

## Disclosure and Trading Policies

### GENERAL RULES

#### Definitions

When applying and construing the Company Securities Trading, Relevant Information Disclosure and Confidentiality Preservation Policies, the following terms are defined as follows:

- **Policies Manager:** the person responsible for managing and inspecting the application of Trading and Disclosure Policies, as well as for observing the attributions specifically assigned to him as stated in Policies. The Policies Manager shall be the Company's Investors Relations Officer as long as he remains in this post;
- **Stock Exchange:** Bolsa de Valores de São Paulo – BOVESPA (São Paulo Stock Exchange) and any other Stock Exchange or organized OTC markets where the Company's securities are traded;
- **Company:** Natura Cosméticos S.A.;
- **CVM:** Brazilian Securities and Exchange Commission;
- **Investor Relations Officer:** the Company's Director elected to perform the duties set forth in the CVM regulations;
- **Relevant Information:** any decision of the controlling shareholder, deliberation of the General Meeting or the Company management bodies or any other act or fact of political-administrative, technical, legal, business or economic-financial nature occurring or related to the Company's business, that could influence (i) the price of its Securities; (ii) the decision of investors to buy, sell or keep the Securities; or (iii) the investors' decision to exercise any rights inherent to the condition of holders of Securities. The examples mentioned in the Article 2 of the CVM Instruction # 358./2002 are also considered Material Facts;
- **Stock Option or Subscription:** Right to acquire or subscribe stocks issued by the Company granted to the management members and other employees, as part of the Stock Option Program;
- **Related Persons:** the Company, its controlling shareholders, whether direct or indirect, members of the Board of Directors, of the Board of Executive Officers, the Audit Committee and any other body with technical or consulting duties created by statutory provision, managers and employees, companies controlled and/or under common control and respective controlling stockholders, members of the management and of bodies assigned technical or consulting duties, service providers and other professionals expressly agreeing to the Disclosure and Trading Policies and which are bound to abide by the rules described in the Disclosure and/or Trading Policies;
- **Disclosure Policy:** the Relevant Information Disclosure and Confidentiality Preservation Policy;
- **Trading Policy:** the Company's Securities Trading Policy;
- **Adhesion:** the formal instrument signed by the Related Persons and acknowledged by the Company, by means of which these inform their awareness of the rules contained in the Disclosure Policy or Trading Policy, in each case, committing to comply with them and have these rules complied with by persons under their influence, including controlled, affiliated companies or companies under common control, spouses and dependents, whether direct or indirect;

- **Securities:** means the shares, debentures, subscription bonus, receipts and subscription rights and promissory notes issued by the Company and derivatives related to any of these Securities.

## **Securities Trading Policy**

### **Adhesion**

Controlling shareholders, members of the Board of Directors, Executive Board of Officers, Fiscal Council and of any body with technical or consulting duties created by statutory provisions, Company managers and employees frequently accessing Relevant Information and others the Company deems necessary or convenient should sign the Adhesion instrument to the present Trading Policy, becoming Related Persons for the purposes set forth herein.

### **Objective**

The present Trading Policy's purpose is to set up the rules and procedures to be met by Related Persons and by the Company concerning trading of Securities, preserving the transparency in any such trades to all interested parties.

The rules of this Trading Policy define periods in which the Related Persons should refrain from trading Securities, so as to avoid questioning regarding the undue use of Relevant Information not disclosed to the public within CVM Instruction # 358/2002.

Any doubts concerning provisions of the present Trading Policy, the applicable regulation issued by CVM and/or concerning ability to perform or not a given negotiation should be cleared out with the Policy Manager.

### **Prohibitions**

Prior to the disclosure of Relevant Information, within the approved Disclosure Policy, no negotiation, rendering of counseling or assistance shall be allowed regarding Securities investment by Related Persons aware of any such Relevant Information and/or of its disclosure date.

Prohibitions pertaining to this Trading Policy cover the negotiations directly and indirectly performed by Related Persons, excluding those performed by investment funds in which the Related Persons are quota-holders, provided that they are not exclusive investment funds or investment funds in which trading decisions by the administrator or the portfolio manager are directly influenced by the Related Persons.

The Related Persons should ensure that those with whom they keep a trade, professional or trust relationship do not negotiate Securities when accessing undisclosed Relevant Information. To that end, the Related Persons shall endeavor to have all those with access to Relevant Information sign the Adhesion instrument.

Whenever there is an acquisition or sale process of the Company's by a Related Person, which is publicly announced, is in progress, and whenever an agreement or contract has been entered into for transfer of the Company's control or if an option or power of attorney has been granted for the same purposes, as well as in the event of intention to carry out incorporation, total or partial split-up, merger, transformation or reorganization of the Company, no securities trading by Related Persons shall be allowed.

Prohibitions concerning Securities trading should be enforced by Related Persons up to the disclosure of Relevant Information to the public. However, any such prohibitions shall be maintained, even after disclosure of Relevant Information whenever any Securities negotiations by the Related Persons may interfere, to the detriment to the Company or its shareholders, with the act or fact associated with the Relevant Information.

Even after its disclosure to the public, the Relevant Information should still be treated as if it had not been disclosed until a reasonable time has elapsed for the market participants to have received and processed the Relevant Information.

### **Treasury Shares Purchase Prohibition**

In addition to the cases provided under item 2.3. above, the Board of Directors may not deliberate about the acquisition of treasury shares within the period between the procedures and initial acts, until any of the following events becomes public through a major fact:

- Transfer of the Company control;
- Incorporation, total or partial split-up, transformation or merger; and,
- Company reorganization.

### **Non-Trading Period**

The Related Persons should refrain from performing any Securities trading:

- fifteen (15) days prior to the disclosure of quarterly (ITR) and annual information (DFP and IAN) required by CVM;
- Between the dates of deliberation by the pertinent bodies to increase the capital stock, distribute dividends and pay interest on equity capital and the publication of respective invitations or announcements.

Related Persons leaving managing positions of Company prior to the disclosure of Relevant Information originated during their management period may not perform Securities trading up to:

- the end of a six (6) months period starting from the date of their leave; or
- the disclosure of Relevant Information to the public.

### **Obligation to Indemnify**

Related Persons who have not complied with any provision of this Trading Policy commit to refund the Company and/or other Related Persons, in full and without limitation, for all losses incurred by the Company and/or other Related Persons resulting directly or indirectly from any such lack of compliance.

### **Alteration**

Any alteration in this Trading Policy must be informed to the CVM and to the Stock Exchanges.

### **Effective Date**

The present Trading Policy shall be effective on the date of its approval by the Board of Directors and shall remain in force for an indeterminate term, or otherwise until further deliberation.

### **Final Provisions**

The Related Persons and those acquiring this capacity should sign the Adhesion Instrument according to Form indicated in item 2.10 hereof and the Statement contained in item 2.11 in case of negotiations that change their stock interests five percent (5%), and forward them to the Policy Manager.

The Company may set up additional securities non-trading periods other than those set forth in the present Trading Policy, and should promptly notify the Related Persons.

Securities Negotiation by Related Persons during the non-trading periods, as set forth in the present Negotiation Policy, may be authorized as an exception by the Company Board of Directors and upon expressed written consent justifying the need for the negotiation.

Any breaches of this Trading Policy verified by the Related Persons should be immediately communicated to the Company Policies Manager.

**Adhesion Form**

**COMPANY SECURITIES TRADING POLICY**

**ADHESION INSTRUMENT**

I, [*name and identification*], [*job or position*], hereby state that I am aware of the terms and conditions of the Company Securities Trading Policy of NATURA COSMÉTICOS S.A., as provided by CVM Instruction # 358/2002 and approved by its Board of Directors on 04.26.2004. Hereby, I formalize my adhesion to the said Policy, committing to abide to all of its terms and conditions.

I further state that I am aware that any breach of the dispositions set forth in the Company Securities Trading Policy shall configure serious violation, for the purposes provided in Paragraph 3 of Article 11 in the Act no. 6385/76.

Itapecerica da Serra - SP, [*date*]

---

[*Name*]

**Statement Form**

**COMPANY SECURITIES TRADING POLICY**

**STATEMENT**

I, [*name and identification*], [*job or position*] of NATURA COSMÉTICOS S.A., hereby STATE, in compliance with provisions of the CVM Instruction # 358/2002, that I .....(have acquired/sold) ..... (Number) ..... (shares or debentures convertible into shares), having changed my interest in the capital of NATURA COSMÉTICOS S.A. to ..... percent (%), as described below:

I – Objective of my stock interest:

II – Number of shares, stock or subscription options directly or indirectly held:

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

IV – Contract or agreement governing or restricting the voting rights or circulation rights of securities above indicated (state the lack of any such agreement or contract, if applicable):

As provided by CVM Instruction # 358/2002, I hereby further STATE that I shall inform the Corporate Department of Natura Cosméticos S.A. about any alteration in information now provided which represents five percent (5%) in my stock interest.

Itapecerica da Serra - SP, [*date*].

---

[*Name*]