



Free Translation

AREZZO INDÚSTRIA E COMÉRCIO S.A.

(Publicly-Held Company)

Corporate Taxpayer ID (CNPJ): 16.590.234/0001-76

State Registry (NIRE): 31.300.025.91-8

MATERIAL FACT

AREZZO INDÚSTRIA E COMÉRCIO S.A. ("Company"), in compliance with the terms of articles 157, paragraph 4 of Law No. 6,404 of December 15, 1976, as amended, and the article 2 of CVM's Ruling No. 358 of 2002, as amended, hereby informs its shareholders and the market in general that, as approved by the Board of Directors at the meeting held on October 1st, 2019, has entered into, with Vans Inc. and its controlled company VF do Brasil Ltda., respectively, a Distributorship and Retail Development Agreement ("Distribution Agreement") whereby Vans appointed the Company as the exclusive distributor of Vans' shoes, clothing and accessories ("Vans' Products") at Brazilian territory, and an Asset Purchase Agreement ("Asset Purchase Agreement") whereby the Company pledged to acquire products in stock and fixed assets, as well as assume rights and obligations under contracts with third parties, such contracts relating to the sale of Vans Products ("Vans' Assets").

Vans®, part of VF Corporation (NYSE: VFC), is the original brand of action sports footwear, apparel and accessories. Vans® authentic collections are sold in 84 countries through a network of subsidiaries, distributors and partners stores. Vans® has over 2,000 stores around the globe, including owned stores, franchises and partnership doors. The Vans® brand promotes creative self-expression in youth culture through action sports, art, music and street culture – as well as delivers progressive platforms such as Vans Park Series, Vans Triple Crown of Surfing®, Vans Pool Party, Vans Custom Culture, and Vans' cultural hub and international music venue, House of Vans.

With the execution of the Distribution Agreement, the Company will become the exclusive distributor of Vans' Products in the Brazilian territory for the initial term of 5 (five) years from January 1st, 2020, with possibility of extension for another 2 (two) years, subject to the achievement of certain operational and financial metrics. Under the terms of the Distribution Agreement, the Company may: **(i)** open and operate, on its own, Vans stores; **(ii)** grant to third parties the right to open and operate Vans stores; **(iii)** establish relationships with authorized dealers; and **(iv)** operate through approved websites.

Regarding the Asset Purchase Agreement, the Company informs that, as consideration for such acquisition, the Company has assumed the obligation to pay, within 150 (one hundred and fifty) days after the closing date of the transaction, the estimated amount of R\$ 50 million, of which



approximately R\$ 45 million is in working capital related to stocks (in distribution center and in transit) and the remainder in fixed assets (including 4 stores) - whose the final amount will be determined according to the final volume of Vans' Assets existing at the closing date of the transaction.

The Company emphasizes that the closing of the transaction for the acquisition of Vans' Assets is subject to the satisfaction of certain common suspensive conditions in operations of this nature, including obtaining approval by the Administrative Council for Economic Defense - CADE.

Finally, the Company will keep shareholders and the market informed of the progress of these and any other matter of interest to the market.

Belo Horizonte, October 2nd, 2019.

Aline Ferreira Penna Peli
Investor Relations Officer