

**NATURA COSMÉTICOS S.A.**

**POLICY ON THE TRADING OF SECURITIES  
ISSUED BY THE COMPANY**

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# **NATURA COSMÉTICOS S.A.**

## **POLICY ON THE TRADING OF SECURITIES ISSUED BY THE COMPANY**

### **1. GENERAL RULES**

#### **1.1. Definitions**

While applying or interpreting the Securities Trading Policy and the Policy on the Disclosure of Material Information and Safeguarding of Confidentiality, the terms listed below will have the following meanings:

- **Administrator of Policies:** The person responsible for administering and monitoring the application of the Trading Policy and the Disclosure Policy, as well as for fulfilling the duties attributed to him in said Policies. The Administrator of Policies will be the Investor Relations Officer of the Company while he holds this position.
- **Stock Exchange:** the São Paulo Stock Exchange (BOVESPA) and any other stock exchange or organized over-the-counter market in which the securities of the Company are admitted for trading;
- **Company:** Natura Cosméticos S.A.;
- **CVM:** the Securities and Exchange Commission of Brazil;
- **Chief Financial and Investor Relations Officer:** The Executive Officer of the Company elected to perform the functions envisaged in CVM rules;
- **Material Information:** any decision by the controlling shareholder, resolution taken by the meeting of shareholders or the management bodies of the Company or any other fact or event of a political, administrative, technical, business, economic or financial nature that has occurred or is related to the business of the Company that could significantly influence (i) the price quote of its Securities; (ii) decisions by investors to buy, sell or hold Securities; or (iii) decisions by investors to exercise any rights inherent to their capacity as holders of Securities. Other examples of Material Fact are listed in article 2 of CVM Instruction 358/2002;
- **Option to Buy or Subscribe to Shares:** the right to buy or subscribe to registered common shares, with no par value, issued by the Company, given to members of the management and other employees of the Company or its direct or indirect subsidiaries, pursuant to the Stock Option Program;
- **Persons Bound by this Policy:** the Company, its direct and indirect controlling shareholders, members of the Board of Directors, Executive Board, Fiscal Council or any other body with technical or advisory functions, created pursuant to the Bylaws, managers and employees, subsidiaries or companies under common control and their respective controlling shareholders, members of the management and of technical or advisory bodies, service providers and other professionals that have expressly adhered to the Disclosure and Trading Policies and are obliged to abide by the rules described in the Disclosure or Trading Policies;
- **Disclosure Policy:** Policy on the Disclosure of Material Information and Safeguarding of Confidentiality;

- **Trading Policy:** the Policy on the Trading of Securities Issued by the Company;
- **Declaration of Agreement:** The formal instrument signed by the Persons Bound by this Policy and recognized by the Company, by which they declare that they are aware of the rules contained in the Disclosure Policy or in the Trading Policy and in each case, undertaking to comply with them and strive for their compliance by persons under their influence, including subsidiaries, affiliated companies or companies under common control, spouses and direct or indirect dependents;
- **Securities:** shares, debentures, subscription warrants, receipts and subscription rights and promissory notes issued by the Company and derivatives referenced to any of these Securities.

## **NATURA COSMÉTICOS S.A.**

### **POLICY ON THE TRADING OF SECURITIES ISSUED BY THE COMPANY**

#### **2.1. Adhesion**

The controlling shareholders, members of the Board of Directors, Executive Board, Fiscal Council and other technical or advisory bodies created pursuant to the Bylaws, managers and employees of the Company who have frequent access to the Material Information, and others who the Company deems necessary or appropriate, must sign the Declaration of Agreement with this Trading Policy, in the process becoming Persons Bound by this Policy for the purposes laid down here.

#### **2.2. Objective**

This Trading Policy establishes the rules and procedures to be followed by the Persons Bound by this Policy and by the Company, regarding trading on Securities, maintaining the transparency in these trades towards all stakeholders.

The rules of this Trading Policy define the time periods during which the Persons Bound by this Policy must refrain from trading on the Securities in order to avoid questions being raised about the inappropriate use of Material Information not yet disclosed to the market, pursuant to CVM Instruction 358/2002.

Doubts regarding the provisions of this Trading Policy, the applicable rules issued by the CVM or on the possibility of carrying out a specific trade must be clarified with the Administrator of Policies.

#### **2.3. Prohibitions to Trading**

Trading, provision of advice or assistance for investments in Securities by Persons Bound by this Policy, who have knowledge of Material Information or the date of its disclosure, is prohibited before such Material Information is disclosed to the public in accordance with the Disclosure Policy approved.

The prohibitions of this Trading Policy cover trades carried out directly and indirectly by Persons Bound by this Policy, except those carried out by investment funds in which the Persons Bound by this Policy are members, provided these are not exclusive investment funds or those whose trading decisions by the portfolio administrator or manager are directly influenced by the Persons Bound by this Policy.

The Persons Bound by this Policy must ensure that those with whom they have business or professional relations or relations of trust do not trade on the Securities when they have access to Material Information not yet disclosed. For this, the Persons Bound by this Policy will employ their best efforts so that all those who access Material Information sign the Declaration of Agreement.

Trading on Securities by Persons Bound by this Policy is prohibited during any ongoing acquisition or sale of the Company's shares by the Company itself, its subsidiaries, affiliated companies or any other company under common control, whenever any agreement or contract had been signed for the transfer of shareholding control of the Company and if there exists any plan to carry out the merger, total or partial spinoff, consolidation, transformation or corporate restructuring of the Company. However, this restriction will apply only to the direct or indirect controlling shareholders, executive officers and directors of the Company

when the acquisition or sale of the Company's shares by the Company itself, its subsidiaries, affiliated companies or any other company under common control is in progress.

The prohibitions to trading on Securities must be complied with by the Persons Bound by this Policy until the disclosure of the Material Information to the public. Nevertheless, such prohibitions will be maintained even after the disclosure of the Material Information if any trading on the Securities by the Persons Bound by this Policy may interfere, to the detriment of the Company or its shareholders, with the act or fact associated with the Material Information.

Even after its disclosure to the public, the Material Information must continue to be treated as if it had not been disclosed until reasonable time has elapsed for market agents to receive and process the Material Information.

#### **2.4. Prohibition on Acquisition for Treasury**

Apart from the cases envisaged in item 2.3 above, the Board of Directors cannot deliberate on the acquisition of shares for treasury during the period between the initial procedures and actions of any of the following events until it effectively becomes public through a material fact notice:

- a) transfer of shareholding control;
- b) merger, total or partial spinoff, transformation or consolidation, and
- c) corporate restructuring.

#### **2.5. Blackout Period**

The Persons Bound by this Policy must refrain from trading on Securities:

- a) during the period of fifteen (15) days that precede the disclosure of quarterly information (ITR) and annual information (DFP and IAN) required by CVM;
- b) between the date of the competent body's decision to increase the capital, distribute dividends and pay interest on equity and the publication of the respective notices and announcements.

The Persons Bound by this Policy who resign from the management positions in the Company before the disclosure of the Material Information that originated during the time when they held office cannot trade on the Securities until:

- a) the end of six (6) months from the date of their resignation; or
- b) the disclosure of the Material Information to the public.

#### **2.6. Obligation to Indemnify**

The Persons Bound by this Policy responsible for the breach of any provision therein undertake to indemnify the Company and/or other Persons Bound by this Policy, fully and without limitation, for all the damages directly or indirectly resulting from said breach.

#### **2.7. Amendments**

Any amendments to this Trading Policy must compulsorily be reported to the CVM and to the Stock Exchange.

## **2.8. Duration**

This Trading Policy will come into effect on the date of its approval by the Board of Directors and will remain in effect indefinitely until a resolution to the contrary is passed.

## **2.9. Final Provisions**

The Persons Bound by this Policy and those who may acquire this status must sign the Declaration of Agreement according to the Model indicated in item 2.10 of this Policy and also sign the Declaration specified in item 2.11, if the trades change their shareholding interest by five percent (5%), and must submit them to the Administrator of Policies.

The Company may establish blackout periods for Securities in addition to those envisaged in this Trading Policy and must immediately inform the Persons Bound by this Policy.

Trading on Securities by Persons Bound by this Policy during the blackout periods as envisaged in this Trading Policy may exceptionally be authorized by the Executive Board of the Company based on a written request justifying the need for trading.

Any breaches of this Trading Policy verified by Persons Bound by this Policy must immediately be reported to the Company, in person to the Investor Relations Officer.

## **2.10. Model Declaration of Agreement**

### **POLICY ON THE TRADING OF SECURITIES ISSUED BY THE COMPANY**

#### **DECLARATION OF AGREEMENT**

I, [*name and identification*], [*function or job title*], declare that I am aware of the terms and conditions of the Policy on the Trading of Securities Issued by NATURA COSMÉTICOS S.A., which was drafted in accordance with CVM Instruction 358/2002 and approved by its Board of Directors on October 25, 2006. Through this instrument, I formalize my adherence to this Policy and undertake to comply with all its terms and conditions.

I also declare that I am aware that any breach of the provisions of the Securities Trading Policy constitutes a serious infraction for the purposes of Article 11, Paragraph 3 of Federal Law 6,385/76.

Itapecerica da Serra, [*date*] .

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[*name*]

## 2.11. Model Declaration

### POLICY ON THE TRADING OF SECURITIES ISSUED BY THE COMPANY

#### DECLARATION

I, [*name and e identification*], [*function or job title*] of NATURA COSMÉTICOS S.A., DECLARE, in compliance with CVM Instruction 358/2002, that I ..... (acquired/sold) ..... (number) ..... (shares or debentures convertible to shares), which has changed my interest in the capital stock of NATURA COSMÉTICOS S.A. to ..... % (percent), as described below:

I – Objective of my interest:

II – Number of shares, options to buy or subscribe, held directly or indirectly:

III – Number of debentures convertible to shares, held directly or indirectly:

IV – Agreement or contract regulating or limiting voting right or the circulation of the securities mentioned above (state the absence of such agreement or contracts, if applicable):

Pursuant to CVM Instruction 358/2002, I also DECLARE that I will inform the Corporate Affairs Department of Natura Cosméticos S.A. of any change in the information provided hereby that represents five percent (5%) in my shareholding interest.

Itapecerica da Serra, [*date*].

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[*name*]