

ADDENDUM TO THE PROGRAM FOR THE GRANTING OF CALL OPTION OR SHARE SUBSCRIPTION REGISTERED WITH THE 9TH REGISTRY OF DEEDS AND DOCUMENTS UNDER #273395 ON MAY 10, 2001 ("Program")

Natura Cosméticos S.A., a joint-stock company, as lawful successor of Natura Participações S.A., headquartered in the city of Itapecerica da Serra, State of São Paulo, at Rodovia Régis Bittencourt, km 293, Edifício I, enrolled with the corporate taxpayer's ID (CNPJ/MF) under #71.673.990/0001-77, in this act represented by its By-Laws, hereinafter referred to as "**Natura Cosméticos**";

Whereas, by virtue of the merger of the extinguished companies Natura Participações S.A. and Natura Empreendimentos S.A., by **Natura Cosméticos**, occurred on March 05, 2004, **Natura Cosméticos** succeeded in general all the assets, rights and obligations of the referred companies, including, but not limited to the rights and obligations related to the Programs for the Granting of Call Options or Share Subscription previously approved by those companies;

Whereas, **Natura Cosméticos** submitted on March 23, 2004, an application for Publicly-held Corporation Registration with the Brazilian Securities and Exchange Commission ("CVM") and it is in prospect of going public with the purposes of trading its securities on the market;

RESOLVE:

- I – to make an addendum to the Program to reflect amongst other things the following major alterations:
- a) The options granted under the terms of the referred Programs and respective Plans shall ensure to its Participants, the right, the option being exercised, to subscribe or acquire **Natura Cosméticos**' common shares and no longer the preferred shares. Hence, instead of the rights provided for in the legislation for the preferred shares, all and any rights guaranteed by law to the common shares shall be ensured to the Participants, including, but not limited to the political voting rights;
 - b) The provisions related to the obligation to sign shall be automatically deemed as extinguished, as a condition for the exercise of options, the Agreements for the Conditional Purchase and Sale of Shares and Assignment of Preemptive Right, besides, all the legal agreements of this nature shall be terminated, which might have been executed by the Participants. Therefore, the Participants may freely trade their shares on the market and shall enjoy, in the capacity as shareholders, the preemptive right guaranteed by the legislation;
 - c) As a result of the provision in item "b" above, all and any reference to the *Conditional Share Purchase and Sale Agreements and the Assignment of

Preemptive Rights are excluded from the Program and respective Plans;
and

d) The Board of Directors shall adopt all the appropriate measures and arrangements to (i) make an addendum to the Plans previously approved and the Option Agreements, and (ii) formalize the termination of Conditional Share Purchase and Sale agreements and the Assignment of Preemptive Right.

II – consolidate for a better viewing of the impacts caused by the amendments promoted herein, the text of the Program, which now takes effect with the following wording:

**“PROGRAM FOR THE GRANTING OF CALL OPTION OR SHARE
SUBSCRIPTION”**

REGULATION

I - CONCEPT

The Program consists of the granting of call option or subscription of NATURA COSMÉTICOS S.A.'s common shares to its executive officers, managers and employees, as well as executive officers, managers and employees of other companies, which are or are to be under the direct or indirect control of NATURA COSMÉTICOS S.A., whether these are domestic or foreign companies already organized or to be organized.

By means of the granting of call options or share subscription, the Participants may acquire, within term and price previously set out, the Company's shares, as long as all the terms and conditions provided for in this Regulation are met.

II - DEFINITIONS

For the purposes of this present Program, it is understood by:

Shareholders – individuals or legal entities holding the Company's shares;

Shares – the nominative common shares, which shall be or were already issued by the Company in view of the Program for the Granting of Call Option or Share Subscription;

Qualified Collaborator – all Natura Cosméticos S.A.'s executive officers, managers and employees, as well as other companies pertaining to the Natura Group;

Company – the company Natura Cosméticos S.A.;

Option Agreement – the Private Instrument for the Granting of Call Option or Share Subscription executed between the Company and the Qualified Collaborator, through which, the latter acquires the capacity as Program Participant, declaring to be aware and accept all its terms and conditions;

Natura Group- the set of companies Natura Cosméticos S.A. and other controlled companies or to be controlled, whether directly or indirectly by Natura Cosméticos S.A., where these are domestic or foreign companies, already organized or to be organized;

Option – the possibility of the Participants to subscribe or acquire the Company's shares by a price previously determined, as long as all the terms and conditions of this present Program are met;

Mature Option – the option, which met the conditions set out for the exercise of right to subscribe or purchase shares;

Non-Mature Option – the option, which has not met the conditions set out for the exercise of right to subscribe or purchase shares yet;

Participant – the Collaborator Qualified to whom a call option or share subscription under the conditions of this Program was granted, after having signed the Option Agreement;

Period for the exercise of option - this is the period in which the options may be exercised under the terms of items VI.6.1 and VI.6.2 of this present Program;

Program – the call option or share subscription Program of Natura Cosméticos S.A.;

Plan – the call option or share subscription plan, which based on the Program, is approved by the Board of Directors for a certain year of validity of the Program;

Share value – the Value calculated for each share under the terms defined in this present Program.

III - PURPOSES

The Program's purposes are:

- a) to encourage the improvement of the Company's management and of the companies under its direct or indirect control, granting to the Participants the possibility of becoming shareholders, stimulating them to work in the optimization of all the aspects which may valorize the Company, and providing them a corporate view, conciliating and improving the relations among the Group's corporations;
- b) to motivate the permanence of executive officers, managers and employees, and
- c) to expand the attractiveness of the Company and of the Natura Group's companies.

IV – QUALIFIED COLLABORATORS

The executive officers, managers and employees of the Company and other Natura Group's companies are the Qualified Collaborators.

External Collaborators shall not be eligible to receive any call option or share subscription through this Program.

V – REQUIREMENTS TO OBTAIN THE CONDITION AS PARTICIPATING QUALIFIED COLLABORATOR

In order to become a Participant of the Program, the Qualified Collaborator shall be formally appointed by the Board of Directors, under the terms defined in this Program. In addition, as a basic condition to his/her appointment to be deemed as valid and binding, the Qualified Collaborator appointed as Participant shall sign the Option Agreement, expressly adhering to the Plan prepared in view of this present Program and declaring to be aware of all its terms and conditions, including the restrictions contained therein.

VI – PROGRAM BASIC STRUCTURE

VI.1 – Annual Plans

In every year of effectiveness of the Program, the Board of Directors may create a Plan for the granting of call options or share subscription, which if implemented, shall be structured based on the criteria defined in this Program.

It shall be exclusively incumbent upon the Board of Directors to decide on the opportunity and convenience whether or not to implementing the referred plans every year of effectiveness of the Program.

VI.2 – Election of the Participants

Each Plan shall elect amongst the Qualified Collaborators, the Program Participants.

VI.3 – Definition of the number of shares to each plan and the form of their distribution amongst the various Participants

For each Plan, the Board of Directors, in accordance with this Program, shall define the number of shares to be distributed amongst the Participants.

It shall also be incumbent upon the Board of Directors to define in each Plan, the Qualified Collaborators who shall have right to the options, as well as the quantity of options to which each Participant shall be entitled.

Taking into account that the Participants may become the Company's shareholders, the definition about which Qualified Collaborators shall be Participants, as well as about the quantity of options each one shall be entitled to, shall be freely set by the Board of Directors in view of the importance and requisite of the position, the Participant's potentiality, his/her involvement in strategic projects and the added-value he/she offers to the Company, without requiring to attribute the condition as Participant in all the categories or even to all those integrating a same category, besides, in relation to two or more Participants of a same category, different quantities of options may be attributed.

VI.4 – Total limit of shares available in the Program

The total number of shares destined to the Program may not exceed the maximum limit of five per cent (5%) of the total Company's shares.

For the purposes of this limit, the sum of the following shares and options shall be:

- Non-mature options;
- Mature options;
- Shares subscribed based on this Program under the possession of the Participants;
- Shares subscribed based on this Program and acquired by the Company to remain in the treasury; and
- Shares and options, whether or not mature, which have been granted, subscribed or purchased, as this is the case, based on the Granting of Call Option or Subscription Plans previously approved and/or assumed by the Company.

VI.5 – Granting of the options

As long as the requisites required by the Program and Plan are present, as being qualified to attribute to the Qualified Collaborator the capacity as Participant, the Company may grant him/her call options or share subscription, under the limits and quantities previously provided for in the Plan.

VI.5.1 – Restrictions to the transfer of options

The options, whether or not mature, executed between the Company and the Participants shall not be transferable, unless in the event of succession resulting from the Participant's decease. In this case (Participant's decease), the options, whether or not mature, may be exercised by the successors, hence defined after the regular course of the probation proceeding and estate settlement.

The price to be paid at the moment of options exercise shall be calculated based on the criteria set forth in VI.6.4 of this Regulation.

The term for the successors exercising their options under the terms of this item shall be 12 months from the Participant's decease, and the Company, at its exclusive discretion, may extend this term until the expiration of term for the probation and estate settlement, always in compliance with the maximum term for the exercise of Options.

VI.6 –Exercise of options

The requirements and conditions provided for in this Program being met and provided that the options are mature, the Participants shall have right to the exercise of their options, that is to say, to the subscription of new shares or to the purchase of treasury shares, which have been issued or purchased in view of this Program.

VI.6.1 – Moment in which the options become mature

The options granted under the terms of this present Program shall become mature, i.e., may be exercised at the ratio of 1/3 of the options for the year. It is worth pointing out that once granted the options, the Participant shall obtain, by the end of each year, from the date the Board of Directors has appointed the Qualified Collaborator as Participant, the right to cumulatively exercise 1/3 of the total of his/her options, and at the end of third year from the referred date, the totality of options shall be deemed as mature, therefore, liable to be exercised.

In this regard: i) by the end of the first year, 1/3 of the options shall be liable to be exercised; ii) by the end of the second year, 2/3 of the options; and iii) by the end of the third year, 3/3, i.e., the totality of options.

The Participant may, at his/her exclusive discretion, whether or not exercise his/her options in so far as these have become mature, i.e., the Participant may exercise, by the end of every year, the options becoming mature under the terms explained above, or, if he/she so wishes, may postpone this exercise to the moment deemed as more appropriate, provided that the maximum term for the exercise of options is observed, under the terms defined in item VI.6.2 below.

VI.6.2 – Maximum term for the exercise of options

The Program Participant shall have a five(5)-year maximum term, from the date the Board of Directors has appointed the Qualified Collaborator as Participant, to exercise the options becoming mature, under the terms set forth in item VI.6.1 above, under the penalty of loss of procedural right to the referred exercise.

VI.6.3 – Formal procedures for the exercise of options

The Participant intending to exercise the right to purchase or subscribe shares shall inform the Company, in written, about his/her intention, under the terms of the notice model to be released by the Board of Directors or by the Managing Committee of the Program.

Once the Company is informed, the effective Exercise of Options shall always occur when Board of Directors' ordinary meetings are held, only on these dates the Options may be exercised.

The Board of Directors may determine the suspension of right to the Exercise of Options, whenever situations are verified, which under the terms of the legislation in effect, restrict or prevent the trading of shares on the part of the Company's employees and administrators.

VI.6.4 – Share subscription or purchase price – criteria to determine the share value

The subscription or purchase price of each share shall correspond to the Company's share value on the date the Board of Directors has approved the Plan through which, the qualified collaborator has been elected as Participant, always observing the minimum limit, which is the share book value of shareholders' equity. This price shall be ratified by the Board of Directors and necessarily authorized by the Chairman and by two statutory executive officers.

The price adjusted under the terms above shall be monetarily updated by IBGE's (Brazilian Institute of Geography and Statistics) IPCA (Amplified Consumer Price Index) up to the effective date of subscription or purchase, as this is the case. For the purposes of carrying out the referred update, the following formula shall be adopted:

Subscription or Purchase Price updated at t =

(Subscription or purchase price at s) * (IPCA at t) / (IPCA at s)

where

t = month of subscription

s = month in which the option was granted

When the IPCA index at t is not available, this shall be estimated based on the formula below:

IPCA at t = IPCA at t-1 * (IPCA at t-1) / (IPCA at t-2)

If the formula above, on account of the volatility of the Brazilian economy, generates any relevant distortion, the Board of Directors shall estimate the IPCA at t based on the average of estimates produced by the major financial institutions in the country.

In the event the IPCA is extinguished, the Board of Directors shall opt for another index to replace the former and reflecting the real inflation for the period.

The price previously referred shall be provided for in the Option Agreement and it shall be the same for all the Participants of a same Plan.

The share value is understood as the Company's value divided by the total number of its shares, always observing a minimum limit, which is the share book value of shareholders' equity. The Company's value shall be calculated and released on a monthly basis, as basis for the criterion provided for in the Attachment I, integral and inseparable part of the original Program, filed with the 9th Registry of Deeds and Documents under #273.395, on May 10, 2001.

VI.6.5 – Payment of subscribed shares

The share subscription or purchase corresponding to the Program shall be paid in cash, with own funds of the Participant.

For the cash payment of shares referring to his/her option, the Participant may use the funds resulting from the sale of these same shares.

On an exceptional basis, it shall be incumbent upon the Board of Directors, at its exclusive discretion, whether or not to authorize the funding of purchase or subscription price, observing that this term payment shall be effective by means of funding of at most, ninety per cent (90%) of the subscription or purchase price, based on the following conditions:

a.1) amortization, in monthly installments, without grace period, annually adjusted, or within reduced term if allowed by law, IBGE's IPCA or in the event of its extinguishment, by another index reflecting the real inflation for the period;

a.2) funding maximum term of four (04) years;

a.3) 0.5% simple interest-bearing per month, calculated over the debit balance;

a.4) amortization of the debit balance at any moment, with Participant's own funds; and

a.5) compulsory amortization by allocating: i) fifty per cent (50%) of the net amount received by the Participant related to his/her annual bonus by results, and ii) one hundred per cent (100%) of amounts received on the sale of shares.

VI.6.5.1 – Consequences for the non-payment of any of the funding portions

In the event of non-punctuality of the Participant as to the payment of portions agreed upon for the subscription of purchase of shares acquired through this present Program, the early maturity of debt in full shall be considered.

The company may at its exclusive discretion accept the payment of the installment overdue, maintaining the normal maturity of the other installments.

VI.7 – Sale of shares

The Shares purchased or subscribed under the terms of this present Program may be freely sold by the Participant, under the terms of the legislation in force.

VI.8 – Type of shares and rights granted thereto

For the purposes of this present Program nominative common shares shall be issued, under the limits of authorized capital and in accordance with availabilities provided for by each Plan, which shall ensure the same rights provided for other common shares issued by the Company.

VI.9 – Preemptive right

Under the terms of provisions in the Article 171, paragraph 3, of the Law #6404/76, the preemptive right shall not occur in the granting and in the exercise of call options or share subscription, whether in relation to the current shareholders, or in relation to those obtaining this capacity by force of this Program.

VI.10 – Consequences for the Participants' withdrawal

Notwithstanding the general rules for the limitation to the circulation, assignment and transfer of options, the situations outlined below shall have the following treatment:

- Participant's withdrawal due to good cause or at his/her request:
 - options not yet mature shall be cancelled;
 - mature options, but which have not been exercised yet, may not be exercised.

- Withdrawal without cause:
 - options not yet mature shall be cancelled;
 - mature options, but which have not been exercised yet, may be exercised.

- Withdrawal due to Participant's retirement, disability or decease:
 - options not yet mature shall be deemed as exercisable;
 - mature options, but which have not been exercised, may be exercised.

VII - MANAGEMENT – DEFINITION OF INCUMBENCIES

The Program shall be managed by the Company's Board of Directors, which shall have the incumbency of resolving on the issue of shares, purpose of this present Program (Article 168, paragraph 1, "b" of Law #6404/76). This incumbency may not be delegated to another Company's body.

Within this incumbency, it shall be incumbent upon the Board of Directors any and all resolution on the Program, provided that this does not imply in its alteration (in this case, it shall depend on the approval of the extraordinary general meeting), such as:

- a) define, within the parameters of this Program, the annual plans for the granting of call option or share subscription, estimating the targets to be reached, as well as carry out any alteration in relation to the plans already created;
- b) define, under the terms of this Program, its Participants;
- c) define, within the limit of authorized capital and observing the maximum limit of shares attributable to the Program, the quantity of options and the form of distribution among these Participants;
- d) determine the price by which the options may be exercised;
- e) grant to the Participants the call option or subscription of shares to be issued in view of the Program;

f) take any other measures deemed as necessary or advisable for the administration of the Program, as long as they do not imply in its alteration; and

g) propose amendments to the Program to be submitted for the extraordinary general meeting's approval.

VII.1 – Program Managing Committee

The Board of Directors may attribute to a Managing Committee the management of the Program. Nevertheless, its acts shall always be approved by the Board.

VIII – CHANGE IN THE SHARE CONTROL

In the event of a direct or indirect change in the Company's share control, the Programs and Plans already implemented shall be observed.

IX - MERGER, SPIN-OFF, INCORPORATION AND TRANSFORMATION OF THE COMPANY – INCORPORATION OF SHARES

In cases of merger, spin-off, with or without the extinguishment of the transferee, merger or transformation of the Company, as well as in case of incorporation of shares, the Programs and Plans already created shall be observed, making the adjustments necessary in the number of Options, including in compliance with the swap relations used for the purposes of the operations above.

X – ALTERATION TO THE NUMBER, TYPE AND CLASS OF SHARES

In cases of alterations to the number, type and class of Company's shares, as a result of reserve split, splitting, bonus shares, as well as in cases of conversion of shares of one type or class into another or the conversion into shares of other securities issued by the Company, the necessary adjustments shall be made in the Programs and Plans already created, especially in relation to the number of Options and the type or class of Shares to which the Options refer, with a view to avoiding distortions and damages to the Company or Participants.

XI - ALTERATION, SUSPENSION AND EXTINGUISHMENT OF THE PROGRAM INCUMBENT UPON THE GENERAL MEETING

It shall be incumbent upon the Extraordinary General Meeting to approve and therefore, alter, suspend or extinguish the Program, as well as amend the By-Laws in order to establish the Board of Directors' incumbency to provide for the issues and the conditions under which these issues may occur (Article 122 concurrently with Article 135 of Law #6404/76).

Any and all alteration to the Program proposed by the Board of Directors shall be submitted to the approval of the extraordinary general meeting, and once approved, only may reach the call options subsequent thereto.

Amongst the causes, which may give rise to the suspension, alteration or extinguishment of the Program, including in relation to the options already granted, but not yet exercised: the occurrence of factors causing serious change in the economic scenario and those compromising the Company's financial status.

XII –SPECIFIC PERFORMANCE

The Company and the Participants shall be entitled to claim in court the specific performance of the obligations assumed by the other party, under the terms of this Program, pursuant to the applicable provisions of the Brazilian Civil Code Procedure, especially the provisions contained in the Articles 461, 632, 639 and following.

XIII – PROGRAM TERM OF EFFECTIVENESS

This Program shall be valid up to the end of year 2005".

In witness whereof and having agreed thereupon, the legal representatives of **Natura Cosméticos S.A.** sign this present instrument in three (3) counterparts of equal tenor and form.

Itapecerica da Serra – São Paulo, April 26, 2004.

NATURA COSMÉTICOS S.A.

ADDENDUM TO THE PROGRAM FOR THE GRANTING OF CALL OPTION OR SHARE SUBSCRIPTION REGISTERED WITH THE 6TH REGISTRY OF DEEDS AND DOCUMENTS UNDER #998.491 ON NOVEMBER 28, 2002 ("Program")

Natura Cosméticos S.A., a joint-stock company, as lawful successor of Natura Participações S.A., headquartered in the city of Itapeverica da Serra, State of São Paulo, at Rodovia Régis Bittencourt, km 293, Edifício I, enrolled with the corporate taxpayer's ID (CNPJ/MF) under #71.673.990/0001-77, in this act represented by its By-Laws, hereinafter referred to as "**Natura Cosméticos**";

Whereas, by virtue of the merger of the extinguished companies Natura Participações S.A. and Natura Empreendimentos S.A., by **Natura Cosméticos**, occurred on March 05, 2004, **Natura Cosméticos** succeeded in general all the assets, rights and obligations of the referred companies, including, but not limited to the rights and obligations related to the Programs for the Granting of Call Options or Share Subscription previously approved by those companies;

Whereas, **Natura Cosméticos** submitted on March 23, 2004, an application for Publicly-held Corporation Registration with the Brazilian Securities and Exchange Commission ("CVM") and it is in prospect of going public with the purposes of trading its securities on the market;

RESOLVE:

I – to make an addendum to the Program to reflect amongst other things the following major alterations:

a) The options granted under the terms of the referred Programs and respective Plans shall ensure to its Participants, the right, the option being exercised, to subscribe or acquire **Natura Cosméticos**' common shares and no longer the preferred shares. Hence, instead of the rights provided for in the legislation for the preferred shares, all and any rights guaranteed by law to the common shares shall be ensured to the Participants, including, but not limited to the political voting rights;

b) The provisions related to the obligation to sign shall be automatically deemed as extinguished, as a condition for the exercise of options, the Agreements for the Conditional Purchase and Sale of Shares and Assignment of Preemptive Right, besides, all the legal agreements of this nature shall be terminated, which might have been executed by the Participants. Therefore, the Participants may freely trade their shares on the market and shall enjoy, in the capacity as shareholders, the preemptive right guaranteed by the legislation;

c) As a result of the provision in item "b" above, all and any reference to the Conditional Share Purchase and Sale Agreements and the Assignment of Preemptive Rights are excluded from the Program and respective Plans; and

d) The Board of Directors shall adopt all the appropriate measures and arrangements to (i) make an addendum to the Plans previously approved and the Option Agreements, and (ii) formalize the termination of Conditional Share Purchase and Sale agreements and the Assignment of Preemptive Right.

II – consolidate for a better viewing of the impacts caused by the amendments promoted herein, the text of the Program, which now takes effect with the following wording:

"PROGRAM FOR THE GRANTING OF CALL OPTION OR SHARE SUBSCRIPTION"

REGULATION

I - CONCEPT

The Program consists of the granting of call option or subscription of NATURA COSMÉTICOS S.A.'s common shares to its executive officers, managers and employees, as well as executive officers, managers and employees of other companies under the direct or indirect control of NATURA COSMÉTICOS S.A.

By means of the granting of call options or share subscription, the Participants may acquire, within term and price previously set out, the Company's shares, as long as all the terms and conditions provided for in this Regulation are met.

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Shareholders – individuals or legal entities holding the Company's shares;

Shares – the nominative common shares, which shall be or were already issued by the Company in view of the Program for the Granting of Call Option or Share Subscription;

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Option – the possibility of the Participants to subscribe or acquire the Company's shares by a price previously determined, as long as all the terms and conditions of this present Program are met;

Mature Option – the option, which met the conditions set out for the exercise of right to subscribe or purchase shares;

Non-Mature Option – the option, which has not met the conditions set out for the exercise of right to subscribe or purchase shares yet;

Participant – the Collaborator Qualified to whom a call option or share subscription under the conditions of this Program was granted, after having signed the Option Agreement;

Period for the exercise of option- this is the period in which the options may be exercised under the terms of items VI.6.1 and VI.6.2 of this present Program;

Program – the call option or share subscription Program of Natura Cosméticos S.A.;

Plan – the call option or share subscription plan, which based on the Program, is approved by the Board of Directors for a certain year of validity of the Program;

Share value – the Value calculated for each share under the terms defined in this present Program.

III - PURPOSES

The Program's purposes are:

a) to encourage the improvement of the Company's management and of the companies under its direct or indirect control, granting to the Participants the possibility of becoming shareholders, stimulating them to work in the optimization of all the aspects which may valorize the Company, and providing them a corporate view, conciliating and improving the relations among the Natura Group's corporations;

- b) to motivate the permanence of executive officers, managers and employees, and
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External Collaborators shall not be eligible to receive any call option or share subscription through this Program.

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In order to become a Participant of the Program, the Qualified Collaborator shall be formally appointed by the Board of Directors, under the terms defined in this Program. In addition, as a basic condition to his/her appointment to be deemed as valid and binding, the Qualified Collaborator appointed as Participant shall sign the Option Agreement, expressly adhering to the Plan prepared in view of this present Program and declaring to be aware of all its terms and conditions, including the restrictions contained therein.

VI – PROGRAM BASIC STRUCTURE

VI.1 – Annual Plans

In every year of effectiveness of the Program, the Board of Directors may create a Plan for the granting of call options or share subscription, which if implemented, shall be structured based on the criteria defined in this Program.

It shall be exclusively incumbent upon the Board of Directors to decide on the opportunity and convenience whether or not to implementing the referred plans every year of effectiveness of the Program.

VI.2 – Election of the Participants

Each Plan shall elect amongst the Qualified Collaborators, the Program Participants.

VI.3 – Definition of the number of shares to each plan and the form of their distribution amongst the various Participants

For each Plan, the Board of Directors, in accordance with this Program, shall define the number of shares to be distributed amongst the Participants.

It shall also be incumbent upon the Board of Directors to define in each Plan, the Qualified Collaborators who shall have right to the options, as well as the quantity of options to which each Participant shall be entitled.

Taking into account that the Participants may become the Company's shareholders, the definition about which Qualified Collaborators shall be Participants, as well as about the quantity of options each one shall be entitled to, shall be freely set by the Board of Directors in view of the importance and requisite of the position, the Participant's potentiality, his/her involvement in strategic projects and the added-value he/she offers to the Company, without requiring to attribute the condition as Participant in all the categories or even to all those integrating a same category, besides, in relation to two or more Participants of a same category, different quantities of options may be attributed.

VI.4 – Total limit of shares available in the Program

The total number of shares destined to the Program may not exceed the maximum limit of three per cent (3%) of the total Company's shares.

For the purposes of this limit, the sum of the following shares and options shall be:

- Non-mature options;
- Mature options;
- Shares subscribed based on this Program under the possession of the Participants;
- Shares subscribed based on this Program and acquired by the Company to remain in the treasury; and
- Shares and options, whether or not mature, which have been granted, subscribed or purchased, as this is the case, based on the Granting of Call Option or Subscription Plans approved and/or assumed by the Company.

VI.5 – Granting of the options

As long as the requisites required by the Program and Plan are present, as being qualified to attribute to the Qualified Collaborator the capacity as Participant, the Company may grant him/her call options or share subscription, under the limits and quantities previously provided for in the Plan.

VI.5.1 – Restrictions to the transfer of options

The options, whether or not mature, executed between the Company and the Participants shall be not transferable, unless in the event of succession resulting from the Participant's decease. In this case (Participant's decease), the options, whether or not mature, may be exercised by the successors, hence defined after the regular course of the probation proceeding and estate settlement.

The price to be paid at the moment of options exercise shall be calculated based on the criteria set forth in VI.6.4 of this Program.

The term for the successors exercising their options under the terms of this item shall be 12 months from the Participant's decease, and the Company, at its exclusive discretion, may extend this term until the expiration of term for the probation and estate settlement, always in compliance with the maximum term for the exercise of options.

VI.6 –Exercise of options

The requirements and conditions provided for in this Program being met and provided that the options are mature, the Participant shall have right to the exercise of their options, that is to say, to the subscription of new shares or to the purchase of treasury shares, which have been issued or purchased in view of this Program.

VI.6.1 – Moment in which the options become mature

The options granted under the terms of this present Program shall become mature, i.e., may be exercised half by the end of the third year and the other half by the end of the fourth year, from the date defined in respective Plan.

In this regard: i) by the end of the third year, fifty per cent (50%) of the options shall be liable to be exercised; ii) by the end of the fourth year, the totality of options shall be deemed as mature, therefore, liable to be exercised.

The Participant may, at his/her exclusive discretion, whether or not exercise his/her options in so far as these have become mature, i.e., the Participant may exercise, by the end of the third and fourth years, the options becoming mature under the terms explained above, or, if he/she so wishes, may postpone this exercise to the moment deemed as more appropriate, provided that the maximum term for the exercise of options is observed, under the terms defined in item VI.6.2 below.

VI.6.2 – Maximum term for the exercise of options

The Program Participant shall have a six(6)-year maximum term, from the date the Board of Directors has appointed the Qualified Collaborator as Participant, to exercise the options becoming mature, under the terms set forth in item VI.6.1 above, under the penalty of loss of procedural right to the referred exercise.

VI.6.3 –Formal procedures for the exercise of options

The Participant intending to exercise his/her Options shall inform the Company, in written, about his/her intention, under the terms of the notice model to be released by the Board of Directors or by the Managing Committee of the Program.

Once the Company is informed, the effective Exercise of Options shall always occur when Board of Directors' ordinary meetings are held, only on these dates the Options may be exercised.

The Board of Directors may determine the suspension of right to the Exercise of Options, whenever situations are verified, which under the terms of the legislation in effect, restrict or prevent the trading of shares on the part of the Company's employees and administrators.

VI.6.4 –Share subscription or purchase price – criteria to determine the share value

The subscription or purchase price of each share shall correspond to the Company's share value on the date the Board of Directors has approved the Plan through which, the qualified collaborator has been elected as Participant. This price shall be ratified by the Board of Directors and necessarily authorized by the Chairman and by two statutory executive officers.

The price adjusted under the terms above shall be monetarily updated by IBGE's (Brazilian Institute of Geography and Statistics) IPCA (Amplified Consumer Price Index) up to the effective date of subscription or purchase, as this is the case. For the purposes of carrying out the referred update, the following formula shall be adopted:

Subscription or purchase price updated at t=

$$(Subscription\ or\ purchase\ price\ at\ s) * (IPCA\ at\ t) / (IPCA\ at\ s)$$

where

t = month of subscription

s = month in which the option was granted

When the IPCA index at t is not available, this shall be estimated by the previous month, i.e., the IPCA at $t-1$. In the subsequent month, this estimated IPCA shall be replaced by the index published for the respective month.

In the event the IPCA is extinguished, the Board of Directors shall opt for another index to replace the former and reflecting the real inflation for the period.

The price previously referred shall be provided for in the Option Agreement and it shall be the same for all the Participants of a same Plan.

The share value is understood as the Company's value divided by the total number of its shares. The Company's value shall be calculated and released on a monthly basis, as basis for the criterion provided for in the Attachment I, integral and

inseparable part of the original Program, filed with the 6th Registry of Deeds and Documents under #998.491, on November 28, 2002.

VI.6.5 – Payment of subscribed shares

The share subscription or purchase corresponding to the Program shall be paid in cash, with own funds of the Participant.

On an exceptional basis, it shall be incumbent upon the Board of Directors, at its exclusive discretion, whether or not to authorize the funding of purchase or subscription price, observing that this term payment shall be effective by means of funding of at most, ninety per cent (90%) of the subscription or purchase price, based on the following conditions:

a.1) amortization, in monthly installments, without grace period, annually adjusted, or within reduced term if allowed by law, IBGE's IPCA or in the event of its extinguishment, by another index reflecting the real inflation for the period;

a.2) funding maximum term of four (04) years;

a.3) 0.5% simple interest-bearing per month, calculated over the debit balance;

a.4) amortization of the debit balance at any moment, with Participant's own funds; and

a.5) compulsory amortization by allocating: i) fifty per cent (50%) of the net amount received by the Participant related to his/her annual bonus by results, and ii) one hundred per cent (100%) of amounts received on the sale of shares, up to the limit of its debt with the Company.

VI.6.5.1 – Consequences for the non-payment of any of the funding portions

In the event of non-punctuality of the Participant as to the payment of portions agreed upon for the subscription or purchase of shares acquired through this present Program, the early maturity of debt in full shall be considered.

The company may at its exclusive discretion accept the payment of the installment overdue, maintaining the normal maturity of the other installments.

VI.7 – Sale of shares

The Shares purchased or subscribed under the terms of this present Program may be freely sold by the Participant, under the terms of the legislation in force.

VI.8 – Type of shares and rights granted thereto

For the purposes of this present Program nominative common shares shall be issued, under the limits of authorized capital and in accordance with availabilities provided for by each Plan, which shall ensure the same rights provided for other common shares issued by the Company.

VI.9 – Preemptive right

Under the terms of provisions in the Article 171, paragraph 3, of the Law #6404/76, the preemptive right shall not occur in the granting and in the exercise of call options or share subscription, whether in relation to the current shareholders, or in relation to those obtaining this capacity by force of this Program.

VI.10 – Consequences for the Participants' withdrawal

Notwithstanding the general rules for the limitation to the circulation, assignment and transfer of options, the situations outlined below shall have the following treatment:

- Participant's withdrawal due to good cause or at his/her request:
 - options not yet mature shall be cancelled;
 - mature options, but which have not been exercised yet, may not be exercised.

- Withdrawal without cause:
 - options not yet mature shall be cancelled;
 - mature options, but which have not been exercised yet, may be exercised.

- Withdrawal due to Participant's retirement, disability or decease:
 - options not yet mature shall be deemed as exercisable;
 - mature options, but which have not been exercised, may be exercised.

VII - MANAGEMENT – DEFINITION OF INCUMBENCIES

The Program shall be managed by the Company's Board of Directors, which shall have the incumbency of resolving on the issue of shares, purpose of this present Program (Article 168, paragraph 1, "b" of Law #6404/76). This incumbency may not be delegated to another Company's body.

Within this incumbency, it shall be incumbent upon the Board of Directors any and all resolution on the Program, provided that this does not imply in its alteration (in this case, it shall depend on the approval of the extraordinary general meeting), such as:

- a) define, within the parameters of this Program, the annual plans for the granting of call option or share subscription, estimating the targets to be reached, as well as carry out any alteration in relation to the plans already created;
- b) define, under the terms of this Program, its Participants;
- c) define, within the limit of authorized capital and observing the maximum limit of shares attributable to the Program, the quantity of options and the form of distribution among these Participants;
- d) determine the price by which the options may be exercised;
- e) grant to the Participants the call option or subscription of shares to be issued in view of the Program;
- f) take any other measures deemed as necessary or advisable for the administration of the Program, as long as they do not imply in its alteration; and
- g) propose amendments to the Program to be submitted for the extraordinary general meeting's approval.

VII.1 – Program Managing Committee

The Board of Directors may attribute to a Managing Committee the management of the Program. Nevertheless, its acts shall always be approved by the Board.

VIII – CHANGE IN THE SHARE CONTROL

In the event of a direct or indirect change in the Company's share control, the Programs and Plans already implemented shall be observed.

IX - MERGER, SPIN-OFF, INCORPORATION AND TRANSFORMATION OF THE COMPANY – INCORPORATION OF SHARES

In cases of merger, spin-off, with or without the extinguishment of the transferee, merger or transformation of the Company, as well as in case of incorporation of shares, the Programs and Plans already created shall be observed, making the adjustments necessary in the number of Options, including in compliance with the swap relations used for the purposes of the operations above.

X – ALTERATION TO THE NUMBER, TYPE AND CLASS OF SHARES

In cases of alterations to the number, type and class of Company's shares, as a result of reserve split, splitting, bonus shares, as well as in cases of conversion of shares of one type or class into another or the conversion into shares of other

securities issued by the Company, the necessary adjustments shall be made in the Programs and Plans already created, especially in relation to the number of Options and the type or class of Shares to which the Options refer, with a view to avoiding distortions and damages to the Company or Participants.

XI - ALTERATION, SUSPENSION AND EXTINGUISHMENT OF THE PROGRAM INCUMBENT UPON THE GENERAL MEETING

It shall be incumbent upon the Extraordinary General Meeting to approve and therefore, alter, suspend or extinguish the Program, as well as amend the By-Laws in order to establish the Board of Directors' incumbency to provide for the issues and the conditions under which these issues may occur (Article 122 concurrently with Article 135 of Law #6404/76).

Any and all alteration to the Program proposed by the Board of Directors shall be submitted to the approval of the extraordinary general meeting, and once approved, only may reach the call options subsequent thereto.

Amongst the causes, which may give rise to the suspension, alteration or extinguishment of the Program, including in relation to the options already granted, but not yet exercised: the occurrence of factors causing serious change in the economic scenario and those compromising the Company's financial status.

XII –SPECIFIC PERFORMANCE

The Company and the Participants shall be entitled to claim in court the specific performance of the obligations assumed by the other party, under the terms of this Program, pursuant to the applicable provisions of the Brazilian Civil Code Procedure, especially the provisions contained in the Articles 461, 632, 639 and following.

XIII – PROGRAM TERM OF EFFECTIVENESS

This Program shall be valid up to the end of year 2008".

In witness whereof and having agreed thereupon, the legal representatives of **Natura Cosméticos S.A** sign this present instrument in three (3) counterparts of equal tenor and form.

Itapecerica da Serra – São Paulo, April 26, 2004.

NATURA COSMÉTICOS S.A.

ADDENDUM TO THE PROGRAM FOR THE GRANTING OF CALL OPTION OR SHARE SUBSCRIPTION REGISTERED WITH THE 9TH REGISTRY OF DEEDS AND DOCUMENTS UNDER #247.438 ON JANUARY 29, 2001 ("Program")

Natura Cosméticos S.A., a joint-stock company, as lawful successor of Natura Participações S.A., headquartered in the city of Itapeverica da Serra, State of São Paulo, at Rodovia Régis Bittencourt, km 293, Edifício I, enrolled with the corporate taxpayer's ID (CNPJ/MF) under #71.673.990/0001-77, in this act represented by its By-Laws, hereinafter referred to as "**Natura Cosméticos**";

Whereas, by virtue of the merger of the extinguished companies Natura Participações S.A. and Natura Empreendimentos S.A., by **Natura Cosméticos**, occurred on March 05, 2004, **Natura Cosméticos** succeeded in general all the assets, rights and obligations of the referred companies, including, but not limited to the rights and obligations related to the Programs for the Granting of Call Options or Share Subscription previously approved by those companies;

Whereas, **Natura Cosméticos** submitted an application for Publicly-held Corporation Registration with the Brazilian Securities and Exchange Commission ("CVM") and it is in prospect of going public with the purposes of trading its securities on the market;

RESOLVE:

I – to make an addendum to the Program to reflect amongst other things the following major alterations:

a) The options granted under the terms of the referred Programs and respective Plans shall ensure to its Participants, the right, the option being exercised, to subscribe or acquire **Natura Cosméticos**' common shares and no longer the preferred shares. Hence, instead of the rights provided for in the legislation for the preferred shares, all and any rights guaranteed by law to the common shares shall be ensured to the Participants, including, but not limited to the political voting rights;

b) The provisions related to the obligation to sign shall be automatically deemed as extinguished, as a condition for the exercise of options, the Agreements for the Conditional Purchase and Sale of Shares and Assignment of Preemptive Right, besides, all the legal agreements of this nature shall be terminated, which might have been executed by the Participants. Therefore, the Participants may freely trade their shares on the market and shall enjoy, in the capacity as shareholders, the preemptive right guaranteed by the legislation;

c) As a result of the provision in item "b" above, all and any reference to the Conditional Share Purchase and Sale Agreements and the Assignment of Preemptive Rights are excluded from the Program and respective Plans; and

d) The Board of Directors shall adopt all the appropriate measures and arrangements to (i) make an addendum to the Plans previously approved and the Option Agreements, and (ii) formalize the termination of Conditional Share Purchase and Sale agreements and the Assignment of Preemptive Right.

II – consolidate for a better viewing of the impacts caused by the amendments promoted herein, the text of the Program, which now takes effect with the following wording:

"PROGRAM FOR THE GRANTING OF CALL OPTION OR SHARE SUBSCRIPTION"

REGULATION

I - CONCEPT

The Program consists of the granting of call option or subscription of NATURA COSMÉTICOS S.A.'s common shares to its executive officers, managers and employees, as well as executive officers, managers and employees of other companies, which are or are to be under the direct or indirect control of NATURA COSMÉTICOS S.A., whether these are domestic or foreign companies already organized or to be organized.

By means of the granting of call options or share subscription, the Participants may acquire, within term and price previously set out, the Company's shares, as long as all the terms and conditions provided for in this Regulation are met.

II - DEFINITIONS

For the purposes of this present Program, it is understood by:

Shareholders – individuals or legal entities holding the Company's shares;

Shares – the nominative common shares, which shall be or were already issued by the Company in view of the Program for the Granting of Call Option or Share Subscription;

Qualified Collaborator – all Natura Cosméticos S.A.'s executive officers, managers and employees, as well as other companies pertaining to the Natura Group;

Company – the company Natura Cosméticos S.A.;

Option Agreement – the Private Instrument for the Granting of Call Option or Share Subscription executed between the Company and the Qualified Collaborator, through which, the latter acquires the capacity as Program Participant, declaring to be aware and accept all its terms and conditions;

Natura Group- the set of companies Natura Cosméticos S.A. and other controlled companies or to be controlled, whether directly or indirectly by Natura Cosméticos S.A., where these are domestic or foreign companies, already organized or to be organized;

Option – the possibility of the Participants to subscribe or acquire the Company's shares by a price previously determined, as long as all the terms and conditions of this present Program are met;

Mature Option – the option, which met the conditions set out for the exercise of right to subscribe or purchase shares;

Non-Mature Option – the option, which has not met the conditions set out for the exercise of right to subscribe or purchase shares yet;

Participant – the Collaborator Qualified to whom a call option or share subscription under the conditions of this Program was granted, after having signed the Option Agreement;

Period for the exercise of option - this is the period in which the options may be exercised under the terms of items VI.6.1 and VI.6.2 of this present Program;

Program – the call option or share subscription Program of Natura Cosméticos S.A.;

Plan – the call option or share subscription plan, which based on the Program, is approved by the Board of Directors for a certain year of validity of the Program;

Share value – the Value calculated for each share under the terms defined in this present Program.

III - PURPOSES

The Program's purposes are:

- a) to encourage the improvement of the Company's management and of the companies under its direct or indirect control, granting to the Participants the possibility of becoming shareholders, stimulating them to work in the optimization of all the aspects which may valorize the Company, and providing them a corporate view, conciliating and improving the relations among the Group's corporations;
- b) to motivate the permanence of executive officers, managers and employees, and
- c) to expand the attractiveness of the Company and of the Natura Group's companies.

IV – QUALIFIED COLLABORATORS

The executive officers, managers and employees of the Company and other Natura Group's companies are the Qualified Collaborators.

External Collaborators shall not be eligible to receive any call option or share subscription through this Program.

V – REQUIREMENTS TO OBTAIN THE CONDITION AS PARTICIPATING QUALIFIED COLLABORATOR

In order to become a Participant of the Program, the Qualified Collaborator shall be formally appointed by the Board of Directors, under the terms defined in this Program. In addition, as a basic condition to his/her appointment to be deemed as valid and binding, the Qualified Collaborator appointed as Participant shall sign the Option Agreement, expressly adhering to the Plan prepared in view of this present Program and declaring to be aware of all its terms and conditions, including the restrictions contained therein.

VI – PROGRAM BASIC STRUCTURE

VI.1 – Annual Plans

In every year of effectiveness of the Program, the Board of Directors may create a Plan for the granting of call options or share subscription, which if implemented, shall be structured based on the criteria defined below.

It shall be exclusively incumbent upon the Board of Directors to decide on the opportunity and convenience whether or not to implementing the referred plans every year of effectiveness of the Program.

VI.2 – Election of the Participants

Each Plan shall elect amongst the Qualified Collaborators, the Program Participants.

VI.3 – Definition of the number of shares to each plan and the form of their distribution amongst the various Participants

For each Plan, the Board of Directors, in accordance with this Program, shall define the number of shares to be distributed amongst the Participants.

It shall also be incumbent upon the Board of Directors to define in each Plan, the Qualified Collaborators who shall have right to the options, as well as the quantity of options to which each Participant shall be entitled.

Taking into account that the Participants may become the Company's shareholders, the definition about which Qualified Collaborators shall be Participants, as well as about the quantity of options each one shall be entitled to, shall be freely set by the Board of Directors in view of the importance and requisite of the position, the Participant's potentiality, his/her involvement in strategic projects and the added-value he/she offers to the Company, without requiring to attribute the condition as Participant in all the categories or even to all those integrating a same category, besides, in relation to two or more Participants of a same category, different quantities of options may be attributed.

VI.4 – Total limit of shares available in the Program

The total number of shares destined to the Program may not exceed the maximum limit of five per cent (5%) of the total Company's shares.

For the purposes of this limit, the sum of the following shares and options shall be:

- Non-mature options;
- Mature options;
- Shares subscribed based on this Program under the possession of the Participants;
- Shares subscribed based on this Program and acquired by the Company to remain in the treasury; and
- Shares and options, whether or not mature, which have been granted, subscribed or purchased, as this is the case, based on the Granting of Call Option or Subscription Plans previously approved and/or assumed by the Company.

VI.5 – Granting of the options

As long as the requisites required by the Program and Plan are present, as being qualified to attribute to the Qualified Collaborator the capacity as Participant, the Company may grant him/her call options or share subscription, under the limits and quantities previously provided for in the Plan.

VI.5.1 – Restrictions to the transfer of options

The options, whether or not mature, executed between the Company and the Participants shall be not transferable, unless in the event of succession resulting from the Participant's decease. In this case (Participant's decease), the options, whether or not mature, may be exercised by the successors, hence defined after the regular course of the probation proceeding and estate settlement.

The price to be paid at the moment of options exercise shall be calculated based on the criteria set forth in VI.6.4 of this Program.

The term for the successors exercising their options under the terms of this item shall be 12 months from the Participant's decease, and the Company, at its exclusive discretion, may extend this term until the expiration of term for the probation and estate settlement, always in compliance with the maximum term for the exercise of Options.

VI.6 –Exercise of options

The requirements and conditions provided for in this Program being met and provided that the options are mature, the Participant shall have right to the exercise his/her option, that is to say, to the subscription of new shares or to the purchase of treasury shares, which have been issued or purchased in view of this Program.

VI.6.1 – Moment in which the options become mature

The options granted under the terms of this present Program shall become mature, i.e., may be exercised at the ratio of 1/3 of the options for the year. It is worth pointing out that once granted the options, the Participant shall obtain, by the end of each year, from the signature of the Option Agreement, the right to cumulatively exercise 1/3 of the total of his/her options, and at the end of third year from the referred date, the totality of options shall be deemed as mature, therefore, liable to be exercised.

In this regard: i) by the end of the first year, 1/3 of the options shall be liable to be exercised; ii) by the end of the second year, 2/3 of the options; and iii) by the end of the third year, 3/3, i.e., the totality of options.

The Participant may, at his/her exclusive discretion, whether or not exercise his/her options in so far as these have become mature, i.e., the Participant may exercise, by the end of every year, the options becoming mature under the terms explained above, or, if he/she so wishes, may postpone this exercise to the moment deemed as more appropriate, provided that the maximum term for the exercise of options is observed, under the terms defined in item VI.6.2 below.

VI.6.2 – Maximum term for the exercise of options

The Program Participant shall have a five(5)-year maximum term, from the date of signature of the Option Agreement, to exercise the options becoming mature, under the terms set forth in item VI.6.1 above, under the penalty of loss of procedural right to the referred exercise.

VI.6.3 –Formal procedures for the exercise of options

The Participant intending to exercise the right to purchase or subscribe shares shall inform the Company, in written, about his/her intention, under the terms of the notice model to be released by the Board of Directors or by the Managing Committee of the Program.

Once the Company is informed, the effective Exercise of Options shall always occur when Board of Directors' ordinary meetings are held, only on these dates the Options may be exercised.

The Board of Directors may determine the suspension of right to the Exercise of Options, whenever situations are verified, which under the terms of the legislation in effect, restrict or prevent the trading of shares on the part of the Company's employees and administrators.

VI.6.4 –Share subscription or purchase price – criteria to determine the share value

The subscription or purchase price of each share shall correspond to the Company's share value on the date of signature of the Option Agreement, always observing the minimum limit, which is the share book value of shareholders' equity. This price shall be ratified by the Board of Directors and necessarily authorized by the Chairman and by two statutory executive officers.

The price adjusted under the terms above shall be monetarily updated by IBGE's (Brazilian Institute of Geography and Statistics) IPCA (Amplified Consumer Price Index) up to the effective date of subscription or purchase, as this is the case. For the purposes of carrying out the referred update, the following formula shall be adopted:

Subscription or Purchase Price updated at t =

$(\text{Subscription or purchase price at t-n}) * (\text{IPCA at t}) / (\text{IPCA at t-n})$

When the IPCA index at t is not available, this shall be estimated based on the formula below:

$\text{IPCA at t} = \text{IPCA at t-1} * (\text{IPCA at t-1}) / (\text{IPCA at t-2})$

If the formula above, on account of the volatility of the Brazilian economy, generates any relevant distortion, the Board of Directors shall estimate the IPCA at t based on the average of estimates produced by the major financial institutions in the country.

In the event the IPCA is extinguished, the Board of Directors shall opt for another index to replace the former and reflecting the real inflation for the period.

The price previously referred shall be provided for in the Option Agreement and it shall be the same for all the Participants of a same Plan.

The share value is understood as the Company's value divided by the total number of its shares, always observing a minimum limit, which is the share book value of shareholders' equity. The Company's value shall be calculated and released on a monthly basis, as basis for the criterion provided for in the Attachment I, integral and inseparable part of the original Program, filed with the 9th Registry of Deeds and Documents under #247438, on January 29, 2001.

VI.6.5 – Payment of subscribed shares

The share subscription or purchase corresponding to the Program shall be paid in cash, with own funds of the Participant.

For the cash payment of shares referring to his/her option, the Participant may use the funds resulting from the sale of these same shares.

On an exceptional basis, it shall be incumbent upon the Board of Directors, at its exclusive discretion, whether or not to authorize the funding of purchase or subscription price, observing that this term payment shall be effective by means of funding of at most, ninety per cent (90%) of the subscription or purchase price, based on the following conditions:

a.1) amortization, in monthly installments, without grace period, annually adjusted, or within reduced term if allowed by law, IBGE's IPCA or in the event of its extinguishment, by another index reflecting the real inflation for the period;

a.2) funding maximum term of four (04) years;

a.3) 0.5% simple interest-bearing per month, calculated over the debit balance;

a.4) amortization of the debit balance at any moment, with Participant's own funds; and

a.5) compulsory amortization by allocating: i) fifty per cent (50%) of the net amount received by the Participant related to his/her annual bonus by results, and ii) one hundred per cent (100%) of amounts received on the sale of shares.

VI.6.5.1 – Consequences for the non-payment of any of the funding portions

In the event of non-punctuality of the Participant as to the payment of portions agreed upon for the subscription of purchase of shares acquired through this present Program, the early maturity of debt in full shall be considered.

The company may at its exclusive discretion accept the payment of the installment overdue, maintaining the normal maturity of the other installments.

VI.7 – Sale of shares

The Shares purchased or subscribed under the terms of this present Program may be freely sold by the Participant, under the terms of the legislation in force.

VI.8 – Type of shares and rights granted thereto

For the purposes of this present Program nominative common shares shall be issued, under the limits of authorized capital and in accordance with availabilities provided for by each Plan, which shall ensure the same rights provided for other common shares issued by the Company.

VI.9 – Preemptive right

Under the terms of provisions in the Article 171, paragraph 3, of the Law #6404/76, the preemptive right shall not occur in the granting and in the exercise of call options or share subscription, whether in relation to the current shareholders, or in relation to those obtaining this capacity by force of this Program.

VI.10 – Consequences for the Participants' withdrawal

Notwithstanding the general rules for the limitation to the circulation, assignment and transfer of options, the situations outlined below shall have the following treatment:

- Participant's withdrawal due to good cause or at his/her request:
 - options not yet mature shall be cancelled;
 - mature options, but which have not been exercised yet, may not be exercised.

- Withdrawal without cause:
 - options not yet mature shall be cancelled;
 - mature options, but which have not been exercised yet, may be exercised.

- Withdrawal due to Participant's retirement, disability or decease:
 - options not yet mature shall be deemed as exercisable;
 - mature options, but which have not been exercised, may be exercised.

VII - MANAGEMENT – DEFINITION OF INCUMBENCIES

The Program shall be managed by the Company's Board of Directors, which shall have the incumbency of resolving on the issue of shares, purpose of this present Program (Article 168, paragraph 1, "b" of Law #6404/76). This incumbency may not be delegated to another Company's body.

Within this incumbency, it shall be incumbent upon the Board of Directors any and all resolution on the Program, provided that this does not imply in its alteration (in this case, it shall depend on the approval of the extraordinary general meeting), such as:

- a) define, within the parameters of this Program, the annual plans for the granting of call option or share subscription, estimating the targets to be reached;
- b) define, under the terms of this Program, its Participants;
- c) define, within the limit of authorized capital and observing the maximum limit of shares attributable to the Program, the quantity of options and the form of distribution among these Participants;
- d) determine the price by which the options may be exercised;
- e) grant to the Participants the call option or subscription of shares to be issued in view of the Program;

f) take any other measures deemed as necessary or advisable for the administration of the Program, as long as they do not imply in its alteration; and

g) propose amendments to the Program to be submitted for the extraordinary general meeting's approval.

VII.1 – Program Managing Committee

The Board of Directors may attribute to a Managing Committee the management of the Program. Nevertheless, its acts shall always be approved by the Board.

VIII – CHANGE IN THE SHARE CONTROL

In the event of a direct or indirect change in the Company's share control, the Programs and Plans already implemented shall be observed.

IX - MERGER, SPIN-OFF, INCORPORATION AND TRANSFORMATION OF THE COMPANY – INCORPORATION OF SHARES

In cases of merger, spin-off, with or without the extinguishment of the transferee, merger or transformation of the Company, as well as in case of incorporation of shares, the Programs and Plans already created shall be observed, making the adjustments necessary in the number of Options, including in compliance with the swap relations used for the purposes of the operations above.

X – ALTERATION TO THE NUMBER, TYPE AND CLASS OF SHARES

In cases of alterations to the number, type and class of Company's shares, as a result of reserve split, splitting, bonus shares, as well as in cases of conversion of shares of one type or class into another or the conversion into shares of other securities issued by the Company, the necessary adjustments shall be made in the Programs and Plans already created, especially in relation to the number of Options and the type or class of Shares to which the Options refer, with a view to avoiding distortions and damages to the Company or Participants.

XI - ALTERATION, SUSPENSION AND EXTINGUISHMENT OF THE PROGRAM INCUMBENT UPON THE GENERAL MEETING

It shall be incumbent upon the Extraordinary General Meeting to approve and therefore, alter, suspend or extinguish the Program, as well as amend the By-Laws in order to establish the Board of Directors' incumbency to provide for the issues and the conditions under which these issues may occur (Article 122 concurrently with Article 135 of Law #6404/76).

Any and all alteration to the Program proposed by the Board of Directors shall be submitted to the approval of the extraordinary general meeting, and once approved, only may reach the call options subsequent thereto.

Amongst the causes, which may give rise to the suspension, alteration or extinguishment of the Program, including in relation to the options already granted, but not yet exercised: the occurrence of factors causing serious change in the economic scenario and those compromising the Company's financial status.

XII –SPECIFIC PERFORMANCE

The Company and the Participants shall be entitled to claim in court the specific performance of the obligations assumed by the other party, under the terms of this Program, pursuant to the applicable provisions of the Brazilian Civil Code Procedure, especially the provisions contained in the Articles 461, 632, 639 and following.

XIII – PROGRAM TERM OF EFFECTIVENESS

This Program shall be valid up to the end of year 2005".

In witness whereof and having agreed thereupon, the legal representatives of **Natura Cosméticos S.A** sign this present instrument in three (3) counterparts of equal tenor and form.

Itapecerica da Serra – São Paulo, April 26, 2004.

NATURA COSMÉTICOS S.A.