

DISCLOSURE AND NEGOTIATION POLICY
APPLICABLE NOT ONLY TO CONTROLLING SHAREHOLDERS AND THEIR
MANAGERS, BUT ALSO TO ALL EMPLOYEES (EITHER MANAGERS OR
NOT), WHO HAVE ACCESS TO INSIDE INFORMATION

Pursuant to Instruction CVM no. 358, of January 03, 2002,

"It is considered as relevant, for the purposes of this policy, any decision of the controlling shareholder, deliberation of the general meeting or by the boards of administration of open companies, or any other act or fact of a political-administrative, technical, negotial or economic-finance character occurred or related to their business which may have a considerable influence on:

- a) the quotation of securities issued by the Open Capital Company or referred to it;
- b) investors' decision to buy, sell or hold those securities;
- c) investors' decision to exercise any rights inherent to the condition of holders of securities issued by the company of referred to them.
- d) observing the definition in the caput, examples of an act or fact potentially relevant, among others, are the following:

I - signature of an agreement or contract to transfer company's shareholding control, even on a suspensive or resolutive condition;
II - change of company's control, including through the signature, amendment or rescission of a shareholder agreement;
III - signature, amendment or rescission of a shareholder agreement which the company is a party of or an intervening party of, or which has been recorded on the company's proper book;
IV - joining or removal of a partner which holds an agreement for operational, financial, technological or administrative cooperation with the company;

V - authorization for negotiation of securities issued by the company in any market, either national or international;

VI - decision to promote the cancellation of registration of the Open Capital Company;

VII - incorporation, merger or spin off involving the company or its related companies;

VIII - transformation or dissolution of the company;

IX - change in the composition of company's equity;

X - change to accounting criteria;

XI - debt renegotiation;

XII - approval of the plan to grant option to purchase shares;

XIII - change to the rights and advantages of securities issued by the company;

XIV - share splitting or grouping or assignment of bonuses;

XV - acquisition of company's shares to be held in the treasury or for cancellation, and alienation of shares so acquired;

XVI - company's profit or loss and assignment of remuneration in cash;

XVII - contract signature or cancellation, or its unsuccessful carrying out, when the expectation of materialization is known to the public;

XVIII - project approval, change or waiver or delay in its implementation;

XIX - start, retaking or shutdown of product manufacturing or commercialization, or service provision;

XX - discovery, change or development of company's technology or resources;

XXI - change to projections disclosed by the company;

XXII - filing of composition with creditors, filing for or confession of bankruptcy or proposal of lawsuit which may impact company's economic-financial situation."

WHEREAS:

- a) it is the responsibility of the Open Capital Company administrator to keep secrecy on any information which has not yet been disclosed for market information, obtained in connection with the position occupied and capable of having a considerable influence on the securities quotation, being the administrator forbidden to use any of such information to obtain for himself/herself any benefit from the purchase or sale of such securities (art. 155, 1 of the Brazilian Corporate Law);

- b) it is the responsibility of the controlling shareholders, directors, members of the board of administration, of the audit committee and any other boards with technical or consulting functions, created by corporate provision and company's employees the obligation to keep secrecy on any information relative to the relevant act or fact, as provided for in article 8 of Instruction CVM no. 358 of January 03, 2002, until communication and disclosure to the market;

- c) that the obligation to keep the secrecy of, as well as not to make use of inside information to obtain for himself/herself or for anybody else, any benefit upon negotiation with securities, is also extended to subordinates and even to third parties of trust to the administrators,

The following must be observed, by controlling shareholders, administrators and employees of the company:

- I - exclusively use the Securities Broker for the trading of securities;

- II - The company's controlling shareholders and administrators must inform, in writing, the Officer of Investor Relations:
- a) immediately after their investiture in the position or, in case of the controlling shareholder, as soon as he/she starts to fit such condition, the quantity of Klabin S/A shares he/she eventually holds at that moment, as well as those held by his/her spouse, except if he/she is actually or judicially separated from him/her, or held by his/her mate and any of his/her dependent included in his/her annual income tax statement;
 - b) their plans for periodical trading with Klabin S/A shares, as scheduled investment or divestment, as well as those eventually related with the persons mentioned in letter "a" of this item I.
 - c) inform, likewise, until the 5th (fifth) working day subsequent to the trading date, any change to his/her shareholding participation and/or that of the mentioned direct dependents;
 - d) it is under the competence of the Officer of Investor Relations to disclose and report to CVM and, if applicable, to the stock exchanges and to entities of the organized over-the-counter market where the securities issued by the Company are accepted for trading, any relevant act or fact occurred or related to its business, as well as to care for its wide and immediate dissemination, simultaneously in all markets where such securities are accepted for trading.
 - e) the disclosure of a relevant act or fact must, whenever possible, take place before the start or closing of the trading at the stock exchanges and entities of the organized over-the-counter market where the securities issued by the company are accepted for trading.

- f) since the securities issued by the company are accepted for simultaneous trading in the Brazilian market and in the North-American market, the disclosure of the relevant act or fact must be made, whenever possible, before the start or after the closing of the trading in both countries, prevailing, in case of incompatibility, the working hours of the Brazilian market.
 - g) in case it is imperative that the disclosure of the relevant act or fact takes place during the trading time, the Officer of Investor Relation may, when reporting the relevant act or fact, request, always simultaneously, to the stock exchanges and entities of the organized over-the-counter market, either national and international, where the securities issued by the Company are accepted for trading, the suspension of the trading of the securities issued by the Company, or related to these, for as long as necessary for adequate dissemination of the relevant information.
- II - Any change, positive or negative, which comes to happen in the quantity of shares informed in accordance with the provisions in the previous item, or any non-compliance with the program referred to in letter "b" of that same item I, must be informed to the Officer of Market Relations, in writing, within a maximum of 10 (ten) days after the end of the month when the event occurred.
- III - The company's controlling shareholders and administrators, by themselves and by the persons mentioned in item I above, as well as the employees who have access to inside information, should not trade (purchase or sell) shares of Klabin S/A, during the following periods:
- a) before disclosure to the market of a relevant act or fact occurred in Company's business;

- b) within 15 (fifteen) days prior to disclosure, to the market, of Quarterly Information - ITR and Annual Information (DFP and IAN);
 - c) during the period between the date of any decision of the Board of Directors and the date of publication of the respective notices or announcements, relative to:
 - any form of capital increase, including with share grouping or splitting;
 - distribution of dividends;
 - bonuses.
 - d) during the period when it is in course the acquisition or alienation of shares issued by the Company by the very Company, its subsidiaries, colligated or any other society under common control, or if an option or mandate has been granted, for the same purpose, as well as when there is an intention to promote the incorporation, total or partial spin off, merger, transformation or corporate reorganization;
- IV - The prohibition also applies to administrators which leave the administration of the company before public disclosure of a business or fact started during its management period and which shall be extended for 6 (six) months after his/her leave.
- V - The controlling shareholders and administrators, by themselves and by those persons mentioned in item I of the present policy, as well as the employees who have access to inside information must retain the shares issued by Klabin S/A they hold, for a minimum of 180 (one hundred and eighty) days, before the new trading.

- VI - The administrators cannot, directly or through their representatives:
- a) acquire or alienate Klabin S/A shares at term or forward;
 - b) acquire Klabin S/A shares financed by a broker firm (margin purchase);
 - c) loan or borrow (margin sale) Klabin S/A shares;
 - d) acquire or alienate purchase or sale options of Klabin S/A shares, excluding the purchase option which eventually comes to be granted by the company to its administrators or employees, or to individuals who provide services to it.
- VII -The Company, by its Officer of Investor Relations must formally inform the terms of the present deliberation of its controlling shareholders and to persons who occupy or come to occupy those functions mentioned in item V above and obtain their respective formal adherence, in an instrument to be filed at the headquarters of the company, as long as the person holds a link with it, and for a minimum of five years, after his dismissal.
- VIII - It shall be kept at the headquarters of the Company, at the disposal of CVM, a list of those persons mentioned in item V above, their respective qualifications, indication of their position or function, address and enrollment number at the Corporate Taxpayer Registry of the Ministry of Finance, which shall be updated whenever there is any change.

- X - The disclosure, in writing or verbally, of information fully or partly related with the policy, markets and results of the company and/or its Subsidiaries, can only happen within the limits of their respective competences, by:
- a) Chairman of the Board of Directors of KLABIN S.A. and its Subsidiaries;
 - b) General Officer of the Company;
 - c) Officer of Investor Relations of the Company;
 - d) Officer of Corporate Affairs of the Company.
- i) In specific cases, the above listed Officers may delegate to other Officers and/or administrators of their trust, the disclosure of the information on certain sectors.
- ii) This guidance must be transmitted to the whole team of administrators of KLABIN S.A. and its Subsidiaries, through the competent channels.
- iii) The administrators who exercise functions in associations of class must, in what refers to matters covered in this instruction, restrict themselves to their sector of operation when they manifest themselves in public on behalf of their respective entities, limiting themselves to the disclosure of data on the association which they represent.
- X- The Officer of Investor Relations shall be the officer responsible for the implementation and monitoring of the present Disclosure and Negotiation Policy, which is now approved by the Board of Directors in the meeting held on July 30, 2002.