

RANDON S.A. IMPLEMENTOS E PARTICIPAÇÕES

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

NOTICE TO SHAREHOLDERS

Pursuant to CVM Instruction No. 358/02, as amended, Randon S.A. Implementos e Participações ("Company"), following the Notice to Shareholders published on April 11, 2016, informs its shareholders and the market in general that it ended on May 12, 2016, the time to exercise their preemptive right to subscribe shares to be issued as a result of the capital increase of the Company, approved by its Board of Directors at a meeting held on April 8, 2016, and re-ratified on April 11, 2016 ("Capital Increase"), ended.

It has remained, unsubscribed, **2,436,997** (Two million, four hundred and thirty-six thousand, nine hundred and ninety-seven) **common shares**, and **2,132,361** (Two million, one hundred and thirty-two thousand, three hundred and sixty-one) **preferred shares** ("Leftovers") of the 14,682,819 (Fourteen million, six hundred and eighty-two thousand, eight hundred and nineteen) common shares and 29,365,639 (Twenty-nine million, three hundred and sixty-five thousand, six hundred and thirty-nine) preferred shares, all registered, book-entry shares with no par value, issued as a result of the Capital Increase.

The Company's shareholders and the assignees of the subscription rights of the shares from the Capital Increase who have expressed interest in reserving Leftovers in their respective subscription instruments, will have a period of 15 (fifteen) days to subscribe for the Leftovers, beginning on May 19, 2016 (inclusive), and ending on June 02, 2016 (inclusive) ("Period for the Subscription of Shares").

The subscription price of the Leftovers will be R\$ 2.27 per share (the same as the subscription price of the Capital increase), to be paid at sight, in national currency, at the moment of subscription).

The shareholders who have expressed their interest in reserving the Leftovers will be entitled to subscribe as follows: (i) the holders of common shares may subscribe to 12.0759532483% in common shares, while (ii) the holders of preferred shares may subscribe to 8.3312017220% in preferred shares and 3.7447515263% in common shares.

To subscribe to the Leftovers, the shareholders holding shares issued by the Company, registered at Banco Itáú Unibanco S.A., shall visit any specialized branch of the Bank at the following addresses: Brasília (DF) - SCS Quadra 3 – Edif. D'Angela, 30 – Bloco A, Sobreloja; Belo Horizonte (MG) Av. João Pinheiro, 195 – Subsolo; Curitiba (PR) - Rua João Negrão, 65 – Sobreloja; Porto Alegre (RS) - Rua Sete de Setembro, 1069 – 3º andar – Térreo; Rio de Janeiro (RJ) - Av. Almirante Barroso, 52 - 2º andar; São Paulo (SP) - Rua Boa Vista, 176 – 1 Subsolo; e, Salvador (BA) - Av. Estados Unidos, 50 – 2º andar. The shareholders holding shares at the Depository Institution of BM& FBOVESPA ("Depository Institution") shall exercise their rights through their custodian agents and in conformity with the rules laid down by the Depository Institution itself, subject to the terms and conditions of this Notice and according to the option shown in their subscription instrument.

If the totality of Leftovers has not been subscribed following the end of the Period for Subscription of Leftovers, the Company shall partially approve the Capital Increase by cancelling eventual shares remaining from the Leftovers, since the subscribed amount has already reached the subscription minimum amount established by the Company's Board of Directors at R\$ 60.000.000,00 (Sixty million Reais), as per the Notice to the Shareholders dated April 11, 2016.

Additional information may be obtained from the investor relations area of the Company – Phone: (55) (54) 3239-2505 or by the e-mail ri@randon.com.br

Caxias do Sul, May 18, 2016.

Geraldo Santa Catharina
Investor Relations Director