



RANDON S.A. Implementos e Participações

Listed Company
CNPJ 89.086.144/0001-16
NIRE 43300032680

Board of Directors Meeting – Minutes no. 24

On March 3, 2010, at 8:30 AM, at the Company`s headquarters located on Abramo Randon Avenue, no. 770, in Caxias do Sul, RS, the members of the Executive Board gathered, with David Abramo Randon as Chair and Alexandre Randon as Secretary, and unanimously decided to prepare a Proposal to Increase Share Capital upon the capitalization of reserves, with distribution of new shares to the shareholders, the content of which is attached to these minutes and is an integral and inseparable part of it. These minutes were read, approved and signed by the Directors. Caxias do Sul, March 3, 2010.

David Abramo Randon

Alexandre Randon

Erino Tonon

Astor Milton Schmitt

RANDON S.A. Implementos e Participações

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Listed Company

*PROPOSAL OF THE EXECUTIVE BOARD***Increase of Equity Capital and Issue Bonus Shares**

We submit to the members of the Board of Directors, for their consideration and forwarding to the General Meeting and members of the Audit Board, proposal to increase the company's equity capital.

The Executive Board proposes to convene an Extraordinary General Meeting, to be held concurrently with the General Assembly Meeting, to discuss the increase of the Company's equity capital through the capitalization of part of the balance of the Investment Reserve and Working Capital, since, according to the proposed allocation of net income for the year 2009, the balance of retained earnings will exceed the legal limits, as shown in the table below:

Equity Capital	406.000.000,00
Retained Earnings	493.633.025,61
Legal Reserve	54.470.193,64
General Retained Earnings	439.162.831,97
Surplus value	87.633.025,61

As provided in Article 199 of Law 6404/1976, the balance of retained earnings, except for contingencies, tax incentives and profits to be realized, may not exceed the equity capital. Once this limit is reached, the General Meeting shall decide on the allocation of the excess amount either to payment of capital, increase of equity capital, or distribution of dividends.

Due to the excess amount, and in order to adjust the financial statements to all legal standards, the Executive Board proposes to increase the capital from R\$ 406,000,000.00 (Four hundred and six million Reais) to R\$ 730.000.000,00 (Seven hundred and thirty million Reais) upon:

- 1. Capitalization of reserves:** the equity capital will be increased by R\$ 324,000,000.00 (Three hundred twenty-four million Reais), through the capitalization of part of the balance of the "Investment and Working Capital Reserve", with the distribution of new shares to shareholders in proportion to the number of shares they hold, all in accordance with the provisions of Article 169, Law 6404/1976;
- 2. Issue of Bonus Shares (50%):** issue of 81,261,817 new book entry nominative shares, without nominal value, of which 27,296,098 are common shares and 53,965,719 are preferred shares, which will be allocated, free of charge, as bonus share, at the ratio of 1 (one) new share for every 2 (two) shares of the same type held by them.
 - 2.1. Objective:** The bonus share operation aims at increasing the liquidity of the shares in the Stock Market, considering that a higher quantity of outstanding shares, potentially, improves business, and consequently, the financial volume, adding value to shareholders;
 - 2.2. Rights and benefits of bonus shares:** the bonus shares will have identical rights to those currently outstanding in the market and will be even entitled to all dividends and return on capital that may be declared as of the date of their

inclusion in shareholders` position. They are also entitled to eventual advantages attributed to other shares;

- 2.3. Cost of bonus shares:** As provided in Article 10 of Law 9249/1995, and in § 1st of Article 25 of the Normative Ruling of the Brazilian Internal Revenue Service No. 25/2001, the cost attributed to the bonus shares is R\$ 1,9935 per share, regardless of the type;
- 2.4. Fraction of Shares:** the bonus shares will always occur in whole numbers. Any surplus arising from the fraction of shares will be grouped into whole numbers and sold in an Action to be held at BM&FBOVESPA, and their respective values shall be available to shareholders entitled thereto. Pursuant to § 3 of Article 169, Law 6404/1976, a 30-day (thirty) term is established for shareholders to transfer the fractions of shares;
- 2.5. Trading:** the current shares will continue to be traded, entitled to bonus, and the new shares will be available for trading, ex-bonus, after the approval of this proposal by shareholders at the Extraordinary General Meeting.

(c) Alteration of By-Laws

As a result of the equity capital increase, the Executive Board proposes to adjust Article 5th of the Company`s ByLaws, as shown below:

Current Wording	Proposed Wording
<p>Article 5th. The capital is R\$ 406.000.000,00 (Four hundred and six million Reais), represented by 162,523,635 (One hundred and sixty-two million, five hundred and twenty-three thousand, six hundred and thirty-five) shares, being 54.592.196 (Fifty-four million, five hundred and ninety-two thousand, one hundred and ninety-six) common shares and 107.931.439 (one hundred and seven million, nine hundred and thirty-one thousand, four hundred and thirty-nine) preferred shares, all uncertificated and without par value.</p>	<p>Article 5th. The capital is R\$ 730.000.000,00 (Seven hundred and thirty million Reais), represented by 243,785,452 (Two hundred and forty-three million, seven hundred and eighty-five thousand, four hundred and fifty-two) shares, being 81,888,294 (Eighty-one million, eight hundred and eighty-eight thousand, two hundred and ninety-four) common shares and 161,897,158 (one hundred and sixty-one million, eight hundred and ninety-seven thousand, one hundred and fifty-eight) preferred shares, all uncertificated and without par value.</p>

Caxias do Sul, March 3, 2010.

David Abramo Randon

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