

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re

AIO US, INC., *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 24-11836 (CTG)

(Jointly Administered)

Obj. Deadline: November 22, 2024 at 4:00 p.m. (ET)

Hearing Date: December 3 and 4, 2024 at 9:30 a.m. (ET)

NOTICE OF SALE, BIDDING  
PROCEDURES, AUCTION, AND SALE HEARING

PLEASE TAKE NOTICE OF THE FOLLOWING:

On August 14, 2024, AIO US, Inc. and its affiliated debtors in the above-captioned chapter 11 cases (collectively, the “**Debtors**”) filed the *Motion of Debtors for Entry of Orders (I)(A) Approving Bidding Procedures for Sale of Substantially All of the Debtors’ Assets, (B) Authorizing Designation of Stalking Horse Bidder, (C) Authorizing Conduct of the Auction and Sale Hearing, (D) Approving Form and Manner of Notice of Sale, Auction, and Sale Hearing, and (E) Approving Assumption and Assignment Procedures; (II) Authorizing the Sale of the Debtors’ Assets Free and Clear of Liens, Claims, Interests, and Encumbrances; and (III) Granting Related Relief* [Docket No. 64] (the “**Bidding Procedures Motion**”) with the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”). Pursuant to the Bidding Procedures Motion, the Debtors sought, among other things, entry of an order (a) approving bidding procedures (the “**Bidding Procedures**”) in connection with the sale of the Assets (as defined below) free and clear of all liens, claims, interests, and encumbrances (the “**Sale Transaction**”); (b) authorizing the Debtors’ designation of one or more affiliates of their parent company and senior secured debt holder, Natura &Co Holding, S.A. (“**Natura**” or the “**Stalking Horse Bidder**”) as the stalking horse bidder for the Sale Transaction; (c) setting the deadline for Potential Bidders to submit a binding Bid (the “**Bid Deadline**”), authorizing and scheduling an auction for the Assets (the “**Auction**”) to the extent necessary, and scheduling a hearing (the “**Sale Hearing**”) for approval of a Sale Transaction; (d) approving the form and manner of the (1) notice of a Sale Transaction, the Auction, and the Sale Hearing (the “**Sale Notice**”) and (2) notice to each relevant non-Debtor counterparty to an Assigned Contract (each, a “**Counterparty**”) regarding the Debtors’ potential assumption and assignment of an executory

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: AIO US, Inc. (9872), Avon Products, Inc. (4597), MI Holdings, Inc. (6450), and Avon Capital Corporation (2219). The Debtors’ mailing and service address is 4 International Drive Suite 110, Rye Brook, New York 10573.

contract or unexpired lease of the Debtors<sup>2</sup> (collectively, the “**Contracts**”) setting forth the Debtors’ calculation of the amount necessary to cure any defaults thereunder (the “**Cure Costs**”) (the “**Assignment and Cure Notice**”);<sup>3</sup> and (e) approving the procedures for the assumption and assignment of Contracts (collectively, the “**Assigned Contracts**”) and determination of Cure Costs with respect thereto (collectively, the “**Assumption and Assignment Procedures**”).

Following a hearing before the Bankruptcy Court on September 26, 2024 (the “**September Hearing**”), the Bankruptcy Court approved the Bidding Procedures Motion, subject to the record made at the September Hearing, and the Debtors are in the process of finalizing and submitting an order, consistent with the record made at the September Hearing, approving the Bidding Procedures (the “**Bidding Procedures Order**”)<sup>4</sup> under certification of counsel with the Bankruptcy Court.

The Bidding Procedures Order and the Bidding Procedures will establish the key dates and times relating to the Auction and Sale Hearing.<sup>5</sup> Recipients of this Notice should carefully read the Bidding Procedures Order and the Bidding Procedures in their entirety once the Bidding Procedures Order is entered.

### **Stalking Horse Bid**

On August 12, 2024, the Debtors and the Stalking Horse Bidder entered into a Stalking Horse Agreement, which provides for, among other things, the sale of substantially all of the Debtors’ Assets to the Stalking Horse Bidder free and clear of all encumbrances (other than any Permitted Liens or Assumed Liabilities (each as defined in the Stalking Horse Agreement)).

In the event the Sale Transaction is approved with the Stalking Horse Bidder as the successful bidder, the Stalking Horse Bidder will not have any derivative, successor, transferee or vicarious liability for liabilities of the Debtors as a result of the transactions contemplated by the Stalking Horse Agreement. The Stalking Horse Agreement is subject to higher or otherwise better offers submitted in accordance with the terms and provisions of the Bidding Procedures. A copy of the Stalking Horse Agreement is available on the case website dedicated to the Debtors’ chapter 11 cases maintained by their claims and noticing agent, Epiq Corporate Restructuring, LLC (the “**Case Website**”) and on the Bankruptcy Court’s docket at Docket No. 64-2.

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<sup>2</sup> AIO US, Inc., Avon Products, Inc., MI Holdings, Inc., and Avon Capital Corporation are presently the only Debtors in these chapter 11 cases. To the extent any additional U.S.-based subsidiaries of the Debtors are contemplated to be sellers in connection with the proposed Sale Transaction, those entities will commence chapter 11 cases sufficiently in advance of the hearing to approve the proposed Sale Transaction.

<sup>3</sup> On October 18, 2024, the Debtors filed the Assignment and Cure Notice. *See* Docket No. 288.

<sup>4</sup> Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Bidding Procedures or the Bidding Procedures Order, as applicable.

<sup>5</sup> To the extent of any inconsistencies between the Bidding Procedures and the summary descriptions of the Bidding Procedures in this notice, the terms in the Bidding Procedures shall control in all respects.

### **Important Information and Deadlines**

- **Assets:** The Debtors are soliciting bids for all or substantially of the their assets (the “**Assets**”), including, without limitation, their (i) equity interests in their non-debtor foreign subsidiaries, (ii) intellectual property rights, including trademarks and the rights they hold as owners and licensors under certain intellectual property licensing agreements for the marketing, distribution, and sale of Avon products and the use of trademarks in various global markets, including North America, and (iii) all claims, causes of action, lawsuits, judgments, and demands of any nature, in each case, available to or being pursued by the Debtors or any of their Affiliates (including potential successor liability claims, claims against current or former officers and directors, and causes of action related to the ongoing operations of the Business to avoid a transfer of property or an obligation incurred by any of Debtors arising under sections 542, 544, 545, and 547 through and including 553 of the Bankruptcy Code or any other federal, state, or foreign law pertaining to actual or constructive fraudulent transfer, fraudulent conveyance, or voidable transactions).

Subject to entry of the Bidding Procedures Order, the key dates for the sale process are as follows:

- **Bid Deadline.** Any person or entity interested in participating in the Auction must submit a binding Bid on or before **November 15, 2024 at 4:00 p.m. (prevailing Eastern Time)** (the “**Bid Deadline**”).
- **Auction.** An Auction, if necessary, has been scheduled for **November 19, 2024 at 10:00 a.m. (prevailing Eastern Time)** at (i) the offices of Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, and/or (ii) virtually, pursuant to procedures to be announced to bidders, or such other later date as may be determined by the Debtors and upon notice to all parties in interest.
- **Cure Objection Deadline.** Objections to the Debtors’ proposed Cure Costs of any Assigned Contract listed on **Exhibit A** to the Assignment and Cure Notice (each, a “**Cure Objection**”) must be (i) filed in accordance with the Bidding Procedures, (ii) filed with the Bankruptcy Court, and (iii) served on the Objection Notice Parties (as defined below) on or before **November 1, 2024 at 4:00 p.m. (prevailing Eastern Time)**.
- **Adequate Assurance Objection Deadline.** Objections to the adequate assurance of future performance of any Assigned Contract listed on **Exhibit A** to the Assignment and Cure Notice (each, an “**Adequate Assurance Objection**”) must be (i) filed in accordance with the Bidding Procedures, (ii) filed with the Bankruptcy Court, and (iii) served on the Objection Notice Parties on or before **November 1, 2024 at 4:00 p.m. (prevailing Eastern Time)** with respect to the Stalking Horse Bidder and **November 22, 2024 at 4:00 p.m. (prevailing Eastern Time)** other than with respect to the Stalking Horse Bidder. The Notice of Auction Results will contain the deadline to file and serve Adequate Assurance Objections with respect to any Successful Bidder other than the Stalking Horse Bidder.
- **Sale Objection Deadline.** Objections to the Sale Transaction, including any objection to the sale of the Assets free and clear of all claims and interests pursuant to section 1141(c) of the Bankruptcy Code must be (i) filed in accordance with the Bidding

Procedures and (ii) filed with the Bankruptcy Court by **November 22, 2024 at 4:00 p.m. (prevailing Eastern Time)** (the “**Sale Objection Deadline**”).

- **Sale Hearing.** A hearing to approve the sale of the Assets to a Successful Bidder following the Auction shall be held before the Bankruptcy Court before the Honorable Craig T. Goldblatt on **December 3 and 4, 2024 at 9:30 a.m. (prevailing Eastern Time)** (the “**Sale Hearing**”) or such other date as determined by the Bankruptcy Court. The Sale Hearing may be adjourned without further notice other than announcing such adjournment at the Sale Hearing or filing a notice on the Bankruptcy Court’s docket indicating such adjournment.

The foregoing dates may be extended or otherwise modified by the Debtors by filing a notice of such extension or modification on the Bankruptcy Court’s docket.

### **Sale Objections**

Sale Objections, if any, must (i) be in writing, (ii) state the name and address of the objecting party and, if applicable, the amount and nature of the claim or interest of such party; (iii) state with particularity the basis and nature of any objection, and, if such objection is limited in nature, provide proposed language that, if accepted and incorporated by the Debtors, would obviate such objection; (iv) conform to the Bankruptcy Rules and the Local Bankruptcy Rules; (v) be filed with the Bankruptcy Court no later than **November 22, 2024 at 4:00 p.m. (prevailing Eastern Time)** (the “**Sale Objection Deadline**”); and (vi) shall be served on the following parties: (a) the Debtors, 4 International Drive Suite 110, Rye Brook, New York 10573, (Attn: Lisa Siders (lisa.siders@avon.com) and Philip J. Gund (Philip.Gund@ankura.com)); (b) counsel to the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153 (Attn: Ronit J. Berkovich (ronit.berkovich@weil.com); Matthew P. Goren (matthew.goren@weil.com); and Alejandro Bascoy (alejandro.bascoy@weil.com)); and Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, DE 19801 (Attn: Michael J. Merchant (merchant@rlf.com) and Zachary I. Shapiro (shapiro@rlf.com)); (c) investment banker to the Debtors, Rothschild & Co, 1251 Avenue of the Americas (Attn: Marcelo Messer (marcelo.messer@rothschildandco.com); and Pratyush Hiremath (pratyush.hiremath@rothschildandco.com)); (d) the Office of the United States Trustee for the District of Delaware (the “**U.S. Trustee**”), 844 King Street, Room 2207, Wilmington, Delaware 19801 (Attn: Linda Richenderfer (linda.richenderfer@usdoj.gov); and Malcom M. Bates (malcolm.m.bates@usdoj.gov)); (e) counsel to the official committee of unsecured creditors, Cooley LLP (Attn: Cullen D. Speckhart (cspeckhart@cooley.com), Michael A. Klein (mklein@cooley.com), Evan M. Lazerowitz (elazerowitz@cooley.com), and Jeremiah P. Ledwidge (jledwidge@cooley.com)); Caplin & Drysdale, Chartered (Attn: Kevin C. Maclay (kmaclay@capdale.com), Todd E. Phillips (tphillips@capdale.com), Kevin M. Davis (kdavis@capdale.com), and Serafina Concannon (sconcannon@capdale.com)); and A. M. Saccullo Legal, LLC (Attn: Anthony M. Saccullo (ams@saccullolegal.com), Mark T. Hurford (mark@saccullolegal.com), and Mary E. Augustine (meg@saccullolegal.com)); and (f) counsel to Natura & Co Holding S.A., Davis, Polk & Wardwell LLP, 450 Lexington Ave, New York, New York 10017, (Attn: Darren S. Klein (Darren.Klein@davispolk.com), Joshua Sturm (Joshua.Sturm@davispolk.com), and Hailey W. Klabo (Hailey.Klabo@davispolk.com)); and Morris, Nichols, Arsht & Tunnel LLP, 1201 N. Market Street, 16th Floor, Wilmington, Delaware

(Attn: Robert J. Dehney, Sr. (rdehney@morrisnichols.com) and Matthew B. Harvey (mharvey@morrisnichols.com)) (collectively, the “**Objection Notice Parties**”).

### **Natura Settlement**

In addition to considering approval of the Sale Transaction, a hearing before the Bankruptcy Court is scheduled for **December 2-3, 2024, at 9:30 a.m. (prevailing Eastern Time)** on the *Motion of Debtors Pursuant to 11 U.S.C. §§ 363(b) and 105(a) and Fed R. Bankr. P. 9019 and 6004 for Entry of Order (I) Approving Settlement Agreement with Natura & Co Holding S.A. and Affiliates, (II) Authorizing the Debtors to Take Any and All Actions Necessary to Effectuate the Terms Thereof, and (III) Granting Related Relief*, dated August 14, 2024 [Docket No. 65] (the “**9019 Motion**”).

Pursuant to the 9019 Motion, the Debtors are seeking authority to settle and release any and all potential causes of action and claims (as defined in section 101(5) of the Bankruptcy Code, and including claims under chapter 5 of the Bankruptcy Code, any claims or rights created pursuant to sections 301 and 541 of the Bankruptcy Code, and any derivative claims including, without limitation, claims premised on veil piercing, alter ego liability or successor liability) that may be held by the Debtors against Natura & Co Holding S.A., Natura Cosméticos S.A., Natura & Co UK Holdings Limited, and Natura & Co Luxembourg Holdings in exchange for certain consideration described in the 9019 Motion.

Objections or responses to the 9019 Motion, including any objection to the Bankruptcy Court’s approval of the settlement agreement attached to the 9019 Motion, must be filed with the Bankruptcy Court and served as set forth in the 9019 Motion by no later than **November 15, 2024 at 4:00 p.m. (prevailing Eastern Time)**.

### **Additional Information**

The Bidding Procedures set forth the requirements for becoming a Qualified Bidder and submitting a Qualified Bid, and any party interested in making an offer to purchase the Debtors’ business and Assets must comply with the Bidding Procedures. Only Qualified Bids will be considered by the Debtors, in accordance with the Bidding Procedures.

Any party interested in submitting a bid should contact the Debtors’ investment banker, Rothschild & Co., 1251 Avenue of the Americas, 33rd Floor New York, NY 10020 (Attn: Marcelo Messer (marcelo.messer@rothschildandco.com), Pratyush Hiremath (pratyush.hiremath@rothschildandco.com)).

Copies of the Bidding Procedures Motion, the Bidding Procedures Order, the Bidding Procedures, the 9019 Motion, as well as all related exhibits and other agreements filed with the Bankruptcy Court, may be obtained free of charge at the Case Website, located at <https://dm.epiq11.com/case/aiousinc/info>.

### **Reservation of Rights**

The Debtors shall have the right, as it may reasonably determine to be in the best interests of their estates and subject to their fiduciary duties, to carry out the Bidding Procedures, in consultation with the Creditors' Committee, including, without limitation, to: (i) determine which bidders are Qualified Bidders; (ii) determine which Bids are Qualified Bids; (iii) determine which bids are the Successful Bid(s) and Back-Up Bid(s); (iv) reject any Bid (other than the Stalking Horse Bid) that is deemed to (a) be inadequate or insufficient, (b) not be a Qualified Bid or otherwise not in conformity with the requirements of the Bidding Procedures or the Bankruptcy Code, or (c) be contrary to the best interests of the Debtors and their estates; (v) adjourn or cancel the Auction and/or the Sale Hearing (including in open court) without further notice other than as provided in this Bidding Procedures Order (including the Bidding Procedures); (vi) withdraw the Bidding Procedures Motion at any time with or without prejudice; and (vii) modify the Bidding Procedures, including the Case Timeline, in a manner consistent with its fiduciary duties, the DIP Credit Agreement, and applicable law, including (a) waiving terms and conditions with respect to any Potential Bidder; (b) extending deadlines set forth in the Bidding Procedures (c) announcing at the Auction modified or additional procedures for conducting the Auction and (d) providing reasonable accommodations to any Potential Bidder(s) with respect to such terms, conditions, and deadlines of the bidding and Auction process to promote further bids on the Assets, to the extent not materially inconsistent with the Bidding Procedures Order or the DIP Credit Agreement.

**FAILURE TO ABIDE BY THE BIDDING PROCEDURES, THE BIDDING PROCEDURES ORDER, OR ANY OTHER ORDER OF THE BANKRUPTCY COURT IN THESE CHAPTER 11 CASES MAY RESULT IN THE REJECTION OF A BID.**

**THE FAILURE OF ANY PERSON OR ENTITY TO FILE AN OBJECTION IN ACCORDANCE WITH THE BIDDING PROCEDURES ORDER BY THE SALE OBJECTION DEADLINE SHALL FOREVER BAR SUCH PERSON OR ENTITY FROM ASSERTING ANY OBJECTION TO THE BIDDING PROCEDURES MOTION, THE ORDER APPROVING THE SALE TRANSACTION, THE PROPOSED SALE TRANSACTION, OR THE DEBTORS' CONSUMMATION OF THE STALKING HORSE AGREEMENT, IF APPLICABLE, OR ANY OTHER AGREEMENT EXECUTED BY THE DEBTORS AND THE SUCCESSFUL BIDDER(S) AT THE AUCTION, UNLESS OTHERWISE ORDERED BY THE BANKRUPTCY COURT.**

Dated: October 22, 2024  
Wilmington, Delaware

/s/ Zachary I. Shapiro

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