-based compensation.

Company Management explains that the accounting policies considered critical have

been selected based on the relevance they could bring to bear on the Company's financial statements, and are described below.

The actual results of these book values may differ from these estimates. Therefore, to better adapt the Company's reality to the foregoing provision, the Company continually reviews its premises, and the possible effects arising from these reviews are recognized in the year or period when the estimates are revised.

To provide an understanding as to how the Company arrives at its judgments on future events, including with regard to the variables and premises used in the estimates, the main critical accounting policies involving management's judgments, including the premises and variables on which these policies are based, have been summarized:

Impairment of non-financial assets

At the end of each period, Management reviews the net book value of assets to assess events or changes in technology and economic or operational circumstances that might indicate any deterioration or impairment. If such evidence is found, and if the net book value exceeds the recoverable value, provisions are made for devaluation, adjusting the net book value to the recoverable value. The recoverable value of an asset or specific cash generating unit, is defined as being the largest between its value in use and the net sale value. Each store is defined as a cash generating unit. The Company considers it to be an indication of impairment if, at the end of the period, the store's contribution is less than 5% of net sales.

The Company bases its assessment of impairment based on detailed financial budgets and provisions, prepared separately by Management for each cash generating unit to which assets are allocated. The average long-term rate of growth is calculated and applied to future cash flows.

In the estimate of the value of the asset in use, estimated future cash flows are discounted to present value using an after-tax discount rate that reflects the weighted average cost of capital for the industry in which the cash generating unit operates. The net fair value of sales expenses is determined based on recent market transactions between knowing and willing parties holding similar assets. In the absence of such transactions, suitable assessment methodology is used.

Losses due to asset devaluation are recognized in earnings, in a manner consistent with the function of the asset subject to the loss.

For assets other than goodwill, a valuation is performed on each reporting date to determine if there is any indication that the losses due to impairment previously recognized have diminished or no longer exist. If there is such indication, the Company estimates the recoverable value of the asset or cash generating unit.

A loss due to impairment of a previously recognized asset is reversed only if there have been changes in the estimates used to determine the impairment of the asset since the most recent recognized loss due to devaluation. Reversal is limited to ensure the asset's carrying amount does not exceed that carrying amount that would have been calculated (net of depreciation and amortization), if no loss due to devaluation of the asset had

been recognized in previous years. This reversal is recognized in earnings.

Provisions for tax, civil and labor proceedings

The Company and its subsidiaries are parties in numerous legal and administrative claims. Provisions are made for all contingencies related to legal claims for which it is likely that a disbursement of funds will be made to settle the contingency, and for which a reasonable estimate can be made. An assessment of the likelihood of loss, which includes the advice of independent legal counsel and an analysis of the following: available evidence, the hierarchy of the laws, the available case-law, the most recent decisions of the courts and their relevance in the legal framework. Provisions are reviewed and adjusted to bear in mind changes in circumstances such as applicable statutes of limitation, and the conclusions of tax inspections or additional exposures found based on new topics or court decisions.

In cases where the provision has a corresponding judicial deposit and the Company intends to settle the liability and realize the asset simultaneously, the amounts are offset.

Retirement and other post-employment benefits

The company sponsors Cyamprev - Sociedade de Previdência Privada, a privately held pension provider to provide pension plans for the employees of its sponsors. In essence, the pension plans sponsored by the Company are structured as defined contribution plans (see Note 30 to the Financial Statements on December 31, 2020). Benefit plans are assessed each year at the end of the period to check if the contribution rates are sufficient to make up the reserves required for current and future commitments. Actuarial gains and losses are recognized using the accrual method.

Provisions for store restoration

When it enters into lease agreements with third parties, the Company agrees that, at the end of the lease, it will restore the property to the same conditions in which it was received. In such situations, provisions are made to restore the stores as a contra-entry to PP&E, based on a historical estimate of restoration expenditures. Property and equipment are amortized over the same term as the lease agreement, including any renewal options the Company may and intends to exercise. Management reviews its estimates of expenditure at the end of each period.

Measurement of the fair value of financial instruments

The company measures financial instruments such as derivatives at fair value on each balance sheet closing date.

Fair value is the price that would be received from the sale of an asset, or paid for the transfer of a liability in a transaction entered into freely and willingly between market participants on the measurement date. Measurement of fair value is based on a presumption that the transaction to sell the asset or transfer the liabilities will occur:

- In the main market for the asset or liability; or

- In the absence of a main market, in the most advantageous market for the asset or liability.

The Company must have access to the main or most advantageous market.

The fair value of an asset or a liability is measured based on the same assumptions market participants would use to define the price of an asset or liability, assuming that the market participants would be acting in their best economic interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Unadjusted quote prices in active markets for identical assets or liabilities;

Level 2 - valuation techniques for which the lowest significant level of input for fair value measurement is directly or indirectly observable;

Level 3 - valuation techniques for which the lowest significant level of input for fair value measurement is not available;

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Present value adjustment of assets and liabilities

The adjustment of assets and liabilities to present value is calculated, and only entered on the books if it is considered relevant to the financial statements taken as a whole. For the purposes of accounting and determining relevance, adjustment to present value is calculated taking into account the contractual cash flows, as well as the explicit and, in certain cases, the implicit interest rate of the respective assets and liabilities.

Leases (as of January 1, 2019)

The Company recognizes a right-of-use asset and a lease liability on the date of commencement of the lease. The right-of-use asset is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment, and adjusted for certain re-measurements of the lease liability. Depreciation is calculated using the straight-line-approach over the remaining term of the contracts. The Company used the amounts of fixed or in-substance fixed lease payments, which are the minimum payments agreed in agreements with variable payments based on revenue achieved, gross of PIS and COFINS. Prepaid lease payments and provision for store restoration less incentives received from lessors are added to the right-of-use assets. Specifically, variable payment amounts are recognized monthly as operating expenses.

The lease liability is initially measured at the present value of residual lease payments, discounted using the incremental interest rate on the lease, which is defined as the

equivalent real interest rate (without inflation) the lessee would incur if it were to contract a loan for a similar term and similar guarantees.

The Company has applied judgment to determine the lease term of some contracts, considering the provisions of Law 8,245 ("Tenant Law"), which grants the lessee the right to contractual renewals when certain conditions are met, as well as past practices regarding the Company's success in renewing its contracts. An assessment of whether the Company is reasonably certain of exercising these options has an impact on the lease term, which significantly affects the amount of recognized lease liabilities and right-of-use assets

Provisions for inventory losses

Provisions for inventory losses are estimated based on the Company's past losses, calculated based on physical inventories taken at least annually. Provisions are also made for goods considered to be slow-movers, based on the age of the inventory.

Stock-based compensation plan

The Company offers stock-based compensation plans to its executives, comprised of options settled solely with the issue or delivery of Company common shares.

Plans are measured at fair value on the date granted. To determine fair value, the Company uses suitable valuation methods.

The cost of transactions settled with equity securities is recognized as an expense in the capital reserve account, together with a corresponding increase in shareholder's equity ending on the date on which the securities vest, i.e. the employee acquires the full right to exercise his/or option. Accumulated expenses, recognized for transactions settled with equity instruments on each base-date until the date of acquisition, reflects how much of the acquisition period was completed, and the Company's best estimate of the number of equity securities to be purchased. The expense or credit in the statement of earnings for the period is recorded as an administrative expense.

If the plan is canceled (except if cancellation is due to loss of the right to the equity security for not meeting the granting conditions), it is handled as if it had been purchased on the date of cancellation, and any unrecognized plan expense is recorded immediately.

Open options are reflected in the calculation of diluted earnings per share).

10.6 - Material off-balance sheet items

(a) Off-balance sheet assets and liabilities held directly or indirectly by the issuer, such as:

(i) Operating leases, paid or received

Company Management clarifies that there are no operating leases paid or received not shown on the Company Balance Sheet dated December 31, 2020.

(ii) Receivables portfolios written off, on which the entity retains the risks and responsibilities, indicating the respective liabilities

Company Management clarifies that there are no written-off receivables portfolios on which the entity retains risks and responsibilities, not shown in the Company's balance sheet on December 31, 2020.

(iii) Future contracts to buy or sell goods or services

Company Management explains that there are no future contracts to buy or sell goods or services that are not shown on the Company's balance sheet for December 31, 2020.

(iv) Unfinished construction contracts

Company Management explains that there are no unfinished construction contracts not shown on the Company's balance sheet on December 31, 2020.

(v) Contracts for future receipt of financing

Company Executive Officers explain that there are no contracts for future receipt of financing not shown on the Company's balance sheet on December 31, 2020.

(b) Other off-balance-sheet items

Company Executive Officers inform that there are no other off-balance sheet items in the financial statements for December 31, 2020.

10.7 - Comments on off-balance sheet items

(a) How such items alter or may alter revenue, expenses, operating results, financial expenses and other items of the issuer's financial statements

As mentioned in item 10.6 above, there are no off-balance sheet items in the financial statements for the years ending December 31, 2020, 2019 and 2018.

(b) Nature and purpose of the transaction

As mentioned in item 10.6 above, there are no off-balance sheet items in the financial statements for the years ending December 31, 2020, 2019 and 2018.

(c) Nature and amount of the liabilities assumed and the rights created on behalf of the issuer, arising from the transaction

As mentioned in item 10.6 above, there are no off-balance sheet items in the financial statements for the years ending December 31, 2020, 2019 and 2018.

10.8 - Business Plan

(a) Investments

(i) Quantitative and qualitative description of ongoing and projected investments

In 2019, C&A invested R\$ 321 million in stores, IT equipment and systems, logistics and its digital fronts. R\$ 197 million (61.4% of the total) were invested in its stores, R\$ 66 million of which to accelerate expansion, one of the pillars of its growth strategy, with 10 new points of sale opening. R\$ 132 million were invested to revamp the 74 CVP stores that were completely redesigned to improve the customer experience. Of the R\$ 15 million (4.6% of the total) invested in Distribution Centers, the largest share went into installing the first sorter, which picks items by SKU. This is in line with the strategy to modernize the operating model of the Company's supply chain, adding speed and accuracy, and supporting its expansion plan. Most of the remaining investment of R\$ 109 million (34.0%) went to IT and to grow and improve the digital fronts, important advances towards its omnichannel initiatives and to accelerate e-commerce and CRM.

In 2020 the Company invested R\$ 303 million. Technology was another major focus of investments - R\$ 119 million. In addition to recurring support investments, we focused on digitization and implemented and/or contracted several tools, such as those to improve the experience and performance of our app. R\$ 45 million were invested in our supply chain, and R\$ 138 million in new stores and store revamps.

(ii) Sources of financing for the investments

Over the past three years, the Company's main sources of financing were: (i) cash flow from Company operating activities; (ii) loans taken out from related and third parties; (iii) capital increases through issuing of shares.

We believe that the sources of financing used by the Company are adequate for its indebtedness profile, and meet its working capital and investment needs, always maintaining a suitable financial debt profile and, as a result, the Company's payment capacity. The Company's relationship with financial institutions gives it access to additional credit lines, should this be necessary.

(iii) Material on-going and projected divestments

On December 31, 2020, the Company had no divestments underway or projected.

(b) (b) Provided disclosure has already taken place, indicate the acquisition of plants, equipment, patents or other assets that might have a material impact on the issuer's production capacity

As of December 31, 2020 there were no acquisitions of plant, equipment, patents or other assets that might have a material impact on the Company's production capacity.

(c) New products or services

(i) Description of research underway that has already been disclosed

Not applicable.

(ii) (ii) Issuer's total spending on research for the development of new products or services

Not applicable.

(iii) (iii) Projects under development and already disclosed

Not applicable.

(iv) Issuer's total spending on the development of new products or services

Not applicable.

10.9 - Other material factors

The Company has no information to provide about expenses with advertising, sponsorships, partnerships and agreements/arrangements.

MANAGEMENT PROPOSAL

Ordinary and Extraordinary General Meeting TO BE HELD ON APRIL 30 2021

ATTACHMENT 02 "A" - PROPOSED DESTINATION OF RESULTS

In compliance with Article 9, Sole Paragraph, item II of CVM Instruction 481, and Attachment 9-1-II of said instruction.

1. Report net profit for the period

Company losses in the period ending December 31, 2020 amounted to R\$ 166.331.683,72 (one hundred and sixty-six million three hundred and thirty-one thousand, six hundred and eighty-three Reals and seventy-two cents).

2. Inform the overall amount of dividends and dividends per share, including prepaid dividends and interest on equity already declared

The Company suffered a loss in the period ended December 31, 2020, and for this reason did not calculate dividends payable.

3. Inform the percent net profit for the period to be distributed

The Company suffered a loss in the period ended December 31, 2020, and for this reason did not calculate dividends payable.

4. Inform the overall amount and the amount per share for dividends distributed based on the profit of previous periods

The distribution of interest on equity related to accumulated profit in 2019, in the gross amount of R\$ 78.133.151,81 (seventy-eight million one hundred and thirty-three thousand one hundred and fifty-one Reals and eighty-one cents) is equivalent to 8.04% of net profit for the period. The amount above, net of withholding income tax, is R\$ 68.846.173,85 (sixty-eight million eight-hundred and forty-six thousand one hundred and seventy-three Reals and eighty-five cents) or 7.08% of net profit for the period.

	2019
	R\$ thousand
Net Income for the Period	971,992,761.02
Interest on Equity distributed	78,133,151.81
Percent of net profit for the period	8.04%
Interest on Equity distributed, net of withholding income tax	68,846,173.85
Percent of net profit for the period	7.08%

5. Inform the following, net of prepaid dividends and interest on equity already declared:

Not applicable.

6. If dividends or interest on equity have been declared based on the profit in half-yearly or shorter interim balance sheets.

Not applicable.

7. Provide a comparison table showing the following amount per share for each type and class:

a. Net profit for the period and for the 3 (three) previous periods

	Fiscal period ending on December 31,		
	2020	2019	2018
Net profit (loss) (R\$ thousand)	(166,332)	971,993	173,634
Net profit per share/quota (R\$)	(0,5396)	3,6253	0,6706

b. Dividends and interest on equity distributed in the 3 (three) previous periods

	Fiscal period ending on December 31,		
	2020	2019	2018
Interest on Equity (R\$ thousand)	-	78,133	68,917
Interest on Equity distributed (net of withholding income tax) (R\$ thousand)	-	68,846	58,580
Amount paid per share/quota (R\$)*	-	0,2233	0,0597

* *Considering interest on equity net of withholding income tax.*

8. If profits are to be allocated to legal reserves

a. State the amount to be set aside as legal reserve

The Company had a loss in the period ending December 31, 2020, and thus did not constitute legal reserves.

b. Describe how legal reserves are calculated

As stated in the Company Bylaws, 5% of net profit for the period must be set aside for legal reserves before any other destination of funds. Legal reserve shall not exceed 20% (twenty percent) of capital stock.

The Company had a loss in the period ending December 31, 2020, and thus did not constitute legal reserves.

9. It the company has preferred shares with the right to fixed or minimum dividends

a. Describe how fixed and/or minimum dividends are calculated

Not applicable as the Company does not have preferred shares.

b. State if profit for the period is insufficient to pay fixed or minimum dividends in full.

Not applicable.

c. State if any unpaid installment is cumulative

Not applicable.

d. State the overall value of fixed or minimum dividends to be paid for each class of preferred shares

Not applicable.

e. State the fixed or minimum dividends to be paid for each class of preferred shares

Not applicable.

10. Regarding mandatory dividends

a. Describe how the form of calculation is defined in the Bylaws

As stated in the Company Bylaws, every period the Company shareholder's have the right to receive a minimum required 25% (twenty five percent) of net profit for the period as dividends, adjusted as follows: (a) a decrease in the amounts set aside in the period as legal reserves, as stated in Paragraph 2 above; (b) an increase in the amounts resulting from the reversal, in the period, of reserves for contingencies previously made, as per article 202, item II of the Brazilian Corporate Law.

b. State if it is being paid in full

Not applicable as the Company reported a loss for the period ending December 31, 2020.

State the amounts that may have been withheld

Not applicable as the Company reported a loss for the period ending December 31, 2020.

11. If mandatory dividends are held back due to the company's financial situation

a. State the amount held back

b. Provide a detailed description of the company's financial situation that includes analysis of elements related to liquidity, working capital and positive cash flows.

c. Justify holding back dividends

Not applicable as the Company reported a loss for the period ending December 31, 2020.

12. If profit is set aside for contingency reserves

a. State the amount to be set aside as such reserve

Not applicable.

b. State the amount of loss considered likely and its cause

Not applicable.

c. Explain why the loss is considered likely

Not applicable.

d. Justify the creation of the reserve

Not applicable.

13. If profit is set aside for reserves for unrealized profits

a. State the amount set aside as reserve for unrealized profits

Not applicable.

b. State the nature of unrealized profits giving rise to the reserve

Not applicable.

14. If profits will be set aside for statutory reserves

a. Describe the statutory clauses that created this reserve

Not applicable.

b. State the amount to be set aside as such reserve

Not applicable.

15. If the capital budget includes profit retention

a. State the amount to be retained

Not applicable.

b. Provide a copy of the capital budget

Not applicable.

16. If results are set aside for tax incentive reserves

a. State the amount set aside for this reserve

In the period ending December 31, 2020 the Company set aside R\$ 1.9 million as tax incentive reserve

b. Explain the nature of the destination

The Company has ICMS tax incentives in the form of presumed credit due to its operations in the State of Santa Catarina. Thus it recognizes the impact as credit on the statement of earnings in those periods in which it recognizes the related costs. Management set aside the amounts of these incentives as tax incentive reserves.

**ORDINARY GENERAL MEETING
PRESENTATION TO THE SHAREHOLDER'S**

ITEM 2

Decide on the proposal of Company Management to absorb the losses in the final period ended December 31, 2020 and create a reserve for tax incentive profits;

Dear Shareholders,

After calculating the losses for the period ending December 31, 2020, as stated in the Management Report and Financial Statements, together with the Report of the Independent Auditors provided on the company website at <https://ri.cea.com.br/central-de-resultados/>, Management proposes the following:

(a) Use the following reserves to absorb losses in 2020 in the amount of R\$ 166.331.683,61 (one hundred and sixty-six million three hundred and thirty-one thousand six hundred and eighty-three Reals and sixty-one cents):

a.1) R\$ 162.002.106,89 (one hundred and sixty-two million two thousand one hundred and six Reals and eighty-nine cents) from the special dividends reserve;

a..2) R\$ 6.203.176,93 (six million two hundred and three thousand one hundred and seventy-six Reals and ninety-three cents) from the investment reserve.

(b) Create a tax incentive profit reserve in the amount of R\$ 1.873.591,21 (one million eight hundred and seventy-three thousand five hundred and ninety-one Reals and twenty-one cents).

Barueri, March 30, 2021.

Luiz Antonio de Moraes Carvalho
Chairman of the Board of Directors

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ORDINARY GENERAL MEETING
PRESENTATION TO THE SHAREHOLDER'S

ITEM 3

Define the number of members of the Company Board of Directors.

Dear Shareholders,

Article 16 of the C&A Bylaws determines that the Board of Directors shall be comprised of at least 3 (three) and at most 9 (nine) members, the number of seats to be defined at the General Meeting.

Management proposes to keep the number of 5 (five) members for the Company Board of Directors.

Barueri, March 30, 2021.

Luiz Antonio de Moraes Carvalho
Chairman of the Board of Directors

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ORDINARY GENERAL MEETING
PRESENTATION TO THE SHAREHOLDER'S

ITEM 4

Discuss and decide on electing members to the Company Board of Directors;

Dear Shareholders,

As stated in the Company Bylaws, election of the members of the Board of Directors shall be approved during the Ordinary General Meeting.

At least 2 (two) or 20% (twenty per cent) of the Board members, whichever is greater, shall be independent board members, as defined in the Novo Mercado Regulations, and the criteria for classifying persons appointed to the Board of Directors as independent board members shall be decided by the Shareholder Meeting electing them. If there is a controlling shareholder those Board Members elected using the option in article 141, paragraphs 4 and 5 of the Brazilian Corporate Law shall also be classified as independent board members. If the percentage referred to in the above paragraph results in a fraction, the Company shall round that up to the next whole number, pursuant to Novo Mercado Regulations.

Under article 147, paragraph 3 of the Corporate Law, Board Members must have unimpeachable reputations. Furthermore, without a specific waiver from the Shareholder Meeting, they are ineligible for election if they (i) hold positions at companies that may be considered the Company's competitors or (ii) have a conflict of interest with the Company.

C&A received the following names to constitute its Board of Directors from the controlling shareholder:

Chair:

LUIZ ANTONIO DE MORAES CARVALHO

Members

CRISTINA PRESZ PALMAKA DE LUCA

GERMAN PASQUALE QUIROGA VILARDO

PETER TAKAHARU FURUKAWA

THILO HELMUT GEORG MANNHARDT

Attachment I below contains information on the appointees, as per items 12.5 through 12.10 of the Reference Form and as required by article 10 of CVM instruction 481 of December 17, 2009.

Barueri, March 30, 2021.

Luiz Antonio de Moraes Carvalho
Chairman of the Board of Directors

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Attachment I:

INFORMATION ON THE CANDIDATES APPOINTED BY THE CONTROLLING SHAREHOLDER TO MAKE UP THE BOARD OF DIRECTORS

NAME	DATE OF BIRTH	MANAGEMENT BODY	DATE ELECTED	TERM OF MANDATE
CPF	OCCUPATION	ELECTIVE POSITION HELD	DATE OF OFFICE	ELECTED BY THE CONTROLLING SHAREHOLDER?
INDEPENDENT MEMBER?	NUMBER OF CONSECUTIVE MANDATES	OTHER POSITIONS HELD AND ROLES PERFORMED AT THE ISSUER		
IF THE CANDIDATE HAS HELD A POSITION ON THE BOARD OF DIRECTORS OR FISCAL BOARD STATE THE PERCENT PARTICIPATION IN THE MEETINGS HELD BY THAT BODY IN THE PREVIOUS PERIOD, SUBSEQUENT TO THE CANDIDATE TAKING OFFICE.				
PROFESSIONAL EXPERIENCE / STATEMENT ON CONVICTIONS / INDEPENDENCE CRITERIA				
LUIZ ANTONIO DE MORAES CARVALHO	19.04.1946	Board of Directors	30.04.2021	UNTIL THE OEGM TO BE HELD IN 2023
276.931.558-72	Manager	CHAIR OF THE BOARD OF DIRECTORS	30.04.2021	YES
No	1	MEMBER OF THE HUMAN RESOURCES COMMITTEE		
NOT APPLICABLE				
<p>Mr. Luiz Antonio de Moraes Carvalho has a degree in Production Engineering from the University São Paulo School of engineering (Politécnica) (1969). He has over 45 years of professional experience, 30 of them with the COFRA Group, as General Manager for Retail, Consumer Credit and Real Estate operations. He has in-depth knowledge of planning, finance, technology, human resources, consumer behavior and marketing.</p> <p>In the past 5 years he held the position of Executive Chairman of the Latin American division of the COFRA Group, responsible for operations in Brazil, Argentina and Mexico. He joined the group as a Controller in 1978, and became a member of the Executive Board two years later.</p> <p>Since September 1, 2006, Mr. Carvalho has held non-executive positions as a member of boards and committees, in various corporate governance positions in Latin America, Europe and China. Currently he is an independent board member of Cogna Educação S.A. and Lojas Quero-quero S.A.</p> <p>Luiz Antonio de Moraes Carvalho has stated to the Company that he is not politically exposed, as defined in applicable regulation.</p> <p>He further states that in the last 5 years he has not: (i) been convicted of any criminal offense that has resulted in his disqualification from business activities; (ii) been condemned in any CVM administrative proceeding with penalties applied; (iii) suffered any final and unappealable conviction at the legal or administrative level resulting in suspension from or being declared unfit for the practice of any professional or commercial activity.</p>				

NAME	DATE OF BIRTH	MANAGEMENT BODY	DATE ELECTED	MANDATE
CPF	OCCUPATION	ELECTIVE POSITION HELD	DATE OF OFFICE	ELECTED BY THE CONTROLLING SHAREHOLDER?
INDEPENDENT MEMBER?	NUMBER OF CONSECUTIVE MANDATES	OTHER POSITIONS HELD AND ROLES PERFORMED AT THE ISSUER		
IF THE CANDIDATE HAS HELD A POSITION ON THE BOARD OF DIRECTORS OR FISCAL BOARD STATE THE PERCENT PARTICIPATION IN THE MEETINGS HELD BY THAT BODY IN THE PREVIOUS PERIOD, SUBSEQUENT TO THE CANDIDATE TAKING OFFICE.				
PROFESSIONAL EXPERIENCE / STATEMENT ON CONVICTIONS / INDEPENDENCE CRITERIA				
CRISTINA PRESZ PALMAKA DE LUCA	06.09.1968	Board of Directors	30.04.2021	UNTIL THE OEGM TO BE HELD IN 2023
100.484.148-59	ACCOUNTANT	Member of the Board of Directors	30.04.2021	NO
YES	1	Member of the Digital Acceleration Committee		
NOT APPLICABLE				
<p>Ms. De Luca has had a successful career with leading multinationals. She was the CEO of SAP Brasil for 7 years and, since August 2020, has been the CEO of SAP Latin America and the Caribbean. She has ample experience in IT in Brazil, focusing on innovation and technology. She has worked for important IT players such as Compaq, Microsoft, HP and Phillips. She is also a member of the Board of Directors of Arcos Dourados, where she is the corporate governance agent, promoting equality and diversity in the corporate world and fostering team integration. She is also on the Consulting board of Eurofarma. She has a degree in Accounting from FAAP - Fundação Armando Alvares Penteado and in Management from FGV - Fundação Getulio Vargas. She also has an MBA from the same university and from the University of Texas.</p> <p>She states that: (i) She is not a politically exposed person as per CVMI 301/99; (ii) in the past five years she has not been convicted of any criminal offense nor been convicted in any CVM administrative proceeding, nor received any final and unappealable conviction at the legal or administrative level resulting in suspension from or being declared unfit for the practice of any professional or commercial activity.</p> <p>Ms. De Luca is considered an independent member according to the independence criteria set forth in the B3 S.A. – Brasil, Bolsa, Balcão "Novo Mercado" Regulations.</p>				

NAME	DATE OF BIRTH	MANAGEMENT BODY	DATE ELECTED	MANDATE
CPF	OCCUPATION	ELECTIVE POSITION HELD	DATE OF OFFICE	APPOINTED BY THE CONTROLLING SHAREHOLDER?
INDEPENDENT MEMBER?	NUMBER OF CONSECUTIVE MANDATES	OTHER POSITIONS HELD AND ROLES PERFORMED AT THE ISSUER		
IF THE CANDIDATE HAS HELD A POSITION ON THE BOARD OF DIRECTORS OR FISCAL BOARD STATE THE PERCENT PARTICIPATION IN THE MEETINGS HELD BY THAT BODY IN THE PREVIOUS PERIOD, SUBSEQUENT TO THE CANDIDATE TAKING OFFICE.				
PROFESSIONAL EXPERIENCE / STATEMENT ON CONVICTIONS / INDEPENDENCE CRITERIA				
GERMAN PASQUALE QUIROGA VILARDO	25.10.1967	Board of Directors	30.04.2021	UNTIL THE OEGM TO BE HELD IN 2023
009.943.227-71	ENGINEER	Member of the Board of Directors	30.04.2021	NO
YES	1	Member of the Digital Acceleration Committee		
NOT APPLICABLE				
<p>Mr. German Pasquale Quiroga Vilardo has a degree in electronic engineering from Instituto Militar de Engenharia (IME) and holds a master’s degree in digital systems from the University of São Paulo School of Engineering (Politécnica). He is the founder and former CEO (1994-1999) of TV1.com, founder, CIO and CMO of Americanas.com (1999-2004), CIO and CMO of Cyrela Brasil Realty (2004-2008) and founder, CEO and member of the Board of Directors of Pontofrio.com (2008-2011), Nova Pontocom (2011-2014) and Cnova (2014-2016). In this last position he led the company’s IPO on NASDAQ Since 2017 he has been a partner with consulting firm OMNI55, and in 2016 joined the Board of GOL commercial aviation. Other board positions include Centauro (sports retail) (2017), Locaweb (technology) (2020) and JSL (logistics) (2020).</p> <p>None of these organizations is in the same economic group as the Company nor controlled by any shareholder directly or indirectly owning 5% or more of Company shares.</p> <p>Germán Pasquale Quiroga Vilardo does not hold positions in third-sector companies or organizations.</p> <p>He states that: (i) he is not a politically exposed person as per CVM 301/99; (ii) in the past five years she has not been convicted of any criminal offense nor been convicted in any CVM administrative proceeding, nor received any final and unappealable conviction at the legal or administrative level resulting in suspension from or being declared unfit for the practice of any professional or commercial activity.</p> <p>Mr. Vilargo is considered an independent member according to the independence criteria set forth in the B3 S.A. – Brasil, Bolsa, Balcão "Novo Mercado" Regulations.</p>				

NAME	DATE OF BIRTH	MANAGEMENT BODY	DATE ELECTED	MANDATE
CPF	OCCUPATION	ELECTIVE POSITION HELD	DATE OF OFFICE	APPOINTED BY THE CONTROLLING SHAREHOLDER?
INDEPENDENT MEMBER?	NUMBER OF CONSECUTIVE MANDATES	OTHER POSITIONS HELD AND ROLES PERFORMED AT THE ISSUER		
IF THE CANDIDATE HAS HELD A POSITION ON THE BOARD OF DIRECTORS OR FISCAL BOARD STATE THE PERCENT PARTICIPATION IN THE MEETINGS HELD BY THAT BODY IN THE PREVIOUS PERIOD, SUBSEQUENT TO THE CANDIDATE TAKING OFFICE.				
PROFESSIONAL EXPERIENCE / STATEMENT ON CONVICTIONS / INDEPENDENCE CRITERIA				
PETER TAKAHARU FURUKAWA	17.03.1962	Board of Directors	30.04.2021	UNTIL THE OEGM TO BE HELD IN 2023
031.741.678-25	Manager	Member of the Board of Directors	30.04.2021	NO
YES	1	MEMBER OF THE HUMAN RESOURCES COMMITTEE		
NOT APPLICABLE				
<p>Mr. Furukawa has a solid and successful retail career, starting in 1999 when he first became involved in Submarino.com, Brazil's first major e-commerce project. For over 12 years he has worked as a CEO, having developed skills in strategy, operations, and trade. He has also had a successful career in retail financial services. Currently he is the CEO of Lojas Quero, and was one of the executives responsible for their IPO in August 2020. He is also on the Board of Fortbras. Previous positions held include CEO of IMC, COO of Pernambucanas, CEO of Submarino, Financial Director at PepsiCo Foods and Senior Engagement Manager at McKinsey & Co. He has a degree in computer sciences and an MBA from Brigham Young University in the US.</p> <p>He states that: (i) he is not a politically exposed person as per CVM 301/99; (ii) in the past five years she has not been convicted of any criminal offense nor been convicted in any CVM administrative proceeding, nor received any final and unappealable conviction at the legal or administrative level resulting in suspension from or being declared unfit for the practice of any professional or commercial activity.</p> <p>Mr. Furukawa is considered an independent member according to the independence criteria set forth in the B3 S.A. – Brasil, Bolsa, Balcão "Novo Mercado" Regulations.</p>				

NAME	DATE OF BIRTH	MANAGEMENT BODY	DATE ELECTED	MANDATE
CPF	OCCUPATION	ELECTIVE POSITION HELD	DATE OF OFFICE	APPOINTED BY THE CONTROLLING SHAREHOLDER?
INDEPENDENT MEMBER?	NUMBER OF CONSECUTIVE MANDATES	OTHER POSITIONS HELD AND ROLES PERFORMED AT THE ISSUER		
IF THE CANDIDATE HAS HELD A POSITION ON THE BOARD OF DIRECTORS OR FISCAL BOARD STATE THE PERCENT PARTICIPATION IN THE MEETINGS HELD BY THAT BODY IN THE PREVIOUS PERIOD, SUBSEQUENT TO THE CANDIDATE TAKING OFFICE.				
PROFESSIONAL EXPERIENCE / STATEMENT ON CONVICTIONS / INDEPENDENCE CRITERIA				
THILO HELMUT GEORG MANNHARDT	27.08.1954	Board of Directors	30.04.2021	UNTIL THE OEGM TO BE HELD IN 2023
050.114.298-30	ENGINEER	Member of the Board of Directors	30.04.2021	NO
YES	1	MEMBER OF THE Audit and Risk Management Committee		
NOT APPLICABLE				
<p>Mr. Thilo Mannhardt received a degree in aeronautical engineering (M.Sc.) in the early eighties, and subsequently received a Ph.D. in Systems engineering. From 2013 until late 2017 he was the CEO of Ultrapar Participações S.A. (traded in Brazil and the US). Ultrapar is a holding company with interests in pharmaceutical retail, convenience stores, specialized distribution of fuels and LPG, chemical specialties and bulk liquid storage). In 2011 and 2012 he was on the Board of Directors of the same organization. Between 2013 and 2017 he was the Chairman of the Board of Ultragaz S.A. (LPG distribution), Imifarma Produtos Farmacêuticos e Cosméticos S.A. (pharmaceutical distribution and retail) (2013-2017), Terminal Químico de Aratu S.A. (bulk liquid storage), and Melamina Ultra S.A. (chemicals industry). He was also the CEO of Ultracargo Operações Logísticas e Participações Ltda., and Director Superintendent at Imaven Imóveis Ltda.</p> <p>He joined McKinsey & Company in 1985 and moved up the ranks to partner and director, holding positions all over the world. He is currently on the board of Algar Telecom and leads its Risk Management Committee, and on the consulting board of BMI (a management and leadership consulting firm) and Logus Capital (financial advisors). Since 2020 he has been on the board of Clariant International Ltd., a global specialty chemicals company in Basel, Switzerland.</p> <p>He states that: (i) he is not a politically exposed person as per CVM 301/99; (ii) in the past five years she has not been convicted of any criminal offense nor been convicted in any CVM administrative proceeding, nor received any final and unappealable conviction at the legal or administrative level resulting in suspension from or being declared unfit for the practice of any professional or commercial activity.</p> <p>Mr. Mannhardt is considered an independent member according to the independence criteria set forth in the B3 S.A. – Brasil, Bolsa, Balcão "Novo Mercado" Regulations.</p>				

Statements by candidates to the Board of Directors appointed by the Controlling Shareholder:

1. In the past five years they have not been convicted of any criminal offense nor been convicted in any CVM administrative proceeding, nor received any final and unappealable conviction at the legal or administrative level resulting in suspension from or being declared unfit for the practice of any professional or commercial activity.
2. They have no reportable marital, domestic partnership or family relationship, as per item 12.9 of the Reference Form.
3. In compliance with item 12.10 of the Reference Form they state that , in the past 3 years, there has been no hierarchical, service or control relationships between themselves and
 - a. any company directly or indirectly controlled by C&A,
 - b. C&A's direct controller,
 - c. any C&A supplier, client, debtor or creditor, their subsidiaries or parent companies or the subsidiaries of any of these entities.

In compliance with CVM Instructions 480/09 and 481/09, we inform that the percent participation of the appointees in meetings of the Board of Directors and in Board of Directors Advisory Committees, as applicable following their taking of office.

- Meetings of the Board of Directors in 2020:

Board of Directors		
Board Member	Total BoD Meetings	% participation in meetings after taking office
Luiz Antonio de Moraes Carvalho	23	100%
Germán Pasquale Quiroga Vilardo	23	100%
Thilo Mannhardt	23	100%
Cristina Palmaka	4	100%
Peter Furukawa	4	100%

- Meetings of the Audit and risk Management Committee in 2020:

Audit and Risk Management Committee		
Board Member	Total BoD Meetings	% participation in meetings after taking office
Thilo Mannhardt	23	100%

ORDINARY GENERAL MEETING
PRESENTATION TO THE SHAREHOLDER'S

ITEM 5

Stipulate the overall amount of compensation of Company Executive Officers in the 2021 fiscal period.

Dear Shareholders,

Determination of compensation to be paid to Executive Officers and members of the Fiscal Board, if applicable, shall be approved at an Ordinary General Meeting.

C&A shall submit to the Ordinary General Meeting the following proposed Executive Officer compensation, as required by article 12, item I of CVM Instruction 481/09:

Considering their responsibilities, the time they dedicate, their competence and professional reputation, the risk they take on and the market value of this type of service, the Company proposes that the amount of R\$ 28.283.115,31 (twenty-eight million two hundred and eighty-three thousand one hundred and fifteen Reals and thirty-one cents) be approved as overall Executive Officer compensation.

Compensation for members of Board of Directors Advisory Committees and the Fiscal Board, if applicable, are not included in this overall amount.

In compliance with article 12, item II of CVM Instruction 481/09, Attachment I contains information on Company Executive Officer compensation in the past three fiscal periods, and a forecast of Executive Officer compensation for 2021, as per item 13 of the Company Reference Form.

Barueri, March 30, 2021.

Luiz Antonio de Moraes Carvalho

Chair of the Board of Directors

Attachment I:

**INFORMATION IN ITEM 13 OF THE REFERENCE FORM, IN COMPLIANCE WITH
ARTICLE 12, ITEM II OF CVM INSTRUCTION 481/09.**

13.1 - Description of the compensation policy or practice

(a) Objectives of the compensation policy or practice, stating whether the compensation policy has been formally approved, the body responsible for approving it, the date of approval and, where the issuer discloses the policy, the locations on the Internet where the document can be consulted:

The Company has a compensation policy for its Executive Officers that was approved by the Board of Directors at its meeting held on 2 October 2019 (the "Policy").

The policy is available online at www.ri.cea.com.br.

The guiding principles, objectives and guidelines of the policy are: (i) attract, compensate, retain and incentivize the executives to conduct business in a sustainable manner, within the appropriate risk limits and in line with the interests of the shareholder's; (ii) offer compensation based on criteria that recognize performance, and also recognize and value individual performance; and (iii) ensure that standards that are compatible with the responsibilities of each position, and competitive within the reference labor market are upheld, defining the guidelines used to define the compensation and the benefits that may be granted to executives.

Additionally, the maximum global amount paid to the members of the Board of Directors and the Executive Board, as well as to the members of the Fiscal Council, if instituted, will be defined at the General Shareholder's Meeting, and the maximum global compensation paid to these employees will comply with the limits imposed by article 152 of the Corporate Law.

(b) breakdown of compensation, including:

i. A description of the elements of compensation and the objectives of each one;

In general, management compensation breaks down as follows:

Fixed Compensation

Fixed monthly wage, the goal of which is to recognize and reflect the value of the time and dedication of our members, based on market parameters and designed to remunerate individual contribution to the performance and growth of our business. Executive Officers may be eligible to fixed compensation based on annual salary surveys performed by specialized independent consulting firms, primarily among companies in a similar industry.

Benefits Package, the goal of which is to provide executives with increased security so that they may focus on performing their functions.

Variable Compensation

The goal of the Company's profit-sharing program is to reward those who achieve and surpass the goals set by the Company, in line with performance, sustainability and the growth strategy for our business in each fiscal period.

Share-based compensation

This long-term incentive plan aims to incentivize and align the long-term interests of our shareholders, maximizing the value created for our business through consistent and sustainable results over the medium and long terms.

For each group, compensation is comprised of the following:

Board of Directors

Members of the Company Board shall receive monthly compensation based on the time dedicated and the responsibility associated with their role.

Board Member compensation shall be reviewed at least every two years, bearing in mind any changes in the activities performed or the levels of compensation offered in the industry.

The Company may reimburse Board Members for expenses such as travel, accommodation, meals and/or any others strictly related to their attendance of BoD meetings, in support of Company practices and against proof of payment provided by the Board member.

Executive Officers (statutory and non-statutory)

Executive Officers will receive a fixed monthly salary, as negotiated with each of them individually and based on factors including salary surveys of companies in similar lines of business performed by independent specialized consultants, especially those involving companies in the same or similar industry, subject to the provisions of the Policy. Executive officers will be entitled to profit sharing ("PPR") up to the limits set in the annual PPR plan, subject to eligibility and to having achieved the targets agreed under the plan.

Executive officers may also be entitled to a stock option plan, subject to the rules defined in the Policy.

Executive officers may be eligible for the following benefits: (i) healthcare plan; (ii) dental plan; (iii) meals; (iv) a company car; (v) medical check ups; and (vi) post-employment benefits.

Post-employment benefits consist of a private pension plan provided by the Company to its executive officers to supplement the traditional method of social security (INSS) contributions. This is in addition to compensation, and serves as a means of retaining officers and meeting competition.

In the year ending December 31, 2020, payment was also made for cessation of office. This consisted of the payment of legal obligations for changes in the Company structure.

Committee Members

Members of installed committee are eligible for fixed monthly compensation.

Members of the Fiscal Board

Members of the Company Fiscal Board, if instituted, shall be compensated according to applicable legislation or, in other words, within the maximum overall amount approved by the Shareholder's at a General Meeting.

ii. Each element as a percent of total compensation in the past 3 (three) fiscal periods;

The table below lists each element of total compensation and its approximate percent of total compensation in the year 2020:

Fiscal period ending on December 31, 2020			
Breakdown of Compensation	Board of Directors	Statutory Directors	Fiscal Board
Fixed Monthly Compensation			
Salary or wage	85.62%	25.92%	0.00%
Direct and Indirect Benefits	0.00%	4.17%	0.00%
Participation in Committees	0.00%	0.00%	0.00%
Other	14.38%	10.32%	0.00%
Variable Compensation			
Bonus	0.00%	0.00%	0.00%
Profit Sharing	0.00%	9.56%	0.00%
Attendance at Meetings	0.00%	0.00%	0.00%
Committees	0.00%	0.00%	0.00%
Other	0.00%	0.00%	0.00%
Post-Employment Benefits	0.00%	2.55%	0.00%
Cessation of Office	0.00%	5.44%	0.00%
Share-based	0.00%	42.05%	0.00%
Total	100.00%	100.00%	0.00%

The table below lists each element of total compensation and its approximate percent of total compensation in the year 2019:

Fiscal period ending on December 31, 2019			
Breakdown of Compensation	Board of Directors	Statutory Directors	Fiscal Board
Fixed Monthly Compensation			
Salary or wage	83.75%	18.37%	0.00%
Direct and Indirect Benefits	0.00%	2.76%	0.00%
Participation in Committees	0.00%	0.00%	0.00%
Other	16.25%	7.44%	0.00%
Variable Compensation			
Bonus	0.00%	40.16%	0.00%
Profit Sharing	0.00%	9.82%	0.00%
Attendance at Meetings	0.00%	0.00%	0.00%
Commissions	0.00%	0.00%	0.00%
Other	0.00%	13.84%	0.00%
Post-Employment Benefits	0.00%	2.40%	0.00%
Cessation of Office	0.00%	0.00%	0.00%
Share-based	0.00%	5.21%	0.00%
Total	100.00%	100.00%	0.00%

The table below lists each element of total compensation and its approximate percent of total compensation in the year 2018:

Fiscal period ending on December 31, 2018			
Breakdown of Compensation	Board of Directors	Statutory Directors	Fiscal Board
Fixed Monthly Compensation			
Salary or wage	0.00%	36.18%	0.00%
Direct and Indirect Benefits	0.00%	5.22%	0.00%
Participation in Committees	0.00%	0.00%	0.00%
Other	0.00%	16.70%	0.00%
Variable Compensation			
Bonus	0.00%	0.00%	0.00%
Profit Sharing	0.00%	36.41%	0.00%
Attendance at Meetings	0.00%	0.00%	0.00%
Commissions	0.00%	0.00%	0.00%
Other	0.00%	0.00%	0.00%
Post-Employment Benefits	0.00%	5.48%	0.00%

Cessation of Office	0.00%	0.00%	0.00%
Share-based	0.00%	0.00%	0.00%
Total	0.00%	100.00%	0.00%

iii. Methodology used to calculate and adjust each element of compensation

Body	Fixed Compensation	Direct and Indirect Benefits	Short-Term Variable Compensation	Long-Term Incentives
Board of Directors	Payment of 12 installments a year, adjusted every 2 years according to compensation surveys and the activities performed	n.a.	n.a.	n.a.
Statutory Directors	Payment of 12 installments a year plus 13th salary + 0.3333 vacation bonus, adjusted each year according to compensation surveys and meritocracy analyses	These are offered according to industry practices, salary surveys and meritocracy analyses	It may be linked to profit sharing	Because it is based on performance-based stock transfers, there is no specific mechanism of calculation

iv. Reasons that justify the breakdown of compensation

The reasons that justify the breakdown of Company management compensation of are the incentives paid to improve their management and retain these executives, striving to maximize the adding value to our business through consistent and sustainable results in the medium and long terms.

v. The existence of members receiving no compensation from the issuer and the reason for this

There were no members receiving no compensation in the years ending December 31, 2018. However, after the initial public offering of Company shares in 2019, the members of the Board of Directors exercising other functions in the Company are compensated solely for these other functions, and not for their position on the Board of Directors.

(c) Key performance indicators taken into account when determining each element of compensation;

The fixed portion of compensation is based on salary surveys and the level of responsibility of the position. The executive's professional qualification to exercise the function is also considered.

The indicators used in determining variable compensation are part of a management system that relies on individual targets and on the strategic intentions of the Company, which take into account corporate and individual results.

The definitions of the Company's strategic plan are taken into consideration when defining the variable compensation of the statutory and non-statutory executive board, including the financial results of the relevant areas under their responsibility, and the consolidated financial results of the Company, such as revenues and profitability, as well as operating indicators.

(d) How compensation is structured to reflect the evolution of performance indicators

The variable compensation of the Company's executive officers is linked to targets set by the Board of Directors. These targets and indicators take into account the Company's historical results and strategic plans.

(e) How the compensation policy or practice is aligned with the issuer's interests in the short, medium and long terms

The Company's compensation practices are designed to encourage managers to remain aligned to the organization's goals and seek to achieve the targets set by the Board of Directors. The fixed portion of compensation seeks to recognize the value of positions and retain managers, thus providing greater stability and quality to Company activities. The variable portion provides financial rewards for Officers as targets are met, aiming at aligning the objectives of the Company and those of the Officers in search for improved efficiency and profitability.

(f) The existence of compensation borne by direct or indirect subsidiaries, controlled companies or parent companies

The Company is responsible for the payment of the entirety of the compensation paid to Company managers. There is no compensation borne by direct or indirect subsidiaries, controlled companies or parent companies

(g) The existence of any compensation or benefit linked to the occurrence of a particular corporate event, such as disposal of control of the issuer

As of the date of this Management Proposal, there is no compensation or benefit linked to the occurrence of specific corporate events.

(h) Practices and procedures adopted by the Board of Directors to define the individual compensation of the Board members and Executive Officers, indicating:

(i) The issuer's bodies and committees participating in the decision-making process, indicating the manner in which they participate:

Once the overall compensation is determined by the General Shareholder's Meeting, the Board of Directors is responsible for deciding on the individual distribution of compensation to the Board members, Statutory Directors and members of the Fiscal Council, if instituted, and for approving the compensation of the members of the Audit and Risk Management Committee.

iii) Criteria and methodology used to set individual compensation, indicating whether surveys are used to verify industry practices and, if so, the comparison criteria and the extent of these surveys:

The Board of Directors conducts market surveys on a regular basis to identify the compensation parameters of the segment in which the Company operates and, if necessary, retains specialized consulting firms.

(iii) The frequency and manner in which the Board of Directors evaluates the suitability of the issuer's compensation policy:

The Board of Directors analyzes the appropriateness of the Policy at least on a yearly basis to check its adherence to the responsibility of each manager, the Company's business, and the economic and financial condition of the Company in the year in question.

13.2 - Total compensation of the board of directors and statutory directors

Total compensation expected for the current year - December 31, 2021 - Annual Amounts				
	Board of Directors	Statutory Directors	Fiscal Board	Total
Total number of members	5	4	0	9
Number of members receiving compensation	5	4	0	9
Fixed annual compensation				
Salary or wage	R\$ 4.389.270,77	R\$ 6.410.907,45	R\$ 0,00	R\$ 10.800.178,22
Direct and indirect benefits	R\$ 0,00	R\$ 951.385,17	R\$ 0,00	R\$ 951.385,17
Participation in Committees	R\$ 0,00	R\$ 0,00	R\$ 0,00	R\$ 0,00
Other	R\$ 877.854,15	R\$ 2.557.869,23	R\$ 0,00	R\$ 3.435.723,37
Description of other fixed compensation	The amount in the field "other" refers to payroll charges paid (FGTS and INSS).	The amount in the field "other" refers to payroll charges paid (FGTS and INSS).	The amount in the field "other" refers to payroll charges paid (FGTS and INSS).	The amount in the field "other" refers to payroll charges paid (FGTS and INSS).
Variable Compensation				
Bonus	R\$ -	R\$ -	R\$ -	R\$ -
Profit Sharing	R\$ -	R\$ 6.332.259,52	R\$ -	R\$ 6.332.259,52
Attendance at Meetings	R\$ -	R\$ -	R\$ -	R\$ -
Commissions	R\$ -	R\$ -	R\$ -	R\$ -
Other	R\$ -	R\$ -	R\$ -	R\$ -
Description of other variable compensation	The amount in the field "other" refers to charges paid (FGTS and INSS) on variable compensation.	The amount in the field "other" refers to charges paid (FGTS and INSS) on variable compensation.	The amount in the field "other" refers to charges paid (FGTS and INSS) on variable compensation.	The amount in the field "other" refers to charges paid (FGTS and INSS) on variable compensation.
Post-employment	R\$ -	R\$ 708.399,43	R\$ -	R\$ 708.399,43
Cessation of office	R\$ -	R\$ -	R\$ -	R\$ -
Share-based	R\$ -	R\$ 6.055.169,60	R\$ -	R\$ 6.055.169,60
Note	The number of members and the number of compensated members was calculated according to Official Memo CVM/SEP/01/2021.	The number of members and the number of compensated members was calculated according to Official Memo CVM/SEP/01/2021.	The number of members and the number of compensated members was calculated according to Official Memo CVM/SEP/01/2021.	The number of members and the number of compensated members was calculated according to Official Memo CVM/SEP/01/2021.
Total compensation	R\$ 5.267.124,92	R\$ 23.015.990,39	R\$ -	R\$ 28.283.115,31

Period ending December 31, 2020 - Annual Amounts				
	Board of Directors	Statutory Directors	Fiscal Board	Total
Total number of members	5	4,67	0,00	9,67
Number of members receiving compensation	4.17	4.67	0.00	8.83
Fixed annual compensation				
Salary or wage	R\$ 3.150.034,75	R\$ 6.575.961,14	R\$ 0,00	R\$ 9.725.995,89
Direct and indirect benefits	R\$ 0,00	R\$ 1.057.298,22	R\$ 0,00	R\$ 1.057.298,22
Participation in Committees	R\$ 0,00	R\$ 0,00	R\$ 0,00	R\$ 0,00
Other	R\$ 529.104,13	R\$ 2.617.744,41	R\$ 0,00	R\$ 3.146.848,54
Description of other fixed compensation	The amount in the field "other" refers to payroll charges paid (FGTS and INSS).	The amount in the field "other" refers to payroll charges paid (FGTS and INSS).	The amount in the field "other" refers to payroll charges paid (FGTS and INSS).	The amount in the field "other" refers to payroll charges paid (FGTS and INSS).
Variable Compensation				
Bonus	R\$ -	R\$ -	R\$ -	R\$ -
Profit Sharing	R\$ -	R\$ 2.425.630,38	R\$ -	R\$ 2.425.630,38
Attendance at Meetings	R\$ -	R\$ -	R\$ -	R\$ -
Commissions	R\$ -	R\$ -	R\$ -	R\$ -
Other	R\$ -	R\$ -	R\$ -	R\$ -
Description of other variable compensation	The amount in the field "other" refers to charges paid (FGTS and INSS) on variable compensation.	The amount in the field "other" refers to charges paid (FGTS and INSS) on variable compensation.	The amount in the field "other" refers to charges paid (FGTS and INSS) on variable compensation.	The amount in the field "other" refers to charges paid (FGTS and INSS) on variable compensation.
Post-employment	R\$ -	R\$ 645.711,88	R\$ -	R\$ 645.711,88
Cessation of office	R\$ -	R\$ 1.379.065,87	R\$ -	R\$ 1.379.065,87
Share-based	R\$ -	R\$ 10.668.000,00	R\$ -	R\$ 10.668.000,00
Note	The number of members and the number of compensated members was calculated according to Official Memo CVM/SEP/01/2021.	The number of members and the number of compensated members was calculated according to Official Memo CVM/SEP/01/2021.	The number of members and the number of compensated members was calculated according to Official Memo CVM/SEP/01/2021.	The number of members and the number of compensated members was calculated according to Official Memo CVM/SEP/01/2021.
Total compensation	R\$ 3.679.138,88	R\$ 3.679.138,88	R\$ -	R\$ 29.048.550,79

Period ending December 31, 2019 - Annual Amounts				
	Board of Directors	Statutory Directors	Fiscal Board	Total
Total number of members	1.25	5.00	0.00	6.25
Number of members receiving compensation	1.00	5.00	0.00	6.00
Fixed annual compensation				
Salary or wage	R\$ 630.416,64	R\$ 6.225.705,18	R\$ -	R\$ 6.856.121,82
Direct and indirect benefits	R\$ -	R\$ 934.935,90	R\$ -	R\$ 934.935,90
Participation in Committees	R\$ -	R\$ -	R\$ -	R\$ -
Other	R\$ 122.333,32	R\$ 2.521.803,34	R\$ -	R\$ 2.644.136,66
Description of other fixed compensation	The amount in the field "other" refers to payroll charges paid (FGTS and INSS).	The amount in the field "other" refers to payroll charges paid (FGTS and INSS).	The amount in the field "other" refers to payroll charges paid (FGTS and INSS).	The amount in the field "other" refers to payroll charges paid (FGTS and INSS).
Variable Compensation				
Bonus	R\$ -	R\$ 13.611.626,00	R\$ -	R\$ 13.611.626,00
Profit Sharing	R\$ -	R\$ 3.329.599,74	R\$ -	R\$ 3.329.599,74
Attendance at Meetings	R\$ -	R\$ -	R\$ -	R\$ -
Committees	R\$ -	R\$ -	R\$ -	R\$ -
Other	R\$ -	R\$ 4.691.470,88	R\$ -	R\$ 4.691.470,88
Description of other variable compensation	The amount in the field "other" refers to charges paid (FGTS and INSS) on variable compensation.	The amount in the field "other" refers to charges paid (FGTS and INSS) on variable compensation.	The amount in the field "other" refers to charges paid (FGTS and INSS) on variable compensation.	The amount in the field "other" refers to charges paid (FGTS and INSS) on variable compensation.
Post-employment	R\$ -	R\$ 812.953,49	R\$ -	R\$ 812.953,49
Cessation of office	R\$ -	R\$ -	R\$ -	R\$ -
Share-based	R\$ -	R\$ 1.766.489,14	R\$ -	R\$ 1.766.489,14
Note	The number of members and the number of compensated members was calculated according to Official Memo CVM/SEP/01/2021.	The number of members and the number of compensated members was calculated according to Official Memo CVM/SEP/01/2021.	The number of members and the number of compensated members was calculated according to Official Memo CVM/SEP/01/2021.	The number of members and the number of compensated members was calculated according to Official Memo CVM/SEP/01/2021.
Total compensation	R\$ 752.749,96	R\$ 33.894.583,67	R\$ -	R\$ 34.647.333,63

Period ending December 31, 2018 - Annual Amounts				
	Board of Directors	Statutory Directors	Fiscal Board	Total
Total number of members	0.00	4.67	0.00	4.67
Number of members receiving compensation	0.00	4.67	0.00	4.67
Fixed annual compensation				
Salary or wage	R\$ -	R\$ 5.826.363,88	R\$ -	R\$ 5.826.363,88
Direct and indirect benefits	R\$ -	R\$ 841.015,05	R\$ -	R\$ 841.015,05
Participation in Committees	R\$ -	R\$ -	R\$ -	R\$ -
Other	R\$ -	R\$ 2.689.598,29	R\$ -	R\$ 2.689.598,29
Description of other fixed compensation	The amount in the field "other" refers to payroll charges paid (FGTS and INSS).	The amount in the field "other" refers to payroll charges paid (FGTS and INSS).	The amount in the field "other" refers to payroll charges paid (FGTS and INSS).	The amount in the field "other" refers to payroll charges paid (FGTS and INSS).
Variable Compensation				
Bonus	R\$ -	R\$ -	R\$ -	R\$ -
Profit Sharing	R\$ -	R\$ 5.863.366,23	R\$ -	R\$ 5.863.366,23
Attendance at Meetings	R\$ -	R\$ -	R\$ -	R\$ -
Commissions	R\$ -	R\$ -	R\$ -	R\$ -
Other	R\$ -	R\$ -	R\$ -	R\$ -
Description of other variable compensation	The amount in the field "other" refers to charges paid (FGTS and INSS) on variable compensation.	The amount in the field "other" refers to charges paid (FGTS and INSS) on variable compensation.	The amount in the field "other" refers to charges paid (FGTS and INSS) on variable compensation.	The amount in the field "other" refers to charges paid (FGTS and INSS) on variable compensation.
Post-employment	R\$ -	R\$ 882.476,19	R\$ -	R\$ 882.476,19
Cessation of office	R\$ -	R\$ -		R\$ -
Share-based	R\$ -	R\$ -	R\$ -	R\$ -
Note	The number of members and the number of compensated members was calculated according to Official Memo CVM/SEP/01/2021.	The number of members and the number of compensated members was calculated according to Official Memo CVM/SEP/01/2021.	The number of members and the number of compensated members was calculated according to Official Memo CVM/SEP/01/2021.	The number of members and the number of compensated members was calculated according to Official Memo CVM/SEP/01/2021.
Total compensation	R\$ -	R\$ 16.102.819,64	R\$ -	R\$ 16.102.819,64

13.3 - Total compensation of the board of directors and statutory directors

Expected for the year ending December 31, 2021	Board of Directors	Statutory Directors	Fiscal Board	Total
Total number of members	5.00	4.00	0.00	9.00
Number of members receiving compensation	5.00	4.00	0.00	9.00
As regards bonus				0,00
i - Minimum amount expected per the compensation plan	R\$ 0,00	R\$ 0,00	R\$ 0,00	0,00
ii - Maximum amount expected per the compensation plan	R\$ 0,00	R\$ 0,00	R\$ 0,00	0,00
iii - Expected amount per the compensation plan if targets are met	R\$ 0,00	R\$ 0,00	R\$ 0,00	0,00
Other (1)	R\$ 0,00	R\$ 0,00	R\$ 0,00	R\$ 0,00
Regarding profit sharing				0,00
i - Minimum amount expected per the compensation plan	R\$ 0,00	R\$ 0,00	R\$ 0,00	0,00
ii - Maximum amount expected per the compensation plan	R\$ 0,00	R\$ 6.332.259,52	R\$ 0,00	R\$ 6.332.259,52
iii - Expected amount per the compensation plan if targets are met	R\$ 0,00	R\$ 5.183.382,93	R\$ 0,00	R\$ 5.183.382,93

Fiscal period ending on December 31, 2020	Board of Directors	Statutory Directors	Fiscal Board	Total
Total number of members	5.00	4.67	0.00	9.67
Number of members receiving compensation	4.17	4.67	0.00	8.83
As regards bonus				
i - Minimum amount expected per the compensation plan	R\$ 0,00	R\$ 0,00	R\$ 0,00	R\$ 0,00
ii - Maximum amount expected per the compensation plan	R\$ 0,00	R\$ 0,00	R\$ 0,00	R\$ 0,00
iii - Expected amount per the compensation plan if targets are met	R\$ 0,00	R\$ 0,00	R\$ 0,00	R\$ 0,00
iv. Amount actually recognized in income for the year	R\$ 0,00	R\$ 0,00	R\$ 0,00	R\$ 0,00
Other (1)	R\$ 0,00	R\$ 0,00	R\$ 0,00	R\$ 0,00
Regarding profit sharing				
i - Minimum amount expected per the compensation plan	R\$ 0,00	R\$ 0,00	R\$ 0,00	R\$ 0,00
ii - Maximum amount expected per the compensation plan	R\$ 0,00	R\$ 7.868.930,88	R\$ 0,00	R\$ 7.868.930,88
iii - Expected amount per the compensation plan if targets are met	R\$ 0,00	R\$ 2.950.849,08	R\$ 0,00	R\$ 2.950.849,08
iv. Amount actually recognized in income for the year	R\$ 0,00	R\$ 2.425.630,38	R\$ 0,00	R\$ 2.425.630,38

Fiscal period ending on December 31, 2019	Board of Directors	Statutory Directors	Fiscal Board	Total
Total number of members	1.25	5.00	0.00	6.25
Number of members receiving compensation	1.00	5.00	0.00	6.00
As regards bonus				
i - Minimum amount expected per the compensation plan	R\$ 0,00	R\$ 0,00	R\$ 0,00	R\$ 0,00
ii - Maximum amount expected per the compensation plan	R\$ 0,00	R\$ 0,00	R\$ 0,00	R\$ 0,00
iii - Expected amount per the compensation plan if targets are met	R\$ 0,00	R\$ 13.500.000,00	R\$ 0,00	R\$ 13.500.000,00
iv. Amount actually recognized in income for the year	R\$ 0,00	R\$ 13.611.626,00	R\$ 0,00	R\$ 13.611.626,00
Other (1)	R\$ 0,00	R\$ 4.691.470,88	R\$ 0,00	R\$ 4.691.470,88
Regarding profit sharing				
i - Minimum amount expected per the compensation plan	R\$ 0,00	R\$ 0,00	R\$ 0,00	R\$ 0,00
ii - Maximum amount expected per the compensation plan	R\$ 0,00	R\$ 7.868.930,88	R\$ 0,00	R\$ 7.868.930,88
iii - Expected amount per the compensation plan if targets are met	R\$ 0,00	R\$ 2.950.849,08	R\$ 0,00	R\$ 2.950.849,08
iv. Amount actually recognized in income for the year	R\$ 0,00	R\$ 3.329.599,74	R\$ 0,00	R\$ 3.329.599,74

Fiscal period ending on December 31, 2018	Board of Directors	Statutory Directors	Fiscal Board	Total
Total number of members	0,00	4,67	0,00	4,67
Number of members receiving compensation	0,00	4,67	0,00	4,67
As regards bonus				
i - Minimum amount expected per the compensation plan	R\$ 0,00	R\$ 0,00	R\$ 0,00	R\$ 0,00
ii - Maximum amount expected per the compensation plan	R\$ 0,00	R\$ 0,00	R\$ 0,00	R\$ 0,00
iii - Expected amount per the compensation plan if targets are met	R\$ 0,00	R\$ 0,00	R\$ 0,00	R\$ 0,00
iv. Amount actually recognized in income for the year	R\$ 0,00	R\$ 0,00	R\$ 0,00	R\$ 0,00
Other (1)	R\$ 0,00	R\$ 0,00	R\$ 0,00	R\$ 0,00
Regarding profit sharing				
i - Minimum amount expected per the compensation plan	R\$ 0,00	R\$ 0,00	R\$ 0,00	R\$ 0,00
ii - Maximum amount expected per the compensation plan	R\$ 0,00	R\$ 7.400.638,56	R\$ 0,00	R\$ 7.400.638,56
iii - Expected amount per the compensation plan if targets are met	R\$ 0,00	R\$ 2.775.239,46	R\$ 0,00	R\$ 2.775.239,46
iv. Amount actually recognized in income for the year	R\$ 0,00	R\$ 5.863.366,23	R\$ 0,00	R\$ 5.863.366,23

13.4 - Total compensation of the board of directors, statutory directors, and members of the fiscal council

(a) General Terms and Conditions

The Company's stock option plan was approved at the General Meeting held on 2 October 2019 (the "Plan"). The Board of Directors is responsible for managing the Plan. The Board of Directors is empowered to make the decisions that are required and appropriate to manage the Plan, including: (i) approve and put into practice the rules for granting options, and resolve on any issues regarding the interpretation of the plan (including vesting periods or the exercise of options); (ii) designate the individuals entitled to participate in the plan, and define the terms and conditions of the options, as well as any changes thereto; (iii) determine the number of options that will be granted; (iv) issue new shares within authorized capital limits, or authorize the delivery of treasury shares to satisfy the exercise of options. The specific terms and conditions of share-based compensation plans are established in individual agreements that are entered into between the Company and the beneficiaries of the plan.

(b) Main objectives of the Plan

Our goal with this Plan is to align the interests of certain key individuals with those of the shareholder's. All individuals working for the Company, or for a company belonging to the same economic group in positions such as board members, directors, employees or professionals of any nature are eligible for the plan. The Board of Directors is empowered to determine to whom the options should be granted.

(c) How the plan contributes to these objectives

The objective of the Plan is to reward the efforts made by the beneficiaries towards the Company's success and performance. The Plan models are a means to motivate the beneficiaries to (i) contribute to good performance and the increase in the value of Company shares, since they will benefit from this appreciation, and (ii) achieve Company targets. Additionally, by turning key employees into shareholder's, the Company stimulates responsible risk taking by creating positive incentives and avoiding excessive and unwanted risks. The institution achieves the Plan's objectives by engaging the beneficiaries in long-term strategies, projects and results.

(d) How the plan fits into the issuer's compensation policy

The Plan complies with Company principles and policies, given that it (i) connects the beneficiaries to long-term projects, strategies and results; (ii) works as a motivational instrument for individual development and commitment; and (iii) enables retaining key employees, since the shares are received over the long term.

(e) How the plan aligns the interests of management with those of the issuer in the short-, medium- and long-terms

Share-based compensation plans are highly effective in aligning the interests of the Company with those of the beneficiaries because, by enabling beneficiaries to become shareholder's, they will take on the mindset of business owners, as their interests are aligned with those of the shareholder's. Additionally, these plans help the Company retain executives who are strategically important, because, as a rule, leaving the Company voluntarily implies in the loss of all non-exercisable rights within the scope of the Plan.

(f) Maximum number of shares covered

The maximum number of shares attributable as a result of the exercise of options under the Plan in force may not exceed 3% (three percent) of the total capital stock issued and outstanding immediately after the initial public offering of the Company.

(g) Maximum number of options to be granted

The plan does not establish the maximum number of options to be granted to an individual. However, the maximum number of options delivered under the Plan corresponds to 3% (three percent) of the total capital stock issued. Each option will entitle participants to purchase 1 () share issued by the Company.

(h) Share purchasing conditions

The Board of Directors will establish the vesting period for each program, and this will be clearly described in the agreement entered into with the beneficiary. The beneficiaries may enforce or exercise their options according to certain terms and conditions established in the stock option agreements entered into with the Company, on a case-by-case basis. Option agreements shall also define the vesting period for exercising the options. The first stocks granted prior to the IPO vested as follows: 33.34% in on the first anniversary and 33.33% on the second and third anniversaries. The second granting, in 2021, shall vest as follows: 100% after the third anniversary.

(i) Criteria for setting the purchase or exercise price

The total price to be paid to each beneficiary on the exercise of all stock options is R\$ 1,00 (one Real).

(j) Criteria for setting the exercise period

The options will become exercisable within a period to be determined on a case-by-case basis, as of the date of signature of the stock option agreement in which the options were offered to the beneficiary. The vesting period will be established in the stock option agreement signed with each beneficiary.

(k) Method of settlement

The exercise of options will take place automatically upon the end of the vesting period.

The Company may choose between delivering the shares to which the beneficiary is entitled upon the exercise of the relevant options by issuing new shares within authorized capital limits, delivering treasury shares, or a combination thereof, as decided by the Board of Directors.

(l) Restrictions on the transfer of shares

Except for the restrictions set forth in the stock option agreements signed by the Company, such as lock-up agreements, the Plan does not set any restrictions regarding the transfer of shares. However, options are granted to the beneficiary in a very personal manner, and they should not be pledged, transferred or assigned to third parties without the previous and express consent of the Board of Directors.

(m) Criteria and events the occurrence of which would lead to the suspension, amendment or cancellation of the plan

The Plan may be canceled by the Board of Directors at any time. The right to receive the options granted under the Plan may also be automatically canceled without any indemnity rights, and all of its effects shall cease in the event of dissolution, liquidation, filing for bankruptcy, or judicial or extrajudicial reorganization of the Company, as per Brazilian law. Additionally, any material amendments to the laws applicable to joint-stock companies, publicly-held companies, labor relations or taxes may lead to a review of the plan, so as to ensure its compliance with the law.

(n) Effects of the withdrawal of a manager from the issuer's bodies on his/her entitlement, as provided for in the share-based compensation plan

In the event of termination of the employment contract between the Company and the beneficiary of the Plan, the rights arising from the Plan may be extinguished or modified, as per the terms provided for in the stock option agreement, and as determined by the Board of Directors.

13.5 - Share-based compensation of the board of directors and the statutory directors

The charts below provide information about stock-based compensation for our board members and statutory directors projected for the current year and for the year ending December 31, 2021. We are not including information for the period ending in 2018, as the share-based compensation plan was only approved on October 2, 2019. We are also not including stock-based compensation information for the period ending 2020 as no stock was granted due to the Covid-19 Pandemic.

Fiscal period ending on December 31, 2019	Program for Granting Stock Options	
	Board of Management	Statutory Directors
Number of members	5	5
Number of members receiving compensation	4	5
Regarding granting stock options		
Date granted	N/A	18Oct2019
Number of options granted	N/A	1,148,148
Vesting period	N/A	1 to 3 years
Maximum vesting period	N/A	6 years
Period during which there will be restrictions on the transfer of shares	N/A	3 years after exercising
Average weighted price of exercise for each of the following types of shares		
- available at the start of the reporting period	N/A	N/A
- lost during the reporting period	N/A	N/A
- exercised during the reporting period	N/A	N/A
- expired during the reporting period	N/A	N/A
Fair value of the options on the date granted	N/A	17.85
Potential dilution in the event all of the options granted are exercised	N/A	0.4%

13.6 – Information on outstanding stock options held by the board of directors and the statutory board

Fiscal period ending on December 31, 2019	Program for Granting Stock Options	
	Board of Management	Statutory Directors
Number of members	5	5
Number of members receiving compensation	4	5
Options not yet exercisable		
i) Number	N/A	1,148,148
ii) Date on which they become exercisable	N/A	10/2020 10/2021 10/2022
iii) Maximum vesting period	N/A	6 years
iv) Period during which there will be restrictions on the transfer of shares	N/A	3 years
(v) Weighted average of the exercise price	N/A	R\$1,00
vi) Fair value of the options on the last day of the reporting period	N/A	R\$ 17,65
Exercisable options		
i) Number	N/A	N/A
ii) Maximum vesting period	N/A	N/A
iii) Period during which there will be restrictions on the transfer of shares	N/A	N/A
(v) Weighted average of the exercise price	N/A	N/A
v) Fair value of the options on the last day of the reporting period	N/A	N/A
vi) Fair value of the options on the last day of the reporting period	N/A	N/A

13.7 - Stock options exercised and shares delivered relating to share-based compensation for the board of directors and the statutory board

There were no exercised options or shares delivered as share-based compensation to the members of the board of directors or statutory board relating to share-based compensation in the past 3 reporting periods.

13.8 - Information required to understand data disclosed in items 13.5 to 13.7
- Pricing method for share and stock options

(a) Pricing model

The Company uses a Monte Carlo simulation to price the options granted. It opted to use a Monte Carlo model as it is more flexible than the Black-Scholes-Merton and Binomial methods, enabling the inclusion of premises such as a lockup period and performance conditions related to the increase in the value of the shares following the IPO.

(b) Data and premises used in the pricing model, including the average weighted price of shares, exercise price, expected volatility, option expiration date, expected dividends and risk-free rate of return.

The following factors were used to arrive at the fair value of the options granted in 2019:

- Current share price: as the options were granted prior to completion of the IPO process, the midpoint the indicative scale was used to calculate the value. Following the IPO, the closing price of CEAB3 shares on the date defined will be used to price the asset.
- Exercise price: the options issued are for un-priced shares. Exercising the option depends on how the market performs and how the future price of shares evolves.
- Expected volatility: as the Company has no history of trading its shares, the presumed volatility used to price the options is based on the historical volatility of the four listed companies most similar to the Company (Lojas Renner S.A., Marisa Lojas S.A., Cia Hering S.A., and Guararapes Confecções S.A.). Volatility was calculated as a simple average of the annual volatility in the 260 business days between 1 October 2018 and 30 September 2019.
- Expected dividend yield: this calculation is based on the current business plan, dividend policy and midpoint of the indicative scale of the share price within the scope of the IPO.
- Interest-free interest rate: derived from the Brazilian Treasury interest curve with a time horizon equal to the option term.

Option Term	1st anniversary	2nd anniversary	3rd anniversary
Current (expected) price per share	R\$ 18,25	R\$ 18,25	R\$ 18,25
Exercise price	~R\$0,00	~R\$0,00	~R\$0,00
Expected volatility	37.8%	37.8%	37.8%
Expected dividend yield	1.1%	1.1%	1.1%
Risk-free rate of return	4.56%	4.86%	5.40%
Fair value of the option	R\$ 18,05	R\$ 17,85	R\$ 17,65

(c) Method and premises used to incorporate the expected impact of early exercise

The option granting program does not allow early exercise.

(d) How expected volatility is determined

The Company's history of trading shares is brief. For this reason, presumed volatility used to price the options is based on the historical volatility of the five listed companies most similar to the Company (Lojas Renner S.A., Marisa Lojas S.A., Cia Hering S.A., Guararapes Confecções S.A. and Arezzo S.A.).

(e) If any other option feature was incorporated when measuring fair value

No other feature of the option was considered when determining fair value

13.9 - Interest in shares and other convertible securities held by management and members of the fiscal council and of the Audit and Risk Committee – by body

Nature of the securities	Number		
	Board of Directors	Executive Board	Fiscal Board
Common shares	-	531.097	-

13.10 - Information on pension plans provided to members of the board of directors and statutory board

Fiscal period ending on December 31, 2021				
	Board of Management	Statutory Executive Board	Fiscal Board	Total
Number of members	5	4	0	9
Number of members receiving compensation	5	4	0	9
Plan Name	N/A	CYAMPREV and CYAMPREV II	N/A	N/A
Number of Officers who meet the requirements for retirement	N/A	2	N/A	2
Conditions for early retirement	N/A	An active or self-sponsored participant aged between 50 (fifty) and 55 (fifty-five).	N/A	An active or self-sponsored participant aged between 50 (fifty) and 55 (fifty-five).
Updated amount of contributions accrued in the pension plan by the end of the previous reporting period, less that portion contributed directly by the executive officer.	N/A	R\$ 15.653.215,90	N/A	R\$ 15.653.215,90
Accrued amount of contributions made during the	N/A	R\$ 708.399,43	N/A	R\$ 708.399,43

previous reporting period, less the portion contributed directly by the executive office				
Possibility of early redemption, and the conditions therefor	N/A	Early redemption is possible for participants who contributed to the plan and leave the sponsor, so long as they are not receiving any plan benefit. All that is required is to sign a Term of Option. Early redemption is also possible for active members who are not eligible to contribute to the plan and who, on the date of termination of employment have been covered by the plan for at least 3 (three) years, unless they have a right to receive any retirement or disability benefit.	N/A	Early redemption is possible for participants who contributed to the plan and leave the sponsor, so long as they are not receiving any plan benefit. All that is required is to sign a Term of Option. Early redemption is also possible for active members who are not eligible to contribute to the plan and who, on the date of termination of employment have been covered by the plan for at least 3 (three) years, unless they have a right to receive any retirement or disability benefit.

Fiscal period ending on December 31, 2020				
	Board of Management	Statutory Executive Board	Fiscal Board	Total
Number of members	5	4,67	N/A	5
Number of members receiving compensation	4,17	4,67	N/A	9
Plan Name	N/A	CYAMPREV and CYAMPREV II	N/A	N/A
Number of Officers who meet the requirements for retirement	N/A	2	N/A	2
Conditions for early retirement	N/A	An active or self-sponsored participant aged between 50 (fifty) and 55 (fifty-five).	N/A	An active or self-sponsored participant aged between 50 (fifty) and 55 (fifty-five).
Updated amount of contributions accrued in the pension plan by the end of the previous reporting period, less that portion contributed directly by the executive officer	N/A	R\$ 14.944.816,52	N/A	R\$ 14.944.816,52
Accrued amount of contributions made during the previous reporting period, less the portion contributed directly by the executive officer	N/A	R\$ 645.711,88	N/A	R\$ 645.711,88
Possibility of early redemption, and the conditions therefor	N/A	Early redemption is possible for participants who contributed to	N/A	Early redemption is possible for participants who contributed to

		the plan and leave the sponsor, so long as they are not receiving any plan benefit. All that is required is to sign a Term of Option. Early redemption is also possible for active members who are not eligible to contribute to the plan and who, on the date of termination of employment have been covered by the plan for at least 3 (three) years, unless they have a right to receive any retirement or disability benefit.		the plan and leave the sponsor, so long as they are not receiving any plan benefit. All that is required is to sign a Term of Option. Early redemption is also possible for active members who are not eligible to contribute to the plan and who, on the date of termination of employment have been covered by the plan for at least 3 (three) years, unless they have a right to receive any retirement or disability benefit.
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Fiscal period ending on December 31, 2019				
	Board of Management	Statutory Executive Board	Fiscal Board	Total
Number of members	5	5	N/A	5
Number of members receiving compensation	4	5	N/A	9
Plan Name	N/A	CYAMPREV and CYAMPREV II	N/A	N/A

Number of Officers who meet the requirements for retirement	N/A	2	N/A	2
Conditions for early retirement	N/A	An active or self-sponsored participant aged between 50 (fifty) and 55 (fifty-five).	N/A	An active or self-sponsored participant aged 50 (fifty) to 55 (fifty-five).
Updated amount of contributions accrued in the pension plan by the end of the previous reporting period, less that portion contributed directly by the executive officer	N/A	R\$ 12.853.098,88	N/A	R\$ 12.853.098,88
Accrued amount of contributions made during the previous reporting period, less the portion contributed directly by the executive officer	N/A	R\$ 812.953,49	N/A	R\$ 812.953,49
Possibility of early redemption, and the conditions therefor	N/A	Early redemption is possible for participants who contributed to the plan and leave the sponsor, so long as they are not receiving any plan benefit. All that is required is to sign a Term of Option. Early redemption is also possible for active members	N/A	Early redemption is possible for participants who contributed to the plan and leave the sponsor, so long as they are not receiving any plan benefit. All that is required is to sign a Term of Option. Early redemption is also possible for active members who are not

		who are not eligible to contribute to the plan and who, on the date of termination of employment have been covered by the plan for at least 3 (three) years, unless they have a right to receive any retirement or disability benefit.		eligible to contribute to the plan and who, on the date of termination of employment have been covered by the plan for at least 3 (three) years, unless they have a right to receive any retirement or disability benefit.
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13.11 - Maximum, minimum and average annual compensation of members of the Board of Directors, Statutory Board, Fiscal Council and Audit and Risk Committee

	Board of Directors			Statutory Directors			Fiscal Board		
	12/31/2020	12/31/2019	12/31/2018	12/31/2020	12/31/2019	12/31/2018	12/31/2020	12/31/2019	12/31/2018
Number of members	5.00	1.25	0.00	4.67	5.00	4.67	0.00	0.00	0.00
Number of members receiving compensation	4.17	1.00	0.00	4.67	5.00	4.67	0.00	0.00	0.00
Highest amount of compensation (in Brazilian Reals)	R\$ 1.496.083,33	R\$ 385.666,66	R\$ 0,00	R\$ 10.195.693,73	R\$ 10.657.264,76	R\$ 5.115.624,38	R\$ 0,00	R\$ 0,00	R\$ 0,00
Lowest amount of compensation (in Brazilian Reals)	R\$ 575.416,56	R\$ 148.333,30	R\$ 0,00	R\$ 3.129.153,78	R\$ 5.096.917,51	R\$ 2.669.319,58	R\$ 0,00	R\$ 0,00	R\$ 0,00
Average amount of compensation (in Brazilian Reals)	R\$ 882.993,33	R\$ 752.749,96	R\$ 0,00	R\$ 5.436.302,55	R\$ 6.778.916,73	R\$ 3.448.141,25	R\$ 0,00	R\$ 0,00	R\$ 0,00

Note:

Statutory Directors	
12/31/2020	Lowest compensation was calculated by excluding the member holding the position for less than 12 months.
12/31/2019	N/A
12/31/2018	N/A

Board of Directors	
12/31/2020	Lowest compensation was calculated by excluding the member holding the position for less than 12 months.
12/31/2019	No member of the Board of Directors was compensated in all 12 months of the period ending December 31, 2019, they were compensated proportionately from the date the Board of Directors was installed.
12/31/2018	N/A

13.12 - Compensation and indemnification mechanisms for management in the event of removal from office or retirement

Except for the benefits described in table 13.1, there are no other contractual arrangements or instruments that may structure mechanisms of compensation or indemnification for the members of the Board of Director and the Executive Board in case of termination.

13.13 - Percent total compensation held by management and members of the fiscal council who are parties related to the controlling shareholders

Not applicable, considering that in the years ending December 31 2018, 2019 and 2020 the Company did not have managers or fiscal council members who were parties related to the controlling shareholders.

13.14 – Compensation of managers and members of the fiscal council, grouped by body for reasons other than the position held

Not applicable, considering that the managers and fiscal council members do not receive compensation for any reason other than the position held.

13.15 - Compensation of managers and members of the fiscal council recognized in the income of direct or indirect controlling entities, companies under common control or issuer subsidiaries

Not applicable, considering that managers do not receive compensation from direct or indirect controlling shareholder, companies under common control and subsidiaries.

13.16 - Other material information

Additional information to item 13.2

Below are the calculations of the number of members and number of compensated members of the Company Board of Directors and Executive Officers for the periods covered by item 13.2 above.

Board of Directors

Fiscal period 2021		
Month	Number of members	Number of members receiving compensation
January	5	5
February	5	5
March	5	5
April	5	5
May	5	5
June	5	5
July	5	5
August	5	5
September	5	5
October	5	5
November	5	5
December	5	5
Average	5.00	5.00

Fiscal period 2020		
Month	Number of members	Number of members receiving compensation
January	5	4
February	5	4
March	5	4
April	5	4
May	5	4
June	5	4
July	5	4
August	5	4
September	5	4
October	5	4
November	5	5
December	5	5
Average	5.00	4.17

Fiscal period 2019		
Month	Number of members	Number of members receiving compensation
January	0	0
February	0	0
March	0	0
April	0	0
May	0	0
June	0	0
July	0	0
August	0	0
September	0	0
October	5	4
November	5	4
December	5	4
Average	1.25	1.00

Fiscal period 2018		
Month	Number of members	Number of members receiving compensation
January	0	0
February	0	0
March	0	0
April	0	0
May	0	0
June	0	0
July	0	0
August	0	0
September	0	0
October	0	0
November	0	0
December	0	0
Average	0.00	0.00

Statutory

Fiscal period 2021		
Month	Number of members	Number of members receiving compensation
January	4	4
February	4	4
March	4	4
April	4	4
May	4	4
June	4	4
July	4	4
August	4	4
September	4	4
October	4	4
November	4	4
December	4	4
Average	4,00	4,00

Fiscal period 2020		
Month	Number of members	Number of members receiving compensation
January	5	5
February	5	5
March	5	5
April	5	5
May	5	5
June	5	5
July	5	5
August	5	5
September	4	4
October	4	4
November	4	4
December	4	4
Average	4.67	4.67

Fiscal period 2019		
Month	Number of members	Number of members receiving compensation
January	5	5
February	5	5
March	5	5
April	5	5
May	5	5
June	5	5
July	5	5
August	5	5
September	5	5
October	5	5
November	5	5
December	5	5
Average	5.00	5.00

Fiscal period 2018		
Month	Number of members	Number of members receiving compensation
January	4	4
February	4	4
March	4	4
April	4	4
May	5	5
June	5	5
July	5	5
August	5	5
September	5	5
October	5	5
November	5	5
December	5	5
Average	4.67	4.67

There is no other information that the Company deems material in relation to item 13 which has not been disclosed in other items of this Management Proposal.

Additional information to item 13.1

In addition to the information submitted in item 13.11 of this Reference Form, the Company explains that, as its Board of Directors was constituted and installed only in October 2019, the calculation of average compensation in item 13.11 has a distortion in terms of the formula used to calculate the number of members receiving compensation,

shown in this same item 13.16. Thus, to better understand average compensation received by the members of the Company Directors in 2018, below is the pro-forma calculation of average compensation, considering only the period in which the Board of Directors was installed and in operation:

Fiscal period 2019		
Month	Number of members	Number of members receiving compensation
October	5	4
November	5	4
December	5	4
Average	5.00	4.00

Average compensation paid to members of the Board of Directors in 2019 (pro forma)

Total BoD compensation: R\$ 752.749,96

Number of members receiving compensation 4.00

Average compensation R\$ 188.187,49

EXTRAORDINARY GENERAL MEETING
PRESENTATION TO THE SHAREHOLDER'S

ITEM 1

Amend the Company's bylaws to [include in its stated purpose of business new activities, as per article 4 of Management's Proposal]

Dear Shareholders,

The Board of Directors of C&A hereby submits this proposal to review the Company Bylaws to adjust the stated purpose of business, adjusting it to how the Company's current model of business has evolved.

As any review of the Company Bylaws is within the span of the General Meeting of the Shareholder's, we hereby submit a proposal for analysis by the General Meeting, as per the attached copy of the Bylaws.

Attachment I: Bylaws with the proposed amendments highlighted as track-changes.

Attachment II: comparison with the proposed changes in the Bylaws and justifications for such changes.

Barueri, March 30, 2021.

Luiz Antonio de Moraes Carvalho
Chairman of the Board of Directors

*_*_*

Attachment I:

BYLAWS WITH AMENDMENTS PROPOSED AT THE EXTRAORDINARY GENERAL MEETING CALLED FOR APRIL 30, 2021.

C&A MODAS S.A.

BYLAWS

* (WITH TRACKED CHANGES) *

CHAPTER I

NAME, HEADQUARTERS, PURPOSE AND DURATION

Article 1 C&A Modas S.A. (the "Company") is a stock-based company governed by these Bylaws and applicable legislation.

Article 2 Since the Company joined the "Novo Mercado" of B3 S.A. - Brasil, Bolsa, Balcão ("Novo Mercado" and "B3" respectively), the Company, its shareholders, including the controlling shareholders, Executive Officers and members of the Fiscal Council, if installed, are subject to the Novo Mercado Regulations.

Article 3 The principal office of the Company, and its jurisdiction, are in the City of Barueri, State of São Paulo, at Alameda Araguaia, 1,222/1,022, Alphaville Centro Industrial e Empresarial, CEP 06455-000, corporate taxpayer registration (CNPJ) # 45.242.914/0001-05. The Company may open, transfer and close such other offices in the country or abroad as the Board of Executive Officers may designate, subject to appropriate legal requirements.

Article 4 The stated purpose of business is:

- (a) Retail trade in general, including e-commerce, through any available methods (telephone, Internet, catalog, etc.), in clothing, including, but not limited to: women's apparel, men's apparel, children and teen apparel, footwear, bags and accessories; bed, bath and table linens, textiles and sewing notions; items made of leather and skins; eyeglasses and contact lenses; sporting and travel goods, custom jewelry and adornments in general; precious and semi-precious metals, precious and non-precious stones and jewels; perfume, vanity and cosmetic products; toys and recreational articles in general; decorative items; domestic

and personal cleaning and hygiene products; IT supplies and equipment, electric and electronic devices, home appliances, including mobile phones, records, CDs, DVDs, photographic and filming devices and watches; office and book supplies and all types of printed material, as well as other typical department store products; office supplies and books, and all types of printed material, as well as other typical department store products; [the manufacture of apparel and accessories; stamping and texturizing fibers, fabrics, textile goods and apparel items; other fiber, textile, textile goods and apparel finishing services;](#)

- (b) Import and export of the goods and products mentioned above;
- (c) Packaging of goods;
- (d) Advertising of own or third-party products and the trade of advertising and promotional materials;
- (e) Logistics services, including the storage and management of inventory in own or third-party warehouses, as well as cargo shipment;
- (f) Own or third-party debit and credit card-related services of any nature, issuing own or third-party cards and any principal, supplementary or associated activities related to these services;
- (g) [Development and licensing of technical support and management of computer programs, and other information technology services;](#)
- (h) Provision, intermediation and brokerage of business in general, but not exclusively or limited, including the intermediation of: (i) Financial services such as financed sales, personal loans, private pensions, capitalization securities, insurance brokerage, extended warranty sales, banking correspondence, mobile phone top-ups and associated activities; (ii) intermediation services for third-party mobile telephone activation and top-ups; (iii) intermediation, brokerage and promotional distribution services for insurance, capitalization securities and associated products from insurance companies and other third parties offering such products, which will be carried out through an insurance brokerage, when applicable, pursuant to SUSEP (the Superintendence of Private Insurance) and CNSP (National Council of Private Insurance)

regulations;

- (i) Retail and wholesale trade and distribution of own or third-party products;
- (j) Any form of participation in Companies, whether in Brazil or abroad.

Article 5 The Company has been incorporated for an indeterminate duration.

CHAPTER II

CAPITAL STOCK, SHARES AND SHAREHOLDERS

Article 6 The fully subscribed and paid in capital stock of the Company is R\$ 1.849.418.624,00 (one billion eight hundred and forty-nine million four hundred and eighteen thousand six hundred and twenty-four Brazilian Reals), split into 308,245,068 (three hundred and eight million two hundred and forty-five thousand and sixty-eight) common, nominative, book-entry shares with no par value.

Paragraph 1 Each nominative common share has the right to one vote at Company Shareholder Meetings.

Paragraph 2 The shares are indivisible in relation to the Company. When a share belongs to more than one person, the rights inherent to such a share shall be exercised by the condominium representative.

Paragraph 3 The Company is prohibited from issuing preferred or founders shares.

Paragraph 4 All of the Company's shares are book-entry shares, held on behalf of their owners in deposit accounts at a financial institution authorized by the Brazilian Securities Commission ("CVM"), with which the Company has a current custody agreement. No share certificates shall be issued. As defined in the book-entry share agreement and subject to the limits in current legislation, book-entry share ownership transfer services may be charged directly from the shareholder by the institution providing custody services.

Article 7 Independent of any bylaw amendment, the Company may authorize capital increases up to 135,000,000 (one hundred and thirty-five million) new common shares, therefore, up to the limit of 393,930,000 common shares, pursuant to article 168 of Law

6404 of 15 December 1976, as amended (the "Brazilian Corporate Law").

Sole Paragraph - Any capital increase complying with the authorized capital limits will be carried out by issuing shares, convertible debentures or warrants as the Board of Directors may designate, and the Board of Directors shall determine the conditions, price, term and payment method for the issue. If payment takes the form of assets, the Shareholders Meeting shall be responsible for increasing the capital stock, with input from the Fiscal Council, if instituted.

Article 8 Pursuant to the Corporate Law and within the limits of authorized capital, the Company may: i) issue shares, convertible debentures and warrants without any right of first refusal for former shareholders, or with a reduced deadline for exercising that right, when the issue is placed by means of a stock market sale or public subscription, through a share swap in a public tender offer to acquire a controlling interest in the Company, (ii) grant stock-option plans to Company managers and employees as per the plan approved by the Shareholders Meeting.

Article 9 By resolution of the Board of Directors, the Company may acquire shares it has issued to convert them into treasury shares and subsequently dispose of or cancel such shares, up to the value of the balance of any profits and reserves, excluding the legal reserve, without reducing the capital stock and subject to applicable laws and regulations.

CHAPTER III

SHAREHOLDER MEETING

Article 10 Shareholder Meetings shall ordinarily be convened once a year, within the first 4 (four) months of each fiscal year end, to discuss the matters provided in article 132 of the Corporate Law, and shall meet on an extraordinary basis as and when required by the Company's interests, however, the calling or convening of a meeting and any meeting resolutions are subject to relevant laws and the provisions set forth herein.

Paragraph 1 Notwithstanding the exceptions in applicable laws and regulations, Shareholder Meetings shall be called as per the Corporate Law.

Paragraph 2 Other than the exceptions in the Corporate Law, Shareholders Meetings may only resolve matters that are stated on the order of business and included in the meeting notice, under no circumstances may "general topics" be added to the order of business.

Paragraph 3 Except as otherwise provided in law, the Shareholders Meeting shall require a quorum of shareholders representing at least 25% (twenty-five per cent) of the capital stock when it is first convened, and any number of shareholders if it is convened for a second time.

Paragraph 4 Subject to limitations stipulated in the Corporate Law, resolutions shall be taken by a majority vote of the shareholders present.

Article 11 Shareholders may be represented at Shareholder Meetings by proxy constituted no less than 1 (one) year previously; their proxy may be a shareholder, a manager of the Company, attorney, financial institution, or administrator of the investment fund representing the condominium members.

Paragraph 1 To better assist the Company in organizing Shareholder Meetings, shareholders shall provide the Company with the following, preferably at least 48 (forty-eight) hours in advance: (i) an identity document, if the shareholder is an individual; (ii) if the shareholder is a legal entity, the relevant corporate documents proving its powers of legal representation and the representative's identity document; (iii) proof of its shareholding in the Company issued by the custodian no later than 5 (five) days prior to the Shareholder Meeting; and (iv) when applicable, a power of attorney issued pursuant to the first paragraph in article 126 of the Corporate Law.

Paragraph 2 Notwithstanding the above, any shareholder who arrives at a Shareholder Meeting before it is called to order, and is in possession of the documents listed above, shall be entitled to attend and vote at the meeting, even if the shareholder failed to file the documents prior to the meeting.

Paragraph 3 Meeting minutes shall be (i) registered in summary format to record the proceedings, including any dissent or protest, and shall contain a transcription of the resolutions taken, subject to the provision in paragraph 1, article 130 of the Corporate Law; and (ii) published without the shareholders' signatures.

Article 12 The Shareholders Meeting shall be installed and chaired by the Chairman of the Board of Directors or, in his/her absence or impediment, by any other member of the Board of Directors appointed by the majority of the shareholders present. Should all members of the Board of Directors be absent, the Shareholders Meeting shall be chaired by

any other officer or shareholder appointed by the majority of the shareholders present. The chair of the Shareholders Meeting shall select among those present one to be the meeting Secretary, who may or may not be a Company shareholder.

Article 13 In addition to the duties provided in law, the Shareholders Meeting is authorized to:

- (a) Amend the bylaws
- (b) Elect and remove members of the Board of Directors, appoint the Chair, and define the number of seats on the Company Board of Directors;
- (c) Elect and remove members of the Fiscal Council, if instituted;
- (d) Take management's accounts and examine, discuss, and approve the financial statements;
- (e) Suspend shareholder rights, including their voting rights, if they fail to comply with their legal, regulatory, or statutory obligations;
- (f) Resolve on the valuation of asserts submitted by shareholders to make up capital stock;
- (g) Resolve on the dissolution, liquidation, merger, split, transformation or incorporation (including stock incorporation) of the Company, elect and remove liquidators and pass resolutions on the Fiscal Council operating during the liquidation period, assessing its accounts and any division of corporate assets in the event of liquidation;
- (h) File petitions for court-supervised or out-of-court reorganization or bankruptcy proceedings;
- (i) Set the annual, global compensation for the Board of Directors, the Board of Executive Officers and the members of the Fiscal Council, if instituted;
- (j) Award bonuses in shares and decide on share splits and reverse splits;

- (k) Approve the creation or changes of stock-option plans and share-based compensation for its for managers, employees or individuals providing services to the Company, and to the officers and employees of other companies that are directly or indirectly controlled by the Company;
- (l) Based on management proposals and the annual financial statements, resolve on the application net income for the period, and the distribution of dividends;
- (m) Resolve any capital increase or reduction as well as any decision to buy back or amortize shares in accordance with these Bylaws, except as otherwise provided in the Sole Paragraph of Article 7 of these Bylaws;
- (n) Notwithstanding the Board of Directors' powers in item (p) of Article 19 of these bylaws, pass resolutions on any issue of shares or convertible securities;
- (o) Waive a public tender offer to acquire shares required to exit the Novo Mercado segment, as per applicable regulations.
- (p) Resolve on any matter submitted to the Board of Directors.

Sole Paragraph - The Chair of the Shareholders Meeting shall observe and enforce the provisions of the Shareholder Agreements kept on file at the Company headquarters, not allowing any item or act that is contrary to the content of such agreements.

CHAPTER IV MANAGEMENT

Section I - General

Article 14 The Company will be managed by the Board of Directors and by the Board of Executive Officers, who shall have the powers and responsibilities set forth in applicable legislation and these Bylaws.

Sole Paragraph -The positions of Chairman of the Board of Directors and Chief Executive

Officer shall not be held cumulatively by the same person, except when one of these positions falls vacant and subject to Novo Mercado Regulations.

Article 15 Members of the Board of Directors, the Board of Executive Officers and their alternates shall take office upon signing the investiture ledger, stating their agreement with the clause referred to in Article 39 of these Bylaws, and they shall remain in office until their elected replacements have been vested in office.

Section II - Board of Directors

Article 16 The Board of Directors shall be made up of at least 3 (three) and at most 9 (nine) members, all of whom shall be elected and may be removed by the Shareholders Meeting (the “Board Members”), serving a unified 2 (two) year term of office and who may be reelected.

Paragraph 1 At least 2 (two) or 20% (twenty per cent) of the Board members, whichever is greater, shall be independent directors, as defined in the Novo Mercado Regulations, and the criteria for classifying persons appointed to the Board of Directors as independent directors shall be decided by the Shareholder Meeting electing them. If there is a controlling shareholder, Board Members elected using the option in article 141, paragraphs 4 and 5 of the Corporate Law, shall also be classified as independent directors (the “Independent Board Members”).

Paragraph 2 If the percentage referred to in the paragraph above results in a fraction, the Company shall round that up to the next whole number, pursuant to Novo Mercado Regulations.

Paragraph 3 Under article 147, paragraph 3 of the Corporate Law, Board Members are required to have unimpeachable reputations, however, without a specific waiver from the Shareholders Meeting, they are ineligible for election if they (i) hold positions at companies that may be considered the Company’s competitors or (ii) have a conflict of interest with the Company.

Paragraph 4 Should any position on the Board of Directors become vacant, the alternate shall be appointed by other members of the Board of Directors to complete the mandate. For the purposes of this paragraph, vacancy occurs as a result of removal, death, resignation, proven impediment or disability, or unjustified absence for more than 30

(thirty) calendar days.

Paragraph 5 In the temporary absence or impediment of the Chair of the Board of Directors, the Chair's functions shall be carried out by another member of the Board appointed by the Chair.

Article 17 Ordinarily, the Board of Directors will meet 4 (four) times a year at the end of each quarter and, on an extraordinary basis, whenever convened by its Chair, providing at least 5 (five) days written notice, accompanied by the order of business, except in urgent circumstances, when meetings of the Board of Directors may be convened by the Chair without observing the notice period referred to above, provided all Board Members have unequivocally been notified. Meeting notices may be issued by letter with receipt for delivery, fax or any other means, electronic or otherwise, providing proof of receipt.

Paragraph 1 When a meeting of the Board of Directors is first called to order, a majority of members shall constitute a quorum, however, when the meeting is called to order at the second time of asking, any number shall constitute a quorum.

Paragraph 2 Independent of the formal procedures referred to in this Article 17, any meeting attended by all Board Members will be considered validly convened.

Article 18 Meetings of the Board of Directors shall be held, preferentially, at the Company's head office. Meetings may be held by telephone or videoconference and may be recorded. Members participating in this way shall be considered to have attended the meeting in person. In this case, Board Members who take part in a Board meeting remotely may cast their votes on the day of the meeting by letter, fax or digitally certified email.

Paragraph 1 Meetings of the Board of Directors shall be chaired by the Chair or, in his/her absence, by another Board Member appointed by the majority of those present, and the Secretary shall be a Board Member appointed by the chair of the meeting in question.

Paragraph 2 In the event any member of the Board of Directors is temporarily absent, that Board Member may: (i) depending on the order of business, cast his/her vote in writing by proxy issued to another Board Member, by written vote cast before the meeting, by letter or fax delivered to the Chair of the Board of Directors on the day of the meeting, or by digitally certified email; (ii) appoint a representative who must be a member of the Board

of Directors. The Power of Attorney must include the order of business and the manifest vote of the granting Board Member.

Paragraph 3 At the end of every meeting, the minutes shall be recorded and signed by all Directors present and transcribed into the Company's Board of Director Ledger of Minutes. Votes cast by Board Members participating meeting remotely, or who have expressed their opinion pursuant to Paragraph 2 of this Article 18, shall also be included in the Board of Directors Ledger of Minutes, and a copy of the letter, fax or e-mail message containing the Director's vote shall be registered in the Ledger after the minutes have been transcribed.

Paragraph 4 Minutes of the Company's Board of Directors meetings containing resolutions intended to produce effects on third parties shall be published and filed with the public registry of traded companies.

Article 19 The Board of Directors' main function is to provide overall direction for the Company's business, controlling and overseeing its performance; in addition to its other responsibilities provided by law or in these Bylaws, it has specific responsibilities to:

- (a) Define policies and set budget strategies for the business, lead growth strategy implementation and provide overall direction for the Company's business;
- (b) Approve the annual budget, business plans and any other strategy, investment, annual and/or multiyear plans, the Company's expansion projects and the position and salary organization chart for the Board of Executive Officers and management positions;
- (c) Create committees or working groups with defined goals, and appoint their members;
- (d) Approve budgets for the internal audit area and other committees, if and when installed;
- (e) Define the number of positions on the Board of Executive Officers, elect and dismiss its members and define any functions, responsibilities and span of authority not specified in these Bylaws;
- (f) Assess the CEO's performance and evaluate the performance assessments of the other members of the Board of Executive Officers;

- (g) Define and change the powers, operational rules, meeting rules and membership of the Company's management bodies, including their advisory committees;
- (h) Distribute the global compensation fixed by the Shareholders Meeting among the Board Members and Executive Officers;
- (i) Resolve on convening a Shareholders Meeting as and when it sees fit or as provided in article 132 of the Corporate Law;
- (j) Oversee Officer management, examining the Company books and documents at any time, requesting information on existing or upcoming contracts or any other acts and instruments;
- (k) Assess the Company's annual and quarterly financial statements;
- (l) Select and remove independent auditors, abiding by the provisions of applicable regulations. The independent auditor shall report to the Board of Directors through the Audit and Risk Management Committee;
- (m) Assesses the Management Report and Board of Executive Officers' accounts and resolve whether to submit them to the Shareholders Meeting;
- (n) Issue opinions on any proposal before it is submitted to the Shareholders Meeting;
- (o) Approve management's proposal for dividend distribution, and approve the declaration of interim or intermediary dividends, or the payment of interest on equity based on monthly, quarterly or half-yearly balance sheets, adopted *ad referendum* of the Shareholders Meeting;
- (p) Authorize the issuing of Company shares and warrants, within the limits authorized in Article 7 of these Bylaws, determining the issue conditions, including any price and payment terms and convertible debenture issues, within the authorized capital limits, specifying the maximum capital increase resulting from debenture conversion, in terms of capital value or number of shares, and it may also exclude rights of first refusal during any issue of shares, warrants or convertible debentures when placed by sale on the stock market or public subscription or by means of a share swap in a

public tender offer to acquire a controlling interest, or to fund the stock option plan for the Company's management and employees, as provided by law;

- (q)** Resolve to authorize buybacks of the Company's own shares or the launch of purchase and sale options indexed to the Company's shares, to hold them in treasury and/or subsequently cancel or dispose of such shares;
- (r)** Issue stock-options or share-based incentives to management and employees as well as the management and employees of other companies directly or indirectly controlled by the Company, pursuant to the plans approved by the Shareholders Meeting, with no right of first refusal for existing shareholders;
- (s)** Resolve on issuing simple, non-convertible debentures and commercial papers, promissory notes, bonds, notes and any other customary securities, for public or private distribution;
- (t)** Approve *(t.1)* the creation of liens on Company assets or offer other guarantees to third parties for obligations agreed by the Company and its associated companies, and *(t2)* any financing agreements executed for the purpose of acquiring movable goods such as operational equipment, where the respective goods acquired are themselves used as collateral;
- (u)** Approve the creation of liens on Company assets or offer other guarantees to third parties for obligations agreed by the Company and its wholly owned subsidiaries or associated companies, in excess of R\$ 10.000.000,00 (ten million Brazilian Reals);
- (v)** Resolve on the acquisition, disposal, sale, lease or donation, or to directly or indirectly encumber, for any reason and in any amount, any of the corporate interests held by the Company, except by constituting and/or extinguishing subsidiaries, so long as the provisions of line (c) of Article 23 below has been complied with;
- (w)** Approve any sale or disposal of goods or rights representing the Company's fixed assets when not stipulated in the annual budget, if they have a market value of more than 10% (ten per cent) of the Company's noncurrent assets;
- (x)** Approve any and all transaction or group of transactions with the Company's related parties for amounts equivalent to or greater than 1% (one per cent) of the Company's

net revenue in the preceding fiscal year;

- (y) Present an annual employee and management profit-sharing distribution proposal to the Shareholders Meeting;
- (z) Approve the hiring of a custody institution to provide share bookkeeping services;
- (aa) Approve the internal procedures and regulatory acts of the Company and its management structure, including but not limited to: (a) The Code of Ethics; (b) Compensation Policy; (c) Board, advisory committee and statutory officer Appointment and Selection Policy; (d) Risk Management Policy; (d) Related-Party Transactions Policy; (e) Securities Trading Policy; and (f) Material Act and Fact Disclosure Policy;
- (bb) Within 15 days of a tender offer notice, produce and disclose a reasoned opinion for or against accepting any public tender offer for acquisition of the Company's shares, addressing at least: (i) whether the public tender offer to acquire shares is in the interests of the Company and its shareholders, evaluating the price and possible impact on share liquidity; (ii) the offeror's strategic plans for the Company; and (iii) available market alternatives to accepting the public tender offer to acquire shares.
- (cc) Exercise other responsibilities stipulated in these Bylaws and decide on any matters not covered by these Bylaws, respecting any matters that are the exclusive competence of other Company bodies, specifically the Shareholders Meeting.

Section III - Board of Executive Officers

Article 20 The Board of Executive Officers will be made up of at least 3 (three) and at most 9 (nine) members, shareholders or otherwise, resident in Brazil. The following shall be appointed: (i) a Chief Executive Officer, (ii) an Administrative, Finance and Investor Relations Officer and (iii) other Officers with no specific designation ("Executive Officers"), elected and removable by the Board of Directors and subject to the provisions in the Sole Paragraph of Article 14 of these Bylaws.

Sole Paragraph Executive Officers may hold more than one role, so long as there is the minimum number of Executive Officers stipulated in the Corporate Law.

Article 21 The Board of Executive Officers shall serve a unified 2 (two) year term, and officers may be reelected. Officers shall remain in office until their successors have been elected and vested in office.

Article 22 The Board of Executive Officers shall meet as and when required and meetings shall be called by the Chief Executive Officer with at least 24 (twenty-four) hours notice, or by 2/3 (two thirds) of the Executive Officers, in this case with at least 48 (forty-eight) hours notice, and the meeting shall only be convened when attended by a majority of its members.

Paragraph 1 In the event of a temporary absence or impediment, the Chief Executive Officer shall be replaced by the Administration, Finance and Investor Relations Officer. A meeting of the Board of Directors shall be immediately convened if the position of CEO falls vacant or if the CEO is permanently impeded, in order to fill the position.

Paragraph 2 In the event of a vacancy in the Board of Executive Officers, it shall have the power to appoint, from among its members, a substitute who will accumulate, in the interim, the functions of the substituted member. Such replacement shall last until the final deliberation regarding the position takes place in the first meeting of the Board of Directors that follows, such meeting shall be held within no more than 30 (thirty) days from the date the position becomes vacant. The elected replacement shall remain in office until the end of the Board of Executive Officers mandate. For the purposes of this paragraph, vacancy occurs as a result of removal, death, resignation, proven impediment or disability, or unjustified absence for more than 30 (thirty) calendar days.

Paragraph 3 In the event of temporary absence or impediment of any Executive Officer, he or she may, (i) Depending on the order of business, manifest his/her vote ahead of time in writing, by letter or fax delivered to the CEO, or on the date of the meeting, or by digitally certified e-mail, or (ii) it may delegate its powers to a proxy who must necessarily be a member of the Board of Directors. Said proxy must include the order of business and the vote of the granting board member.

Paragraph 4 Executive officers shall not take more than 30 (thirty) calendar days leave, under penalty of termination, except when granted a leave of absence by the Board of Executive Officers.

Paragraph 5 Board of Executive Officers meetings may be held by telephone or

videoconference or other means of communication. Members participating in this way shall be considered to have attended the meeting in person. In this event, all Officers who take part in the Board of Executive Officers meeting remotely shall cast and confirm their votes by letter, fax or digitally certified e-mail.

Paragraph 6 At the end of every meeting, the minutes shall be recorded and signed by all Officers physically present and transcribed into the Company's Board of Executive Officers Ledger of Minutes.

Article 23 The Board of Executive Officers shall have powers to:

- (a) Enforce the law, these Bylaws and any decisions of the Board of Directors and the Shareholders Meeting;
- (b) Manage and conduct Company business within the guidelines provided by the Board of Directors, and represent the Company as a claimant or defendant, in and out of court;
- (c) Issue and approve internal instructions considered useful or necessary, within the provisions of applicable legislation and these Bylaws;
- (d) Open, transfer and close other offices anywhere in the country or abroad;
- (e) Create and extinguish subsidiaries, anywhere in the country or abroad;
- (f) Annually submit the management reports and Board of Executive Officers accounts to the Board of Directors for its consideration, accompanied the independent auditors report and a proposal to allocate profits accrued during the preceding fiscal year;
- (g) Submit the Company's annual budget to the Board of Directors;
- (h) Provide the Board of Directors with a detailed quarterly economic/financial and asset balance sheet for the Company and its subsidiaries;
- (i) Approve the creation of liens on the assets of the Company and/or its wholly owned subsidiaries. Issuing guarantees for third-party obligations or providing guarantees or surety for the benefit of third parties is prohibited, pursuant to the provisions of line

"(u)" of Article 19 above;

- (j) Decide on any topic that is not the exclusive responsibility of the Shareholders or Board of Directors meetings;

Paragraph 1 Notwithstanding any other responsibilities assigned by law or by the Board of Directors, the CEO is responsible for:

- (a) Coordinating and overseeing the activities of the other Executive Officers and for directing the performance of the Company's overall planning activities, in addition to the roles, responsibilities and powers assigned by the Board of Directors and in accordance with the policies and guidelines previously outlined by the Board of Directors, and:
- (b) Calling and chairing meetings of the Board of Executive Officers;
- (c) Proposing, on a nonexclusive basis and irrespective of the responsibilities defined in these Bylaws and in any other that may be determined by the Company Board of Directors, the responsibilities of each Executive Officer at the time and after he or she is elected;
- (d) Leading activities related to the overall planning of the Company and of its subsidiaries;
- (e) Keeping members of the Board of Directors informed regarding Company activities and the progress of its operations;
- (f) Representing the Company institutionally.

Paragraph 2 In addition to any other responsibilities defined by the Board of Directors, the Administration, Finance and Investor Relations Officer is responsible for:

- (a) Assisting the Chief Executive Officer in coordinating the actions of the other Company Officers, and for directing and implementing general corporate planning activities;
- (b) Replacing the Chief Executive Officer if he or she is temporarily absent or on leave,

in which case he or she shall have the powers, responsibilities and duties of the former, as determined by the Board of Directors, and the responsibilities listed in the subitems of Paragraph 1 of this Article 23;

- (c) Managing cash and equivalents, accounts payable and accounts receivable and the administrative area, defining specific policies for the area, and in particular planning, implementing and coordinating the financial policies of the Company and its subsidiaries;
- (d) Directing the accounting, financial planning and tax/fiscal areas;
- (e) Representing the Company in its dealings with regulators and other capital market institutions;
- (f) Providing information to investors, the CVM and any stock markets where the Company's securities are traded and other capital market bodies in accordance with applicable Brazilian or international legislation;
- (g) Keeping its CVM registration as a publicly traded company up-to-date.

Article 24 Bearing in mind the exceptions in the Bylaws, the Company may be represented by:

- (a) Two Executive Officers acting in conjunction
- (b) One Executive Officer and one attorney-in-fact;
- (c) Two attorneys-in-fact acting in conjunction, provided they have been granted special powers in a specific power of attorney.

Paragraph 1 Any Company officer or any of the attorneys-in-fact appointed by the Company may represent it as a claimant or respondent in city, state or federal court, as well as before autarchies, mixed economy companies and quasi-governmental entities.

Paragraph 2 The Company may be represented by only 1 (one) Officer or 1 (one) attorney-in-fact in the following situations:

- (a) Signing general agreements whose value does not exceed R\$ 500.000,00 (five hundred thousand Reals), including but not limited to labor agreements;
- (b) In the case of acts of ordinary administrative routine, including those practiced before public offices, mixed capital companies, Federal Revenue Offices, State Treasury Offices, Municipal Treasury Offices, Commercial Registry, all judicial offices, in any instance, INSS, FGTS and their collecting banks and others of the same nature.

Article 25 Powers of attorney issued on behalf of the Company shall always be issued by 2 (two) Executive Officers, and shall specify the powers granted therein and, except for powers of attorney issued for judicial purposes, shall be valid for a maximum period of 1 (one) year.

Section IV - Fiscal Council

Article 26 The Company's Fiscal Council is a non-permanent committee and, when instituted, will have a minimum of 3 (three) and maximum of 5 (five) members and an equal number of alternates, who may or may not be shareholders, all residing in Brazil, elected by the Shareholders Meeting, which may also remove them, to a 1 (one) year term of office, Fiscal Council members may be reelected (the "Fiscal Council Members"). The Fiscal Council shall be instituted, populated and compensated in accordance with the legislation currently in effect.

Paragraph 1 Fiscal Council members shall be elected by the Shareholders Meeting instituting the Fiscal Council, and their term of office shall expire at the Ordinary Shareholders Meeting subsequent to their election.

Paragraph 2 The Fiscal Council shall have a Chair elected at the Shareholders Meeting.

Paragraph 3 If a seat on the Fiscal Council falls vacant, the respective alternate shall take up the position. If no alternate is available, a Shareholders Meeting shall be convened to elect a member for the vacant position.

Article 27 As provided in law and when instituted, the Fiscal Council shall meet whenever required and shall analyze the financial statements on at least a quarterly basis.

Sole Paragraph -All decisions made by the Fiscal Council shall be set down in minutes recorded in the Fiscal Council Reports and Minutes ledger and signed by all members present.

Section V - Audit and Risk Management Committee

Article 28 The Audit and Risk Management Committee is a statutory body and a Board advisory committee linked to the Board of Directors, with operational autonomy and a separate budget, approved by the Board of Directors.

Sole Paragraph - The Audit and Risk Management Committee shall prescribe its own rules of procedure, approved by the Board of Directors, with the rules governing the functions of the Audit and Risk Management Committee, its operational procedures and the activities of the Audit and Risk Management Committee coordinator.

Article 29 The Audit and Risk Management Committee shall be made up of at least 3 (three) members, elected by simple majority of the Board of Directors; at least 1 (one) member shall be an independent director and at least 1 (one) member shall have recognized experience in corporate accounting matters.

Sole Paragraph – The same member of the Audit and Risk Management Committee may fulfill both the requirements mentioned above.

Article 30 Among its other duties, the Audit and Risk Management Committee shall:

- (a) Issue opinions on the hiring and dismissal of independent audit services;
- (b) Evaluate quarterly information, interim statements and financial statements;
- (c) Oversee the Company's internal audit activities and its internal controls area;
- (d) Assess and monitor the Company's risk exposure;
- (e) Assess, monitor and provide management with recommendations to correct or improve the Company's internal policies, including the Related-Parties Transaction Policy;

- (f) Be afforded the means of receiving and processing information reporting any violation of the laws and regulations that apply to the Company, as well as any internal codes and regulations, with specific procedures to protect the person filing such a report and ensure the information remains confidential.

CHAPTER V

FISCAL YEAR, FINANCIAL STATEMENTS AND DISTRIBUTION OF PROFITS

Article 31 The fiscal year coincides with the calendar year. The financial statements required by law shall be drawn up at the end of each fiscal year.

Paragraph 1 The Company's financial statements shall be audited by an independent auditor registered with the CVM.

Paragraph 2 In addition to the annual financial statements, the Company shall produce quarterly financial statements, subject to the relevant legal provisions.

Paragraph 3 Within applicable legal provisions, the Company may pay its shareholders interest on equity, to be allocated to minimum mandatory dividends.

Paragraph 4 Unless otherwise stipulated at the Shareholders Meeting, dividends shall be paid within 60 (sixty) days of the date on which they are declared and, in all cases, before the end of the fiscal year.

Paragraph 5 The Company may draw up interim and half-yearly balance sheets.

Paragraph 6 Alongside the financial statements for the fiscal year, and subject to the requirements of the Bylaws and the Corporate Law, the Company's management bodies will present the Annual Shareholders Meeting with a proposal for allocation of net profit.

Article 32 Any accumulated losses and income tax and social contribution provisions shall be deducted from annual income prior to any profit sharing.

Paragraph 1 Following the deductions referred to in this Article 32, the Shareholders

Meeting may grant management a share of the profits within the limits stipulated in article 152 of the Corporate Law and these Bylaws.

Paragraph 2 After making the deductions referred to in Article **Erro! Fonte de referência não encontrada.2** and before any other disbursement, 5% (five per cent) of the annual net income shall be set aside to constitute a legal reserve, not to exceed 20% (twenty per cent) of the Company's capital stock.

Paragraph 3 Each year, the shareholders shall be entitled to a mandatory, minimum dividend equivalent to 25% (twenty-five per cent) of the annual net profit, after:

- (a) Subtracting any amounts used during the fiscal year to establish the legal reserve, as indicated in Paragraph 2 above;
- (b) Adding any amounts resulting from the reversal of previously created contingency reserves during the fiscal year.

Paragraph 4 100% of the remaining balance of net income may be set aside as a “Statutory Profit Reserve”, which is intended to reinforce the Company's capital stock and working capital, ensuring it has suitable conditions to operate and perform its activities. The upper limit for this reserve is the amount of capital stock less the balances of the other profit reserves. Once this limit is reached, the Shareholders Meeting will decide on any excess, as per article 199 of the Brazilian Corporate Law, whether to use it to pay in the increase in share capital or distribute it as dividends.

Article 33 After complying with the relevant legal provisions, any remaining balance shall be distributed as determined by the General Shareholders Meeting, in accordance with applicable legislation.

CHAPTER VI

LIQUIDATION

Article 34 The Company shall be dissolved and subject to liquidation in the circumstances established by law. The Shareholders Meeting shall determine the method of liquidation and elect the receiver, or receivers, as well as the Fiscal Council, if requested by shareholders representing the quorum required by law or in CVM regulations, subject to relevant legal procedures, and determine their powers and compensation.

CHAPTER VII

TRANSFER OF CONTROL

Article 35 Direct or indirect disposal of a controlling interest in the Company, in a single transaction or successive transactions, shall only be agreed if the acquirer undertakes to make a public tender offer for the Company's shares owned by the other shareholders, subject to the conditions and deadlines provided in applicable laws and regulations and the Novo Mercado Regulations, to ensure that the other Company shareholders receive the same treatment as the seller.

Paragraph 1 In the event of an indirect disposal of a controlling interest, the acquirer shall disclose the price attributed to the Company in order to determine the public tender offer price and shall provide reasonable grounds to justify this price.

Paragraph 2 For the purpose of this Article 35, "control" and related expressions mean the effective power directly or indirectly used by a shareholder to direct corporate activities and operation of the Company's bodies, either directly or indirectly, in fact or by operation of law, irrespective of its equity interest.

CHAPTER VIII

CORPORATE REORGANIZATION

Article 36 If a corporate reorganization implies transferring the Company's shareholder base, the resulting companies shall file applications to join the Novo Mercado within 120 (one hundred and twenty) days of the Shareholders Meeting that approved the corporate reorganization.

Sole Paragraph - If the reorganization involves companies that do not plan to apply to join the Novo Mercado, this structure must be approved by a majority of shareholders owning Outstanding Shares in the Company attending the Shareholders Meeting.

CHAPTER IX

VOLUNTARY EXIT FROM THE NOVO MERCADO

Article 37 Notwithstanding the Novo Mercado Regulations, any voluntary exit from the

Novo Mercado must be preceded by a public tender offer complying with CVM regulations governing public tender offers intended to cancel listed company registration, as well as the following: (i) the price offered must be fair and a further valuation of the Company may be requested, as per the Corporate Law; (ii) shareholders owning more than 1/3 (one third) of the Outstanding Shares must accept the public tender offer or specifically agree with the decision to exit the Novo Mercado without relinquishing their shares.

Paragraph 1 - The Company may exit the Novo Mercado voluntarily, independent of the public tender offer referred to in Article 37, provided a waiver is approved at the Shareholders Meeting, in accordance with Novo Mercado Regulations.

Paragraph 2 For the purposes of this Article, "Outstanding Shares" shall have the meaning in the Sole Paragraph of article 43 of the Novo Mercado Listing Regulations.

Article 38 The quorum for any Shareholder Meeting convened to waive the public tender offer required to exit the Novo Mercado shall be installed, on first call, when shareholders representing at least 2/3 (two thirds) of all Outstanding Shares are present. If the quorum is not achieved, when the meeting is called to order at the second time of asking any number of shareholders owning Outstanding Shares shall constitute a quorum. A resolution to waive a public tender offer must be approved by majority of votes from shareholders present owning Outstanding Shares, as per the Novo Mercado Regulations.

Sole Paragraph For the purpose of this Article 38, "Outstanding Shares" means all shares issued by the Company, other than shares held by the controlling shareholder(s) and any persons connected therewith, in addition to shares held by managers of the Company and any treasury shares.

CHAPTER X

ARBITRATION

Article 39 The Company, its shareholders, administrators, fiscal council members and their alternates, if any, hereby agree that any dispute arising among them related to or arising out of their position as issuer, shareholders, administrators or fiscal council members, particularly any dispute arising out of the provisions in Law 6,385, dated December 7, 1976, the Brazilian Corporate Law, the Company's bylaws, the regulations issued by the National Monitoring Board, by the Central Bank of Brazil or by the CVM, or any other rules that apply to the capital markets in general, as well as those stated in the

Novo Mercado Regulations, other B3 regulations and the Novo Mercado Participation Agreement shall be resolved by arbitration administered by the Market Arbitration Chamber, as per its rules.

CHAPTER XI

FINAL PROVISIONS

Article 40 Where applicable, the Company shall comply with the shareholder agreements filed at its registered office and members of the Annual Meeting steering committee or the Board of Directors are specifically prohibited from enforcing the vote of any shareholder or Shareholder Agreement signatory infringing a properly filed shareholder agreement if that vote does not reflect the terms and conditions specified in such an agreement and the Company is also expressly prohibited from accepting and transferring shares, applying a charge, assigning rights of first refusal to share subscriptions and/or other securities in contravention of any shareholder agreement.

Article 41 Any matters not addressed by these Bylaws shall be decided by the Shareholder Meeting in accordance with the Brazilian Corporate Law and the Novo Mercado Regulations.

Article 42 Subject to the provision in article 45 of the Corporate Law, any reimbursement paid to dissident shareholders will be based on the equity value stated in the most recent balance sheet approved at the Shareholders Meeting.

ATTACHMENT II

COMPARISON CHART OF THE BYLAWS WITH THE AMENDMENTS PROPOSED AT THE EXTRAORDINARY GENERAL MEETING CALLED FOR APRIL 30, 2021.

Current wording	Proposed wording	Justification
Article 4 The stated purpose of business is:		
	<u>;The manufacture of apparel and accessories; stamping and texturizing fibers, fabrics, textile goods and apparel items; other fiber, textile, textile goods and apparel finishing services;</u>	The inclusion of a new item to the Stated Purpose of Business to adjust it to the changes in the Company's business model
No corresponding item	(g) <u>Development and licensing of technical support and management of computer programs, and other information technology services;</u>	The inclusion of a new item to the Stated Purpose of Business to adjust it to the changes in the Company's business model

EXTRAORDINARY GENERAL MEETING
PRESENTATION TO THE SHAREHOLDER'S

ITEM 2

Consolidate the Company's Bylaws

Dear Shareholders,

Should the review of the Company Bylaws be Approved as per Item 1, the Consolidated C&A Bylaws shall be submitted for appreciation at the Extraordinary General Meeting.

Attachment I: Copy of the Company's Consolidated Bylaws.

Barueri, March 30, 2021.

Luiz Antonio de Moraes Carvalho
Chairman of the Board of Directors

*_*_*

Attachment I:

BYLAWS WITH AMENDMENTS PROPOSED AT THE EXTRAORDINARY GENERAL MEETING CALLED FOR APRIL 30, 2021.

C&A MODAS S.A.

BYLAWS

CHAPTER I

NAME, HEADQUARTERS, PURPOSE AND DURATION

Article 43 C&A Modas S.A. (the "Company") is a stock-based company governed by these Bylaws and applicable legislation.

Article 44 Since the Company joined the "Novo Mercado" of B3 S.A. - Brasil, Bolsa, Balcão ("Novo Mercado" and "B3" respectively), the Company, its shareholders, including the controlling shareholders, Executive Officers and members of the Fiscal Council, if installed, are subject to the Novo Mercado Regulations.

Article 45 The principal office of the Company, and its jurisdiction, are in the City of Barueri, State of São Paulo, at Alameda Araguaia, 1,222/1,022, Alphaville Centro Industrial e Empresarial, CEP 06455-000, corporate taxpayer registration (CNPJ) # 45.242.914/0001-05. The Company may open, transfer and close such other offices in the country or abroad as the Board of Executive Officers may designate, subject to appropriate legal requirements.

Article 46 The stated purpose of business is:

- (k) Retail trade in general, including e-commerce, through any available methods (telephone, Internet, catalog, etc.), in clothing, including, but not limited to: women's apparel, men's apparel, children and teen apparel, footwear, bags and accessories; bed, bath and table linens, textiles and sewing notions; items made of leather and skins; eyeglasses and contact lenses; sporting and travel goods, custom jewelry and adornments in general; precious and semi-precious metals, precious and non-precious stones and jewels; perfume, vanity and cosmetic products; toys and recreational articles in general; decorative items; domestic and personal cleaning and hygiene products; IT supplies and equipment, electric and electronic devices, home appliances, including mobile phones, records, CDs,

DVDs, photographic and filming devices and watches; office and book supplies and all types of printed material, as well as other typical department store products; office supplies and books, and all types of printed material, as well as other typical department store products; the manufacture of apparel and accessories; stamping and texturizing fibers, fabrics, textile goods and apparel items; other fiber, textile, textile goods and apparel finishing services;

- (l) Import and export of the goods and products mentioned above;
- (m) Packaging of goods;
- (n) Advertising of own or third-party products and the trade of advertising and promotional materials;
- (o) Logistics services, including the storage and management of inventory in own or third-party warehouses, as well as cargo shipment;
- (p) Own or third-party debit and credit card-related services of any nature, issuing own or third-party cards and any principal, supplementary or associated activities related to these services;
- (q) Development and licensing of technical support and management of computer programs, and other information technology services;
- (r) Provision, intermediation and brokerage of business in general, but not exclusively or limited, including the intermediation of: (i) Financial services such as financed sales, personal loans, private pensions, capitalization securities, insurance brokerage, extended warranty sales, banking correspondence, mobile phone top-ups and associated activities; (ii) intermediation services for third-party mobile telephone activation and top-ups; (iii) intermediation, brokerage and promotional distribution services for insurance, capitalization securities and associated products from insurance companies and other third parties offering such products, which will be carried out through an insurance brokerage, when applicable, pursuant to SUSEP (the Superintendence of Private Insurance) and CNSP (National Council of Private Insurance) regulations;

- (s) Retail and wholesale trade and distribution of own or third-party products;
- (t) Any form of participation in Companies, whether in Brazil or abroad.

Article 47 The Company has been incorporated for an indeterminate duration.

CHAPTER II

CAPITAL STOCK, SHARES AND SHAREHOLDERS

Article 48 The fully subscribed and paid in capital stock of the Company is R\$ 1.849.418.624,00 (one billion eight hundred and forty-nine million four hundred and eighteen thousand six hundred and twenty-four Brazilian Reals), split into 308,245,068 (three hundred and eight million two hundred and forty-five thousand and sixty-eight) common, nominative, book-entry shares with no par value.

Paragraph 5 Each nominative common share has the right to one vote at Company Shareholder Meetings.

Paragraph 6 The shares are indivisible in relation to the Company. When a share belongs to more than one person, the rights inherent to such a share shall be exercised by the condominium representative.

Paragraph 7 The Company is prohibited from issuing preferred or founders shares.

Paragraph 8 All of the Company's shares are book-entry shares, held on behalf of their owners in deposit accounts at a financial institution authorized by the Brazilian Securities Commission ("CVM"), with which the Company has a current custody agreement. No share certificates shall be issued. As defined in the book-entry share agreement and subject to the limits in current legislation, book-entry share ownership transfer services may be charged directly from the shareholder by the institution providing custody services.

Article 49 Independent of any bylaw amendment, the Company may authorize capital increases up to 135,000,000 (one hundred and thirty-five million) new common shares, therefore, up to the limit of 393,930,000 common shares, pursuant to article 168 of Law 6404 of 15 December 1976, as amended (the "Brazilian Corporate Law").

Sole Paragraph - Any capital increase complying with the authorized capital limits will be carried out by issuing shares, convertible debentures or warrants as the Board of Directors may designate, and the Board of Directors shall determine the conditions, price, term and payment method for the issue. If payment takes the form of assets, the Shareholders Meeting shall be responsible for increasing the capital stock, with input from the Fiscal Council, if instituted.

Article 50 Pursuant to the Corporate Law and within the limits of authorized capital, the Company may: i) issue shares, convertible debentures and warrants without any right of first refusal for former shareholders, or with a reduced deadline for exercising that right, when the issue is placed by means of a stock market sale or public subscription, through a share swap in a public tender offer to acquire a controlling interest in the Company, (ii) grant stock-option plans to Company managers and employees as per the plan approved by the Shareholders Meeting.

Article 51 By resolution of the Board of Directors, the Company may acquire shares it has issued to convert them into treasury shares and subsequently dispose of or cancel such shares, up to the value of the balance of any profits and reserves, excluding the legal reserve, without reducing the capital stock and subject to applicable laws and regulations.

CHAPTER III

SHAREHOLDER MEETING

Article 52 Shareholder Meetings shall ordinarily be convened once a year, within the first 4 (four) months of each fiscal year end, to discuss the matters provided in article 132 of the Corporate Law, and shall meet on an extraordinary basis as and when required by the Company's interests, however, the calling or convening of a meeting and any meeting resolutions are subject to relevant laws and the provisions set forth herein.

Paragraph 5 Notwithstanding the exceptions in applicable laws and regulations, Shareholder Meetings shall be called as per the Corporate Law.

Paragraph 6 Other than the exceptions in the Corporate Law, Shareholders Meetings may only resolve matters that are stated on the order of business and included in the meeting notice, under no circumstances may "general topics" be added to the order of business.

Paragraph 7 Except as otherwise provided in law, the Shareholders Meeting shall require

a quorum of shareholders representing at least 25% (twenty-five per cent) of the capital stock when it is first convened, and any number of shareholders if it is convened for a second time.

Paragraph 8 Subject to limitations stipulated in the Corporate Law, resolutions shall be taken by a majority vote of the shareholders present.

Article 53 Shareholders may be represented at Shareholder Meetings by proxy constituted no less than 1 (one) year previously; their proxy may be a shareholder, a manager of the Company, attorney, financial institution, or administrator of the investment fund representing the condominium members.

Paragraph 4 To better assist the Company in organizing Shareholder Meetings, shareholders shall provide the Company with the following, preferably at least 48 (forty-eight) hours in advance: (i) an identity document, if the shareholder is an individual; (ii) if the shareholder is a legal entity, the relevant corporate documents proving its powers of legal representation and the representative's identity document; (iii) proof of its shareholding in the Company issued by the custodian no later than 5 (five) days prior to the Shareholder Meeting; and (iv) when applicable, a power of attorney issued pursuant to the first paragraph in article 126 of the Corporate Law.

Paragraph 5 Notwithstanding the above, any shareholder who arrives at a Shareholder Meeting before it is called to order, and is in possession of the documents listed above, shall be entitled to attend and vote at the meeting, even if the shareholder failed to file the documents prior to the meeting.

Paragraph 6 Meeting minutes shall be (i) registered in summary format to record the proceedings, including any dissent or protest, and shall contain a transcription of the resolutions taken, subject to the provision in paragraph 1, article 130 of the Corporate Law; and (ii) published without the shareholders' signatures.

Article 54 The Shareholders Meeting shall be installed and chaired by the Chairman of the Board of Directors or, in his/her absence or impediment, by any other member of the Board of Directors appointed by the majority of the shareholders present. Should all members of the Board of Directors be absent, the Shareholders Meeting shall be chaired by any other officer or shareholder appointed by the majority of the shareholders present. The chair of the Shareholders Meeting shall select among those present one to be the meeting

Secretary, who may or may not be a Company shareholder.

Article 55 In addition to the duties provided in law, the Shareholders Meeting is authorized to:

- (q) Amend the bylaws
- (r) Elect and remove members of the Board of Directors, appoint the Chair, and define the number of seats on the Company Board of Directors;
- (s) Elect and remove members of the Fiscal Council, if instituted;
- (t) Take management's accounts and examine, discuss, and approve the financial statements;
- (u) Suspend shareholder rights, including their voting rights, if they fail to comply with their legal, regulatory, or statutory obligations;
- (v) Resolve on the valuation of asserts submitted by shareholders to make up capital stock;
- (w) Resolve on the dissolution, liquidation, merger, split, transformation or incorporation (including stock incorporation) of the Company, elect and remove liquidators and pass resolutions on the Fiscal Council operating during the liquidation period, assessing its accounts and any division of corporate assets in the event of liquidation;
- (x) File petitions for court-supervised or out-of-court reorganization or bankruptcy proceedings;
- (y) Set the annual, global compensation for the Board of Directors, the Board of Executive Officers and the members of the Fiscal Council, if instituted;
- (z) Award bonuses in shares and decide on share splits and reverse splits;
- (aa) Approve the creation or changes of stock-option plans and share-based compensation for its for managers, employees or individuals providing services to

the Company, and to the officers and employees of other companies that are directly or indirectly controlled by the Company;

- (bb) Based on management proposals and the annual financial statements, resolve on the application net income for the period, and the distribution of dividends;
- (cc) Resolve any capital increase or reduction as well as any decision to buy back or amortize shares in accordance with these Bylaws, except as otherwise provided in the Sole Paragraph of Article 7 of these Bylaws;
- (dd) Notwithstanding the Board of Directors' powers in item (p) of Article 19 of these bylaws, pass resolutions on any issue of shares or convertible securities;
- (ee) Waive a public tender offer to acquire shares required to exit the Novo Mercado segment, as per applicable regulations.
- (ff) Resolve on any matter submitted to the Board of Directors.

Sole Paragraph - The Chair of the Shareholders Meeting shall observe and enforce the provisions of the Shareholder Agreements kept on file at the Company headquarters, not allowing any item or act that is contrary to the content of such agreements.

CHAPTER IV MANAGEMENT

Section I - General

Article 56 The Company will be managed by the Board of Directors and by the Board of Executive Officers, who shall have the powers and responsibilities set forth in applicable legislation and these Bylaws.

Sole Paragraph -The positions of Chairman of the Board of Directors and Chief Executive Officer shall not be held cumulatively by the same person, except when one of these positions falls vacant and subject to Novo Mercado Regulations.

Article 57 Members of the Board of Directors, the Board of Executive Officers and their alternates shall take office upon signing the investiture ledger, stating their agreement with the clause referred to in Article 39 of these Bylaws, and they shall remain in office until their elected replacements have been vested in office.

Section II - Board of Directors

Article 58 The Board of Directors shall be made up of at least 3 (three) and at most 9 (nine) members, all of whom shall be elected and may be removed by the Shareholders Meeting (the “Board Members”), serving a unified 2 (two) year term of office and who may be reelected.

Paragraph 4 At least 2 (two) or 20% (twenty per cent) of the Board members, whichever is greater, shall be independent directors, as defined in the Novo Mercado Regulations, and the criteria for classifying persons appointed to the Board of Directors as independent directors shall be decided by the Shareholder Meeting electing them. If there is a controlling shareholder, Board Members elected using the option in article 141, paragraphs 4 and 5 of the Corporate Law, shall also be classified as independent directors (the “Independent Board Members”).

Paragraph 5 If the percentage referred to in the paragraph above results in a fraction, the Company shall round that up to the next whole number, pursuant to Novo Mercado Regulations.

Paragraph 6 Under article 147, paragraph 3 of the Corporate Law, Board Members are required to have unimpeachable reputations, however, without a specific waiver from the Shareholders Meeting, they are ineligible for election if they (i) hold positions at companies that may be considered the Company’s competitors or (ii) have a conflict of interest with the Company.

Paragraph 4 Should any position on the Board of Directors become vacant, the alternate shall be appointed by other members of the Board of Directors to complete the mandate. For the purposes of this paragraph, vacancy occurs as a result of removal, death, resignation, proven impediment or disability, or unjustified absence for more than 30 (thirty) calendar days.

Paragraph 5 In the temporary absence or impediment of the Chair of the Board of Directors, the Chair's functions shall be carried out by another member of the Board appointed by the Chair.

Article 59 Ordinarily, the Board of Directors will meet 4 (four) times a year at the end of each quarter and, on an extraordinary basis, whenever convened by its Chair, providing at least 5 (five) days written notice, accompanied by the order of business, except in urgent circumstances, when meetings of the Board of Directors may be convened by the Chair without observing the notice period referred to above, provided all Board Members have unequivocally been notified. Meeting notices may be issued by letter with receipt for delivery, fax or any other means, electronic or otherwise, providing proof of receipt.

Paragraph 1 When a meeting of the Board of Directors is first called to order, a majority of members shall constitute a quorum, however, when the meeting is called to order at the second time of asking, any number shall constitute a quorum.

Paragraph 2 Independent of the formal procedures referred to in this Article 17, any meeting attended by all Board Members will be considered validly convened.

Article 60 Meetings of the Board of Directors shall be held, preferentially, at the Company's head office. Meetings may be held by telephone or videoconference and may be recorded. Members participating in this way shall be considered to have attended the meeting in person. In this case, Board Members who take part in a Board meeting remotely may cast their votes on the day of the meeting by letter, fax or digitally certified email.

Paragraph 5 Meetings of the Board of Directors shall be chaired by the Chair or, in his/her absence, by another Board Member appointed by the majority of those present, and the Secretary shall be a Board Member appointed by the chair of the meeting in question.

Paragraph 6 In the event any member of the Board of Directors is temporarily absent, that Board Member may: (i) depending on the order of business, cast his/her vote in writing by proxy issued to another Board Member, by written vote cast before the meeting, by letter or fax delivered to the Chair of the Board of Directors on the day of the meeting, or by digitally certified email; (ii) appoint a representative who must be a member of the Board of Directors. The Power of Attorney must include the order of business and the manifest vote of the granting Board Member.

Paragraph 7 At the end of every meeting, the minutes shall be recorded and signed by all Directors present and transcribed into the Company's Board of Director Ledger of Minutes. Votes cast by Board Members participating meeting remotely, or who have expressed their opinion pursuant to Paragraph 2 of this Article 18, shall also be included in the Board of Directors Ledger of Minutes, and a copy of the letter, fax or e-mail message containing the Director's vote shall be registered in the Ledger after the minutes have been transcribed.

Paragraph 8 Minutes of the Company's Board of Directors meetings containing resolutions intended to produce effects on third parties shall be published and filed with the public registry of traded companies.

Article 61 The Board of Directors' main function is to provide overall direction for the Company's business, controlling and overseeing its performance; in addition to its other responsibilities provided by law or in these Bylaws, it has specific responsibilities to:

(dd) Define policies and set budget strategies for the business, lead growth strategy implementation and provide overall direction for the Company's business;

(ee) Approve the annual budget, business plans and any other strategy, investment, annual and/or multiyear plans, the Company's expansion projects and the position and salary organization chart for the Board of Executive Officers and management positions;

(ff) Create committees or working groups with defined goals, and appoint their members;

(gg) Approve budgets for the internal audit area and other committees, if and when installed;

(hh) Define the number of positions on the Board of Executive Officers, elect and dismiss its members and define any functions, responsibilities and span of authority not specified in these Bylaws;

(ii) Assess the CEO's performance and evaluate the performance assessments of the other members of the Board of Executive Officers;

(jj) Define and change the powers, operational rules, meeting rules and membership of

- the Company's management bodies, including their advisory committees;
- (kk)** Distribute the global compensation fixed by the Shareholders Meeting among the Board Members and Executive Officers;
 - (ll)** Resolve on convening a Shareholders Meeting as and when it sees fit or as provided in article 132 of the Corporate Law;
 - (mm)** Oversee Officer management, examining the Company books and documents at any time, requesting information on existing or upcoming contracts or any other acts and instruments;
 - (nn)** Assess the Company's annual and quarterly financial statements;
 - (oo)** Select and remove independent auditors, abiding by the provisions of applicable regulations. The independent auditor shall report to the Board of Directors through the Audit and Risk Management Committee;
 - (pp)** Assesses the Management Report and Board of Executive Officers' accounts and resolve whether to submit them to the Shareholders Meeting;
 - (qq)** Issue opinions on any proposal before it is submitted to the Shareholders Meeting;
 - (rr)** Approve management's proposal for dividend distribution, and approve the declaration of interim or intermediary dividends, or the payment of interest on equity based on monthly, quarterly or half-yearly balance sheets, adopted *ad referendum* of the Shareholders Meeting;
 - (ss)** Authorize the issuing of Company shares and warrants, within the limits authorized in Article 7 of these Bylaws, determining the issue conditions, including any price and payment terms and convertible debenture issues, within the authorized capital limits, specifying the maximum capital increase resulting from debenture conversion, in terms of capital value or number of shares, and it may also exclude rights of first refusal during any issue of shares, warrants or convertible debentures when placed by sale on the stock market or public subscription or by means of a share swap in a public tender offer to acquire a controlling interest, or to fund the stock option plan for the Company's management and employees, as provided by law;

- (tt)** Resolve to authorize buybacks of the Company's own shares or the launch of purchase and sale options indexed to the Company's shares, to hold them in treasury and/or subsequently cancel or dispose of such shares;
- (uu)** Issue stock-options or share-based incentives to management and employees as well as the management and employees of other companies directly or indirectly controlled by the Company, pursuant to the plans approved by the Shareholders Meeting, with no right of first refusal for existing shareholders;
- (vv)** Resolve on issuing simple, non-convertible debentures and commercial papers, promissory notes, bonds, notes and any other customary securities, for public or private distribution;
- (ww)** Approve *(t.1)* the creation of liens on Company assets or offer other guarantees to third parties for obligations agreed by the Company and its associated companies, and *(t2)* any financing agreements executed for the purpose of acquiring movable goods such as operational equipment, where the respective goods acquired are themselves used as collateral;
- (xx)** Approve the creation of liens on Company assets or offer other guarantees to third parties for obligations agreed by the Company and its wholly owned subsidiaries or associated companies, in excess of R\$ 10.000.000,00 (ten million Brazilian Reals);
- (yy)** Resolve on the acquisition, disposal, sale, lease or donation, or to directly or indirectly encumber, for any reason and in any amount, any of the corporate interests held by the Company, except by constituting and/or extinguishing subsidiaries, so long as the provisions of line (c) of Article 23 below has been complied with;
- (zz)** Approve any sale or disposal of goods or rights representing the Company's fixed assets when not stipulated in the annual budget, if they have a market value of more than 10% (ten per cent) of the Company's noncurrent assets;
- (aaa)** Approve any and all transaction or group of transactions with the Company's related parties for amounts equivalent to or greater than 1% (one per cent) of the Company's net revenue in the preceding fiscal year;

- (bbb)** Present an annual employee and management profit-sharing distribution proposal to the Shareholders Meeting;
- (ccc)** Approve the hiring of a custody institution to provide share bookkeeping services;
- (ddd)** Approve the internal procedures and regulatory acts of the Company and its management structure, including but not limited to: (a) The Code of Ethics; (b) Compensation Policy; (c) Board, advisory committee and statutory officer Appointment and Selection Policy; (d) Risk Management Policy; (d) Related-Party Transactions Policy; (e) Securities Trading Policy; and (f) Material Act and Fact Disclosure Policy;
- (eee)** Within 15 days of a tender offer notice, produce and disclose a reasoned opinion for or against accepting any public tender offer for acquisition of the Company's shares, addressing at least: (i) whether the public tender offer to acquire shares is in the interests of the Company and its shareholders, evaluating the price and possible impact on share liquidity; (ii) the offeror's strategic plans for the Company; and (iii) available market alternatives to accepting the public tender offer to acquire shares.
- (fff)** Exercise other responsibilities stipulated in these Bylaws and decide on any matters not covered by these Bylaws, respecting any matters that are the exclusive competence of other Company bodies, specifically the Shareholders Meeting.

Section III - Board of Executive Officers

Article 62 The Board of Executive Officers will be made up of at least 3 (three) and at most 9 (nine) members, shareholders or otherwise, resident in Brazil. The following shall be appointed: (i) a Chief Executive Officer, (ii) an Administrative, Finance and Investor Relations Officer and (iii) other Officers with no specific designation ("Executive Officers"), elected and removable by the Board of Directors and subject to the provisions in the Sole Paragraph of Article 14 of these Bylaws.

Sole Paragraph Executive Officers may hold more than one role, so long as there is the minimum number of Executive Officers stipulated in the Corporate Law.

Article 63 The Board of Executive Officers shall serve a unified 2 (two) year term, and officers may be reelected. Officers shall remain in office until their successors have been

elected and vested in office.

Article 64 The Board of Executive Officers shall meet as and when required and meetings shall be called by the Chief Executive Officer with at least 24 (twenty-four) hours notice, or by 2/3 (two thirds) of the Executive Officers, in this case with at least 48 (forty-eight) hours notice, and the meeting shall only be convened when attended by a majority of its members.

Paragraph 7 In the event of a temporary absence or impediment, the Chief Executive Officer shall be replaced by the Administration, Finance and Investor Relations Officer. A meeting of the Board of Directors shall be immediately convened if the position of CEO falls vacant or if the CEO is permanently impeded, in order to fill the position.

Paragraph 8 In the event of a vacancy in the Board of Executive Officers, it shall have the power to appoint, from among its members, a substitute who will accumulate, in the interim, the functions of the substituted member. Such replacement shall last until the final deliberation regarding the position takes place in the first meeting of the Board of Directors that follows, such meeting shall be held within no more than 30 (thirty) days from the date the position becomes vacant. The elected replacement shall remain in office until the end of the Board of Executive Officers mandate. For the purposes of this paragraph, vacancy occurs as a result of removal, death, resignation, proven impediment or disability, or unjustified absence for more than 30 (thirty) calendar days.

Paragraph 9 In the event of temporary absence or impediment of any Executive Officer, he or she may, (i) Depending on the order of business, manifest his/her vote ahead of time in writing, by letter of fax delivered to the CEO, or on the date of the meeting, or by digitally certified e-mail, or (ii) it may delegate its powers to a proxy who must necessarily be a member of the Board of Directors. Said proxy must include the order of business and the vote of the granting board member.

Paragraph 10 Executive officers shall not take more than 30 (thirty) calendar days leave, under penalty of termination, except when granted a leave of absence by the Board of Executive Officers.

Paragraph 11 Board of Executive Officers meetings may be held by telephone or videoconference or other means of communication. Members participating in this way shall be considered to have attended the meeting in person. In this event, all Officers who take

part in the Board of Executive Officers meeting remotely shall cast and confirm their votes by letter, fax or digitally certified e-mail.

Paragraph 12 At the end of every meeting, the minutes shall be recorded and signed by all Officers physically present and transcribed into the Company's Board of Executive Officers Ledger of Minutes.

Article 65 The Board of Executive Officers shall have powers to:

- (k) Enforce the law, these Bylaws and any decisions of the Board of Directors and the Shareholders Meeting;
- (l) Manage and conduct Company business within the guidelines provided by the Board of Directors, and represent the Company as a claimant or defendant, in and out of court;
- (m) Issue and approve internal instructions considered useful or necessary, within the provisions of applicable legislation and these Bylaws;
- (n) Open, transfer and close other offices anywhere in the country or abroad;
- (o) Create and extinguish subsidiaries, anywhere in the country or abroad;
- (p) Annually submit the management reports and Board of Executive Officers accounts to the Board of Directors for its consideration, accompanied the independent auditors report and a proposal to allocate profits accrued during the preceding fiscal year;
- (q) Submit the Company's annual budget to the Board of Directors;
- (r) Provide the Board of Directors with a detailed quarterly economic/financial and asset balance sheet for the Company and its subsidiaries;
- (s) Approve the creation of liens on the assets of the Company and/or its wholly owned subsidiaries. Issuing guarantees for third-party obligations or providing guarantees or surety for the benefit of third parties is prohibited, pursuant to the provisions of line "(u)" of Article 19 above;

- (t) Decide on any topic that is not the exclusive responsibility of the Shareholders or Board of Directors meetings;

Paragraph 3 Notwithstanding any other responsibilities assigned by law or by the Board of Directors, the CEO is responsible for:

- (g) Coordinating and overseeing the activities of the other Executive Officers and for directing the performance of the Company's overall planning activities, in addition to the roles, responsibilities and powers assigned by the Board of Directors and in accordance with the policies and guidelines previously outlined by the Board of Directors, and:
- (h) Calling and chairing meetings of the Board of Executive Officers;
- (i) Proposing, on a nonexclusive basis and irrespective of the responsibilities defined in these Bylaws and in any other that may be determined by the Company Board of Directors, the responsibilities of each Executive Officer at the time and after he or she is elected;
- (j) Leading activities related to the overall planning of the Company and of its subsidiaries;
- (k) Keeping members of the Board of Directors informed regarding Company activities and the progress of its operations;
- (l) Representing the Company institutionally.

Paragraph 4 In addition to any other responsibilities defined by the Board of Directors, the Administration, Finance and Investor Relations Officer is responsible for:

- (h) Assisting the Chief Executive Officer in coordinating the actions of the other Company Officers, and for directing and implementing general corporate planning activities;
- (i) Replacing the Chief Executive Officer if he or she is temporarily absent or on leave, in which case he or she shall have the powers, responsibilities and duties of the former, as determined by the Board of Directors, and the responsibilities listed in

the subitems of Paragraph 1 of this Article 23;

- (j) Managing cash and equivalents, accounts payable and accounts receivable and the administrative area, defining specific policies for the area, and in particular planning, implementing and coordinating the financial policies of the Company and its subsidiaries;
- (k) Directing the accounting, financial planning and tax/fiscal areas;
- (l) Representing the Company in its dealings with regulators and other capital market institutions;
- (m) Providing information to investors, the CVM and any stock markets where the Company's securities are traded and other capital market bodies in accordance with applicable Brazilian or international legislation;
- (n) Keeping its CVM registration as a publicly traded company up-to-date.

Article 66 Bearing in mind the exceptions in the Bylaws, the Company may be represented by:

- (d) Two Executive Officers acting in conjunction
- (e) One Executive Officer and one attorney-in-fact;
- (f) Two attorneys-in-fact acting in conjunction, provided they have been granted special powers in a specific power of attorney.

Paragraph 3 Any Company officer or any of the attorneys-in-fact appointed by the Company may represent it as a claimant or respondent in city, state or federal court, as well as before autarchies, mixed economy companies and quasi-governmental entities.

Paragraph 4 The Company may be represented by only 1 (one) Officer or 1 (one) attorney-in-fact in the following situations:

- (c) Signing general agreements whose value does not exceed R\$ 500.000,00 (five

hundred thousand Reals), including but not limited to labor agreements;

- (d) In the case of acts of ordinary administrative routine, including those practiced before public offices, mixed capital companies, Federal Revenue Offices, State Treasury Offices, Municipal Treasury Offices, Commercial Registry, all judicial offices, in any instance, INSS, FGTS and their collecting banks and others of the same nature.

Article 67 Powers of attorney issued on behalf of the Company shall always be issued by 2 (two) Executive Officers, and shall specify the powers granted therein and, except for powers of attorney issued for judicial purposes, shall be valid for a maximum period of 1 (one) year.

Section IV - Fiscal Council

Article 68 The Company's Fiscal Council is a non-permanent committee and, when instituted, will have a minimum of 3 (three) and maximum of 5 (five) members and an equal number of alternates, who may or may not be shareholders, all residing in Brazil, elected by the Shareholders Meeting, which may also remove them, to a 1 (one) year term of office, Fiscal Council members may be reelected (the "Fiscal Council Members"). The Fiscal Council shall be instituted, populated and compensated in accordance with the legislation currently in effect.

Paragraph 4 Fiscal Council members shall be elected by the Shareholders Meeting instituting the Fiscal Council, and their term of office shall expire at the Ordinary Shareholders Meeting subsequent to their election.

Paragraph 5 The Fiscal Council shall have a Chair elected at the Shareholders Meeting.

Paragraph 6 If a seat on the Fiscal Council falls vacant, the respective alternate shall take up the position. If no alternate is available, a Shareholders Meeting shall be convened to elect a member for the vacant position.

Article 69 As provided in law and when instituted, the Fiscal Council shall meet whenever required and shall analyze the financial statements on at least a quarterly basis.

Sole Paragraph -All decisions made by the Fiscal Council shall be set down in minutes recorded in the Fiscal Council Reports and Minutes ledger and signed by all members

present.

Section V - Audit and Risk Management Committee

Article 70 The Audit and Risk Management Committee is a statutory body and a Board advisory committee linked to the Board of Directors, with operational autonomy and a separate budget, approved by the Board of Directors.

Sole Paragraph - The Audit and Risk Management Committee shall prescribe its own rules of procedure, approved by the Board of Directors, with the rules governing the functions of the Audit and Risk Management Committee, its operational procedures and the activities of the Audit and Risk Management Committee coordinator.

Article 71 The Audit and Risk Management Committee shall be made up of at least 3 (three) members, elected by simple majority of the Board of Directors; at least 1 (one) member shall be an independent director and at least 1 (one) member shall have recognized experience in corporate accounting matters.

Sole Paragraph – The same member of the Audit and Risk Management Committee may fulfill both the requirements mentioned above.

Article 72 Among its other duties, the Audit and Risk Management Committee shall:

- (g) Issue opinions on the hiring and dismissal of independent audit services;
- (h) Evaluate quarterly information, interim statements and financial statements;
- (i) Oversee the Company's internal audit activities and its internal controls area;
- (j) Assess and monitor the Company's risk exposure;
- (k) Assess, monitor and provide management with recommendations to correct or improve the Company's internal policies, including the Related-Parties Transaction Policy;
- (l) Be afforded the means of receiving and processing information reporting any violation of the laws and regulations that apply to the Company, as well as any internal

codes and regulations, with specific procedures to protect the person filing such a report and ensure the information remains confidential.

CHAPTER V

FISCAL YEAR, FINANCIAL STATEMENTS AND DISTRIBUTION OF PROFITS

Article 73 The fiscal year coincides with the calendar year. The financial statements required by law shall be drawn up at the end of each fiscal year.

Paragraph 7 The Company's financial statements shall be audited by an independent auditor registered with the CVM.

Paragraph 8 In addition to the annual financial statements, the Company shall produce quarterly financial statements, subject to the relevant legal provisions.

Paragraph 9 Within applicable legal provisions, the Company may pay its shareholders interest on equity, to be allocated to minimum mandatory dividends.

Paragraph 10 Unless otherwise stipulated at the Shareholders Meeting, dividends shall be paid within 60 (sixty) days of the date on which they are declared and, in all cases, before the end of the fiscal year.

Paragraph 11 The Company may draw up interim and half-yearly balance sheets.

Paragraph 12 Alongside the financial statements for the fiscal year, and subject to the requirements of the Bylaws and the Corporate Law, the Company's management bodies will present the Annual Shareholders Meeting with a proposal for allocation of net profit.

Article 74 Any accumulated losses and income tax and social contribution provisions shall be deducted from annual income prior to any profit sharing.

Paragraph 5 Following the deductions referred to in this Article 32, the Shareholders Meeting may grant management a share of the profits within the limits stipulated in article 152 of the Corporate Law and these Bylaws.

Paragraph 6 After making the deductions referred to in Article **Erro! Fonte de referência não encontrada.2** and before any other disbursement, 5% (five per cent) of the annual net income shall be set aside to constitute a legal reserve, not to exceed 20% (twenty per cent) of the Company's capital stock.

Paragraph 7 Each year, the shareholders shall be entitled to a mandatory, minimum dividend equivalent to 25% (twenty-five per cent) of the annual net profit, after:

- (c) Subtracting any amounts used during the fiscal year to establish the legal reserve, as indicated in Paragraph 2 above;
- (d) Adding any amounts resulting from the reversal of previously created contingency reserves during the fiscal year.

Paragraph 8 100% of the remaining balance of net income may be set aside as a “Statutory Profit Reserve”, which is intended to reinforce the Company's capital stock and working capital, ensuring it has suitable conditions to operate and perform its activities. The upper limit for this reserve is the amount of capital stock less the balances of the other profit reserves. Once this limit is reached, the Shareholders Meeting will decide on any excess, as per article 199 of the Brazilian Corporate Law, whether to use it to pay in the increase in share capital or distribute it as dividends.

Article 75 After complying with the relevant legal provisions, any remaining balance shall be distributed as determined by the General Shareholders Meeting, in accordance with applicable legislation.

CHAPTER VI

LIQUIDATION

Article 76 The Company shall be dissolved and subject to liquidation in the circumstances established by law. The Shareholders Meeting shall determine the method of liquidation and elect the receiver, or receivers, as well as the Fiscal Council, if requested by shareholders representing the quorum required by law or in CVM regulations, subject to relevant legal procedures, and determine their powers and compensation.

CHAPTER VII

TRANSFER OF CONTROL

Article 77 Direct or indirect disposal of a controlling interest in the Company, in a single transaction or successive transactions, shall only be agreed if the acquirer undertakes to make a public tender offer for the Company's shares owned by the other shareholders, subject to the conditions and deadlines provided in applicable laws and regulations and the Novo Mercado Regulations, to ensure that the other Company shareholders receive the same treatment as the seller.

Paragraph 3 In the event of an indirect disposal of a controlling interest, the acquirer shall disclose the price attributed to the Company in order to determine the public tender offer price and shall provide reasonable grounds to justify this price.

Paragraph 4 For the purpose of this Article 35, "control" and related expressions mean the effective power directly or indirectly used by a shareholder to direct corporate activities and operation of the Company's bodies, either directly or indirectly, in fact or by operation of law, irrespective of its equity interest.

CHAPTER VIII CORPORATE REORGANIZATION

Article 78 If a corporate reorganization implies transferring the Company's shareholder base, the resulting companies shall file applications to join the Novo Mercado within 120 (one hundred and twenty) days of the Shareholders Meeting that approved the corporate reorganization.

Sole Paragraph - If the reorganization involves companies that do not plan to apply to join the Novo Mercado, this structure must be approved by a majority of shareholders owning Outstanding Shares in the Company attending the Shareholders Meeting.

CHAPTER IX VOLUNTARY EXIT FROM THE NOVO MERCADO

Article 79 Notwithstanding the Novo Mercado Regulations, any voluntary exit from the Novo Mercado must be preceded by a public tender offer complying with CVM regulations governing public tender offers intended to cancel listed company registration, as well as the

following: (i) the price offered must be fair and a further valuation of the Company may be requested, as per the Corporate Law; (ii) shareholders owning more than 1/3 (one third) of the Outstanding Shares must accept the public tender offer or specifically agree with the decision to exit the Novo Mercado without relinquishing their shares.

Paragraph 1 - The Company may exit the Novo Mercado voluntarily, independent of the public tender offer referred to in Article 37, provided a waiver is approved at the Shareholders Meeting, in accordance with Novo Mercado Regulations.

Paragraph 2 For the purposes of this Article, "Outstanding Shares" shall have the meaning in the Sole Paragraph of article 43 of the Novo Mercado Listing Regulations.

Article 80 The quorum for any Shareholder Meeting convened to waive the public tender offer required to exit the Novo Mercado shall be installed, on first call, when shareholders representing at least 2/3 (two thirds) of all Outstanding Shares are present. If the quorum is not achieved, when the meeting is called to order at the second time of asking any number of shareholders owning Outstanding Shares shall constitute a quorum. A resolution to waive a public tender offer must be approved by majority of votes from shareholders present owning Outstanding Shares, as per the Novo Mercado Regulations.

Sole Paragraph For the purpose of this Article 38, "Outstanding Shares" means all shares issued by the Company, other than shares held by the controlling shareholder(s) and any persons connected therewith, in addition to shares held by managers of the Company and any treasury shares.

CHAPTER X

ARBITRATION

Article 81 The Company, its shareholders, administrators, fiscal council members and their alternates, if any, hereby agree that any dispute arising among them related to or arising out of their position as issuer, shareholders, administrators or fiscal council members, particularly any dispute arising out of the provisions in Law 6,385, dated December 7, 1976, the Brazilian Corporate Law, the Company's bylaws, the regulations issued by the National Monitoring Board, by the Central Bank of Brazil or by the CVM, or any other rules that apply to the capital markets in general, as well as those stated in the Novo Mercado Regulations, other B3 regulations and the Novo Mercado Participation Agreement shall be resolved by arbitration administered by the Market Arbitration

Chamber, as per its rules.

CHAPTER XI

FINAL PROVISIONS

Article 82 Where applicable, the Company shall comply with the shareholder agreements filed at its registered office and members of the Annual Meeting steering committee or the Board of Directors are specifically prohibited from enforcing the vote of any shareholder or Shareholder Agreement signatory infringing a properly filed shareholder agreement if that vote does not reflect the terms and conditions specified in such an agreement and the Company is also expressly prohibited from accepting and transferring shares, applying a charge, assigning rights of first refusal to share subscriptions and/or other securities in contravention of any shareholder agreement.

Article 83 Any matters not addressed by these Bylaws shall be decided by the Shareholder Meeting in accordance with the Brazilian Corporate Law and the Novo Mercado Regulations.

Article 84 Subject to the provision in article 45 of the Corporate Law, any reimbursement paid to dissident shareholders will be based on the equity value stated in the most recent balance sheet approved at the Shareholders Meeting.
