



## SUZANO PAPEL E CELULOSE S.A.

Publicly Held Company

Corporate Taxpayer ID (CNPJ/MF): 16.404.287/0001-55

Company Registry (NIRE): 29.3.0001633-1

### COMMUNICATION ON RELATED PARTIES TRANSACTION

**São Paulo, October 3, 2017** – SUZANO PAPEL E CELULOSE S.A. ("Company"), in compliance with Instruction 480 issued by the Securities and Exchange Commission of Brazil ("CVM") on December 7, 2009, as amended, hereby informs the following, in accordance with Appendix 30-XXXIII of CVM Instruction 480/09:

#### I. description of the transaction:

##### a) the parties and their relationship with the issuer:

The Company, parent company Suzano Holding S.A. ("Suzano Holding") and Banco do Brasil S.A. ("Banco do Brasil").

##### b) the purpose and main terms and conditions:

On September 25, 2017, the Company, as beneficiary, entered into a "Fixed-Rate Credit Agreement" with Banco do Brasil, as operational agent and onlender of funds from the Northeast Development Fund (FDNE), and Suzano Holding, as consenting intervening party ("Agreement").

The Agreement provides for the granting of credit, in the amount of up to R\$ 260,189,953.00, to be extended using funds from the Northeast Development Fund (FDNE), in accordance with the terms approved by the Northeast Development Agency (Sudene), for use for financing the implementation and formation of eucalyptus forests for pulp extraction, in municipalities in the states of Maranhão, Bahia, Espírito Santo and Minas Gerais, in order to meet demand from the Company's industrial units in Imperatriz, Maranhão and in Mucuri, Bahia. The Agreement establishes: (i) a grace period of up to seven (7) years; (ii) amortization in two semiannual installments due after the end of the grace period; and (iii) interest at a fixed rate of eight percent (8%) per annum, paid jointly with the installments to amortize the principal.

To ensure payment of the obligations arising from the Agreement, the following guarantees were given:

- a. Suretyship from Suzano Holding, up to the limit of seventy percent (70%) of the outstanding balance ("Suzano Holding Suretyship"); and



- b. Fiduciary Assignment of Receivables of the Company deposited in a liquidity reserve account (“Fiduciary Assignment”).

The Agreement provides, further, that to substitute the guarantees constituted above, the Company shall constitute on behalf of Banco do Brasil, within a period of 180 days as from the execution date of the Agreement, extendable for up to three equal periods, a mortgage on the real estate properties of the Company (“Mortgages”).

As compensation for giving the Suzano Holding Suretyship, the Company shall pay Suzano Holding a commission of 1.05% per annum, applicable on the balance of the amount guaranteed, calculated on the payment date of the compensation. The Suzano Holding Suretyship was granted in accordance with the Policy for Granting Accommodations, Suretyships and Other Guarantees approved by the Meeting of the Board of Directors of the Suzano Papel e Celulose held on February 28, 2011 (“Accommodation and Suretyship Policy”).

**II. if, when, how and to what extent the counterparty in the transaction, their partners or managers participated in the process:**

**a) of the issuer’s decision with regard to the transaction, describing said participation:**

The Agreement was negotiated directly and independently by the managers and the financial department of the Company, without any participation of Suzano Holding, its shareholders or managers in the Company’s decision-making process.

The execution of the Agreement was approved unanimously in a Meeting of the Board of Directors of the Company, held on December 19, 2016.

**b) of the transaction’s negotiations as representatives of the issuer, describing said participation:**

The Agreement was negotiated directly and independently by the managers and the financial department of the Company, without any participation of Suzano Holding, its shareholders or managers in the Company’s decision-making process.

**III. detailed justification of the reasons why the management of the issuer believes the transaction was carried out on an arm’s length basis or provides adequate compensatory payment:**

**a) if the issuer requested proposals, conducted some type of price-solicitation procedure or tried in some other way to conduct the transaction with third parties, explaining, if negative, the reasons why it did not do so or, if affirmative, the procedures conducted and their results;**

The Suzano Holding Suretyship was granted in accordance with the terms of the Suretyship.

As provided for in the Accommodation and Suretyship Policy, the Company received quotes from three (3) banks in order to verify the market rates charged for the giving of a suretyship. In accordance with the Accommodation and Suretyship Policy, as compensation for giving the suretyship, the Company shall pay



Suzano Holding a commission equivalent to 95% of the lowest quotes received by the Company from the banks.

Since the lowest quote received by the Company was 1.10% per annum, the amount to be paid by the Company to Suzano Holding shall be equivalent to 1.05% per annum, applicable on the balance guaranteed ("Commission Amount").

**b) the reasons that led the issuer to carry out the transaction with a related party rather than a third party:**

The granting of the Suzano Holding Suretyship observed the Accommodation and Suretyship Policy and was contracted at terms and conditions more advantageous than those offered by the three quotes received by the Company. The Commission Amount to be paid to Suzano Holding is lower than what would be paid if the suretyship were contracted from a financial institution.

**c) a detailed description of the measures taken and the procedures adopted to ensure the transaction was conducted on an arm's length basis:**

As cited in item III (a) above, the Company received three (3) quotes from prime banks. The compensation paid to Suzano Holding shall be less than the compensation that would be paid to the banks that sent quotes if Suzano Holding had not granted the suretyship.

São Paulo, October 3, 2017.

Marcelo Feriozzi Bacci  
Investor Relations Officer