



RANDON S.A. Implementos e Participações

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

Minutes n° 73 of the Executive Board's Meeting

DATE, TIME AND VENUE: March 13, 2019, at 8:00 AM., at the Company's headquarters located at Abramo Randon Ave., 770, in 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 resolved on the following:

- (a) pursuant to items V and VI, §1st of Article 25, of CVM Instruction no. 480/2009, declare that they have reviewed, analyzed and agreed with the Financial Statements for the fiscal year ended December 31, 2018, audited by *KPMG Auditores Independentes*, as well as with the opinions expressed by such Auditing Firm on the respective report;
- (b) Prepare a Proposal for Allocation of Net Income for 2018, pursuant to Annex 9-1-11 of Instruction CVM 481, of December 17, 2009, attached to these minutes. .

Caxias do Sul, March 13, 2019.

David Abramo Randon

Daniel Raul Randon

Alexandre Randon

Geraldo Santa Catharina

Sérgio Lisboa M. De Carvalho

Alexandre Dorival Gazzi



RANDON S.A. Implementos e Participações

CNPJ 89.086.144/0011-98

Publicly-Traded Company

EXECUTIVE BOARD'S PROPOSAL

ALLOCATION OF NET INCOME

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

1. Report net income for the year.

The net income of the Company is R\$ 151.718.564,66 and corresponds to the income for the year of 2018 after deducting the provisions for taxes and statutory holdings.

2. Report the total amount and the value per share of dividends, including dividends paid in advance and interest charges on declared equity).

The remuneration to shareholders, as proposed by the Company's Management and to be submitted to the assessment of the Annual General Meeting, is of R\$ 49.290.259, 82, which, after deducting the interim dividends paid in August 2018, to the account of net income, calculated in the semi-annual balance sheet (R\$ 19.168.986,48) as deliberated by the Board of Directors, as per Minutes no. RCA 862, of the Board of Directors' Meeting, remains in **R\$ 30.121.273,34** to be paid, corresponding to R\$ 0,08798886 per common and preferred share.

3. State the percentage of net income distributed.

The proposed dividends correspond to 35% of the adjusted income (calculation basis for the dividends), which is 5% higher than that provided for in the Company's Bylaws.

4. State the total amount and the amount of dividends paid per share based on earnings from prior years.

In fiscal 2018, there was no dividend distribution based on the previous years' income.

5. Inform, minus the advanced dividends and interest on equity declared:

a. The gross amount of dividends and interest on equity, separately, per each type and class.

Shareholders' Remuneration	Value	Value per share
Dividends for the period	R\$ 49.290.259,82	R\$ 0,14398441
Interim dividends declared and paid in August 2018.	R\$ 19.168.986,48	R\$ 0,05599555
Dividends available for shareholders	R\$ 30.121.273,34	R\$ 0,08798886

b. The form and time of payment of dividends and interest on equity.

The dividends to be declared in the next Annual General Meeting (after deducting interim dividends) declared to and paid to the account of net income recorded in the semi-annual balance sheet, calculated on June 30, 2018, will be paid upon credit in the bank accounts of shareholders, as per their Bank data registered with the responsible for the Company's Shareholders Services (or with the custodian agent) . Payment will begin as of May 15, 2019. Interim dividends were declared by the Board of Directors (Minutes of the Board of Directors' Meeting no. 862, of August 10, 2018), and



began to be paid as of August 27, 2018.

c. Possible restatement and interest on dividends and interest on equity.

There is no provision of anticipated restatement and interest on dividends and interest on capital stock.

d. Date of declaration of payment of dividends and interest on equity used for identification of shareholders entitled to receive them.

Dividends will be declared at the Annual General Meeting of April 30, 2019, and the shareholding interest held by shareholders on May 5, 2019 will be considered. Shares will be traded ex-right to dividends, as of May 7, 2019.

6. If you have been declared dividends or interest on equity based on profits earned in six-monthly or shorter periods.

a. State the amount of dividends or interest on equity declared.

Interim dividends for fiscal 2018 were declared to the account of net income calculated in the half-yearly balance sheet, ended June 30 of the same fiscal period, deducted from dividends relating to fiscal period ending December 31, 2018. The value of dividends distributed was R\$ 19.168,986,48, corresponding to R\$ 0,05599555 per common and preferred share.

b. Inform the date of the respective payments.

All shareholders holding shares issued by the Company. on August 15, 2018, were entitled to receive dividends and to the shares traded ex-right, as of August 16, 2018 (inclusive). Payment began on August 17, 2018.

7. Provide comparative table with the following values per share of each type and class:

a. Net income of the year and of the 3 (three) previous years.

	2018 (R\$)	2017 (R\$)	2016 (R\$)	2015 (R\$)
Income/ Loss for the Period	151.718.564,6 6	46.711.890,08	(67.204.820,39)	(24.628.441,36)

b. Dividends and interest on equity (JCP) paid in 3 (three) previous years.

Remuneration	2018 (R\$)		2017 (R\$)		2016 (R\$)		2015 (R\$)	
	Total	Per share	Total	Per share	Total	Per share	Total	Per share
(a) JCP (Gross of IRF (Withholding Income Tax))	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
(b) JCP (Net of RF)	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
(c) Dividends to the account of reserves	0,00	0,00	14.999.999,66	0,04381730	0,00	0,00	0,00	0,00
(d) Interim dividends	19.168.986,48	0,05599555	0,00	0,00	0,00	0,00	0,00	0,00
(e) Dividends to declare	30.121.273,34	0,08798886	15.747.101,82	0,04599970	0,00	0,00	0,00	0,00
Total (b + c + d + e)	49.290.259,82	0,14398441	30.747.101,48	0,08981700	0,00	0,00	0,00	0,00

8. If profits are allocated to the legal reserve.

a. Identify the amount allocated to the legal reserve.

The amount allocated for legal reserve for 2018 period was R\$ 7.409.704,73.



b. Detail the calculation of the legal reserve.

Legal Reserve is calculated based on net income, following adjustments pursuant to the corporate and accounting legislation, and is calculated at a rate of 5% (Five per cent). See below table showing calculation for the year 2018.

Income/Loss /loss in the period	R\$ 151.718.564,66
(+) Adjustments to comprehensive results	R\$ 2.547.042,41
(-) Initial adoption of CPC 48 / IFRS 9	R\$ 5.795.512,46
(-) Tax incentives reserves - 2018	R\$ 276.000,00
Result following the adjustments	R\$ 148.194.094,61
(-) Legal Reserve of 5%	R\$ 7.409.704,73

9. If the company has preferred shares entitled to fixed or minimum dividends.

- a) Describe the method for calculation of fixed or minimum dividends;
- b) State whether the income for the year is sufficient for full payment of fixed or minimum dividends.
- c) Identify whether any unpaid installment is cumulative.
- d) Identify the total amount of fixed or minimum dividends to be paid to each class of preferred shares.
- e) Identify the fixed or minimum dividends to be paid per preferred share for each class.

According to the statutory provisions, the Company holds preferred shares entitled to dividend equal to that assigned to common shares, which are not entitled to fixed or minimum dividends.

10. In relation to the mandatory dividend.

a. Describe the calculation method set forth in the bylaws.

As provided for in item "b", paragraph 1st of Article 37 of the By-laws, shareholders are entitled to receive mandatory dividends, in each financial year, corresponding to 30% of the adjusted net income. Adjusted income is the basis for the calculation of dividends and is obtained from net income, minus the amount assigned for Legal Reserve and reserves of tax incentives, plus the realization of comprehensive results and reserves.

b. State whether it has been fully paid.

The proposed dividends to be submitted at the next Annual General Meeting will be for the full payment of the dividends declared.

c. State the amount to be withheld.

There are no dividends withheld.

11. In case of retention of mandatory dividend due to the financial situation of the Company.

- a. Report the amount withheld;
- b. Describe in detail the financial situation of the Company, addressing, including aspects related to the analysis of liquidity, working capital and positive cash flow;
- c. justify the withholding of dividends.



There are not dividends withheld.

12. Allocation of income to the reserve of contingencies.

- a. Identify amount allocated to the reserve.
- b. Identify the probable loss and its cause.
- c. Explain why the loss is considered probable.
- d. Justify the establishment of the reserve.

There is no proposal for allocation of income to the reserves for contingencies.

13. Allocation of income to the reserve for unrealized profits.

- a. Report the amount allocated to the reserve for unrealized profits.
- b. State the nature of unrealized profits that gave rise to the reserve.

There is no proposal for allocation of income to the reserve of unrealized profits.

14. In case of allocation of earnings to statutory reserve.

a. Describe the statutory provisions that establish the reserve.

The statutory reserve of the Company is called Reserve for Investment and Working Capital and is provided for in paragraph 2 of Article 37 of the Bylaws. Such reserve is aimed at ensuring investments in assets of the Fixed Assets and increase of working capital, including the amortization of the Company's debts and the financing of our controlled and affiliated companies. It consists of the balance of adjusted income (following the deduction of mandatory dividends) and will have, as ceiling, an amount that shall not exceed, together with the Legal Reserve, the amount of the capital stock.

b. Identify the amount allocated to the reserve.

The amount proposed to be allocated for reserve is de R\$ 91.539.062,26.

c. Describe how the amount was calculated.

The amount was calculated pursuant to statutory provisions and corresponds to the balance of the adjusted income, following the deduction of mandatory dividends, and is aimed at ensuring investments in assets of the Fixed Assets and increase of working capital, including the amortization of the Company's debts and the financing of our controlled and affiliated companies. See below table showing calculation for 2018:

Income-base for calculation of dividends	R\$ 140.829.322,08
Interest on net equity allocated to dividends.	0,00
Interin dividends allocated to dividends for the period	R\$ 19.168.986,48
Dividends to be declared at the AGM - paid.	R\$ 30.121.273,34
Reserve for investments and working capital (Statutory)	R\$ 91.539.062,26

15. In case of retained earnings provided in the capital budget:

- a. Identify the amount withheld.
- b. Provide a copy of the capital budget.



The proposal of income allocation does not include retention based on capital budget.

16. In case of allocation of net income to the tax incentive reserve.

a. Report amount allocated to the reserve.

The amount intended for tax incentive reserve, pursuant to Article 195-A, of Law 6404/76, was R\$ 276,000 .00, concerning tax incentives for 2018.

b. Explain the nature of the allocation.

The Company has liabilities recognized on account of its adhesion to the FUNDOPEM/RS ". Under this program, the Company makes monthly payments of taxes at a discount for deferment in the settlement deadlines when meeting the requirements set forth by the Government of the State of Rio Grande do Sul, with the value of the benefits recognized as revenue during the total period of the subsidy. The economic benefit obtained from a Government loan, with grace period and payment deadline above those exercised by the market, must be treated as a Government subsidy. The loan must be recognized and measured, initially, at fair value. The economic benefit resulting from the deadlines, above those exercised by the market, must be measured by means of the difference between the initial book value of the loan, and the amount that is no longer paid by the Company, and shall be accounted for, depending on the compliance with the conditions and obligations that the Company would have to meet and fulfill. Furthermore, any grant related to depreciable assets, must be recognized upon the monitoring of the appropriation of costs incurred in relation to the fulfillment of the obligations. We conducted the evaluation of the initial fair value, of the tax benefit, and its subsequent recognition in the result/Net Equity, considering the achievement of the premises agreed with the State Government.