

**SUZANO PAPEL E CELULOSE S.A.**

Listed company  
CNPJ nº 16.404.287/0001-55  
N.I.R.E. nº 29.300.016.331

**MINUTES OF EXTRAORDINARY GENERAL MEETING OF  
STOCKHOLDERS**

**DATE, TIME AND PLACE:** August 31, 2007, at 10 a.m., at the head office of Suzano Papel e Celulose S.A. (“the Company”), at Avenida Tancredo Neves 274, Centro Empresarial Iguatemi II, Bloco B, Salas 121–123, Pituba, Salvador, Bahia, Brazil.  
**PRESENT:** Stockholders representing more than 2/3 of the voting shares and holders of preferred shares without the right to vote. Also present: representing the valuation company Directa Auditores, Mr. Marcelo Gomes de Barros, registered in the CRC (Regional Accountancy Council) under number 1SP194.830/O-0, and Audit Board Member Mr. Rubens Barletta. **OPENING OF MEETING AND MEETING COMMITTEE:** Chairman: Bernardo Szpigel; Secretary: Luiz Cesar Pizzotti.

**AGENDA:**

- (1) To decide on management’s proposal to absorb the company B.L.D.S.P.E. Celulose e Papel S.A., a corporation with head office in São Paulo, São Paulo State, at Rua Clodomiro Amazonas 249, 6<sup>th</sup> Floor, registered in the CNPJ/MF under number 08.489.839/0001-47 (“Newco”) by the Company, and also to decide on all the documents that instruct and relate to the said transaction; and
- (2) To study management’s proposal for alteration of the following changes in the Bylaws: (i) § 2 of Clause 18; (ii) sub-clause “q.1” of Clause 19; (iii) sub-clause "c" of Clause 21; and (iv) the head paragraph of Clause 23.

**PUBLICATIONS AND DOCUMENTS READ:**

- (1) Notice of convocation published in the newspapers *Gazeta Mercantil*, on 16, 17 and 20 August, 2007, *Diário Oficial* of the State of Bahia and *A Tarde*, on 16, 17 and 18 August, 2007;
- (2) Proposal by management for: (i) absorption of Newco by the Company (“the Absorption”), and (ii) changes in the following provisions of the Company’s Bylaws: (a) § 2 of Clause 18; (b) sub-clause “q.1” of Clause 19; (c) bus-clause "c" of Clause 21; and (d) the head paragraph of Clause 23;
- (3) Protocol and Statement of Reasons for Absorption of B.L.D.S.P.E. Celulose e Papel S.A., entered into on August 15, 2007 by the Company and Newco (“the Protocol”); and
- (4) Valuation Opinion of the Net Assets and Liabilities of B.L.D.S.P.E. Celulose e Papel S.A., issued by the specialized company Directa Auditores (“the Valuation Opinion”).

## **DECISIONS TAKEN:**

- (a)** Ratification of signature of the Protocol, emphasizing that this matter was previously approved by the Board of Directors and has been the subject of an opinion in favor by the Company's Audit Board, and the Protocol is initialed by those present and shall be filed at the head office of the Company;
- (b)** Ratification of contracting of the specialized company Directa Auditores with head office in São Paulo, São Paulo State at Rua Vergueiro 2016, 8<sup>th</sup> Floor, registered in the CRC/SP under number 2SP 013002/O-3 and in the CNPJ/MF under number 11.245.719/0001-09, chosen to value the stockholders' equity of Newco at book value, and for preparation of the Valuation Opinion;
- (c)** Approval of the Valuation Opinion made for the Absorption, which is initialed by those present and shall be filed at the head office of the Company;
- (d)** Approval of management's proposal for carrying out the Absorption, in the form specified in the Protocol, with the reservations that this transaction shall result in the following: (i) extinction of Newco, and the Company shall succeed it for all purposes of law, in all its goods, rights and obligations, without any interruption of the activities, and thus the establishment of Newco at Av. Elias Yasbek 1502 and Av. Elias Yasbek 2300, in the city of Embu, São Paulo State shall continue in full functioning – and shall be considered as branch offices of the Company, by means of filing of the procedure for opening of branch offices with the competent governmental authorities, and the head office of Newco shall have its activities closed down; and (ii) transfer of all the assets and liabilities, including the real estate assets owned by Newco indicated in the Protocol, to the Company, in accordance with the law, with the necessary registrations and public records being made at the opportune time; and
- (e)** Approval of management's proposal to change the following provisions of the Company's Bylaws: (i) paragraph two of Clause 18; (ii) sub-clause "q.1" of Clause 19; (iii) sub-clause "c" of Article 21; and (iv) the head paragraph of Clause 23 – it being emphasized that the approval of the new text does not result in any type or class of shares suffering any loss of alteration to their rights – these provisions now to have the following drafting: *“Second paragraph of Clause 18 – Any member of the Board of Directors shall have the right to be represented, through written document or through email, by one of his or her peers in the meetings of the Board of Directors, whether for the formation of a quorum, or for voting, with the option to indicate, or not, his or her vote. This representation shall be extinguished simultaneously with the closing of the meeting of the Board of Directors; Sub-clause “q.1” of Clause 19 – to dispose of, place a charge on or acquire assets related to the Company's fixed assets and those referred to in sub-clause “n” of this Clause; Sub-clause "c" of Clause 21 – The Audit Committee: shall have its attributions indicated by the Board of Directors, including, among others, to give advice to the Board of Directors in compliance with its responsibilities in relation to analysis of the financial statements, development of internal controls, and control, inspection and coordination of the work of the Company's internal and external audits, and also permanently to make efforts for compliance with the Code of Conduct; head paragraph of Clause 23 – If the Chairman of the Board of Directors is temporarily absent, he shall be substituted by one of the Vice-Presidents of that body, and it shall be for the Chairman of the Board of Directors to indicate the substitute; and when this does not happen, it shall be for the Board of*

*Directors to make such indication. The same criterion shall be adopted in the same cases for any other member, who shall be substituted by one of his peers.”* The consolidated text of the Company’s Bylaws, reflecting all the above-mentioned changes duly initialed by the Committee of the Meeting, becomes an integral part of these Minutes as Appendix I.

**CLOSING:** There being no further business, the publication of these Minutes in accordance with §2 of Clause 130 of the Corporate Law was authorized. The terms of these Minutes were approved by the stockholders present, who sign them. Salvador, August 31, 2007.

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Bernardo Szpigel  
Chairman of the Meeting

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Luiz Cesar Pizzotti  
Secretary of the Meeting

**Stockholders:**

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SUZANO HOLDING S.A.  
p.p. Bernardo Szpigel

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IPLF HOLDING S.A  
p.p. Luiz Cesar Pizzotti

## **SUZANO PAPEL E CELULOSE S.A.**

### **CONSOLIDATED BYLAWS**

#### **CHAPTER I**

##### **Name, head office, term of duration, objects**

- Clause 1** **SUZANO PAPEL E CELULOSE S.A.** is a Brazilian corporation with authorized capital, governed by these Bylaws and by the applicable legislation, operating in an ethically responsible manner and with respect for human rights.
- Clause 2** The Company has its head office in the city, municipality and district of Salvador, State of Bahia, which is its legal jurisdiction.
- Clause 3** The Company shall have indeterminate duration.
- Clause 4** The objects of the Company are:
- a) manufacture, trade, importation and exportation of pulp, paper and other products originated from the transformation of forest materials, including their recycling, and products related to the printing sector;
  - b) formation and commercial operation of homogenous forests, company-owned or owned by third parties, directly or through contracts with companies specialized in forest cultivation and management;
  - c) provision of services, and importation, exportation and commercial operation of goods related to the Company's objects;
  - d) transportation, by itself or by third parties;
  - e) participation as a partner or holder of shares in any other company or undertaking; and
  - f) operation of port terminals.

#### **CHAPTER II**

##### **Registered capital and shares**

- Clause 5** The subscribed registered capital is R\$ 2,054,426,783.47 (two billion and fifty four million, four hundred and twenty six thousand, seven hundred and eighty three Reais and forty seven centavos), divided into 314,482,319 (three hundred and fourteen million, four hundred and eighty two thousand, three hundred and nineteen) shares, without par value, of which 107,821,453 (one hundred and seven million, eight hundred and twenty one thousand, four hundred and fifty seven) are

nominal common shares; and 205,119,987 (two hundred and five million, one hundred and nineteen thousand, nine hundred and eighty seven) are class “A” preferred shares, and 1,540,879 (one million, five hundred and forty thousand, eight hundred and seventy nine) are class “B” preferred shares, both being of the book-entry type.

- § One -** The registered capital may be increased without any change in the Bylaws, by decision of the Board of Directors, up to the limit of 198,959,525 (one hundred and ninety eight million nine hundred fifty nine thousand five hundred twenty five) class A preferred shares and 5,788,776 (five million seven hundred eighty eight thousand seven hundred seventy six) class B preferred shares, all exclusively book-entry type.
- § Two -** In decisions on the issuance of preferred shares, the Board of Directors shall indicate the number, type and class of shares to be issued, price and conditions of the issue, whether the form of paying-in of subscription shall be at sight or for later payment, and in the latter case the minimum to be paid on subscription and the period and conditions for payment of the balance.
- § Three -** In the event of an increase in capital, stockholders shall have the right of preference in subscription of the shares to be issued, in proportion to the number and type of shares that they hold, for a period of 30 (thirty) calendar days from the publication of the respective notice to stockholders.
- § Four -** The Board of Directors may exclude the preference right for existing stockholders in any issue of shares, debentures convertible into shares or warrants the placement of which is made through (i) sale on securities exchanges or by public subscription or (ii) exchange of shares, in a public offering for acquisition of control, in accordance with the legislation.
- Clause 6** The class B preferred shares shall be reserved for subscription with FINOR tax incentive instruments.
- § One -** Services of custody and transfer of ownership of book-entry shares shall be provided free of charge to FINOR – Fundo de Investimentos do Nordeste – for shares subscribed by it.
- § Two -** Shares subscribed by Fundo de Investimentos do Nordeste – FINOR shall be paid by deposits of the corresponding quantity in a linked account with Banco do Nordeste do Brasil S.A. in the name of the Company, the release of the funds to take place after presentation of the proof of filing with the Commercial Board of the State and, according to the law, the Minutes of the Board of Directors which made the respective decision.

**§ Three -** The Class B preferred shares shall not be transferable until the date of issue of the Certificate of Project Completion by the competent Development Agency.

**Clause 7** Holders of class A preferred shares shall have the following benefits:

- a) priority in reimbursement of capital, in the event of liquidation of the Company;
- b) full sharing in the results of the Company, subject to the terms of item "c" below;
- c) dividend, per preferred share, at least 10% (ten percent) greater than the dividend attributed to each common share;
- c) participation, on equal conditions with the common shares, in distribution of profits in the form of bonus in cash or in any other form, and also in the capitalization of any type of reserve, including a reserve relating to revaluation of assets, subject to item "c" above.

**Sole sub-paragraph:** The class A preferred shares shall not carry the right to vote, other than in circumstances in which the law gives them this right.

**Clause 8** Holders of Class B preferred shares shall have the following benefits:

- a) priority in distribution of a minimum dividend of 6% (six per cent) per year, calculated on that part of the registered capital made up of this type of class of shares;
- b) dividend, per preferred share, at least 10% (ten percent) greater than the dividend attributed to each common share;
- c) the right to a dividend equal to that of the common shares, using the preferential dividend for this comparison, and subject to the terms of item "b" above;
- d) priority in the reimbursement of capital in the event of liquidation of the Company;
- e) participation, on equal conditions with the common shares, in distribution of profits in the form of bonus in cash or in any other form, and also in the capitalization of any type of reserve, including a reserve relating to revaluation of assets, subject to item "b" above;
- f) full participation in the results of the Company, in such a way that no other type or class of share shall have superior ownership advantages in relation to the Company's equity.

**§ One -** The class B preferred shares shall not carry the right to vote.

**§ Two -** The class B preferred shares shall acquire the right to vote if the minimum dividends to which they have the right are not paid in three consecutive business years, and they shall maintain this right until the respective payment.

- § Three -** In the event of an increase in capital the class B preferred shares shall not have right of preference for subscription of the new shares as long as they are held in the name of FINOR.
- § Four -** There shall be no preference right for subscription of securities issued under the special law for tax incentives.
- Clause 9** The Company has the right, by decision of its General Meeting of Stockholders, to create new classes of preferred shares, or increase the quantity of preferred shares of existing classes, without maintaining their proportion in relation to the other shares, provided that the total number of preferred shares without the right to vote does not exceed 2/3 (two-thirds) of the registered capital. Preferred shares may also be created or increased in number to comply with a request of stockholders under Clause 10 of these Bylaws.
- § One -** Decisions on the increase of registered capital shall indicate, in relation to the shares to be issued, how the first subsequent dividend to which the new shares are entitled shall be calculated.
- § Two -** In the event of increase in capital by incorporation of reserves or of funds of any kind, the new shares, if issued, shall maintain the same proportions in relation to quantity, type and class of shares as those existing at the moment prior to the increase, and the rights attributed to each type and class of shares issued by the Company must be fully obeyed.
- Clause 10** Stockholders may at any time request conversion of all or part of their holdings of common shares into preferred shares. This will result in each common share being converted purely and simply into one preferred share, subject to the maximum limit set by the previous Clause.
- Clause 11** Any stockholder who for any reason does not within the specified period pay in any call for capital to subscribe shares of the Company shall, for the full purposes of law, be regarded as in arrears and subject to payment of the amount subscribed with monetary adjustment, in accordance with the law, by the Market General Price Index (IGP-M, published by the FGV), plus interest of 12% per year and a penalty payment of 10% on the amount of the outstanding balance of the call.

### **CHAPTER III**

#### **The General Meeting of Stockholders**

- Clause 12** The General Meeting of Stockholders shall be convened, ordinarily, in one of the 4 (four) months following the ending of the business year and, extraordinarily, at any time when called by the Chairman of the Board of Directors, by a Vice-chairman of the Board of Directors, or in any of the cases provided for by law.

**Clause 13** The General Meeting of Stockholders shall be declared to be in session by the Chairman of the Board of Directors, or by any of the Vice-Chairmen of the Board of Directors, or by the Chief Executive Officer, and the stockholders shall then immediately elect the Chairman of the Meeting, who shall request one of those present to be secretary of the Meeting. The General Meeting of Stockholders may also be declared to be in session by the Investor Relations Director.

#### **CHAPTER IV Management of the Company**

**Clause 14** The following are the Company's management bodies:

- a) the Board of Directors: and
- b) the Executive Officers.

**Clause 15** The Board of Directors is a committee decision body, and representation of the Company is a private right of the Directors.

**Sole sub-paragraph:** The term of office of the members of the Board of Directors is 2 (two) years, and that of the Executive Officers is 1 (one) year, but both shall be extended until the new members appointed are sworn in. Re-election is allowed.

**Clause 16** The Ordinary General Meeting of Stockholders shall, annually, set the global amount of remuneration of the Board of Directors and the Executive Officers, it being for the Board of Directors to decide on the form of distribution of the amount fixed, between its members and those of the Executive Officers.

#### **SECTION 1 – THE EXECUTIVE OFFICERS**

**Clause 17** The Board of Directors shall be made up of between 5 (five) and 9 (nine) members, all stockholders, resident in or outside Brazil, elected by the General Meeting of Stockholders, who shall appoint a Chairman and up to 2 (two) Vice-Chairmen from among them.

**Clause 18** The Board of Directors shall meet on being called by its Chairman, or any of its Vice-Chairmen or by the Chief Executive Officer, with a minimum of 2 (two) days' notice and indication of the agenda. Convocation may be by electronic mail. The quorum for the Board to be in session at first convocation is at least 2/3 (two-thirds) of its members and, on second convocation, the majority of its members. The decisions of the Board of Directors shall be taken by a majority vote of members present at the



meeting, provided that one is the Chairman or one of the Vice-Chairmen. In the event of a tied vote, the Chairman of the Board of Directors shall have a casting vote.

**§ One -** Members of the Board of Directors may take part in meetings by telephone, videoconference or other means of communication; and to ensure effective participation and authenticity of the vote, members should, within the 3 (three) days following meetings of this type, deliver to the head office, or send by fax, documents signed by them confirming their participation and the content of their votes. This procedure may be dispensed with by the said member signing the corresponding minutes of the meeting of the Board of Directors, which must make reference to the medium by which the member stated his or her opinion.

**§ Two -** Any member of the Board of Directors shall have the right to be represented, through written document or through email, by one of his or her peers in the meetings of the Board of Directors, whether for the formation of a quorum, or for voting, with the option to indicate, or not, his or her vote. This representation shall be extinguished simultaneously with the closing of the meeting of the Board of Directors.

**§ Three -** Similarly, votes shall be valid if made by letter, telegram, e-mail or fax, when received by the Chairman of the Board of Directors or his substitute, up to the moment of the meeting.

**§ Four -** The Chairman of the Board of Directors may invite any of the members of the Committees of the Board of Directors or any of the Executive Officers who are not members of the Board of Directors to attend meetings, but without the right to vote, and also any other executive of the Company, or the representative of the Company's external auditors, or any third party who may be able to contribute opinions, information or suggestions or able to assist in the decisions of the members of the Board.

**§ Five -** The Board of Directors may also appoint an honorary member, a person of recognized professional competence with a history of dedication to the Company, who may be consulted on an information basis at the meetings of the Board of Directors, under rules and conditions to be set by the Board of Directors.

**Clause 19** The following shall be the attributes of the Board of Directors:

- a) to fix the general orientation of the Company's business, subject always to the ethical values adopted by the community where it is working, especially respect for human rights and the environment;
- b) to elect, evaluate or dismiss Executive Officers, at any time, and to set the attributions and competencies of each one of them where these are not provided by these Bylaws;

- c) to inspect the management as effected by the Executive Officers; to examine the books and papers of the Company at any time; to request information on contracts signed or about to be signed, and any other acts;
- d) to decide on issuance of preferred shares, in accordance with the first to fourth paragraphs of Clause 5 (five) of these Bylaws;
- e) to state an opinion on the management report and accounts of the Executive Officers;
- f) to choose, and to dismiss, the Independent Auditors, subject to the right of veto provided for by law;
- g) to set the accounting criteria and practices;
- h) to approve the long-term global strategy to be obeyed by the Company and by the subsidiary companies, and also the long-term global strategy to be proposed for the affiliated companies;
- i) to examine, approve, and monitor the execution of, the annual and multi-year capital expenditure and operational budgets, which shall be prepared by the Executive Officers;
- j) to monitor and evaluate the economic and financial performance of the Company;
- k) to state opinions on any proposals or recommendations made by the Executive Officers to the General Meeting of Stockholders;
- l) to decide on the grant, or not as the case may be, of the right of preference to existing stockholders, or to reduce the period of this right, in issues of shares, debentures convertible into shares, or warrants, the placement of which is made by one of the methods referred to in Section 172 of Law 6404/76;
- m) subject to the terms of line "l" above, to decide on the issue of securities, including promissory notes, for public or private distribution, inside or outside Brazil, in accordance with the respective legislation;
- n) to authorize initial or subsequent participation of the Company as a partner, stockholder or member of a consortium, in another company or undertaking, the giving in guarantee of any interest so acquired to third parties in the Company's transactions, or disposal in any manner or form of any stockholding or interest which is part of the Company's assets;
- o) to authorize the acquisition of shares in the Company, for the purpose of cancellation, or holding in treasury and subsequent sale;
- p) to appoint the Investor Relations Director;
- q) to authorize the Executive Officers, with limits of authority to be defined by a resolution approved at a meeting of the Board of Directors, the minutes of which meeting shall be duly registered with the Commercial Board of the State of Bahia:
  - q.1) to sell, , place a charge on or acquire assets related to the Company's fixed assets and those referred to in sub-clause "n" of this Clause;
  - q.2) to give a real guarantee of any nature, or to give a chattel mortgage;

- q.3) to agree asset or liability financial transactions, including those known as "vendor" transactions, in which the Company is a guarantor for its clients;
- q.4) to sign any other contracts in accordance with defined limits of authority in relation to amounts;
- q.5) to carry out, or order to be carried out, any acts not expressly provided for in these Bylaws provided that such acts are legally within its competence;
- q.6) to bring actions, make concessions, reach agreements or withdraw legal proceedings, procedures, measures or any other demands in Court, administrative or arbitration proceedings, and also to carry out voluntary tax offsetting, such as may result in or can result in obligations or rights on the part of the Company, or which may prejudice or can prejudice the Company's reputation or image;
- r) to decide on the establishment of a Consultative Council to provide advice to the members of the Board of Directors, and to set the positions, remuneration and rules for functioning of that body; and
- s) to create other Committees of the Board of Directors, whenever it deems this to be desirable, subject to the terms of Clause 21 below.

**Clause 20** For the purposes of: (i) increasing interaction and cooperation between the Executive Officers and the Board of Directors; (ii) providing deep analysis of material strategic matters, ensuring that there is adequate information and maximum quality and efficiency in the process of decision-making by the Board of Directors; and (iii) meeting the requirements of the latest rules on corporate governance, the Committees of the Board of Directors are hereby created, and their function shall be to give opinions on matters within their areas of competence, in accordance with these Bylaws and the decisions of the Board of Directors.

**§ One** - Each Committee shall be made up of between 2 (two) and 9 (nine) people, who up may be members of the Board of Directors, appointed by that Board and having the same period of office as its members. The chairman of the Board of Directors shall appoint a coordinator for each Committee. The members of the Committees may be members of more than one Committee, if the Board of Directors so decides, and shall have the same legal duties and responsibilities as managers of a *sociedade anônima*. The Board of Directors may dismiss or replace the members of the Committees at any time. The Committees shall decide by the majority of their members, and the Coordinator shall have a casting vote when the Committee has an even number of members.

**§ Two -** The Committees may have assistance from other professionals, and also an administrative support structure. The Company shall pay the remuneration of such professionals, including that of the members of the Committees and the expenses of the administrative support structure. When the Committees believe it to be necessary, they may also hire consultancy services from external professionals, whose fees shall be paid by the Company.

**§ Three -** The Board of Directors shall make specific rules (internal regulations) for the work, competency and procedures of the Committees.

**Clause 21** Without prejudice to the creation of other committees by the Board of Directors, the following are now created:

- a) *The Management Committee:* The attributions of this committee shall be set by the Board of Directors, and shall include, among others, advising the Board of Directors in the fulfillment of its responsibilities in the areas of finance, budget and control, management of talent, remuneration of executives, legal subjects, new business, investments, relationship with the market and investors, monitoring of results of the Company and performance of executives, and acting to promote the preparation and formulation of specific corporate policies for the areas of environment, health and safety, and also preparation of the annual Sustainability Report. This Committee should give prior opinion when a decision of the Board of Directors deals with the matters specified in the sub-clauses of Clause 19 (nineteen), with the exception of sub-Clause “h”, of these Bylaws.
- b) *The Sustainability and Strategy Committee:* The attributions of this committee shall be set by the Board of Directors, and shall include, among other matters, advising the Board of Directors on compliance with its responsibilities relating to the area of long-term strategy and its planning, and also advising the Board of Directors in the dissemination of the strategic concept of sustainability, aiming to meet the standards accepted worldwide as benchmarks of excellence. This Committee should give a prior opinion when a decision of the Board of Directors deals with the subject specified in sub-Clause “h” of Article 19 (nineteen) of these Bylaws.
- c) *The Audit Committee:* shall have its attributions indicated by the Board of Directors, including, among others, to give advice to the Board of Directors in compliance with its responsibilities in relation to analysis of the financial statements, development of internal controls, and control, inspection and coordination of the work of the Company’s internal and external audits, and also permanently to make efforts for compliance with the Code of Conduct.

**Clause 22** The Chairman of the Board of Directors has the following attributions, with the assistance, in relation to the matters in lines “b”, “c” and “d” below, at his exclusive option, of the respective Committees of the Board of Directors:

- a) to represent the Board of Directors in dealings with other parties;
- b) to suggest to the Board of Directors the general orientation of the Company’s business to be transmitted to the Executive Officers;

- c) to prepare all the elements necessary for the practice of the acts which are within the competence of the Board of Directors;
- d) to accompany and give support to the activities of the Executive Officers and/or of any of its members.

**Clause 23** If the Chairman of the Board of Directors is temporarily absent, he shall be substituted by one of the Vice-Presidents of that body, and it shall be for the Chairman of the Board of Directors to indicate the substitute; and when this does not happen, it shall be for the Board of Directors to make such indication. The same criterion shall be adopted in the same cases for any other member, who shall be substituted by one of his peers.

**§ One -** If a vacancy occurs on the Board of Directors, an Extraordinary General Meeting of Stockholders should be called, within no more than 20 (twenty) days, to decide on a replacement if one is necessary to maintain the minimum number of members of that body, or if it is deemed convenient that the post should be filled.

**§ Two -** The substitutions provided for in this Clause shall result in the exercise of the functions and of the right to vote in the meetings of the Board of Directors, but not in the remuneration and other advantages of the person substituted.

## **SECTION II – THE EXECUTIVE OFFICERS**

**Clause 24** The Executive Officers shall be the Chief Executive Officer (Director-President) and between 4 (four) and 9 (nine) others, resident and domiciled in Brazil, and of recognized technical and administrative ability, who may be stockholders, elected by the Board of Directors and able to be dismissed by it at any time, and also to be re-elected.

**§ One -** The area of specific activity and competence of each of the Executive Officers may be fixed by the Board of Directors, when not specified in these Bylaws.

**§ Two -** The members of the Executive Officers are not permitted to give personal guarantees.

**§ Three -** Having previously received the opinion of the Management Committee on the matter, the Board of Directors may, in a meeting, appoint, with the title of Joint Director, persons to direct or manage sectors or areas, and such procedure shall not result in delegation of any powers that, either by law or by these Bylaws, are particular powers of the elected Directors, nor shall it attribute to them membership of any corporate body established by the Bylaws.

**Clause 25** In the temporary absence:

- a) of the Chief Executive Officer, his replacement shall be designated by the Chairman of the Board of Directors, from among the members of the Board of Directors or the Executive Officers;
- b) of any other Director, his replacement shall be designated by the Director-President, from among the other members or from the direct subordinates of the Director who is absent or prevented, on his recommendation. In this latter case, the direct subordinate who is substituting the absent Director shall take part in all the routine activities and shall have all the duties of the said Director, including that of being present at meetings of the Executive Officers to instruct on matters relating to the Director who is substituted, without, however, exercising the right to a vote of receiving the remuneration of the person substituted.

**§ One -** In the event of a seat on the Executive Officers becoming vacant, the Board of Directors shall meet to fill the vacant seat, if this be necessary to provide the minimum number of members of that body, or if the Board of Directors believes it to be convenient to fill the post. The term of office of the Executive Officer thus elected shall terminate simultaneously with that of his peers.

**§ Two -** Subject to the terms of line “b” of the head paragraph of this Clause, substitutions made under this Clause shall result in the substitute having the post of the person substituted as well as his or her own, including the right to vote, but excluding the right to receive the remuneration or other advantages of the person substituted.

**Clause 26** The Executive Officers shall meet on convocation by the Chief Executive Officer, or by 2 (two) Executive Officers, with up to 2 (two) days’ prior notice, this period being dispensed with when all of the members take part in the meeting.

**§ One -** The meetings of the Executive Officers shall be valid when the majority of its members are present, including the Chief Executive Officer or his substitute.

**§ Two -** Decisions at all meetings of the Executive Officers shall be taken by the majority of the members present and recorded in minutes. In the event of a tied vote, the Chief Executive Officer shall have the casting vote.

**§ Three -** The Executive Officers may meet independently of the formality of convocation, when there is an urgent subject. For this meeting to be valid it is necessary that 2/3 (two-thirds) of the members of the Executive Officers be present or represented, and that the decision be taken unanimously.

**Clause 27** The following shall be attributions of the Executive Officers:

- a) to comply with the terms of these Bylaws, and the decisions of the General Meeting of Stockholders and of the Board of Directors, and cause them to be complied with;
- b) to administer and manage the Company's business in accordance with the orientation established by the Board of Directors;
- c) to produce monthly interim financial statements and deliver them to the Board of Directors;
- d) to prepare the financial statements for each business period, as specified in these Bylaws, including a proposal for allocation of the profit, and submit them to the Board of Directors;
- e) to propose to the Board of Directors the approval of the procedures referred to in Clauses 32 (thirty-two) and 33 (thirty-three) of these Bylaws;
- f) to prepare the annual and multi-year operations and capital expenditure budgets, including, among other matters, the forestry, industrial, commercial, financial and human resources plans, to be submitted by the Chief Executive Officer to the Board of Directors;
- g) to decide on the transactions indicated in lines "q.1" to "q.4" of Clause 19 (nineteen) of these Bylaws, subject, when their value does not exceed the amounts indicated in those sub-items, to the authorized limit amounts previously established by the Board of Directors or, if their value does exceed the amounts indicated in those sub-items, after prior submission to the Board of Directors;
- h) to inform the Management Committee in writing with a minimum of 5 (five) days' notice, whenever any General meetings of Stockholders, or Supervisory Board meetings, are called by any affiliated or subsidiary company, or by any project or undertaking in which the Company participates with an interest (and when there is no Supervisory Board, in any meeting of the Executive Officers or similar body), submitting proposals aiming to make clear the likely vote of the Company in such meetings;
- i) to open and/or close branch offices or warehouses throughout the whole of Brazil;
- j) to inform the Board of Directors, in the person of its Chairman, in relation to any question of singular importance for the Company's business; and

k) to seek continuous improvement in the organizational climate and results.

**Clause 28** In acts and transactions which create obligations for the Company or exonerate third parties from obligations to it, the Company shall be represented, actively and passively, by any two of its directors.

**§ One -** The Company may be represented by one Executive Officer and one person holding a power of attorney, by two persons holding powers of attorney or even by one person holding a power of attorney, provided that the power of attorney itself is given by two Executive Officers, one of them necessarily the Chief Executive Officer, and provided that the said power of attorney precisely and consistently specifies the powers that it gives and its period of validity.

**§ Two -** No powers may be subrogated under any power of attorney, except for the purposes of court proceedings, in which case subrogation shall be allowed with a Clause reserving equal powers for the delegating party.

**§ Three -** The Company may, subject to the terms of this Clause, be represented by a single Executive Officer:

- a) in acts of endorsement of checks or trade bills in favor of financial institutions, in the former case for the purposes of deposit in the Company's account; or in the latter case for the purposes of discount and/or deposit and/or trading charge and/or collection; also signing the respective contracts, proposals and bordereaux;
- b) before any federal, state or municipal public office, or independent public authority, or public companies, public mixed-capital companies or foundations, solely for administrative purposes;
- c) before the Labor Courts, the Public Attorneys' Offices, or in dealings with labor unions, including for the purposes of appointing representatives and in matters relating to hiring, suspension and dismissal of employees and/or labor agreements including labor litigation;
- d) in relation to third parties, for the purposes of representation which does not involve any type of obligation on the Company.

**§ Four -** Except for purposes of the Courts, and of representation of the Company in administrative disputes with government bodies and procedures relating to brands and patents, all other powers of attorney given by the Company shall have a maximum period of validity, namely up to 30 June of the year following the year in which they are given, unless there be established a



shorter period, which must in any event always be included in the respective instrument.

**Clause 29** The following are attributions of the Chief Executive Officer:

- a) without prejudice to the terms of Clause 28 (twenty-eight) above, to represent the Company actively or passively in the courts or outside the courts, especially to give personal testimony, and for this function he may designate a person to represent him, by special power of attorney;
- b) to represent the Company in its public and private relationships at high level;
- c) to oversee all the Company's activities in conformity with the orientation established by the Board of Directors; e
- d) to submit the annual and multi-year operations and capital expenditure budgets to the approval of the Executive Officers and the Board of Directors;
- e) to submit to examination by the Executive Officers the statistics, reports and statements which give evidence of the global results of the Company, including those of the affiliated and subsidiary companies;
- f) to stimulate good relations between the Executive Officers, the Committees and the Board of Directors, based on the interests of the Company;
- g) to keep the Board of Directors, in the person of its Chairman, constantly informed on all the facts and acts relating to the Company's activities and investments, discussing all the material aspects with him;
- h) to propose to the Board of Directors:
  - h.1) setting of financial policy, at high level, to be followed by the Company and by the subsidiary companies, and to be proposed to the affiliated companies;
  - h.2) decision on the long-term global strategy to be followed by the Company and by the subsidiary companies, and to be proposed to the affiliated companies;
  - h.3) acquisition by the Company, or its subsidiaries, or affiliated companies, of an initial or subsequent interest,

through shares, in any other company, and also the disposal of, or the placing of a charge on, any of these interests;

- h.4) formation of joint ventures or signing of partnerships of any type, or cancellation or renewals of such partnerships, by the Company or by its subsidiaries, or affiliated companies.

**Sole sub-paragraph:** Service of process on the Company shall be valid only when served on the Chief Executive Officer and one other Executive Officer.

## **CHAPTER V**

### **The Audit Board**

**Clause 30** The Audit Board is a permanent body, and shall be made up of between 3 (three) and 5 (five) sitting members and an equal number of substitute members.

**Sole sub-paragraph:** In the event of impediment or absence of any member, or a vacancy, members of the Audit Board shall be replaced by their respective substitute members.

## **CHAPTER VI**

### **Financial statements and allocation of net profit**

**Clause 31** The business year shall coincide with the calendar year, thus terminating on 31 December of each year, when the financial statements shall be prepared, together with which the management bodies shall submit to the General Meeting of Stockholders a proposal for allocation of the net profit for the business year, adjusted in the terms of Section 202 of the Corporate Law, subject to deductions, in the following order, in accordance with law:

- a) a minimum of 5% (five percent) for the Legal Reserve Fund, until it reaches 20% (twenty percent) of the registered capital;
- b) the amounts which must by law be allocated to Contingency Reserves;
- c) the amount necessary for the payment of a dividend which, in each business year, represents 25% (twenty-five per cent) of the annual net profit adjusted in accordance with Section 202 of the Corporate Law. Dividends shall be declared with full observance of the rights, preferences, advantages and priorities of the existing shares, in accordance with law and with these Bylaws and, as the case may be, with resolutions of the General Meeting of Stockholders.

d) Any balance shall be allocated in such a way as the Executive Officers propose and the Board of Directors recommends, and the General Meeting of Stockholders approves, and up to 90% (ninety percent) may be allocated to the Capital Increase Reserve, for the purpose of ensuring adequate operational conditions. This reserve may not exceed 80% (eighty percent) of the registered capital. The remainder shall be allocated to the Special Reserve Under the Bylaws for the purpose of ensuring continuity of semi-annual distribution of dividends, until such reserve reaches 20% (twenty percent) of the registered capital.

**§ One -** As provided for in Section 197 of the Corporate Law and its subparagraphs, in any business year in which the amount of obligatory dividend, calculated in accordance with these Bylaws or with Section 202 of that law, exceeds the realized portion of the net profit for the business year, the General Meeting of Stockholders may, on a proposal by the management bodies, allocate the difference to constitution of a Future Earnings Reserve.

**§ Two -** Under Section 199 of the Corporate Law, the balance of profit reserves, other than the reserves for contingencies and future earnings, may not exceed the registered capital. When this limit is reached the General Meeting of Stockholders shall decide on the application of the excess amount, either for paying-in or for increase of the registered capital, or in distribution of dividends.

**§ Three -** The General Meeting of Stockholders may allocate a participation in the profits to the members of the Board of Directors and the Executive Officers, in the circumstances and within the form and limits allowed by law.

**Clause 32** On a proposal by the Executive Officers, approved by the Board of Directors, the Company may pay remuneration to the stockholders, as interest on their equity, up to the limit established by Section 9 of Law 9249 of 26 Dec 1995; and in accordance with sub-paragraph 7 of that Section any amounts thus disbursed may be deemed part of the obligatory dividend provided for by law and by these Bylaws.

**Clause 33** Interim financial statements shall be prepared on the last day of June of each year, and the Executive Officers may:

- a) declare a semi-annual dividend, on account of the annual dividend;
- b) raise interim financial statements and declare dividends for shorter periods, on account of the annual dividend, as long as the total of the dividends paid in each half of the business year does not exceed the amount of the capital reserves;

- c) declare interim dividends on account of retained earnings or on account of profit reserves existing in the previous annual or half-yearly financial statements, on account of the annual dividend.

**Clause 34** The annual financial statements shall, obligatorily, be audited by external auditors registered with the CVM (*Comissão de Valores Mobiliários*). Such auditors shall be chosen and/or dismissed by the Board of Directors, subject, as the case may be, to the terms of Paragraph 2 of Section 142 of the Corporate Law.

## CHAPTER VII

### Liquidation

**Clause 35** The Company shall go into liquidation in the circumstances provided for by law, and the General Meeting of Stockholders shall determine the manner of liquidation and appoint the liquidator who shall function during the period of liquidation.

Salvador, August 31, 2007.

Bernardo Szpigel  
Chairman of the Meeting

Luiz Cesar Pizzotti  
Secretary