

**AGREEMENT AND PLAN OF MERGER OF
SUZANO ENERGIA RENOVÁVEL LTDA. INTO SUZANO PAPEL E
CELULOSE S.A.**

By this private instrument and in accordance with law, the management bodies of the parties mentioned below, pursuant to the applicable provisions of Federal Law 6,404 of December 15, 1976, as amended (“Brazilian Corporations Law”) and Federal Law 10,406 of January 10, 2002 (“Brazilian Civil Code”):

- 1. SUZANO PAPEL E CELULOSE S.A.**, a corporation with head office at Avenida Professor Magalhães Neto, 1752, 10º andar, salas 1009, 1010 e 1011, in the city of Salvador, state of Bahia, CEP 41810-012, inscribed in the corporate taxpayers register (CNPJ/MF) under no. 16.404.287/0001-55 and in the Company Registry (NIRE) under no. 29.300.016.331, herein represented pursuant to its Bylaws (“Suzano” or “Acquiring Company”); and
- 2. SUZANO ENERGIA RENOVÁVEL LTDA.**, a limited liability company, with head office at Avenida Brigadeiro Faria Lima, 1355, 7º andar, parte, Bairro Pinheiros, in the city and state of São Paulo, CEP 01452-919, inscribed in the corporate taxpayers register (CNPJ/MF) under no. 12.777.977/0001-07 and in the Company Registry (NIRE) under no. 35.227.990.802, herein represented pursuant to its Articles of Incorporation (“SER” or “Acquired Company”),

in light of the agreements between them to cause the merger of the Acquired Company into the Acquiring Company in accordance with articles 224 and 225 of Brazilian Corporations Law and article 1116 of the Brazilian Civil Code, sign this Agreement and Plan of Merger of Suzano Energia Renovável Ltda. into Suzano Papel e Celulose S.A. (“Merger Agreement”), which sets out the justification and conditions proposed for the transaction, as follows:

1. Justification of the Merger

1.1 The capital of the Acquired Company is sixty-nine million, seven hundred fourteen thousand, six hundred twenty-two reais (R\$ 69,714,622.00), divided into sixty-nine million, seven hundred fourteen thousand, six hundred twenty-two (69,714,622) shares, with par value of one real (R\$1.00) each, fully held by the Acquiring Company.

The capital of the Acquiring Company is six billion, two hundred forty-one million, seven hundred fifty-three thousand, thirty-two reais and sixteen centavos (R\$ 6,241,753,032.16) divided into one billion, one hundred seven million, seven hundred thirty-eight thousand, six hundred seventy-seven (1,107,738,677) shares with no par value, which consist of three

hundred seventy-one million, one hundred forty-eight thousand, five hundred thirty-two (371,148,532) registered common shares, seven hundred thirty-four million, six hundred forty-nine thousand, three hundred twenty-six (734,649,326) class A preferred shares, and one million, nine hundred forty thousand, eight hundred nineteen (1,940,819) class B preferred shares, all book-entry shares.

1.2 In light of the decision to discontinue, at this time, the activities set forth in the corporate purpose of the Acquired Company, and considering that the Acquiring Company directly holds all the shares of the Acquired Company, the merger will bring significant operational, administrative, economic or financial benefits to the companies, namely:

- (i) rationalization and simplification of their corporate structure with the concentration in a single company of all assets and, consequently, consolidation and reduction of combined operating costs and expenses, and
- (ii) the merger of the business and equity resources of the companies involved in the operation will permit better management of their operations, assets and cash flows, thus resulting in better utilization of their operating assets and more benefits for the corporate activities they perform.

Thus, the merger will meet the interests of the Acquiring Company and the Acquired Company, as well as their shareholders and the partner.

1.3 The merger will be consummated upon fulfillment of the conditions set forth in this Merger Agreement, which will be submitted to consideration and approval of the respective partner and shareholders of the Acquired Company and the Acquiring Company.

2. Valuation of the Net Assets of the Acquired Company and Reference Date of the Merger.

2.1 The merger will be carried out at the book value of the Acquired Company, determined in a valuation report based on the balance sheet of the Acquired Company prepared on August 31, 2014 (“Reference Date”), as per the carrying amounts in the books of the Acquired Company on said date (“Valuation Report”).

2.2 The net assets of the Acquired Company were valued using the book value method pursuant to law, by the expert firm KPMG Auditores Independentes, a general partnership based in the city and state of São Paulo, at Rua Dr. Renato Paes de Barros, nº 33, 17º andar, Itaim Bibi, CEP 04530-904, inscribed in the Corporate Taxpayers Register

(CNPJ/MF) under no. 57.755.217/0001-29, originally registered with the Regional Accounting Council of the State of São Paulo under no. 2SP014428/O-6, with its articles of incorporation registered in the 2nd Civil Registry of Deeds and Documents for Legal Entities of São Paulo (“Expert Firm”), hired *ad referendum* of the Extraordinary Shareholders' Meeting of the Acquiring Company.

2.3 The results of the valuation are described in the Valuation Report dated September 12, 2014, submitted by the Expert Firm, which includes all the requirements of applicable law. The Valuation Report will also be submitted to consideration and vote of the respective shareholders and the partner of the Acquired Company and the Acquiring Company, and is attached to this Merger Agreement as Appendix I - Valuation Report.

2.4 Based on the above-mentioned Valuation Report and the balance sheet included in the Valuation Report, the net assets of the Acquired Company on the Reference Date, at book value, to be transferred to the Acquiring Company are forty-one million, one hundred sixty-six thousand, five hundred thirteen reais and fifty-seven centavos (R\$41,166,513.57).

3. Terms of Merger

3.1 The merger will be carried out under the following terms:

- (a) all the asset and liability items of the Acquired Company will be transferred to the Acquiring Company. The assets and liabilities of SER to be transferred to Suzano include, merely as an example and without prejudice to other assets and liabilities comprising the equity of SER, the following: (i) all assets and rights listed in Appendix II hereto; (ii) all commercial establishments and branches of SER; and (iii) all licenses and/or rights of SER.
- (b) considering that the net assets of the Acquired Company to be transferred to the Acquiring Company, amounting to forty-one million, one hundred sixty-six thousand, five hundred thirteen reais and fifty-seven (R\$41,166,513.57), correspond solely to the interest held by the Acquiring Company in the capital of the Acquired Company, the merger will be carried out without any increase in the capital of the Acquiring Company;
- (c) the values of the asset and liability items of the Acquired Company are already fully reflected in the equity of the Acquiring Company through equity accounting. Hence the merger will not entail any change in the capital of the Acquiring Company or the issue of new shares, and the sixty-nine million, seven hundred fourteen thousand, six hundred twenty-two (69,714,622) shares issued by the Acquired Company will be canceled as a result of the merger.

3.2. Changes in equity after the Reference Date will be absorbed and booked directly by the Acquiring Company.

3.3 Once the merger is approved by the respective shareholders and the partner of the Acquiring Company and the Acquired Company, the Acquired Company will be dissolved and succeeded by the Acquiring Company, without interruption, in all its assets and liabilities, rights and obligations of any nature, and the Acquiring Company will be responsible for filing and publishing the merger records.

3.4 To consider and vote on the underlying merger of this Merger Agreement, an (i) Extraordinary Shareholders' Meeting of Suzano; and (ii) a Meeting of the Partners of SER will be held.

3.5 The Executive Officers of the Acquired Company and the Acquiring Company shall take all the measures necessary to consummate the purpose of this Merger Agreement, including, but not limited to, any registrations, filings and declarations with the competent public authorities.

IN WITNESS WHEREOF, the parties sign this instrument in six (6) counterparts of equal content, in the presence of two (2) witnesses.

São Paulo, August 12, 2014.

Suzano Papel e Celulose S.A.

By:

Position:

Suzano Papel e Celulose S.A.

By:

Position:

Suzano Energia Renovável Ltda.

By:

Position:

Suzano Energia Renovável Ltda.

By:

Position:

Witnesses:

1.

Name:

RG No.:

2.

Name:

RG No.

Appendix I

Valuation Report of Suzano Energia Renovável Ltda.

Appendix II

List of Properties owned by Suzano Energia Renovável Ltda.