

## **Annual and Extraordinary Shareholders' Meetings and Public Request for Proxy**

Natura Cosméticos S.A. ("Company") invites its shareholders to participate in the Annual and Extraordinary Shareholders' Meetings, to be conducted on April 8, 2011, at 10:20 a.m. ("E/ASM"), in order to resolve on the matters contained in the Call Notice.

Seeking to facilitate and encourage the participation of the shareholders, the Company is making available through the world wide web, the possibility of the shareholders to vote on the matters contained in the Call Notice, by using the public request for proxy, according to CVM Instruction 481 edited on December 17, 2009 and Notice to the Market disclosed on February 23, 2011.

The receipt of electronic proxies will be conducted through the access to the webpage of Natura Investors' Relations ([natura.infoinvest.com.br](http://natura.infoinvest.com.br)). For such, it is necessary that the shareholders carry out their prior registration and obtain their digital certificate, according to procedures indicated in the Manual for Participation in the E/ASM ("Manual"). Please consult the Manual and the Proxy's Model presented below to vote by means of electronic proxies.

Documents related to the E/ASM, including Management's Proposal, are available for access at the webpage of Natura Investors' Relations ([natura.infoinvest.com.br](http://natura.infoinvest.com.br)) and at the webpage of the Brazilian Securities Commission (CVM) ([www.cvm.gov.br](http://www.cvm.gov.br)).

Itapecerica da Serra, March 14, 2011.

**Roberto Pedote**

Investor Relations Officer

**Manual for Participation  
in the 2011 Annual and Extraordinary Shareholders' Meetings**

**Annual and Extraordinary Shareholders' Meetings**

**April 8, 2011**

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## **1 Message from the President's Office**

Dear Shareholders,

Ever since Natura has been founded, the determination of building the company was encouraged by the dream of building a better world.

During the years, it became clearer that this agenda, in order to succeed, has to be lived by everyone who is part of Natura and by those we interact with.

We believe we can contribute to overcome future challenges of our society, through our disposition in finding solutions that transform socio-environmental dilemmas into sustainable business opportunities, with generation of prosperity. This movement will become more comprehensive from the mobilization of our network of relation.

As an opportunity to deepen this reflection, celebrate the achievements of the year and exercise your voting right, we invite you to participate in the Annual and Extraordinary Shareholders' Meetings of Natura Cosméticos S.A., which will be held on April 8, at our head offices in Itapecerica da Serra.

In addition to the Meetings, we will hold an event on that same day, as from 10 a.m., at the Natura Cajamar Space, a special moment when you will be able to see our way of creating and commercializing products and services and get to know our challenges for the coming years. The agenda of the event can also be found in this Manual.

It will be a pleasure to welcome you at our Natura Spaces.

Antonio Luiz da Cunha Seabra  
Co-Chairman of the Board of Directors

Pedro Luiz Barreiros Passos  
Co-Chairman of the Board of Directors

Alessandro Giuseppe Carlucci  
President and Chief Executive Officer

## **2 Invitation**

### **I – Annual and Extraordinary Shareholders’ Meetings**

**Date** April 8, 2011

**Time** 10:20 a.m.

**Place** Head offices of Natura Cosméticos S.A.  
Rodovia Régis Bittencourt, s/nº, Km. 293  
Bairro Potuverá – CEP 06882-700  
Itapecerica da Serra-SP, Brazil

**Matters** **Extraordinary Shareholders’ Meeting:**

- To ratify the alteration of the wording of Article 5 and of the main provision of Article 6 of the Company’s By-Laws, relative, respectively, to the amount of capital stock and the number of subscribed and paid-in shares of the Company, as well as the limit of authorized capital, deriving from the exercise of purchase options or subscription of common shares issued by the Company conducted from February 24, 2010 to December 31, 2010,, by the administrative officers and employees of the Company, as well as the administrative officers and employees of the companies controlled directly or indirectly by the Company, participants in the Plans for Granting of Purchase Options or of Subscription of Common Shares Issued by the Company;

**Annual Shareholders’ Meeting:**

- To receive the Administrative Officers’ Accounts and to examine, discuss and vote on the Management’s Report, the Financial Statements and the Accounting Schedules, together with the Opinion of the Independent Auditors, relative to the fiscal year ended on December 31, 2010;
- To appraise the capital budget for 2011 and the allocation of net income for the fiscal year ended December 31, 2010, as well as the distribution of dividends and interest on equity;
- To elect the members of the Board of Directors of the Company; and
- To establish the overall remuneration of the Company’s Administrative Officers, to be paid up to the date when the Annual Shareholders’ Meeting in which the Company’s shareholders will vote on the financial statements for the fiscal year ending on December 31, 2011.

## **Proposed agenda - Itapecerica**

9:00 a.m. – Shareholders will meet at the Parking Lot of the Eldorado Shopping Mall for shuttle transfer to the head offices of Natura in Itapecerica da Serra.

10:00 a.m. – Welcome and opening of the meeting with breakfast.

10:20 a.m. – Opening of Shareholders Meetings in Itapecerica and simultaneous transmission to Cajamar.

10:50 a.m. – End of the Meetings and shuttle transfer of the shareholders from Itapecerica to the Natura Cajamar Space (optional).

11:30 a.m. – Arrival at the Natura Cajamar Space and presentation of results and plans, chat with Co-Chairmen Luiz Seabra, Pedro Passos and Chief Executive Officer Alessandro Carlucci.

12:50 noon – Brunch

1:40 p.m. – Visit to the Natura Cajamar Space (optional)

2:40 p.m. – Return to São Paulo.

## **Location**

**INSERT MAP AND PHOTO OF THE ITAPECERICA UNIT**

## **II – Natura Cajamar Space Reunion**

**Date** April 8, 2011

**Time** 10:00 a.m.

**Place** Natura Cosméticos S.A.  
Rodovia Anhanguera, s/n, km 30,5  
Cajamar-SP

During the reunion at the Natura Cajamar Space we will transmit live the entire presentation of all of the matters that will be approved in the Annual and Extraordinary Shareholders' Meeting, held in Itapecerica da Serra.

For those that attend the voting at the head offices in Itapecerica da Serra, we will make available a shuttle transfer service from this location to the Natura Cajamar Space, so that they can join the event after the Meetings are closed. Thus, we offering the possibility for our shareholders to vote personally at our official head offices in Itapecerica da Serra and, subsequently, join the Cajamar event (we will make available shuttle transfer services between the two sites).

If you wish to participate right from the beginning of the event at the Natura Cajamar Space and, even so, exercise your voting right, upon delivery of proxy through the electronic system in the world wide web, the shareholders may instruct their vote by electronic proxy until 11:00 p.m. on April 5, 2011, and they shall, for such, make their registration and obtain the digital certificate.

Please note that the exercise of the presential vote shall be made solely at the head offices of the Company in Itapecerica da Serra.

### **Proposed agenda - Cajamar**

9:00 a.m. – Shareholders will meet at Parking Lot of the Eldorado Shopping Mall for Shuttle transfer to the Natura Cajamar Space (optional)

10:00 a.m. – Welcome and opening of event with Breakfast

10:20 a.m. – Opening of the Shareholders Meetings in Itapecerica with simultaneous transmission to Cajamar

10:50 a.m. – Demonstration of Natura products

11:30 a.m. Presentation of results and plans, chat with Co-Chairmen Luiz Seabra, Pedro Passos and Chief Executive Officer Alessandro Carlucci

12:50 noon – Brunch

1:40 p.m. – Visit to Natura Cajamar Space (optional)

2:40 p.m. – Return to São Paulo.

### **Location**

### **3 Procedures and Timeframes**

#### **I – Attending Shareholders**

Shareholders that wish to participate in the Meetings should arrive a few minutes before the opening time designated in the Call Notice, bearing the following documents:

##### **- Individual Shareholders**

- Identification document with photo (RG [Identity Card], RNE [Foreign Identity Card], CNH (National Driver's License] or, further, ID cards of officially recognized professional classes); and
- Document of proof of title to shares issued by Natura, issued by a financial institution responsible for recording book-entry shares and/or a custody agent within the last five (5) days.

##### **- Corporate Shareholders**

- Certified copy of the last restated by-laws or articles of association, and of corporate documentation granting powers of representation (minutes of election of executive officers and/or power of attorney);
- Identification document with photo of the legal representative(s); and
- Document of proof of title to shares issued by Natura, issued by a financial institution responsible for recording book-entry shares and/or a custody agent within the last five (5) days.

##### **- Investment Funds**

- Certified copy of the restated regulations of the fund and of the by-laws or articles of association of its manager, as well as corporate documentation granting powers of representation (minutes of election of the executive officers and/or power of attorney);
- Identification document with photo of the legal representative(s); and
- Document of proof of title to shares issued by Natura, issued by a financial institution responsible for recording book-entry shares and/or a custody agent within the last five (5) days.

#### **II – Shareholders represented by physical proxy**

Shareholders that are unable to attend the Meetings, on April 8, 2011, may be represented by a proxy appointed within the last one (1)-year period, on the terms provided in Paragraph One of Article 126 of Law No. 6.404/76 ("Corporations Law"), bearing the following documents:



- Instrument of proxy with special powers for representation in Meetings and with certified signature of the Shareholder. The Company has made available attorneys who can represent the Shareholders on the date of the Meetings, voting according to voting instructions given by each Shareholder. This proxy can be granted by an electronic or physical document; If they wish to grant a physical power of attorney, please use the form contained in Chapter 6 hereof. In order to exercise its right to vote by electronic power of attorney, please, follow the procedures indicated in "Shareholders represented by electronic proxy" below.
- Certified copy of the last restated by-laws or articles of association and of the corporate documentation granting powers of representation (minutes of election of the executive officers and/or power of attorney), if the Shareholder is a Legal Entity;
- Identification document with photo of the proxy(ies); and
- Document of proof of title to shares issued by Natura, issued by a financial institution responsible for recording book-entry shares and/or a custody agent within the last five (5) days.

The proxies may only be granted to persons who fulfill at least one of the following requisites: (i) to be a shareholder or administrative officer of Natura; (ii) to be an attorney; or (iii) to be a financial institution, with the manager of an investment fund having the incumbency of representing the unitholders.

We recommend that the instruments of proxy for representation in the Meeting called hereunder shall be delivered in up to 48 (forty-eight) hours before they are held, at the following address: Avenida Juruá No. 253, 3<sup>rd</sup> floor, in the City of Barueri, State of São Paulo, Postal Code 06455-010, care of Mr. Helmut Bossert, Investors' Relations Manager.

### **III – Shareholders represented by electronic proxy**

For the Annual and Extraordinary Shareholders' Meetings on April 8, 2011, the Company will make available to the Shareholders the option voting by means of electronic proxy. For this purpose it is necessary only to take the following steps:

**1<sup>st</sup> RECORD:** visit page [natura.infoinvest.com.br](http://natura.infoinvest.com.br) or [www.assembleianaweb.com.br/ass/natura.aspx](http://www.assembleianaweb.com.br/ass/natura.aspx), in the "CADASTRO" section, and complete the record form. A user name (login) and password to access the digital environment of the Meetings will be sent to the designated email.

During the process for record of corporate shareholders, documents may be requested to evidence the powers of the legal representative of the entity. The delivery of the documents requested shall occur with at least 3 business days in advance from the performance of the meetings. The address for the sending of documents will be indicated after the registration in the electronic voting platform.

**2<sup>nd</sup> DIGITAL CERTIFICATE:** If you do not yet have a valid digital certificate, visit page [natura.infoinvest.com.br](http://natura.infoinvest.com.br) or [www.assembleianaweb.com.br](http://www.assembleianaweb.com.br), in the "AGENDA DE ASSEMBLEIAS" section, click on the name *Natura* and insert the data of your CPF

(Individual Taxpayers Register) and the password provided previously. After this, follow the instructions of the site: complete the form, print, sign and send the documents requested to the designated address. In a few days you will receive your digital certificate and the instructions on how to use it in order to vote.

**3<sup>rd</sup> INSTRUCTION OF VOTE BY ELECTRONIC PROXY:** in order to exercise your voting rights by granting an electronic proxy, visit page [natura.infoinvest.com.br](http://natura.infoinvest.com.br) or [www.assembleianaweb.com.br](http://www.assembleianaweb.com.br), in the "AGENDA DE ASSEMBLEIAS" section and click on the name *Natura* and insert the data of your CPF and the password provided previously. Upon accessing the digital environment of the Meetings, you may issue the orientations of your vote in relation to the matters contained in the Agenda.

**The instruction of vote by electronic proxy can be made between March 14 and April 5, 2011 at 11:00 p.m.**

### **Foreign shareholders**

Foreign Shareholders must present the same documentation that is applicable to Brazilian Shareholders, which, however, must be translated to Portuguese by a sworn-in translator, notarized and consularized.

If you have any doubts, please contact **Natura's Investors' Relations Management Office:**

Telephone: +55 (11) 4196-1421

Name: Helmut Bossert

Email: [helmutbossert@natura.net](mailto:helmutbossert@natura.net)

Name: Patrícia Anson

Email: [patriciaanson@natura.net](mailto:patriciaanson@natura.net)

Name: Bruno Caloi

Email: [brunocaloi@natura.net](mailto:brunocaloi@natura.net)

#### 4. Call Notice

##### **NATURA COSMÉTICOS S.A.**

Corporate Tax Payer's ID (CNPJ/MF) 71.673.990/0001-77

Corporate Registry ID (NIRE) 35.300.143.183

A Publicly Traded Company

Subscribed and Paid-in Capital: R\$ 418,061,071.80 – 430,881,416 in common stock

Authorized Capital: up to 10.428.709 in common stock

##### **CALL NOTICE**

##### **ANNUAL AND EXTRAORDINARY GENERAL MEETINGS**

The Board of Directors of **NATURA COSMÉTICOS S.A.**, in the person of its Co-Chairman, presently acting Chairman, Mr. Pedro Luiz Barreiros Passos, has the honor of inviting the distinguished Shareholders of this Company to attend the Annual and Extraordinary General Meetings to be held at 10:20 a.m. on April 8, 2011, at the Company's head office located in the city of Itapeverica da Serra, São Paulo state, on the Régis Bittencourt Highway, no number, Km 293, Building I, to deliberate on matters contained in the following agenda:

**1. in the Extraordinary General Meeting: (a)** ratify the alteration to the text of article 5 and to the lead paragraph of article 6 of the Company's by-laws, relative, respectively, to the value of the capital stock and the quantity of subscribed and paid-in Company shares and to the limit on authorized capital, which occurred due to the exercising of purchase options or subscription of common shares issued by the Company from February 24, 2010 to December 31, 2010, by the Company's management and employees as well as by the management and employees of the companies directly or indirectly controlled by the Company, who participate in the Common Stock Option plan.

**2. in the Annual General Meeting: (a)** review management's accounting, examine, discuss and vote on the Management Report, the Financial Statements and on the Accounting Statements accompanied by the report of the Independent Auditors, for the fiscal year ended December 31, 2010; **(b)** appraise the proposals for the 2011 capital budget and the allocation of the net profit earned during the fiscal year ended December 31, 2010 and the distribution of dividends and interest on equity capital; **(c)** elect the members of the Company's Board of Directors; **(d)** set the aggregate remuneration to the Company's Management, to be paid up to the holding of the Annual General Meeting in which shareholders of the Company vote on the financial statements for the fiscal year that will end on December 31, 2011.

##### **General Information**

- Holders of common nominal shares with no par value, issued by the Company, by

its legal representatives or attorneys-in-fact may participate in the presently summoned meeting, provided that the aforementioned shares are registered in their names at the depository financial institution responsible for keeping record of the Company's shares, Banco Itaú S.A., pursuant to the provisions in article 126 of Law no. 6.404/76. Shareholders should be present a few minutes before the starting time indicated in the Call Notice, bearing the following documents:

**- Individual Shareholders**

- Personal ID document with photograph (personal domestic or foreign ID card, driver's License or cards for duly accredited professional associations); and
- Proof of ownership for shares issued by Natura, provided by the underwriter and/or the custody agent within the last 5 (five) days.

**- Corporate Shareholders**

- Certified copies of the latest articles of incorporation or consolidated by-laws and of the corporate documents which grant representations powers (articles of the election of the directors and/or power of attorney);
- Personal ID document with photograph for the legal representative(s); and
- Proof of ownership for shares issued by Natura, provided by the underwriter and/or the custody agent within the last 5 (five) days.

**- Investment Funds**

- Certified copy of the latest consolidated regulations for the fund and of the articles of incorporation or by-laws of its administrator, in addition to corporate documentation that grant powers of representation (articles of the election of the directors and/or power of attorney);
- Personal ID document with photograph for the legal representative(s); and
- Proof of ownership for shares issued by Natura, provided by the underwriter and/or the custody agent within the last 5 (five) days.

- **Shareholders may yet opt for granting (i) physical powers of attorney to company-appointed lawyers who will represent them on the day of the meeting, as per the power of attorney model available in the Manual for Participating in Annual or Extraordinary General Meetings in 2011, or (ii) electronic proxy with voting instructions via the Internet, by accessing the Natura Investor Relations page ([natura.infoinvest.com.br](http://natura.infoinvest.com.br)), as per the Notice to the Market divulged on February 23, 2011. It is important to remember that voting instructions via electronic proxy depend on the**

**shareholder registering previously and obtaining a digital certificate (see Natura's Investor Relations page for more information on this process, as of March 14, 2011). Physical or electronic proxies may be granted and votes indicated as of March 14, 2011 up to 11:00 p.m. on April 5, 2011.**

- The instruments for the proxies for personal representation at the Shareholders Meetings presently being called must be delivered in up to 48 (forty-eight) hours before they are held, at the following address: " Avenida Juruá, n. 253, 3º andar, Cidade de Barueri, Estado de São Paulo, CEP 06455-010, a/c Sr. Helmut Bossert, Gerente de Relações com Investidores.
- All documentation pertaining to the matters to be discussed in the Annual and Extraordinary General Meetings are available to shareholders at Company headquarters, on the Natura Investor Relations page ([natura.infoinvest.com.br](http://natura.infoinvest.com.br)) and at CVM's page ([www.cvm.gov.br](http://www.cvm.gov.br)), pursuant to paragraph 3 of article 135 of Law no. 6.404/76 and to article 6 of CVM's Instruction no. 481/09.
- The minimum percentage required for the adoption of a multiple voting process for the election of the Board of Directors is 5% (five percent), according to article 3 of the Normative Ruling no. 165, issued by Brazil's Securities and Exchange Commission on December 11<sup>th</sup>, 1991 with later alterations.
- Shareholders will find all the information necessary for a better understanding of the above matters, as well as instructions for granting power of attorney in the Manual for Participating in Annual or Extraordinary General Meetings in 2010, which is available in the Natura Investor Relations page ([natura.infoinvest.com.br/](http://natura.infoinvest.com.br/)) and in CVM's page ([www.cvm.gov.br](http://www.cvm.gov.br)).

Itapecerica da Serra, March 14, 2011

**PEDRO LUIZ BARREIROS PASSOS**  
Chairman of the Board of Directors

## **5. Information on matters that are subject-matter of resolution**

**(a)** to ratify the alteration of the wording of Article 5 and of the main provision of Article 6 of the Company's By-Laws, relative, respectively, to the amount of capital stock and the number of subscribed and paid-in shares of the Company, as well as the limit of authorized capital, deriving from the exercise of purchase options or subscription of common shares issued by the Company conducted from July 1, 2009 to February 24, 2010, by the administrative officers and employees of the Company, as well as the administrative officers and employees of the companies controlled directly or indirectly by the Company, participants in the Plans for Granting of Purchase Options or of Subscription of Common Shares Issued by the Company (item I of the proxy).

In the period from February 24, 2010 to December 31, 2010, five hundred and sixty-three thousand, three hundred and twenty (563,320) registered common shares, with no par value, were subscribed and paid in, from the two million, one hundred and six thousand, five hundred and forty-six (2,106,546) registered common shares, with no par value, issued on September 2, 2010, as approved by the Company's Board of Directors on the mentioned date, to carry out the exercise of the options granted to the administrative officers and collaborators of the Company, and of the companies that it controls directly or indirectly, participants in the Plan for Granting of Purchase Options or of Subscription of Common Shares Issued by the Company relative to Calendar Years 2004, 2005, 2006 and 2007.

Thus, the Company's capital stock increases from four hundred and four million, seven hundred and fifty-nine thousand, one hundred and thirty-eight reais and thirty-two cents (R\$ 404,759,138.32), on February 24, 2010, to four hundred and eighteen million, sixty-one thousand, seventy-one reais and eighty cents (R\$ 418,061,071.80), on December 31, 2010.

The number of subscribed and paid-in registered common shares, with no par value, went from four hundred and thirty million, three hundred and eighteen thousand, ninety-six (430,318,096) registered common shares, with no par value, on February 24, 2010, to four hundred and thirty million, eight hundred and eighty-one thousand, four hundred and sixteen (430,881,416) registered common shares, with no par value, on December 31, 2010.

In the same way, the balance of authorized capital went from ten million, nine hundred and ninety-two thousand, twenty-nine (10,992,029) registered common shares, with no par value, on February 24, 2010, to ten million, four hundred and twenty-eight thousand, seven hundred and nine (10,428,709) registered common shares, with no par value, on December 31, 2010.

The five hundred and sixty-three thousand, three hundred and twenty (563,320) subscribed and paid-in registered common shares, with no par value, from February 24, 2010 to December 31, 2010 will be fully entitled to the dividends, interest on equity capital or any other remuneration declared after the date when they were subscribed and paid in.

As a result of the above alterations, the wording proposed for Article 5 and the main provision of Article 6 of the Company's by-laws is the following:

**"Article 5** – *The subscribed and paid-in capital stock of the Company is four hundred and eighteen million, sixty-one thousand, seventy-one Reais and eighty cents (R\$ 418,061,071.80), divided into four hundred and thirty million, eight hundred and eighty-one thousand, four hundred and sixteen (430,881,416) registered common shares, with no par value."*

**"Article 6** - *The Company is authorized to raise its capital stock up to a limit of ten million, four hundred and twenty-eight thousand, seven hundred and nine (10,428,709) registered common shares, with no par value."*

For further information about this subject-matter, please see a document contained in Annex I hereof (Capital Increase).

**(b)** to receive the Administrative Officers' Accounts and to examine, discuss and vote on the Management's Report, the Financial Statements and the Accounting Schedules, together with the Opinion of the Independent Auditors, relative to the fiscal year ended on December 31, 2010 (item II of the proxy).

⇒ Which are the documents to be presented by the Company's Management and how can the Shareholders have access to them?

- Management's Report on the corporate business and the main administrative fax of the ended fiscal year;
- copy of the financial statements;
- the administrative officers' comments on the Company's financial condition, on the terms of item 10 of the Reference Form;
- opinion of the independent auditors; and
- opinion of the Fiscal Council, including any dissident votes, if any.

The Management documents are available for consultation on the Natura Investors' Relations page ([natura.infoinvest.com.br/](http://natura.infoinvest.com.br/)) and on the CVM's page ([www.cvm.gov.br](http://www.cvm.gov.br)).

**(c)** to appraise the capital budget for 2011 and the allocation of net income for the fiscal year ended December 31, 2010, as well as the distribution of dividends and interest on equity (item V of the proxy).

The amount of the capital budget for the current year, comprising permanent investment and working capital, is two hundred and eighty-six million, two hundred and twenty-three thousand, six hundred and sixty-five Reais and ninety-nine cents (R\$ 286,223,665.99), allocated from the following sources: **(a)** eighteen million, six hundred and twenty-three thousand, six hundred sixty-five Reais and ninety-nine cents (R\$ 18,623,665.99) from the Retained Earnings Reserve and, **(b)** two hundred and sixty-seven million, six hundred thousand Reais (R\$ 267,600,000.00) from third party funds.

The net income earned by the Company, which corresponds to the results for the fiscal year after deduction of the provisions for Income Tax and of the statutory participations, was R\$ six hundred and eight-three million, nine hundred and twenty-three thousand, five hundred and ninety-eight *Reais* and fifty-eight cents (R\$683,923,598.58) in the fiscal year ended December 31, 2009. Management proposes its allocation as follows:

<b>Net Income for the fiscal year ended 12/31/2010</b>	<b>R\$ 744,049,778.89</b>
Reserve for Tax Incentives (Subvention for Investments)	R\$ 5,973,172.00
<b>Allocations:</b>	
Retained Earnings Reserve	18,623,665.99
Dividends	659,569,934.64
Interest on Equity (gross amount)	59,883,006.26

For more information about this matter, please see document contained in Annex IV of this Manual (Allocation of Net Income).

**(d)** to elect the members of the Company's Board of Directors (item VI of the proxy).

The present Management of the Company designates the names below to make up the Board of Directors, with a term of office going up to the Annual Shareholders' Meeting for 2012.

**Antônio Luiz da Cunha Seabra**, 68 years old, graduated in Economics and founder and co-chairman of the Board of Directors of Natura. He was Superintendent at Remington Rand do Brasil and Manager of Laboratórios Bionat, when he generated a passion for cosmetics. He founded Natura in 1969, at the age of 27, in a small store on Rua Oscar Freire, in São Paulo, transforming it into one of the largest Brazilian cosmetics companies, which is strongly committed to ethics, to transparency and to sustainable development.

**Guilherme Peirão Leal**, 61 years old, holds a bachelor's degree in Business Administration from the University of São Paulo – USP. He is one of the founders, controllers and co-chairmen of the Board of Directors of Natura Cosméticos. In the last 20 years he has participated in the creation and governance of a number of social and business organizations. He is founder, former chairman and an incumbent member of the Higher Council of the **Instituto Ethos** – Empresas e Responsabilidade Social (Corporations and Social Responsibility), former chairman of the Higher Council and incumbent member of the Advisory Board of the **FUNBIO (Fundo Brasileiro para Biodiversidade)** (Brazilian Fund for Biodiversity), and a member of the Advisory Board of **WWF-Brasil**. For 8 years he performed as chairman of the Brazilian Association of Direct Sales. He was founder and coordinator of the **PNBE** – Pensamento Nacional das Bases Empresariais (National Thinking of the Businesspersons' Class); chairman of the Higher Council of the **Fundação Abrinq pelos Direitos das Crianças** (Abrinq Foundation for Children's Rights); one of the creators of Natura's **Crer para Ver Program**, which for 15 years has been dedicated to providing support to quality public education; board member and curator of the **Dom Cabral Foundation** and chairman of the Chairpersons Assembly of the **CTE** – Centro de Tecnologia Empresarial (Business Technology Center). He was board member and one of the founders of the **Akatu Institute** for Conscious Consumption, a



member of the G-50 group of business leaders of Latin America and also of the **CEAL** – Conselho de Empresários da America Latina (Businesspersons Council of Latin America). He was board member of the **IEDI**- Instituto de Estudos para o Desenvolvimento Industrial (Institute for Studies of Industrial Development) and a member of the **CONSEA** – Conselho da Presidência da República para a Segurança Alimentar (Council of the Presidency of the Republic for Food Safety). He participated in the board of directors of the holding company of the **Nueva Group** and of the “**O Estado de São Paulo**” Group. Presently he is focused on providing support to the creation of the **ESCAS** – Escola Superior de Conservação Ambiental e Sustentabilidade (Higher School of Environmental Preservation and Sustainability), a partnership between the IPÊ – Instituto de Pesquisas Ecológicas (Institute for Ecological Research) and Natura. He is also dedicated to creating his **INSTITUTO ARAPYÁÚ** para a Educação e o Desenvolvimento Sustentável (for Education and Sustainable Development), the meaning of which in the Amerindian Guarani language corresponds to *new time-space*, in a concept of constant renovation.

**Pedro Luiz Barreiros Passos**, 59 years old, a production engineer from the Polytechnic School of the USP and a business administrator graduated from the Getúlio Vargas Foundation, he is co-chairman of the Board of Directors of Natura. Chairperson of the Board of the Institute for Studies for Industrial Development (IEDI), vice-chairman of the Curator’s Council of the National Quality Foundation (FNQ) and member of the boards of the Institute for Technological Research (IPT), of the SOS Mata Atlântica (Atlantic Forest) Foundation, of the Endeavor Institute, of the Dom Cabral Foundation and of Totvs S/A..

**Julio Moura Neto**, 58 years old, graduated in Mechanical and Nuclear Engineering from the Swiss Federal Institute of Technology (ETH), Zürich, Switzerland. He is also a graduate in Business Administration from the Sloan School of Management, M.I.T., Cambridge, USA. Presently a member of the Board of Directors of Natura Cosméticos and Chairman of the Strategic Committee of the Board. Julio Moura Neto is a member of the Executive Committee of the WBCSD (World Business Committee for Sustainable Development), headquartered in Geneva, Switzerland, and also a member of the Advisory Board for the Postgraduate School of Administration of the University of San Andrés in Buenos Ayres, Argentina. He has held office in the following positions, among others: Chairman of the Board of Directors and President and Chief Executive Officer of Grupo Nueva S.A., Chairman of the Board of Directors of MASISA S.A., President and CEO of the AMANCO Group; Executive Vice-President and member of the Executive Committee of Elevadores Schindler, in Luzern, Switzerland; Corporate Vice-President and President of the Latin America Division of SIKA, in Baar, Switzerland; Member of the Board of Directors of Messerli AG, Switzerland.

**Luiz Ernesto Gemignani**, 64 years old, is the Chairman of the Board of Directors of Promon S.A. since April 2007. He joined Promon in 1978 as Head of Financial Planning, later became Chief Financial Officer, Chief Executive Officer and in 2001 President and Chief Executive Officer, position that he occupied until April 2010. He also holds office as Chairman of the Higher Council of the Fundação Promon de Previdência Social (Promom Pension Plans Foundation), is a member of the Board of Directors of Natura, Vice-Chairman of the Curators Council of the National Quality Foundation, Chairman of the Advisory Board of the Akatu Institute. He graduated in Mechanical Production Engineering from the Polytechnic School of the University of São Paulo in 1970, has a number of specialization courses in administration and finances such as the Advanced Management Program of Harvard Business School.

**Marcos de Barros Lisboa**, 46 years old, economist, PhD in Economics, University of Pennsylvania; Assistant Professor of Stanford University's Economics Department 1996-1998; Assistant Professor, EPGE/FGV 1998-2002; Economic Policy Secretary, Ministry of Finances, 2003-2005; President of Brazil's Reinsurance Institute, 2005-2006; Chief Executive Officer at Itaú Unibanco between 2006 and 2009, Vice-President of Itaú Unibanco since 2009.

**Adilson Antonio Primo**, 57 years old, is an electrical engineer graduated by the Federal Engineering School of Itajubá (UNIFEI – MG). He is the president of the Siemens Group in Brazil and the Mercosur Region (Argentina, Chile, Uruguay, Paraguay and Bolivia) since 2001, joining the company in 1977. He is a member of the Boards of Directors at Nokia Siemens Networks, at Osram do Brasil Lâmpadas Elétricas Ltda., at Embraer and at Epcos do Brasil Ltda. He is a Curator member of the National Quality Foundation (FNQ), Vice-President of the Brazil-Germany Chamber of Commerce and Industry, 1<sup>st</sup> Vice-President of the Brazilian Association of Base Industry and Infrastructure (ABDIB), a member of the Strategic Council of the Brazilian Association of Electro and Electronic Industry (ABINEE), a member of the Economic and Social Development Council (CDES), a support body to the Republic's Presidency and also a member of the Advisory Board at Fundação Dom Cabral.

For more information about the Company's Management, please see document contained in Annex V of this Manual (Management Information).

It must be reminded that the Company's Shareholders, representing a minimum of five percent (5%) of the capital stock, can request in writing to the Company the adoption of the multiple vote process, on the terms of CVM Instruction No. 165/91.

Shareholders who wish to request adoption of the multiple vote process can do so in writing to the Company by no later than 10:00 p.m. of April 6, 2011, through the communication channels made available by the Investors' Relations Management Office.

**(e)** To establish the overall remuneration of the Company's Administrative Officers, to be paid up to the date when the Annual Shareholders' Meeting in which the Company's shareholders will vote on the financial statements for the fiscal year ending on December 31, 2011 (item VI of the proxy).

In the fiscal year ended December 31, 2010, the aggregate amount of remuneration paid by Natura to all of the members of its Board of Directors and its statutory executive officers, approved in the Annual Shareholders' Meeting, was of approximately fifteen million and four hundred thousand *Reais* (R\$ 15,400,000.00) out of which fourteen million, four hundred and seventeen thousand *Reais* (R\$ 14,417,000.00) were paid to board members and statutory executive officers of Natura.

For the year 2011, Management proposes establishment of the overall remuneration of the Administrative Offices, until the next Annual Shareholders' Meeting for appraisal of the financial statements relative to the fiscal year ending on December 31, 2011, in the total amount of seventeen million, seven hundred and ninety thousand *Reais* (R\$ 17,790,000.00).

For more information about the Company's Management, please see document contained in Annex V of this Manual (Management Remuneration).

## 6. Proxy Sample

PROXY	PROCURAÇÃO
<p>I, <b>[•]</b>, [<i>nationality</i>], [<i>marital status</i>], [<i>profession</i>], bearer of Identity Card RG No. [<i>ID card number</i>], enrolled with the Individual Taxpayers Register of the Ministry of Finance under CPF/MF No. [<i>CPF/MF number</i>], resident at [<i>address</i>], a shareholder of <b>Natura Cosméticos S.A.</b> ("Natura" or "Company") hereinafter the "<u>Grantor</u>", hereby appoint as my proxies:</p> <ul style="list-style-type: none"><li>• <b>Byung Soo Hong</b>, Brazilian, married, lawyer, enrolled with the OAB/SP (Brazilian Bar Association/São Paulo Chapter) under No. 128.464 and with the Individual Taxpayers Register of the Ministry of Finance under CPF/MF No. 165.268.348-84, and <b>Ricardo Madrona Saes</b>, Brazilian, single, lawyer, enrolled with the OAB/SP under No. 140.202 and with the Individual Taxpayers Register of the Ministry of Finance under CPF/MF No. 091.952.288-29, both with offices at Avenida Brigadeiro Faria Lima, 1461, 12º andar, City of São Paulo, State of São Paulo, to vote <b>AGAINST</b> of the matters contained in the agenda, according to the orientation expressed below cast by the Grantor;</li><li>• <b>Antonio Carlos Cantisani Mazzucco</b>, Brazilian, married, lawyer, enrolled with the OAB/SP under No. 91.293 and with the Individual Taxpayers Register of the Ministry of Finance under CPF/MF No. 103.529.478-88, and <b>Ligia Marquez Simões</b>, Brazilian, single, lawyer, enrolled with the OAB/SP under No. 285.943 and with the Individual Taxpayers Register of the Ministry of Finance under CPF/MF No. 348.693.728-60,</li></ul>	<p>Eu, <b>[•]</b>, [<i>nacionalidade</i>], [<i>estado civil</i>], [<i>profissão</i>], portador(a) do documento de identidade nº [<i>número do documento de identidade</i>], inscrito(a) no CPF/MF sob o nº [<i>número do CPF/MF</i>], com endereço no(a) [<i>endereço</i>], acionista da <b>Natura Cosméticos S.A.</b> ("Natura" ou "<u>Companhia</u>") doravante o(a) "<u>Outorgante</u>", neste ato nomeio como meus procuradores:</p> <ul style="list-style-type: none"><li>• <b>Byung Soo Hong</b>, brasileiro, casado, advogado, inscrito na OAB/SP sob o nº 128.464 e no CPF/MF sob o nº 165.268.348-84, e <b>Ricardo Madrona Saes</b>, brasileiro, solteiro, advogado, inscrito na OAB/SP sob o nº 140.202 e no CPF/MF sob o nº 091.952.288-29, ambos com endereço profissional na Avenida Brigadeiro Faria Lima, 1461, 12º andar, Cidade de São Paulo, Estado de São Paulo, para votarem <b>FAVOR</b> nas matérias constantes da ordem do dia, de acordo com a orientação expressa abaixo proferida pelo(a) Outorgante;</li><li>• <b>Antonio Carlos Cantisani Mazzucco</b>, brasileiro, casado, advogado, inscrito na OAB/SP sob o nº 91.293 e no CPF/MF sob o nº 103.529.478-88, e <b>Ligia Marquez Simões</b>, brasileira, solteira, advogada, inscrita na OAB/SP sob o nº 285.943 e no CPF/MF sob o nº 348.693.728-60, ambos com endereço profissional na Avenida Brigadeiro Faria Lima, 1461, 12º andar, Cidade de São Paulo, Estado de São Paulo, para votarem</li></ul>

both with offices at Avenida Brigadeiro Faria Lima, 1461, 12º andar, City of São Paulo, State of São Paulo, to vote **AGAINST** of the matters contained in the agenda, according to the orientation expressed below cast by the Grantor; and

- **Rosinei Silvestre Libano Silva**, Brazilian, married, lawyer, enrolled with the OAB/SP under No. 150.899 and with the Individual Taxpayers Register of the Ministry of Finance under CPF/MF No. 142.803.958-96 and, **Rita de Cássia Fernandes de Godoy**, Brazilian, single, lawyer, enrolled with the OAB/SP under No. 138.724 and with the Individual Taxpayers Register of the Ministry of Finance under CPF/MF No. 140.235.448-76, with offices at Avenida Brigadeiro Faria Lima, 1461, 12º andar, City of São Paulo, State of São Paulo, to **ABSTAIN** in the matters contained in the agenda, according to the orientation expressed below cast by the Grantor.

hereinafter referred to as "Grantor(s)" or "Proxy(ies)", granting to him/her/them powers to, acting jointly or severally, attend the Annual and Extraordinary Shareholders' Meetings of the Company, to be held on April 8, 2011, at 10:20 a.m., examine, discuss and vote on behalf of the Grantor concerning the matters included in the Agenda as listed below, strictly in accordance with the instructions received from the Grantor.

*Check with an X the square below, with the option that you desire:*

I – to ratify the alteration of the wording

**CONTRA** nas matérias constantes da ordem do dia, de acordo com a orientação expressa abaixo proferida pelo(a) Outorgante; e

- **Rosinei Silvestre Libano Silva**, brasileira, casada, advogada, inscrita na OAB/SP sob o nº 150.899 e no CPF/MF sob o nº 142.803.958-96 e, **Rita de Cássia Fernandes de Godoy**, brasileira, solteira, advogada, inscrita na OAB/SP sob o nº 138.724 e no CPF/MF sob o nº 140.235.448-76, com endereço profissional na Avenida Brigadeiro Faria Lima, 1461, 12º andar, Cidade de São Paulo, Estado de São Paulo, para **SE ABSTEREM** nas matérias constantes da ordem do dia, de acordo com a orientação expressa abaixo proferida pelo(a) Outorgante.

doravante "Outorgado(s)" ou "Procurador(es)", outorgando-lhe(s) poderes para, agindo em conjunto ou isoladamente, (i) assinar o Livro de Registro de Presença de Acionistas da Companhia e a ata das Assembleias Gerais Ordinária e Extraordinária de Acionistas da Companhia, que ocorrerão em 8 de abril de 2011, às 10:20 horas ("AGO/E"), (ii) substabelecer todos ou parte dos poderes aqui conferidos; (iii) comparecer à AGO/E, podendo examinar, discutir e votar em nome do(a) Outorgante acerca das matérias constantes da Ordem do Dia conforme listadas abaixo, estritamente de acordo com as instruções recebidas do(a) Outorgante.

*Marque um X no quadrado abaixo com a opção que desejar.*

I – homologar a alteração da redação do

<p>of Article 5 and of the main provision of Article 6 of the Company's By-Laws, relative, respectively, to the amount of capital stock and the number of subscribed and paid-in shares of the Company, as well as the limit of authorized capital, deriving from the exercise of purchase options or subscription of common shares issued by the Company conducted from February 24, 2010 to December 31, 2010, by the administrative officers and employees of the Company, as well as the administrative officers and employees of the companies controlled directly or indirectly by the Company, participants in the Plans for Granting of Purchase Options or of Subscription of Common Shares Issued by the Company.</p>	<p>artigo 5º e do caput do artigo 6º do Estatuto Social da Companhia relativos, respectivamente, ao valor do capital social e quantidade de ações subscritas e integralizadas da Companhia e ao limite do capital autorizado, decorrentes do exercício de opções de compra ou de subscrição de ações ordinárias de emissão da Companhia realizadas de 24 de fevereiro de 2010 a 31 de dezembro de 2010, pelos administradores e empregados da Companhia, assim como pelos administradores e empregados das sociedades controladas, direta e indiretamente, pela Companhia, participantes dos Planos de Outorga de Opção de Compra ou de Subscrição de Ações Ordinárias de Emissão da Companhia</p>
<p><input type="checkbox"/> in Favor    <input type="checkbox"/> Against    <input type="checkbox"/> Abstain</p>	<p><input type="checkbox"/> Favor    <input type="checkbox"/> Contra    <input type="checkbox"/> Abster-se</p>
<p>II - to receive the Administrative Officers' Accounts and to examine, discuss and vote on the Management's Report, the Financial Statements and the Accounting Schedules, together with the Opinion of the Independent Auditors, relative to the fiscal year ended on December 31, 2010.</p>	<p>II - tomar as contas dos Administradores, examinar, discutir e votar o Relatório da Administração, as Demonstrações Financeiras e as Demonstrações Contábeis acompanhadas do Parecer dos Auditores Independentes referentes ao exercício social encerrado em 31 de dezembro de 2010</p>
<p><input type="checkbox"/> in Favor    <input type="checkbox"/> Against    <input type="checkbox"/> Abstain</p>	<p><input type="checkbox"/> Favor    <input type="checkbox"/> Contra    <input type="checkbox"/> Abster-se</p>
<p>III - to appraise the capital budget for 2010 and the allocation of net income for the fiscal year ended December 31, 2010, as well as the distribution of dividends and interest on equity.</p>	<p>III - apreciar as propostas de orçamento de capital para o ano de 2011 e de destinação do lucro líquido do exercício social encerrado em 31 de dezembro de 2010 e distribuição de dividendos e juros sobre capital próprio</p>
<p><input type="checkbox"/> in Favor    <input type="checkbox"/> Against    <input type="checkbox"/> Abstain</p>	<p><input type="checkbox"/> Favor    <input type="checkbox"/> Contra    <input type="checkbox"/> Abster-se</p>
<p>IV - to elect the members of the Board of Directors of the Company.</p>	<p>IV - eleger os membros do Conselho de Administração da Companhia</p>
<p><input type="checkbox"/> in Favor    <input type="checkbox"/> Against    <input type="checkbox"/> Abstain</p>	<p><input type="checkbox"/> Favor    <input type="checkbox"/> Contra    <input type="checkbox"/> Abster-se</p>
<p>V - to establish the overall remuneration of the Company's Administrative Officers, to be paid up to the date when the Annual Shareholders' Meeting in which the Company's shareholders will vote on the financial statements for the fiscal year</p>	<p>V - fixar a remuneração global dos Administradores da Companhia a ser paga até a realização da Assembleia Geral Ordinária em que os acionistas da Companhia votarem acerca das demonstrações financeiras do exercício</p>

<p>ending on December 31, 2011.</p>	<p>social a ser encerrado em 31 de dezembro de 2011</p>
<p><input type="checkbox"/> in Favor    <input type="checkbox"/> Against    <input type="checkbox"/> Abstain</p>	<p><input type="checkbox"/> Favor    <input type="checkbox"/> Contra    <input type="checkbox"/> Abster-se</p>
<p>For purposes of granting this mandate, the proxies will have limited powers when attending the Annual and Extraordinary Shareholders' Meetings of the Company for which they have received express powers, and for casting votes in accordance with the voting orientations manifested above, and will have no right nor obligation of taking any other measures that are not necessary for fulfillment of this mandate. The Proxies are hereby authorized to abstain from any resolution or act that, at their discretion, they have not received with sufficiently specific voting orientations. The Grantor must hold the above Proxies harmless and clear of any and all complaints, disputes, claims, losses or damages, of any kind, deriving from performance of this mandate, except for cases of acts practiced with abuse or excess of mandate, on the terms of applicable legislation.</p>	<p>Para os fins de outorga do presente mandato os Procuradores terão poderes limitados ao comparecimento nas Assembleias Gerais Ordinária e Extraordinária de Acionistas da Companhia para a qual tenham recebido expressos poderes e ao lançamento de voto em conformidade com as orientações de voto acima manifestadas, não tendo direito, nem obrigação de tomar quaisquer outras medidas que não sejam necessárias ao cumprimento deste mandato. Os Procuradores ficam autorizados a se abster de qualquer deliberação ou ato para o qual não tenha recebido, a seu critério, orientações de voto suficientemente específicas. O(A) Outorgante manterá os Procuradores acima indenados e livres de toda e qualquer reclamação, disputa, demanda, prejuízo ou dano, de qualquer natureza, decorrente do cumprimento do presente mandato, exceto nos casos de atos praticados com abuso ou excesso de mandato, nos termos da legislação vigente.</p>
<p>This mandate, granted on this date and at this time, will be automatically revoked, rendering the terms contemplated herein null ipso jure, if a proxy is granted through the <b>Assembleia na Web (Meeting on the Web)</b> on a date or time subsequent to this proxy, whereby the last proxy granted will be valid for all legal purposes.</p>	<p>O presente mandato outorgado nesta data e horário será automaticamente revogado, tornando os termos aqui contemplados nulos de pleno direito, caso seja outorgada procuração por meio da Assembleia na Web em data ou horário posterior à presente procuração, passando a última procuração outorgada a valer para todos os fins de direito.</p>
<p>This mandate is to be exercised in accordance with the number of shares registered in the name of the Grantor on the date when the Shareholders' Meetings are held, on the terms of applicable legislation.</p>	<p>O presente mandato será exercido de acordo com o número de ações registradas em nome do(a) Outorgante na data de realização das Assembleias Gerais, nos termos da legislação aplicável.</p>
<p>This instrument of proxy will be valid only for the abovementioned Annual and Extraordinary Shareholders' Meetings of the Company, whether on first or on second call.</p>	<p>O presente instrumento de mandato terá validade apenas para as Assembleias Gerais Ordinária e Extraordinária de Acionistas da Companhia acima referidas, seja em primeira ou em segunda</p>

<p>In witness whereof, the Grantor digitally signed this proxy on [date].<i>(Applicable only th electronic proxies)</i></p> <p>[Place], [date]</p> <hr/> <p>[Name of Shareholder] Taxpayer Card (CPF): [CPF No.]</p>	<p>convocação.</p> <p>E, para constar, o(a) Outorgante assinou digitalmente esta procuração em [data].<i>(Aplicável apenas às procurações eletrônicas)</i></p> <p>[Local], [data]</p> <hr/> <p>[Nome do Acionista] CPF: [CPF]</p>
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## **7 Documents and related links**

- ⇒ [www.natura.net](http://www.natura.net): Natura's website
- ⇒ [natura.infovest.com.br](http://natura.infovest.com.br): Natura Investors' Relations
- ⇒ [www.cvm.gov.br](http://www.cvm.gov.br): Legislation applicable to Joint Stock Companies and Information on the Company
- ⇒ [www.bmfbovespa.com.br](http://www.bmfbovespa.com.br): Regulations for Listing in the Novo Mercado (New Market of the São Paulo Stock Exchange)
- ⇒ [www.assembleianaweb.com.br/ass/natura.aspx](http://www.assembleianaweb.com.br/ass/natura.aspx): Registry sheet for granting of electronic power of attorney.
- ⇒ [www.ibgc.org.br](http://www.ibgc.org.br): Brazilian Institute of Corporate Governance
- ⇒ [www.abihpec.org.br](http://www.abihpec.org.br): Brazilian Association of the Personal Care, Perfumery and Cosmetics Industry
- ⇒ [www.abevd.org.br](http://www.abevd.org.br): Brazilian Association of Direct Sales Companies

## **ANNEX I – CAPITAL INCREASE**

### **1. Amount of the increase and new value of the capital stock**

Amount of the increase: R\$ 13,301,933.48 (thirteen million, three hundred and one thousand, nine hundred and thirty-three reais and forty-eight cents).

Thus, the Company's capital stock increases from R\$ 404,759,138.32 (four hundred and four million, seven hundred and fifty-nine thousand, one hundred and thirty-eight reais and thirty-two cents), on February 24, 2010, to R\$ 418,061,071.80 (four hundred and eighteen million, sixty-one thousand, seventy-one reais and eighty cents), on December 31, 2010.

The quantity of subscribed and paid-in common nominative shares with no par value increased from 430,318,096 (four hundred and thirty million, three hundred and eighteen thousand and ninety-six) common nominative shares with no par value, on February 24, 2010, to 430,881,416 (four hundred and thirty million, eight hundred and eighty-one thousand, four hundred and sixteen) common nominative shares with no par value, on December 31, 2010.

Similarly, the balance of authorized capital will change from 10,992,029 (ten million, nine hundred and ninety-two thousand and twenty-nine) common nominative shares with no par value, on February 24, 2010, to 10,428,709 (ten million, four hundred and twenty-eight thousand, seven hundred and nine) common nominative shares with no par value, on December 31, 2010.

### **2. Inform whether the increase will be accomplished by means of: (a) conversion of debentures into shares; (b) the exercising of subscription rights or a subscription bonus; (c) capitalization of interest or reserve funds; or (d) subscription of new shares.**

The capital stock increase will be achieved through subscription of new shares, within the limit of the authorized capital.

### **3. Explain, in detail, the reasons for increasing and the legal and economic consequences.**

563,320 (five hundred and sixty-three thousand, three hundred and twenty) common nominative shares with no par value were subscribed in the period from February 24, 2010 to December 31, 2010, so that Company officers and employees, as well as those in companies directly and indirectly controlled by the Company, all participants of the Stock Option Plan, could exercise granted stock options relative to Calendar Years 2004, 2005, 2006 and 2007.

Shares subscribed in the period from February 24, 2010 to December 31, 2010 to meet the requirements of the Stock Option Plan are part of the issuance of 2,106,546 (two million, one hundred and six thousand, five hundred and forty-six) common nominative shares with no par value, approved at the Company's Board of Directors Meeting held on September 2, 2010, with the purpose of meeting the requirements of the Stock Option Plan.

**4. Supply a copy of the Audit Committee Report, if applicable**

The Company does not possess a permanently assembled Audit Committee and currently does not have one instated.

**5. In the case of capital increase through subscription of shares**

**a. State the application of resources**

Resources obtained through the subscription of shares, as a result of employees exercising their Stock Options, were allocated to operating working capital.

**b. State the number of shares issued, class and type of each**

563,320 (five hundred and sixty-three thousand, three hundred and twenty) common nominative shares with no par value.

**c. Describe the rights, advantages and restrictions attributed to shares to be issued**

The Company's capital stock is represented exclusively by common shares and each common share entitles the owner to one vote in matters presented to shareholders.

**d. Inform whether subscription is public or private**

Subscriptions are conducted privately, by signing the Agreement on Subscription of Shares.

**e. In the case of a private subscription, inform whether related parties, as defined by accounting rules dealing with this matter, will subscribe shares for capital increase, specifying the respective amounts after they have been disclosed**

In the period from February 24, 2010 to December 31, 2010, there was the subscription of 7,884 shares within the Stock Option Plan. All issued shares were subscribed and paid-in by participants of said Plan.

**f. Inform the issue price of new shares or the reasons why its fixing is delegated to the Board of Directors, in the case of public distribution**

The issue price of new shares is defined when the Board of Directors approves the Stock Plan (see item "i" below).

**g. Inform the par value of issued shares or, in the case of shares with no par value, the portion of the issue price that will be allocated to capital reserves**

The value recorded in our Net Equity Changes Statement as "exercising of stock options" under Capital Reserves (Goodwill on the issuance/sale of Shares) is R\$ R\$ 4,653,875, comprising the entire value of the exercising of stock options in the 2010 period.

Deducting from R\$ 4,653,875 million the amount for the first semester of 2010 (R\$ 1,838,166) will result in the value for the period relative to the current capital increase: from July to December/2010, corresponding to 289,397 shares.

In the first semester of 2010, the value of options exercised totaled R\$ 1,838,166. In the second semester of 2010, between July and December, 324,204 shares were issued, totaling an increase of R\$ 464,918.61.

Disclosed on NECS related to 2009	1,767,265.33
Value for the 1 <sup>st</sup> Semester/2009	(1,302,346.72)
July to December/ 2009 (289,397 shares)	<b>464,918.61</b>

**h. Inform management's opinion on the effects of the capital increase, especially regarding the dilution caused by the increase**

Shares subscribed during the period from February 24, 2010 to December 31, 2010 represent a dilution of - 0.1406% in the participation of shareholders in the Company's stock capital. Considering that this dilution is irrelevant, we understand that there are no significant effects caused by the capital increase.

**i. Inform the criteria for calculating the issue price and justify, in detail, the economic aspects affecting your choice**

The Subscription or Acquisition Price of each Share corresponds to the Company's Share Value, fixed according to criteria foreseen under letters "a" and "c" below, calculated on the date in which the Board of Directors

approves the Plan and elects the Participants. Share Value will be determined based on the following criteria:

- a) value corresponding to the simple average of the last 30 (thirty) trading sessions which have been held over the last 60 (sixty) consecutive days, counted as of the period of 5 (five) days prior to the approval of the Plan every year, always adopting the daily average price of each trading session;
- b) should 30 (thirty) trading sessions not be held within the period of 60 (sixty) days aforementioned, the average mentioned above shall be obtained taking into account the full number of trading sessions held during said period, up to a minimum of 03 (three) trading sessions;
- c) if at least 03 (three) trading sessions within the 60 (sixty) days aforementioned are not held, the last trading sessions prior to the 60 (sixty) days shall be considered, up to the minimum number of 03 (three) trading sessions.

The price adjusted under the terms above shall be monetarily adjusted by the National Extended Consumer Price Index (IPCA) of the Brazilian Institute of Geography and Statistics (IBGE) up the effective date the Option is exercised, if the case may be. For purposes of calculating said adjustment, the following formula shall be adopted:

Subscription or Purchase Price adjusted in t =  
(Subscription or Purchase Price in s) \* (IPCA in t) / (IPCA in s).

where

t = month of subscription or purchase

s = month stock option is granted

When the 'IPCA index in t' is not available, it will be estimated by employing the index of the previous month, that is, IPCA in t-1. In the subsequent month this estimated IPCA will be replaced by the actual index disclosed for the respective month.

Should the IPCA be made extinct, the Board of Directors shall elect another index which reflects real inflation during the period, to replace it.

The aforementioned price shall be foreseen in the Option Contract and shall be the same for all of the Participants of the same Plan.

- j. If the issue price has been fixed including goodwill or negative goodwill in relation to the market value, identify the reasons for goodwill or negative goodwill and explain how it was determined**

Not applicable.

**k. Supply a copy of all reports and studies which support the determination of the issue price**

Not applicable.

**l. Inform the price quotation per share for each of the Company's share by type and class in the markets in which they are traded, identifying:**

**i. Minimum, average and maximum price for each year, over the last 3 (three) years**

	Minimum price	Average price	Maximum price
2007	R\$ 15,23	R\$ 26,71	R\$ 23,28
2008	R\$ 12,94	R\$ 21,78	R\$ 18,29
2009	R\$ 17,77	R\$ 38,77	R\$ 27,21
2010	R\$ 33,00	R\$ 40,67	R\$ 49,20

**ii. Minimum, average and maximum price for each quarter, over the last 2 (two) years**

	Minimum price	Average price	Maximum price
1Q08	R\$ 12,94	R\$ 17,56	R\$ 16,92
2Q08	R\$ 14,37	R\$ 19,47	R\$ 18,62
3Q08	R\$ 13,60	R\$ 19,35	R\$ 18,11
4Q08	R\$ 14,68	R\$ 21,78	R\$ 19,44
1Q09	R\$ 17,77	R\$ 22,91	R\$ 20,86
2Q09	R\$ 21,09	R\$ 29,09	R\$ 25,49
3Q09	R\$ 24,59	R\$ 31,97	R\$ 28,33
4Q09	R\$ 30,59	R\$ 38,77	R\$ 33,65
1Q10	R\$ 33,00	R\$ 34,88	R\$ 37,90
2Q10	R\$ 35,08	R\$ 37,36	R\$ 41,03
3Q10	R\$ 39,05	R\$ 43,12	R\$ 46,74
4Q10	R\$ 44,95	R\$ 47,21	R\$ 49,20

**iii. Minimum, average and maximum price for each month, over the last 6 (six) months**

	Minimum price	Average price	Maximum price
ago/10	R\$ 26,60	R\$ 28,56	R\$ 30,49
set/10	R\$ 29,78	R\$ 30,92	R\$ 31,97

out/10	R\$ 30,85	R\$ 32,47	R\$ 34,11
nov/10	R\$ 30,59	R\$ 32,84	R\$ 34,54
dez/10	R\$ 33,97	R\$ 36,28	R\$ 38,77
jan/11	R\$ 33,15	R\$ 35,52	R\$ 39,12

**iv. Average price over the last 90 days**

Average price over the last 90 business days	R\$ 34.05
Average price over the last 90 calendar days	R\$ 35.31

**m. State the issuing price of shares for capital increases over the last 3 (three) years**

The issuing prices of shares are defined when the Board of Directors approves the Stock Option Plan (see item "i" above) and are adjusted monetarily by IBGE's IPCA until the effective Exercising of Options.

	31.12.2010	31.12.2009	31.12.2008
Grant Date	Exercise price - R\$	Exercise price - R\$	Exercise Price - R\$
April 10, 2002			
April 10, 2003	-	-	-
April 10, 2004	-	-	3,47
March 16, 2005	-	8,92	8,54
March 29, 2006	20,25	19,12	18,33
April 24, 2007	30,17	28,49	27,31
April 22, 2008	28,53	26,94	25,76
April 22, 2009	22,16	20,92	19,01
March 19, 2010	24,17	22,82	-

**n. State the percentage of potential dilution resulting from the issuance**

The dilution percentage resulting from the issuance is -0.1406%.

**o. State deadlines, conditions and the manner in which issued shares are subscribed and paid-in**

Participants pay for subscriptions or purchase of Shares under the Stock Option Program in cash, using own resources.

**p. State whether shareholders will have pre-emptive rights to subscribe to newly issued shares and specify the terms and conditions which this right is subject to**

Shares are issued for the exercising of options granted to the Company's management and employees and those of companies directly or indirectly controlled by the Company, who participate in the Stock Option Plan.

**q. State management's proposal for treating eventual remainders**

Being that shares are issued under the Stock Option Plan, there are no remainders.

**r. Describe in detail procedures to be adopted in case there is partial approval of the capital increase is foreseen**

Not applicable.

**s. Should the issue price of the shares be, fully or partially, supported by assets**

**i. Supply a complete description of assets**

**ii. Clarify the relationship between the Company's equity assets and its corporate purpose**

**iii. Supply a copy of the asset evaluation report, should it be available**

Not applicable.

**6. In the case a capital increase occurs through the capitalization of profits or reserves**

**a. State whether this will involve altering the par value of shares, should it exist, or distributing new shares among shareholders**

**b. State whether the capitalization of profits or reserves will be accomplished with or without a change in the quantity of shares, in companies with shares with no par value**

**c. In the case of distribution of new shares**

**i. State the quantity of shares issued by each type and class**

**ii. State the percentage that shareholders will receive in shares**

**iii. Describe the rights, advantages and restrictions attributed to shares to be issued**



**iv. State the price of acquisition, in reais per share, to be attributed so that shareholders may comply with article 10 of Law 9.249 of December 26, 1995**

**v. State how subdivisions will be treated, should it be the case**

**d. Inform the timeframe pursuant to § 3, article 169 of Law 6.404 of 1976**

**e. State and supply information and documents pursuant to item 5 above, when warranted**

Not applicable.

**7. In the event capital is increased through the conversion of debentures into shares or through the exercising of Bonus subscriptions**

**a. State the quantity of shares issued by type and class**

**b. Describe the rights, advantages and restrictions attributed to shares to be issued**

Not applicable.

## **ANNEX II – PROPOSALS FOR AMENDMENT TO THE BY-LAWS**

### **CHAPTER I NAME, HEADQUARTERS, PURPOSE AND DURATION**

**Article 1** - NATURA COSMÉTICOS S/A is a publicly-held corporation ruled by the present By-Laws, applicable legislation and by the New Market Listing Regulations.

**Article 2** - The Company headquarters and jurisdiction are located in the city of Itapecerica da Serra, State of São Paulo, at Rodovia Régis Bittencourt, s/n.º, km 293, Bairro Potuverá, Edifício I, CEP 06882-700.

**Paragraph 1** - The Company may install branches, agencies, warehouses, offices and any other establishments in the country by the Board of Executive Officers' resolution.

**Article 3** - The Company's purposes are:

I. The exploration of trade, export and import of beauty, hygiene, toiletry products, cosmetics products, clothing articles, jewelry, costume jewelry, home articles, foods, nutritional supplements, software, books, publishing material, entertainment products, phonographic products, medicine, including phytotherapeutic and homeopathic drugs, pharmaceutical inputs and preparations destined to hygienization, and thus may practice all acts and carry out all operations related to its purposes.

II. The rendering of services of any nature, such as services related to esthetic treatments, marketing consulting, registration, planning and risk analysis.

III. The organization, interest and administration under any form in any company and business of any nature, in the capacity as partner or shareholder.

**Article 4** - The Company duration is indeterminate.

### **CHAPTER II CAPITAL STOCK, SHARES AND SHAREHOLDERS**

**Article 5** - The subscribed and paid-in capital stock of the Company is R\$ 418,061,071.80 (four hundred and eighteen million, sixty-one thousand, seventy-one Reais and eighty cents), divided into 430,881,416 (four hundred and thirty million, eight hundred and eighty-one thousand, four hundred and sixteen), registered common shares, with no par value.

**Article 6** - The Company is authorized to raise its capital stock up to a limit of 10,428,709 (ten million, four hundred and twenty-eight thousand, seven hundred and nine) registered common shares, with no par value.

**Paragraph 1** - Within the limits authorized in this Article, the Company, by means of Board of Directors resolution, may increase the capital stock regardless of By-Laws amendment. The Board of Directors shall define the issue conditions, including price and term for payment of subscribed shares.

**Paragraph 2** - Within the limit of capital authorized, the Board of Directors may resolve on the issue of subscription bonus.

**Paragraph 3** - General Meeting, the Board of Directors may grant call option or share subscription, according to the Program for the Granting of Call Option or Subscription carried at General Meeting, to its administrators and employees, as well as to administrators and employees of other companies directly or indirectly controlled by the Company, without preemptive right of Company shareholders, at the moment of granting or exercise of call option, complying the balance of authorized capital limit at the date of granting of referred call option or subscriptions to shares.

**Paragraph 4** - It is void to the Company issue Beneficiary Parties.

**Article 7** - The capital stock shall be exclusively represented by common shares and each common share shall correspond to the right to one vote in shareholders' decisions.

**Article 8** - All the Company shares shall be book-entry shares and in the name of its holders. They shall be maintained in a deposit account with a financial institution authorized by the Securities Commission.

**Sole Paragraph** - The transfer and registering costs, as well as cost of service related to the shares in custody may be directly charged from shareholder by a depositary institution, as to be defined in the custody agreement.

**Article 9** - Upon the Board of Directors' discretion, the preemptive right in the issue of shares, debentures convertible into shares and subscription bonus may be excluded or reduced, the placement of which is made through the sale at stock exchange or through public subscription, or even by means of share swap in a takeover bid, under the terms set forth by law within the limit of authorized capital.

**CHAPTER III  
COMPANY'S ADMINISTRATION  
SECTION I  
GENERAL MEETING**

**Article 10** - The General Meeting shall meet on an ordinary basis once a year and on an extraordinary basis, when called under the terms of Law or of these By-Laws.

**Paragraph 1** - General Meeting's resolutions shall be taken by majority vote.

**Paragraph 2** - The General Meeting may only resolve on issues of the agenda, included in respective call notices.

**Article 11** - The General Meeting shall be convened and presided over by shareholder chosen by those attending the meeting, who may appoint up to 2 secretaries.

**Article 12** - It is incumbent on the General Meeting, in addition to attributions provided for by law:

I. To elect and remove from office the Board of Directors' members;

II. To define global fees of the Board of Directors and Board of Executive Officers' members, as well as the remuneration of Audit Committee's members to be installed;

III. To confer stock dividends and decide over possible share splitting;

IV. To approve programs for the granting of call option or shares subscription to its administrators and employees, as well as to administrators and employees of other companies directly or indirectly controlled by the Company;

V. To resolve, according to the proposal submitted by the administration, over the allocation of income for the year and the distribution of dividends;

VI. To elect the liquidator, as well as the Audit Committee, which shall operate during the liquidation period;

VII. To resolve on the exit from the BOVESPA - São Paulo Stock Exchange ("BOVESPA") New Market ("New Market") -; and

VIII. To choose a specialized institution or company liable for the preparation of an appraisal report of the Company's shares, in the event the registration as a publicly-held corporation is cancelled or in the event of exit from the New Market, as provided for by Chapter V hereof, amongst institution or companies appointed by the Board of Directors.

**Sole Paragraph** - The chairman of the General Meeting shall observe and comply with the provisions of shareholders agreements at the Company's headquarters, not allowing to counting votes issued contrary to the content of these agreements.

**SECTION II**  
**ADMINISTRATION DEPARTMENTS**  
**Sub-Section I**  
**General Provisions**

**Article 13** - The Company shall be administered by the Board of Directors and by the Board of Executive Officers.

**Paragraph 1** - The installation of positions shall occur through terms drawn up in the company's records, signed by the administrator taking office, released from any management guarantee.

**Paragraph 2** - The investiture of the members of Board of Directors and of the Board of Executive Officers is contingent to preliminary subscription of the Instrument of Agreement of the Directors, in order to the anticipated in the New Market Listing Regulations;

**Paragraph 3** - The administrators shall remain in their positions until the installation of their deputies.

**Article 14** - The meeting shall determine a global annual allowance for the distribution amongst administrators and it shall be incumbent upon the Board of Directors to carry

out the distribution of allowance on an individual basis, in compliance with these By-Laws.

**Article 15** – Any management body meets validly with the presence of the majority of its members and decides with the vote of the majority of the members present.

**Paragraph 1** – *In case the result of a vote on a matter discussed in a Board of Director's meeting is a draw, the co-Chairman of the Board who is chairing the meeting will have a casting vote to decide on the matter.*

**Paragraph 2** – *The previous call of the meeting as a condition for its validity is only waived if all members attend the meeting and, for this purpose, votes in writing are acceptable.*

## **Sub-Section II Board of Directors**

**Article 16** - The Board of Directors shall be composed of, at least, five (5) and, at most, seven (7) members, all shareholders, elected by the General Meeting, for a two-years term, re-election being permitted

**Paragraph 1** – At less twenty per cent (20%) of the members of the Board of Directors should be independent councilmember, according to definition at the New Market Listing Regulations.

**Paragraph 2** - In the Annual General Meeting, shareholders shall resolve upon the number of Board of Directors' members.

**Paragraph 3** - Board of Directors' members shall be invested in their positions by signing declaration drawn up in the company's records. The Board of Directors' members shall remain in their positions and in the performance of their duties until their deputies are elected, unless resolved otherwise by the Shareholders' General Meeting.

**Paragraph 4** - The Board of Directors' member shall have a solid reputation, and may not be elected, except for release from the General Meeting, who (i) occupies positions in companies which may be deemed as company's competitors; or (ii) who has or represents conflicting interests with the company; voting shares may not be exercised by the Board of Directors' member if same impediment factors are characterized thereafter.

**Paragraph 5** - It is void, under the form of Article 115, paragraph 1 of Law No. 6.404/76, the exercise of voting shares, in the election of Board of Directors' members, under circumstances characterizing conflict of interests with Company.

**Paragraph 6** - The Board of Directors' member may not have access to information or participate in the Board of Directors meetings, related to matters which have or represent conflicting interests with the Company.

**Paragraph 7** - The Board of Directors, for a better understanding of its attributes, may create committees or work groups with defined purposes being composed of

persons designated by it among members of administration and/or persons directly or indirectly related to the Company.

**Article 17** - At the election of the Board of Directors' members, the General Meeting shall firstly determine by majority vote the number of Board members to be elected. If multiple vote process is not requested as required by law, the Meeting shall vote through a list of candidates previously registered on the board of elections, which shall ensure to shareholders holding, individually or in block, fifteen per cent (15%) or more of Company's common shares the right to appoint one member, in compliance with the limit of main section of Article 16. The board of elections may not accept the registration of any list breaching the provision of this Article.

**Article 18** - The Board of Directors shall have two (2) Co-Chairmen, who shall be elected by majority vote of its members, at the first Board of Directors meeting taking place immediately after the investiture of these members, or whenever resignation or vacancy occurs in these positions.

**Paragraph 1** - It shall be incumbent upon the Board of Directors' members, at their first meeting to appoint among their Co-Chairmen who shall chair the Board of Directors' meetings during all management term of office of its members.

**Paragraph 2** - In the Board of Directors' resolutions, the casting vote shall not be attributed to any of the Co-chairmen, in the event of tie vote.

**Paragraph 3** - In the event of impediment or vacancy in the position of member of the Board of Directors, the Board of Directors shall call a General Meeting to occupy respective position.

**Article 19** - The Board of Directors shall meet on an ordinary basis, four times a year, and on an extraordinary basis, whenever called by the Co-Chairman appointed under the terms of Paragraph 1 of the Article 18 or by the majority of its members. The Board meetings may be exceptionally held via conference call, video conference, electronic mail or by any other media.

**Paragraph 1** - Calls for meetings shall be made at least seventy-two (72) hours in advance.

**Paragraph 2** - All the Board of Directors' resolutions shall be included in Minutes drawn up in the respective Board's book and signed by the Board members attending the meeting.

**Paragraph 3** - At the Board of Directors meetings, the vote by means of delegation made in favor of another Board member, a written and anticipated vote and vote issued by fax, electronic mail or any other means of communication are accepted, counting as present those members voting.

**Article 20** - It is incumbent upon the Board of Directors, in addition to other attributions required by law or the by-Laws:

I. To perform normative functions of the Company's activities, and may attribute to its examination and resolution any issue not comprised in the private incumbency of the General Meeting or the Board of Executive Officers;

- II. To define the Company's business general guidance;
- III. To elect and remove from office the Company's Officers;
- IV. To attribute to Officers respective duties, including designating the Investor Relations Director, in compliance with provisions hereof;
- V. To resolve on the call for a General Meeting, when deemed convenient, or in the case of Article 132 of Corporations Law (Law no. 6404/76);
- VI. To inspect Officers management, examining at any time, the Company's books and papers and requesting information about agreements entered into or about to be executed and any other acts;
- VII. To assess quarterly results of the Company's operations;
- VIII. To choose and remove independent auditors;
- IX. To call independent auditors to provide clarifications deemed necessary;
- X. To assess the Management Report and the Board of Executive Officers' accounts and resolve on its submission to the General Meeting;
- XI. To approve annual and multi-annual budgets, strategic plans, expansion projects and investment programs, as well as to follow-up their execution;
- XII. To approve the creation and suspension of subsidiary and the Company's interest in other companies' capital, on a domestic or international basis, as well install branches, agencies, warehouses, offices and any other establishments in the country or oversea;
- XIII. To determine the performance of inspections, audit or examination of accounts of the Company's subsidiaries, controlled or affiliated companies, as well as foundations sponsored thereby;
- XIV. To previously manifest on any matter to be submitted to the General Meeting;
- XV. To authorize the issue of the Company's shares under the limits authorized in Article 6 hereof, by determining issue conditions, including price and payment term for subscribed shares, and may also exclude or reduce the preemptive right in the issue of shares, subscription bonus and convertible debentures, placement of which is made through sale at stock exchange or by means of a public subscription or in a takeover bid, under the terms established by law;
- XVI. To resolve on the Company's acquisition of shares issued by itself for the maintenance in treasury and/or further cancellation or disposal;
- XVII. To resolve on the issue of subscription bonus, as provided by Paragraph 2 of the Article 6 of these By-Laws;
- XVIII. To grant call option or share subscription, according to the Program for the Granting of Call Option or Subscription carried at General Meeting, to its administrators and employees, as well as to administrators and employees of other companies directly

or indirectly controlled by the Company, without preemptive right for the shareholders, complying the balance of authorized, at the moment of granting or exercise of call option, capital limit at the date of granting of referred call option or subscriptions to shares.

XIX. To establish the amount of profit sharing related to Company's officers, managers and employees;

XX. To resolve on the issue of simple debentures, not convertible into shares and non-secured guarantee;

XXI. To authorize the Company to render guarantees to third parties' liabilities;

XXII. To establish area of the Board of Executive Officers' authority in the disposal or encumbrance of permanent assets and in cases defined by thereby, it may require a prior authorization from the Board of Directors as a condition of validity of action;

XXIII. To determine area of the Board of Executive Officers' authority in the acquisition of permanent assets and other financial commitments related to projects in which the Company intends to invest. In cases defined thereby, it may require a prior authorization from the Board of Directors as a condition of validity of action;

XXIV. To establish the level of the Board of Executive Officers' authority to contract any forms of funding and to issue any credit instruments for raising proceeds, be them bonds, notes, commercial papers, promissory notes and others commonly employed in the market; also to resolve on the terms for their issuance and redemption, and in cases defined thereby, require prior authorization from the Board of Directors as a condition for validating the act;

XXV. To define a three-name list of institution or companies specialized in companies' economic valuation in order to prepare an appraisal report of the Company's shares, in the event the registration of publicly-held corporation is cancelled or in the event of exit from the New Market;

XXVI. To approve the contracting of a depository institution, rendering book-entry shares services; and

XXVII. To provide, in compliance with rules of these By-Laws and legislation in force, the order of its works and adopt or enact ruling standards for its operation.

### **Sub-Section III Board of Executive Officers**

**Article 21** - The Board of Executive Officers, members of which shall be elected and removed from office at any time by the Board of Directors, shall be composed of one Chief Executive Officer, one Trade Officer, one Legal Officer, one Financial Officer with a 3-year term of office, re-election being permitted.

**Paragraph 1** - The election of the Board of Executive Officers shall preferably occur on the same date the Annual General Meeting is held and the investiture of those elected may coincide with the expiration of their predecessors' term of office.



**Paragraph 2** - In the event of impediment or temporary absence, the Chief Executive Officer shall be replaced by the Finance Officer, who in case of vacancy shall cumulatively assume the Presidency until the first meeting following the Board of Directors meeting, which shall designate a deputy for the rest of term of office.

**Paragraph 3** - Other Officers shall be replaced in cases of absence or temporary impediment by another Officer chosen by the Board of Executive Officers. This in case of vacancy shall provide a provisional deputy until the Board of Directors elects its definitive deputy for the rest of term of office.

**Article 22** - The Board of Executive Officers shall have all powers to practice acts necessary to execute the company's purpose, no matter how special they are, including to dispose and encumber permanent assets, waive rights, compromise and agree, in compliance with related legal or statutory provisions, as well as resolutions adopted by the General Meeting and by the Board of Directors. It is incumbent thereupon to manage the Company's business, especially:

I. To comply with and make these By-Laws and resolutions of the Board of Directors and Shareholders' General Meeting observed;

II. To prepare and submit to the Board of Directors, every year, the Company's strategic plan, the annual review and general budget to the Board of Directors, being responsible for the respective executions;

III. To resolve the creation, transfer and discontinuance of branches, agencies, warehouses, offices and any other Company's establishments in the country;

IV. To decide, until the limit of authority established by the Board of Directors, on the acquisition, disposal and/or encumbrance of permanent assets and financial commitments connected to projects in which the Company intends to invest;

V. To submit on an annual basis to the appreciation of the Board of Directors, the Management Report and the Board of Executive Officers' accounts, accompanied by the independent auditors' report, as well as proposal for application of profits earned in the previous year; and

VI. To submit on a quarterly basis to the Board of Directors, the economic-financial trial balance and a detailed trial balance sheet of the Company and its controlled companies.

**Article 23** - It is incumbent upon the Chief Executive Officer in addition to coordinate the Officers' actions and direct the execution of activities related to the Company's general planning:

I. To call and preside the Board of Executive Officers' meetings;

II. To maintain the Board of Directors' members informed about the Company's activities as well as the progress of its operations;

III. To propose to the Board of Directors, without initiative exclusivity, the duties attribution to the Officers; and

IV. To perform other attributions conferred to him by the Board of Directors.

**Article 24** – In addition to performing the activities attributed to them by the Board of Directors, the Executive Officers shall:

**Paragraph 1** – The Chief Financial Officer shall:

- (a) plan, implement and coordinate the Company's financial policy, in addition to organizing, preparing and controlling the Company's budget;
- (b) prepare the financial statements, manage the Company's accounting and treasury departments to comply with the legal determinations in effect;
- (c) guide the Company when making decisions that involve financial risks;
- (d) prepare financial reports and provide information referring to his/her area to the Companies' agencies; and
- (e) plan and execute management policies in his/her area.

**Paragraph 2** – The Chief Commercial Officer shall:

- (a) plan, define and manage commercial strategies;
- (b) establish and manage sales structures and commercial relationship policies;
- (c) guide the Company when making decisions that involve commercial risks;
- (d) prepare commercial reports and provide information referring to his/her area to the Company's agencies; and
- (e) plan and execute management policies in his/her area.

**Paragraph 3 – The Legal Officer shall:**

**(a) organize, control, coordinate and supervise the Company's legal matters and activities, in their technical, operating and strategic aspects;**

(b) advise the Company when making decisions that involve legal risks and implementing these decisions to comply with legal determinations in effect;

**(c) hire and supervise legal services provided by outsourced professionals;**

(d) prepare legal reports and provide information on his/her area to the Company's agencies; and

(e) plan and execute management policies in his/her area.

**Article 25** - As a rule and except for the cases purposes of subsequent paragraphs, the Company is bound whenever represented by two (2) Board of Executive Officers' members or by one (1) Board of Executive Officers' member and one (1) attorney-in-fact, or two (2) attorneys-in-fact, under the limit of the respective powers of attorney.

**Paragraph 1** - The actions for which these present By-Laws require the Board of Directors' prior authorization may only be practiced once met said condition.

**Paragraph 2** - The Company may be represented by only one (1) Officer or one (1) attorney-in-fact in the following events:

(a) when the act to be practiced imposes a single representation, the company shall be represented by any Officer or attorney-in-fact holding special powers; and

(b) when receiving and settling amounts due to the Company, issuing and negotiating, including to endorse and discount bills related to its sales, as well as in the event of correspondence which does not create obligations for the Company and the practice of acts of simple administrative routine, including those practiced with public agencies, mixed corporations, the Federal Revenue Service, State Treasuries, Local Treasuries, Boards of Trade, Labor Court, INSS (Brazilian Social Security Institute), FGTS (Government Severance Indemnity Fund for Employees) and collection banks and others of identical nature and the Brazilian Agency for Health Surveillance.

**Paragraph 3** - The Board of Directors may authorize the practice of other acts binding the Company by only one of the Board of Executive Officers' members or one attorney-in-fact, or also by the adoption of incumbency limitation criteria, to restrict in certain cases, the Company's representation to only one Officer or one attorney-in-fact.

**Paragraph 4** - In the constitution of the attorneys-in-fact, the following rules shall be observed:

(a) all powers of attorney shall be granted jointly by any two (2) Officers;

(b) when the purpose of the power of attorney is the practice of acts depending on the Board of Directors' prior authorization, its granting shall be expressly subjected to obtaining the referred authorization, which shall be mentioned in its wording.

**Paragraph 5** - The acts practiced in non-compliance with the provisions of this Article shall neither be valid nor bind the Company.

### **SECTION III AUDIT COMMITTEE**

**Article 26** - The Company's Audit Committee having attributions set forth by law shall be composed of three (3) members and equal number of deputies.

**Paragraph 1** - The Audit Committee shall not operate on a permanent basis and shall only be installed by means of shareholders' call, pursuant to legal provisions.

**Paragraph 2** - The in-company regulation applicable to the Audit Committee shall be set forth by the Shareholders' General Meeting requesting its installation.

**Paragraph 3** - The investiture of the members of the Board of Auditors is conditioned to the Preliminary subscription of the instrument of agreement of the members of Board of Auditors, as anticipated at New Market Listing Regulations.

#### **CHAPTER IV PROFITS ALLOCATION**

**Article 27** - The fiscal year shall commence on January 1 and shall end on December 31 of each year.

**Paragraph 1** - At the end of each fiscal year, the Board of Executive Officers shall prepare the following financial statements, in compliance with the relevant legal precepts:

- (a) balance sheet;
- (b) income statement for the year;
- (c) statement of changes in the net worth position;
- (d) statement of cash flows;
- (e) statement of value added; and
- (f) notes to the financial statements.

**Paragraph 2** - Together with financial statements for the year, the Board of Directors shall submit to the Annual General Meeting a proposal about the destination to be given to the net income, in compliance with provisions of these By-Laws and Law.

**Article 28** - The shareholders shall be entitled to receive in each year as a dividend a minimum mandatory percentage of thirty per cent (30%) over the net income, with the following adjustments:

I. the addition of amounts resulting from the reversal in the year of reserves for contingencies previously formed;

II. the decrease of amounts destined in the year for the constitution of legal reserve and reserves for contingencies.

III. whenever the amount of minimum mandatory dividend exceeds the portion realized of net income for the year, the administration may propose and the General Meeting may approve, to destine the remaining to the constitution of realizable profit reserve (Article 197 of Law No. 6.404/76, with wording given by the Law No. 10.303/01).

**Paragraph 1** - The Meeting may attribute to the Administrators a sharing in the profits, in compliance with relevant legal limits. The attribution to shareholders of mandatory dividend to which this Article refers is a condition for the payment of this profit sharing. Whenever a half-year balance sheet is drawn up, and based thereon, interim dividends are paid in an amount, at least equal to thirty per cent (30%) over the net income for the year, calculated under the terms of this Article. By resolution of the Board of Directors, a share in the half-year period profit may be paid to the Administrators, subject to approval of the General Meeting.

**Paragraph 2** - The Meeting may resolve at any moment to distribute dividends on account of pre-existing profit reserves or retained earnings of previous years then maintained by force of meeting decision, after attributing to the shareholders in each year the mandatory dividend to which this Article refers.

**Paragraph 3** - The Company may draw up interim or semiannual balance sheets. The Board of Directors may resolve on the distribution of dividends at debit on the account of profits earned in those balance sheets. The Board of Directors may also declare interim dividends at debit on the retained earnings account or profit reserves existing in those balance sheets or in the last annual balance sheet.

**Paragraph 4** - Dividends not claimed within three years become time-barred in favor of the Company.

**Paragraph 5** - The Board of Directors may pay or credit interest on equity capital, subject to approval of the Annual General Meeting, examining financial statements related to the fiscal year in which this interest was paid or credited.

**Article 29** - The General Meeting may resolve on the capitalization of reserves set forth in interim or semi-annual balance sheets.

**CHAPTER V**  
**SALE OF SHARE CONTROL,**  
**CANCELLATION OF PUBLICLY-HELD CORPORATION'S REGISTRATION AND**  
**EXIT FROM THE NEW MARKET**

**Article 30** - The sale of Company's share control both by means of a single operation and by means of successive operations shall be contracted under a condition, whether precedent or dissolving, that the purchaser of control shall undertake, to carry out a tender offer of other shareholders, in compliance with the terms and conditions anticipated in the prevailing legislation and at the New Market Listing Regulations, in such manner to ensure them a treatment equal to the seller.

**Article 31** - The public offering referred to in the previous Article shall also be carried out:

I. in cases in which there is an onerous granting of share subscription rights and other credit instruments or rights related to securities convertible into shares, which may result in the sale of Company's control; and

II. in the event of sale of control of the Company that have the control power of the Company, and, at this case the controlling shareholder seller shall be obliged to

declare to BOVESPA (São Paulo Stock Exchange) the amount attributed to the Company in the referred sale and attach the documentation evidencing this value.

**Article 32** - The shareholder already holding Company's shares and to purchase the share control power, in view of a private instrument for the purchase of shares entered into with the controlling shareholder, involving any quantity of shares shall undertake to:

I. carry out the public offering referred to in the Article 30 hereof; and

II. indemnify the shareholders from whom Company's shares were purchased at the stock exchange within six (6) months prior to the date of transfer of shares representing the Company's control, and shall pay them possible difference between the price paid to controlling shareholder seller for the shares representing control and amount paid at the stock exchange for the Company's shares in the same period, duly updated until the payment of shares by IPCA (Amplified Consumer Price Index), calculated by the Brazilian Institute of Geography and Statistic.

**Article 33** - Any Purchasing Shareholder (as defined in the paragraph 10 below), purchasing or becoming holder of the Company's shares, in quantity equal or in excess of twenty-five per cent (25%) of total of shares issued by the Company, within no later than sixty (60) days as of the acquisition date or event which resulted in the ownership of shares in quantity equal or in excess of twenty-five per cent (25%) of total of shares issued by the Company, shall carry out or request the registration, and depending on the case, a tender offer for the total shares issued by the Company ("tender offer"), in compliance with the provisions of CVM's (Brazilian Securities Commission) regulation applicable, BOVESPA's (São Paulo Stock Exchange) regulations and the terms of this Article.

**Paragraph 1** - The "tender offer" shall be (i) indistinctly addressed to all Company's shareholders; (ii) effective in auction to be carried out at the BOVESPA (São Paulo Stock Exchange), (iii) launched by the price determined according to the provisions in the paragraph 2 below, and (iv) paid in cash in local currency against the acquisition in the "tender offer" of shares issued by the Company.

**Paragraph 2** - The acquisition price in the "tender offer" of each share issued by the Company may not be less than the result obtained with the application of the following formula:

$$\text{"tender offer" price} = \text{Share Value}$$

Where:

'tender offer price' corresponds to the acquisition price of each share issued by the Company in the "tender offer" provided for by this Article.

The 'Share Value' corresponds to the largest amount between: (i) the largest unit quotation reached by the shares issued by the Company during a twelve (12)-

month period prior to the "tender offer" performance at any stock exchange where the Company's shares were traded, (ii) the highest unit price paid by the Purchasing Shareholder, at any time, for one share or lot of shares issued by the Company; and (iii) the amount equivalent to twelve (12) times the Company's Average Consolidated EBITDA (as defined in the Paragraph 10 below) deducted from the Company's net consolidated indebtedness, divided by the total number of shares issued by the Company.

**Paragraph 3** - The "tender offer" performance mentioned in the main section of this Article shall not exclude the possibility of another Company's shareholder, or if this is the case, the own Company, to prepare a competing "tender offer", under the terms of regulation applicable.

**Paragraph 4** - The performance of the "tender offer" mentioned in the main section of this article may be waived upon favorable vote of the shareholders representing the majority of the capital stock at the Company's Extraordinary General Meeting especially called to decide on the "tender offer".

**Paragraph 5** - The Purchasing Shareholder shall be obliged to answer possible requests or requirements from the CVM (Brazilian Securities Commission) related to the "tender offer", within the maximum terms determined by the applicable regulation.

**Paragraph 6** - In the event the Purchasing Shareholder does not comply with the obligations imposed by this Article, including referring to the compliance with the maximum terms (i) for the performance or application for the "tender offer" registration, or (ii) for the compliance with possible requests or requirements from the CVM, the Company's Board of Directors shall call an Extraordinary General Meeting, where the Purchasing Shareholder may not vote to resolve on the suspension of performance of rights of the Purchasing Shareholder who failed to comply with any obligation imposed by this Article, as provided by the Article 120 of Law No. 6.404, dated December 15, 1976.

**Paragraph 7** - Any Purchasing Shareholder (as defined in the Paragraph 10 below), who acquires or becomes holder of other rights, including usufruct or trust over shares issued by the Company in quantity equal or in excess of twenty-five per cent (25%) of the total of shares issued by the Company shall be equally obliged to, within no later than sixty (60) days as of the date of said acquisition or event which resulted in the ownership of said rights over shares in quantity equal or in excess of twenty-five per cent (25%) of total of shares issued by the Company, carry out or request the registration, depending on the case of a "tender offer", under the terms outlined in this Article 33.

**Paragraph 8** - The obligations included in the Article 254-A of Law No. 6.404/76 and Articles 30, 31 and 32 of these By-Laws do not exclude the Purchasing Shareholder's compliance with the obligations included in this Article.

**Paragraph 9** - The provision of this Article 33 shall not apply in the event of a person becoming holder of shares issued by the Company in quantity in excess of twenty-five per cent (25%) of the total of shares issued thereby as a result of (i) the incorporation of another corporation by the Company, (ii) the incorporation of another corporation's shares by the Company, or (iii) the subscription of the Company's shares made in a single maiden issue, approved by the Shareholders' General Meeting of the Company, called by its Board of Directors. A capital increase proposal shall determine the fixation of share issue prices based on the economic value obtained from a Company's economic-financial appraisal report prepared by a specialized institution or company with proven experience in the valuation of publicly-held corporations.

**Paragraph 10** - For the purposes of calculating the twenty-five per cent (25%) percentage of the total of shares issued by the Company outlined in the main section of this Article, the involuntary additions of equity interest resulting from the cancellation of treasury stocks or from the reduction in the Company's capital stock due to the cancellation of shares shall not be calculated.

**Paragraph 11** - For the purposes of these By-Laws, the terms below with initials in capital letters shall have the following meaning:

'Purchasing Shareholder' means any person (including but not limited to any individual or legal entity, investment fund, condominium, securities portfolio, worldwide rights or any other form of organization, resident, domiciled or headquartered in Brazil or overseas), or group of persons bound by a voting agreement with the Purchasing Shareholder and/or representing the same interest of the Purchasing Shareholding to subscribe and/or purchase the Company's shares. Amongst examples of a person representing the same interest of the Purchasing Shareholder we include any person (i) directly or indirectly controlled or administered by said Purchasing Shareholder, (ii) controlling or administering, under any form, the Purchasing Shareholder, (iii) directly or indirectly controlled or administered by any person who controls or administers, whether directly or indirectly said Purchasing Shareholder, (iv) in which the controller of said Purchasing Shareholder has directly or indirectly purchased an equity interest equal or in excess of 30% of the capital stock, (v) in which said Purchasing Shareholder has directly or indirectly purchased an equity interest equal or in excess of 30% of the capital stock, or (vi) who directly or indirectly holds an equity interest equal or in excess of 30% of the Purchasing Shareholder's capital stock.

The 'Company's Average Consolidated EBITDA' is the arithmetic average of the Company's Consolidated EBITDAs related to the two (2) fiscal years ended recently.



The 'Company's Consolidated EBITDA' is the Company's consolidated operating income before the net financial expenses, income tax and social contribution, depreciation, depletion and amortization, as obtained based on the consolidated and audited financial statements related to the end of more recent fiscal year and made available to the market by the Company.

**Paragraph 12** - In the event the CVM's regulation applicable to the "tender offer" provided for in this Article determines the adoption of a criterion to calculate the fixation of acquisition price of each Company's share in "tender offer" resulting in an acquisition price higher than that determined under the terms of the paragraph 2 above, that acquisition price calculated under the terms of CVM's regulation shall prevail in the effectiveness of the "tender offer" provided for in this Article.

**Article 34** - Any Purchasing Shareholder having subscribed and/or purchased shares issued by the Company, in quantity equal or in excess of thirty per cent (30%) of the total number of shares outstanding (as defined in the paragraph 2 below) of the Company and intending to carry out a new acquisition of shares issued by the Company at the Stock Exchange shall be obliged, previously to each new acquisition, communicate in written to the Company and to the officer of the trading session of the BOVESPA (São Paulo Stock Exchange), through brokerage company through which intends to purchase the shares, its intention of acquiring other shares issued by the Company, at least, three (3) business days in advance to the date foreseen for the performance of new share acquisition, in such manner that the Officer may previously call an auction to purchase to be carried out in BOVESPA trading session and where intervening third parties and/or possibly the own company may participate, always in compliance with the terms of legislation in force, the applicable CVM's regulation and BOVESPA's regulations.

**Paragraph 1** - In the event the Purchasing Shareholder does not comply with the obligations imposed by this Article, the Company's Board of Directors shall call an Extraordinary General Meeting, in which the Purchasing Shareholder may not vote to resolve on the suspension of exercise of the rights of Purchasing Shareholder who did not comply with the obligation imposed by this Article, as provided for in the Article 120 of Law No. 6.404, dated December 15, 1976.

**Paragraph 2** - For the purposes of this Article, the following terms with initials in capital letters shall have the following meaning: "Shares Outstanding" means all shares issued by the Company except for those (i) directly or indirectly owned by the Controlling Shareholder and/or persons bound thereto; (ii) in the Company's treasury; (iii) held by a corporation controlled by the Company; and (iv) directly or indirectly held by the Company's administrators. "Controlling Shareholder" has the meaning attributed thereto in the Article 116 of Law No. 6.404, dated December 15, 1976.

**Article 35** - In the tender offer to be carried out by the controlling shareholder or by the Company for the cancellation of registration of the Company's publicly-held corporation, the minimum price to be offered shall correspond to the economic value verified in an appraisal report.

**Article 36** - In the event the shareholders in an Extraordinary General Meeting resolve on the Company's exit from the New Market, for the Company's shares being

registered for negotiation out of the New Market or because the Corporate Reorganization operation, where the Company's shares resulting of the reorganization don't be accepted for trading at New Market, the shareholders or group of shareholders, that have the controlling power of the Company will have to carry out takeover bid, that the low price to be offered should correspond to the economic value found in valuation report.

**Article 37** – The appraisal report mentioned in the Articles 35 and 36 of these By-Laws shall be prepared by a specialized institution or company, having proven experience and independent about the power of decisions from the Company, its administrators and controllers. This report shall also observe requirements of the Paragraph 1 of Article 8 of Law No. 6.404/76 and contain the responsibility provided for in the Paragraph 6 of same Article of Law No 6.404/76.

**Paragraph 1** - The choice of a specialized institution or company responsible for the determination of the Company's economic value is privative incumbent upon the General Meeting, from the moment the Board of Directors submits a three-name list, and the respective resolution, without effect the blank votes, shall be taken by majority vote of shares outstanding, presents at that meeting, that if installed at first call should have the presence of at less shareholders representing twenty per cent (20%) of total shares outstanding, or that, if installed at second call, may have the presence of any number of shareholders representing the shares outstanding.

**Paragraph 2** – The costs to prepare the appraisal report shall be fully borne by the offering.

**Article 38** – The Company will not register any transfer of shares for the buyer of controlling power, or for that who came to have the controlling power, while this one don't subscribe the Instrument of Agreement of the Controllers, like anticipated at the New Market Listing Regulations. The Company will not register to the shareholders' agreement that say about the exercise of Controlling Power while the signatories don't subscribe the instrument of agreement of the controllers.

**Article 39** - Contingency not covered by law herein shall be resolved by the General Meeting and governed according to the precepts of Law No. 6.404, dated December 15, 1976.

## **CHAPTER VI ARBITRATION COURT**

**Article 40** - The Company, its shareholders, directors, and the members of the Board of Auditors are compelled to solve, by arbitration, all and any dispute or disagreement that may appear among them, related or deriving, in special, of application, validity, effectiveness, interpretation, violation, and its effects, of the dispositions at the Law No. 6.404/76, at the Company's By-law, at the rules edited by the National Monetary Advice, by the Brazilian Central Bank and by the Securities Commission, as well at other rules applicable to the working of the capital market in general, beyond of those constant of the New Market Listing Regulations, of the New Market Participation Agreement and the rules of arbitration of the Market Chamber of Arbitration.

## **CHAPTER VII**

## **COMPANY'S LIQUIDATION**

**Article 41** - The Company shall go into liquidation in cases determined by Law, and it is incumbent upon the General Meeting to elect the liquidator or liquidators, as well as the Audit Committee, which shall operate during this period, in compliance with legal formalities.

## **CHAPTER VIII FINAL AND TEMPORARY PROVISIONS**

**Article 42** - The Company shall comply with the shareholders' agreements filed at its headquarters, being expressly void to the members of the presiding board of the General Meeting or Board of Directors to accept declaration of vote from any shareholder, undersigned of the shareholders' agreement duly filed at the headquarters, rendered in disagreement with what was covenanted in said agreement and it shall also be expressly void to the Company to accept and carry out the transfer of shares and/or encumbrance and/or assignment of preemptive right to the shares subscription and/or other securities not complying with provision and regulations of the shareholders' agreement.

**Article 43** - It is void to the Company to grant financing or guarantees of any kind to third parties, under any mode for business unfamiliar to the corporate interests.

**Sole Paragraph** - It's prohibited to the Company to award funding or guarantee of any case, under any modality, for the controller shareholders.

**Article 44** - The provisions of Article 33 of these By-Laws shall not apply to the current shareholders already holding fifteen per cent (15%) or more of the total of shares issued by the Company and its successors, including and especially to the Company's controlling shareholders, undersigned of the Shareholders' Agreement dated April 26, 2004 and filed at the Company's headquarters, under the terms of the Article 118 of Law No. 6.404, dated December 15, 1976, exclusively applying to those investors purchasing shares and becoming Company's shareholders after obtaining publicly-held corporation registration with the CVM and the start of Company's shares trading at the BOVESPA. We certify that these By-Laws were consolidated in the Minutes of the Extraordinary General Meeting as of 04.26.2004.

**ANNEX III – ALLOCATION OF NET INCOME FOR THE FISCAL YEAR  
ENDED DECEMBER 31, 2010**

**1. State the net profit for the fiscal year:**

R\$ 744,049,778.89

**2. State the aggregate total and the value per share of dividends, including prepaid dividends and interest on equity capital (“IEC”) previously declared:**

R\$ 710,470,492.34 (Dividends + Net IEC re. 2010). Per Share: 1.64937600.

**3. State the percentage of net profit earned over the fiscal year that was distributed:**

95.49% (corresponds to the Dividends + Gross IEC / Dividends calculation basis).

**4. State the aggregate total amount and value per share of dividends distributed based on prior year profits:**

R\$ 591,303,058.36 (Dividends + Net IEC re. 2009) Per share: R\$ 1.37448000

R\$ 491,060,407.31 (Dividends + Net IEC re. 2008) Per share: R\$ 1.14540000

R\$ 409,249,699.46 (Dividends + Net IEC re. 2007) Per share: R\$ 0.95450001

**5. State, after deducting prepaid dividends and interest on equity capital previously declared:**

**a. Gross value of dividends and interest on equity capital shown individually, per share according to type and class:**

Dividends: R\$ 405,623,026.30 = R\$ 0.094138115

Gross IEC: R\$ 24,456,003.48 = R\$ 0.05675817

Net IEC: R\$ 20,787,602.95 = R\$ 0.04824445

**b. The manner and term in which dividend and interest on equity capital were paid:**

Dividends are paid annually. The deadline has been the month of August for the 1<sup>st</sup> semester and the month of April for the 2<sup>nd</sup> semester.

**c. Eventual need to write-up and add interest on dividends and on interest on equity capital:**

Not applicable.

**d. Date of the declaration of payment of dividends and interest on equity capital, considered as a means of identifying shareholders with a right to receive them:**

*Income in currency generated by the allocation of the result relative to the fiscal year ended 12.31.2010*

Source of Income	Event-Date	Amount(R\$)	Value in R\$/share	Payment Date
			Nominal Common	
Interest on Equity Capital*	Board of Directors Meeting on 07.21.2010	R\$ 35,427,002.78	R\$ 0.08228188 (R\$ 0.06993960, after 15% withholding income tax)	08.12.2010
Dividends*	Board of Directors Meeting on 07.21.2010	R\$ 253,946,908.34	R\$ 0.58981080	08.12.2010
Interest on Equity Capital**	Board of Directors Meeting on 02.23.2011	R\$ 24,456,003.48	R\$ 0.05675817 (R\$ 0.04824445, after 15% withholding income tax)	04.14.2011
Dividends**	Board of Directors Meeting on 02.23.2011	R\$ 405,623,026.30	R\$ 0.94138115	04.14.2011

1 The dividends referred to were calculated based on the shareholder position at 07.27.2010, seeing that as of 07.28.2010 the Company's shares were negotiated "ex" interest on equity capital and dividends.

2 The dividends referred to were calculated based on the shareholder position at 03.01.2011, seeing that as of 03.02.2011 the Company's shares were negotiated "ex" interest on equity capital and dividends.

**6. In the event dividends or interest on equity capital were declared based on profits verified in semi-annual or shorter period balance sheets:**

**a. State the total amount of dividends or interest on equity capital previously declared:**

1<sup>st</sup> Semester/2010  
 Net IEC = 30,112,952.36  
 Gross IEC = 35,427,002.78  
 Dividends = 253,946,908.34

**b. State the date of the respective payments:**

August 12, 2010.

**7. Supply a comparative table indicating the following values per share for each type and class:**

**a. Net profit in the fiscal year and in the previous 3 (three) fiscal years;**

**b. Dividends and interest on equity capital distributed in the**

previous 3 (three) fiscal years.

	<i>Fiscal Years ended at December 31</i>				
	2010	2009	2008	2007	2006
<b>Net Profit</b>	<b>744.049.778,89</b>	<b>683.923.098,58</b>	<b>525.780.821,00</b>	<b>456.913.816,89</b>	<b>469.326.360,77</b>
<b>Dividends and IEC Distributed<sup>1</sup></b>	710.470.492,34	591.303.058,36	491.060.407,31	409.249.699,46	354.399.633,56
Value per Share	1,64937600	1,37448000	1,14540000	0,95450001	0,82993531
(1) Interest on Equity Capital – net of Income Tax withheld at source					

**8. If profits are allocated to the legal reserve:**

**a. Identify the total amount allocated to the legal reserve:**

**b. Describe the manner in which the legal reserve was calculated:**

There was no allocation.

**9. In the event the company possesses preferential shares with a right to fixed or minimum dividends:**

**a. Describe the manner in which the fixed or minimum dividends were calculated:**

**b. State if the profit earned over the fiscal year is sufficient to fully pay the fixed or minimum dividends:**

**c. State whether any eventually non-paid amount accumulates:**

**d. State the total amount of fixed or minimum dividends to be paid for each class of preferential share:**

**e. State the minimum dividends to be paid for each class of preferential share:**

Not applicable.

**10.Regarding the mandatory dividend:**

**a. Describe the basis for calculation as foreseen in the by-laws:**

Pursuant to article 28 of the by-laws, in Chapter IV:

*"Shareholders will have the right to receive, each fiscal year, for the purpose of dividends, a minimal mandatory percentage of 30% (thirty percent) of the net profit adjusted as follows:*

*I. Amounts that result from reversals of contingency reserves that were constituted previously during the fiscal year, will be added;*

*II. Amounts allocated to the constitution of the legal reserve and of contingency*

reserves during the fiscal year, will be deducted

III. Each and every time that the amount of the minimum mandatory dividend is greater than the actual portion of the net profit for the fiscal year, management may propose and the General meeting may approve that the excess be allocated to the constitution of a future profits reserve (article 197 of Law 6.404/76, as per the text in Law 10.303/01)."

**b. State if it is being paid in full:**

Yes.

**c. State amounts eventually withheld:**

Not applicable.

**11. In the event the mandatory dividend is being withheld due to the company's financial situation: a. State the amount withheld; b. Describe in detail the company's financial situation including covering aspects related to the analysis of liquidity, working capital and positive cash-flows; and justify the withholding of dividends.**

Not applicable.

**12. If net profits are allocated to contingency reserves: a. State the amount allocated to the reserve; b. State the loss considered probable and its cause c. Explain why the loss is considered probable; and d. Justify the constitution of the reserve.**

Not applicable.

**13. If net profits are allocated to an unearned profits reserve: a. State the amount allocated to the unearned profits reserve; b. State the nature of the unearned profits that gave origin to the reserve.**

Not applicable.

**14. If net profits are allocated to statutory reserves: a. State the clauses in the by-laws that establish the reserves; b. state the amount allocated to the reserve; and c. Describe how the amount was calculated.**

Not applicable.

**15. Retained profits forecasted in the capital budget:**

The proposed amount of retained profits to be deliberated by shareholders is R\$ 18,623,665.99 (eighteen million, six hundred and twenty-three thousand, six hundred and sixty-five *Reais* and ninety-nine cents), an amount that will partially fund the capital budget as described in the table below:

Capital Expenditures and Working Capital Budget

Third Party Funds	267,600,000.00
Own Funds – Retained Profits Reserve – 2009 Fiscal Year	18,623,665.99

Total Sources	286,223,665.99
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**16.If net profits are allocated to tax incentive reserves: a. State the amount allocated to the reserve; and b. Explain the nature of the allocation.**

Value allocated to tax incentive reserve totals R\$ 5,973 thousand, related to the Subvention for Investment of the site of Itapecerica.



## ANNEX V – MANAGEMENT INFORMATION

### Information on the Board of Directors

The table below presents the names, ages and positions occupied for the members of our Board of Directors:

Name	Age	Profession	Individual Taxpayer Registration no.	Effective Position Held	Date Elected	Date in Office	Term in Office	Other Positions Held	Elected by the Controlling Party
Antonio Luiz da Cunha Seabra	68	Economist	332.927.288-00	Co-chairman	04.06.2010	04.06.2010	1 year	Committee Member	Yes
Pedro Luiz Barreiros Passos	59	Engineer	672.924.618-91	Co-chairman	04.06.2010	04.06.2010	1 year	Committee Member	Yes
José Guimarães Monforte	62	Economist	447.507.658-72	Board Member	04.06.2010	04.06.2010	1 year	Committee Member	Yes
Julio Moura Neto	58	Engineer	468.948.027-34	Board Member	04.06.2010	04.06.2010	1 year	Committee Member	Yes
Luiz Ernesto Gemignani	64	Engineer	345.209.708-06	Independent Board Member	04.06.2010	04.06.2010	1 year	Committee Member	Yes
Edson Vaz Musa	73	Engineer	016.361.978-68	Independent Board Member	04.06.2010	04.06.2010	1 year	Committee Member	Yes

### Executive Board

The table below presents the name, age and positions occupied for the members of our Executive Board:

Name	Age	Profession	Individual Tax Payer Registration no.	Effective Position Held	Date Elected	Date in Office	Term in Office	Other Positions Held	Elected by the Controlling Party
Alessandro Giuseppe Carlucci	44	Business Administrator	084.142.238-93	Director President	02.24.2010	02.24.2010	3 years	Committee Member	Yes
Roberto Pedote	43	Business Administrator	115.324.298-27	Director of Finance and Investor Relations	02.24.2010	02.24.2010	3 years	Committee Member	Yes
Lucilene Silva Prado	41	Lawyer	081.640.338-47	Director of Legal Affairs	02.24.2010	02.24.2010	3 years	-	Yes
José Vicente Marino	45	Business Administrator	118.032.008-55	Sales & Marketing Director	02.24.2010	02.24.2010	3 years	-	Yes

### Audit Committee

At December 31, 2010, the Audit Committee had not been instated.

## Information on the Company's Committees

The table below presents the name, age and positions occupied for the members of our Committees:

### *Audit, Risk Management and Finance Committee*

Name	Age	Profession	Individual Tax Payer Registration no.	Effective Position Held	Date Elected	Date in Office	Term in Office	Other Positions Held	Elected by the Controlling Party
José Guimarães Monforte	62	Economist	447.507.658-72	President	12.15.2010	12.15.2010	Until 04.28.2011	Committee and Board Member	Yes
Edson Vaz Musa	73	Engineer	016.361.978-68	Member	12.15.2010	12.15.2010	Until 04.28.2011	Committee and Board Member	Yes
Luiz Ernesto Gemignani	64	Engineer	345.209.708-06	Member	12.15.2010	12.15.2010	Until 04.28.2011	Board Member	Yes
Mercedes Stinco	40	Accountant	111.241.298-04	Secretary	12.15.2010	12.15.2010	Until 04.28.2011	-	Yes

### *Personnel and Organization Committee*

Name	Age	Profession	Individual Tax Payer Registration no.	Effective Position Held	Date Elected	Date in Office	Term in Office	Other Positions Held	Elected by the Controlling Party
Luiz Ernesto Gemignani	64	Engineer	345.209.708-06	President	04.28.2010	04.28.2010	1 year	Board Member	Yes
Pedro Luiz Passos	59	Engineer	672.924.618-91	Member	04.28.2010	04.28.2010	1 year	Committee Member, Co-Chairman of the Board	Yes
Alessandro Giuseppe Carlucci	44	Business Administrator	084.142.238-93	Member	04.28.2010	04.28.2010	1 year	Committee Member, CEO	Yes
Edson Vaz Musa	73	Engineer	016.361.978-68	Member	04.28.2010	04.28.2010	1 year	Committee and Board Member	Yes
Marcelo Cardoso	44	Business Administrator	085.292.848-36	Member	04.28.2010	04.28.2010	1 year	-	Yes
Fatima Raimondi	51	Engineer	027.535.348-61	Member	04.28.2010	04.28.2010	1 year	-	Yes
Moacir Salzstein	52	Engineer	036.269.088-01	Secretary	04.28.2010	04.28.2010	1 year	Committee Member and Corporate Governance Officer	Yes

### Strategic Committee

Name	Age	Profession	Individual Tax Payer Registration no.	Effective Position Held	Date Elected	Date in Office	Term in Office	Other Positions Held	Elected by the Controlling Party
Julio Moura Neto	58	Engineer	468.948.027-34	President	04.28.2010	04.28.2010	1 year	Committee and Board Member	Yes
Pedro Luiz Passos	59	Engineer	672.924.618-91	Member	04.28.2010	04.28.2010	1 year	Committee Member, Co-Chairman of the Board	Yes
Edson Vaz Musa	73	Engineer	016.361.978-68	Member	04.28.2010	04.28.2010	1 year	Committee and Board Member	Yes
Alessandro Giuseppe Carlucci	44	Business Administrator	084.142.238-93	Member	04.28.2010	04.28.2010	1 year	Committee Member, CEO	Yes
Moacir Salzstein	52	Engineer	036.269.088-01	Secretary	04.28.2010	04.28.2010	1 year	Committee Member Corporate Governance Officer	Yes

### Corporate Governance Committee

Name	Age	Profession	Individual Tax Payer Registration no.	Effective Position Held	Date Elected	Date in Office	Term in Office	Other Positions Held	Elected by the Controlling Party
Pedro Luiz Passos	59	Engineer	672.924.618-91	President	04.28.2010	04.28.2010	1 year	Committee Member, Co-Chairman of the Board	Yes
José Guimarães Monforte	62	Economist	447.507.658-72	Member	04.28.2010	04.28.2010	1 year	Committee and Board Member	Yes
Julio Moura Neto	58	Engineer	468.948.027-34	Member	04.28.2010	04.28.2010	1 year	Committee and Board Member	Yes
Antonio Luiz da Cunha Seabra	68	Economist	332.927.288-00	Member	04.28.2010	04.28.2010	1 year	Co-Chairman of the Board	Yes
Moacir Salzstein	52	Engineer	036.269.088-01	Secretary	04.28.2010	04.28.2010	1 year	Committee Member and Corporate Governance Officer	Yes

## **Information on the Company's Administrative Officers**

(a) *Description of the main occupations and résumés for our Directors and Administrative Officers and the management positions they hold or have held in publicly traded companies:*

### Antonio Luiz da Cunha Seabra

Mr. Antônio Luiz da Cunha Seabra, 68 years old, is graduated in Economics and is the founder and co-Chairman of Natura's Board of Directors. He was Superintendent at Remington Rand do Brasil and manager at Laboratórios Bionat, when he fell in love with cosmetics. He founded Natura in 1969, at 27 years old, in a small store at Rua Oscar Freire, in São Paulo, transforming it into one of the biggest Brazilian cosmetic company, strongly committed with the ethics, the transparence and the sustainable development.

### Pedro Luiz Barreiros Passos

Mr. Pedro Luiz Barreiros Passos, 59 years old, is graduated in Production Engineering from the Polytechnic Institute of USP (University of São Paulo) and in Business Administration from the Getúlio Vargas Foundation. He is Co-Chairman of Natura's Board of Directors, having joined the Company in 1983. He is currently a member of the Company's Board of Directors, President of the Institute for Studies on Industrial Development (IEDI), Vice-President of the Curator Council at the National Quality Foundation (FNQ) and is a member of the Board of the Institute for Technological Researches (IPT), the SOS Atlantic Forest Foundation, the Endeavour Entrepreneur Institute, the Dom Cabral Institute and of Totvs S/A.

### José Guimarães Monforte

Mr. José Guimarães Monforte has been the CEO of Pragma Asset Management since 2007. From 1999 to 2007, he was CEO at Janos Comércio, Administração e Participações Ltda. He also worked as an executive at several banks and companies such as BANESPA, Merrill Lynch, Citibank and VBC Energia. He is currently a member of the Company's Board of Directors as well as of the Boards at Banco Tribanco and Vivo. He was a member of the Board of Directors at JHSF Participações, at Drogaraia, at SABESP, at Claro, at Banco Nossa Caixa, at Pini Editora, at Caramuru Alimentos and at Klicknet. He was Vice-President of ANBID (National Association of Investment and Development Banks) and of the Settlement Department Board at the Commodities Exchange.

### Julio Moura Neto

Mr. Júlio Moura Neto, 58 years old, mechanical and nuclear engineer by the Federal Technology Institute (ETH), Zurich, Switzerland; MBA by Sloan School of Management (M.I.T.), Cambridge, USA. Member of Natura's Board of Directors and Chairman of its

Strategic Committee. He is also a member of the Board of Directors at Adecoagro S.A., a company listed in the New York Stock Exchange. He is also a member of the Advisory Council for Business Administration post-graduate studies at the San Andrés University in Buenos Aires, Argentina. He has held, among other positions, those of Chairman of the Board of Directors and Director-President for the Grupo Nueva S.A., Chairman of the Board of Directors at MASISA S.A., President and CEO of the AMANCO Group; Executive Vice-President and Member of the Executive Committee at Schindler Elevators, in Luzern, Switzerland; Corporate Vice-President and President of the Latin America Division at SIKA, in Baar, Switzerland; Member of the Board of Directors at Messerli AG, Switzerland. He was the Vice-President at the World Business Council for Sustainable Development, Geneva, Switzerland.

#### *Luiz Ernesto Gemignani*

Mr. Luiz Ernesto Gemignani, 64 years old, has been the Chairman of the Board of Directors at Promon S.A. since 2007. He joined Promon in 1978 as Head of Financial Planning, later became the CFO, CEO and in 2001 the President and CEO, position he held until April 2010. He also occupies the presidency of the Advisory Board of Fundação Promon de Previdência Social, is a member of Natura's Board of Directors, Vice-Chairman of the Curators Council of the National Quality Foundation, Chairman of the Advisory Board at Akatu Institute. He graduated in Mechanical Production Engineering in 1970, in the Polytechnical School of São Paulo University, has a number of specialization courses in administration and finances such as the Advanced Management Program of Harvard Business School.

#### *Edson Vaz Musa*

Mr. Edson Vaz Musa holds, since 1998, the position of Chairman of the Board of Directors at Caloi Norte S.A., a company that manufactures and sells bicycles. He is currently a member of the Company's Board of Directors and is Chairman of the Board at Caloi Norte S.A.

#### *Alessandro Giuseppe Carlucci*

Mr. Alessandro Giuseppe Carlucci is graduated in Business Administration by Getulio Vargas Foundation. He carried out an executive upgrade by Kellogg School of Management. He is the Director President of the Company, which he joined in 1989 to work in the Sales and Marketing area. During the last decade, he worked in the Brazil's Executive Sales Board and in the coordination of International Operations of Argentina, Chile and Peru, later moving to the head officers of the region, in Buenos Aires, for three years. Returning to Brazil, he held the position of Business Vice-President, achieving, at the end of 2005, the company's presidency. Mr. Carlucci is also Treasurer of the World Federation of Direct Selling Associations, an organization that brings together all of the direct sales company associations in the world and member of the Board of Directors at Redecard.

*Roberto Pedote*

Mr. Roberto Pedote is graduated in Administration by EAESP/FGV, in Law by USP/São Francisco and MBA by the Michigan University. He is currently the Company's Finance Vice-President, in charge of the Finances, Legal, Information Technology and Investor Relations area, besides working as a member of the executive committee. He has developed his career in consumer goods and technology companies in Brazil, the United Kingdom and Chile, especially in the financial area, also passing by the sales, purchases and new business areas. He held the position of CFO at Unilever Chile, Unilever Bestfoods and Kibon Brasil and at Nokia Brasil.

*Lucilene Silva Prado*

Mrs. Lucilene Silva Prado is graduated in social and legal sciences by the University of Ribeirão Preto with specializations in Corporate Law and Tax Law. She has worked for 18 years in the corporate law area, predominantly in the tax, commercial and corporate renegotiation areas. She has been in the Company for ten years, in charge of all the legal matters in Brazil and abroad. She is also a university professor and the author of books and articles on tax law and economic law.

*José Vicente Marino*

Mr. José Vicente Marino is graduated and has a master degree in Administration by EAESP/FGV and has a MBA in retail by USP. He has developed his career in consumer goods companies, especially in the marketing and sales areas in companies such as Nutrimental, Bestfoods, holding the position of President at Johnson & Johnson Consumo Brasil. Business Vice-President for Natura, a member of the executive committee, is responsible for all Natura's results in Brazil and abroad, leading the Company's marketing and sales areas, as well as new business development.

*(b) Description of any of the following events that may have occurred during the last 5 years*

- i. Any criminal conviction;*
- ii. Any conviction in a CVM administrative process and the sentences applied; and*
- iii. Any final decision not subject to appeal, of a legal or administrative nature, which has suspended or impeded the person from practicing any professional or commercial activity*

The entire Company's Management has declared, for all legal purposes, that over the past 5 (five) years none of its members has suffered any criminal conviction, any conviction or sentencing in a CVM administrative process and any final legal or administrative decision not subject to appeal, that would effectively suspend or incapacitate a member from practicing any professional or commercial activity.

Indication of members of the Company's Board of Directors by the controlling shareholders

a) Candidates to reelection:

*Antonio Luiz da Cunha Seabra*

*Pedro Luiz Barreiros Passos*

*Julio Moura Neto*

*Luiz Ernesto Gemignani*

b) Candidates to election:

**Guilherme Peirão Leal**, 61 years old, holds a bachelor's degree in Business Administration from the University of São Paulo – USP. He is one of the founders, controllers and co-chairmen of the Board of Directors of Natura Cosméticos. In the last 20 years he has participated in the creation and governance of a number of social and business organizations. He is founder, former chairman and an incumbent member of the Higher Council of the **Instituto Ethos** – Empresas e Responsabilidade Social (Corporations and Social Responsibility), former chairman of the Higher Council and incumbent member of the Advisory Board of the **FUNBIO (Fundo Brasileiro para Biodiversidade)** (Brazilian Fund for Biodiversity), and a member of the Advisory Board of **WWF-Brasil**. For 8 years he performed as chairman of the Brazilian Association of Direct Sales. He was founder and coordinator of the **PNBE** – Pensamento Nacional das Bases Empresariais (National Thinking of the Businesspersons' Class); chairman of the Higher Council of the **Fundação Abring pelos Direitos das Crianças** (Abring Foundation for Children's Rights); one of the creators of Natura's **Crer para Ver Program**, which for 15 years has been dedicated to providing support to quality public education; board member and curator of the **Dom Cabral Foundation** and chairman of the Chairpersons Assembly of the **CTE** – Centro de Tecnologia Empresarial (Business Technology Center). He was board member and one of the founders of the **Akatu Institute** for Conscious Consumption, a member of the G-50 group of business leaders of Latin America and also of the **CEAL** – Conselho de Empresários da America Latina (Businesspersons Council of Latin America). He as was board member of the **IEDI**- Instituto de Estudos para o Desenvolvimento Industrial (Institute for Studies of Industrial Development) and a member of the **CONSEA** – Conselho da Presidência da República para a Segurança Alimentar (Council of the Presidency of the Republic for Food Safety). He participated in the board of directors of the holding company of the **Nueva Group** and of the "**O Estado de São Paulo**" Group. Presently he is focused on providing support to the creation of the **ESCAS** – Escola Superior de Conservação Ambiental e Sustentabilidade (Higher School of Environmental Preservation and Sustainability), a partnership between the IPÊ – Instituto de Pesquisas Ecológicas (Institute for Ecological Research) and Natura. He is also dedicated to creating his **INSTITUTO ARAPYÁÚ** para a Educação e o Desenvolvimento Sustentável (for Education and Sustainable Development), the meaning of which in the Amerindian Guarani language corresponds to *new time-space*, in a concept of constant renovation.

**Marcos de Barros Lisboa**, 46 years old, economist, PhD in Economics, University of Pennsylvania; Assistant Professor of Stanford University's Economics Department

1996-1998; Assistant Professor, EPGE/FGV 1998-2002; Economic Policy Secretary, Ministry of Finances, 2003-2005; President of Brazil's Reinsurance Institute, 2005-2006; Chief Executive Officer at Itaú Unibanco between 2006 and 2009, Vice-President of Itaú Unibanco since 2009.

**Adilson Antonio Primo**, 57 years old, is an electrical engineer graduated by the Federal Engineering School of Itajubá (UNIFEI – MG). He is the president of the Siemens Group in Brazil and the Mercosur Region (Argentina, Chile, Uruguay, Paraguay and Bolivia) since 2001, joining the company in 1977. He is a member of the Boards of Directors at Nokia Siemens Networks, at Osram do Brasil Lâmpadas Elétricas Ltda., at Embraer and at Epcos do Brasil Ltda. He is a Curator member of the National Quality Foundation (FNQ), Vice-President of the Brazil-Germany Chamber of Commerce and Industry, 1<sup>st</sup> Vice-President of the Brazilian Association of Base Industry and Infrastructure (ABDIB), a member of the Strategic Council of the Brazilian Association of Electro and Electronic Industry (ABINEE), a member of the Economic and Social Development Council (CDES), a support body to the Republic's Presidency and also a member of the Advisory Board at Fundação Dom Cabral.

### **Marital relations, stable relationships or relatives**

With the exception of the what is mentioned below, there are no family ties (i) among our management; (ii) between our management and that of companies controlled directly or indirectly by the Company; (iii) between our management and companies controlled by us directly or indirectly, or direct or indirect controlling entities; and/or (iv) between our management and that of our direct or indirect controlling companies.

Mr. Antonio Luiz da Cunha Seabra is a controlling partner in the company Lisis Participações S.A., in which other members of his family are shareholders. Lisis Participações S.A. has signed a Company controlling block shareholders' agreement.

Mr. Guilherme Peirão Leal is a controlling partner in the company Utopia Participações S.A., in which other members of his family are shareholders. Utopia Participações S.A. has signed a Company controlling block shareholders' agreement.

Mr. Pedro Luiz Barreiros Passos is a controlling partner in the company Passos Participações S.A., in which other members of his family are shareholders. Passos Participações S.A. has signed a Company controlling block shareholders' agreement.

**Subordinate, service rendering or control relationships maintained over the last three Fiscal Years between our management and: (i) a company directly or indirectly controlled by the Company; (ii) a direct or indirect controlling entity of the Company; and/or (iii) if relevant, a supplier, client, debtor or creditor of the Company, organizations it controls or that control it or entities controlled by any of these people.**

Some of the Company's Officers are also managers of organizations controlled by the Company.



Some of the members of the Board of Directors are also shareholders in companies that have signed the Shareholders Agreement as part of the controlling block of the Company:

Mr. Antonio Luiz da Cunha Seabra is a direct and indirect controlling party through Lisis Participações S.A., a company authorized to issue shares which, jointly with Mr. Seabra is part of the controlling block and is listed as having signed a Company controlling block shareholders' agreement.

Mr. Guilherme Peirão Leal is a direct and indirect controlling party through Utopia Participações S.A., a company authorized to issue shares which, jointly with Mr. Leal is part of the controlling block and is listed as having signed a Company controlling block shareholders' agreement.

Mr. Pedro Luiz Barreiros Passos is a direct and indirect controlling party through Passos Participações S.A., a company authorized to issue shares which, together with Mr. Passos is part of the controlling block and is listed as having signed a Company controlling block shareholders' agreement.

Additionally, a sub-rental agreement has been signed between the Company and Janos Comércio Administração Participações Ltda., a company in which Mr. Antonio Luiz da Cunha Seabra, Mr. Guilherme Peirão Leal and Mr. Pedro Luiz Barreiros Passos appear as partners, which purpose is the sub-rental of office space for use of the members of Natura's board.

**Description of the provisions of any agreements, including insurance policies, that foresee the payment or reimbursement of expenses incurred by the management, which result from reparation of damages to third parties or to the Company, from fines imposed by state agents, or from agreements with the purpose of terminating administrative processes or lawsuits which arose in the line of duty.**

The Company has Insurance for Civil Responsibility of Members and Executive Officers, through Itaú Seguros, for the period 11.21.2010 to 11.21.2011, for the coverage of losses and damages to third-parties from acts linked to the execution of the functions and attributions of Members and/or Executive Officers, up to the amount of R\$ 10,000,000.00 (ten million reais).

## **ANNEX VI – MANAGEMENT REMUNERATION**

### **MANAGEMENT REMUNERATION**

#### **1. Remuneration policy and practices for the Board of Directors, Executive Board, Audit Committee and Committees**

##### **(a) objectives of the remuneration policy and practices**

Remuneration in our Company is partially tied to our results and to their increase in value. We believe that the variable portion of the remuneration that we offer allows us to attract and retain the highly qualified professionals who manage our Company.

We are permanently attentive to variations in the external environment and annually compare (benchmark?) our salary ranges with reference markets, such as competitors in the consumer goods segment, Brazilian multinationals, companies listed on the stock exchange or that feature remuneration strategies similar to Natura's. Over the last years we have maintained a policy that positions total remuneration to the various groups of employees at an above-market level, in such a way as to share the generation of wealth with all those who participate in making our value proposal feasible, in an autonomous and entrepreneurial manner.

Our greatest differential in relation to the market is the variable remuneration and supplementary compensation model which has been adapted to the characteristics of each group of employees and executives, so that payment terms, amounts and goals are adequate to the reality of each activity.

We further offer a pension plan to our officers and employees. It is an encouraged savings plan in which the employee allocates up to 5% of his or her salary on a monthly basis and Natura contributes with 60% of this value.

In conjunction with this and concerning base remuneration, we opt for the payment of 14 salaries per year throughout Brazil, while labor laws determine 13 salaries. This specially benefits lower-income professionals and promotes a culture for generating savings. Our sales force in its turn is awarded a bonus for each cycle (21-day period), proportional to the results achieved. For this group, the 14<sup>th</sup> salary is replaced by the sales bonus, a specific variable remuneration model.

Forming leaders is fundamental for the maintenance of our growth trajectory and is aligned with our Values and Beliefs. Therefore, initiatives in this respect were broadened in 2009, to reach new professionals who joined us over the last years.

For a group of senior executives who are responsible for Natura's long-term strategy, we consistently tie supplementary compensation not only to the generation of short-term results but, overall, to commitment to our long-term project through a Stock Option Plan which encourages risk-taking and attitudes of undertaking and engagement. We understand that this program does not represent income to the executive but that it can signify a real gain, depending on the variation in stock prices on the day that their shares are sold. For more information on the Stock Option Plan, refer ahead to item 13.6 Other Relevant Information.

The changes proposed by the Personnel and Organizational Development Committee and approved by the Board of directors sought to assure a sense of property and involvement, to strengthen the relationship between remuneration and supplementary compensation and the creation of value to the company, in addition to Natura's healthy growth with the balanced distribution of results when the profitability of the business allows.

According to the new dynamics of the Program, as of 2009 the granting of share purchase options is associated to the executive's decision to invest a minimum of 50% of the amount received as profit sharing in the purchase of Natura stock. Options granted may be exercised after a four-year vesting period (grace period to reach maturity), with a validity term of eight years. During this time these acquired shares cannot be sold and are associated to the options, that is, the sale results in loss of the options. Up to the prior year the vesting period was set at three years and the Plan expired in six years without requiring the purchase and maintenance of shares. With the new terms, the executive is awarded more time to choose the best moment to exercise the options at the same time in which Natura reinforces senior management's long-term commitment.

The Board of Directors has moreover established that the total amount of annual profit sharing, the basis of the long-term incentive program, cannot exceed 10% of the net profits earned. With these limits Natura counts on a coherent and well-controlled system that avoids recent distortions in executive compensation that have occurred in other countries.

**(b) Composition of remuneration, specifying:**

**i. description of remuneration elements and the objectives of each;**

Our executive board is compensated with a base remuneration and a variable remuneration, in addition to indirect benefits.

- Base Remuneration: base remuneration is the amount paid monthly which recognizes and reflects the scope of the experience and responsibilities of each executive board member.

- Variable Remuneration: the variable portion of the remuneration paid to the Company's executive board is a manner in which to reward those achieving or surpassing goals based on economic, social and environmental factors, which may contribute to the Company achieving its goals based on these factors.

The variable component, be it short-term remuneration or long-term gains, represents a greater portion of remuneration to senior executives compared with the other employees as we believe in creating value together. In addition to well-defined limits, all variable remuneration is tied to goals that have been effectively achieved, that is, that have exceeded minimum growth expectations set annually by management. The performance indicators system that measures this accomplishment covers the three dimensions for sustainability.

As an example, in 2010 the following indicators were considered: • Economic – consolidated EBITIDA; and the financial result of international operations; • Social –

organizational climate survey; and consultants' satisfaction survey; • Environment – water consumption; and carbon emissions.

**ii. proportion of each element making up total remuneration;**

According to the table below, proportions for the fiscal year ended on December 31, 2010 were:

	<b>% of total compensation</b>			
	<b>Base Remuneration</b>	<b>Variable Remuneration</b>	<b>Benefits</b>	<b>Total</b>
<b>Board of Directors</b>	61.18%	30.59%	8.22%	100.00%
<b>Executive Board</b>	46.76%	44.95%	8.30%	100.00%

**iii. methodology for calculating and adjusting each one of the remuneration elements; and**

Adjustments to our executive board's remuneration are defined annually during the Annual General Shareholder's Meeting.

**iv. reasons that justify the composition of the remuneration.**

With the above-mentioned remuneration policy we aim at compensating our professionals according to the responsibilities their positions hold, market practices and the Company's level of competitiveness.

c) main performance indicators taken into consideration in determining each remuneration element

Performance indicators that determine variable remuneration elements take into consideration financial, social and environmental aspects.

**d) remuneration structure that reflects the evolution of performance indicators**

Performance indicators are monitored on a quarterly basis, and the final results are closed and approved by the Board of Directors in the year subsequent to the fiscal year. The performance indicator generated by the financial results directly defines total variable remuneration.

**e) relationship between the compensation policy and practices and the Company's interests**

Since the Company primarily favors financial results in determining the variable remuneration detailed hereunder, the Company assures that remuneration is sustainable and does not threaten any other investment.

**f) remuneration supported by subsidiary companies, controlled companies or direct or indirect controlling entities**

All of the remuneration to management is paid-out solely and directly by the Company, even in the case of foreign subsidiaries or controlled companies, and there are no members of the Board of Directors or of the Executive Board who receive remuneration supported by subsidiary companies, controlled companies or by direct or indirect controlling entities.

**g) remuneration or benefits linked to the holding of company events**

No remuneration or benefits are linked to the holding of company events.

## 2. Remuneration of the Company's Board of Directors, Audit Committee and Executive Board and forecasted remuneration for fiscal year 2010

Amounts forecasted for 2011

Number of Members .....	7	4	11
<b>Fixed Annual Remuneration .....</b>	<b>4,292.8</b>	<b>5,302.7</b>	<b>9,595.5</b>
Basis Remuneration .....	4,057.6	5,121.1	9,178.6
Benefits .....	235.2	181.17	416.9
Participation in Committees.....	-	-	-
Others .....	-	-	-
<b>Variable Remuneration .....</b>	<b>3,207.6</b>	<b>4,986.1</b>	<b>8,193.7</b>
Bonus .....	-	-	-
Profit Sharing .....	3,207.6	4,986.1	8,193.7
Participation in Meetings.....	-	-	-
Commissions.....	-	-	-
Others .....	-	-	-
<b>Post-Employment Benefit .....</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Benefits for termination of employment .....</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Remuneration based on stock .....</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Monthly value of Remuneration .....</b>	<b>562.5</b>	<b>749.9</b>	<b>1,482.4</b>
<b>Total Remuneration .....</b>	<b>7,500.4</b>	<b>10,288,8</b>	<b>17,789.2</b>

Amounts paid during fiscal year 2010:

	Board of Directors	Executive Board	total
Number of Members .....	6	4	10
<b>Fixed Annual Remuneration .....</b>	<b>3.347,5</b>	<b>4.354,3</b>	<b>8.397,8</b>
Basis Remuneration .....	3.123,5	4.877,2	8.000,7
Benefits .....	224,0	173,1	397,0
Participation in Committees.....	-	-	-
Others .....	-	-	-
<b>Variable Remuneration .....</b>	<b>1.985,4</b>	<b>4.034,4</b>	<b>6.019,8</b>
Bonus .....	-	-	-
Profit Sharing .....	1.985,4	4.034,4	6.019,8
Participation in Meetings.....	-	-	-
Commissions.....	-	-	-
Others .....	-	-	-
<b>Post-Employment Benefit .....</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Benefits for termination of employment .....</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Remuneration based on stock .....</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Monthly value of Remuneration .....</b>	<b>444,4</b>	<b>757,0</b>	<b>1.201,5</b>
<b>Total Remuneration .....</b>	<b>5.332,9</b>	<b>9.084,6</b>	<b>14.417,5</b>

The Audit Committee was not instated in 2010.

## 3. Variable remuneration of the Board of Directors, Audit Committee and Executive Board in the last three fiscal years and remuneration forecasted for the fiscal year 2010

Amounts forecasted for 2011, according to our remuneration plan:

	Board of Directors	Executive Board	Total
Number of Members .....	7	4	11
<b>Salary / Fees .....</b>	<b>4,057.6</b>	<b>5,121.1</b>	<b>9,178.7</b>
Minimum amount forecasted .....	339.1	594.5	933.6
Maximum amount forecasted.....	843.1	2,021.7	2,864.8
Average amount forecasted.....	579.7	1,280.3	1,860.0
<b>Profit Sharing.....</b>	<b>3,207.6</b>	<b>4,986.1</b>	<b>8,193.7</b>

Minimum amount forecasted .....	266.9	502.5	769.4
Maximum amount forecasted.....	1,001.7	2,271.1	3,272.8
Average amount forecasted.....	458.2	502.5	960.7
<b>Benefits.....</b>	<b>235.2</b>	<b>181.7</b>	<b>416.9</b>
Minimum amount forecasted .....	57.9	29.2	87.1
Maximum amount forecasted.....	61.3	55.3	116.6
Average amount forecasted.....	33.6	45.4	79.0
<b>Total.....</b>	<b>7,500.4</b>	<b>10,288.8</b>	<b>17,789.2</b>

*Amounts paid during fiscal year 2010, according to our remuneration plan*

	<b>Board of Directors</b>	<b>Executive Board</b>	<b>Total</b>
Number of Members.....	6	4	10
<b>Salary / Fees.....</b>	<b>3,123.5</b>	<b>4,877.2</b>	<b>8,000.7</b>
Minimum amount .....	270.5	549.0	819.5
Maximum amount .....	791.0	1,925.1	2,716.1
Average amount .....	446.2	1,219.3	1,665.5
<b>Profit Sharing.....</b>	<b>1,985.4</b>	<b>4,034.4</b>	<b>6,019.8</b>
Minimum amount .....	108.5	300.0	408.5
Maximum amount .....	840.0	1,984.4	2,824.4
Average amount .....	283.6	1,008.6	1,292.2
Amount – achieved goals .....	1,985.4	4,034.4	6,019.8
Amount effectively recognized .....	1,985.4	4,034.4	6,019.8
<b>Benefits.....</b>	<b>224.0</b>	<b>173.0</b>	<b>397.0</b>
Minimum amount .....	0.0	27.7	27.7
Maximum amount .....	58.8	53.0	111.8
Average amount .....	32.0	43.2	75.2
<b>Total.....</b>	<b>5,332.9</b>	<b>9,084.6</b>	<b>14,417.5</b>

<sup>(2)</sup> The Audit Committee was not instated in 2010.

*Amounts paid during fiscal year 2009, according to our remuneration plan<sup>(1)</sup>:*

	<b>Board of Directors</b>	<b>Executive Board</b>	<b>Total</b>
Number of Members.....	7	4	11
<b>Salary / Fees.....</b>	<b>3,561.9</b>	<b>4,230.1</b>	<b>7,792.0</b>
Minimum amount .....	167.7	486.6	654.3
Maximum amount .....	1,065.5	1,579.0	2,644.5
Average amount .....	508.8	1,057.5	1,566.4
<b>Profit Sharing.....</b>	<b>1,712.6</b>	<b>3,634.4</b>	<b>5,347.0</b>
Minimum amount .....	83.9	276.2	360.1
Maximum amount .....	464.4	1,428.0	1,892.4
Average amount .....	244.7	908.6	1,253.2
Amount – achieved goals .....	1,712.6	3,634.4	5,347.0
Amount effectively recognized .....	1,712.6	3,634.4	5,347.0
<b>Benefits.....</b>	<b>223.4</b>	<b>124.2</b>	<b>347.6</b>
Minimum amount .....	51.9	26.7	78.6
Maximum amount .....	65.4	49.8	115.2
Average amount .....	31.9 <sup>(2)</sup>	31.0	62.9
<b>Total.....</b>	<b>5,497.9</b>	<b>7,988.6</b>	<b>13,486.6<sup>(3)</sup></b>

<sup>(1)</sup> The Audit Committee was not instated in 2009.

<sup>(2)</sup> At the Board of Directors, only Co-Chairmen receive indirect benefits. Therefore, the average value resulting from the division of the total benefits paid in 2009 by the number of board members is lower than the amount of benefits paid.

<sup>(3)</sup> The amount of R\$ 13,486.6 thousand is related to the total amount effectively paid to management in 2009. With the provision reversal made for the payment of remuneration to management, the book value of the remuneration to management changes to R\$ 13,139 thousand, as per informed at the Company's income statement reported on 02.25.2010.

#### 4. Stock Option Plan

See Item 13.16 – Other Relevant Information.

#### 5. Shares held by the Company's Executive Board members

<b>Directors/Officers</b>	<b>Position</b>	<b>Number of Shares</b>	<b>Percentage (%)</b>
Antonio Luiz da Cunha Seabra	Co-President	3.628.920	0,8422%
Pedro Luiz Barreiros Passos.....	Co-President	855.038	0,1984%
Edson Vaz Musa.....	Director	6.165	0,0014%

José Guimarães Monforte .....	Director	99570	0,0231%
Luiz Ernesto Gemignani.....	Director	32.200	0,0075%
Julio Moura Neto .....	Director	2.200	0,0005%
Alessandro Giuseppe Carlucci .....	President and CEO	2.220.330	0,5153%
Roberto Pedote .....	CFO and Investor Relations Officer	18.780	0,0044%
Lucilene Silva Prado.....	Legal Officer	17.832	0,0041%
José Vicente Marino.....	Commercial Officer	60.509	0,0140%

Some of our Directors also hold shares indirectly. For further information on the shares indirectly held by our Directors, see Item "15.1. – Controlling Group" of the Reference Form.

## 6. Stock Option Plan recognized over the last three fiscal years

### Amounts relative to fiscal year 2010 <sup>(1)</sup>

	Executive Board						
Number of Members.....	4						
<b>In relation to each Stock Option granting.....</b>							
Granting Date.....	April 10, 2004	March 16, 2005	March 29, 2006	April 24, 2007	April 22, 2008	April 22, 2009	March 19, 2010
Quantity of Options granted.....	-	-	86,265	124,446	235,343	510,048	556,467
Vesting date.....	04.10.2008	03.16.2009	03.29.2010	04.24.2011	04.22.2012	04.22.2013	03.19.2014
Maximum vesting period to exercise Options .....	04.10.2010	03.16.2011	03.29.2012	04.24.2013	04.22.2014	04.22.2017	03.19.2018
Share transfer restriction deadline.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Weighted average exercising price for each of the following groups of shares:	9.45	20.25	30.17	28.53	22.16	24.17	35.46
Outstanding at the beginning of the fiscal year .....	9,793	9,970	93,085	128,892	235,343	510,048	-
Lost during the fiscal year .....	-	-	-	-	-	-	-
Exercised during the fiscal year.....	9,793	9,970	6,820	-	-	-	-
Expired during the fiscal year.....	-	-	-	-	-	-	-
<b>Fair value of the Options at the granting date .....</b>	<b>2.53</b>	<b>5.85</b>	<b>10.73</b>	<b>9.73</b>	<b>6.57</b>	<b>7.83</b>	<b>10.82</b>
<b>Potential dilution in the case of Option exercising.....</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.02%</b>	<b>0.03%</b>	<b>0.05%</b>	<b>0.12%</b>	<b>0.13%</b>

<sup>(1)</sup> The Audit Committee was not instated in 2010.

### Amounts relative to fiscal year 2009 <sup>(1)</sup>

	Executive Board					
Number of Members.....	4					
<b>In relation to each Stock Option granting.....</b>						
Granting Date.....	April 10, 2004	March 16, 2005	March 29, 2006	April 24, 2007	April 22, 2008	April 22, 2009
Quantity of Options granted.....	9,793	9,970	93,085	128,892	235,343	510,048
Vesting date.....	04.10.2008	03.16.2009	03.29.2010	04.24.2011	04.22.2012	04.22.2013
Maximum vesting period to exercise Options .....	04.10.2010	03.16.2011	03.29.2012	04.24.2013	04.22.2014	04.22.2017
Share transfer restriction deadline.....	N/A	N/A	N/A	N/A	N/A	N/A
Weighted average exercising price for each of the following groups of shares:	8.92	19.12	28.49	26.94	20.92	22.82
Outstanding at the beginning of the fiscal year .....	9,793	9,970	93,085	128,892	235,343	-
Lost during the fiscal year .....	-	-	-	-	-	-
Exercised during the fiscal year.....	-	-	-	-	-	-
Expired during the fiscal year.....	-	-	-	-	-	-
<b>Fair value of the Options at the granting date .....</b>	<b>2.53</b>	<b>5.85</b>	<b>10.73</b>	<b>9.73</b>	<b>6.57</b>	<b>7.83</b>
<b>Potential dilution in the case of Option exercising.....</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.02%</b>	<b>0.03%</b>	<b>0.05%</b>	<b>0.12%</b>

<sup>(1)</sup> The Audit Committee was not instated in 2010.

## 7. Outstanding Stock Options

Amounts relative to fiscal year 2010 <sup>(1)</sup>

	Executive Board				
Number of Members .....	4				
<b>In relation to non-vested Stock Options.....</b>	<b>Plan 2006</b>	<b>Plan 2007</b>	<b>Plan 2008</b>	<b>Plan 2009</b>	<b>Plan 2010</b>
Quantity .....	86,265	124,446	235,343	510,048	556,467
Vesting date.....	03.29.2010	04.24.2011	04.22.2012	04.22.2013	03.19.2014
Maximum vesting period to exercise Options .....	03.29.2012	04.24.2013	04.22.2014	04.22.2017	03.19.2018
Share transfer restriction deadline.....	N/A	N/A	N/A	N/A	N/A
Weighted average exercising price	30.17	28.53	22.16	24.17	35.46
<b>Fair value of Options on the granting date .....</b>	<b>10.73</b>	<b>9.73</b>	<b>6.57</b>	<b>7.83</b>	<b>10.82</b>
Fair value of the total Options on the last day of the fiscal year...	2,602,615	3,550,444	5,215,201	12,327,860	19,732,320

	Executive Board				
Number of Members .....	4				
<b>In relation to non-vested Stock Options.....</b>	<b>Plan 2006</b>	<b>Plan 2007</b>	<b>Plan 2008</b>	<b>Plan 2009</b>	<b>Plan 2010</b>
Quantity .....	86,265	124,446	235,343	510,048	556,467
Vesting date.....	03.29.2010	04.24.2011	04.22.2012	04.22.2013	03.19.2014
Maximum vesting period to exercise Options .....	03.29.2012	04.24.2013	04.22.2014	04.22.2017	03.19.2018
Share transfer restriction deadline.....	N/A	N/A	N/A	N/A	N/A
Weighted average exercising price	30.17	28.53	22.16	24.17	35.46
Fair value of Options on the last day of the fiscal year.....	<b>10.73</b>	<b>9.73</b>	<b>6.57</b>	<b>7.83</b>	<b>10.82</b>
<b>In relation to vested Options .....</b>					
Quantity .....	43,132	-	-	-	-
Maximum vesting period to exercise Options .....	03.29.2012	04.24.2013	04.22.2014	04.22.2017	04.19.2018
Share transfer restriction deadline.....	N/A	N/A	N/A	N/A	N/A
Weighted average exercising price.....	30.17	28.53	22.16	24.17	35.46
Fair value of Options on the last day of the fiscal year.....	<b>10.73</b>	<b>9.73</b>	<b>6.57</b>	<b>7.83</b>	<b>10.82</b>
Fair value of the total Options on the last day of the fiscal year...	2,602,615	3,550,444	5,215,201	12,327,860	19,732,320

<sup>(1)</sup> The Audit Committee was not instated in 2010.

## 8. Exercised Stock Options

Amounts relative to fiscal year 2010 <sup>(1)</sup>:

	Executive Board						
Number of Members .....	4						
<b>In relation to exercised Stock Options.....</b>	<b>Plan 2004</b>	<b>Plan 2005</b>	<b>Plan 2006</b>	<b>Plan 2007</b>	<b>Plan 2008</b>	<b>Plan 2009</b>	<b>Plan 2010</b>
Number of Shares .....	-	9,970	6,820	4,446	-	-	-
Weighted average exercising price .....	-	R\$19.20	R\$29.37	R\$28.12	-	-	-
Total value of the difference between the exercising price and market price of shares related to exercised Stock Options.....	-	-	-	-	-	-	-
<b>In relation to delivered shares .....</b>							
Number of Shares.....	-	9,970	6,820	4,446	-	-	-
Weighted average purchase price.....	-	R\$19,20	R\$29,37	R\$28,12	-	-	-
Total value of the difference between the purchase price and market price of the purchased shares .....	-	-	-	-	-	-	-



- <sup>(1)</sup> The Audit Committee was not instated in 2010.  
<sup>(2)</sup> Average market price per share during 2009: R\$38.77

## 9. Relevant information on the Stock Option Purchase Plan

Amounts relative to fiscal year 2010 <sup>(6)</sup>

	Board of Directors	Executive Board
a) pricing model .....	N/A	Binomial
b) data and assumptions used in the pricing model, including the weighted-average share price, exercising price, expected volatility, life span of the option, expected dividends and risk-free interest rate .....	N/A	Volatility of 37%; Dividend yield of 5.3%; Risk-free interest rate of 10.8%.
c) method employed and assumptions considered to incorporate expected effects of early exercising .....	N/A	N/A
d) manner of determining expected volatility .....	N/A	Standard deviation over the past 740 days.
e) if any other option feature was incorporated in its fair value measurement .....	N/A	N/A

<sup>(6)</sup> The Audit Committee was not instated in 2009.

## 10. Pension fund plans for the members of the Board of Directors and Executive Board

Amounts relative to fiscal year 2010 <sup>(1)</sup>

	Board of Directors	Executive Board	Total
a)			
b) number of members.....	6	4	10
c) name of plan .....	Not applicable	Encouraged Savings	Encouraged Savings
d) number of managers who are apt to retire .....	Not applicable	As per Contract, 60 years of age (termination of employment relationship with the Company)	-
e) conditions for early retirement .....	Not applicable	Minimum 50 years of age (termination of employment relationship with the Company)	-
f) updated amount of accumulated contributions made to the fund plan up to the closing of the last fiscal year, deducting the portion related to contributions made directly by the board.....	Not applicable	19.0 <sup>(2)</sup>	19.0
g) total accumulated value of contributions made during the last fiscal year, deducting the portion related to contributions made directly by the board.....	Not applicable	15.3 <sup>(3)</sup>	15.3
h) the possibility of prepayment and the conditions thereof .....	Not applicable	Yes, prepayment of the portion paid-in by the Company only after executive resigns and after 5 years of contribution to the plan	-

<sup>(1)</sup> The Audit Committee was not instated in 2010.

<sup>(2)</sup> Amount related to the three executive officers who joined the plan.

<sup>(3)</sup> Amounts related to the share that the Company deposited in 2010 to the three executive officers who joined the plan.

## 11. Average Remuneration of the Board of Directors, Executive Board and Audit Committee related to the last three fiscal years

### Board of Directors

Year	Number of Members	Value of the Highest Individual Remuneration	Average Value of the Individual Remuneration	Value of the Lowest Individual Remuneration
2009	7	1,595.3	785.4	303.5
2010	6	1,689.8	761.8	379
2011	7	1,906.10	1071.5	663.9

#### Executive Board

Year	Number of Members	Value of the Highest Individual Remuneration	Average Value of the Individual Remuneration	Value of the Lowest Individual Remuneration
2009	4	3,056.9	1,997.2	789.6
2010	4	3,962.50	2,271.10	876.7
2011	4	4,348.10	1,828.20	1,126.20

#### Audit Committee

No Audit Committee was instated in 2010.

### **12. Description of contractual arrangements, insurance policies or any other instruments structuring compensation or indemnity mechanisms for management in the case of discharge from office or retirement, stating financial consequences to the Company**

On December 31, 2010, there were no contractual arrangements, insurance policies or any other instruments structuring compensation or indemnity mechanisms for management in the case of discharge from office or retirement.

### **13. In relation to the three last fiscal years, state the percentage of total remuneration for each body recognized in the Company's results regarding members of the Board of Directors, of the Executive Board or of the Audit Committee who are parties related to direct or indirect controllers, as defined by accounting rules governing this subject**

*Amounts relative to fiscal year 2009 <sup>(1)</sup>*

Board of Directors	Executive Board	Total
55%	0%	21%

<sup>(1)</sup> The Audit Committee was not instated in 2009.

*Amounts relative to fiscal year 2010 <sup>(1)</sup>*

Board of Directors	Executive Board	Total
56%	0%	21%

<sup>(1)</sup> The Audit Committee was not instated in 2010.

*Amounts relative to fiscal year 2010 <sup>(1)</sup>*

Board of Directors	Executive Board	Total
0	0	0

<sup>(1)</sup> The Audit Committee was not instated in 2010.

**14. In relation to the three last fiscal years, indicate amounts recognized in the Company's results as remuneration to members of the Board of Directors, statutory Executive Board or Audit Committee, grouped by office, for any reason other than the position they occupy, as for example, commissions and consulting or advisory services rendered**

*Amounts relative to fiscal year 2010<sup>(1)</sup>*

<b>Board of Directors</b>	<b>Executive Board</b>	<b>Total</b>
0	0	0

<sup>(1)</sup> The Audit Committee was not instated in 2010.

*Amounts relative to fiscal year 2009<sup>(1)</sup>*

<b>Board of Directors</b>	<b>Executive Board</b>	<b>Total</b>
0	0	0

<sup>(1)</sup> The Audit Committee was not instated in 2009.

**15. In relation to the three last fiscal years, indicate amounts recognized in the results of direct or indirect controllers, of companies under common control and controlled by the Company, as remuneration for members of the Board of Directors, Executive Board or Audit Committee, grouped by office, specifying under which title said amounts were credited to these individuals**

There are no amounts recognized in the results of our direct or indirect controllers, companies under common control or controlled by the Company, as remuneration for the members of our Board of Directors or our Executive Board. Furthermore, no Audit Committee was instated in the 2010 fiscal year.

**16. Other Relevant Information**

For a group of senior executives and in charge of Natura's long-term strategy, we tie the gain in a consistent manner not only to the short-term results generated, but, especially, to the commitment with our long-term project by means of a Stock Option Program in order to stimulate the assumption of risks and the necessary undertaking and engagement. We understand that this program does not constitute compensation to the executive, but it can represent a gain based on the difference of the option price and the price at the selling moment of the Company's share resulting from such exercise. For more details on the rules of our Stock Option Program or on the annual Plans granted, see item 13.4 hereof.

The Company's Stock Option Program is a payable program, in which the participant shall necessarily disburse an amount for the exercise of the option entitled fair value. The fair value of the options granted is calculated based on the binomial pricing method and recognized as expense in the result for the year during the purchasing period, after fulfilling certain specific conditions. On the dates of the balance sheets, the Company's management reviews the estimations related to the quantity of options and recognizes them, when applicable, in the result for the year/quarter as a consideration of the equity capital, reflecting the effect derived from the review of these initial estimations.

The exercise of each option is carried out after the fulfillment of certain requirements of each plan, such as the fulfillment of the maturity period of each option for the exercise and upon the payment of the fair value monthly adjusted by the participant of the plan. The adjustment index of the fair value is defined in each option plan annually approved by the Board of Directors, within the rules of the effective Stock Option Program.

The difference between the amount paid for the exercise of the option and the price at the selling moment of the Company's share resulting from such exercise can represent a gain for the participants of each plan.

	<b>Board of Directors</b>	<b>Executive Board</b>	<b>Total</b>
Number of Members.....	6	4	11
Options granted based on the Plan 2010, base year 2009	0	556,467	556,467
Average Price of Options granted based on the Amount of R\$ 35.46 defined at Plan 2010	0	R\$ 19,732,320.00	R\$ 19,732,320.00

**ANNEX VI – Information required by Annex 23 of the CVM Instruction 481  
related to the Public Request for Proxy**

1. State the company's name

Natura Cosméticos S.A.

2. State the matters to which the proxy is requested

According to matters indicated in the Call Notice contained in this Manual.

3. Identify the individuals or legal entities that promoted, organized or financed the request for proxy, even if partially, stating:

- a. Name and address

Natura Cosméticos S.A. addressed at Rodovia Régis Bittencourt, s/nº, Km 293, Edifício I, in the City of Itapecerica da Serra, State of São Paulo.

- b. Since when it is shareholder of the company

Not applicable

- c. Number and percentage of shares of each type and class owned by it

Not applicable

- d. Number of shares borrowed as a loan

Not applicable

- e. Total exposition in derivatives referenced in shares of the company

Not applicable

- f. Relations of corporate, business or family nature existing or kept over the last 3 years with the company or with parties related to the company, as defined by the accounting rules referring to such issue

Not applicable

4. State if any of the persons mentioned in item 3, as well as any of their

controllers, subsidiaries, companies under common control or affiliated companies has special interest in the approval of the matters to which the proxy is requested, describing in details the nature and extension of such interest

Not applicable

5. State the estimated cost of the request for proxy  
[Natura: State]

6. State if (a) the company financed the request for proxy or (b) if its applicants will seek reimbursement of costs with the company

The request for proxy was fully financed by the Company.

7. State:

a. The address to which the proxy shall be sent after signed; or

As indicated in this Manual.

b. If the company accepts proxies through system in the world wide web, the instructions for granting the proxy

As indicated in this Manual.