



Klabin

KLABIN S.A.

CNPJ: 89.637.490/0001-45

NIRE: 35300188349

Publicly Held Company

MATERIAL FACT

Klabin S.A. ("Klabin" or "Company"), in compliance with the provisions of article 157, paragraph 4, of Law 6,404/76, in continuity to the Notice to the Market disclosed on April 8, 2020 and the Material Facts disclosed on July 22, September 15 and October 15, 2020, hereby informs its shareholders and the market in general that, on this date, BNDES Participações S.A. - BNDESPAR ("BNDESPar") and Sogemar S/A ("Sogemar") signed a Private Transaction Agreement ("Transaction Agreement"), whereby Sogemar accepted to reduce its proposal for the share exchange ratio in the merger of Sogemar by the Company ("Merger") and BNDESPar expressed its support to the implementation of the Merger on such adjusted terms ("Adjusted Proposal").

The effectiveness of the Transaction Instrument is subject to the approval of its terms by BNDESPAR's Board of Directors and Klabin's Board of Directors.

The Adjusted Proposal foresees **(i)** the reduction of the number of shares to be issued by Klabin as a result of the merger of Sogemar to 69,394,696 (sixty nine million, three hundred ninety four thousand and six hundred ninety six) new common shares; **(ii)** the call of a new Extraordinary General Meeting to resolve on the Merger under the Adjusted Proposal, to be held by December 15, 2020.

With full transparency and information symmetry as a priority, the Company hereby discloses the entire Transaction Instrument below.

São Paulo, October 15, 2020.

Marcos Paulo Conde Ivo

Chief Financial and Investor Relations Officer

PRIVATE TRANSACTION AGREEMENT

This agreement, by and between:

BNDESPAR, a corporation enrolled before the Tax Authorities under Taxpayer ID CNPJ/MF No. 00.383.281/0001-09, with registered offices at Centro Empresarial Parque da Cidade, Setor Comercial Sul - SCS, Bloc 9, Tower C, 12th floor m, suite 1201, Asa Sul, Postal Code 70.308-200, in the city of Brasília, Federal District, and central services office and tax domicile at Avenida República do Chile 100-part, Center, city and state of Rio de Janeiro, represented herein pursuant to its Bylaws (“BNDESPar”);

SOGEMAR S/A, a limited liability society enrolled before the Tax Authorities under Taxpayer ID CNPJ No. 02.721.797/0001-41, with registered offices in the city and state of São Paulo, at Rua Tabapuã, 1123, represented herein pursuant to its Statutes (“Sogemar”, and collectively with BNDESPAR, the “Parties”)

And as Consenting Party,

KLABIN S.A., a corporation enrolled before the tax Authorities under Taxpayer ID CNPJ No. 89.637.490/0001-45, with registered offices in the city and state of São Paulo, at Avenida Brigadeiro Faria Lima, 3.600, represented herein pursuant to its Bylaws (“Klabin” or “Company”);

WHEREAS

(a) on March 08, 2019, BNDESPAR, Sogemar and Klabin executed a Private Standstill Transaction Agreement (“Standstill”), under which they agreed, among other measures, that matters associated with the brand licensing agreement entered into by and between the Company, Klabin Irmãos & Cia. and Sogemar (“Licensing Agreement”) would be discussed at the Board of Directors of Klabin, as provided for in the Standstill, and subsequently submitted to the Company’s General Meeting;

(b) analysis by the Board of Directors was carried out by a Working Group made up entirely of independent Directors who were not direct or indirect beneficiaries of the Licensing Agreement, the findings of which were announced to the market on April 08, 2020, together with supporting documents;

(c) after negotiations, the Management of Klabin received a proposal from Sogemar based on the Working Group's findings. According to this proposal, Klabin would take over Sogemar. Consequently, the Licensing Agreement would be terminated and ninety-two million, nine hundred and two thousand, one hundred and eighty-eight (92,902,188) new common shares of the Company would be issued for the shareholders of Sogemar ("Original Proposal");

(d) the Original Proposal was approved by the independent members of the Board of Directors at a meeting held on July 21, 2020;

(e) on August 14, 2020, BNDESPAR sent letter DIR 4 No. 26/2020 to the Company, indicating its dissenting opinion from that of the majority of the independent members of the Company's Board of Directors;

(f) on September 15, 2020, an extraordinary General Meeting was called to convene on October 30, 2020, at which only shareholders with no rights under the Licensing Agreement shall be entitled to a vote to resolve on the Original Proposal ("EGM");

(g) after the call for the EGM to convene, BNDESPAR and Sogemar held talks where, in pursuit of a final solution for the matter beneficial to the collectivity of the Company's shareholders, and bearing in mind the lasting and fruitful relationship between Klabin and BNDESPAR, they decided to uphold the entirety of the Original Proposal, with the exception of the amount of the takeover of Sogemar by Klabin S/A, which has been reduced to R\$ 274 million (two hundred and seventy-four million Brazilian *Reais*), equivalent to 69,394,696 (sixty-nine million, three hundred and ninety-four, six hundred and ninety-six) common nominative shares to be issued upon the takeover ("Adjusted Proposal"), calculated in accordance with item (ii) on page 27 of the Management Proposal of the Extraordinary General Meeting scheduled to take place on October 30, 2020; and

(h) furthermore, the Management of Klabin decided to submit to the Company's Board of Directors a proposal providing for the seating of certain committees, as described in Clause (2), below, embracing certain recommendations from BNDESPAR in letter DIR 4 No. 26/2020; and

SO, THEREFORE, the Parties resolve to execute the present Private Transaction Agreement ("Agreement"), to be governed by the following clauses and conditions:

1. Purpose. The purpose of the present Agreement is to establish guidelines for the Takeover of Sogemar by Klabin. The Parties shall take into account the herein agreed terms to resolve on the takeover, and said terms shall be duly reflected in every document required for implementation thereof.

1.1. Sogemar hereby commits to amend its Original Proposal to include what was agreed herein, requesting the Company to postpone or cancel the EGM called for October 30, 2020. Klabin agrees to submit to the Board of Directors the terms of the Adjusted Proposal, which shall be voted exclusively by its independent members who are not beneficiaries, directly or indirectly, of the Licensing Agreement.

1.1.1 If the Adjusted Proposal is approved by the Board of Directors of Klabin, the parties agree that, following such approval, it shall be resolved by such body (i) to rectify the terms of the convening of the EGM to reflect the terms of the Adjusted Proposal or (ii) to convene a new EGM, to be held no later than 12/15/2020.

1.2. As a result of the Takeover at hand, Klabin shall issue 69,394,696 (sixty-nine million, three hundred and ninety-four, six hundred and ninety-six) common nominative, book-entry shares, with no face value, bearing identical rights as Klabin's existing common shares. Said share shall be delivered to the partners of Sogemar proportionally with the respective shares of Sogemar's equity capital, replacing the shares to be extinguished.

1.3. At the time of the Meeting of the Board of Directors approving (i) the rectification of the EGM as provided in foregoing letter (f) or (ii) calling a new EGM to convene as agreed hereunder, the Board of Directors of Klabin shall install three Advisory Committees to the Board of Directors (Audit and Related Parties Committee, Sustainability Committee, and Compensation Committee), provided the limitations set forth under Law No. 6.404/76, by the Brazilian Securities and Exchange Commission – CVM, and by the Company's Bylaws. The Committees shall be permanent and shall be made up of a minimum three (3) and a maximum five (5) members elected by the Board of Directors of Klabin S/A. The members of the Committees shall serve terms of one (1) year, and may be reelected for a like period, to coincide with the beginning and end of the terms of office of the members of the Company's Board of Directors. The Committees shall report to the Board of Directors through the respective Coordinators. The Committees shall take resolutions by a majority vote of the members in attendance. The Board of Directors shall set the compensation for the members of the Committees, as well as the budget intended to cover their operating expenses. The purview and duties of each Committee shall be defined according to the respective Charters, as approved by the Board of Directors.

1.3.1. The committees shall be made up of a majority of external members to be freely selected by the Board of Directors. External members shall be persons who are not members of the Company's Controlling Group.

1.4. BNDESPAR shall hereby formally endeavor to support the proposed takeover of Sogemar by Klabin at the EGM to be called to convene pursuant to Clause 1.1.1 by not selling/alienate its shares until a new EGM convenes; and to vote favorably for the Takeover of Sogemar by Klabin at the referred EGM.

2. **Final Documents, Conditions Precedent.** Execution of the Takeover of Sogemar by Klabin shall be subject to the usually applicable conditions for such operations, including: (i) negotiation and conclusion of the respective corporate documents; and (ii) securing Sogemar's and Klabin's approvals of the Takeover Protocols. The obligation set forth in item 1.4 only becomes effective as from the publication of the Takeover Protocol to the

Company's shareholders reflecting the provisions of this instrument, formally signed by the legal representatives of the Company and Sogemar.

3. Representations and Guarantees. The Parties hereby mutually declare and guarantee that: (i) they fully understand the herein terms and conditions and have the capacity, as well as all required authorizations, to execute the present Agreement and honor the respective obligations hereunder; and (ii) execution of the present Agreement and honoring the obligations hereunder shall not be in breach of any contractual or statutory obligations, and shall not be in breach of any law, or court or arbitration panel ruling applicable to the signatories.

4. Discharge. The Parties and the Company declare that they have no claim against each other regarding the Stand Still, recognizing that the terms of the Stand Still have been fully complied with up to the present moment.

5. Indemnity. The Parties are aware that implementation of the Takeover of Sogemar by Klabin is subject to a series of circumstances beyond their reasonable control and that there is therefore no guarantee that the corporate operation shall be effectively consummated.

6. Force. The present Agreement shall remain in force until 12/15/2020, the latest date for resolution on the Takeover of Sogemar by Klabin. If, for any reason not imputable to Klabin or Sogemar, no resolution on the operation is taken until the date provided in Clause 5 hereof, irrespective of the reason, the present Agreement shall be rescinded for all legal intents and purposes, irrespective of notice or notification, and without creating any right to indemnity, compensation, refund or reimbursement for any of the signatories, with the exception of Clause 6 (Applicable Law and Jurisdiction) which, by its very nature, shall remain in force.

7. Conditions of Effectiveness of this Instrument. Under the terms of Art. 125 of the Civil Code, the effectiveness of this Instrument is subordinated to the following cumulative events (i) approval by the BNDESPAR Board of Directors and (ii) approval by Klabin Board of Directors.

8. **Applicable Law and Jurisdiction.** The present Agreement shall be governed by and construed according to the laws of the Federative Republic of Brazil. The parties, from now on, assume the commitment to submit to arbitration, definitively, all and any divergence or dispute related to this instrument, including its interpretation, execution, default, termination or nullity, which shall be conducted in the Chamber of Market Arbitration - B3 and decided by Arbitration Court, which shall be composed of 3 (three) arbitrators, and each of the Parties shall appoint one arbitrator and the third, who shall act as chairman of the arbitration court, shall be appointed by both Parties jointly, in strict compliance with Law n. 9.307/96 and other applicable laws.

8.1 **Location and Language.** The arbitration will be held in the City of São Paulo, State of São Paulo, where the arbitral decision will be rendered. The language of the arbitration will be Portuguese.

8.2 **Forum.** The Parties elect the District Court of the city of Rio de Janeiro, State of Rio de Janeiro as the competent court to guarantee the existence and effectiveness of the arbitration procedure, to obtain coercive measures or precautionary proceedings of preventive nature, provisional and/or permanent, and to determine the execution or annulment of the arbitration decision, with renunciation of any other, however privileged it may be.

8.3 **Sentence.** The arbitration decision shall be final and binding in regard to the Parties and shall not be subject to ratification and/or appeal to the Judiciary. As part of the sentence, the Arbitral Tribunal shall condemn the losing Party to reimburse the winning Party for the arbitration costs incurred, as well as to pay attorney's fees for the succumbential.

9. **Binding Agreement.** The herein clauses and obligations shall be binding upon the Parties and their successors, and shall be irrevocable and non retractable.

In witness whereof, the Parties have caused the present Agreement to be signed in three (3) identical counterparts, in the presence of the two undersigned witnesses.

São Paulo, October 15, 2020.

BNDESPAR:

BNDES PARTICIPAÇÕES S.A. – BNDESPAR

SOGEMAR:

SOGEMAR S/A

Consenting Intervener KLABIN:

KLABIN S.A.

Witnesses: