



RANDON S.A. IMPLEMENTOS E PARTICIPAÇÕES

Publicly-Traded Company

CNPJ/MF nº 89.086.144/0001-16

MATERIAL FACT

Randon S.A. Implementos e Participações ("Randon"), a publicly-traded company with headquarters on Abramo Randon Ave, no. 770, Interlagos, Caxias do Sul, RS, in compliance with the rules laid down by Law No. 6.404/76, December 15, 1976, as amended ("Corporations law"), and on the instruction of *Comissão de Valores Mobiliários* ("CVM") no. 358, of January 3, 2002, as amended ("CVM Instruction 358"), is pleased to inform its shareholders and the market in general, that the Board of Directors' members, at a meeting held on October 27, 2017 ("RCA"), approved the 5th (fifth) issue of single Debentures, non-convertible into shares, unsecured, in 1 (one) series ("Debentures"), amounting to, on the date of issue, R\$ 300.000.000,00 (Three hundred million Reais) ("Issue") for public distribution with restricted placement efforts, pursuant to CVM – Securities and Exchange Commission no. 476, of January 16, 2009, as amended (CVM Instruction 476) and "Restricted Offer", respectively). In total 30.000 (thirty thousand) Debentures in the unit value of R\$ 10.000,00 (ten thousand Reais) ("Nominal Unit Value") will be issued. Subject to the possibility of early redemption of the debentures and/or early maturity of the obligations arising therefrom, as to be established in the "*Private Instrument of Deed of the Fifth (5th) Issue of Single Debentures, Non-Convertible into Shares, Unsecured, in 1(one) Series, For Public Distribution with Restricted Efforts*", of Randon S.A. Implementos e Participações ("Deed of Issue"), the Debentures will mature in 5 (five) years from the date of issue. The Issue is targeted only to qualified investors, pursuant to article 9-A of CVM Instruction 539, as of November 13, 2013, as amended.

The Debentures will not have their Nominal Value or Balance Nominal Value updated by any kind of index. The Nominal Value of Balance Nominal Value of each one of the Debentures will be entitled to interest corresponding to 116% (one hundred percent) of the accrued variation of the average daily rates of DI - Interbank Deposits of 1 (one) day, "over extra-group", expressed as a percentage per year, 252 (two hundred and fifty two) Working Days, calculated and published daily by B3 S.A. – *Brasil, Bolsa, Balcão*, – CETIP *UTVM Segment* in the daily newsletter available on its website (<http://www.cetip.com.br>) ("DI Rate"), calculated on an exponential and cumulative basis *pro rata temporis* for business days elapsed from the date of the first subscription and payment of the Debentures or the date of payment of remuneration interest immediately

preceding, as the case may be, until the effective payment date ("Remuneration"). Without prejudice to the payments due to early redemption of the Debentures and / or early maturity of the obligations arising from the Debentures, under the terms set forth in the Deed of Issue, the Remuneration will be paid every six months, as of the date of issue of the Debentures to be established in the Deed of Issue.

The liquid funds obtained from the Issue will be used by the Company to strengthen its Working Capital.

The RCA minutes that has approved the Issue, as well as, among others, the terms and conditions described herein, will be available for consultation on the websites of the Company and CVM, in accordance with the rules applicable.

This Material Fact is being published by the Company strictly in compliance with CVM Instruction 358/02 and to the Brazilian Corporate Law, so as to have an informative character only, and should not be construed and/or considered, for all legal purposes, as a sale material and/or publication of the debentures.

Caxias do Sul (RS), October 27, 2017.

Geraldo Santa Catharina
Investor Relations Director