



## **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 November 10, 2016 ("RCA"), approved the 4th (fourth) issue of single Debentures, non-convertible into shares, unsecured, in 2 (two) series ("Debentures"), amounting to, on the date of issue, R\$ 200.000.000,00 (Two 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). 200 (two hundred) Debentures in the unit value of R\$ 1.000.000,00 (one million Reais) ("Nominal Unit Value") will be issued, of which 130 (One hundred and thirty) will be Debentures of the first series ("First Series of Debentures") and 70 (Seventy) will be Debentures of the second series ("Debentures of the Second Series"). 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 Fourth (4th) Issue of Single Debentures, Non-Convertible into Shares, Unsecured, in 2 (two) Series, For Public Distribution with Restricted Efforts*", of Randon S.A. Implementos e Participações ("Deed of Issue"), the Debentures of the First Series will mature in 3 (three) years from the date of issue and the Debentures of the Second Series will mature in 5 (five) years from the date of issue. The Issue is targeted only to qualified investors, pursuant to CVM Instruction 476. The Debentures will not have their Nominal Value updated by any kind of index. The Nominal Value of each one of the Debentures of the First Series will be entitled to interest corresponding to 100% (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 *CETIP S.A. – Mercados Organizados* (Organized Over-the-Counter Market), calculated and published daily by CETIP in the daily newsletter available on its website (<http://www.cetip.com.br>) ("DI Rate"), added of a surcharge or

spread of 2.70% (two integers and seventy hundredths of a percent) per year, 252 base (two hundred and fifty-two) days ("Surcharge of the First Series") and, together with the DI-Rate, ("Remuneration of the First Series"), calculated cumulatively and exponentially *pro rata temporis*, by Working Days elapsed.

The Nominal Value of each one of the Debentures of the Second Series) will be entitled to interest corresponding to 100% (one hundred percent) of the accrued variation of the average daily rates of DI Rate, added of a surcharge or spread of 3.00% (three integers hundredths of a percent) per year, 252 base (two hundred and fifty-two) days ("Surcharge of the Second Series") and, together with the DI-Rate, ("Remuneration of the Second Series") and together with the remuneration of the First Series ("Remuneration"), calculated cumulatively and exponentially *pro rata temporis*, by Working Days elapsed from the 1<sup>st</sup> (first) Date of Payment of the Debentures of the Second Series, or date of payment of the Remuneration of the Second Series immediately preceding, as the case may be, to the date of the effective payment. The Remuneration will be paid every six months, from the date of issue of the Debentures to be established in the Deed of Issue. Concerning the Remuneration of the First Series, in the event that on December 31th, 2017, the Financial Index of the Issuer, determined in accordance with terms to be defined in the Deed of Issue, is lower than 2.0 times, the Surcharge of the First Series shall be changed to 2.60% (Two integers and sixty hundredths of a percent), which will become the new Surcharge of the first series to remunerate the Debentures of the First Series from the date of payment of the Remuneration of the First Series immediately preceding to the date of the effective payment. If, on December 31th, 2018, the Financial Index of the Issuer, determined in accordance with the terms to be defined in the Date of Issue, is higher than 2.0 times, the then changed surcharge of the first series will be again 2.70% (two integers and seventy hundredths of a percent), which will, therefore, pay the Debentures of the First Series from the date of payment of the Remuneration of the First Series immediately preceding to the date of the effective payment. The liquid funds obtained from the Issue will be used by the Company to strengthen its Working Capital and for general purposes. 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), November 10, 2016.

Geraldo Santa Catharina  
Investor Relations Director