

SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY

PRESENT: HON. SALIANN SCARPULLA
Justice

PART 39

County of York Employees Retirement
Plan, et al. -v-
Andrea Jung, et al.

INDEX NO. 651304/10
MOTION DATE
MOTION SEQ. NO. 005

The following papers, numbered 1 to , were read on this motion to/for
Notice of Motion/Order to Show Cause — Affidavits — Exhibits No(s).
Answering Affidavits — Exhibits No(s).
Replying Affidavits No(s).

Upon the foregoing papers, it is ordered that this motion is decided pursuant
to the attached order.

MOTION/CASE IS RESPECTFULLY REFERRED TO JUSTICE
FOR THE FOLLOWING REASON(S):

Dated: 3/28/16

(Signature)
J.S.C.
HON. SALIANN SCARPULLA

- 1. CHECK ONE: CASE DISPOSED NON-FINAL DISPOSITION
2. CHECK AS APPROPRIATE: MOTION IS: GRANTED DENIED GRANTED IN PART OTHER
3. CHECK IF APPROPRIATE: SETTLE ORDER SUBMIT ORDER
DO NOT POST FIDUCIARY APPOINTMENT REFERENCE

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**

COUNTY OF YORK EMPLOYEES RETIREMENT
PLAN and LYNNE SCHWARTZ, Derivatively on Behalf
of AVON PRODUCTS, INC.,

Plaintiffs,

v.

ANDREA JUNG, et al.,

Defendants,

— and —

AVON PRODUCTS, INC., a New York corporation,

Nominal Defendant.

Index No. 651304/2010
Part 39
Justice Saliann Scarpulla

**~~PROPOSED~~ ORDER SCHEDULING HEARING FOR FINAL APPROVAL OF
SETTLEMENT AND PROVIDING FOR NOTICE**

WHEREAS, (i) Plaintiffs County of York Employees Retirement Plan (“County of York”) and Lynne Schwartz, together with Carol J. Parker and Sylvia Pritika and former plaintiff IBEW Local 1919 Pension Fund; (ii) the Individual Defendants; and (iii) nominal defendant Avon Products, Inc. (“Avon”) (collectively, the “Parties”) have entered into a Settlement of the claims asserted in the above-captioned action (the “Action”) and certain other related actions;

WHEREAS, Plaintiffs Lynne Schwartz and County of York have moved, unopposed, pursuant to Section 626(d) of the New York Business Corporation Law (the “BCL”), for preliminary approval of the proposed settlement set forth in the Stipulation of Compromise and Settlement dated January 22, 2016, and the exhibits thereto (the “Stipulation” or “Settlement”);

WHEREAS, the Stipulation, together with the Exhibits annexed thereto, sets forth the terms and conditions for the proposed settlement and dismissal of this Action and certain other related actions with prejudice, upon the terms and conditions set forth therein;

WHEREAS the Parties seek: (i) approval of the form and content of the Summary Notice of Proposed Settlement of Derivative Action (the "Summary Notice") and the Notice of Proposed Settlement of Derivative Action ("Notice"); and (ii) a hearing date for final approval of the Settlement (the "Settlement Hearing");

WHEREAS, the Settlement appears to be the product of serious, informed, arm's-length negotiations and falls within the range of possible approval;

WHEREAS, all capitalized terms contained herein shall have the same meanings as set forth in the Stipulation (in addition to those capitalized terms defined herein); and

WHEREAS, this Court, having considered the Stipulation and the Exhibits annexed thereto finds that substantial and sufficient grounds exist for entering this Order.

NOW THEREFORE, IT IS HEREBY ORDERED:

1. This Court does hereby preliminarily approve, subject to further consideration at the Settlement Hearing described below, the Stipulation and Settlement set forth therein, including the terms and conditions for: (a) a proposed Settlement and dismissal of the Action with prejudice by entry of judgment by the Court; and (b) an award of attorneys' fees and expenses to Plaintiffs' Counsel, upon the terms and conditions set forth in the Stipulation.

2. The Settlement Hearing shall be held before this Court on June 30 2016, 2016 at 2:15p.m., in Courtroom 208 at 60 Centre Street, New York, NY to: (a) determine whether the terms and conditions of the Settlement provided for in the Stipulation are fair, reasonable and adequate; (b) consider an Order and Final Judgment Approving Settlement and

Dismissing Actions with Prejudice that provides for, *inter alia*, (i) approving the Settlement in its entirety and according to its terms and dismissing the Action with prejudice by entry of judgment by the Court; (ii) providing that each of the Settling Parties shall bear his or its own costs; (iii) releasing and enjoining prosecution of any and all Released Claims to be released pursuant to the Stipulation; and (iv) approving an award of attorneys' fees and expenses to Plaintiffs' Counsel; and (c) hear such other matters as the Court may deem necessary and appropriate.

3. The Court approves the form, substance and requirements of the Notice and the Summary Notice (together, the "Notices") attached hereto as Exhibits A-1 and A-2, respectively, and finds that the dissemination of the Notices substantially in the manner and form set forth in paragraphs 4 through 8 of this Order meets the requirements of BCL §626(d) and due process, constitutes the best notice practicable under the circumstances, and shall constitute due and sufficient notice of the Settlement Hearing and other matters referred to in the Notice and Summary Notice to all persons entitled thereto.

4. Not later than ten (10) business days following entry of this Order, or if circumstances require, as soon as practicable thereafter, Avon shall cause the Notice, substantially in the form annexed as Exhibit A-1 hereto, and the Stipulation to be filed with the U.S. Securities and Exchange Commission via a Form 8-K.

5. Not later than ten (10) business days following entry of this Order, or if circumstances require, as soon as practicable thereafter, Avon shall cause the Notice and the Stipulation to be posted to the "Investors" section of its website. The website posting set forth in this paragraph shall be maintained by Avon through the date of the Effective Date.

6. Not later than ten (10) business days following entry of this Order, or if circumstances require, as soon as practicable thereafter, Avon shall cause the Summary Notice, substan-

tially in the form annexed as Exhibit A-2 hereto, to be published once in the *Investor's Business Daily*. Such summary notice shall provide information regarding how to access the Notice published on the Avon website.

7. All costs of notifying Avon's shareholders of the Settlement, including the filing and posting of the Notice, the publication of the Summary Notice, and the administration of the Notice, as provided for in paragraphs 4 to 6 above, shall be the responsibility of Avon.

8. Not later than ten (10) business days following entry of this Order, Cohen, Placitella & Roth, P.C., Hynes Keller & Hernandez, LLC, and Robbins Arroyo LLP shall post copies of the Notice and the Stipulation on their respective websites, where they will be maintained through the date of the Effective Date.

9. At least twenty-one (21) calendar days before the Settlement Hearing, Avon's counsel shall serve on counsel in the Actions and shall file with the Court an appropriate affidavit or declaration with respect to posting and publishing the Notice and Summary Notice.

10. At least twenty-one (21) calendar days before the Settlement Hearing, Plaintiffs' Counsel shall serve on counsel in the Actions and shall file with the Court an appropriate affidavit or declaration with respect to posting of the Notice and Stipulation.

11. All Avon shareholders shall be bound by all orders, determinations, and judgments concerning the Settlement. Any record holders and beneficial owners of common stock of Avon as of January 22, 2016 may appear and show cause why the terms of the Settlement should not be approved as fair, reasonable, and adequate, or why a Judgment should not be entered thereon, provided, however, unless otherwise ordered by the Court, no Avon shareholder shall be heard or entitled to contest the approval of all or any of the terms and conditions of the Settlement, or, if approved, the Judgment to be entered thereon approving the same, unless that Person

has, at least twenty-one (21) calendar days before the Settlement Hearing, filed with the Clerk of the Court and served on counsel (delivered by hand or sent by First-Class Mail) appropriate proof of stock ownership, along with written objections, including the basis therefore, and copies of any papers and briefs in support thereof. ***Any objections to the Settlement must be filed and served, in accordance with the procedures set forth in the Notice, such that they are received no later than June 9, 2016.*** Counsel's addresses are as follows:

Counsel for Plaintiffs Lynne Schwartz and County of York:

Robert L. Pratter
COHEN, PLACITELLA
& ROTH, P.C.
Two Commerce Square
2001 Market Street, Suite 2900
Philadelphia, PA 19103

Beth A. Keller
HYNES KELLER & HERNANDEZ, LLC
100 South Bedford Road
Suite 340
Mount Kisco, NY 10549

Counsel for Defendants Avon Products, Inc., W. Don Cornwell, V. Ann Hailey, Fred Hassan, Andrea Jung, Gilbert L. Klemann, II, Maria Elena Lagomasino, Ann S. Moore, Paul S. Pressler, Gary M. Rodkin, Paula Stern, Ph.D., Lawrence A. Weinbach, Edward T. Fogarty, Charles M. Herington, Stanley C. Gault, and Susan J. Kropf:

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

Counsel for Defendant Charles W. Cramb:

Reid M. Figel
Jessica C. Collins
KELLOGG, HUBER, HANSEN, TODD,
EVANS & FIGEL, PLLC
1615 M Street, N.W., Suite 400

Washington, DC 20036

Counsel for Defendant Bennett R. Gallina:

James L. Hallowell
GIBSON, DUNN & CRUTCHER, LLP
200 Park Avenue
New York, NY 10166

All written objections and copies of any papers and briefs in support thereof to be filed in Court shall also be delivered by hand or sent by First-Class Mail to:

Clerk of the Court
New York County Courthouse
60 Centre Street, Room 161
New York, NY 10007

Any Avon shareholder who does not make his, her, or its objection in the manner provided herein shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness, reasonableness, or adequacy of the Settlement as incorporated in the Stipulation and to the award of attorneys' fees and expenses to Plaintiffs' Counsel, unless otherwise ordered by the Court, but shall otherwise be bound by the Judgment to be entered and the releases to be given.

12. All initial papers in support of the Settlement and the award of attorneys' fees and expenses shall be filed with the Court and served at least thirty-five (35) calendar days before the Settlement Hearing. Optional reply briefs in support of the Settlement and/or responding to objections, if any, shall be filed with the Court and served at least seven (7) calendar days before the Settlement Hearing.

13. Neither the Stipulation (including any exhibits) nor the Settlement, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement, including but not limited to any negotiations, discussions, actions and proceedings in connection with the Settlement, is or may be deemed to be, or may be offered, attempted to be offered or used in any way as a presumption, a concession or an admission of, or evidence of, any


fact or issue of law, fault, liability or wrongdoing or lack of any fault, liability or wrongdoing, as to any facts or claims alleged or asserted, or that could have been alleged or asserted, in the Actions, or any other actions or proceedings, and shall not be offered or received in evidence or otherwise used by any person in any of the Actions, or any other action or proceeding, except in connection with any proceeding to enforce the terms of the Settlement. The Released Persons may file the Stipulation and/or the Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, full faith and credit, release, standing, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim, and any of the Parties may file the Stipulation and documents executed pursuant and in furtherance thereto in any action to enforce the Settlement.

14. The Court reserves the right to adjourn the date of the Settlement Hearing or modify any other dates set forth herein without further notice to Avon shareholders, and retains jurisdiction to consider all further applications arising out of or connected with the Settlement. The Court may approve the Settlement, with such modifications as may be agreed to by the Settling Parties, if appropriate, without further notice to Avon shareholders.

15. This Court retains exclusive jurisdiction over the Action to consider all further matters arising out of or connected with the Settlement.

SO ORDERED.

Dated: 3/18/2016, 2016.



HON. SALIANN SCARPULLA, J.S.C.