



RANDON S.A. Implementos e Participações

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

Minutes nº. 840 of the Board of Directors` Meeting

- 1. DATE, TIME AND VENUE:** October 27, 2017, at 4:00 PM, at the headquarters of RANDON S.A.- IMPLEMENTOS E PARTICIPAÇÕES (“Company”), located in the City of Caxias do Sul, State of Rio Grande do Sul, at Abramo Randon Ave., no. 770, CEP (Zip Code) 95055-010.
- 2. CALL NOTICE AND ATTENDANCE:** The call notice was waived given the presence of all of the members of the Board of Directors of the Company.
- 3. PRESIDING BOARD:** Mr. Raul Anselmo Randon (Chair) and Mr. Alexandre Randon (Secretary).
- 4. MEETING’S AGENDA .** To resolve on (i) the main terms and conditions of the fifth (5th) issue, by the Company, of single Debentures, non-convertible into shares, unsecured, in a single series (“Issue” and “Debentures”, respectively), for public distribution with restricted placement efforts, pursuant to CVM – Securities and Exchange Commission (“CVM”) no. 476, of January 16, 2009, as amended (CVM Instruction 476) and “Offering”, respectively); (ii) the authorization to the Executive Board of the Company to take all measures that are necessary for the implementation and formalization of item (i) above, of the Issue and Offering, including but not limited to the signing of the addendum to the “Private Instrument of Deed of the Fifth (5th) Issue of Single Debentures, Non-Convertible into Shares, Unsecured, in a single series, For Public Distribution with Restricted Efforts”, of Randon S.A. Implementos e Participações (“Deed of Issue”); and (iii) ratification of the acts that have already been already performed by the Board of Directors of the Company, in line with the deliberations above.
- 5. RESOLUTIONS:** The Board of Directors members of the Company, without any restrictions, unanimously approved the following:
 - 5.1. approve the main terms and conditions of the Issue and Offering, which will be formalized under the terms of the Deed of Issue, which will have, among others, the following characteristics:
 - 5.1.1. Date of Issue: As to be established in the Deed of Issue;
 - 5.1.2. Number of the Issue: This is the 5th (fifth) issue of debentures by the Company;
 - 5.1.3. Number of Series: The Issue will be held in a single series;
 - 5.1.4. Total Amount of the Issue: The total amount of the Issue will be of R\$ 300.000.000,00 (Three hundred million Reais) on the Date of Issue (“Total Amount of Issue”);



5.1.5. Number of Debentures: 30,000 (Thirty thousand) debentures will be issued;

5.1.6. Nominal Unit Value: The Debentures will have the unit nominal value of R\$ 10.000,00 (Ten thousand Reais) at the Date of Issue (“Nominal Value”);

5.1.7. Type and Form: The Debentures will be issued in the form of nominative, book-entry and unsecured debentures;

5.1.8. Class: The Debentures will be of the unsecured type, pursuant to Article 58, *caput*, of the Corporations Law, and will not have collateral or personal security, or any segregation of the assets of the Company as guarantee to the Debenture Holders in the event judicial or extrajudicial execution of the Company’s obligations is needed, as a result of the Debentures, and not granting to the Debenture Holders any privilege, either special or general;

5.1.9. Convertibility. The Debentures will be single, non-convertible into shares issued by the Company;

5.1.10. Term and Maturity Date: Subject to the possibility of early redemption of the Debentures and/or the early maturity of the obligations resulting from the Debentures, in conformity with the terms to be established in the Deed of Issue, the date of maturity of the debentures will be of 5 (five) years from the Date of Issue (“Maturity Date”);

5.1.11. Interest on the Debentures : On the Nominal Value or on the balance of the Nominal Value of each one of the Debentures, as applicable, interest corresponding to 116% (one hundred and sixteen 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 – Segment CETIP UTVM (“B3”), calculated cumulatively and exponentially *pro rata temporis*, by Working Days elapsed from the 1st (first) Date of Payment (as defined below) of the Debentures, or date of payment of the Remuneration interest immediately preceding, as the case may be, to the date of the effective payment, pursuant the terms and events to be provided for in the Deed of Issue (“Remuneration”). Without prejudice to the payments resulting from the early redemption of the Debentures and/or of the early maturity of the obligations resulting from the Debentures, the Remuneration will be paid every six months from the Date of Issue, the last payment to be made on the Date of Maturity.;

5.1.12. Monetary Adjustment of the Debentures: the Nominal Value or the balance of the Nominal Value of each of the Debentures, as applicable, will not be adjusted by any kind of Index.

5.1.13. Amortization of the Debentures: The Nominal Value of the Debentures will be amortized in 3 (three) equal installments, annual and successive, from



the 3rd (third) year (inclusive), as of the Date of Issue, with the last amortization to be payable on the Date of Maturity or on the date of early payment resulting from one early maturity debentures, due to one of the Default Events (as defined below) or from the early redemption of the totality of debentures, as provided for in the terms contained in the Deed of Issue;

5.1.14. Deadline and Form of Subscription, and Payment and Payment Price: The debentures will be subscribed and paid up at sight, in the national currency, at the time of subscription, at the Nominal Value of the Debentures, being considered as the "First Date of Payment" the date of the first subscription and payment of the Debentures. In case payment of the debentures takes place on more than one date, the subscription price for the debentures that were paid up following the First Date of Payment will be the Nominal Value plus Remuneration, calculated *pro rata temporis* from the date of the First Date of Payment of the Debentures, or until the date of their effective payment;

5.1.15. Subscription Deadline: the Debentures will be subscribed at any time from the date the distribution of Debentures starts, subject to the provisions of Articles 7-A and 8, paragraph 2, of CVM Instruction No. 476;

5.1.16. Place of Payment: The payments relating to the Debentures and any other amounts eventually owed by the Company, as it may be agreed in the Deed of Issue, will be made: (i) by the Company, in respect of payments relating to the Nominal Value, Remuneration, to premium of the Optional Early Redemption (as defined below) and Default Charges (as defined below), and, concerning the Debentures electronically kept in custody at B3, through B3; or (ii) by the Company, concerning the Debentures that are not electronically kept in custody at B3, through the Bookkeeping Institution or in its headquarters, as applicable;

5.1.17. Pre-Emptive Rights: There will not be preemptive rights for the subscription of the debentures by the current shareholders of the Company;

5.1.18. Scheduled Renegotiation: The Debentures of this Issue are not subject to scheduled renegotiation.

5.1.19. Optional Early Redemption. Subject to the terms of the Deed of Issue, the Company may, in its sole discretion, make, at any time from the First Date of Payment, the optional early redemption of all of the Debentures (the optional partial early redemption is not allowed), with the consequent cancellation of such Debentures ("Optional Early Redemption"). The amount to be paid concerning each one of the Debentures subject to the Optional Early Redemption, will be the Nominal Value plus the Remuneration calculated *pro rata temporis* from the First Date of Payment, or from the date of payment of the immediately preceding Remuneration of the respective series, as applicable, until the date of the effective payment, added of flat redemption premium (*flat*)



to be defined at the Deed of Issue, incurring over the redemption value (the redemption value meaning the Nominal Value of the Debentures, as applicable, added of the Remuneration calculated *pro rata temporis* from the First Date of Payment or from the date of payment of the immediately preceding Remuneration, as applicable, until the date of the effective payment);

5.1.20. Optional Offering for Early Redemption: The Company may, at any time from the First Date of Payment, make an offer for the optional early redemption of the total (and only of the total) Debentures, with the consequent cancellation of such Debentures, with such an offering being addressed to all the debenture holders without distinction, upon equal conditions to all the Debenture holders, whatever may be decided by the Company, to accept the early redemption of the Debentures they hold, in conformity with the terms and conditions to be established at the Deed of Issue ("Optional Offering for Early Redemption"). The value to be paid in respect of each of the Debentures indicated by their respective holders, who accept the Optional Offering for Early Redemption, will be the Nominal Value plus (a) the Remuneration calculated *pro rata temporis* from the First Date of Payment or from the immediately preceding Date of Payment, as applicable, until the date of the effective payment; and (b) if appropriate, the early redemption premium to be offered to the Debenture holders, at the sole discretion of the Company, which cannot be negative;

5.1.21. Optional Acquisition: The Company may, at any time, buy Debentures provided that such acquisition is in accordance with Article 55, paragraph 3, of the Corporations Law, Articles 13 and 15 of CVM Instruction 476, and applicable CVM regulations;

5.1.22 Optional Early Amortization: The Company may not, voluntarily, make the early optional amortization of the Debentures;

5.1.23 Early Maturity: The Deed of Issue will provide for events that shall culminate in the early maturity of the Debentures, to be negotiated and defined in agreement between the Company, the Trustee (as defined below) and the Bookrunners (as defined below), in accordance to the usual market practices for operations of this nature (each event being an "Event of Default"). In case an Event of Default takes place and provided that the time of cure, minimum values and quorums provided in the Deed of Issue, as applicable, are met, the Trustee (as defined below) shall declare the early maturity of all obligations resulting from the Debentures and shall require the immediate payment, by the Company, of the Unit Nominal Value or of the balance of the Nominal Value of the Debentures (as applicable), plus the Remuneration calculated *pro rata temporis* from the Frist Date of Payment of the Debentures , or from the Date of Payment of the immediately preceding Remuneration, as applicable, until the date of the effective payment, without prejudice to the Default Charges , if any;

5.1.24. Placement and Distribution Procedures: The Debentures shall be object of the public offering, with restricted placement efforts, pursuant to Law no. 6.385, of December 7, 1976 (as amended), CVM Instruction 476, and other



legal provisions applicable, under the firm guarantee of placement for the Total Value of Issue, under the terms of the “Agreement of Coordination and Public Distribution of Single Debentures, Non-Convertible into Shares, Unsecured, in a single series, of the 5th (fifth) Issue of Debentures of Randon S.A.- Implementos and Participações”, to be signed between the Company and the intermediating Financial Institutions integrating the securities distribution system, being one of them the Offering Lead Coordinator (“Leading Coordinator/Bookrunner”), and together with the further intermediating financial institutions, the “Coordinators”) “Contract of Distribution”). The Coordinators/Bookrunners, upon the prior consent of the Company, will organize the distribution plan of the Debentures in accordance with Instruction CVM 476. To this end, the Coordinators/Bookrunners may reach up to 75 (seventy-five) investors, as described under CVM 476, and the Debentures may be subscribed or acquired by no more than 50 (fifty) investors (as described in Instruction CVM 476).

5.1.25 Trustee: The trustee to be hired as the representative of the Debenture holders is Oliveira Trust Distribuidora de Títulos e Valores Mobiliários S.A. (“Trustee”);

5.1.26 Distribution, Trade and Electronic Custody: The Debentures shall be registered for: (i) public distribution in the primary market through MDA, managed and operated by B3; with the operation being financially settled through B3; and (ii) trade and electronic custody on the secondary market through CETIP21 – Títulos e Valores Mobiliários (“CETIP21”), also managed and operated by CETIP, being the trading financially settled and the Debentures being held in electronic custody by B3. Debentures shall only be traded on the securities markets ninety (90) days from the date of each subscription or acquisition by investors (as defined in CVM Instruction 476) and after compliance, by the Company, with the obligations set forth in Article 17 of CVM Rule 476.

5.1.27. Allocation of Funds: The net funds raised by the Company through the Issue shall be allocated to strengthen the Company’s working capital;

5.1.28 Default Charges: Without affecting the early maturity of the Debentures, resulting from an Event of Default, in case of default by the Company in relation to any monetary obligations to the Debentures Holders, the amounts overdue will continue being remunerated in accordance with the respective Remuneration applicable and, in addition, regardless of notice or judicial or extrajudicial notice, (i) there will be a default interest of one percent (1%) per month, calculated *pro rata temporis*, from the default date until the effective payment date; and (ii) plus a penalty in arrears, non-compensatory, equivalent to two percent (2%) of the overdue amount (“Default Charges”);

5.1.29 Tax Immunity: In case any Debenture Holder enjoys any kind of tax immunity or exemption, such debenture holder shall forward to the Company and to the Custodian Bank, within ten (10) Business Days before the scheduled dates for any payment related to the Debentures, duly substantiated documentation informing such condition, at the risk of deducting, from their payments, the amounts due, pursuant the applicable tax legislation;

The debenture holder who has submitted substantiated documentation of his/her condition of immunity or tax exemption, under clause 4.3.8 above, and



who has had this condition amended and/or revoked by a regulatory provision, or who have failed to meet the conditions and requirements laid down in the applicable law, or who has this condition questioned by competent judicial, tax or regulatory authority, or who may have this condition changed and/or revoked for any other reason other than those mentioned in this clause, shall communicate this fact, in detail and in writing to the Liquidator Bank and to the Bookkeeping Agent, with copy to the Issuer, as well as provide any additional information regarding the subjects requested from him/her, by the Liquidator Bank, by the Bookkeeping Agent or by the Issuer.

5.1.30 Extension of Payment Due Dates: The payment dates of any obligation, resulting from the Debentures, shall be deemed extended, including by the Debenture Holders, in respect of the payment of the payment price of the Debentures, to the first (1st) subsequent working day, in the event the due date falls on a Non-Working Day, or the due date falls on a day on which commercial banks are not operating in the city of Caxias do Sul, State of Rio Grande do Sul, and also in the City of São Paulo, State of São Paulo, with no surcharge to the amounts to be paid, except when payments are to be made through B3, in which case payment dates will be extended only when the day of payment falls on a Saturday, Sunday or on a Brazilian holiday.

5.2. Authorize the Company's Management to take all measures and sign any instruments that are necessary for the implementation of the resolutions herein approved pursuant item 5.1. above, related to the Issue and Offering, including but not limited to the signing of an addendum (s) to the Deed of Issue and (ii) to the Agreement of Distribution and further agreements related to the Issue and Offering, irrespective of any new corporate authorizations to that end.

5.3. Ratify all acts carried out by the Company's Management in accordance with the aforementioned resolutions.

6. CLOSURE, DRAWING UP AND APPROVAL OF THE MINUTES: There being no further matters to address, and considering that no one took the floor, these minutes were drawn up, read, found to be in compliance and signed by all attending Board members.

Caxias do Sul, October 27, 2017.

Raul Anselmo Randon

Alexandre Randon

Ruy Lopes Filho

Derci Alcântara

Pedro Ferro Neto