



RANDON S.A. Implementos e Participações

Listed Company
CNPJ 89.086.144/0001-16
NIRE 43300032680

Minutes 553 of the Board of Directors

Date, time, and place: March 30, 2006, at 10:00 AM, at the headquarters of the Company, in the city of Caxias do Sul, State of Rio Grande do Sul, on Avenida Abramo Randon, 770, Interlagos District. **Call and presences:** Call was dispensed with due to the presence of all Board members. Also present were the Audit Board members. **Table:** The meeting was presided over by Mr. Raul Anselmo Randon, with David Abramo Randon as Secretary. **Agenda:** (i) authorization to perform a primary public distribution of common and preferred shares issued by the Company ("Primary Distribution"), to be carried out in Brazil, in deregulated over-the counter market and in a regime of firm settlement guarantee, with efforts to sell abroad by means of investment mechanisms ruled by *Conselho Monetário Nacional* (National Monetary Council), Banco Central do Brasil (Brazilian`s Central Bank) and Securities and Exchange Commission – ("CVM"), in the United States of America, for qualified institutional investors, in compliance with Rule *144A of the Securities and Exchange Commission* ("SEC"), in operations exempt from registration, according to the *Securities Act of 1933* ("*Securities Act*") and its regulations, and, in other countries, according to the law in force in each investor`s country and in reliance with *Regulation S* published by SEC; (ii) the authorization for the Company`s capital increase within the limits of its authorized capital, in the terms of its bylaws, upon the issuance of common and preferred shares under the Primary Distribution, being such common and preferred shares entitled to receive the dividends to be declared by the Company from the Offering settlement date and to all further benefits to be provided to the other common and preferred shares issued by the Company as of such time, in equal conditions, according to Law no. 6.404, of December 15, 1976, as amended ("Corporation Law"), the Company`s bylaws, and the Level 1 of Differentiated Practices of Corporate Governance Regulation of São Paulo Stock Exchange ("BOVESPA"); (iii) authorization for the Company`s Executive Board to take all necessary measures and perform all necessary acts for such increase of the capital stock of the Company, within the limits of its authorized capital, and, in accordance with the representation form of the Company, perform all and any necessary or convenient acts called for such Primary Distribution; (iv) definition of the procedure to be adopted in the Primary Distribution, as well as the treatment to be given to those interested in subscribing shares of the Primary Distribution; (v) the ractification of the acts already performed by the Company`s Executive Board with a view to carrying out such Primary Distribution.



Deliberations: The following deliberations have unanimously been taken by the present participants, without any exception or restriction: (i) A Primary Distribution was authorized of up to 2,000,000 (two million) of common shares and up to 10,000,000 (ten million) preferred shares issued by the Company ("Shares"), to be carried out in Brazil, in the deregulated over-the-counter market and in a regime of firm settlement guarantee, and, also, with efforts to sell abroad by means of investment mechanisms ruled by the National Monetary Council, Banco Central do Brasil, and CVM in the United States of America, for qualified institutional investors, as defined by the *Rule 144A of SEC*, in operations exempt from registration, in conformity with the law in force in each investor's country and in reliance on *Regulation S of SEC*; (ii) The increase of the capital stock of the Company was authorized within the limit of its authorized capital, indicated in Article 6th of its bylaws and according to Article 170, caput, of the Corporation Law, excluding the preemptive rights and priority right to subscribe shares of the Primary Offering by the Company's current shareholders, upon the issuance of public subscription of up to 2,000,000 (two million) of common shares and up to 10,000,000 (ten million) of preferred shares, as indicated in item (i) above, all nominative and without par value, being such shares entitled to receive all dividends to be declared by the Company from the Offering's settlement date, and to all other rights, advantages, restrictions and benefits assured by the company's bylaws to the other common and preferred shares issued by the Company, in conditions equal to the already-existing shares, according to the terms of the Corporation Law, Company's bylaws, and Level 1 of the Differentiated Practices of the Corporate Governance of BOVESPA. As a result, it was also authorized that the issuing Share Price and its justification, the total quantity of Shares to be issued, and the determination of the other conditions of the Primary Distribution will be determined later on by the Board of Directors in a meeting to be held for this specific purpose prior to the granting of the registration of the Primary Distribution by CVM; (iii) As a result of the above deliberation, the Company's Executive Board was authorized to immediately take measures and perform all the acts necessary to the increase of its capital stock, within the limits of its authorized capital, upon the issuance of Shares, all uncertificated, without par value, to be offered by means of a Primary Distribution in Brazil and registered at CVM, combined with efforts to sell them abroad. Such Primary Distribution will be carried out concurrently with a Secondary Public Distribution ("Secondary Distribution") of 15,718, 876 (fifteen million, seven hundred and eighteen thousand, eight hundred and seventy-six) preferred shares issued by the Company, out of which 7.299.687 (seven million, two hundred and ninety-nine thousand, six hundred and eighty-seven) preferred shares held by the Selling Shareholders represented by *Geração Futuro Corretora de Valores Ltda.*, 2,804,756 (two million, eight hundred and four thousand, seven hundred



and fifty-six) preferred shares held by *Fundação dos Economistas Federais - FUNCEF* and 5,614,433 (five million, six hundred and fourteen thousand, four hundred and thirty-three) preferred shares held by *Fundo Fator Sinergia Fundo de Investimentos em Ações* (Selling Shareholders). Both distributions will be registered at CVM. The quantity of preferred shares of the Secondary Distribution may be increased according to terms of CVM Instruction no. 400, or reduced by decision of the Selling Shareholders. In the latter case, the public investors will be able to subject their acceptance of the Secondary Distribution to the placement of a minimum quantity of preferred shares. To this end, the Directors are invested with full powers to take measures and perform all and any acts that are necessary or convenient for the achievement of the referred public distributions, and, in special, with powers to represent the Company at CVM, *Banco Central do Brasil*, BOVESPA (São Paulo Stock Exchange) and *Companhia Brasileira de Liquidação e Custódia - CBLC*, and may perform any acts before these and other entities or institutions and people integrating the securities market and/or operations, and also to negotiate and sign any agreements, communications, notifications, certificates, documents or instruments relating to the such distributions, and deemed as necessary or convenient for their achievement, including, without limiting (a) the *Offering Memorandum* Internacional (“International Offering Memorandum”), (b) the Brazilian Prospectus, (c) the Private Instrument for Public Primary Distribution of Common Shares and Preferred Shares, and for the Public Secondary Distribution of Preferred Shares issued by Randon S.A. Implementos e Participações, (iv) the Stabilization Agreement of the Share Prices; and (d) the *Placement Facilitation Agreement* (“the International Placement Agreement”); (iv) The Primary Distribution and the Secondary Distribution will be carried out in accordance with the procedures established at CVM Instruction no. 400, of December 29, 2003 (CVM Instruction 400), by means of three distinct Offerings: (i) Offering designed with priority to the Company’s shareholders, for subscription of Shares of the Primary Offering of the same class as the shares they own, and in the same proportion as their interests in the Company’s total capital. Such priority rights extend to the shares of different classes only in case the Shares distributed in the Primary Offering are not enough to ensure the shareholders, in the increased capital, the same proportion they had in the total capital prior to the capital increase, (ii) the Offering designed to Public Investors, and (iii) the Offering designed to Qualified Institutional Investors, in accordance with CVM Instruction no. 400, and the effort of stock dispersion foreseen in the Level 1 Differentiated Practices of Corporate Governance Regulation of BOVESPA; (v) All further acts performed by the Company’s Executive Board were ratified with a view to performing the Primary Distribution and Secondary Distribution. (vi) In



acompliance with Resolution 01/89, of the Trade Body of the State of Rio Grande do Sul, the Company`s authorized capital is formed by 90,000,000 (ninety million) common shares and 180,000,000 (one hundred and eighty million) preferred shares, of which 52,592,196 (fifty-two million, five hundred and ninety-two thousand, one hundred and ninety-six) common shares, and and 97,931, 439 (ninety-seven million, nine hundred and thirty-one thousand and four hundred and thirty-nine) preferred shares are subscribed and paid-in. **Closing, Minutes Writing up and Approval:**

Raul Anselmo Randon

David Abramo Randon

João Luiz de Moraes

Ricardo Alves da Conceição

Ery José Bernardes