



RANDON S.A. Implementos e Participações

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

Minutes no. 34 of the Executive Board` Meeting

DATE, TIME AND VENUE: On February 20, 2013, 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.

PRESIDING BOARD: David Abramo Randon, Chair and Alexandre Randon, Secretary.

RESOLUTIONS: Directors unanimously decided to:

- (i) In compliance with 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, 2012, audited by Ernst & Young Terco Auditores Independentes SS, and with the opinions expressed by such Auditors in their report; and,
- (i) prepare the Proposal for Allocation of Net Income for 2012, the contents of which are attached hereto to these minutes, which is an integral and inseparable part.

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

Caxias do Sul, February 20, 2013.

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 – 2012

We submit to the members of the Board of Directors, for their consideration and submission to the General Meeting and members of the Audit Board, for their opinion, the proposed allocation of net income for the year 2012.

In accordance with the provisions of Article 192, of Law No. 6404/1976, along with the 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, 2012, as well as the allocation made in the three previous years:

Description	Proposal 2012 (R\$)	Allocation		
		2011 (R\$)	2010 (R\$)	2009 (R\$)
Net Income for the Period	42.561.984,96	269.149.379,74	249.493.005,60	138.126.386,80
(-) Adjustments - Law 11.638/07			(6.632.553,46)	
(+) Adjustment in comprehensive income.	5.078.863,91	5.394.903,93	5.141.435,22	
Income after adjustments	47.640.848,87	274.544.283,67	248.001.887,36	138.126.386,80
(-) Legal Reserve	2.382.042,44	13.727.214,18	12.400.094,37	6.906.319,34
(+) Realization of Reserves	44.932,20	44.932,20	44.932,20	44.932,20
Base-Income for calculation of dividends	45.303.738,63	260.862.001,69	235.646.725,19	131.264.999,66
Interest on capital payable attributed to dividends .	14.999.249,05	62.701.344,16	52.522.679,73	32.090.978,90
Dividends	841.758,43	38.005.556,63	26.049.737,89	12.102.167,67
Investment Reserve and working capital (statutory)	29.462.731,15	160.155.100,89	157.074.307,57	87.071.853,09

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, the goal of which 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. The adjusted profit is the basis for the calculation of dividends obtained from the net income, reduced by the amount allocated to the Legal reserve and added of the realization of the comprehensive income arising from the adoption of new accounting standards.

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, and 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 2012 is to distribute to shareholders a share of 30% (thirty 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 2012, to be ratified at the next Annual General Meeting, as well statements referring to the three (3) previous years, for comparison purposes:



2012 Fiscal Year	Total (R\$)	R\$ per Common and Preferred Share
Adjusted Net Income (calculation-base for dividends)	45.303.738,63	
Dividends – 30%	13.591.121,59	0,05638785
Interest on capital payable (gross value)*	14.999.249,05	0,06223000
Interest on capital payable (Withholding income tax – net value)	12.749.363,16	0,05289550
Dividends**	841.758,43	0,00349235
<p>* Interest on capital payable were declared on June 20, 2012, being <i>ex-interest</i> the stock positions held on June 21, 2012 - payment started on July 17, 2012. ** Dividends will be declared in the next Annual General Meeting, being ex-dividends stock position held on April 8, 2013 - payment will start on April 23, 2013.</p>		

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 (gross value)*	62.701.344,16	0,26014000
Interest on capital payable (withholding income tax – net value)	53.296.142,53	0,22111899
Dividendos**	38.005.556,63	0,15768028
<p>* Interest on capital payable declared on June 13, 2011 and Dec 05, 2011, paid on July 11, 2011 and on Jan 24, 2012, being <i>ex-interest</i> the stock positions held on June 14, 2011 and on Dec 6, 2011, respectively; ** Dividends declared in the Annual General Meeting of March 29, 2012, paid on April 11, 2012, being ex-dividends the stock positions held on March 30, 2012;</p>		

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 (gross value)*	52.522.679,73	0,21791000
Interest on capital payable (withholding income tax – net value)	44.644.277,76	0,18522349
Dividends**	26.049.737,89	0,10807710
<p>* Interest on capital payable declared on June 14, 2010 and on Dec 10, 2010, paid on July 3, 2010 and on Jan 27, 2011, being <i>ex-interest</i> the stock positions held on June 15, 2011 and on Dec 13, 2011, respectively. ** Dividends declared on the Annual General Meeting of April 18, 2011, paid on April 29, 2011, being ex-dividends the stock positions held on April 19, 2011.</p>		

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 (gross value)*	32.090.978,90	0,20000000
Interest on capital payable (withholding income tax – net value)	27.277.332,07	0,16975533
Dividends**	12.102.167,67	0,07531556
<p>* Interest on capital payable declared on June 18, 2009 and on Dec 4, 2009, paid on July 10, 2009 and on Jan 28, 2010, being <i>ex-interest</i> the stock positions held on June 19, 2006 and on Dec 17, 2009, respectively. ** Dividends declared in the Annual General Meeting of April 8, 2010, paid on April 23, 2010, being ex-dividends the stock positions held on April 9, 2010.</p>		

Caxias do Sul, February 20, 2013.

David Abramo Randon

Alexandre Randon



Astor Milton Schmitt

Erino Tonon