FIBRIA CELULOSE S.A.

EXERPT FROM MARKET RISK MANAGEMENT POLICY

On July 28, 2016, Fibria's Board of Directors approved the annual revision of the Company's Market Risk Management Policy.

The Market Risk Management Policy is the policy that determines the broad market risk management parameters. Under the master policy we have: Cash Investment Management, Foreign Exchange Risk Management, Interest Rate Risk Management, Pulp Price Risk Management, Counterparty and Issuer Risk Management and Indebtedness Management.

The investment management has the purpose of managing market risk, liquidity risk and counterparty risk of the Company's cash investment. The Policy defines: eligible financial instruments, a minimum amount on low risk assets (Brazilian or U.S. treasury) and eligible counterparty or issuer. For the credit risk control, it has maximum concentration limits on private counterparty. All onshore hedging operations and cash investments are registered on the securities clearinghouse (CETIP).

For cash investments on private counterparties or issuers, it applies the following parameters:

- Minimum global rating "BBB+" (S&P/Fitch) or "Baa1" (Moody's), for counterparties outside Brazil;

- Minimum Brazilian rating "A" (S&P/Fitch) or "A2" (Moody's), for counterparties in Brazil;
- A maximum allocation per counterparty of the least of:
    - Up to 10% of the counterparty net worth (according to the counterparty rating);
    - Up to 25% of Fibria's total cash per counterparty for cash investments in Brazil (according to the counterparty rating);
    - Up to 27,5% of Fibria's total cash per counterparty cash investments outside Brazil (according to the counterparty rating);
    - Up to 15% of Fibria's net worth.

The Company will maintain a Minimum Cash Balance, as defined below, in order to avoid that any cash flow mismatches jeopardizes its liquidity.

The Minimum Cash Balance is defined as the sum of: (i) the minimum cash necessary to support Fibria´s operational cash conversion cycle; (ii) the minimum cash necessary to support short term debt service, which includes interest and principal (for the next 12 months); (iii) income tax and other fiscal contributions (for the next 12 months); and (iv) revolving credit facilities (Revolver / Stand by facility), provided that the remaining term is longer than 360 days.

In addition, the Company may seek additional liquidity, through a revolving credit facility, to meet the minimum cash balance according to rating agencies methodology.

The market risk management objective is to protect the potential cash generation in Brazilian Real using hedging instruments (for interest rates, foreign exchange rates and pulp price). For the use of hedging instruments applies the following parameters and rules:

- Have an effective or highly probable exposition to hedge;
- Not have leverage;
- Use only the approved instruments: Plain Vanilla Swap, Forward, Call, Put, Collar or Futures (BM&F Bovespa);
- Adequate concentration on private counterparty by credit rating;
- Daily derivatives fair value monitoring;
- Compliance of the cash flow's hedged position for the maximum tenor of 12 months, which can be up to 18 month with the Financial Committee recommendation. Unusually for the period from the start of construction of Três Lagoas 2 Project until it has reached its full operational capacity, cash flow hedge position may reach the limit of 36 months;
- For loan's hedged position, the maximum tenor and amount are determined by the underlying's loan terms.
- Annual revision of the Market Risk Policy and its complementary policies.

The annual Policy revision is approved by the Board of Directors.

The company has a Market Risk Commission, responsible for the technical analysis and monitoring its financial transactions. This Commission gathers every two months and has members of the Financial department and the Governance, Risk and Compliance department. The Financial Committee, composed mainly by Stockholders, which gathers at least 6 times per year, is consulted,informed and provides recommendation to the Board of the Company's main financial operations.

The Governance, Risk and Compliance department is responsible for the control and compliance of the market risk exposure of the Company. It reports independently for the CEO and for all other departments and Committees involved in this process. The Treasury department is responsible for the execution and management of the financial transactions.

The monitoring is done by an internal system that allows the company to have a daily mark-to-market data and other exposure analysis. The company also has an internal mark-to-market manual and risk exposure manual, revised by a specialized risk consulting firm, which determines the methodology used for derivatives calculations.