

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

CITY OF BROCKTON RETIREMENT SYSTEM,
Individually and on Behalf of all Others Similarly Situated,

Plaintiffs,

-vs-

AVON PRODUCTS, INC., ANDREA JUNG,
and CHARLES W. CRAMB,

Defendants.

Civil Action No. 11 Civ.
4665 (PGG)

CLASS ACTION

**NOTICE OF (i) PENDENCY OF CLASS ACTION, CERTIFICATION OF CLASS,
AND PROPOSED SETTLEMENT; (ii) SETTLEMENT FAIRNESS HEARING;
AND (iii) MOTION FOR AN AWARD OF ATTORNEYS' FEES AND
REIMBURSEMENT OF LITIGATION EXPENSES**

IF YOU PURCHASED OR OTHERWISE ACQUIRED THE COMMON STOCK OF AVON PRODUCTS, INC. BETWEEN JULY 31, 2006, AND OCTOBER 26, 2011, INCLUSIVE, YOU COULD RECEIVE A PAYMENT FROM A CLASS ACTION SETTLEMENT. YOUR RIGHTS MAY BE AFFECTED BY THIS CLASS ACTION SETTLEMENT.

A federal court authorized this Notice. This is not a solicitation from a lawyer.

Securities and Time Period: Avon Products, Inc. ("Avon" or the "Company") common stock purchased or otherwise acquired between July 31, 2006, and October 26, 2011, inclusive (the "Class Period").

Settlement Fund: \$62,000,000.00 in cash. Your recovery will depend on the number of shares of common stock that you purchased or acquired, the price(s) at which those shares were purchased or acquired, the timing of your purchases or acquisitions, and any sales. In the unlikely event that 100% of the common stock of Avon purchased or otherwise acquired by Class Members and entitled to a distribution under the Plan of Allocation described below participate in the Settlement,¹ the estimated average distribution per share of Avon common stock will be approximately \$0.08 before deduction of Court-approved fees and expenses and any other awards or payments. Historically, actual claim rates are substantially lower than 100%, resulting in higher per-share distributions.

The Lawsuit: The Settlement resolves class action litigation over whether Avon and certain of Avon's former executives made false or misleading statements. LBBW Asset Management Investmentgesellschaft mbH ("LBBW") and SGSS Deutschland Kapitalanlagegesellschaft mbH ("SGSS") were designated as the "Lead Plaintiffs" for the case and City of Brockton Retirement System ("City of Brockton"), Metropolitan Water Reclamation District Retirement Fund ("Met Water"), and Louisiana Municipal Police Employees' Retirement System ("LAMPERS") were designated as "Named Plaintiffs." (As used herein, "Plaintiffs" refers collectively to Lead Plaintiffs and Named Plaintiffs). Plaintiffs were appointed by the Court to represent all Class Members. Motley Rice LLC ("Motley Rice") was appointed by the Court to serve as "Lead Counsel."

¹ Capitalized terms not defined in this Notice have the same meanings as set forth in the Stipulation and Agreement of Settlement ("Stipulation") dated July 22, 2015.

Attorneys' Fees and Expenses: Plaintiffs' Counsel have litigated this case on a contingent basis. They have conducted this litigation and advanced the expenses of litigation with the expectation that if they were successful in recovering money for the Class, they would receive fees and be reimbursed for their expenses from the Settlement Fund. This is customary in this type of litigation. Plaintiffs' Counsel will apply to the Court for attorneys' fees not to exceed 30% of the \$62,000,000 Settlement Fund and reimbursement of out-of-pocket expenses not to exceed \$200,000 (exclusive of ongoing costs from the administration of the Settlement) plus interest on all fees and expenses, all to be paid from the Settlement Fund. Plaintiffs' Counsel's fee and expense application may also include a request for an award to Lead Plaintiffs and Named Plaintiffs for reimbursement of their reasonable costs and expenses, including lost wages, directly related to their representation of the Class in an amount not to exceed \$45,000 in total. If the above amounts are requested and approved by the Court, the average cost per share of common stock for fees, expenses, and other awards will be approximately \$0.024.

Deadlines:

Submit Claim: January 19, 2016

Request Exclusion: November 10, 2015

File Objection: November 10, 2015

Court Hearing on

Fairness of Settlement: December 1, 2015, 10:00 a.m.
United States District Court,
Southern District of New York
40 Foley Square
Courtroom 705
New York, NY 10007

For More Information:

Claims Administrator:

Avon Securities Litigation
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Providence, RI 02940-3369
1-866-887-6046
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Your legal rights are affected whether you act or do not act. Please read this Notice carefully.

Statement of Recovery

Plaintiffs' damages consultant estimates that during the Class Period approximately 775,924,301 shares of Avon common stock were purchased and allegedly damaged. This expert estimates that the average recovery per share of Avon common stock under the Settlement will be approximately \$0.08 per share before the deduction of attorneys' fees, costs, and expenses, as approved by the Court. The actual recovery per share will depend on: (1) the number of claims filed; (2) when Class Members purchased or otherwise acquired their shares and at what price; (3) whether and when Class Members sold their shares; (4) administrative costs, including the costs of providing notice to the Class; and (5) the amount awarded by the Court for attorneys' fees, costs, and expenses. Distributions to Class Members will be made based on the Plan of Allocation set forth in this Notice. See the Plan of Allocation on pages 7-9.

The Circumstances of the Settlement

The principal reason Plaintiffs have agreed to the Settlement is to provide a benefit to the Class Members now. This benefit must be compared to the risk that no recovery might be achieved after contested motions, a contested trial, and likely appeals, possibly years into the future. Although Plaintiffs' Counsel was prepared to continue to litigate the Action through to trial, and was confident in its ability to present a case, it also recognized that continued litigation and trial are risky propositions and that Plaintiffs and the Class might not have prevailed. The claims advanced by the Class involve numerous complex legal and factual issues, requiring extensive expert testimony, which would add considerably to the expenses and duration of the litigation. Plaintiffs' Counsel also recognized that there are substantial obstacles that Plaintiffs and the Class would have had to overcome to prevail on their liability claims. For example, Plaintiffs faced the possibility that all of their claims could have been resolved against them following a ruling on a pending motion to dismiss. (Indeed, the Court already had granted one such motion.) Had the case proceeded past a pending motion to dismiss, Plaintiffs and the Class would have faced significant defenses that would have increased the risks of litigation. By way of example, Defendants would have asserted that their public statements were not materially untrue or misleading, did not cause the Class's loss, and that none of the Defendants made any statement with an intent to mislead investors.

The Parties vigorously disagreed on many issues that could affect the outcome of the litigation and on the average amount of damages per share that would be recoverable if Plaintiffs were to prevail at trial on each claim. The issues include: (1) the amount by which Avon common stock was allegedly artificially inflated (if at all) by Defendants' alleged misstatements; (2) the extent to which the various statements made by Defendants, which Plaintiffs alleged were materially untrue or misleading, influenced (if at all) the trading prices of Avon common stock; (3) whether the statements made or facts allegedly omitted were untrue, misleading, material, or otherwise actionable under the federal securities laws; (4) whether any of the Defendants made any statement with an intent to mislead investors; (5) the appropriate economic models for determining the amounts by which Avon common stock was allegedly artificially inflated (if at all); (6) and the extent to which external factors, such as general market, economic and industry conditions, or unusual levels of volatility, influenced the trading prices of Avon common stock.

Despite these risks, this Settlement enables the Class to recover a substantial amount now. As a result, Plaintiffs and their counsel believe this Settlement is fair, reasonable, and adequate.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

SUBMIT A CLAIM FORM -- The only way to receive a payment.

EXCLUDE YOURSELF -- Receive no payment. This is the only option that allows you to participate in another lawsuit against the Defendants or the Defendant Released Parties concerning the legal claims being released in this case.

OBJECT -- You may write to the Court if you do not like this Settlement, the Plan of Allocation, or the request for attorneys' fees and expenses.

GO TO A HEARING -- You may ask to speak in Court about the fairness of the Settlement.

DO NOTHING -- Receive no payment.

These rights and options – *and the deadlines to exercise them* – are explained in this Notice.

The Court in charge of this case must decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and, if there are any appeals, after they are resolved. Please be patient.

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BASIC INFORMATION

1. Why did I receive this notice package?

You or someone in your family may have purchased or otherwise acquired shares of Avon common stock between July 31, 2006, and October 26, 2011, inclusive.

If this description applies to you, you have a right to know about a proposed settlement of this class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement and Plan of Allocation. If the Court approves them, and after any objections or appeals are resolved, the Claims Administrator appointed by the Court will make the payments that the Settlement allows.

This notice explains the lawsuit, the Settlement, the Plan of Allocation, your legal rights, what benefits are available, who is eligible for them, and how to receive them.

2. What is this lawsuit about?

On July 6, 2011, a class action lawsuit was filed on behalf of the Class against Defendants for violating §§ 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder. On September 29, 2011, the Court appointed LBBW and SGSS as Lead Plaintiffs and Motley Rice as Lead Counsel pursuant to the Private Securities Litigation Reform Act of 1995 (the “PSLRA”). City of Brockton, Met Water, and LAMPERS were appointed as Named Plaintiffs. Thereafter, on March 16, 2012, Lead Plaintiffs filed their Amended Complaint for Violations of the Federal Securities Laws (“Amended Complaint”). The Amended Complaint alleged that, during the Class Period, Defendants misrepresented that Avon’s level of success in international markets, most notably China and Latin America, was the result of legitimate activities that complied with both the letter and spirit of the anti-bribery provisions set forth in the U.S. Foreign Corrupt Practices Act of 1977 (the “FCPA”). Plaintiffs further allege that Defendants knew about or recklessly disregarded ongoing bribery in certain markets, and that they made false and misleading disclosures about the Company’s internal controls and the steps they had taken to ensure investors of the integrity of Avon’s financial reporting. Plaintiffs alleged that, when the bribery and truth regarding Avon’s internal controls came to light, the price of Avon common stock declined and Plaintiffs and the Class were damaged.

Defendants deny Plaintiffs’ allegations and specifically deny that they made any disclosure or omission that violated the Exchange Act. Defendants also deny that any drop in Avon’s stock price was caused by some alleged material misstatement or omission by them. On June 14, 2012, Defendants filed a motion to dismiss the First Amended Complaint. The motion sought to dismiss the Amended Complaint pursuant to Fed. R. Civ. P. 12(b)(6) and 9(b), on the grounds that, among other things, Defendants’ challenged statements were non-actionable and that Plaintiffs had failed to plead particularized facts supporting a strong inference that Defendants had acted with scienter. Plaintiffs opposed Defendant’s motion on August 13, 2012. On October 12, 2012, Defendants filed a reply in support of their motion. The Court granted Defendants’ motion on September 29, 2014, but gave Plaintiffs permission to file a further amended complaint.

On October 24, 2014, Plaintiffs filed the operative Second Amended Complaint for Violations of the Federal Securities Laws (“Second Amended Complaint”). The Second Amended Complaint contained additional allegations concerning Avon’s settlements with the U.S. Department of Justice and the U.S. Securities and Exchange Commission. Pursuant to these settlements, an indirect subsidiary of Avon incorporated in China pleaded guilty to violating the books and records provisions of the FCPA. Additionally, Avon agreed to put an external compliance monitor in place for a period of eighteen months and to pay a total of \$135 million in fines, disgorgement, and pre-judgment interest.

On November 21, 2014, Defendants filed a motion to dismiss the Second Amended Complaint, which Plaintiffs opposed on December 23, 2014. On January 20, 2015, Defendants filed a reply in support of their motion.

While the motion to dismiss was pending before the Court, the Parties agreed to engage in settlement discussions with the assistance of a mediator. The Parties met on April 24, 2015, for a full day of arm’s-length negotiation with the assistance of The Honorable Layn R. Phillips (Ret.), a former U.S. District Judge. Unable to reach a settlement, the Parties met again on May 21, 2015, for continued mediation before Judge Phillips. After a second full day of arm’s-length negotiation, the Parties reached an agreement in principle to settle the Action for \$62 million.

3. Why is this case a class action?

In a class action, one or more people called class representatives sue on behalf of people who have similar claims. All of these people who have similar claims are referred to collectively as a “Class” or individually as “Class Members.” One court resolves the issues for all Class Members, except for those who exclude themselves from the Settlement. The Honorable Paul G. Gardephe of the United States District Court for the Southern District of New York is the judge in charge of this class action. The case is known as *City of Brockton Retirement System v. Avon Products, Inc.*, Case No. 1:11-cv-04665-PGG (S.D.N.Y.) (the “Action”). The City of Brockton Retirement System filed the first complaint in this action; the Court later appointed LBBW and SGSS as Lead Plaintiffs to litigate the case for the Class.

4. Why is there a settlement?

The Court has not yet entered final judgment in favor of Plaintiffs or Defendants. Instead, with the assistance of Judge Phillips acting as a mediator, the Parties agreed to a settlement of all pending claims in the Action. The Settlement will end all the claims against Defendants in the Action and will avoid the uncertainties and costs of further litigation and any future trial. Affected investors will be eligible to receive compensation immediately, rather than after the time it would take to resolve future motions, conduct discovery, have a trial, and exhaust all appeals. Plaintiffs and their counsel think the Settlement is in the best interests of the Class.

WHO IS IN THE SETTLEMENT

To see whether you will receive money from this Settlement, you first have to determine whether you are a Class Member.

5. How do I know whether I am part of the Settlement?

The Class includes all persons and entities who purchased or otherwise acquired the common stock of Avon Products, Inc. during the period from July 31, 2006, through and including October 26, 2011 (the “Class Period”), and who were damaged as to any shares purchased or acquired during any portion of the Class Period. *Excluded from the Class are the persons and entities described immediately below.*

6. What are the exceptions to being included?

The following persons and entities are excluded from the Class: Defendants; members of the immediate family of Defendants Andrea Jung or Charles W. Cramb; Avon’s subsidiaries and affiliates; any current or former officer or director of Avon or any current or former officer or director of any of Avon’s current or former subsidiaries or affiliates that were incorporated in or whose principal place of business is or was located in China during the Class Period; any entity in which any Defendant has a controlling interest; and the legal representatives, heirs, successors and assigns of any such excluded person or entity. Nothing in the Settlement Agreement will operate to exclude the Avon Personal Savings Account Plan (the “Plan”) from the Class, and the Plan is not excluded from the Class.

If you own shares of a mutual fund that purchased shares of Avon common stock during the Class Period, that alone does not make you a Class Member.

7. I am still not sure whether I am included.

If you are still not sure whether you are included, you can ask for free help. For more information, you can contact the Claims Administrator, KCC Class Action Services, by phone at 1-866-887-6046, by e-mail to Info@AvonSecuritiesSettlement.com, visit the website at www.AvonSecuritiesSettlement.com, or you can fill out and return the claim form described in question 11, to see if you qualify.

THE SETTLEMENT BENEFITS – WHAT YOU RECEIVE

8. What does the Settlement provide?

Defendants have agreed to pay \$62,000,000 in cash into the Settlement Fund. The balance of this fund, after payment of court-approved attorneys’ fees and expenses, taxes, and the costs of claims administration, including the costs of printing and mailing this Notice and the cost of publishing notice (the “Net Settlement Fund”), will be divided among all Class Members who submit valid claim forms.

PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG SETTLEMENT CLASS MEMBERS

9. How much will my payment be?

If you are entitled to a payment, your share of the Net Settlement Fund will depend on the number of valid claim forms that Class Members submit, how many shares of Avon common stock you purchased and at what price(s), and when you bought and sold your Avon shares. By following the Plan of Allocation described below, you can calculate your “Recognized Loss.” The Claims Administrator will distribute the Net Settlement Fund according to the Plan of Allocation after the deadline for submission of Proof of Claim and Release forms has passed.

The Claims Administrator will determine each Class Member’s *pro rata* share of the Net Settlement Fund based upon each Class Member’s valid “Recognized Loss.” The Recognized Loss formula is not intended to be an estimate of the amount that a Class Member might have been able to recover after a trial; it also is not an estimate of the amount that will be paid to Class Members pursuant to the Settlement. The Recognized Loss formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Class Members with valid claims.

10. The Basis for the Calculation of Your Recognized Loss

The Net Settlement Fund will be distributed to Class Members who submit valid, timely claim forms (“Authorized Claimants”) under the following Plan of Allocation proposed by Plaintiffs and Lead Counsel.

PLAN OF ALLOCATION

Lead Counsel has conferred with a damages consultant and developed the Plan of Allocation to calculate how Class Members will share in the Net Settlement Fund. Defendants have had, and will have, no involvement or responsibility for the terms or application of the Plan of Allocation set forth in this Notice.

A “Recognized Loss” will be calculated for each Authorized Claimant, as listed in the claim form and for which adequate documentation is provided. To the extent there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant’s Recognized Loss. If, however, as expected, the amount in the Net Settlement Fund is not sufficient to permit payment of the total Recognized Loss of each Authorized Claimant, then each Authorized Claimant will be paid the percentage of the Net Settlement Fund that each Authorized Claimant’s Recognized Loss bears to the total of the Recognized Losses of all Authorized Claimants – thus, the Class Member’s *pro rata* share of the Net Settlement Fund. Receipt of these monies by each Authorized Claimant will be deemed full and complete payment from the Settlement of his/her/its Recognized Loss.

Computation of an Authorized Claimant’s Recognized Loss reflects price changes of Avon common stock in reaction to certain public announcements regarding Avon, or other Company information unrelated to the alleged fraud, based on the allegations in the Second Amended Class Action Complaint for Violations of the Federal Securities Laws filed on October 24, 2014, and the evidence developed in support thereof.

For Class Members who held shares of Avon common stock at the beginning of the Class Period, or who made multiple purchases, acquisitions, or sales during the Class Period, the first-in, first-out (“FIFO”) method will be applied to such holdings, purchases, and sales for purposes of calculating a Recognized Loss. Under the FIFO method, shares of Avon common stock sold during the Class Period will be matched first against shares held at the beginning of the Class Period. The sale of any remaining shares will then be matched in chronological order against shares purchased during the Class Period.

Transactions resulting in a gain will be netted against the Authorized Claimant’s transactions resulting in a loss to arrive at the Recognized Loss. However, the proceeds from sales of stock which have been matched against stock held at the beginning of the Class Period will not be used in the calculation of Recognized Loss.

If a Class Member acquired Avon common stock by way of gift, inheritance, or operation of law, such a claim will be computed by using the date and price of the original purchase and not the date and price of transfer. In such instances, the recipient must provide documentation of the original purchase in addition to the transfer.

A purchase or sale of Avon common stock shall be deemed to have occurred on the “contract” or “trade” dated as opposed to the “settlement” or “payment” date.

A payment to any Class Member that would amount to less than \$10.00 in total will not be included in the calculation of the Net Settlement Fund, and no payment to these Class Members will be distributed.

An Authorized Claimant’s Recognized Loss will be calculated as follows:

For shares of common stock purchased or otherwise acquired between July 31, 2006, and October 26, 2011:

- A. For shares held at the end of trading on January 24, 2012, the Recognized Loss shall be that number of shares multiplied by the lesser of:
- (1) the applicable purchase date artificial inflation per share figure, as set forth in Table B below; **or**
 - (2) the difference between the purchase price per share and \$17.46.²
- B. For shares sold between October 27, 2011, and January 24, 2012, the Recognized Loss shall be that number of shares multiplied by the lesser of:
- (1) the applicable purchase date artificial inflation per share figure, as set forth in Table B below; **or**
 - (2) the difference between the purchase price per share and the sales price per share; **or**
 - (3) the difference between the purchase price per share and the average closing price between October 27, 2011 and the date of sale, as set forth in Table A below.³
- C. For shares sold between July 31, 2006, and October 26, 2011, the Recognized Loss shall be that number of shares multiplied by the lesser of:
- (1) the applicable purchase date artificial inflation per share figure less the applicable sales date artificial inflation per share figure, as set forth in Table B below; **or**
 - (2) the difference between the purchase price per share and the sales price per share.

² Pursuant to Section 21(D)(e)(1) of the Private Securities Litigation Reform Act of 1995, “in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated.” The mean (average) closing price of Avon common stock during the 90-day period beginning on October 27, 2011 and ending on January 24, 2012 was \$17.46 per share.

³ Pursuant to Section 21(D)(e)(2) of the Private Securities Litigation Reform Act of 1995, “in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, if the plaintiff sells or repurchases the subject security prior to the expiration of the 90-day period described in paragraph (1), the plaintiff’s damages shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the security and the mean trading price of the security during the period beginning immediately after dissemination of information correcting the misstatement or omission and ending on the date on which the plaintiff sells or repurchases the security.”

TABLE A

DATE OF SALE	AVERAGE CLOSING PRICE BETWEEN 10/27/2011 AND DATE		DATE OF SALE	AVERAGE CLOSING PRICE BETWEEN 10/27/2011 AND DATE
10/27/2011	\$18.81		12/9/2011	\$17.47
10/28/2011	\$18.84		12/12/2011	\$17.45
10/31/2011	\$18.65		12/13/2011	\$17.41
11/1/2011	\$18.41		12/14/2011	\$17.39
11/2/2011	\$18.29		12/15/2011	\$17.37
11/3/2011	\$18.29		12/16/2011	\$17.36
11/4/2011	\$18.32		12/19/2011	\$17.33
11/7/2011	\$18.37		12/20/2011	\$17.32
11/8/2011	\$18.44		12/21/2011	\$17.32
11/9/2011	\$18.46		12/22/2011	\$17.31
11/10/2011	\$18.43		12/23/2011	\$17.32
11/11/2011	\$18.41		12/27/2011	\$17.32
11/14/2011	\$18.37		12/28/2011	\$17.31
11/15/2011	\$18.31		12/29/2011	\$17.32
11/16/2011	\$18.26		12/30/2011	\$17.32
11/17/2011	\$18.19		1/3/2012	\$17.33
11/18/2011	\$18.11		1/4/2012	\$17.33
11/21/2011	\$18.03		1/5/2012	\$17.33
11/22/2011	\$17.95		1/6/2012	\$17.34
11/23/2011	\$17.87		1/9/2012	\$17.34
11/25/2011	\$17.79		1/10/2012	\$17.35
11/28/2011	\$17.73		1/11/2012	\$17.36
11/29/2011	\$17.68		1/12/2012	\$17.37
11/30/2011	\$17.65		1/13/2012	\$17.37
12/1/2011	\$17.61		1/17/2012	\$17.38
12/2/2011	\$17.58		1/18/2012	\$17.39
12/5/2011	\$17.56		1/19/2012	\$17.41
12/6/2011	\$17.54		1/20/2012	\$17.43
12/7/2011	\$17.53		1/23/2012	\$17.44
12/8/2011	\$17.50		1/24/2012	\$17.46

TABLE B

PURCHASE OR SALE DATE RANGE	ARTIFICIAL INFLATION PER SHARE
07/31/2006 – 10/20/2008	\$12.79
10/21/2008	\$12.57
10/22/2008 – 04/12/2010	\$11.50
04/13/2010 – 10/27/2010	\$8.93
10/28/2010 – 02/07/2011	\$7.72
02/08/2011 – 05/04/2011	\$6.58
5/5/2011	\$6.36
05/06/2011 – 05/24/2011	\$4.94
05/25/2011 – 10/26/2011	\$4.61

HOW YOU RECEIVE A PAYMENT – SUBMITTING A CLAIM FORM

11. How will I receive a payment?

To qualify for payment, you must be an eligible Class Member and you must submit a Proof of Claim and Release form. This form is enclosed with this Notice. Read the instructions carefully, fill out the form, include all the documents the form requests, sign it, and mail it in an envelope postmarked no later than January 19, 2016. Retain a copy of everything you mail, in case the materials are lost or destroyed during shipping.

12. When will I receive a payment?

The Court will hold a hearing on December 1, 2015 at 10:00 a.m., to decide whether to approve the Settlement. If the Court approves the Settlement, there may be appeals. It is always uncertain whether appeals, if any are filed, can be resolved, and resolving them can take time, perhaps several years. In addition, the Claims Administrator must process all of the Proof of Claim and Release forms. The processing is complicated and will take many months. Please be patient.

13. What am I giving up by staying in the Class?

Unless you exclude yourself, you are staying in the Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against the Defendants or the Defendant Released Parties (defined below) concerning or relating to the claims being released in this Settlement. It also means that all of the Court's orders in this case will apply to you and legally bind you and you will release your claims in this case against the Defendants and the other Defendant Released Parties.

Pursuant to the proposed Settlement, and on the Effective Date, Plaintiffs and other members of the Class who do not exclude themselves will release and forever discharge, and will forever be enjoined from prosecuting, the Settled Claims (defined below) against the Defendant Released Parties.

"Defendants" include Avon Products, Inc., Andrea Jung, and Charles W. Cramb, each of whom will be released from all Settled Claims. The proposed Settlement will release all Settled Claims against each Defendant and the other Defendant Released Parties.

"Defendant Released Parties" means any and all defendants named in any of the complaints filed in the Action and any and all of their related parties, including, without limitation, any and all of their past or present parents, subsidiaries, affiliates, predecessors, or successors, as well as any and all of its or their current or former officers, directors, employees, associates, members of their immediate families, agents or other persons acting on their behalf, underwriters, insurers, reinsurers, attorneys, advisors, financial advisors, publicists, independent certified public accountants, auditors, accountants, assigns, creditors, administrators, heirs, estates, or legal representatives.

"Settled Claims" means any and all manner of claims, actions, causes of actions, potential actions, suits, controversies, costs, damages, losses, obligations, liabilities, judgments, and demands whatsoever, known or unknown, suspected or unsuspected, accrued or unaccrued, whether class, individual, or otherwise, arising under the laws, regulations, or common law of the United States of America, any state or political subdivision thereof, or any foreign country or jurisdiction, in law, in contract, or in equity, and regardless of legal theory, and including claims for indemnification, contribution, or otherwise denominated, that Plaintiffs or any other member of the Class asserted in any action or could have asserted, in any forum, that arise out of or are based upon, in whole or in part, directly or indirectly, any allegations, transactions, facts, matters, occurrences, representations, actions, omissions, failures to act, statements, or disclosures involved, set forth, or referred to in any complaint filed in the Action or that relate to the purchase, sale, or holding of Avon common stock during the Class Period. Notwithstanding the foregoing, excluded from the releases will be: (1) claims to enforce the Settlement; (2) derivative claims, solely to the extent that such derivative claims are sought to be asserted on behalf of Avon, in the actions styled *Pritika v. Jung et al.*, Index No. 651479/2015 (Sup. Ct. N.Y. Cnty.), *Parker v. Cornwell et al.*, Index No. 600570/2010 (Sup. Ct. N.Y. Cnty.), and *Schwartz v. Jung et al.*, Index. No. 651304/2010 (Sup. Ct. N.Y. Cnty.); provided, however, that individual claims of derivative plaintiffs as Class Members will not be excluded from the Releases (Defendants represent that, to the best of their knowledge, the actions expressly referenced above are the only derivative actions currently pending against former and/or current officers and directors of Avon relating to Avon); and (3) claims arising solely under the Employee Retirement Income Security Act of 1974 ("ERISA") that are asserted by participants in the Plan in the ERISA Action;⁴ provided, however, that (i) claims with respect to purchases, acquisitions, sales or holdings of Avon common stock on the part of the Plan are not excluded from the releases; (ii) the Plan shall participate as a member of the Class in this Action and receive a recovery on any claim it may submit on the same basis as any other member of the Class; and (iii) nothing in the settlement agreement or any order or judgment approving it shall be deemed a waiver by the defendants in the ERISA Action of any right to

⁴ The "ERISA Action" means the action styled *In re 2014 Avon Products, Inc. ERISA Litigation*, Case No. 1:14-cv-10083 (S.D.N.Y.).

maintain that any recovery by the Plan pursuant to this settlement shall offset any claim or recovery by any member of the plaintiff class in the ERISA Action (Defendants represent that, to the best of their knowledge, the ERISA Action is the only ERISA class action asserting claims with respect to alleged breach of fiduciary duties in connection with the purchase or holding of Avon common stock currently pending against the Company).

“Unknown Claims” means (i) any and all Settled Claims which any Plaintiff or any other Class Member, or each of their agents or attorneys, or their current or former officers, directors or employees, does not know or suspect to exist in his, her or its favor at the time of the release of such claims, and (ii) any Settled Defendants’ Claims which any Defendant or each of their agents or attorneys, or their current or former officers, directors or employees, does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, which in the case of both (i) and (ii) if known by him, her or it, might have affected his, her or its decision(s) with respect to this Settlement, including, without limitation, his, her or its decision not to object to this Settlement, or not to exclude himself, herself or itself from the Class. With respect to any and all Settled Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, Plaintiffs and Defendants shall expressly waive, and each of the other Class Members and each of the other Released Parties shall be deemed to have waived, and by operation of the Judgment, shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Plaintiffs and Class Members acknowledge, and shall be deemed by operation of law to have acknowledged, that they may hereafter discover facts in addition to, or different from, those facts which they know or believe to be true with respect to the subject matter of this Settlement, but that it is their intention to release and settle fully, finally, and forever any and all of the Settled Claims, subject to the terms and conditions provided herein, and in furtherance of such intention, the Releases shall be and remain in effect notwithstanding the discovery or existence of any such additional or different facts. Plaintiffs and Defendants acknowledge, and each of the other Class Members shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

If the proposed Settlement is approved by the Court and becomes final, all Settled Claims will be dismissed on the merits and with prejudice as to all Class Members who do not exclude themselves from the Class.

If the Settlement becomes final, all Defendants will release all Settled Defendants’ Claims against Lead Plaintiffs, Named Plaintiffs, Class Members, and their counsel.

“Settled Defendants’ Claims” means any and all claims, including Unknown Claims, that Defendants asserted, or could have asserted, against the Plaintiff Released Parties that arise out of or relate in any way to the institution, prosecution, or settlement of the Action, except for claims relating to the enforcement of the Settlement. Notwithstanding any other provision to the contrary herein, Settled Defendants’ Claims shall not include any claims by the Defendant Released Parties against any Insurer.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this Settlement, and you want to keep the right to sue or continue to sue the Defendants on your own about the same claims being released in this Settlement, then you must take steps to exclude yourself from the Settlement. This is referred to as “opting out” of the Class.

14. How do I exclude myself from the Settlement?

To exclude yourself from the Settlement, you must send a letter by mail stating that you want to be excluded from *City of Brockton Retirement System v. Avon Products, Inc.*, Case No. 1:11-cv-04665-PGG (S.D.N.Y.). You must include your name, address, daytime telephone number, e-mail address, your signature, and proof of the number of shares of Avon common stock purchased or otherwise acquired during the Class Period, the number sold, if any, the dates of such purchases and sales, and the price paid or received per share for each such purchase, acquisition, or sale.

Your Request for Exclusion must be sent to:

Avon Securities Settlement
EXCLUSIONS
c/o KCC Class Action Services
75 Rowland Way, Suite 250
Novato, CA 94945

Please keep a copy of everything you send by mail, in case it is lost or destroyed during shipping.

Your Request for Exclusion must be *received* no later than November 10, 2015. You cannot exclude yourself by phone, facsimile, or e-mail. If you ask to be excluded, you are not eligible to receive any Settlement payment, and you cannot object to the Settlement. By excluding yourself, you will not be legally bound by anything that happens in this lawsuit and you may be able to pursue the claims that are being released in this Settlement, subject to any defenses.

15. If I do not exclude myself, can I sue the Defendants for the same thing later?

No. Unless you exclude yourself, you give up any right to sue the Defendants or the Defendant Released Parties for the claims being released by this Settlement. If you have a pending lawsuit relating to the claims being released in this case against any of the Defendants, speak to your lawyer in that case immediately and give him/her this packet. Remember, the exclusion deadline is November 10, 2015.

16. If I exclude myself, can I receive a payment from this Settlement?

No. If you exclude yourself, you cannot send in a Proof of Claim and Release form. But, you may sue, continue to sue, or be part of a different lawsuit asserting the claims being released in this Settlement against the Defendants or the other Defendant Released Parties.

THE LAWYERS REPRESENTING YOU

17. Do I have a lawyer in this case?

The Court appointed Motley Rice to represent you and the other Class Members as Lead Counsel. You will not be individually charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

18. How will the lawyers be paid?

Plaintiffs' Counsel will apply to the Court for attorneys' fees not to exceed 30% of the \$62,000,000 Settlement Fund and for reimbursement of Plaintiffs' Counsel's out-of-pocket expenses up to \$200,000 (exclusive of costs for notice and administration of the Settlement), which they paid or are payable in this litigation, plus interest on these two amounts at the same rate as earned by the Settlement Fund. As noted earlier, Plaintiffs' Counsel's fee and expense application also may include a request for an award to Lead Plaintiffs and Named Plaintiffs for reimbursement of their reasonable costs and expenses, including lost wages, directly related to their representation of the Class in an amount not to exceed \$45,000. The amounts approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any fees or expenses of Lead Counsel or other Plaintiffs' Counsel.

In this type of litigation, it is customary for plaintiffs' counsel to be awarded a percentage of the common fund recovered as attorneys' fees. The attorneys' fees and expenses requested will be the only payment to Lead Counsel and other Plaintiffs' Counsel for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. To date, these counsel have not been paid for their services of conducting this litigation on behalf of the Class or for their substantial out-of-pocket expenses. The fee requested will compensate Plaintiffs' Counsel for their work in litigating the case and reaching the Settlement. The request is within the range of fees awarded to class counsel under similar circumstances in other cases of this type. The Court, however, may award less than this amount.

If the above amounts for fees and expenses are requested and approved by the Court, the average cost per share of common stock for fees, expenses, and other awards will be approximately \$0.024.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or some part of it.

19. How do I tell the Court that I do not like the Settlement?

If you are a Class Member, you can object to the Settlement if you do not like any part of it. To object, you must state in writing that you object to the Settlement, Plan of Allocation, or fee and expense application in *City of Brockton Retirement System v. Avon Products, Inc.*, Case No. 1:11-cv-04665-PGG (S.D.N.Y.). You also must provide certain other information in connection with any objection: (a) your name, mailing address, daytime telephone number, and e-mail address; (b) the reason(s), if any, for the objection, including any legal support and/or evidence, including witnesses, that you wish to bring to the Court's attention or introduce in support of such

objection; (c) the number of shares of Avon common stock you owned as of the beginning of trading on July 31, 2006 (the first day of the Class Period); (d) the date(s), price(s), and number(s) of shares of all purchases, acquisitions and sales of Avon common stock you made during the Class Period; and (e) appropriate documentation of such purchases, acquisitions and sales.

In order to be considered, an objection also must be signed by the Class Member making the objection. You cannot object by phone, facsimile, or e-mail.

The Parties may take discovery of any Class Member who submits an objection on issues related to the Settlement.

Any objection to the Settlement must be mailed or delivered such that it is received by each of the following parties no later than November 10, 2015:

Court:

Clerk of the Court
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
Daniel Patrick Moynihan United States Courthouse
500 Pearl Street
New York, New York 10007

Lead Counsel:

Gregg S. Levin
William S. Norton
MOTLEY RICE LLC
28 Bridgeside Boulevard
Mount Pleasant, South Carolina 29464

William H. Narwold
MOTLEY RICE LLC
One Corporate Center
20 Church Street, 17th Floor
Hartford, Connecticut 06103

Defendants' Counsel's Representatives:

Peter C. Hein
Courtney L. Shike
WACHTELL, LIPTON, ROSEN & KATZ
51 West 52nd Street
New York, New York 10019

20. What is the difference between objecting to the Settlement and excluding myself from the Class?

Objecting is simply telling the Court that you do not like something about the Settlement, the Plan of Allocation, or the application for attorneys' fees and expenses. You can object *only if* you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

21. When and where will the Court decide whether to approve the Settlement?

The Court will hold a hearing on December 1, 2015 at 10:00 a.m., at the United States District Court for the Southern District of New York, 40 Foley Square, Courtroom 705, New York, NY 10007. At this hearing the Court will consider whether the Settlement and the Plan of Allocation are fair, reasonable, and adequate and should be approved. Additionally, the Court also will consider Plaintiffs' Counsel's application for attorneys' fees and reimbursement of expenses. The Court may change the date and time of the hearing without further notice. Class Members are advised to check the settlement website (www.AvonSecuritiesSettlement.com) or PACER (www.pacer.gov), as described below, to confirm that the date of the hearing has not been changed. If there are objections, the Court will consider them. The Court will listen to people who have requested in writing by November 10, 2015 to speak at the hearing.

22. Do I have to come to the hearing?

No. Lead Counsel will answer any questions the Court may have. You are welcome, however, to attend at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as your written objection is received on time, the Court will consider it. You may also pay your own lawyer to attend, but this is not required.

23. May I speak at the hearing?

You may ask the Court for permission to speak at the hearing. To do so, you must send a letter stating your intention to appear in *City of Brockton Retirement System v. Avon Products, Inc.*, Case No. 1:11-cv-04665-PGG (S.D.N.Y.). Be sure to include your name, address, telephone number, your signature, the number of shares of Avon common stock you purchased or otherwise acquired during the Class Period, the number of shares you sold, and the dates of the purchases/acquisitions and sales. Your notice of intention to appear must be received no later than November 10, 2015, and be sent to the Clerk of the Court, Lead Counsel, and Defendants' Counsel's Representatives, at the addresses listed in Question 19. You cannot speak at the hearing if you exclude yourself from the Settlement.

IF YOU DO NOTHING

24. What happens if I do nothing at all?

If you do nothing, you will receive no money from this Settlement. But, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendants or the other Defendant Released Parties about the same claims being released in this Settlement.

OBTAINING MORE INFORMATION

25. Are there more details about the Settlement?

This Notice summarizes the proposed Settlement. More details are in the Stipulation and Agreement of Settlement ("Stipulation") dated July 22, 2015. You can view and print the Stipulation at www.AvonSecuritiesSettlement.com, or obtain a copy of the Stipulation or more information about the Settlement by contacting the Claims Administrator by phone at 1-866-887-6046 or by e-mail to Info@AvonSecuritiesSettlement.com. You also can obtain a copy of the Stipulation by accessing the Court docket in this case through the Court's Public Access to Court Electronic Records (PACER) system at www.pacer.gov or <https://ecf.nysd.uscourts.gov>, or by visiting the Clerk of Court's Office at the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007, during regular business hours.

PLEASE DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

SPECIAL NOTICE TO NOMINEES

If you purchased Avon common stock during the Class Period for the beneficial interest of a person or organization other than yourself, the Court has directed that you must either: (1) within ten (10) days after you receive this Notice, request from KCC Class Action Services sufficient copies of the Notice and Proof of Claim Form to forward to all such beneficial owners and, within ten (10) days of receipt of the copies of the Notice and Proof of Claim Form, send a copy of this Notice and Proof of Claim Form by first class mail to all such persons or entities, or (2) within ten (10) days after you receive this Notice, provide a list of the names and addresses of such persons or entities (preferably in electronic format (e.g., Excel, csv)) to the Claims Administrator by e-mail to Nominees@AvonSecuritiesSettlement.com or by mail to the following address:

Avon Securities Settlement
c/o KCC Class Action Services
P.O. Box 43369
Providence, RI 02940-3369

If you choose to mail the Notice and Proof of Claim yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing. If you choose the second option, KCC Class Action Services will send a copy of the Notice and Proof of Claim Form to the persons and/or entities whose names and address you supply.

In either case, you may obtain reimbursement for reasonable administrative costs actually incurred in connection with forwarding the Notice that would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator.

DATED: AUGUST 21, 2015

**BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**