



**CELULOSE IRANI S.A.**  
**CNPJ/ME N° 92.791.243/0001-03 NIRE 43.300.002.799 PUBLICLY-HELD COMPANY**

**MINUTE OF THE MEETING OF THE BOARD OF DIRECTORS**

1. **DATE, TIME AND PLACE:** Held on the twenty-fourth day of June 2019, at 2:00 p.m., at the headquarters of Celulose Irani SA ("Company"), located at Rua General João Manoel, 157, 9<sup>th</sup> Floor, room 903, Zip Code 90.010- 030, in the Municipality of Porto Alegre, Rio Grande do Sul, Brazil.
2. **ATTENDANCE AND BUREAU:** The meeting was attended by most members of the Board of Directors and was chaired by Péricles Pereira Druck and secretariat by Eurito de Freitas Druck.
3. **AGENDA:** To resolve on: **(i)** the 3<sup>rd</sup> (third) public issuance of non-convertible debentures, in a single, unsecured series, to be collated in kind with secured guarantee, issued by the Company, pursuant to the "*Private Deed of the 3<sup>rd</sup> Issue of Non-Convertible Debentures, in a Single, Unsecured Series, to be Collated in Kind with Secured Guarantee, for Public Distribution, with Restricted Distribution Efforts, of Celulose Irani SA*" ("Issue Deed", "Issue" and "Debentures", respectively), in the amount of R\$ 580,000,000.00 (five hundred and eighty million reais), subject to the possibility of partial distribution, provided there is at least 500,000 (five hundred thousand) Debentures, totalizing a minimum amount of R\$ 500,000,000.00 (five hundred million reais) ("Minimum Issuance Amount" and "Partial Distribution"), which shall be subject to public distribution with restricted distribution efforts, pursuant to the Securities and Exchange Commission (CVM) Instruction n. 476, of January 16<sup>th</sup>, 2009, as amended ("CVM Instruction 476" and " Restricted Offer", respectively); **(ii)** the provision of secured guarantees by the Company in connection with the Issue; **(iii)** authorization to the Company's Executive Board to take any and all measures necessary to formalize items (i) and (ii) above; and **(iv)** ratification of all acts previously performed by the Company's Executive Board under the Issue and Restricted Offer.
4. **DELIBERATIONS:** Having examined and discussed the matters, the Issuance was approved by a unanimous vote of the members present and without any restrictions, in accordance with the provisions of articles 52 and following of Law n. 6.404, of December 15<sup>th</sup>, 1976, as amended ("Corporation Law"), object of the Restricted Offer and the provision of the Secured Guarantees (as defined below) by the Company. The Issue, Debentures, and Secured Guarantees (as defined below) shall present the following characteristics and conditions:
  - (a) Total Issue Value:** The total value of the Restricted Offer shall be of up to R\$ 580,000,000.00 (five hundred and eighty million reais) on the Date of Issue (as defined below), subject to the possibility of Partial Distribution, provided there are at least the amount of 500,000 (five hundred thousand) Debentures, totalizing a minimum amount of R\$ 500,000,000.00 (five hundred million reais).
  - (b) Number of Series:** The Issue shall be carried out in a single series;
  - (c) Number of Debentures and Nominal Unit Value:** Up to 580,000 (five hundred and eighty thousand) Debentures shall be issued, with a nominal unit value of R\$ 1,000.00 (one thousand reais) ("Nominal Unit Value") on the Date of Issue, the possibility of Partial Distribution;
  - (d) Guarantee:** After the due release of the guarantees, within the to be provided in the Deed of Issue, the

Debentures shall present the following secured guarantees:

**(i) Fiduciary Disposal of Assets:** The Debentures shall be guaranteed fiduciary disposal of (i) forest assets (commercial timber plantations, including Pinus and Eucalyptus plantations) owned by the Company and Iraflor Comércio de Madeiras Ltda. ("Iraflor"), located in the municipalities of Ponte Serrada, Catanduvas, Água Doce, Irani, and Vargem Bonita, in the State of Santa Catarina, Brazil, described and characterized in the registrations to be provided in the Deed of Issue ("Forest Assets"), and (ii) machinery and equipment owned by the Company, located in the industrial plant of the cellulose and paper factory owned by the Company in the property described and characterized according to the registration to be provided in the Deed of Issue, in the municipality of Catanduvas, ("Machines and Equipment", and along with Forest Assets the "Disposed Assets") ((i) and (ii) above are, jointly, "Fiduciary Disposal of Assets");

**(ii) Fiduciary Disposal of Real Estate Property:** without prejudice to the Fiduciary Disposal of Assets, the Debentures shall also present the fiduciary disposal of the industrial plant of the cellulose and paper factory owned by the Company, located in Vila Campina da Alegria, municipality of Vargem Bonita, State of Santa Catarina, and rural properties (lands) owned by the Company, located in the municipalities of Ponte Serrada, Catanduvas, Água Doce, Irani, and Vargem Bonita, state of Santa Catarina, Brazil, object of the registrations to be provided in the Deed of Issue ("Real Estate"); and

**(iii) Fiduciary Disposal of Credit Rights:** without prejudice to the Fiduciary Disposal of Assets and the Fiduciary Disposal of Real Estate, the Debentures shall also count on the fiduciary disposal of credit rights held by the Issuer, rights related to the account in which occur the transactions of the resources derived from credit rights, as well as the income from investments made with funds received or deposited in the connected account ("Credit Rights" and "Fiduciary Disposal of Credit Rights"), along with the Fiduciary Disposal of Assets and the Fiduciary Disposal of Real Estate, the "Secured Guarantees").

**(e) Monetary Update:** The Nominal Unit Value of the Debentures shall not be updated;

**(f) Convertibility:** The Debentures shall not be convertible into shares issued by the Company;

**(g) Term:** Subject to the optional hypothesis of early redemption, offer of early redemption of the Debentures, or early expiration of the obligations arising from the Debentures, under the terms to be provided in the Deed of Issue, the Debentures shall have an expiration term of 6 (six) years as of the Date of Issue ("Expiration Date");

**(h) Early Redemption:** The Company may, from the 4<sup>th</sup> (fourth) year of the Date of Issue (inclusive), at its sole discretion, provided that no Early Expiration Event is in progress (to be defined in the Deed of Issue), perform the full or partial optional early redemption of the Debentures ("Optional Early Redemption"), provided that, cumulatively: (1) the Company, with at least 10 (ten) days in advance, notifies the Debenture Holders on the intent to perform the optional early redemption, describing the terms and conditions of the optional early redemptions, including (a) the projection of the amount to be paid for the optional early redemption; (b) the effective date for the optional early redemption and payment of the Debentures; (c) the number of Debentures that shall be subject to Optional Early Redemption; and (d) other information considered relevant by the Company for the operationalization of the optional early redemption of the Debentures; (2) B3, the Settlement Agent, and the Bookkeeper (to be defined in the Deed of Issue) are notified, by the Company, of the performance of the optional early redemption with a minimum of 3 (three) Business Days in advance of the respective date of the optional early redemption; and (3) the optional early redemption of the Debentures is performed at the Nominal Unit Value or balance of the Nominal Unit Value of the Debentures, as the case may be, plus the Remuneration (as defined below), *calculated pro rata temporis* from the First Payment Date (as defined below) or the previous Remuneration Payment Date (as defined below), as the case may be, until the date of effective payment, plus a flat premium, to be provided in the Deed of Issue ("Premium");

**(i) Optional Early Amortization:** The Company may perform the optional early amortization of the Debentures ("Optional Early Amortization"), beginning on the 4<sup>th</sup> (fourth) year as of the Date of Issue and provided that, cumulatively: (1) it be limited to 98% (ninety-eight percent) of the Total Issue Value; (2) the Fiduciary Agent (as defined below), B3, the Settlement Agent, and the Bookkeeper (to be defined in the Deed of Issue) are notified by the Company of the performance of the Optional Early Amortization with a minimum of 3 (three) Business Days previous to the respective date of Optional Early Amortization, including in such notice (a) the date of the Optional Early Amortization, (b) the percentage to be amortized in advance, (c) the procedure to be adopted for the realization of the Optional Early Amortization, and (d) any other information necessary to perform the Optional Early Amortization; and (3) the Optional Early Amortization of the Debentures is performed at the Nominal Unit Value or balance of the Nominal Unit Value of the Debentures, as the case may be, plus the Remuneration (as defined below), calculated *pro rata temporis* from the First Payment Date (as defined below) or the previous Remuneration Payment Date (as defined below), as the case may be, until the date of effective payment, plus a flat premium, to be provided in the Deed of Issue ("Premium");

**(j) Redemption Offer:** The Company may offer the early redemption of the Debentures ("Optional Early Redemption Offer"), as provided for in applicable legislation and regulations. Said offer may be made by the Company, in its sole discretion, and must cover all Debentures. All Debenture holders must be addressed, without distinction, ensuring equality of conditions to all Debenture Holders to accept the offer of early redemption of the Debentures in accordance with the terms and conditions to be set forth in the Deed of Issue, as well as in the applicable legislation and regulations, which may result in the total or partial redemption of the Debentures, depending on the adhesion of the Debenture Holders;

**(k) Remuneration:** On the Nominal Unit Value or on the balance of the Nominal Unit Value of each of the Debentures, as the case may be, interest defined in accordance with the Bookbuilding Procedure shall be payable (to be defined in the Deed of Issue), and, in any case, limited to 100% (one hundred percent) of the cumulative variation of the average daily rates of one-day inter-financial deposits - ID, "*over extra-group*", expressed in the form of percentage per year, based on 252 (two hundred and fifty two) Business Days, calculated and disclosed daily by B3, in the daily information available on its website (<http://www.B3.com.br>) ("ID Rate"), exponentially increased by a surcharge within the range of 3.7% (three point seven per cent) and 4.5% (four point five per cent) per annum, calculated exponentially and cumulatively *pro rata temporis* per Business Days elapsed since the First Date of Payment of the Debentures or the previous Remuneration Date of Payment (as defined below), as the case may be, until the effective payment date ("Remuneration");

**(l) Remuneration Payment:** Without prejudice to the payments due to the early redemption or offer of early redemption of the Debentures, extraordinary amortization or early expiration of the obligations arising from the Debentures, under the terms to be provided in the Deed of Issue, Remuneration shall be paid biannually from the Issue Date (each "Date of Remuneration Payment");

**(m) Amortization of the Nominal Unit Value:** The balance of the Nominal Unit Value of the Debentures shall be amortized in annual installments to be established in the Deed of Issue, or on the date of the early liquidation resulting from the early expiration of the Debentures, early redemption, early redemption offer or extraordinary amortization of all Debentures;

**(n) Distribution Placement and Procedure:** The Debentures shall be the object of a public offer of distribution with restricted efforts, under the terms of the Securities Market Law, CVM Instruction n. 476 and other applicable legal and regulatory provisions under the best terms of the "Public Coordination and Distribution Agreement, with Restricted Efforts, of Non-Convertible, Unsecured Debentures, to be Convolved in a Species with a Secured Guarantee, in a Single Series, of the 3<sup>rd</sup> (third) Issue of Debentures of Celulose Irani SA", to be entered into between the Company, the leading intermediary institution ("Lead Coordinator "and" Distribution Agreement", respectively), subject to the possibility of Partial Distribution;

**(o) Distribution, Trading and Electronic Custody:** The Debentures shall be deposited for (i) distribution in the primary market through the MDA - Asset Distribution Module ("MDA"), managed and operated by B3 S.A. - Brasil, Bolsa, Balcão - Segment CETIP UTVM ("B3"), liquidated financially through B3; and (ii) electronic trading and custody in the secondary market through CETIP21 - Securities ("CETIP21"), also managed and operated by B3, with the negotiations liquidated financially and the Debentures electronically guarded in B3;

**(p) Subscription Price and Form of Payment:** The Debentures shall be subscribed and paid for through the MDA, with distribution liquidated financially through B3 by a maximum of fifty (50) Professional Investors (to be defined in the Deed of Issue), in cash, in national currency, at the time of subscription, at the Nominal Unit Value, considered as the "First Date of Payment" for the purposes of the Indenture, the date of the first subscription and payment of the Debentures. If the Debentures are paid for on more than one date, the subscription price for the Debentures that were paid after the First Date of Payment shall be the Nominal Unit Value plus the Remuneration, calculated *pro rata temporis* from the First Date of Payment of the Debentures until the date of its effective payment. The Debentures may be placed with or without goodwill, to be defined at the time of subscription of the Debentures, provided that it is applied to all Debentures;

**(q) Form:** The Debentures shall not be convertible into shares issued by the Company. The Debentures shall be issued in the nominative, book-entry form, without the issue of caution or certificates. For all legal purposes, the ownership of the Debentures shall be evidenced by the extract of the Debentures issued by the Bookkeeper (to be defined in the Deed of Issue). Additionally, regarding the Debentures that are electronically guarded in B3, an extract shall be issued by the company on behalf of the Debenture Holder, which shall serve as proof of ownership of such Debentures;

**(r) Species:** The Debentures are unsecured and to be converted in kind with a secured guarantee;

**(s) Date of Issue:** The date of issue of the Debentures shall be determined in the Deed of Issue ("Date of Issue");

**(t) Early Expiration:** The Deed of Issue shall establish the events that will lead to early maturity of the Debentures, to be negotiated and defined by common agreement between the Company, the Trustee (as defined below), and the Lead Manager (as defined above), in accordance with usual market practices for such operations;

**(u) Allocation of Funds:** The Company's proceeds from the Issue shall be used to liquidate certain current Company debts, to be specified in the Deed of Issue, to recompose its cash and execute investments to achieve its corporate purpose in the normal course of business, for which the Company presents or shall present, in accordance with current regulations, a valid or effective environmental license or authorization, as applicable and required by social-environmental legislation;

**(v) Connected Account:** All the funds arising from the payment of Debentures shall be credited, on the Date of Liquidation (to be defined in the Deed of Issue), into a connected account held by the Company with the financial institution to be contracted by the Company ("Custodian Bank" and "Connected Account"), connected to the issuance of the Debentures. The Connected Account shall be exclusively handled by the Custodian Bank, as instructed by the Fiduciary Agent, under the terms to be provided in the Deed of Issue and in the Custodian Services Agreement, to be entered into between the Custodian Bank, the Fiduciary Agent, and the Company ("Custodian Services Agreement");

**(w) Characterization as "Green Debentures":** Debentures shall be characterized as "green debentures" based on (i) Second Opinion ("Opinion") issued by the specialized consultant SITAWI Finanças do Bem, based on the Green Bond Principles guidelines of June 2018; (ii) annual report by the Company, during the term of the Debentures, of the environmental benefits earned by the Company's activities, according to the indicators defined in the Opinion; and (iii) appointing in the B3 systems as a green title, based on the

requirements of B3;

**(x) Fiduciary Agent:** The fiduciary agent to be hired as a representative of the Debenture Holders is Vórtx Distribuidora de Títulos e Valores Mobiliários Ltda. ("Fiduciary Agent");

**(y) Renegotiation:** There shall be no renegotiation of the Debentures;

**(z) Place of Payment:** Payments related to Debentures and any other amounts due by the Company, under the terms to be provided in the Deed of Issue, of any other Insurance Agreements and other documents of the Issue, shall be made by the Company, regarding payments related to the Nominal Unit Value, Remuneration, and default charges, concerning Debentures that are electronically guarded in B3, through B3; and concerning Debentures that are not electronically guarded in B3, through the Bookkeeper (to be defined in the Deed of Issue) or at its headquarters, as the case may be;

**(aa) Default Expenses:** Occurring default in the payment by the Company, of any amount due to the Debenture Holders, past due debts due and not paid by the Company shall remain, from the date of default until the date of effective payment, without prejudice to the Remuneration to be provided in the Deed of Issue, subject to, regardless of notice or legal or extrajudicial interpellation, (i) a conventional, irreducible, and non-compensatory fine of 2.00% (two percent), and (ii) interest at the rate of 1.00% (one percent) per month, both incidents over amounts in default;

**(bb) Other Characteristics:** The other characteristics of the Issue and the Restricted Offer shall appear in the Deed of Issue; and

**(cc) Delegation of Powers to the Company's Board of Directors:** The Board of Directors delegates to the Company's Executive Board, as well as to the attorneys-in-fact of the Company, powers to: (i) contract one or more financial institutions authorized to operate in the capital market for the public distribution with restricted efforts to distribute the Debentures object of the Restricted Offer; (ii) to contract the service providers subject to the Restricted Offer, such as the settlement agent, bookkeeping bank, Fiduciary Agent, consulting firm specialized to characterize the "green debentures", Custodian Bank, custodian bank responsible for administering the connected account to be granted insurance, legal advisors, and other institutions with which contracting may be necessary to perform the Restricted Offer, setting their respective fees; (iii) to execute all documents and perform all acts necessary to the execution of the Restricted Offer, including without limitation, the Deed of Issue, the Distribution Agreement, the Custodian Services Agreement, the connected account administration agreement, the insurance agreements to formalize the Secured Guarantees and respective powers of attorney to the Fiduciary Agent, the forms requested by B3, and other documents related to the Restricted Offer, including their respective necessary amendments, including but not limited to the amendments to the Deed of Issue to reflect the result of the Bookbuilding Procedure, for the transfer of the debentures and to reflect the eventual Partial Distribution of the Debentures; (iv) to negotiate the final terms and conditions of the documents of the Restricted Offer, including Company obligations, defaulting events, conditions for early expiration of the Debentures and declarations to be provided; and (v) the Executive Board may also perform the publication and registration of corporate documents or other documents related to the Restricted Offer before the competent bodies, including the respective payment of any fees that may be required.

**(dd) Ratification of all acts practiced by the Company's Executive Board under the Issue and Restricted Offer:** For all purposes, the Board of Directors expressly ratifies and confirms all acts previously performed by the Company's Executive Board within the scope of the Issue and Restricted Offer approved herein.

5. **CLOSURE:** With no further business to discuss, the meeting was adjourned, and the minute drawn up, read and found to be in accordance by all signed. (Signatures: Péricles Pereira Druck, Eurito de Freitas Druck, Paulo Sérgio Viana Mallmann, Paulo Iserhard, and Roberto Faldini).

6. **DECLARATION:** I hereby certify that the present minute confers with the original taken in the appropriate book.

Porto Alegre, June 24<sup>th</sup>, 2019.

Péricles Pereira Druck  
President of the Board of Directors