

**TAURUS ARMAS S.A.**  
**PUBLICLY-TRADED COMPANY**  
**CNPJ/MF Nº 92.781.335/0001-02**  
**NIRE 43 3 0000739 1**

#### **MATERIAL FACT**

**São Leopoldo, February 14, 2019** - Taurus Armas S.A., new corporate name of Forjas Taurus S.A. ("Company" or "Taurus"), listed in Level 2 of B3, pursuant to Law 6,404 of December 15, 1976, as amended ("Corporations Law"), and the Securities Commission ("CVM") regulations, especially CVM Instruction No. 358 of January 3, 2002, hereby informs its shareholders and the market that its Board of Directors, at a meeting held on February 14, 2019, approved the conclusion of a non-binding Memorandum of Understanding (MoU) to initiate feasibility studies for setting up a joint venture with in India with a prominent local steel company.

The Memorandum of Understanding was signed on this date, and the purpose of the joint venture, if all statutory and legal authorizations are obtained, will be the manufacture and marketing of weapons in India, according to a local program called "Make in India" that aims at fostering the development of the local arms industry. Upon signature of the MoU, the parties will have up to 180 days to complete the studies to create the joint venture and the business plan to be developed. During this period, the local company will participate in bids with Taurus products, for the Armed Forces and Police, and the participation of each one of the parties involved as well as the other conditions for effecting the joint venture will be defined.

The signing of this agreement is another important step in Taurus' global strategy in the restructuring process based on sustainable profitability, quality and improvement of financial and operational indicators, as well as strong investment in the development of new products and technologies.

Taurus will keep its shareholders and the market duly informed of any new information regarding the matter addressed in this Material Fact.

São Leopoldo, February 18, 2019.

**SERGIO CASTILHO SGRILLO FILHO**  
ADMINISTRATIVE AND FINANCIAL OFFICER  
DIRECTOR OF INVESTOR RELATIONS  
**TAURUS ARMAS S.A.**