



**CELULOSE IRANI S.A.**

**CNPJ/ME No. 92.791.243/0001-03**

**NIRE 43.300.002.799**

**PUBLICLY-HELD COMPANY**

**MINUTE OF THE ADMINISTRATIVE COUNCIL MEETING**

1. **DATE, TIME, AND LOCATION:** Held at thirty-one days of the month of July of 2019, at 2 P.M., at the registered office of *Celulose Irani S.A.* ("Company"), located at Rua General João Manoel, 157, 9th Floor, in the City of Porto Alegre, State of Rio Grande do Sul, Brazil.

2. **ATTENDANCES AND BOARD:** The meeting counted with the majority of the Administrative Council members, having been presided by Péricles Pereira Druck.

3. **ORDER OF THE DAY:** Deliberate about the rectification and ratification of the minute of the Company's Administrative Council Meeting, held on June 24th, 2019, duly registered with the Commercial, Industrial, and Services Board of the State of Rio Grande do Sul ("**JUCISRS**"), under no. 5082176, and published in the Official Gazette of the State of Rio Grande do Sul, in the *Jornal do Comércio* of Porto Alegre - RS, and the *Valor Econômico* in the Official Gazette of the State of São Paulo, and in the *Valor Econômico* newspaper on July 18th, 2019, which deliberated about (i) the realization of the 3rd (third) public issuance of simple debentures, non-convertible into shares, in single series, unsecured, to be converted into cash with security interest, issued by the Company, in the terms of the "*Private Instrument of Deed of the 3rd Issuance of Simple Debentures, Non-Convertible into Shares, in Single Series, Unsecured, to be Converted Into Cash With Security Interest, for Public Distribution, With Restricted Distribution Efforts, of Celulose Irani S.A.*" ("**Issuance Deed**", "**Issuance**", and "**Debentures**", respectively), in the value of R\$580,000,000.00 (five hundred and eighty million reais), observing the possibility of partial distribution as long as there is a placement of, at least, the amount of 500,000 (five hundred thousand) Debentures, totalizing the minimum amount of R\$500,000,000.00 (five hundred million reais) ("**Minimum Issuance Amount**" and "**Partial Distribution**"), which will be the object of public distribution, with restricted distribution efforts, in the terms of the Securities and Exchange Commission Instruction no. 476, of January 16th, 2009, as altered ("**CVM Instruction 476**" and "**Restricted Offer**", respectively); (ii) the provision of security interests by the Company in the scope of the Issuance; (iii) authorization to the Board of the Company for it to take all and any necessary provisions for the formalization of items (i) and (ii) above; and (iv) the ratification of all acts previously practices by the Company Board in the scope of the Issuance and Restricted Offer.

4. **DELIBERATIONS:** By unanimity of votes of the members present and with no restrictions, the rectification and ratification of the minute of the Company's Administrative Council Meeting, held on June 24th, 2019, was approved, so to:

- A. rectify item (n) *Placement and Distribution Procedure* to provide that the placement of the Debentures will be under a mixed regime of firm guarantee and best placement efforts; and

- B. ratify the other deliberations, unaltered by item (A) above, and also consolidate all the deliberations taken in the Meeting of the Company's Administrative Council held on June 24th, 2019, and in this Meeting, as per below:

***"DELIBERATIONS:*** *Once examined and debated the matters, they were approved by unanimity of votes of the members present without any restrictions, the Issuance, following the provisions of articles 52 and the following of Law no. 6404, of December 15th, 1976, as altered ("Law of Joint-Stock Companies"), the object of the Restricted Offer and of the provision of the Security Interests (as defined below) by the Company. The Issuance, the Debentures, and the Security Interests (as defined below) will have the following characteristics and conditions:*

***(a) Total Issuance Value:*** *the total value of the Restricted Offer will be of up to R\$580,000,000.00 (five hundred and eighty million reais) at the Issuance Date (as defined below), observing the possibility of Partial Distribution, as long as there is the placement of, at least, the amount of 500,000 (five hundred thousand) Debentures, totalizing the minimum amount of R\$500,000,000.00 (five hundred million reais);*

***(b) Number of Series:*** *the Issuance will be carried out in a single series;*

***(c) Quantity of Debentures and Unit Par Value:*** *up to 580,000 (five hundred and eighty thousand) Debentures will be issued, with a unit par value of R\$1,000.00 (one thousand reais) ("Unit Par Value") on the Issuance Date, observing the possibility of Partial Distribution;*

***(d) Guarantee:*** *after the due release of the guarantees, within deadlines and terms to be provided for in the Issuance Deed, the Debentures will count with the following security interests:*

***(i) Secure Fiduciary Sale of Assets:*** *the Debentures will be guaranteed by Secure Fiduciary Sale of (i) forest assets (commercial wood plantations, including plantations of Pinus and Eucalyptus) property of the Company and Iraflor Comércio de Madeiras Ltda. ("Iraflor"), located in the cities of Ponte Serrada, Catanduvas, Água Doce, Irani, and Vargem Bonita, in the State of Santa Catarina, described and characterized in the registrations to be provided for in the Issuance ("Forest Assets"), and (ii) machines and equipment property of the Company, located in the industrial plant of the cellulose and paper factory property of the Company in the building described and characterized as per the registration to be provided for in the Issuance Deed, in the city of Catanduvas ("Machines and Equipment", and jointly with the Forest Assets the "Alienated Assets") (with (i) and (ii) above being, together, "Secure Fiduciary Sale of Assets");*

***(ii) Secure Fiduciary Sale of Real Estate:*** *without prejudice of the Secure Fiduciary Sale of Assets, the Debentures will also count with the Secure Fiduciary Sale of the industrial plant of the cellulose and paper factory owned by the Company, located in Vila Campina da Alegria, in the City of Vargem Bonita, State of Santa Catarina, as well as rural properties (lands) owned by the Company located in the cities of Ponte Serrada, Catanduvas, Água Doce, Irani, and Vargem Bonita, in the State of Santa Catarina, Brazil, object of the registrations to be mentioned in the Issuance Deed ("Real Estate"); and*

***(iii) Fiduciary Assignment of Credit Rights:*** *Without prejudice of the Secured Fiduciary Sale of Assets and of the Secured Fiduciary Sale of Real Estate, the Debentures will also count with the fiduciary assignment of credit rights held by the Issuer, rights related to the associated account through which the resources from the credit rights will transit, as well as the returns stemming*

from investments made with the funds received or deposited into the associated account ("Credit Rights" and "Fiduciary Assignment of Credit Rights", jointly with the Secured Fiduciary Sale of Assets and the Secured Fiduciary Sale of Real Estate, the "Security Interests").

**(e) Adjustment for Inflation:** the Unit Par Value of the Debenture will not be updated;

**(f) Convertibility:** the debentures will not be convertible into shares issued by the Company;

**(g) Period of Validity:** with the exception of the hypotheses of optional early redemption, and of an offer of early redemption of the Debentures and/or early maturity of the obligations stemming from the Debentures, in the terms to be provided for in the Issuance Deed, the Debentures will have a period of validity of 6 (six) years counted from the Issuance Date ("Maturity Date");

**(h) Early Redemption:** the Company may, from the 4th (fourth) year counted from the Issuance Date (inclusive), at its sole discretion, as long as an Early Maturity Event (to be defined in the Issuance Deed) is not ongoing, perform the optional total or partial early redemption of the Debentures ("Optional Early Redemption"), as long as, cumulatively: (1) the Company, at least 10 (ten) days in advance, informs the Debenture holders about the intent of performing the optional early redemption, describing the terms and conditions of the optional early redemption, including (a) the projection of the value to be paid as optional early redemption; (b) the effective date for the optional early redemption and the payment of the Debentures; (c) the number of Debentures that will be the object of Optional Early Redemption; and (d) other information deemed 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 Issuance Deed) are communicated, by the Company, regarding the performance of the optional early redemption at least 3 (three) Business Days before the respective date of the optional early redemption; and (3) that the optional early redemption of the Debentures is carried out by the Unit Par Value or balance of the Unit Par Value of the Debentures, as per the case, added by the Remuneration (as defined below), calculated pro rata temporis from the First Date of Payment (as defined below) or the Date of Compensation Payment (as defined below) immediately before, as per the case, until the date of the effective payment, added by a flat premium to be provided for in the Issuance Deed ("Premium");

**(i) Optional Early Amortization:** the Company may perform the optional early amortization of the Debentures ("Optional Early Amortization") from the 4th (fourth) year counted from the Issuance Date as long as, cumulatively: (1) it is limited to 98% (ninety-eight percent) of the Total Issuance Value; (2) the Trustee (as defined below), B3, the Settlement Agent, and the Bookkeeper (to be defined in the Issuance Deed) are communicated, by the Company, regarding the execution of the Optional Early Amortization at least 3 (three) Business Days before the respective Optional Early Amortization date, where such communication shall inform (a) the date of the Optional Early Amortization, (b) the percentage to be amortized early, (c) the procedure to be adopted to perform the Optional Early Amortization, and (d) whatever other information are necessary to the operationalization of the Optional Early Amortization; and (3) the Optional Early Amortization of the Debentures is performed using the Unit Par Value or balance of the Unit Par Value of the Debentures, as per the case, added by the Compensation (as defined below), calculated pro rata temporis since the First Date of Payment (as defined below) or the Date of Compensation Payment (as defined below) immediately before, as per the case, until the date of the effective payment, added by a flat premium, to be provided for in the Issuance Deed ("Premium");

**(j) Offer of Redemption:** the Company may perform the offer of early redemption of the

*Debentures ("Offer of Optional Early Redemption")*, as provided for in the applicable legislation and regulation. Said offer may be performed by the Company, at its sole discretion, and must encompass the totality of the Debentures as well as be addressed to all Debenture holders, without distinction, assuring the equality of conditions to all debenture holders to accept the offer of early redemption of the Debentures they hold, according to the terms and conditions to be provided for in the Issuance Deed, as well as the applicable legislation and regulation, which may result in the total or partial redemption of the Debentures in function of the adherence of Debenture holders;

**(k) Compensation:** over the Unit Par Value or over the balance of the Unit Par Value of each of the Debentures, as per the case, will bear remuneratory interest to be defined according to the Book Building Procedure (to be defined in the Issuance Deed), and, in any case, limited to 100.00% (one hundred percent) of the cumulative variation of the daily average rates of the IDs - Interfinancial Deposits of one day, "extra-group over", expressed as a percentage per year, base 252 (two hundred and fifty-two) Business Days, calculated and disclosed daily by B3 in the daily newsletter available on its Webpage (<http://www.B3.com.br>) ("ID Rate"), exponentially increased by a surcharge within the interval of 3.7% (three point seven percent) and 4.5% (four point five percent) per year, calculated exponentially and cumulatively pro rata temporis per Business Days elapsed, since the First Day of Payment of the Debentures or the Date of Compensation Payment (as defined before) immediately before, as per the case, until the date of the effective payment ("Compensation");

**(l) Compensation Payment:** without prejudice of the payments stemming from the early redemption or the offer of early redemption of the debentures, extraordinary amortization, and/or of early maturity of the obligations deriving from the debentures, in the terms to be provided for in the Issuance Deed, the Compensation will be paid biannually from the Issuance Date (each one of them a "Date of Compensation Payment");

**(m) Amortization of the Unit Par Value:** the balance of the Unit Par Value of the Debentures will be amortized in annual installments, to be established in the Issuance Deed, or on the date of early settlement resulting from the early maturity of the Debentures, of the early redemption, of the offer of early redemption, or extraordinary amortization of the totality of the Debentures;

**(n) Placement and Distribution Procedure:** the Debentures will be the object of a public offer of distribution with restricted efforts, under the Law of the Securities Market, of CVM Instruction 476, and the other applicable legal and regulatory dispositions, under the mixed regime of firm guarantee and best placement efforts, in the terms of the "Contract of Coordination and Public Distribution, with Restricted Efforts, of Simple Debentures, Non-Convertible into Shares, Unsecured, to be Converted Into Cash With Security Interest, in Single Series, of the 3rd (third) Issuance of Debentures of Celulose Irani S.A.", to be executed between the Company, leader intermediary institution ("Leader Coordinator" and "Distribution Contract", respectively), observing the possibility of Partial Distribution;

**(o) Distribution, Negotiation, and Electronic Custody:** the Debentures will be deposited for (i) distribution in the primary market through the ADM - Asset Distribution Module ("ADM"), administered and operationalized by B3 S.A. - Brasil, Bolsa, Balcão - CETIP ITVM Segment ("B3"), with the distribution being financially settled through B3; and (ii) negotiation and electronic custody in the secondary market through CETIP21 - Titles and Securities ("CETIP21"), also administered and operationalized by B3, with the negotiations being financially settled and the Debentures being electronically guarded at B3;

**(p) Price of Subscription and Form of Payment:** *The Debentures will be subscribed and paid through the ADM, with the distribution being financially settled through B3 for, at most, 50 (fifty) Professional Investors (to be defined in the Issuance Deed), in cash, in national currency, upon the act of subscription, for the Unit Par Value, being considered the "First Date of Payment" for Issuance Deed purposes, the date of the first subscription and payment of the Debentures. In case the payment of the Debentures occurs on more than one date, the subscription price for the Debentures that were paid after the First Date of Payment will be the Unit Par Value added by the Compensation, calculated pro rata temporis since the First date of Payment of the Debentures until the date of its effective payment. The Debentures may be placed at a premium or at a discount, to be defined, if it is the case, upon the act of subscription of the Debentures, as long as it is applied to the totality of the Debentures;*

**(q) Form:** *the Debentures will not be convertible into shares issued by the Company. The Debentures will be issued under the nominative form, scriptural, without the issuance of safeguards or certificates. For all legal purposes, the ownership of the Debentures will be proven by the Debenture statement issued by the Bookkeeper (to be defined in the Issuance Deed). Additionally, regarding the Debentures that are electronically guarded at B3, a statement in the name of the Debenture holder will be issued by B3 that will serve as proof of ownership of such Debentures;*

**(r) Species:** *the Debentures are unsecured, to be converted into cash with security interest;*

**(s) Issuance Date:** *the date of issuance of the Debentures will be determined in the Issuance Deed ("Issuance Date");*

**(t) Early Maturity:** *the Issuance Deed will establish the events that will entail the early maturity of the Debentures, to be negotiated and defined by mutual agreement among the Company, the Trustee (as defined below), and the Leader Coordinator (as defined above), according to the usual market practices for operations of this nature.*

**(u) Allocation of Funds:** *The funds obtained by the Company with the Issuance will be used for the settlement of certain current debts of the Company, to be specified in the Issuance Deed, recomposition of its cash flow, and execution of investments for the consecution of its corporate purpose in the normal course of its businesses, for which the Company holds or will come to hold, as per the norms currently in place, license and/or environmental authorization that is valid, in effect, and/or effective, as applicable and required by the socioenvironmental legislation;*

**(v) Associated Account:** *the totality of the funds stemming from the settlement of the Debentures will be credited, on the Settlement Date (to be defined in the Issuance Deed), into an associated account owned by the Company, kept with the financial institution to be hired by the Company ("Depository Bank" and "Associated Account"), linked to the issuance of the Debentures. The Associated Account will be moved exclusively by the Depository Bank, as per the instructions of the Trustee, under the terms to be provided for in the Issuance Deed and the Depository Services Agreement, to be executed between the Depository Bank, the Trustee, and the Company ("Depository Services Agreement");*

**(w) Characterization as "Green Debentures":** *the Debentures will be characterized as "green debentures" based on: (i) the Second Opinion ("Opinion") issued by specialized consulting SITAWI Finanças do Bem, based on the directives of the Green Bond Principles of June 2018; (ii) annual report, by the Company, for the duration of the Debentures, of the environmental benefits earned by the activities of the Company, as per indicators defined in the Opinion; and (iii)*

marking in the systems of B3 as green title, based on the requirements of B3;

**(x) Trustee:** the trustee to be hired as the representative of the owners of the Debentures is Vórtx Distribuidora de Títulos e Valores Mobiliários Ltda. ("Trustee");

**(y) Renegotiation:** there will be no renegotiation of the Debentures;

**(z) Payment Location:** the payments regarding the Debentures and any other values eventually owed by the Company, in the terms to be provided for in the Issuance Deed, of any of the other Guarantee Contracts and other documents of the Issuance, will be made by the Company, concerning payments relative to the Unit Par Value, the Compensation, and late payment charges, concerning the Debentures that are electronically guarded at B3, through B3; and with respect to the Debentures that are not electronically guarded at B3, through the Bookkeeper (to be defined in the Issuance Deed) or at its headquarters, as per the case;

**(aa) Late Payment Charges:** occurring unpunctuality in the payment, by the Company, of any amount owed to the Debenture holders, the delayed debits expired and not paid by the Company will be, from the date of non-payment until the date of the effective payment, without prejudice of the Compensation to be provided for in the Issuance Deed, subject to, regardless of warning, notification, or judicial or extrajudicial interpellation (i) conventional fine, irreducible and non-compensatory, of 2.00% (two percent) and (ii) default interest to the ratio of 1.00% (one percent) per month, both incidental over the amounts delayed;

**(bb) Other Characteristics:** the other characteristics of the Issuance and of the Restricted Offer will be included in the Issuance Deed; and

**(cc) Delegation of Powers to the Company Board:** the Administrative Council delegates to the Company Board, as well as the proxies constituted by the Company, powers to: (i) hire one or more financial institutions authorized to operate on the capital market for the public distribution with restricted distribution efforts of the Debentures that are the object of the Restricted Offer; (ii) hire the service providers that are the objects of the Restricted Offer, such as the settlement agent, bookkeeping bank, Trustee, specialized consulting company for the characterization of the "green debentures", Depository Bank, depository bank responsible for managing the Associated Account to be granted as collateral, legal advisors and other institutions whose hiring becomes eventually necessary for the realization of the Restricted Offer, fixing their respective honoraries; (iii) celebrate all documents and practice all the acts required to the processing of the Restricted Offer, including with no limitation the Issuance Deed, the Distribution Contract, the Depository Services Agreement, the management contract of the Associated Account, the collateral contracts for the formalization of the Security Interests, and respective proxies to the Trustee, the forms requested by B3, and other documents related to the Restricted Offer, including their respective necessary addendums, including but not limiting to the additions to the Issuance Deed to reflect the result of the Book Building Procedure, for the conversion into cash of the debentures, and to reflect the eventual Partial Distribution of the debentures; (iv) negotiate the final terms and conditions of the Restricted Offer documents, including the obligations of the Company, default events, conditions of early maturity of the Debentures, and statements to be made; and (v) the Board may also perform the publication and registration of the corporate documents or others relative to the Restricted Offer before the competent bodies, including the respective payment of eventual fees that become necessary.

**(dd) Ratification of all the acts practiced by the Company Board in the scope of the Issuance**

*and Restricted Offer. To all intents and purposes, the Administrative Council expressly ratifies and confirms all the acts previously practiced by the Company's Board in the scope of the Issuance and Restricted Offer approved herein."*

5. **CLOSING:** To all intents and purposes, the Administrative Council expressly ratifies and confirms all the acts previously practiced by the Company's Board in the scope of the Issuance and Restricted Offer approved herein. With there being no further business to discuss, the meeting was closed, and the present minute was drawn up, which, read and found compliant, was signed by all. (Signatures: Péricles Pereira Druck, Eurito de Freitas Druck, Paulo Sérgio Viana Mallmann, and Paulo Iserhard).
6. **DECLARATION:** I hereby certify that the present minute matches the original drawn up in the proper book.

Porto Alegre, July 31st, 2019.

Péricles Pereira Druck  
President of the Administrative Council