

STOCK OPTION AND SUBSCRIPTION PROGRAM

This Stock Option and Subscription Program is governed by the provisions set forth below:

1. Concept

1.1. The Program consists on the grant of stock options or subscription of the Company's common shares to its managers and employees, as well as to managers and employees of other companies that are or may be under the direct or indirect control of the Company, whether domestic or foreign.

1.2. By means of the granting of stock options or subscription of the Company's common shares, the Participants may acquire, under the terms and at a previously established price, common shares of the Company, provided that all the terms and conditions contained in this Program are duly complied with.

2. Definitions

2.1. The following terms, when used herein with initial capital letters, will have the meanings assigned to them below:

“Grant Date”, unless otherwise expressly provided herein or in the Option Agreement, means, with respect to any Options granted to a Participant, the date of the Board of Directors' meeting whereby the respective Plan was approved;

“Board of Directors” means the Company's Board of Directors;

“Committee” means the People and Organizational Development Committee of the Company (or any other Committee that supersedes it);

“Company” means Natura Cosméticos S.A, a corporation, with head offices at Avenida Alexandre Colares, 1188, Vila Jaguara, CEP 05106-00, in the city of São Paulo, State of São Paulo, enrolled with the Taxpayer Registry (CNPJ/MF) under No. 71.673.990/0001-77;

“Eligible Contributor” means all managers and employees of the Company or of other companies that are or will be under the direct or indirect control of the Company, whether domestic or foreign;

“Exercise of Options” means the effective subscription or purchase of shares related to Options previously granted to Participants under the Program and its respective Plans;

“Exercise Term of the Options” mean the period between the date that the Options became vested and the term for the exercise of the Options, within which the Options may be exercised under the terms of this Program and respective Plans;

“Maximum Term for Exercise of Options” means the term (limit date) for exercise of the Vested Options, under penalty of losing the right;

“Natura Group” means the Company and the other companies and other controlled companies or that will be controlled, directly or indirectly, by Natura Cosméticos S.A., whether domestic or foreign, already incorporated or that will be incorporated;

“Option(s)” means the possibility of the Participants to subscribe or purchase Shares of the Company at a price established pursuant to item 10 of this Program, provided that the terms and conditions set forth herein and the respective Plans are duly complied with;

“Option Agreement” means the private instrument of granting of stock options or subscription of shares entered into by the Company and a Eligible Contributor, whereby the Eligible Contributor acquires the status of Participant, declaring to know and accept all terms and conditions of the Program and its respective Plans;

“Participant” means the Eligible Contributor in favor of which the Company grants Option, under the terms set forth in this Program and respective Plans, after signing the Option Agreement;

“Plan” means the Stock Option or Share Subscription Plan that, based on the Program, is approved by the Board of Directors, establishing the rules and general conditions, for a given year of duration of the Program, and

“Program” means the Stock Option or Subscription of Shares Program of the Company;

“Shares” means the common shares that will be or are already issued by the Company due to the Stock Option and Subscription Program;

“Subscription or Purchase Price” corresponds to the Company's Share Value on the date of grant of the Options, calculated in accordance to item 10.1 below;

“Termination Date” means the date of termination of the employment contract or the termination of the legal relationship between the Participant and the Company;

“Termination” (or “to Terminate”) means the termination, for any reason whatsoever, of the relationship between the Participant and the Company, or a company controlled by the Company, including, without limitation, resignation, removal, replacement or expiration of term of office not followed by reelection, voluntary resignation, dismissal with or without cause, retirement, permanent disability or death;

“Unvested Option(s)” means the Option that has not yet fulfilled the conditions defined for the exercise of the right to subscription or purchase of the Shares, therefore not subject to be exercised;

“Vested Option(s)” means the Option that fulfilled the conditions defined for the exercise of the right to subscription or purchase of the Shares, therefore subject to be exercised;

“Vesting Term of the Options” means the period between the date of granting of the Options and the date from which the Options may be exercised. During such period, the Options may not be exercised;

“Share Value” means the amount calculated for each share under the terms defined herein.

3. Purposes of the Program

3.1. The purposes of the Program is to allow the granting of Options to the Eligible Contributors selected by the Board of Directors, in view of: (a) encouraging the improvement of the management of the

Company and the companies that are under its direct or indirect control, giving the Participants the possibility of becoming shareholders of the Company, encouraging them in optimizing all aspects that could increase the value the Company in the long term, giving them also an entrepreneurial and corporative vision, harmonizing and improving the relationships between the companies of the Natura Group; (b) encouraging the permanence of the managers and employees; and (c) increasing the attractiveness of the Company and the companies of the Natura Group.

4. Eligible Contributors

4.1. The Eligible Contributors are sole and exclusively the managers and employees of the Company and the Natura Group's companies.

5. Requirements to Acquire the Condition of Participant

5.1. In order to become a Participant of the Program, the Eligible Contributor shall be formally indicated by the Board of Directors, under the terms provided herein.

5.2. The Board of Directors, in turn, shall establish the requirements to elect the Participants of the Program, as per the criteria's that they judge necessary for the attainment of the objectives of such Program.

5.3. In addition, as an essential condition to have the indication considered as valid and binding, the Eligible Contributor indicated as a Participant shall sign the Option Agreement, expressly adhering to the Program and declaring himself aware of all of its terms and conditions, including the restrictions contained within it.

6. Program Administration

6.1. The Program shall be administrated by the Board of Directors, which may, subject to the relevant legal provisions, rely on the Committee to aid them with the management of the Program. Nevertheless, the acts of the Committee shall always be approved by the Board of Directors.

6.2. Fulfilled the general conditions of the Program and the guidelines fixed by the Company's General Shareholders Meeting, the Board of Directors shall have full power to take all necessary and adequate measures to administrate the Program, including:

- (a) create and enforce general rules regarding the granting of Options, as per the terms of the Program, and solve of interpretation doubts of related to the Program;
- (b) elect the Participants and authorize the grant of Options in their favor, establishing all condition of the Options to be granted, as well as modify such conditions when necessary or convenient;
- (c) issue new Shares within the limit of the authorized capital or authorize the assignment of treasury Shares to satisfy the exercise of the Options granted as per the terms of the Program;
- (d) issue new Shares within the limit of the authorized capital or authorize the sale of treasury Shares to meet the requirement of acquisition of Shares by the Participant as a condition for the

granting of Options;

- (e) defining, within the parameters of this Program, the annual Plans;
- (f) undertake any other provisions necessary for the administration of the Program, as long as it does not imply in modifications to it; and
- (g) suggest modifications to the Program to be submitted to the Extraordinary Shareholders Meeting.

6.3. In the exercise of its competence, the Board of Directors shall be subject only to the limits established by law, by the rules of the Securities and Exchange Commission (*Comissão de Valores Mobiliários*) and the Program, remaining clear that the Board of Directors may deal with managers and employees of the Company or other companies under its control that find themselves in a similar situation, in a differentiated manner, not being obliged, by any rule of analogy or isonomy, to extend to all the conditions applicable to one or a few.

6.4. For the purposes of Clause 6.2(d) above, the price parameter for the issuance of new Shares or sale of treasury Shares will be the average market value for the purchase of each Share of the Company on the predetermined dates set by the Board of Directors or, if other Participants acquire Shares in the market on the same dates, the same average daily value per Share of the market purchases made by such Participants.

6.5. The resolutions of the Board of Directors of the Company have binding force towards the Company regarding all matters in connection with the Program.

7. Granting of Options

7.1. Annual Plans

7.1.1. Each year of effectiveness of the Program, the Board of Directors may create a Plan that, if implemented, shall be structured based on the criteria's defined herein.

7.1.2. It will be entirely up to the Board of Directors to decide about the opportunity and convenience to implement or not the mentioned Plans in each year of effectiveness of the Program.

7.2. Election of the Participants

7.2.1. The Board of Directors shall elect, among the Eligible Contributors, the Participants of the Program and may, as long as limits set forth in the Program are observed, include new Participants to the Plans that are already approved and still in effect, granting Options which the Board of Directors understands to be adequate. The inclusion of new Participants in Plans already approved and still in effect will only be possible until the end of the year in which such Plan has been approved.

7.3. Definition of the number of Options for each Plan and the form they become available between various Participants

7.3.1. For each Plan, the Board of Directors, according to this Program, shall define a certain number of Options to be made available amongst the Participants.

7.3.2. The Board of Directors shall also define, in each Plan, which Eligible Contributors shall have the right to the Options, as well as the amount of Options that each Participant shall be entitled to.

7.3.3. In view that the Participants may become shareholders of the Company, the appointment of the Eligible Contributors that will be Participants, as well as the amount of Options that each one is entitled to, shall be done freely by the Board of Directors. Therefore, there is no need to attribute the condition of Participant to all the categories or even all members of the same category, being possible, however, in connection with two or more Participants of the same category, to attribute different amount of Options.

7.4. Granting of Options – effective commitment with the results of the Company

7.4.1. As long as the requirements requested by the Program and relevant Plan are present, as fit to attribute to the Eligible Contributors the condition of Participant, the Company, by means of the Board of Directors, may grant Options, subject to the limits and amounts previously provided for in such Plan.

7.4.2. There will only be granting of Options in the years in which the Company has made, in the immediate previous year, sufficient profit as to allow for the distribution of mandatory dividends to the shareholders.

7.5. Restrictions to transfer of Options

7.5.1. The Options, Vested or Unvested, granted to the Participants are personal and cannot be transferred, except in case of succession due to death of the Participant. In this case (death of a Participant), the Options shall be exercised by the heirs or successors, as per the terms set forth herein.

7.6. Option Agreement

7.6.1. The granting of Options is done by means of execution of an Option Agreement between the Company and the Participants, which shall specify, notwithstanding other conditions determined by the Board of Directors: (a) the amount of Options to be granted; (b) the terms and conditions for acquisition of the right to exercise such Options; and (c) the Subscription or Purchase Price and conditions for payment.

7.6.2. The Board of Directors may subject the acquisition of rights related to Options to certain conditions, as well as impose restrictions on transfer.

8. Shares Subject to the Program

8.1. Subject to the adjustments provided for in this Program, the total number of Options that may be granted annually is limited to 0.55% of shares representative of the entire capital stock of the Company. Nevertheless, the amount of non-exercised Options, including all active Plans related to the Program, will not exceed 3.35% of the shares representative of the entire capital stock of the Company, provided further that the total number of Shares issued or issuable under the terms of the Plan will fall within the authorized capital of the Company at all times. If any Option is terminated or cancelled before it is fully exercised, the Shares bound to such Options will again become available for any future award of Options.

8.2. In order to comply with the exercise of any Options granted under the Program, as well as to meet the requirement of acquisition of Shares by the Participant as a condition for the granting of Options, the

Company may, subject to the law and the applicable regulations and according to the discretion of the Board of Directors, issue additional Shares within the limit of the authorized capital of the Company, or sell treasury Shares.

8.3. The Shares acquired and/or subscribed pursuant to item 9 below, due to the exercise of Options under the terms of the Program will retain all rights relevant to their class.

9. Exercise of Options

9.1. After meeting the requirements and conditions set forth herein and in the respective Plans and provided that the Vesting Term of the Options and the Maximum Term for the Exercise of Options are complied with, the Participant shall be entitled to exercise these Options, that is, to subscribe new Shares or to purchase Shares held as treasury stock, which have been issued or acquired under this Program and respective Plans.

9.2. Vesting Period of Options

9.2.1. Without prejudice to other terms and conditions set forth in the respective Option Agreements, the Options shall become exercisable, to the extent that the Participant remains continuously bound as a manager or employee of the Company, subject the provisions of item 14 below, during the period between the Grant Date and the following dates, in the proportions listed below:

- (a) one third (1/3) after the 2nd anniversary of the Grant Date;
- (b) two thirds (2/3) after the 3rd anniversary of the Grant Date; and
- (c) the totality after the 4th anniversary of the Grant Date.

9.2.2. The Participant may, at its sole discretion, exercise or not the Options as they vest, that is, the Participant may exercise, subject to the aforementioned periods, the Vested Options, or, if desired, may postpone this exercise for the moment considered appropriate, provided, however, that the Maximum Term for the Exercise of Options, as defined in item 9.3 below, is respected.

9.3. Maximum Term for the Exercise of Options

9.3.1. The Participant of the Program shall have a maximum term of eight (8) years from the Grant Date to exercise the Vested Options as defined in item 9.2 above, under penalty of losing the right of that year.

9.3.2. The Options granted under the terms of the Program will be automatically extinguished , ceasing all of its effects in plain-right, in the following cases:

- (a) upon their full exercise;
- (b) after the expiration of the Maximum Term for Exercise of Options;
- (c) upon the termination of the Option Agreement;
- (d) if the Company is dissolved, liquidated or declared bankrupt; or

(e) in the events provided for in item 14 of this Program.

9.4. Exercise Date and formal Procedures for the exercise of Options

9.4.1. The Participant who wishes to exercise his Options shall notify the Company, in writing, of its intention, in accordance with proceedings set forth by internal rules, which must be broadly disclosed to the Participant.

9.4.2. The Board of Directors may decide to suspend the right to exercise the Options, whenever situations that, under the legislation in force, restrict or prevent the trading of shares by managers and employees of the Company, are detected.

10. Subscription or Purchase Price of Shares

10.1. The Subscription or Purchase Price of each Share shall correspond to the Company's Share Value, established in accordance with the criteria set forth in letters "a" and "c" below, calculated on the date the Board of Directors approves the Plan and elects the Participants. The Share Value shall be calculated based on the following criteria:

- (a) the amount corresponding to the average (*média simples*) of thirty (30) trading sessions held over the past sixty (60) calendar days of the period initiated at five (5) days prior to the approval of the Plan, included the fifth day, adopting always the average daily rate of each trading session;
- (b) in the event there were not thirty (30) trading sessions during the period of sixty (60) days as aforementioned, the average mentioned above shall be obtained considering all the trading sessions held during that period to a minimum of three (3) trading sessions;
- (c) if within the 60 (sixty) days as mentioned above, there were less than three (3) trading sessions, it shall be considered the last trading sessions prior to the sixty (60) days to complete the minimum number of three (3) trading sessions.

10.2. The Subscription or Purchase Price for each Share shall be reduced by the amount of dividends, interest on equity (juros sobre capital próprio) and other proceeds distributed by the Company to shareholders during the period between the Grant Date of the Options and the data of exercise of such Options, taking into consideration item 9.2.1 above and up to the 4th anniversary of the Grant Date.

10.3. The Subscription or Purchase Price shall be provided in the Option Agreement itself and shall be the same for all Participants of the same Plan.

11. Payment of Subscribed or Purchased Shares

11.1. The subscription or purchase of Shares corresponding to the Program shall be paid in cash, with the Participant's own resources.

12. Sale of Subscribed or Acquired Shares

12.1. Shares purchased or subscribed under this Program may be freely sold by the Participant in accordance with the legislation in force.

13. Right of First Refusal

13.1. In accordance with Article 171, Paragraph 3, of Law 6,404/76, there will be no right of first refusal in the granting and exercise of stock options or subscription of shares, or in relation to the current shareholders and in relation to those who acquire this qualification through this Program and respective Plans.

14. Events of Termination and Effects thereof

14.1. The events of Termination of the Participants shall have the following treatment:

(a) termination of his or her relationship with the Company for a cause (*justa causa*) or by resignation:

- Unvested Options will be cancelled;
- Vested Options, but not yet exercised, shall not be exercised and will be cancelled.

(b) termination of his or her relationship with the Company for no cause (*sem justa causa*):

- Unvested Options will be cancelled;
- Vested Options, but not yet exercised, shall be exercised during a period of thirty (30) days from the Termination Date or the date in which ends the lock-out period if the Termination occurs during the lock-out period to negotiation of Shares;

(c) termination of his or her relationship with the Company immediately after the retirement due to time worked and/or age

- Unvested Options will be cancelled;
- Vested Options, but not yet exercised, shall be exercised during a period of ninety (90) or the date in which ends the lock-out period, if the Termination occurs during the lock-out period to negotiation of Shares. The exercise due to termination immediately after the retirement due to time worked or age is subject to the approval of the National Social Security Institute (*Instituto Nacional de Seguridade Social - INSS*), the retirement application shall be made by the Participant.

(d) termination of his or her relationship with the Company due to permanent disability

- Unvested Options and Vested Options but not yet exercised shall be exercised during a period of one hundred and eighty (180) days counted from the termination of the service agreement due to the grant of retirement for permanent disability, regardless of the period provided in item 9 above, by the Participant or his legal representative (*curador*), upon presentation, to the Company, of the relevant receipt of retirement concession for permanent disability issued by the INSS and consequent termination of the services agreement.

(e) termination of his or her relationship with the Company on account of death

- Unvested Options or Vested Options, but not yet exercised shall be exercised after the death of the Participant, by means of presentation to the Company of the proper documentation of the inventory of the Participant, within one hundred and eighty (180) days, as of the appointment of the executor by the court, provided that the inventory has been opened in six (6) months from the date of the Participant's death, regardless of the period referred to in item 9.1 above.

14.1.1. The price to be paid upon exercise of the Options, on terms provided above, will be determined based on the criteria set forth in item 10 herein.

15. Change of Shareholders Control

15.1. In the event of direct or indirect change of control of the Company, the Programs and Plans already in place shall be respected.

16. Merger (*Fusão e Incorporação*), Spin-off, and Conversion into another company type of the Company - stock-for-stock merger

16.1. In the event of merger (fusão ou incorporação), spin-off, with or without the extinction of the split person, or conversion into another company type of the Company, as well as in the event of stock-for-stock merger, the Programs and Plans in place shall be respected, being properly adjusted the number of Options, including respecting exchange relations used for purpose the transactions above.

17. Modification of Number, Type and Class of Share

17.1. In event of modification in the number, type and class of shares of the Company as a result of the reverse split, split, stock bonuses, as well as in the event of conversion of shares of a type or class into another, or conversion of Company's shares into other securities issued by the Company, shall be made the necessary adjustments in the Programs and Plans already in place, especially with respect to the number of Options and the type or class of Shares to which they refer to the options in order to avoid distortions and damage to the Company or to Participants.

18. Amendment, Suspension and Termination of the Program and respective Plans

18.1. The Extraordinary Shareholders' Meeting shall approve and, therefore, amend, suspend or terminate the Program.

18.2. Any and all amendment to the Program and the previous Programs, proposed by the Board of Directors, shall be submitted to approval of the Extraordinary Shareholders' Meeting and, once approved, its effects shall reach the stock options to be granted.

18.3. Among the causes that may lead to the amendment or termination of the Program, are the occurrence of factors that cause severe change in the economic outlook and that compromise the Company's financial situation.

19. Period of Validity of the Program

19.1. The Program will enter into force on the date of its approval by the Company's Shareholders' Meeting and shall remain in force for an indefinite period and may be terminated at any time by decision of the Shareholders' Meeting.

20. Miscellaneous

20.1. No provision of the Program will grant to any Participant the right to remain as manager and/or employee of the Company, nor interfere in any way with the right of the Company, at any time and subject to legal and contractual conditions, terminate the employment contract of the employee and/or interrupt the managers' term of office.

20.2. Each Participant shall, at his/hers exclusive discretion, expressly adhere to the terms of the Program, by means of a statement in writing, without any exception, as defined by the Board of Directors.

20.3. Any significant legal change regarding the regulation of corporations, publicly-held companies, labor relations and/or tax effects of a stock option program, may lead to a complete review of the Program.

20.4. Any omissions will be governed by the Board of Directors, consulted, when appropriate, the Shareholders' Meeting. Any Option granted under the Program is subject to all terms and conditions set forth herein, which shall prevail in case of inconsistency regarding the provisions of any agreement or document mentioned in this program.