



**RANDON S.A. Implementos e Participações**

Publicly-Traded Company  
CNPJ 89.086.144/0001-16  
NIRE 43300032680

**Minutes no. 32 of the Executive Board` Meeting**

DATE, TIME AND VENUE: On February 22, 2012, at 9:30 AM, at the Company`s headquarters located on Avenida Abramo Randon, No. 770, in this city of Caxias do Sul.

ATTENDANCE: All members of the Executive Board.

CHAIR AND SECRETARY: David Abramo Randon, Chair and Alexandre Randon, Secretary.

RESOLUTIONS: Directors unanimously decided to:

- (i) taking into account the provisions of sections V and VI of § 1, of Article 25 of CVM Instruction 480/2009, state that they have reviewed, discussed and agreed with the Financial Statements for fiscal year ended December 31, 2011, audited by Ernst & Young Terco Auditores Independentes SS, and with the opinions expressed by such Auditors in their report; and,
- (ii) prepare the Proposal for Allocation of Net Income for 2011, the contents of which are attached hereto to these minutes, which is an integral and inseparable part;
- (iii) prepare the Proposal to amend the Company`s By-laws and their consolidation in order to make the necessary adjustments required by the reform of the Regulation of Level 1 Corporate Governance, of BM&FBOVESPA S.A.- *Bolsa de Valores, Mercadorias e Futuros*, which is also attached to these minutes and of which it is an integral part.

After being read and approved, these minutes were signed by Directors.

Caxias do Sul, February 22, 2012.

David Abramo Randon

Alexandre Randon

Erino Tonon

Astor Milton Schmitt



## RANDON S.A. Implementos e Participações

CNPJ 89.086.144/0001-16  
Publicly-Traded Company

### PROPOSAL OF THE EXECUTIVE BOARD

#### Allocation of Net Income – 2011

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, for their opinion, the proposed allocation of net income for the year 2011.

In accordance with the provisions of Article 192, of Law No. 6404/1976, and financial statements for the period, the management bodies of the company will submit to the Annual General Meeting a proposal for the allocation to be made to the net income of the period.

Accordingly, we demonstrated below, through a comparative table, the proposed allocation of net income for the year ended December 31, 2011, as well as the allocation made in the three previous years:

Description	2011 Proposal (R\$)	Allocation		
		2010 (R\$)	2009 (R\$)	2008 (R\$)
Net Income for the Period	269.149.379,74	249.493.005,60	138.126.386,80	231.594.998,51
(-) Adjustments - Law 11.638/07		(6.632.553,46)		3.306.457,19
(+) Adjustments - IFRS	5.394.903,93	5.141.435,22		
Income after Adjustments	274.544.283,67	248.001.887,36	138.126.386,80	234.901.455,70
(-) Legal Reserve	13.727.214,18	12.400.094,37	6.906.319,34	11.747.319,40
(+) Realization of Reserves	44.932,20	44.932,20	44.932,20	44.932,20
Base-Income for calculation of dividends	260.862.001,69	235.646.725,19	131.264.999,66	223.199.068,51
Interest on capital payable attributed to dividends	62.701.344,16	52.522.679,73	32.090.978,90	38.397.594,13
Dividends	38.005.556,63	26.049.737,89	12.102.167,67	34.321.765,54
Investment Reserve and working capital (statutory)	160.155.100,89	157.074.307,57	87.071.853,09	150.479.708,83

#### Legal Reserve

Allocation of net income to the legal reserve is determined by Article 193, of Law 6404/1976, and is aimed at ensuring the integrity of capital. Said legal reserve may only be used to offset losses or increase capital.

According to aforesaid Law and the provisions of subparagraph "a" of § 1st, of Article 36 of the Company's Bylaws, out of the net income for the period, 5% (five percent) will be used, before any other allocation, to make up the legal reserve, which shall not exceed 20% (twenty percent) of the capital.

The legal reserve can only be built up in the year in which the balance of the reserve, plus the amount of capital reserves (referred to in § 1st of Article 182, of Law 6404/1976), exceeds 30% (thirty percent) of capital social.

#### Statutory Reserve (Investment Reserve and Working Capital)



Article 194, of Law 6404/1976, regulates the establishment of statutory reserves. According to that legal provision, the company's by-laws may establish reserves provided that, for each one: (i) indicates its aim in a precise and complete manner; (ii) establishes criteria to determine the annual portion of net income to be allocated to its constitution, and (iii) establishes the reserve maximum limit.

In line with the law and with the provisions of § 2, Article 36 of the Company's Bylaws, the balance of the adjusted net income, after deducting mandatory dividends, will be allocated to the Investment and Working Capital Reserve, whose goal is to ensure investments in fixed assets and increase of working capital, including amortization of the Company's debts and financing of subsidiaries and affiliates.

#### **Dividends and interest on capital payable**

As provided in article 202 of Law 6404/76, and subparagraph "b" of § 1 of Article 36 of the Company's Bylaws, shareholders are entitled to a compulsory dividend, each year, in the amount corresponding to 30% (thirty percent) of the adjusted income, as minimum mandatory dividend.

As deliberated by the Company's Board of Directors, the Company may: (i) declare dividends to the account of income recorded in the semi-annual balance sheet, as well as, as a result of shorter-period balance sheets, according to (in the latter case) the limit of Article 204, § 1 of Law 6404/1976, or declare interim dividends to the account of retained earnings, (ii) credit and pay interest on capital payable under the current legislation, and allocate them to the compulsory minimum dividends.

Interest on capital payable is calculated based on the shareholders' equity accounts, limited to the variation, pro rata day, of the Long Term Interest Rate (TJLP). The actual payment or credit shall be conditional upon the existence of earnings computed before the deduction of interest, or income reserves, in an amount equal to or greater than the value of twice the interest to be paid or credited.

The Bylaws do not provide regular payments of interest on capital payable to shareholders; however, in recent years, the Company has decided to distribute it, as calculated pursuant to current legislation and attributed (by the net amount of Withholding Income Tax) to dividends in the same fiscal period.

The interest on capital payable and dividends declared by the Company are not restated.

The proposed allocation of net income for 2011 is to distribute to shareholders a share of 35% (thirty-five percent) of the adjusted income, 5% (five percent) above the one foreseen in the Company's By-Laws.

The dividends will be declared on the date of the Annual General Meeting and payment will be made in full and by crediting the amount according to the account and bank address provided to Banco Itaú S.A, which is the depositary institution of the shares. The shares will be traded ex-dividend from the day following that of its declaration, and the payment date will be communicated through a Notice to Shareholders, published in the newspapers usually used by the Company and available on the World Wide Web.

In the following tables we demonstrate the remuneration to shareholders for fiscal 2011, to be ratified at the next Annual General Meeting, as well statements referring to the three (3) previous years, for comparison purposes:



2011 Fiscal Year	Total (R\$)	R\$ per Common and Preferred Share
Adjusted Net Income (calculation-base for dividends)	260.862.001,69	
Dividends – 35%	91.301.699,16	0,37879928
Interest on capital payable stated on June 13, 2011 and Dec 5, 2011, paid on July 11, 2011 and Jan 24, 2012*		
Gross Value	62.701.344,16	0,26014000
Withholding Income Tax – Net Amount	53.296.142,53	0,22111899
Dividends to be stated at the next Annual General Meeting, on March 29, 2012.**	38.005.556,63	0,15768028

\* Ex-interest – positions on June 14, 2011 and Dec 6, 2011, respectively.

\*\* Ex-dividends – positions on March 30, 2012.

2010 Fiscal Year	Total (R\$)	R\$ per Common and Preferred Share
Adjusted Net Income (calculation-base for dividends)	235.646.725,19	
Dividends – 30%	70.694.015,65	0,29330059
Interest on capital payable stated on June 14, 2010 and Dec 10, 2010, paid on July 23, 2010 and Jan 27, 2011.*		
Gross Value	52.522.679,73	0,21791000
Withholding Income Tax – Net Amount	44.644.277,76	0,18522349
Dividends stated on April 18, 2011 and paid on April 29, 2011**	26.049.737,89	0,10807710

\* Ex-interest – positions on June 15, 2010 and on Dec 13, 2010, respectively.

\*\* Ex-dividends – positions on April 19, 2011.

2009 Fiscal Year	Total (R\$)	R\$ per Common and Preferred Share
Adjusted Net Income (calculation-base for dividends)	131.264.999,66	
Dividends – 30%	39.379.499,90	0,24507089
Interest on capital payable stated on June 18, 2009 and Dec 4, 2009, and paid on July 10, 2009 and Jan 28, 2010.*		
Gross Value	32.090.978,90	0,20000000
Adjusted Net Income (calculation-base for dividends)	27.277.332,07	0,16975533
Dividends stated on April 8, 2010 and paid on April 23, 2010**	12.102.167,67	0,07531556

\* Ex-interest – positions on June 19, 2009 and Dec 7, 2009, respectively.

\*\* Ex-dividends – positions on April 9, 2010.

2008 Fiscal Year	Total (R\$)	R\$ per Common and Preferred Share
Adjusted Net Income (calculation)	223.199.068,51	
Dividends – 30%	66.959.720,55	0,417914130
Interest on capital payable on June 17, 2008 and Nov 26, 2008, and paid on July 3, 2008 and on Jan 27, 2009*		
Gross Value	38.397.594,13	0,239650000
Withholding Income Tax – Net Amount	32.637.955,01	0,203702490
Dividends stated on April 8, 2009 and paid on April 24, 2009**	34.321.765,54	0,214211627

\* Ex-interest – positions on June 18, 2008 and Nov 27, 2008, respectively.

\*\* Ex-dividends – positions on April 9, 2009.

Caxias do Sul, February 22, 2012.

David Abramo Randon

Alexandre Randon

Astor Milton Schmitt

Erino Tonon



**BY-LAWS` PROPOSED AMENDMENT**  
(Art. 11, I, CVM 481/09 Ordinance)

**RANDON S.A. Implementos e Participações**  
**Publicly-Traded Company**  
**CNPJ 89.086.144/0001-16**  
**NIRE 43300032680**

**BY-LAWS**

**CHAPTER I – COMPANY`S NAME, HEAD OFFICE, PURPOSE AND DURATION**

**Article 1.** **RANDON S.A. Implementos e Participações** is a corporation ruled by the present By-Laws and by the applicable Law;

**Article 2 -** The Company is located in the city of Caxias do Sul, Estado do Rio Grande do Sul, at Avenida Abramo Randon, 770, with jurisdiction in the same city and may open and shut down branches, offices and other representations in the country or abroad.

**Article 3 -** The purpose of the Company is:

- (a) industrialization, commercialization, import and export: of automotive and towed vehicles for the motion and transportation of materials; of equipment for road and railroad transportation; and mechanical devices, equipment, machinery, spare parts, parts and components regarding its business field;
- (b) participation in the stock capital of other companies;
- (c) management of its own durable goods and real estate;
- (d) road transportation of cargo; and
- (e) provision of services relating to its business field.

**Article 4 –** The Company may exist for an indeterminate period.

**CHAPTER II - CAPITAL AND SHARES**

**Article 5 -** The share 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 book-entry shares with no par value.

**Article 6 -**The company is authorized to increase the share Capital, regardless of statutory amendment, up to the limit of 270,000,000 (two hundred and seventy million) shares, of which 90,000,000 (90 million) common shares and 180,000,000 (one



hundred and eighty million) preferred shares.

- § 1. Issues of shares within the limit of authorized capital shall be made by resolution of the Board of Directors, which will fix the number of shares to be issued, their price and payment conditions, as well as other terms and procedures relating to each issue.
- § 2. The company may, within the limit of the authorized capital and, according to a plan approved by the General Assembly, grant stock purchase options to its officers, employees or individual persons who provide services to the Company or to the company under its control, pursuant to § 3 of Article 168 of Law 6,404/76.

**Article 7 -** Each common stock shall entitle to one vote at the General Meetings. The preferred stocks shall not have voting right, but shall have all further rights attributed to the common shares in equal conditions, including dividends at least equal to that attributed to the common shares, priority in repayment of principal, without premium, in proportion to the participation in the share capital in the event of liquidation of the company and also the right to be included in the public offering of the stock control sale, according to terms of the following Paragraph 1.

- §1. The sale, either directly or indirectly, of the stock control of the Company, shall be made only provided that, on a suspension or resolution basis, the company purchasing is obliged to make a public offering of the stocks to the other stockholders of the Company, either with right to vote or not, in order to ensure them a price at least equal to 80% (eighty percent) of the amount paid per stock with voting right, which is part of the controlling stocks.
- § 2. The preferred stocks without voting right shall acquire this right in case the Company, in three (3) consecutive fiscal periods, counted from the creation of the respective class, fails to pay the minimum dividends they are entitled to.

**Article 8 -** The Company may, by a resolution of the General Meeting, create more favorable classes of preferred stocks or promote the increase of the existent class without keeping the proportion with the other ones, observing, for the preferred stocks without voting right or that are subject to restrictions on this right, the limit of 2/3 (two thirds) of the total stocks issued. Within this same limit, the increases in the number of stocks may be made with stocks of both classes or only with one of them, irrespectively of the proportion of stocks being held.

**Article 9 -** The stocks shall be uncertificated and shall be kept on deposit trust accounts, in the name of their holders, in a financial institution authorized by the Brazilian Securities and Exchange Commission - CVM and hired by the Company to provide services relating to uncertificated stocks and will not be represented by certificates;

**Article 10.** The shareholders, in the proportion of the shares they hold, shall have preemptive right to subscribe new stocks and/ or securities convertible into shares.



§ 1º – The deadline for the exercise of the preemptive right shall be thirty days from the date of publication, on Diário Oficial, of the minutes authorizing such increase, or from the date of the respective notice. The organization authorizing the issue may extend the mentioned term to 60 ( sixty) days.

§ 2º. The Company may issue stocks, debentures convertible into shares and subscription bonuses without extending the preemptive right to stockholders when the issue is made through sale on the Stock Exchange, public subscription or stock swap, in a public offering for the purchase of the stock control, pursuant to law.

**Article 11** - In capital increases through subscription of stocks or conversion into bonds or credits, the General Meeting or the Board of Directors may establish that dividends calculated on a *pro-rate temporis* basis are attributed to the new capital stock, considering the time in which such authorization or conversion was given or made, provided that those interested are informed about it in advance.

**Article 12** - The depositary financial institution of the uncertificated stocks may charge for its services regarding the stock title transference to new holders, within the maximum limits fixed by the Securities Commission

### CHAPTER III – GENERAL MEETING

**Article 13.** The General Meeting, with attributions provided for by law, shall meet ordinarily within the 4 (four) first months following the end of the fiscal year, and, extraordinarily, whenever there the company's interests so require it.

**Article 14** -The General Meeting shall be convened by the Board of Directors, or, in case this is not available, by the persons referred to in the law. The meetings shall be presided by the Chairman of the Board of Directors and by another member of it, or, in the absence of any such representatives, by the Chair and Secretary chosen by the shareholders present to the meeting.

**Article 15** -The Company may request, within the time limit set in the Call Notice, that the power-of-attorneys and other documents relating to the representation of stockholders at the General Meetings be delivered at the Company's registered office;

**Article 16** -The company may suspend transfers, conversions, stock splits and groupings of stocks for a period of no more than 15 (fifteen) consecutive days prior to the General Meeting, or for 90 (ninety) days interspersed during the year.

### CHAPTER IV - ADMINISTRATION

#### Section I – General Part

**Article 17**-The Company shall be managed by the Board of Directors and by the Executive Board, whose members shall be elected for a unified term of office of two (2) years, with the right to re-election

§ 1º. Each one of the elected members of the Board of Directors and Executive Board shall be sworn in according to terms registered in their

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respective Minutes Books and shall remain in the full exercise of their duties until the investiture of the new elected members;

§ 2º. The investiture of each of the elected members of the Board of Directors and Executive Board is conditional on prior subscription of a Term of Consent of Administrators, as provided in the Rules of Level 1 of Corporate Governance of BM&FBOVESPA S.A.- Bolsa de Valores, Mercadorias e Futuros, as well as on compliance with applicable legal requirements.

§ 3º The General Assembly shall fix the remuneration of the Board of Directors and Executive Board members. Such remuneration may be voted on individual funds for each member or on an overall amount, in which case the Board of Directors shall deliberate on its distribution.

Excluído: 2

§ 4º The administrators shall receive, in addition to the remuneration established in the previous paragraph, the profit sharing referred to in Article 37 of these By-Laws;

Excluído: 3

Excluído: 6

§ 5º. The positions of Chairman of the Board of Directors and President Director (Chief Executive Officer) cannot be accumulated by the same person.

Article 18. As a Company authorized to negotiate its securities in the listing segment called Level 1 of Corporate Governance of BM&FBOVESPA S.A.-Bolsa de Valores, Mercadorias e Futuros, the Company, its shareholders, directors and members of the Audit Board (Fiscal Council), when instated, are subject to the provisions of the Listing Rules of the Level 1 of Corporate Governance of BM&FBOVESPA.

## Section II – Board of Directors

Article 19. The Board of Directors shall be made up of 3 (three) to 9 (nine) members, shareholders or not, elected by the General Meeting among the shareholders of the Company.

Excluído: 8

§. The President and up two Vice-Presidents of the Board of Directors shall be elected among and by its members.

Article 20. Any Board of Directors member may indicate another Board of Director member to replace him/her during his/her absences or in case of their temporary impediments;

Excluído: 19

§ In the event of a definitive vacancy, the Board of Directors, through their remaining members, shall elect a deputy member who will complete the term of office of the substituted member;

Artigo 21. The Board of Directors shall meet whenever it is convened by its Chairman or by any of the directors.

Excluído: 0

§ 1º. Meetings shall be convened by a written notice, sent at least 3 (three) days prior to the meeting. The notice shall state the venue, date, time and agenda, except in cases of obvious urgency, when this term may be reduced.

§ 2º. A Meeting will be considered as regular when is attended by all members, regardless of any preliminary formalities or provided that all members agree on not going through such formalities.



# **RANDON**

§ 3º. For meetings of the Board of Directors to take place and validly resolve on matters, the presence of the majority of its members holding office will be required. It will be considered as "present" the member who is represented in the meeting by its deputy or that has submitted his/ her vote in writing.

§ 4º. Decisions shall be made by majority vote and shall be recorded in the corresponding Minutes Book.

§ 5º. It is up to the Chairman of the Board of Directors and, in the event of his/her absence or impediment, to Vice-Presidents:

- a) chair the meetings of the body;
- b) oversee the administrative services of the body;
- c) represent the body in the event of paragraph (j) of Article 22.

Excluído: 1

Artigo 22. It is up to the Board of Directors:

Excluído: 1

- a) establish the general guidelines of the Company's business;
- b) approve development plans and the investments required for their implementation;
- c) approve annual and multiannual budgets concerning operations and/or investments;
- d) monitor, on a permanent basis, the development and performance of the Company;
- e) establish the administrative structure of the Company and approve its internal regulations;
- f) elect and destitute Directors of the Company, establishing their respective duties;
- g) monitor directors' management and examine, at any time, the books and documents of the Company, request information on contracts that have been signed or are about to be signed, as well as any other acts;
- h) establish and allocate, within the limits set annually by the Annual General Meeting, the remuneration of directors when a global amount has been voted, as well as employees' profit sharing;
- i) establish pension plans and benefits for the employees and administrators of the Company;
- j) convene ordinary and extraordinary general meetings in the cases provided for by Law or when it deems necessary to do so;
- k) Express its opinion on the Management Report, financial statements and accounts of the Executive Board;
- l) resolve on the payment of dividends, including interim dividends and interest on capital payable to shareholders;
- m) Express its opinion on the forwarding, to the General Meeting, of any proposal of the Executive Board, including capital increase, profit allocation and statutory changes whenever it deems necessary;
- n) authorize the creation and shutdown of any affiliates/branches of the Company, highlighting the required capital;
- o) choose and dismiss the independent auditors;
- p) authorize the acquisition of shares issued by the Company for cancellation or to be held in treasury until later disposal;
- q) express its opinion on any acts or contracts which the Board submits for its approval;
- r) authorize capital increases provided for in Article 6th of these By-Laws and resolve on the issue of promissory notes for public distribution;
- s) bring to its decision any matter it considers important for the guidelines of the Company's business, subject to the competence of the General Meeting;



- t) authorize the creation, merger, incorporation and shutdown of associated companies or subsidiaries;
- u) authorize the signing of agreements, acts or contracts between the Company, its shareholders and related legal entities or individual persons;
- v) authorize the Company to participate in other companies, as well as alienate or promise to divest equity investments;
- w) authorize transactions involving sale, liens, licensing or use of trademarks, patents and technologies;
- x) authorize the disposal of fixed assets, establishment of real encumbrances, provision of guarantees to obligations of third parties, as well as acts and contracts whenever the amount, in any of the cases listed in this paragraph, exceeds the limits that have been set by the Board of Directors;
- z) resolve on cases in which the Law does not rule and on any other matters provided for in these By-Laws;

§ It is also the responsibility of the Board of Directors to establish the guidelines for the Company in its participation in other companies and establish the contents of the vote exercised by the Company or by people nominated by it regarding the election and dismissal of administrators, amendment of By-Laws or articles of association of such companies, as well as on the matters listed in the “caput” of this Article, on items l, o, p, s, t, u, v, w e x, also regarding such companies.

### Section III – Executive Board

- | **Article 23.** The Executive Board will consist of at least 2 (two) directors and of 9 (nine) at the most, being one President Director, up to 3 (three) Vice-President Directors, and up to 5 (Five) Directors not specifically designated, all residing in the country, either shareholders or not, elected by the Board of Directors; Excluído: 2
  
- | **Artigo 24.** It is the responsibility of the Directors, in the manner provided for in these bylaws, the representation of the Company, either actively or passively, in court or out of court, as well as the management of business in general and the practice of all acts of administration that are necessary or convenient for the achievement of the purpose of the Company, including the signing of acts and contracts of any nature or purpose, whether for acquisition or encumbrance of fixed assets, establish real encumbrances and provide guarantees to obligations of third parties, always in accordance with the terms and limits of Article 22 of these By-Laws; Excluído: 3
  
- | **Article 25.** In addition to the responsibilities assigned by these By-Laws or by the Board of Directors, it is the responsibility of the:  
  - I. President Director (Chief Executive Officer): (a) convene and chair meetings of the Executive Board; (b) conduct business and monitor its results; (c) enforce the decisions made by the General Meeting and Board of Directors (d) report to the Board of Directors in the cases provided for in these By-laws or whenever it is necessary;
  - II. Vice-President Directors: (a) act in conjunction with the President Director (Chief Executive Officer) for the development and achievement of the Company’s goals, assisting him/her in performing his/her functions; and, (b) substitute for the President Director in his/her absences and impediments, in accordance with Article 29 of these By-Laws; and, Excluído: 1
  
- | **Article 25.** In addition to the responsibilities assigned by these By-Laws or by the Board of Directors, it is the responsibility of the:  
  - I. President Director (Chief Executive Officer): (a) convene and chair meetings of the Executive Board; (b) conduct business and monitor its results; (c) enforce the decisions made by the General Meeting and Board of Directors (d) report to the Board of Directors in the cases provided for in these By-laws or whenever it is necessary;
  - II. Vice-President Directors: (a) act in conjunction with the President Director (Chief Executive Officer) for the development and achievement of the Company’s goals, assisting him/her in performing his/her functions; and, (b) substitute for the President Director in his/her absences and impediments, in accordance with Article 29 of these By-Laws; and, Excluído: 4
  
- | **Article 25.** In addition to the responsibilities assigned by these By-Laws or by the Board of Directors, it is the responsibility of the:  
  - I. President Director (Chief Executive Officer): (a) convene and chair meetings of the Executive Board; (b) conduct business and monitor its results; (c) enforce the decisions made by the General Meeting and Board of Directors (d) report to the Board of Directors in the cases provided for in these By-laws or whenever it is necessary;
  - II. Vice-President Directors: (a) act in conjunction with the President Director (Chief Executive Officer) for the development and achievement of the Company’s goals, assisting him/her in performing his/her functions; and, (b) substitute for the President Director in his/her absences and impediments, in accordance with Article 29 of these By-Laws; and, Excluído: 8



III. Directors not specifically designated: the practices of acts pertinent to their areas of expertise, as well as those arising from assignments to be established by the Board of Directors;

- Article 26.** With the exceptions provided for in these by-laws, any act or contract involving liability or obligation of the Company before third parties, or their resignation before it, must be signed:
- (a) by 2 (two) Directors;
  - (b) by 1 (one) Director in conjunction with 1 (one) proxy;
  - (c) ~~by 2 (two) proxies.~~
- ~~✓~~ The Company may be represented by 1 (one) Director ~~or by 1 (one) proxy:~~
- (a) before federal, state, municipal public entities, agencies, public or mixed companies;
  - (b) to receive or give discharge of amounts or values due to the Company;
  - (c) sign letters and routine acts;
  - (d) endorse debt or credit instruments for charging or deposit on behalf of the Company;
  - (e) testify in court whenever the Company is cited without being able to confess.
- ~~The provisions of this article shall not preclude the representation of the company by one or more proxies.~~
- Article 27.** The Power-of-attorneys will always be awarded on behalf of the Company by two directors, specifying their powers and the limits of their competence, as well as the validity term of such powers, except for legal purposes;
- Article 28.** The Executive Board whenever it is convened by the President Director or by one of the Vice-President Directors, or by two Directors, in this order. The meetings will be chaired by the Board Member who has convened the meeting or by one member chosen on occasion.
- § 1º. For the Board meetings to take place and deliberate, the presence, on a first call, of the majority of its members will be necessary, and, on a second call, of any number of members after a new call has been delivered;
- § 2º. The resolutions of the Executive Board shall be recorded in the corresponding minutes book and will be made by majority vote, being up to the Chair of the meeting to decide a tie vote;
- Article 29.** The President Director, during his/her absence or impediment, will be replaced by one of the Vice-President Directors to be appointed by the Board of Directors, being allowed the accumulation of functions and votes. In the event of a vacancy, the Board of Directors, within the 15 (fifteen) days following the vacancy, shall elect a substitute who shall exercise the position for the remainder term of such substituted person;
- Article 30.** The other Directors will have temporary deputies appointed by the Board of Directors in case of impediments, and elected by it in the event of a vacancy. In this latter hypothesis, the elected director will perform his/her functions until the

Excluído: 5

Excluído: .

Excluído: § 1º

Excluído: § 2º.

Excluído: 6

Excluído: 7

Excluído: 8

Excluído: 29



end of the term of office of the Executive Board in office or until it is substituted by resolution of the Board of Directors;

- | **Article 31.** It is expressly forbidden to the Executive Board to perform, on behalf of the Company, any act relating to business or operations outside the purpose of the Company, unless it is of the interest of affiliate companies or under the same Company's control; **Excluído: 0**

#### CHAPTER V – AUDIT BOARD

- | **Article 32.** The Company will have an Audit Board (Fiscal Council) which will function only on the fiscal years in which it is installed at the request of shareholders representing at least one-tenth of the shares with voting rights or five percent of the shares without voting rights, with due regard to the provisions of applicable law; **Excluído: 1**

- | **Article 33.** When installed, the Audit Board will be made up of at least 3 (three) members and at most 5 (five) members, and of an equal number of deputies, elected by the General Meeting, which will establish their remuneration according to the minimum legal amount. **Excluído: 2**

- | **Article 34.** The Audit Board members, individual persons, shareholders or not, resident in the country, who meet the requirements and impediments provided by law, shall have the competence established by law. **Excluído: 3**

#### CHAPTER VI – FISCAL PERIOD AND INCOME

- | **Article 35.** The fiscal period ends on December 31 (thirty-first) of each year; **Excluído: 4**

- | **Artigo 36.** At the end of each fiscal year, the Executive Board shall prepare the financial statements provided for in law, always in accordance with the rules then in force. The company may prepare also a half-yearly or quarterly balance sheet, or with other periodicity provided for in law. **Excluído: 5**

- | **Article 37.** Of the period income, after deduction of accumulated losses, if any, and provision for payment of income tax, a portion will be withdrawn for administrators' profit sharing within the limits set forth by Law, whose payment will be subject to the effective allocation of mandatory dividends to shareholders, as provided for in this Section; **Excluído: 6**

§ 1 – Net Income shall be distributed as follows:

- a) 5% (five per cent) for the establishment of Legal Reserve, which shall not exceed the 20% (twenty per cent) of the equity capital;
- b) of the remaining balance, adjusted according to law, at least 30% (thirty per cent) will be distributed to the shareholders as minimum mandatory dividends; and
- c) the balance, if any, that is not appropriate to the reserve mentioned in §2 below, or retained in the manner provided for in the capital budget approved by the General Meeting, will be allocated as supplementary dividend to shareholders.

§ 2. The Investment and Working Capital Reserve shall have the purpose of ensuring that investments will be made in fixed assets and in the increase

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of the working capital, including amortization of Company's debts and/or financing to affiliate and subsidiary companies. Such reserve will be formed with the balance of adjusted income, after deducted from mandatory dividends, and will have a maximum limit which shall not exceed, together with the legal reserve, the amount of the capital;

§ 3. When the General Meeting considers such reserve sufficient, it may allocate the surplus for distribution to shareholders.

| **Article 38.** The Board of Directors may:

Excluído: 7

a) Declare dividends to the account of profit in the half-yearly balance sheet, and as a result of interim balance sheets, observed, in the latter, the limit laid down in Article 204, §1 of Law 6404/76, or declare interim dividends to the retained earnings accounts or reserves, always within the legal limits;

b) Credit and pay interest on capital payable according to legislation in force and allocate it to the minimum mandatory dividend mentioned in letter (b) of §1, Article 37, of these By-Laws.

Excluído: 6

§ When interim dividends are declared, in a percentage not lower than the mandatory one, the Board of Directors may authorize, subject to the approval of the General Meeting, a proportional participation to Administrators.

| **Article 39.** Action to receive dividends expires within 3 (three) years from the date on which such dividends were made available to shareholders.

Excluído: 8

## **CHAPTER VII – LIQUIDATION AND TRANSFORMATION**

| **Article 40.** The company shall dissolve and enter into liquidation in the cases provided for by law, in the form to be established by the General Meeting, which shall appoint liquidators who will operate during the liquidation period.

Excluído: 39

| **Article 41.** The Company may change its legal business type upon deliberation of an absolute majority of votes.

Excluído: 0



## **Justification for Proposed Amendment of By-Laws**

(Art. 11, II, CVM Ordinance no. 481/09)

Amendments to the Bylaws of the Company are being proposed due to the following reasons:

*(i) Modification of Art. 17 and inclusion of Art. 18*

The reform of the Listing Rules of Level 1 of Corporate Governance of BM& FBOVESPA, approved by CVM on March 21, 2011, requires the inclusion, in the company by-laws, of the determinations outlined in the proposed modification until the date of the opening of the general meeting which will approve the financial statements for 2011 financial year, which is now being observed.

*(ii) Modification of Art. 19*

Law 12.431/2011 has changed Art. 146 of Law 6.404/76, removing the requirement that directors should be shareholders of the Company. On the basis of this legal amendment, the Company has also resolved to suppress this determination from its By-Laws.

*(iii) Modification of Art. 26*

While amending its By-Laws on the grounds of item (i) above, the Board has also decided to amend Art. 26 to make the wording in such item clearer.

*(iv) Legal and Economic Consequences*

Under the legal aspect, the inclusion of paragraph 5, in Art. 17 of By-Laws, will result in the impossibility of accumulating the positions of President Director and Chairman of the Board of Directors by the same administrator. Modification of Art. 19 will allow non-shareholders to be members of the Company's management. The other changes do not affect substantially the Company, since the Company was already in compliance with the Listing Rules of Level 1, regardless of statutory device in this respect, and the wording of Art. 26 became clearer, without, however, changing its content.

Under the economic aspect, the proposed changes should not affect the Company in any sense.