



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

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

### **Minutes no. 52 of the Executive Board's Meeting**

DATE, TIME, VENUE: March 11, 2016, at 5:00 AM, at the Company's headquarters located at Abramo Randon Avenue, 770, in this city of Caxias do Sul, RS.

ATTENDANCE: All members of the Executive Board;

PRESIDING BOARD: David Abramo Randon, Chair, and Daniel Raul 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, 2015, audited by KPMG Auditores Independentes, and with the opinions expressed by such Auditing firm in their respective report;
- (b) Considering the loss of R\$ 24.628.441,36, which, following the adjustments made with regard to the Statements of Comprehensive Income, the amount of R\$ 20.211.469,45 results, which is intended to be compensated with part of the Investment and Working Capital reserve, the Board of Directors did not draft the proposal for allocation of net income. For comparison purposes, we enclose information relating to previous financial years, in accordance with the provisions of Annex 9-1-II of CVM Instruction 481, dated December 17, 2009.

Caxias do Sul, March 11, 2016.

David Abramo Randon

Daniel Raul Randon

Alexandre Randon

Erino Tonon

Geraldo Santa Catharina

Pedro Ferro Neto

Alexandre Dorival Gazi



## RANDON S.A. Implementos e Participações

CNPJ 89.086.144/0011-98  
Publicly-Traded Company

### EXECUTIVE BOARD`S PROPOSAL

Annex 9-1-II, of CVM Instruction no. 481, dated December 17, 2009.

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, statement of allocation of result for the financial year ended December 31, 2015.

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.

#### 1. Comparative table of the allocation of results for the 2015, 2014, 2013 and 2012 financial years.

Description	2015 Proposal (R\$)	Allocation		
		2014 (R\$)	2013 (R\$)	2012 (R\$)
Profit/Loss for the period	(24.628.441,36)	201.956.369,55	235.061.932,66	42.561.984,96
(+)Unrealized profit - sale of property	0,00	0,00	448.819,48	0,00
(+)Adjustments to comprehensive income	4.416.971,91	4.887.886,26	5.317.126,10	5.078.863,91
Result following adjustments	(20.211.469,45)	206.844.255,81	240.827.878,24	47.640.848,87
(-) Legal Reserve	0,00	10.342.212,79	12.041.393,91	2.382.042,44
(+)Realization of Reserves	0,00	44.932,20	44.932,20	44.932,20
Base-Income for calculation of dividend yield	0,00	196.546.975,22	228.831.416,53	45.303.738,63
Interest on capital payable attributed to dividends	0,00	55.099.774,37	56.398.429,76	14.999.249,05
Dividends	0,00	12.129.283,91	20.710.759,65	841.758,43
Investment and working capital Reserve (statutory)	0,00	129.317.916,93	151.722.227,12	29.462.731,15

#### 1. Income Reserves Detailing

**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, rules 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.

The balance of Investment and working Capital Reserve, after deduction of the loss for the period, of R\$ 20.211.469,45, went down from R\$ 272.191.050,26 to R\$ 251.979.580,81 on December 31, 2015.

### **2. Shareholders' Remuneration**

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.

In 2015, interest on capital payable was not paid and dividends will not be distributed to shareholders due to the results achieved. The loss recorded will be deducted from the balance of Investment and Working Capital reserve.



### 3. Comparative Tables - Shareholders` Remuneration - 2014 - 2013 - 2012

2014 Fiscal Year	Total (R\$)	R\$ per Common and Preferred Share
Adjusted net income (base for calculation of dividend yield)	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, 2014, resulting in ex-interest the shareholding positions held on June 24, 2014 and Dec 8, 2014, and the payment initiated on July 25, 2014 and Jan 26, 2015.</p> <p>** Dividends were declared at the General Meeting of April 15, 2015, resulting in ex-dividends the shareholding positions held on April 16, 2014 and the payment initiated on April 28, 2015.</p>		

2013 Fiscal Year	Total (R\$)	R\$ per Common and Preferred Share
Adjusted net income (base for calculation of dividend yield)	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 Dec 13, 2013, resulting in ex-interest the shareholding positions held on June 24, 2013 and Dec 16, 2013, and the payment initiated on July 25, 2013, and Jan 27, 2014.</p> <p>** Dividends were declared at the General Meeting of April 14, 2014 and paid on April 30, 2014, resulting in ex-dividends the shareholding positions held on April 15, 2014.</p>		

2012 Dividends	Total (R\$)	R\$ per Common and Preferred Share
Adjusted net income (base for calculation of dividend yield)	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 and the payment initiated on July 17, 2012.</p> <p>** Dividends were declared at the General Meeting of April 5, 2013 and paid on April 23, 2013, resulting in ex-dividends the shareholding positions held on April 8, 2013.</p>		

Caxias do Sul, March 11, 2016..

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