
**1st ADDENDUM TO THE SHARE-BASED
COMPENSATION PROGRAM WITH CASH
SETTLEMENT
– PHANTOM SHARES**

OF

VIA VAREJO S.A.

Approved at the Board of Directors Meeting held on July 24, 2017

VIA VAREJO S.A.
Publicly-held Company
Corporate Taxpayer's ID (CNPJ/MF) 33.041.260/0652-90
Company Registry (NIRE) 33.300.141.073

1st ADDENDUM TO THE SHARE-BASED COMPENSATION PROGRAM (PHANTOM SHARES) WITH CASH SETTLEMENT

WHEREAS:

- a) The Share-Based Compensation Program (Phantom Shares) with Cash Settlement ("Program") was approved at the Company's Board of Directors Meeting held on July 24, 2017;
- b) The Company's general shareholders' meetings held on September 3, 2018 ("Meetings") resolved on the procedures necessary to migrate the Company to the *Novo Mercado* special listing segment of B3 S.A. – Brasil, Bolsa, Balcão;
- c) Among the resolutions approved at the Meetings, we can mention the conversion of the Company's preferred shares into common shares at the ratio of one (1) preferred share for each one (1) common share (1:1), as well as the cancellation of the Company's Units program; and
- d) It is necessary to rectify the Program to comply with a new structure of the Company's capital stock, as duly approved at referred Meetings.

In light of the aforementioned, the 1st Addendum to the Program shall reflect the current structure of the Company's capital stock.

The terms not defined in this 1st Addendum to the Program shall have their definition provided for in this Program.

1. Replacement of reference securities

1.1. In light of conversion of preferred shares into common shares at the ratio of 1:1 ("Conversion"), as well as the cancellation of the Units Program, the Program will then use as reference security the Company's common shares traded at B3 S.A. – Brasil, Bolsa, Balcão under the ticker VVAR3.

1.2. Under the Program, each Phantom Share was pegged to one (1) Unit, composed of one (1) common share and two (2) preferred shares issued by the Company. Due to Conversion and cancellation of Units, the Phantom Shares indexation shall be replaced by the Company's common shares, so that each Phantom Share granted to the Program's Beneficiaries shall be pegged to three (3) common shares of the Company.

1.3. In light of the aforementioned, from the approval of this 1st Addendum to the Program, the Phantom Share Premium shall be calculated based on new definitions of the Initial Reference Value and the Final Reference Value provided for in the Program.

2. Consolidation of the Program

2.1. Considering the amendments mentioned above, the Program shall take effect with the following wording due to the need of adjusting it to the new structure of the Company's capital stock:

"SHARE-BASED COMPENSATION PROGRAM WITH CASH SETTLEMENT – PHANTOM SHARES

OF

VIA VAREJO S.A.

1. Definitions

1.1. The expressions below, when used herein in capital letters, shall have the meaning assigned thereto as follows, unless expressly otherwise provided:

"Common Share" means the Company's common share traded at B3 S.A. – Brasil, Bolsa, Balcão under the ticker VVAR3;

"Beneficiaries" mean managers, employees, and other similar services providers who offer customized services to the Company and or entities under its control, including those who (a) are considered employees for legal or tax purposes, or (ii) working for the Company under its management, similarly individuals who are considered employees for legal or tax purposes or (c) its services are similar to those provided by employees, such as the management staff who has the authority and responsibility for planning, management, and control of the Company's activities, including statutory and non-statutory officers; on behalf of whom, the Company shall grant the Phantom Shares under this Program;

"Committee" means the Human Resources and Compensation Committee designated by the Company's Board of Directors to manage the Program, where applicable;

"Company" means Via Varejo S.A., headquartered at Rua João Pessoa, nº 83, Centro, CEP 09520-010, in the city of São Caetano do Sul, State of São Paulo, enrolled with the corporate taxpayer's ID (CNPJ/MF) No. 33.041.260/0652-90;

"Service Condition" means the condition to be met by Beneficiary to be continuously bound as manager or employee of the Company, or another entity under its control, where applicable, during Phantom Shares Vesting Period;

"Granting Agreement" means the Private Instrument of Phantom Shares Granting entered into between the Company and each Beneficiary, which shall define the terms and conditions of the transaction with payment based on shares with cash settlement provided for herein;

"Board of Directors" means the Company's Board of Directors;

"Conversion" means the conversion of the Company's preferred shares into common shares, at the ratio of 1:1, approved at the Company's extraordinary shareholders' meeting held on September 3, 2018;

"Date of Verification" means (i) the expiration date of the Vesting period, as long as the Beneficiary has observed the Service Condition during Vesting; or (ii) for specific purposes of assumptions of Withdrawal provided for in items 8.2, 8.4. and 8.5 of this Program, the Beneficiary's date of Withdrawal.

"Date of Granting" means the date of granting of Phantom Shares under this Program, as outlined in respective Granting Agreement;

"Date of Payment" means when Premium is paid to Beneficiary due to the observance of Service Condition, as provided for in the Granting Agreement;

"Withdrawal" means the end of the legal relationship between Beneficiary and the Company, for any reason including, but not limited, waiver or dismissal of manager position, request for voluntary dismissal or dismissal with or without cause, termination of services agreement, retirement, permanent disability, and decease;

"Vesting Period" means the period over which all the vesting conditions shall be observed to be entitled to the share-based payment provided for herein, commencing on the Granting Date and expiring on the date specified in the Granting Agreement;

"Premium" means the amount Beneficiary is entitled to receive from the Company for observing the Service Condition, calculated under this Program and the Granting Agreement;

"Phantom Share" means the unit representing the Beneficiary's right to receive the full amount corresponding to three (3) Common Shares on the Date of Verification, as provided for herein and in the Granting Agreement, legal fiction created to facilitate the implementation of the Program and calculate any Premium due to Beneficiary, under this Program and respective Granting Agreement.

"Vested Phantom Shares" mean the Phantom Shares to which the Beneficiary is entitled due to observance of the Service Condition.

"Program" means this Share-Based Compensation Program, with cash settlement;

"Unit" means the Company's Unit, composed of one (1) common share and two (2) preferred shares issued by the Company, traded at B3 – Brasil, Bolsa, Balcão before Conversion under the ticker VVAR11;

"Initial Reference Value" means: (i) before Conversion, the amount corresponding to the average quote of one (1) Unit in twenty (20) trading sessions on B3 S.A. – Brasil, Bolsa, Balcão immediately prior to the Granting Date; and (ii) after Conversion, the amount corresponding to the average quote of three (3) Common Shares in twenty (20) trading sessions on B3 S.A. – Brasil, Bolsa, Balcão immediately prior to the Granting Date;

"Final Reference Value" means the amount corresponding to the average quote of three (3) Common Shares in twenty (20) trading sessions on B3 S.A. – Brasil, Bolsa, Balcão immediately prior to the Date of Verification.

2. Objectives of the Program

2.1. The Program aims at granting to certain Beneficiaries of the Company rights over the appreciation of shares issued by the Company, with cash settlement, as part of their compensation package aiming at (a) fomenting the success and execution of the Company's purposes; (b) aligning the interests of the Company's shareholders to the Beneficiaries covered by the Program, and (c) enabling the Company or other entities under its control to retain managers and employees covered by the Program.

2.2. Subject to the compliance with certain conditions to be defined by the Company in respective Granting Agreements, the Beneficiaries covered by the Program shall be entitled to Phantom Shares, which shall ensure to Beneficiary the right to eventual Premium verified under this Program and the Granting Agreement.

3. Eligible Beneficiaries

3.1. The Beneficiaries appointed shall be approved by the Board of Directors, at its sole discretion.

3.2. The granting of Phantom Shares to Beneficiaries shall not be necessarily equal to each Beneficiary, neither by equity or equivalence, nor divided pro-rata, and determined according to criteria approved by the Board of Directors.

4. Management of the Program

4.1. The Program shall be managed by the Board of Directors and/or Committee, which to the extent authorized by laws and bylaws of the Company, shall have full powers to take all the

measures necessary and appropriate to manage the Program, including:

- (a) the definition of Service Condition to be observed by Beneficiary to be entitled to Phantom Shares and, accordingly to the Premium;
- (b) the solution of doubts and interpretation relating to the Program and the Granting Agreements, as well as its implementation;
- (c) the alteration of rights and conditions provided for herein, as well as in the Granting Agreements, due to any reason to result in the referred amendment.

4.2. In the performance of its duties, the Board of Directors or the Committee shall only be subject to the limits set forth by laws and the Program, making clear that the Board of Directors and the Committee may treat differently Beneficiaries, not being obliged by any rule of isonomy or analogy, to extend to everyone the conditions they deem applicable to only one or a few.

4.3. The resolutions of the Board of Directors or the Committee are binding to the Company concerning all the matters relating to the Program.

5. Operation of the Program

5.1. When deemed convenient, the Board of Directors or the Committee shall elect the Beneficiaries who shall be granted the Phantom Shares under this Program.

5.2. The Beneficiary who decides to participate and adhere to this Program shall do it by signing a Granting Agreement with the Company, which shall set forth the Service Condition to be observed, so that each Beneficiary is entitled to the Phantom Shares and, accordingly to the Premium, observing the terms hereof.

6. Calculation of Premium.

6.1. Each Phantom Share shall represent the Beneficiary's right to receive the full amount corresponding to three (3) Common Shares on the Date of Verification, as set forth in the Program and the Granting Agreement, subject to the observance of Service Condition so that Phantom Shares shall be subject to appreciation and fluctuation of Common Share price over time.

6.2. Once verified the observance of Service Condition, the Premium to be paid by the Company to Beneficiary shall correspond to the amount equivalent to the Final Reference Value multiplied by the amount of Vested Phantom Shares, as follows:

"Premium = Final Reference Value x Vested Phantom Shares" Where,

"x" means multiplication.

The Phantom Shares amount can positively or negatively vary between the Granting Date and the Date of Verification, increasing or decreasing the Initial Reference Value. Merely as example and explanation:

(i) in the assumption of appreciation of three (3) Common Shares between the Granting Date and the Date of Verification, for instance, from ten Reais (R\$10.00) to fifteen Reais (R\$15.00), the Beneficiary to receive one hundred (100) Phantom Shares at the Initial Reference Value of ten Reais (R\$10.00), once verified the Service Condition, shall be vested to respective one hundred (100) Phantom Shares at the Final Reference Value of R\$15.00, then Beneficiary shall be entitled to a Premium in the gross amount of one thousand and five hundred Reais (R\$1,500.00);

(ii) in the assumption of depreciation of three (3) Common Shares between the Granting Date and the Date of Verification, for instance, from ten Reais (R\$10.00) to five Reais (R\$5.00), the Beneficiary to receive one hundred (100) Phantom Shares at the Initial Reference Value of ten Reais (R\$10.00), once verified the Service Condition, shall be vested to respective one hundred (100) Phantom Shares to the Final Reference Value of five Reais (R\$5.00), then Beneficiary shall be entitled to a Premium in the gross amount of five hundred Reais (R\$500.00).

6.3. the Premium amount verified through calculation provided for in item 6.2 shall correspond to the gross amount in currency that Beneficiary shall be entitled to receive, over which taxes shall be withheld, also applicable legal discounts /deduction and the Company is hereby authorized to make referred applicable legal deductions and discounts.

6.4. The Phantom Shares shall neither confer to its holder the condition of a shareholder of the Company, nor any right or privilege inherent to such condition, especially the voting right and other political rights. No Common Share issued by the Company shall be delivered to the Beneficiary due to the Phantom Shares granted.

7. Vesting

7.1. The vesting to the Phantom Shares shall rely on the Beneficiary's observance of Service Condition, that is to say, continuously bound as manager or employee of the Company or another entity under its control, during the Vesting Period, which commences as of the Granting Date and expires on the date of third (3rd) anniversary of the Granting Date.

7.2. Once elapsed the Vesting period and verified the observance of Service Condition, the Premium shall be calculated under this Program and shall be paid by the Company to the Beneficiary, in funds immediately available, in the payroll of the month following the Date of Verification.

8. Withdrawal Assumptions

8.1. In the assumptions of Beneficiary's withdrawal, the Phantom Shares conferred thereto pursuant to the Program can be extinguished or modified, observing the provisions of items 8.2. to 8.6 below.

8.2. Should Beneficiary be withdrawn from the Company through dismissal without cause, or his position is removed without violation of manager's duties and

responsibilities, the Beneficiary shall be vested of Phantom Shares in advance, proportionally to the full months elapsed between the Granting Date and the date of Withdrawal, considering for the purposes hereof, as the date of Withdrawal, the date when dismissal or removal is communicated, therefore, disregarding any prior notice period. In this assumption, the Premium to which Beneficiary shall be entitled shall be calculated considering the quantity of Vested Phantom Shares obtained through the following formula, and months not completed shall be disregarded and any fractions of Phantom Shares shall be rounded down:

"Vested Phantom Shares = (total number of Phantom Shares/36) x number of full months between the Granting Date and the Date of Withdrawal"

Where "/" means division; and "x" means multiplication.

8.2.1. Premium shall be paid within forty-five (45) days as of effective Withdrawal, and Premium shall be paid by the Company under item 6.4 above.

8.3. Should Beneficiary (i) voluntarily withdraw from the Company, request his dismissal, or resign to his manager position; or (ii) is dismissed by the Company with cause, or is removed from this position due to violation of manager's duties and responsibilities, such as (a) those provided for in Articles 153 to 157 of Law No. 6.404/76; (b) Beneficiary's negligence in the performance of duties deriving from his tenure as manager; (c) criminal conviction relating to felonious crimes; the Beneficiary's practice of fraudulent acts against the company or entities under its control; (d) any or omission due to Beneficiary's intentional misconduct or guilty to be harmful to businesses, image, or financial condition of the Company, its shareholders, or any entity under its control; (e) relevant violation of instrument regulating the exercise of statutory manager's tenure executed between Beneficiary and the Company and/or entities under its control, where applicable; (f) or the non-compliance with the Bylaws of the Company and/or entities under its control and other applicable corporate provisions; Beneficiary shall not receive anything as Premium, whether the Vesting period has elapsed or not, and the observance of Service Condition. All Phantom Shares shall be automatically canceled, and Beneficiary shall not be entitled to indemnification or benefit of any nature.

8.4. Should Beneficiary withdraw from the Company due to retirement, Beneficiary shall be entitled to all Phantom Shares, whether vested or not, irrespective if Vesting period has elapsed and the observance of Service Condition, whose Premium shall be paid within forty-five (45) days as of his Withdrawal, which shall be paid by the Company under item 6.3 above.

8.5. Should Beneficiary withdraw from the Company due to decease or permanent disability, Beneficiary's legal heirs and successors, where applicable, shall be entitled to all Phantom Shares, whether vested or not, irrespective if Vesting period has elapsed and the observance of Service Condition, whose Premium shall be paid within forty-five (45) days as of his Withdrawal, which shall be paid by the Company under item 6.4 above.

8.6. Notwithstanding the aforementioned, the Board of Directors or the Committee, at their sole discretion, whenever they deem that corporate interests will be better met by such measure, they can define specific rules or no longer observe the rules stipulated in items 8.2. to 8.5. above, conferring different treatment to certain Beneficiary.

9. Date of Effectiveness and Expiration of the Program

9.1. The Program shall take effect for an indeterminate duration, on the date of its approval by the Board of Directors, and can be extinguished at any time by decision of the Board of Directors. The expiration of the Program's effectiveness shall not affect the efficacy of rights already the purpose of regulation by the Granting Agreements signed.

10. Miscellaneous

10.1. Should the number, type, and class of shares issued by the Company be altered as a result of bonuses, split, reverse split or conversion of shares of one type or class to another or conversion of shares into other securities issued by the Company, the Company, if necessary, shall make the applicable adjustments, to ensure the compliance with Granting Agreements and this Program.

10.2. No provision of the Program shall confer to any Beneficiary the right to remain as manager and/or employee of the Company, shall neither interfere anyway in the Company's right to, at any time and subject to legal and contractual conditions, terminate the employment agreement and/or interrupt manager's term of office.

10.3. Each Beneficiary shall expressly adhere to the terms of the Program, by signing respective Granting Agreement, under the terms defined by the Board of Directors and/or Committee.

10.4. The Board of Directors or the Committee, in the interest of the Company and its shareholders, may review the Program's conditions.

10.5. Any meaningful legal amendment may result in the full review of this Program, irrespective of prior notice to the Beneficiary, who also shall not be entitled to any indemnification.

10.6. The rights provided for herein and ruled by Granting Agreements are personal and non-transferable, and Beneficiary, under no circumstance, can neither assign, transfer, or anyway sell the Phantom Shares to any third party, nor the rights and obligations inherent thereto.

10.7. The cases not covered herein shall be regulated by the Board of Directors or the Committee.

10.8. This Program shall be ruled and construed pursuant to the laws of the Federative Republic of Brazil, any controversies stemming herefrom shall be solved by the central court of the judicial district of São Paulo, state of São Paulo, excluding any other, no matter how privileged it may be."
