



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

Publicly-Traded Company  
CNPJ 89.086.144/0011-98  
NIRE 43300032680

### **Minutes no. 46 of the Executive Board's Meeting**

DATE, TIME, VENUE: March 4, 2015, at 4:00 PM, at the Company's headquarters located at Abramo Randon Avenue, 770, Caxias do Sul, RS.

ATTENDANCE: All members of the Executive Board;

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

RESOLUTIONS: By unanimous vote, the Executive Board members deliberated on:

- (a) In compliance with items V and VI of paragraph 1<sup>st</sup> of Article 25 of CVM Instruction No. 480/2009, declaring that they have reviewed, discussed and agreed with the Financial Statements for the fiscal year ended December 31, 2014, audited by KPMG Auditores Independentes and with the opinions expressed by such Auditing firm in their respective report;
- (b) draft the Proposal for Allocation of the Net Income of 2014, as set out in Annex 9-1-II of CVM Instruction 481, dated December 17, 2009, whose content is attached to these minutes, of which it is an integral and inseparable part.

Caxias do Sul, March 4, 2015.

David Abramo Randon

Daniel Raul Randon

Alexandre Randon

Erino Tonon

Geraldo Santa Catharina



## RANDON S.A. Implementos e Participações

CNPJ 89.086.144/0011-98  
Publicly-Traded Company

### EXECUTIVE BOARD'S PROPOSAL

#### Net Income Allocation – 2014

We submit to the Board of Directors' members, for their consideration and referral to the general meeting and members of the Supervisory Board, for their opinion, proposal for allocation of net income for 2014 fiscal period.

In accordance with the provisions of Article 192, of Law No. 6404/1976, and with the financial statements for the period, the Company's management bodies shall submit to the Ordinary General Meeting a proposal for allocation of the net income recorded for the period.

Accordingly, we demonstrate through a comparative table, the proposed allocation of net income for the year ended on December 31, 2014, as well as the allocation given in the three previous years:

Description	Proposal 2014 (R\$)	Allocation		
		2013 (R\$)	2012 (R\$)	2011 (R\$)
Net income for the period	201.956.369,55	235.061.932,66	42.561.984,96	269.149.379,74
(-) Adjustments - Law 11.638/07				
(+) Unrealized profit - sale of property	0,00	448.819,48	0,00	0,00
(+) Adjustments to comprehensive income	4.887.886,26	5.317.126,10	5.078.863,91	5.394.903,93
Income following adjustments	206.844.255,81	240.827.878,24	47.640.848,87	274.544.283,67
(-) Legal Reserve	10.342.212,79	12.041.393,91	2.382.042,44	13.727.214,18
(+) Realization of Reserves	44.932,20	44.932,20	44.932,20	44.932,20
Base-Income for calculation of dividends.	196.546.975,22	228.831.416,53	45.303.738,63	260.862.001,69
Interest on capital payable attributed to dividends	55.099.774,37	56.398.429,76	14.999.249,05	62.701.344,16
Dividends	12.129.283,91	20.710.759,65	841.758,43	38.005.556,63
Investment and working capital Reserve (statutory)	129.317.916,93	151.722.227,12	29.462.731,15	160.155.100,89

#### Legal Reserve

The 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 the capital, and can only be used to offset losses or to increase capital.

According to the above-mentioned Law and provisions of subparagraph "a" of § 1, Article 37 of the Company's Bylaws, 5% (five percent) of net income for the year shall be allocated to this reserve, before any other allocation, and shall not exceed 20% (twenty percent) of the capital.

The legal reserve may not be established in the year in which the balance of the reserve, plus the amount of capital reserves, as laid down by § 1, of Article 182, Law 6404/1976, exceeds 30% (thirty percent) of capital social.



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

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) it indicates its aim in a precise and complete manner; (ii) it establishes the criteria to determine the annual portion of net profit to be allocated to its constitution, and (iii) it establishes the reserve maximum limit.

In line with the law and with the provisions of § 2, Article 37 of the Company's Bylaws, the balance of net income, after discounting mandatory dividends, will be allocated to the Investment and Working Capital Reserve, whose goal is to ensure investments in fixed assets and additional 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 37 of the Company's Bylaws, the shareholders are entitled to a compulsory dividend, each fiscal year, in the amount corresponding to 30% (thirty percent) of the adjusted income, as minimum mandatory dividend. Adjusted profit is the basis for the calculation of dividend yield, obtained from the net income, discounted by the amount allocated to the Legal Reserve and added of the realization of comprehensive income.

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 it to the compulsory minimum dividends.

Interest on capital payable is calculated based on the net equity's 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 2013 is to distribute to shareholders a share of 30% (thirty percent) of the adjusted income, as provided in the Company's Bylaws.

The dividends will be declared on the date of the Annual General Meeting and the 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.

In the following tables we demonstrate the return to shareholders for the 2014 fiscal year, to be ratified at the next Annual General Meeting, as well statements referring to the three (3) previous years, for comparison purposes:



2014 Fiscal Year	Total (R\$)	R\$ per Common and Preferred Share
Adjusted net income (base for calculation of dividends)	196.546.975,22	
Dividends – 30%	58.964.092,13	0,19570768
Interest on capital payable (gross value)*	55.099.774,37	0,18288000
Interest on capital payable (value net of Withholding Income Tax)	46.834.808,22	0,15544938
Dividends**	12.129.283,91	0,04025830
<p>* Interest on capital payable was stated on June 23, 2014 and Dec 5, 2012, resulting in ex-interest the shareholding positions held on June 24, 2014 and December 8, 2014, and the payment initiated on July 25, 2014 and January 26, 2015.</p> <p>** Dividends will be declared at the next Annual General Meeting on April 15, 2015., resulting in ex-dividends the shareholding positions held on April 16, 2015. Payment will initiate on April 28, 2015.</p>		

2013 Fiscal Year	Total (R\$)	R\$ per Common and Preferred Share
Adjusted net income (base for calculation of dividends)	228.831.416,53	
Dividends – 30%	68.649.424,94	0,28481784
Interest on capital payable (gross value)*	56.398.429,76	0,23399000
Interest on capital payable (value net of Withholding Income Tax)	47.938.665,29	0,19889149
Dividends**	20.710.759,65	0,08592634
<p>* Interest on capital payable was stated on June 21, 2013 and December 13, 2013, resulting in ex-interest the shareholding positions held on June 24, 2013 and December 16, 2013. Payment initiated on July 25, 2013 and January 27, 2014.</p> <p>** Dividends were declared at the Annual General Meeting held on April 14, 2014 and were paid on April 30, 2014, resulting in ex-dividends the shareholding positions held on April 15, 2014.</p>		

2012 Fiscal Year	Total (R\$)	R\$ per Common and Preferred Share
Adjusted net income (base for calculation of 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 (value net of Withholding Income Tax)	12.749.363,16	0,05289550
Dividends**	841.758,43	0,00349235
<p>* Interest on capital payable was stated on June 20, 2012, resulting in ex-interest the shareholding positions held on June 21, 2012. Payment initiated on July 17, 2012.</p> <p>** Dividends were declared at the Annual General Meeting held on April 23, 2013, resulting in ex-dividends the shareholding positions held on April 8, 2013.</p>		

2011 Fiscal Year	Total (R\$)	R\$ per Common and Preferred Share
Adjusted net income (base for calculation of 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 (value net of Withholding Income Tax)	53.296.142,53	0,22111899
Dividends**	38.005.556,63	0,15768028
<p>* Interest on capital payable was stated on June 13, 2011 and December 5, 2011. Payment was on July 11, 2011 and January 24, 2012, resulting in ex-interest the shareholding positions held on June 14, 2011 and December 06, 2011, respectively.</p> <p>** Dividends were declared at the Annual General Meeting held on March 29, 2012 and paid on April 11, 2012, resulting in ex-dividends the shareholding positions held on March 30, 2012.</p>		



Caxias do Sul, March 4, 2015.

David Abramo Randon

Daniel Raul Randon

Alexandre Randon

Erino Tonon

Geraldo Santa Catharina