



**RANDON S.A. IMPLEMENTOS E PARTICIPAÇÕES**  
Listed Company

**MATERIAL FACT**

**Randon S.A. Implementos e Participações** ("Randon" or "Company"), a listed company, headquartered at Av. Abramo Randon, 770, Caxias do Sul, RS, in compliance with the rules established by Law 6,404, dated December 15, 1976, as amended ("Corporations Law"), and in CVM Instruction No. 358 of January 3, 2002, as amended ("CVM Instruction 358"), informs its shareholders and the public in general that at the Board of Directors Meeting held on July 2, 2018 ("RCA"), the board members present at the meeting approved the 6th (sixth) issuance of simple, non-convertible debentures, ("Debentures"), totaling, on the date of issue, the amount of R\$ 600,000,000.00 ("Six Hundred Million Reais") ("Issue"), for public distribution with restricted efforts, under the terms of CVM Instruction 476, of January 16, and 2009, as amended ("CVM Instruction 476" and "Restricted Offering", respectively). In total, 600,000,000 (six hundred million) Debentures in the nominal amount value of R\$ 1,00 (one Brazilian real) will be issued on the date of issue ("Nominal Value"). Except for the hypotheses of early redemption of Debentures and / or early maturity of the obligations arising therefrom, as it appears in the "Private Instrument of Deed of the 6th Issuance of Simple Debentures, Non-Convertible into Shares, Single Unsecured Series, for Public Distribution with Restricted Efforts, of Randon SA Implementos e Participações ("Issue Deed"), the Debentures will expire in 5 (five) years from the issue date. The Restricted Offer is exclusively for professional investors as defined in article 9-A of CVM Instruction 539, dated November 13, 2013, as amended.

There will be no update of the Nominal Value or the Debentures Face Value, as the case may be, by any index. On the Nominal Value or on the balance of the Nominal Value of each Debenture, as the case may be, interest shall be payable corresponding to 114.50% (one hundred and fourteen whole and fifty hundredths percent) of the accumulated variation of the daily average DI rates - Interbank overnight deposits, expressed as a percentage per annum, based on 252 (two hundred and fifty-two) business days, calculated and disclosed daily by B3 SA - Brasil, Bolsa, Balcão - SEGMENT CETIP UTVM , in the daily information available on its website

(<http://www.cetip.com.br>), calculated exponentially and cumulatively pro rata temporis for business days elapsed, from the date of the first subscription and payment of the Debentures or payment date 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 net funds raised through the Issue will be used by the Company to roll over its debts.

The minutes of the RCA that 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 the CVM, pursuant to the applicable regulations.

This Material Fact is being disclosed by the Company exclusively in compliance with CVM Instruction 358 and the Corporations Law, in a way that is exclusively informative and should not be interpreted and / or considered, for all legal purposes, as a material of sale and / or disclosure of the Debentures.

Caxias do Sul (RS), July 02, 2018.

Geraldo Santa Catharina  
Investor Relations Officer