Code	Revsion	Date	Issued by	Approved by
POL 09.00003	0.0	05/03/2017	GEFIN	RCA
Title: Debt Policy				

Contents

1 OBJECTIVE

The Debt Policy (“Policy”) aims to establish the guidelines and responsibilities that guide the management of the financial liabilities of Suzano Pulp and Paper (“Company”). This Policy establishes maximum reference parameters for the ratio of net debt to Adjusted EBITDA in certain conditions. Furthermore, the Policy determines guidelines for the currency indexation strategy of Net Debt.

2 SCOPE

This policy applies to Suzano Pulp and Paper (“Suzano”) and its subsidiaries.

3 REFERENCE DOCUMENTS

Not applicable

4 DEFINITIONS

EBITDA: acronym for earnings before interest, tax, depreciation and amortization. It basically represents the Company’s Operating Cash Flow, excluding financial and tax impacts.

Adjusted EBITDA: Adjusted EBITDA is calculated by excluding non-recurring and/or non-cash items.

Net Debt: obtained by subtracting Total Cash from Gross Debt.

5 GUIDELINES

5.1 – Monitoring Rule

5.1.1 Net Debt/Adjusted EBITDA Ratio

The Company must seek to keep the ratio of Net Debt to Adjusted EBITDA under 3.0, although it may temporarily reach a maximum ratio of 3.5 during certain periods of the investment cycle. In the event of a temporary breach of the ratio limit due to abrupt variations in exogenous factors, such as the exchange rate, a temporary limit of 4.0 may be adopted for up to two quarters.

5.1.2 Currency indexation strategy of Net Debt

The Company must seek to maintain 100% of its Net Debt pegged to the currencies in which it generates its net cash. The Chief Financial Officer is responsible for validating this proportion of currencies, which must be reviewed on a monthly basis. There is a tolerance of 5 percentage points above and below the percentage defined.

5.2 – Decision-Making

5.2.1 Net Debt/Adjusted EBITDA Ratio

The Company's strategic and management decisions must observe the above limits in the long term.

5.3 – Contingency Plan

5.3.1 Net Debt/Adjusted EBITDA Ratio

If the ratio of Net Debt to Adjusted EBITDA were to surpass such limits set in this Guideline, the Board of Executive Officers of the Company is responsible for drafting a contingency plan that includes the corrective measures required for reestablishing compliance. This plan must be submitted for approval of the applicable Governance bodies and duly monitored by those responsible for the management of the Company.

5.3.2 Currency indexation strategy of Net Debt

If the currency indexation of Net Debt fails to comply with the established range, due to non-recurring factors, such as the exchange rate or new international loans, the Treasury Department must report such fact to the Chief Financial Officer, who must decide on an action plan.