

## PROTOCOL AND JUSTIFICATION OF INCORPORATION

**RANDON S.A. IMPLEMENTOS E PARTICIPAÇÕES** (The Incorporating Company), a listed and private company organized under the laws of Brazil, with place of business on Abramo Randon Ave., 770, Interlagos District, Zip code 95055-010, in this city of Caxias do Sul (RS), enrolled with the General Taxpayers' Registry (CNPJ) under no. 89.086.144/0001-16, with its Articles of Association filed at the Board of Trade of the State of Rio Grande do Sul under no. NIRE 43300032680, in this act duly represented pursuant its By-Laws, by its President Director **David Abramo Randon**, Brazilian, married, mechanical engineer, resident and domiciled on Ângelo Manfro St., 102-B, Cinquentenário District, Zip Code 95012-070, Caxias do Sul, RS, bearer of the Identity Card no. 7001742126-SJS/RS and enrolled with the Private Taxpayers' Registry under no. 277.049.120-20; and by its Vice-President Director, **Alexandre Randon**, Brazilian, divorced, mechanical engineer, resident and domiciled on Humberto de Campos St, no. 1055, apt. 1002, Zip Code 95084-440, Caxias do Sul – RS, bearer of the Identity Card no. RG nº 9001742445-SJS/RS and enrolled with the Private Taxpayers' Registry under no.468.801.000-15; and

**RANDON VEÍCULOS LTDA.** (the Incorporated Company), a private Brazilian company, with place of business on Abramo Randon Ave., 660, Interlagos District, in this city of Caxias do Sul, RS, enrolled with the General Taxpayers Registry (CNPJ) under no. 74.164.740/0001-08, with its Articles of Association filed at the Board of Trade of the State of Rio Grande do Sul under no. NIRE 43202753471, in this act duly represented by its administrators, **Erino Tonon**, Brazilian, married, mechanical engineer, resident and domiciled on Alberto Bracagioli St, 1132, Jardim Margarida District, Zip Code 95050-020, Caxias do Sul, RS, bearer of the Identity Card no. RG 2003943087-SSP/RS and enrolled with the Private Taxpayers' Registry under no. 057.383.420-20; and **Idair Monegat**, Brazilian, married, mechanical engineer, resident and domiciled on Machado de Assis St., no. 924, Medianeira District, Zip Code 95010-510, Caxias do sul, RS, bearer of the Identity Card no. 3019249121-SSP/RS, and enrolled with the Private Taxpayers' Registry under no. 117.816.530-20, sign this present Protocol and Justification of Incorporation pursuant Articles 224, 225, 227 and 264 of Law 6,404/76, as amended, and in compliance with CVM Directive no. 319/99, as amended, upon the following conditions:

### WHEREAS:

The Incorporating Company is currently the holder of 99,99404% of the capital of the Incorporated Company, and, by the date of incorporation (as established below), the Incorporating Company will be the holder of 100% of the quotas representing the capital of the Incorporated Company;

The Directors of the Incorporating Company and the administrators of the Incorporated Company have decided to propose to their Upper Management and Audit Boards a corporate restructuring aimed at integrating the activities of the Controlled Company into the activities

developed by the Controlling Company;

The proposed corporate restructuring involves the incorporation of the Controlled company, at its book value, resulting in the extinction of it;

### **(A) Justification**

Considering the convergence of corporate interests, the parties deem it convenient to perform a corporate restructuring involving the Controlling Company and one of its controlled companies, the Incorporating Company and the Incorporated Company, respectively, by totally absorbing the net equity of the second company, resulting in its extinction, with the first company replacing it for all legal purposes;

This legal unification by means of incorporation will allow the redefinition of the corporate structure of the companies involved, so as to rationalize corporate operations and reduce administrative and operating costs, seeking, as a result, equity, financial and fiscal benefits, among others.

The operation will not result in any damage to the company's activities and business, which will continue to be fully performed by the Incorporating Company, without prejudice to their continuity and with the same quality level. The incorporation will not result either in prejudice to the shareholders, employees, creditors and customers, whose rights are fully assured.

### **(B) Conditions of the Incorporation**

1. Prior to the incorporation, the Incorporating Company will purchase 894 (Eight hundred and ninety-four) capital quotas of the Incorporated Company, corresponding to 0,00596% of its total capital, held by Astor Milton Schmitt, who will withdraw from the Company under the conditions of the private instrument of purchase and sale of capital quotas to be signed, upon which the Incorporating Company will become the only partner, holder of 100% of the capital of the Incorporated Company;
  - 1.1.- As a result, there will be no swap between the Incorporated Company's quotas and the Incorporating Company's shares. The net equity of the Incorporated Company will be compensated for by an installment, of the same value, of the investment account of the Incorporating Company, with the incorporation being made without net equity increase or capital increase in the Incorporating Company;
2. The net equity of the Incorporated Company, on the base-date of May 31, 2009, was R\$ 44.077.586,04 (Four-four million, seventy-seven thousand, five hundred and eighty-six Reais and four cents). The changes in equity to take place between the base date of the incorporation balance sheet and the date of the effective incorporation will show and be allocated in the Incorporating Company;
3. The net equity of the Incorporated Company will be evaluated using the book value method, based on the balance sheet ended May 31, 2009, and will be evaluated by the specialized company appointed in this instrument, "ad referendum" of the Extraordinary General Meeting and deliberation by the partners of the companies signing this Protocol.

- 3.1. The evaluations referred in Article 264, of Law 6,404/76, and in item VI of § 1 of Article 2 of CVM Directive 319/99 do not need to be performed, since there are no minority shareholders in the Incorporated Company;
4. To evaluate the net equity of the Incorporated Company, it is appointed the company ERNST & YOUNG AUDITORES INDEPENDENTES S/S, a private legal entity, with place of business in São Paulo (SP), on Presidente Juscelino Kubitschek Av., no. 1830, 5<sup>th</sup> to 8<sup>th</sup> floors, Zip Code 04543-900, enrolled with the General Taxpayers' Registry under no. 61.366.936/0001-25; and with offices in Porto Alegre (RS), on Mostardeiro Street, no. 322, 10th floor, Zip Code 90430-000, enrolled at the General Taxpayers' Registry under no. 61.366.936/0011-05;
5. The changes in the Incorporating Company's By-Laws, resulting from the incorporation, to be submitted to the Extraordinary General Meeting, include only the adjustment of its corporate purpose, so as to comprise all operating activities of the Incorporated Company, not including any activity outside the area of operation of the Incorporating Company;
6. Described below are the current wording and the proposed wording of and for article 3<sup>rd</sup>, respectively, of the Incorporating Company's By-Laws:

**Current Wording:**

**Article 3<sup>rd</sup>.** The purpose of the Company is:  
a) interest in the capital of other companies;  
b) management of its own capital goods and real estate;  
c) industry, trade, import and export of vehicles for road transport, equipment for roadway and railway transportation, mechanical devices, spare parts, and related parts and components;  
d) road transport of cargo; and,  
e) provision of services related to its business segments.

**Proposed Wording:**

**Article 3<sup>rd</sup>.** The purpose of the Company is:  
a) industry, trade, import and export of : automotive vehicles, trailers/ semi-trailers for the motion and transport of goods; equipment for roadway and railway transport; mechanical devices, equipment, machinery, spare parts, and related parts and components;  
b) interest in the capital of other companies;  
c) management of its own capital goods and real estate;  
d) road transport of cargo; and,  
e) provision of services related to its business segments.

6. The Incorporating Company will receive the totality of the assets and liabilities of the Incorporated Company, universally replacing it in all its duties and obligations, fully taking over its net equity and also responding for its ability to pay debts;
- 6.1. Included in the incorporation process is the legal and equity succession of the Incorporated Company's branch located on Rodovia Presidente Dutra, km 213, Pavilhão B, Jardim Cumbica, Zip Code 07178-580, City of Guarulhos, São Paulo, SP, NIRE 35902314300 and General Taxpayers' Registry (CNPJ) no. 74.164.740/0002-80.
- 6.2. In view of the incorporation and for the purpose of registration and transference at the respective Notary's Office, pursuant Article 98 and §§ of Law no. 6404/76, and Article 64

INCORPORATING COMPANY: Randon S.A. Implementos e Participações  
INCORPORATED COMPANY: Randon Veículos Ltda.

of Law 8.934/94, included in the assets of the Incorporated Company is the following asset: a piece of land in an urban area, comprised of Lot no. 88, of block 2007, derivating from the spinoff of Lot no. 01, in the same block, with boundary line to the east facing Rua Desembargador Bernardo de Medeiros Jr. and Av. Abramo Randon, located on the corner of both streets, in the block formed by the cited streets, and Ruben Bento Alves Avenue, Atílio Andreazza St., Armando de Carli St., Elvira Cruz Neto St., Salustiano R. da Luz, and limit of blocks 1161, 1162, 1163 and 1153, with area of 11,570,25m<sup>2</sup>, containing an industrial pavilion serving as storeroom of spare parts, with building area of 2,494,98m<sup>2</sup>, located on Abramo Randon Av., said lot having the following measures and boundary lines: on the North, 111,85m, with Abramo Randon Ave; on the South by two lines, which, beginning on the North, are, the first line of 49,50m with lot no. 01 of Randon S.A. Implementos e Participações; and the second of 60,00m with Armando de Carli St., on the odd side; on the East by 129,22m, with Desembargador Bernardo de Medeiros Jr. St., on the odd side; and on the West side, by two lines that, beginning on the North, are, the first with 75.00m, and the second with 54.27m, both with lot no. 01 of Randon S.A. implementos e Participações. Registry no. 70.211, dated June 6, 1997, Book no. 2 – General Registry, Notary's Office of the *1ª Zona de Caxias do Sul*.

7. The expenses for this incorporation process are estimated to be approximately R\$ 450,000.00 (Four hundred and fifty thousand Reais) to cover expenses related to technical experts hired to provide consulting services, as well as for the registration and publication of corporate acts.
8. The court of Caxias do Sul, State of Rio Grande do Sul, is elected as the sole and special court to settle any dispute arising out of this Instrument.

And being thus settled and agreed, the parties execute this instrument in 6 (six) counterparts of identical content, for legal effects, before the two undersigned witnesses.

Caxias do Sul, June 4, 2009.

**Randon S.A. Implementos e Participações**

David Abramo Randon  
President Director

Alexandre Randon  
Vice-President Director

**Randon Veículos Ltda.**

Erino Tonon  
General Manager

Idair Monegat  
Commercial Manager

Witnesses:

Ademar Salvador  
RG 8003321191-SSP/RS

Claudia Onzi Ide  
RG 7035603534-SSP/RS