

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re

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

Debtors.¹

Chapter 11

Case No. 24-11836 (CTG)

(Jointly Administered)

Obj. Deadline: September 6, 2024 at 4:00 p.m. (ET)

Hearing Date: September 13, 2024 at 10:00 a.m. (ET)

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

AIO US, Inc. and its debtor affiliates, as debtors and debtors in possession in the
above-captioned chapter 11 cases (collectively, the “**Debtors**”), respectfully represent as follows:

Preliminary Statement

1. The Debtors, through their non-debtor foreign subsidiaries (collectively, “**Avon Non-US**” and together with the Debtors, “**Avon**” or the “**Company**”), are a leading manufacturer and marketer of beauty products with operations in approximately fifty (50) countries and territories. The Debtors, which are all U.S. companies, serve as the holding companies for Avon’s international operations. The Debtors’ primary assets are (i) equity interests in Avon Non-US and (ii) intellectual property rights, including trademarks and the

¹ 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.

rights they hold as owner and licensor 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 (collectively, the “**Assets**”). Avon’s operating businesses, which are all under the scope of Avon Non-US, are not part of these chapter 11 cases.

2. As set forth in the First Day Declaration (as defined below), in recent years the Company has experienced a significant decline in revenues and increased liquidity constraints as a result of several economic factors and operations challenges, including, among other things, increased market competition, the COVID-19 pandemic, and the Russia-Ukraine war. As a result, the Debtors have had to finance the Company’s operations almost entirely through the incurrence of funded debt. As of the Petition Date (as defined below), the Debtors had over \$1.2 billion in outstanding funded debt obligations as well as approximately \$78.1 million in unsecured liquidated liabilities from legacy talc claims arising out of the Company’s former operations in the United States.

3. In the face of financial challenges from their prepetition funded debt and the costs of defending against an increasing number of lawsuits stemming from their legacy talc liabilities, the Debtors, prior to the Petition Date, began a study of strategic transactions under the oversight of an independent special committee (the “**Special Committee**”) of the board of directors of Debtor Avon Products, Inc. (“**API**”). After carefully considering various alternatives, the Debtors, in an exercise of their reasonable business judgment and as authorized and recommended by the Special Committee, have determined that pursuing a sale under section 363 of title 11 of the United States Code (the “**Bankruptcy Code**”) provides the best opportunity to maximize the value of their estates for the benefit of their estates and creditors, including

potential talc claimants. Accordingly, the Debtors are seeking authority to conduct a marketing process for the sale of all or substantially all of the Assets.

4. The consummation of a value-maximizing sale of the Assets is one of the cornerstones of these chapter 11 cases. To that end, the Debtors have obtained a binding commitment from one or more affiliates of their parent company and senior secured debt holder, Natura &Co Holding, S.A. (“**Natura**” or the “**Stalking Horse Bidder**”), to serve as a stalking horse bidder for the sale of substantially all of the Assets, pursuant to that certain Stock and Asset Purchase Agreement, dated August 12, 2024, a copy of which is attached hereto as **Exhibit A** and incorporated herein by reference (the “**Stalking Horse Agreement**” and, the bid represented therein, the “**Stalking Horse Bid**”). The Stalking Horse Bid contemplates the purchase of all of the Debtors’ equity interests in Avon Non-U.S.² The aggregate purchase consideration to be provided under the Stalking Horse Agreement consists of \$125 million in the form of a credit (the “**Credit Bid Amount**”) against the Debtors’ outstanding secured obligations to Natura. In addition, to ensure the Debtors’ estates are receiving maximum value, the Stalking Horse Bid is subject to higher or better offers to be solicited in accordance with the proposed Bidding Procedures (as defined below).

5. The material terms of the Stalking Horse Agreement are set forth below. Of particular note, the Stalking Horse Agreement does not include any break-up fee, expense reimbursement, or other traditional bid protections for Natura. The Debtors did not have sufficient time to market their Assets prior to filing these chapter 11 cases given their liquidity constraints. In light of Natura’s substantial amount of prepetition debt secured by liens in the

² The Debtors have been advised that Natura is engaged in discussions with a private equity firm that is interested in partnering with Natura to potentially serve as a financing source for Natura’s bid.

Assets and Natura's experience with, and knowledge of, the Debtors' international operations, the Debtors determined Natura was the most logical option to serve as the Stalking Horse Bidder.

6. Beginning in the second quarter of 2024, the Debtors, with the assistance of their advisors, engaged with Natura on potential sale transaction structures. The Debtors subsequently engaged Rothschild & Co ("**Rothschild**") to assist the Debtors in preparing to conduct a marketing process of their Assets. Following a lengthy diligence process, in July of 2024, the Debtors and Natura commenced negotiations on the terms of their proposed transaction, which culminated in the execution of the Stalking Horse Agreement, pursuant to which Natura has agreed to purchase all of Avon Non-US in the event a higher or better offer is not timely received.

7. The Debtors' and the Special Committee's selection of Natura as their Stalking Horse Bidder was further supported by the fact that Natura was willing to enter into an agreement for the purchase of the Debtors' equity interests in all of their foreign subsidiaries that make up the Debtors' global operations rather than selecting certain markets or assets to purchase or requiring a more tailored asset purchase agreement, which would have required carving out specific assets and resulted in a longer sale process and significantly increased transaction costs and operational risks to the Company's business. The Debtors and the Special Committee believe the selection of Natura as the Stalking Horse Bidder will lead to a more efficient and cost-effective marketing process.

8. Additionally, in support of their marketing and sale process (the "**Marketing and Sale Process**"), the Debtors and their advisors have developed bidding and auction procedures for the orderly and value-maximizing marketing and sale of the Assets (the "**Bidding Procedures**"), which are attached as **Exhibit 1** to the proposed Bidding

Procedures Order (as defined below). In addition, Rothschild has drafted a confidential information memorandum and other marketing materials, established a virtual data room, and prepared a form non-disclosure agreement to be ready to immediately commence the postpetition marketing of the Assets, while the Debtors seek approval of the Bidding Procedures in parallel.

9. The Bidding Procedures were designed with the objective of generating the greatest level of interest in, and highest or best value for, the Assets while affording the Debtors maximum flexibility to execute a sale transaction as quickly and efficiently as possible. The Debtors and the Special Committee are confident the Bidding Procedures and the other relief requested herein will maximize recoveries for all stakeholders. The Debtors propose to establish the following key dates and deadlines for the sale process (the “Case Timeline”):

Key Event ³	Deadline
Deadline to (i) file the Assignment and Cure Notice with the Court and serve the Assignment and Cure Notice on the Counterparties and (ii) file the Sale Notice with the Court and serve it on all creditors and interested parties	September 19, 2024
Deadline to Object to (i) Cure Costs and (ii) adequate assurance of future performance with respect to the Stalking Horse Bidder	October 3, 2024 at 4:00 p.m. (prevailing Eastern Time)
Deadline for potential bidders to submit binding Bids	October 18, 2024 at 4:00 p.m. (prevailing Eastern Time)
Deadline for Debtors to designate Qualified Bids or to cancel the Auction if no Bids are designated as Qualified Bids besides the Stalking Horse Bid	October 21, 2024 at 4:00 p.m. (prevailing Eastern Time)
Auction (if the Debtors receive a Qualified Bid in addition to the Stalking Horse Bid) to be conducted at (i) the offices of Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153-0119, or (ii) virtually, pursuant to procedures to be announced to Qualified Bidders	October 22, 2024 at 10:00 a.m. (prevailing Eastern Time)
Deadline to file notice of (i) Successful Bid(s) and Back-Up Bid(s) and (ii) identity of Successful	The business day after designating the (provisional) Successful Bid(s) at

³ Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Stalking Horse Agreement, the proposed Bidding Procedures Order (as defined below), or the First Day Declaration (as defined below), as applicable.

Bidder(s) and Back-Up Bidder(s)	the Auction
Deadline to object to (i) any Sale Transaction, (ii) adequate assurance of future performance (other than with respect to the Stalking Horse Bidder), and (iii) the manner in which the Auction (if any) was conducted (the “ Sale Objection Deadline ”)	October 24, 2024 at 4:00 p.m. (prevailing Eastern Time)
Deadline to reply to objections to (i) any Sale Transaction, (ii) Cure Costs, (iii) adequate assurance of future performance, and (iv) the manner in which the Auction (if any) was conducted	October 25, 2024 at 12:00 p.m. (prevailing Eastern Time)
Sale Hearing	October 28, 2024 (subject to the Court’s availability)
Consummation of proposed Sale Transaction	No later than November 5, 2024 or such later date if necessitated by applicable regulatory approvals

10. Given the Debtors’ financial condition, an orderly but expeditious sale of the Assets is critical to maximizing recoveries for all creditors. Moreover, the proposed timeline of the sale process is required under the DIP Credit Agreement, without which, the Debtors would not be able to fund the Marketing and Sale Process or these chapter 11 cases. Accordingly, the Debtors request approval of a comprehensive set of procedures that will facilitate a potential sale transaction in a timely and efficient manner.

Relief Requested

11. By this motion (the “**Motion**”), pursuant to sections 105(a), 363, and 365 of the Bankruptcy Code, Rules 2002, 6004, 6006, 9007, 9008, and 9014 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rules 2002-1, 6004-1, and 9006-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “**Local Bankruptcy Rules**”), the Debtors request entry of the following:

- (a) an order, substantially in the form attached hereto as **Exhibit B** (together with all exhibits thereto, the “**Bidding Procedures Order**”):

- (i) approving the Bidding Procedures, attached to the proposed Bidding Procedures Order as **Exhibit 1**, in connection with a sale of the Assets (a “**Sale Transaction**”);
- (ii) authorizing the Debtors’ designation of Natura as the Stalking Horse Bidder for the Sale Transaction;
- (iii) setting the deadline for Potential Bidders (as defined below) 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;
- (iv) approving the form and manner of the (a) notice of a Sale Transaction, the Auction, and the Sale Hearing, substantially in the form attached to the proposed Bidding Procedures Order as **Exhibit 2** (the “**Sale Notice**”), and (b) notice to each relevant non-Debtor counterparty to an Assigned Contract (as defined below) (each, a “**Counterparty**”) regarding the Debtors’ potential assumption and assignment of an executory contract or unexpired lease of the Debtors (collectively, the “**Contracts**”) and setting forth the Debtors’ calculation of the proposed amount necessary to cure any defaults thereunder (the “**Cure Costs**”), substantially in the form attached to the proposed Bidding Procedures Order as **Exhibit 3** (the “**Assignment and Cure Notice**”);
- (v) 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**”); and
- (vi) granting related relief; and
- (b) an order (the “**Sale Order**”)⁴ authorizing and approving:
 - (i) a Sale Transaction with the Stalking Horse Bidder or the bidder who submits the highest or otherwise best offer at the Auction free and clear of all liens, claims, interests, and encumbrances, with liens to attach to the proceeds of any Sale Transaction;

⁴ The proposed Sale Order will be filed prior to the Sale Hearing.

- (ii) the assumption and assignment of the Assigned Contracts in connection with any Sale Transaction; and
- (iii) granting related relief.

12. In support of the Motion, the Debtors submit the *Declaration of Marcelo Messer in Support of 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*, a copy of which is attached hereto as **Exhibit C** (the “**Messer Declaration**”), and which the Debtors incorporate by reference herein.

Background

13. On the date hereof (the “**Petition Date**”), the Debtors each commenced with this Court a voluntary case under chapter 11 of the Bankruptcy Code. The Debtors are authorized to continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory committee of creditors (the “**Creditors' Committee**”) has been appointed in these chapter 11 cases.

14. The Debtors' chapter 11 cases and being jointly administered for procedural purposes only pursuant to Bankruptcy Rule 1015(b) and Local Bankruptcy Rule 1015-1.

15. Additional information regarding the Debtors' business, capital structure, and the circumstances leading to the commencement of these chapter 11 cases is set forth in the

Declaration of Philip J. Gund in Support of Debtors' Chapter 11 Petitions and First Day Relief (the “**First Day Declaration**”) [Docket No. 12] filed on August 13, 2024, and incorporated by reference herein.

Jurisdiction and Venue

16. The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Pursuant to Local Bankruptcy Rule 9013-1(f), the Debtors consent to the entry of a final order by the Court in connection with this Motion if it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution. Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Marketing and Sale Process

17. Under the oversight and with the approval of the Special Committee, the Debtors, with the assistance of their advisors, including Weil, Gotshal & Manges LLP (“**Weil**”) and Ankura Consulting Group, LLC (“**Ankura**”), explored various strategic alternatives for several months prior to the Petition Date to address their liquidity challenges, legacy tax liabilities, and capital structure obligations. Following months of internal deliberations and considerations, the Debtors and the Special Committee ultimately concluded the best path forward for maximizing value for the Debtors’ estates and their creditors was to commence these chapter 11 cases to pursue the sale of the Debtors’ interests in Avon Non-U.S.

18. In furtherance of these efforts, in July 2024, the Debtors engaged Rothschild to serve as their investment banker and to assist in, among other things, the Marketing and Sale Process. Since their engagement, the professionals at Rothschild have

worked with the Debtors and their other advisors to prepare for the Marketing and Sale Process. This includes, among other things, drafting a confidential information memorandum and other marketing materials, establishing a virtual data room, and preparing a form non-disclosure agreement to be ready to immediately commence the postpetition marketing of the Assets, while the Debtors seek approval of the Bidding Procedures in parallel. Rothschild is poised to immediately commence its postpetition marketing efforts. In addition, Rothschild has begun an initial outreach to potential strategic and financial buyers and intends to contact approximately forty potential strategic and financial buyers commencing the week of August 12, 2024, to garner interest in pursuing a Sale Transaction.

19. During this process, the Debtors, under the oversight of the Special Committee, will continue engaging with and facilitating diligence for any potential investors who may be interested in purchasing the Assets in chapter 11. However, at the same time, the Debtors and their creditors will have the benefit of the Stalking Horse Bid, which will set a floor price for the Assets and guarantee value for creditors entitled to a recovery. Accordingly, the Debtors and the Special Committee believe the Bidding Procedures set forth herein will allow the Debtors to maximize the value of their estates for the benefit of creditors.

Need for a Timely Marketing and Sale Process

20. The Debtors believe the time periods set forth in the Bidding Procedures are reasonable and will provide all Potential Bidders (as defined below) with sufficient time and information to submit a bid for the Assets and do not prejudice parties in interest. In formulating the procedures and time periods set forth therein, the Debtors balanced the need to provide adequate and appropriate notice to parties in interest and potential bidders with the need to quickly and efficiently run the Marketing and Sale Process. The Bidding Procedures are

designed to encourage all potential bidders to submit bids (each, a “**Bid**”) for substantially all of the Assets at the outset of these chapter 11 cases and to provide the highest or otherwise best available recoveries to the Debtors’ stakeholders.

21. Potential Bidders will have access to comprehensive information prepared by the Debtors and their advisors that is compiled in an electronic data room pursuant to the Bidding Procedures. The Debtors and their advisors will continue soliciting competing offers for the Assets while a hearing to approve the Bidding Procedures is pending to quickly and efficiently run a sale process. In light of the foregoing, the Debtors have determined pursuing the Bidding Procedures is in the best interests of the Debtors’ estates, will establish whether and to what extent a market exists for the Assets, and provides interested parties with sufficient opportunity to participate.

22. Accordingly, the Debtors believe the proposed Case Timeline provided for in the Bidding Procedures is both reasonable and necessary under the circumstances of these chapter 11 cases.

Stalking Horse Agreement⁵

23. The Stalking Horse Agreement represents a binding Bid for the purchase by Natura of substantially all of the Debtors’ Assets, including the Debtors’ equity interests in all of Avon Non-US, for the aggregate purchase consideration of \$125 million in the form of a credit against the Debtors’ outstanding secured obligations to Natura. As set forth above, the Stalking Horse Bid does not include any break-up fee, expense reimbursement, or other traditional bid protections for a stalking horse bidder.

⁵ In the event of any inconsistencies between the provisions of the Stalking Horse Agreement and any description or summary thereof in the Motion, the Stalking Horse Agreement shall control. The term “Debtors” shall mean, as applicable, the “Sellers,” as such term is defined in the Stalking Horse Agreement.

24. Natura has also agreed to act as a “Back Up Bidder” and, as such, if selected as a Back Up Bidder, hold open its binding offer to purchase the Assets for a period of time after the Auction in case the Successful Bid (as defined below) is not timely consummated.

25. The Stalking Horse Agreement includes various customary representations, warranties, and covenants by and from the Debtors and Natura. In addition, the Stalking Horse Agreement includes covenants, conditions, and termination rights related to these chapter 11 cases. The transactions embodied in the Stalking Horse Agreement are subject to approval by the Court and entry of the Bidding Procedures Order and the Sale Order.

26. In accordance with Local Bankruptcy Rule 6004-1, the chart below summarizes certain of the Stalking Horse Agreement’s material terms.

MATERIAL TERMS OF THE STALKING HORSE AGREEMENT	
Purchase Price	The Purchase Price (<i>i.e.</i> , the Credit Bid Amount) is \$125 million in the form of a credit against the Debtors’ outstanding secured obligations to Natura (and or one or more of its affiliates). <i>See Stalking Horse Agreement § 3.01.</i>
Transferred Equity	The Stalking Horse Bidder will acquire the Transferred Equity Interests free and clear of all encumbrances (other than transfer restrictions arising under the Securities Act or any other applicable securities Laws). <i>See Stalking Horse Agreement § 2.01.</i>
Transferred Assets	The proposed Assets to be purchased under the Stalking Horse Agreement are: (i) all Cash of the Seller Parties that is in excess of an amount equal to (A) \$1,000,000 plus (B) Cash delivered or required to be delivered to the Seller Parties pursuant to the Settlement Agreement; (ii) except for Excluded Contracts, all Contracts to which a Seller Party, including the Transferred Executory Contracts (collectively, the “ Transferred Contracts ”), including as set forth on <u>Schedule 2.02(a)(iii)</u> to the Stalking Horse Agreement (and as may be added to such <u>Schedule 2.02(a)(iii)</u> in accordance with <u>Section 2.05</u> of the Stalking Horse Agreement); (iii) all Permits, including Environmental Permits, and all applications therefor (for the avoidance of doubt, solely to the extent, if required under applicable Law, the applicable Government Authority consents to or otherwise approves the assignment or transfer of the applicable Permit); (iv) (A) all rights of such Seller Party under or pursuant to all warranties, representations and guarantees made by suppliers, manufacturers, contractors for other third parties to the extent

	<p>pertaining to any Transferred Assets or (B) all rights and defenses pertaining to any Assumed Liability;</p> <p>(v) all Business Intellectual Property, Business Software and Business Systems, including the Business Registered IP set forth on <u>Schedule 2.02(a)(vi)</u> to the Stalking Horse Agreement;</p> <p>(vi) all personnel files related to Transferred Entity Employees;</p> <p>(vii) without limiting <u>Section 2.02(a)(iii)</u> of the Stalking Horse Agreement, all rights under non-disclosure or confidentiality, non-compete or non-solicitation Contracts with current and former employees, service providers and agents of the Seller Parties or with third parties;</p> <p>(viii) all assets (including Cash and securities and all proceeds from any such assets, including Rabbi Trust Proceeds (as defined in the Settlement Agreement attached as <u>Exhibit E</u> to the Stalking Horse Agreement)) relating to (or held by, in or under, including by any trustee thereunder) the Trust Agreement by and between API and Chase Manhattan Bank, N.A. amended and restated as of October 29, 1998, as amended effective as of January 1, 2009 and as assumed by Wells Fargo Bank, National Association as of May 8, 2014;</p> <p>(ix) the Transferred Books and Records;</p> <p>(x) all claims, rights or interests of the Seller Parties in or to any refund, rebate, abatement or other recovery for Taxes in respect of any Taxes that are Assumed Liabilities;</p> <p>(xi) all Tax Returns and all records (including all working papers) that relate to the Transferred Assets or the Transferred Entities;</p> <p>(xii) all personal property and interests therein owned by any Seller Party, including inventory (if any), furniture, furnishings, office equipment, communications equipment, vehicles and other tangible personal property (including, rights, if any, in any of the foregoing purchased subject to any conditional sales or title retention agreement in favor of any other Person), wherever located;</p> <p>(xiii) all inventory wherever located, including raw materials, works in progress, packaging, supplies, tooling and parts, whether held at any location or facility of any Seller Party or in transit to any Seller Party, in each case, as of the Closing Date;</p> <p>(xiv) all goodwill of the Business;</p> <p>(xv) all trade and non-trade accounts (and notes) receivable and any other receivables of the Seller Parties and/or the Business (including, for the avoidance of doubt, all receivables owed or otherwise due to any Seller Party from any Transferred Entity), other than those Excluded Assets described under <u>Section 2.02(b)(iv)</u> of the Stalking Horse Agreement;</p> <p>(xvi) all claims and rights under any Insurance Policies in respect of any damage to or loss as a result of events or circumstances occurring prior to or on the Closing Date, other than the Liquidation Insurance Receivable (as defined in the Settlement Agreement attached as <u>Exhibit E</u> to the Stalking Horse Agreement);</p> <p>(xvii) all claims, causes of action, lawsuits, judgements and demands of any nature, in each case, available to or being pursued by Seller or any of its Affiliates, whether arising by way of counterclaim or otherwise, including (A) as set forth on <u>Schedule 2.02(a)(xix)</u> to the Stalking Horse Agreement and (B) any Estate Claims (as defined in the Settlement Agreement attached as <u>Exhibit E</u> to the Stalking Horse Agreement) against any of the Transferred Entities;</p>
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	<p>(xviii) all causes of action (including causes of action related to the ongoing operations of the Business) to avoid a transfer of property or an obligation incurred by any of Seller Party 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, except as set forth on <u>Schedule 2.02(a)(xx)</u> to the Stalking Horse Agreement;</p> <p>(xix) all credits, prepaid expenses, refunds, deferred charges, advance payments, Deposits, prepaid items and duties, in each case, to the extent related to a Transferred Asset;</p> <p>(xx) all guaranties, indemnities and similar rights in favor of the Seller Parties other than those Excluded Assets described under <u>Section 2.02(b)(v)</u> of the Stalking Horse Agreement;</p> <p>(xxi) to the extent transferrable, all express or implied warranties related to any of the foregoing in favor of the Seller Parties;</p> <p>(xxii) other than the Transferred Equity Interests (which, for the avoidance of doubt, each Seller Party shall sell, convey, assign, transfer and deliver to Buyer pursuant to <u>Section 2.01</u> of the Stalking Horse Agreement) and the equity interests of any other Seller Party, all right, title and interest in and to all equity interests of any Person owned by any Seller Party;</p> <p>(xxiii) all other assets, properties or rights of every kind and description, including those related to the Business, wherever located, whether real, personal or mixed, tangible or intangible, that are owned by a Seller Party or any Subsidiary of a Seller Party (other than a Transferred Entity); and</p> <p>(xxiv) all right, title and interest of any of the Seller Parties in, to or under any of the foregoing.</p> <p>See Stalking Horse Agreement § 2.02(a). For the avoidance of doubt, all Assets that that are not expressly listed as an Excluded Asset are included as a proposed Asset to be purchased under the Stalking Horse Agreement.</p>
Assumed Liabilities	<p>The Stalking Horse Bidder will assume the following liabilities:</p> <p>(i) all Liabilities arising under any of the Transferred Contracts;</p> <p>(ii) all Liabilities with respect to Transfer Taxes;</p> <p>(iii) all Liabilities with respect to non-income Taxes imposed in any jurisdiction in which a Government Authority asserts in writing personal liability on any officer, director or other employee of the Seller Parties;</p> <p>(iv) all Cure Costs payable by Buyer pursuant to <u>Section 2.05</u> of the Stalking Horse Agreement;</p> <p>(v) all Liabilities relating to Buyer's ownership or operation of the Transferred Assets, but solely to the extent arising from events, facts or circumstances that occur from and after the Effective Time;</p> <p>(vi) all accounts payable existing on the Closing Date and owed or otherwise due to Persons other than the Seller Parties (including, for the avoidance of doubt, (A) invoiced accounts payable and (B) accrued but uninvoiced accounts payable), other than any accounts payable arising out of the Excluded Assets;</p> <p>(vii) all Liabilities for Taxes of the Transferred Entities for any taxable period (or portion thereof);</p>

	<p>(viii) the liabilities listed on <u>Schedule 2.02(c)(ix)</u> to the Stalking Horse Agreement; <u>provided</u> that in no event shall the Liabilities assumed pursuant to this <u>Schedule 2.02(c)(ix)</u> to the Stalking Horse Agreement exceed \$2,000,000; and</p> <p>(ix) all Liabilities arising out of or relating to amounts required to be paid by Buyer under the Stalking Horse Agreement.</p> <p><i>See Stalking Horse Agreement § 2.02(c). For the avoidance of doubt, all liabilities that are not expressly listed as an Assumed Liability to be assumed under the Stalking Horse Agreement are Excluded Liabilities to be retained by the Debtors.</i></p>
<p>Sale to an Insider Local Bankruptcy Rule 6004-1(b)(iv)(A)</p>	As set forth above, the proposed Sale Transaction under the Stalking Horse Agreement is to certain affiliates of Natura, the parent and senior secured creditor of the Debtors. The measures taken to ensure the fairness of the sale process and the proposed Sale Transaction are set forth herein and in the Messer Declaration filed in support of the Motion.
<p>Agreements with Management or Key Employees Local Bankruptcy Rule 6004-1(b)(iv)(B)</p>	Since prior to 2024, Ms. Lisa Siders has served as Natura's Vice President for Corporate Tax. On or about January 22, 2024, Ms. Siders entered into an agreement with the Debtors (specifically API) to serve as API's General Counsel and Corporate Secretary effective as of February 1, 2024. Under the terms of her employment agreement(s) and agreements between API and Natura, Ms. Siders' compensation and benefits are paid or provided by the Debtors, but Natura reimburses the Debtors for approximately 50% of the cost of such compensation and benefits. In addition, Natura entered into several cash and equity-based bonus arrangements with Ms. Siders (between January 2020 and January 2024) and other API employees, including Thomas Caccamo, Karen Abravanel, and George Georgioudakis. Natura has agreed to be responsible for and assume any liability under those agreements.
<p>Releases Local Bankruptcy Rule 6004-1(b)(iv)(C)</p>	None.
<p>Private Sale/No Competitive Bidding Local Bankruptcy Rule 6004-1(b)(iv)(D)</p>	<p>This Motion contemplates an auction, and there is no provision in the Stalking Horse Agreement pursuant to which the Debtors have agreed not to solicit competing offers for the Assets or to otherwise limit shopping of the Assets.</p> <p><i>See Stalking Horse Agreement §§ 8.01; 8.03.</i></p>
<p>Closing and Other Deadlines Local Bankruptcy Rule 6004-1(b)(iv)(E)</p>	<p>Subject to the terms of the Sale Order and any other applicable order entered by the Court, the Closing shall occur no later than three (3) Business Days following the satisfaction (or waiver by the Party entitled to waive that condition) of the conditions set forth in Sections 10.01 to 10.03 of the Stalking Horse Agreement, other than conditions that by their nature are to be satisfied at the Closing, unless another time or date, or both, are agreed to in writing by the Parties.</p> <p><i>See Stalking Horse Agreement § 2.04.</i></p>
<p>Good Faith Deposit Local Bankruptcy Rule 6004-1(b)(iv)(F)</p>	None.
<p>Interim Arrangements with Stalking Horse Bidder Local Bankruptcy Rule 6004-1(b)(iv)(G)</p>	As of the Petition Date, the Debtors and the Stalking Horse Bidder have not entered into any interim agreements or arrangements in connection with the Stalking Horse Bid or pursuant to the Stalking Horse Agreement. However, the parties have agreed to cooperate and negotiate in good faith to enter into a transition services agreement as of the Closing, in form and substance reasonably acceptable to the Debtors and the Stalking Horse Bidder.

	<i>See Stalking Horse Agreement, Preliminary Statement (E) and § 3.02.</i>
Use of Proceeds Local Bankruptcy Rule 6004-1(b)(iv)(H)	None.
Tax Exemption Local Bankruptcy Rule 6004-1(b)(iv)(I)	The Debtors and the Stalking Horse Bidder are not seeking to have the Assets in the Stalking Horse Bid declared exempt from taxes under section 1146(a) of the Bankruptcy Code. <i>See Stalking Horse Agreement § 9.07.</i>
Records Retention Local Bankruptcy Rule 6004-1(b)(iv)(J)	Buyer agrees to use commercially reasonable efforts to retain all Transferred Books and Records for the longer of (a) any applicable statute of limitations and (b) the period ending on the Wind-Up Date and to make personnel of Buyer available to afford the Debtors and their Representatives reasonable access thereto, during regular business hours and upon reasonable advance notice, to the extent in each case that such access is reasonably related to any Excluded Assets or Excluded Liabilities or otherwise necessary for the Debtors to comply with the terms of this Agreement or any applicable Law. The Debtors agree to use commercially reasonable efforts to retain all books, ledgers, files, reports, plans, records, manuals and other materials (in any form or medium) that are included in the Excluded Assets for a commercially reasonable period following the Closing and to afford Buyer and its Representatives reasonable access thereto, during regular business hours and upon reasonable advance notice, to the extent in each case that such access is reasonably related to any Transferred Assets or Assumed Liabilities or otherwise necessary for Buyer to comply with the terms of this Agreement or any applicable Law or for any reasonable business purpose. <i>See Stalking Horse Agreement § 7.04.</i>
Sale of Avoidance Actions Local Bankruptcy Rule 6004-1(b)(iv)(K)	Included in the Assets are all causes of action (including 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, except as set forth on Schedule 2.02(a)(xx) of the Stalking Horse Agreement. <i>See Stalking Horse Agreement § 2.02(a)(xx).</i>
Request Findings as to Successor Liability Local Bankruptcy Rule 6004-1(b)(iv)(L)	The Debtors seek to sell the Assets to the Stalking Horse Bidder free and clear of all encumbrances (other than any permitted encumbrances or Assumed Liabilities). 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. <i>See Stalking Horse Agreement §§ 2.01-2.02.</i>
Sale Free and Clear of Unexpired Leases Local Bankruptcy Rule 6004-1(b)(iv)(M)	None.
Credit Bid Local Bankruptcy Rule 6004-1(b)(iv)(N)	The Purchase Price (<i>i.e.</i> , the Credit Bid Amount) is \$125 million in the form of a credit against the Debtors' outstanding secured obligations to Natura (and or one or more of its affiliates). <i>See Stalking Horse Agreement § 3.01.</i>

<p>Relief from Bankruptcy Rule 6004(h)</p> <p>Local Bankruptcy Rule 6004-1(b)(iv)(O)</p>	<p>It is anticipated that the proposed Sale Order will seek relief from the fourteen-day stay imposed by Bankruptcy Rule 6004(h).</p>

27. Based on the advice and counsel of Rothschild and the Debtors' other advisors, the Debtors and the Special Committee have determined, in their reasonable business judgment, that having the Stalking Horse Bidder will enhance the Debtors' ability to maximize value for the Assets and is in the best interests of its estates and creditors. Therefore, the Debtors' and the Special Committee's selection and designation of the Stalking Horse Bidder is justified and appropriate.

Bidding Procedures

A. Overview

28. The Bidding Procedures are designed to promote a competitive and timely sale process. The Bidding Procedures describe, among other things, procedures for parties to access due diligence, the manner in which bidders and Bids become "qualified," the receipt and negotiation of Bids received, the conduct of the Auction (if any), the selection and approval of the ultimately Successful Bidder(s) and any Back-Up Bidder(s), and various applicable deadlines with respect to the foregoing. If approved, the Bidding Procedures will allow the Debtors to solicit and identify Bids from potential buyers that constitute the highest or best offer(s) for the Assets on a schedule consistent with the Case Timeline. Although the Bidding Procedures set forth a proposed timetable, the Debtors will have the ability in certain instances (subject to the DIP Credit Agreement) to deviate from such timetable by exercising their reasonable business judgment in good faith.

29. As stated above, the Bidding Procedures are attached as Exhibit 1 to the proposed Bidding Procedures Order, and consequently, are not restated in their entirety herein. Pursuant to Local Bankruptcy Rule 6004-1(c), certain terms of the Bidding Procedures are highlighted in the chart below.⁶

MATERIAL TERMS OF THE BIDDING PROCEDURES	
Provisions Governing Qualification of Bidders and Qualified Bids Local Bankruptcy Rule 6004-1(c)(i)(A)–(B)	<p>A. Bid Deadline – The deadline to submit a binding and irrevocable offer to acquire some or all of the Assets is October 18, 2024 at 4:00 p.m. (Eastern Time). See Bidding Procedures Order ¶ 3; Bidding Procedures Pg. 2.</p> <p>B. Potential Bidder Requirements – To access the data room of the Debtors’ material documents, a potential bidder (a “Potential Bidder”) must submit:</p> <ol style="list-style-type: none"> 1. <u>Confidentiality Agreement</u>. An executed confidentiality agreement in form and substance that is satisfactory to the Debtors; and 2. <u>Financial Wherewithal</u>. Sufficient information, as reasonably determined by the Debtors, to allow the Debtors to determine, in their reasonable business judgment, that the interested party (i) has the financial wherewithal to consummate the Sale Transaction, and (ii) intends to access the Data Room for a bona fide purpose consistent with the Bidding Procedures. <p>See Bidding Procedures Pg. 3–4.</p> <p>C. Qualified Bid Requirements – To constitute a Qualified Bid, a Bid must include, at a minimum, the following:</p> <ol style="list-style-type: none"> 1. <u>Identity of Bidder</u>. Each Bid must fully disclose the identity of each entity that will be bidding or otherwise participating in such Bid (including any equity owners or sponsors, if the Potential Bidder is an entity formed for the purpose of consummating the Sale Transaction), and the complete terms of any such participation. 2. <u>Assets Purchased</u>. Each Bid must, in the Proposed Agreement (as defined below), indicate that the Potential Bidder proposes to acquire the assets of the Debtors through a sale pursuant to section 363 of the Bankruptcy Code and clearly state the assets contemplated by or excluded from the proposal. 3. <u>Purchase Price</u>. Each Bid must clearly identify the purchase price to be paid (the “Purchase Price”) in U.S. dollars. 4. <u>Assumed Liabilities</u>. Each Bid must clearly identify, in writing and as applicable, the particular liabilities, if any, the bidder seeks to assume. For the avoidance of doubt, a Qualified Bid may include a Bid for less than all of the Debtors’ liabilities. 5. <u>Cash Requirements</u>. Each Bid must identify that the Purchase Price is to be paid in cash in full, unless otherwise agreed by the Debtors. 6. <u>Joint Bids</u>. The Debtors may approve joint Bids in their sole and reasonable business

⁶ To the extent there is any inconsistency between the terms of the Bidding Procedures and the summary set forth herein, the terms of the Bidding Procedures shall control.

judgment on a case-by-case basis.

7. Deposit. All Bids (other than the Stalking Horse Bid) must be accompanied by a good faith deposit (the “**Good Faith Deposit**”) in the form of cash in an amount equal to ten percent (10%) of the proposed Purchase Price.
 - a. To the extent a Qualified Bid is modified before, during, or after the Auction, the Debtors reserve the right to require that such Qualified Bidder increase its Good Faith Deposit so that it equals at least ten percent (10%) of the Purchase Price at all times.
 - b. The Successful Bidder’s Good Faith Deposit shall be applied against the Purchase Price of such bidder’s Successful Bid upon the consummation of the Sale Transaction.
 - c. A Good Faith Deposit of a Qualified Bidder will be forfeited to the Debtors if: (i) the Qualified Bidder attempts to modify, amend, or withdraw its Qualified Bid, except as permitted under the Bidding Procedures Order (including the Bidding Procedures), or with the Debtors’ prior written consent during the time the Qualified Bid remains binding and irrevocable; or (ii) the Qualified Bidder is selected as a Successful Bidder or Back-Up Bidder and fails to enter into the required definitive documentation or to consummate the Sale Transaction in accordance with the Bidding Procedures Order (including the Bidding Procedures) or the applicable Court order approving such Sale Transaction.
8. Proposed Agreement. Each Bid must include an executed agreement (the “**Proposed Agreement**”) for the acquisition of the Assets marked with a redline to show the specific changes to the Proposed Agreement to the applicable form agreement distributed to Potential Bidders. Additionally, the Proposed Agreement related to such Bid must be redlined against the Stalking Horse Agreement. The Proposed Agreement shall:
 - a. Include a complete set of all disclosure schedules and exhibits thereto marked to show the specific changes to the disclosure schedules and exhibits to the Stalking Horse Agreement or form agreement distributed by the Debtors to Potential Bidders, as applicable; and
 - b. Not condition the closing of the proposed Sale Transaction on the receipt of any third-party approvals (excluding such approvals required by the Court or governmental and/or regulatory authorities).
9. Designation of Contracts. Each Bid must identify with particularity each and every Contract, the assumption and assignment of which is contemplated by the applicable Sale Transaction.
10. TSA Requirement. Each Bid must identify whether transition services will be needed, the type of such services, and the duration such services are needed.
11. Financial Information. Each Bid must contain such financial and other information to allow the Debtors to make a reasonable determination as to the Potential Bidder’s financial and other capabilities to consummate the Sale Transaction, including financial and other information setting forth adequate assurance of future performance in satisfaction of the requirements under section 365(f)(2)(B) of the Bankruptcy Code, and the Potential Bidder’s willingness to perform under any Contracts that are assumed and assigned to such party. Without limiting the foregoing, such information must include current financial statements or similar financial information certified to be true and correct as of the date thereof, proof of financing commitments if needed to consummate the transaction (not subject to any unreasonable conditions in the Debtors’ discretion), contact information for verification of such information, including any financing sources, and any other information reasonably requested by the Debtors necessary to demonstrate adequate assurance of future performance and to demonstrate that such Potential Bidder has the ability to consummate the Sale Transaction in a timely manner.

	<p>12. <u>Representations and Warranties.</u> Each Bid must include the following representations and warranties:</p> <ul style="list-style-type: none"> a. A statement that the Potential Bidder has had an opportunity to conduct, and has completed, any and all due diligence regarding the Assets prior to submitting its Bid; b. A statement that the Potential Bidder has relied solely upon its own independent review, investigation, and/or inspection of any relevant documents and the Assets in making its Bid and did not rely on any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express or implied, by operation of law or otherwise, regarding the Assets or the completeness of any information provided in connection therewith, except as expressly stated in the representations and warranties contained in the Potential Bidder's Proposed Agreement ultimately accepted and executed by the Debtors; c. A statement that the Potential Bidder agrees to serve as Back-Up Bidder, if its Bid is selected as the next highest or next best Bid after the Successful Bid with respect to the Assets; d. A statement that the Potential Bidder has not (i) engaged in any collusion with respect to the submission of any Bid or the Auction, (ii) entered into an agreement or negotiated towards terms of an agreement that would restrict a party's ability to submit a Bid or engage in discussions with other parties surrounding the submission of a Bid,⁷ or (iii) taken any other action to, or that could, prevent a transparent and competitive Marketing and Sale Process; <i>provided, that</i>, certain joint Bids may be permitted in the Debtors' discretion as set forth in the Bidding Procedures; e. A statement that all proof of financial ability to consummate the Sale Transaction in a timely manner and all information provided to support adequate assurance of future performance is true and correct; and f. A statement that the Potential Bidder agrees to be bound by the terms of the Bidding Procedures and that it and its Bid complied therewith. <p>13. <u>Required Approvals.</u> Each Bid must include a statement or evidence: (i) that the Potential Bidder has not conditioned their Bid on (a) obtaining financing, (b) any internal approval, or (c) the outcome or review of outstanding or unperformed due diligence; (ii) that the Potential Bidder has made or will make in a timely manner all necessary filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or other antitrust laws, as applicable, and pay the fees associated with such filings; (iii) identifying each governmental and regulatory third-party approval required for the Potential Bidder to consummate the Sales Transaction, if any, and the Potential Bidder's plan and ability to obtain all requisite governmental, regulatory, or other third-party approvals and the proposed timing for the Potential Bidder to undertake the actions required to obtain such approvals; and (iv) that the Bid is reasonably likely (based on antitrust or other regulatory issues, experience, and other considerations) to be consummated, if selected as the Successful Bid or as the Back-Up Bid, within a time frame acceptable to the Debtors. A Potential Bidder further agrees that its legal counsel will coordinate in good faith with the Debtors' legal counsel to discuss and explain such Potential Bidder's regulatory analysis, strategy, and timeline for securing all such approvals as soon as reasonably practicable.</p> <p>14. <u>Authorization.</u> Each Bid must include evidence of corporate authorization and approval from the Potential Bidder's board of directors (or comparable governing body) with respect to the submission, execution, and delivery of a Bid, participation in the Auction, and closing of the transactions contemplated by the Potential Bidder's Proposed Agreement in</p>
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⁷ For the avoidance of doubt, prior to any Potential Bidder in its capacity as such engaging in any communication with another Potential Bidder in its capacity as such regarding a potential Bid, the Potential Bidder initiating such communication must obtain prior written consent from the Debtors.

	<p>accordance with the terms of the Bid and the Bidding Procedures.</p> <p>15. <u>Other Requirements.</u></p> <ul style="list-style-type: none"> a. <u>Unconditional Offer / Contingencies.</u> Each Bid must contain a statement that the Bid is formal, binding, and unconditional, is not subject to any further due diligence or financing contingency, and is irrevocable until the Debtors notify the Potential Bidder that such Bid is not a Successful Bid or a Back-Up Bid, or until the first business day after the close of the Sale Transaction. b. <u>No Entitlement to Break-Up Fee, Expense Reimbursement or Other Amounts.</u> Each Bid must expressly state that the Bid does not entitle the Potential Bidder to any break-up fee, termination fee, expense reimbursement or similar type of payment or reimbursement, and a waiver of any substantial contribution administrative expense claims under section 503(b) of the Bankruptcy Code related to the Marketing and Sale Process. c. <u>Disclosure of Connections.</u> Each Bid must fully disclose any connections or agreements with the Debtors, any other known Potential Bidder and/or any officer, director, or equity owner of the Debtors. d. <u>Contact Information.</u> A Potential Bidder must provide the contact information of the specific person(s) whom the Debtors or their advisors should contact in the event that the Debtors have any questions or wish to discuss the Bid submitted by the Potential Bidder. e. <u>Covenant to Cooperate.</u> A Potential Bidder must covenant to cooperate with the Debtors to provide pertinent factual information regarding the Potential Bidder's operations reasonably required to analyze issues arising with respect to any applicable antitrust laws and other applicable regulatory requirements. <p><i>See Bidding Procedures Pgs. 5–9.</i></p> <ul style="list-style-type: none"> D. The Debtors reserve the right to work with any Potential Bidder in advance of the Auction to cure any deficiencies in a Bid that is not initially deemed a Qualified Bid. <i>See Bidding Procedures Pg. 10.</i> E. The Debtors reserve the right as they may reasonably determine in their sole discretion, in consultation with the Creditors' Committee to the extent set forth herein, to be in the best interest of the Debtors' estates, to waive terms and conditions with respect to any Potential Bidder. <i>See Bidding Procedures. Pg. 5.</i> F. Without the written consent of the Debtors, a Qualified Bidder may not modify, amend, or withdraw its Qualified Bid, except for proposed amendments to increase the Purchase Price or otherwise improve the terms of the Qualified Bid for the Debtors during the period that such Qualified Bid remains binding as specified herein, including at the Auction. <i>See Bidding Procedures Pg. 9.</i>
<p>Bid Protections to Stalking Horse Bidder Local Bankruptcy Rule 6004-1(c)(i)(D)</p>	<ul style="list-style-type: none"> A. Minimum Overbid Increments – Any Overbid (as defined below) after and above the Stalking Horse Bid shall be made in an initial increment valued at not less than \$6 million. The Debtors reserve the right, after consultation with the Creditors' Committee and with the recommendation of the Special Committee, to announce reductions or increases in the minimum incremental bids (or in valuing such bids) at any time during the Auction (if any). <i>See Bidding Procedures Pg. 12.</i> B. There are no other proposed bid protections provided to the Stalking Horse Bidder under the Stalking Horse Agreement.

<p>Modification of Bidding and Auction Procedures Local Bankruptcy Rule 6004-1(c)(i)(D)</p>	<p>A. Nothing in the Bidding Procedures shall require the Debtors to take any action, or to refrain from taking any action to the extent the Debtors determine that refraining from taking such action or taking such action, as applicable, would be inconsistent with applicable law or its fiduciary obligations under applicable law.</p> <p>B. The Debtors shall have the right, as they may reasonably determine to be in the best interests of their estates and subject to their fiduciary duties (including, for the avoidance of doubt, with the recommendation of the Special Committee, where appropriate or required), to carry out the Bidding Procedures, 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 the Bidding Procedures Order (including the Bidding Procedures); (vi) withdraw the 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 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 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.</p> <p><i>See Bidding Procedures Pg. 15.</i></p>
<p>Closing with Alternative Backup Bidders Local Bankruptcy Rule 6004-1(c)(i)(E)</p>	<p>A. The Debtors and the Special Committee may, in the exercise of their business judgment, identify the highest or otherwise best Qualified Bid as the “Successful Bid,” and the bidder submitting such bid, the “Successful Bidder,” which may be the Stalking Horse Bid and the Stalking Horse Bidder, respectively. The Debtors and the Special Committee may also identify a Qualified Bid that is the next highest or otherwise best Qualified Bid as a back-up Bid (the “Back-Up Bid” and the bidder submitting such Bid, the “Back-Up Bidder”), which may be the Stalking Horse Bid.</p> <p>B. A Back-Up Bid shall remain open and irrevocable until the earliest to occur of: (i) consummation of the Sale Transaction with the Successful Bidder; (ii) ninety (90) calendar days following the date on which the Debtors identified the Back-Up Bidder’s Bid as the Back-Up Bid; (iii) the release of such Back-Up Bid by the Debtors in writing; or (iv) solely with respect to the Stalking Horse Bid, as provided for in the Stalking Horse Agreement (such date, the “Back-Up Bid Expiration Date”).</p> <p>C. If a Sale Transaction with a Successful Bidder is terminated prior to the Back-Up Bid Expiration Date, the Back-Up Bidder shall be deemed a Successful Bidder and shall be obligated to consummate the Back-Up Bid as if it were the Successful Bidder.</p> <p><i>See Bidding Procedures Pg. 12–13.</i></p>
<p>Provisions Governing the Auction Local Bankruptcy Rule 6004-1(c)(ii)</p>	<p>If the Debtors and the Special Committee determine that no Qualified Bid (other than the Stalking Horse Bid) was received by the Qualified Bid Deadline, the Debtors will not conduct the Auction, and shall file a notice with the Court indicating that no Auction will be held. The Debtors shall also publish such notice on the Case Website. To the extent the only Qualified Bid received is from the Stalking Horse Bidder, the Stalking Horse Bidder shall be deemed the Successful Bidder. <i>See Bidding Procedures Pg. 11.</i></p> <p>If the Debtors receive two (2) or more Qualified Bids with respect to the Assets, the Debtors shall conduct the Auction on October 22, 2024 at 10:00 a.m. (prevailing Eastern Time) at (i) the offices of</p>

Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, and/or (ii) virtually, pursuant to procedures to be announced to Qualified Bidders, or such other later date as may be determined by the Debtors and upon notice to all parties in interest. *See Bidding Procedures Pg. 11.*

Participants and Attendees at Auction:

- A. Only Qualified Bidders will be eligible to participate at the Auction, subject to such limitations as the Debtors may impose in good faith. *See Bidding Procedures Pg. 11.*
- B. Professionals and/or other representatives of the Qualified Bidders and the Debtors shall be permitted to attend and observe the Auction. *See Bidding Procedures Pg. 11.*
- C. A creditor of the Debtors may attend and observe the Auction; *provided, that*, such creditor provides the Debtors with written notice of its intention to attend the Auction on or before one (1) business day prior to the Auction, which written notice shall be sent to the Debtor Notice Parties via electronic mail. *See Bidding Procedures Pg. 11.*
- D. Each Qualified Bidder participating in the Auction shall confirm in writing and on the record at the Auction that: (i) it has not engaged in any of the foregoing prohibited actions; and (ii) its Qualified Bid is a good faith bona fide offer that it intends to consummate if selected as a Successful Bidder or Back-Up Bidder. Notwithstanding anything to the contrary herein, nothing in the Bidding Procedures shall prohibit or limit any discussion, communication, negotiation, or coordination (x) among advisors or members of the Creditors' Committee regarding a potential Bid or (y) between or among the Creditors' Committee and/or other parties in interest with respect to any matters other than submission of a Bid for the Auction by such parties so discussing, communicating, negotiating, or coordinating (which, for the avoidance of doubt, excludes a Bid by an individual member or members of the Creditors' Committee, so long as such individual member or members is not party to such discussions, communications, negotiations or coordination). *See Bidding Procedures Order ¶ 6.*

Auction Procedures:

- A. Open Auction. The Auction will be conducted openly and shall be transcribed or recorded on a non-confidential basis.
- B. Starting Bid and Minimum Overbid Amount. At the Auction, Qualified Bidders (including the Stalking Horse Bidder) will be permitted to increase their bids. At the outset of the Auction, the Debtors will determine and announce the highest or otherwise best Bid for the Assets, which Bid will serve as the starting Bid (the "**Starting Bid**"). Bidding will start at the Purchase Price and terms proposed in the Starting Bid, and will proceed thereafter in increments valued at not less than \$2 million for any subsequent Bid thereafter.
- C. Disclosure of Bids. All material terms of a Bid submitted in response to any successive Bids made at the Auction (each, an "**Overbid**") will be disclosed to all other Qualified Bidders participating in the Auction.

See Bidding Procedures Pgs. 11.

Absent advance consent of the Debtors, pursuant to 18 U.S.C. §§ 156 and 157, Potential Bidders and their representatives may not in their capacity as such communicate with one another, collude, or otherwise coordinate (including regarding a joint Bid), regarding any potential or submitted Bid or for purposes of participating in the Auction. All parties are prohibited from (i) engaging in any collusion with respect to the Marketing and Sale Process (including the Auction and submission of any Bid), (ii) entering into an agreement or negotiating towards terms of an agreement that would restrict a party's ability to submit a Bid or engage in discussions with other parties surrounding the submission of

	a Bid, or (iii) taking any other action to prevent a transparent and competitive Marketing and Sale Process; <i>provided, that</i> , certain joint Bids may be permitted with the advance consent of the Debtors. The Debtors reserve the right, in their reasonable business judgment, to disqualify any Potential Bidders that fail to comply with any of the foregoing. <i>See</i> Bidding Procedures Pg. 12.
Relief from Bankruptcy Rule 6004(h) Local Bankruptcy Rule 6004-1(b)(iv)(O)	This Motion seeks, and the proposed Bidding Procedures Order approves, relief from the fourteen-day stay imposed by Bankruptcy Rule 6004(h). <i>See</i> Bidding Procedures Order ¶ 39.

B. Key Dates and Deadlines

30. Consistent with the Case Timeline set forth in the Bidding Procedures and the Bidding Procedures Order, the Debtors propose the key dates and deadlines for the Marketing and Sale Process listed in Paragraph 9 hereof. In accordance with the proposed Bidding Procedures Order and the Bidding Procedures, in certain instances, the Debtors shall have the right to extend or modify the Case Timeline in the Debtors' reasonable business judgment and in good faith by filing a notice of such extension or modification on the Court's docket.

31. The time periods set forth in the Bidding Procedures are reasonable. Under the proposed timeline, there will be sixty-seven (67) calendar days between the date hereof and the Bid Deadline. This period will provide parties with sufficient time to formulate Bids to purchase the Assets. Further, the Debtors and Rothschild have commenced initial outreach to Potential Bidders and, upon their execution of confidentiality agreements, are ready to provide such parties with extensive information regarding the Assets, which has already been uploaded to a virtual data room.

32. Accordingly, parties that may have an interest in bidding likely will have sufficient time before the Bid Deadline to conduct diligence and evaluate the Assets so they will not be bidding in a vacuum and can formulate a Bid on an informed basis. In addition, subject to

the execution of appropriate confidentiality agreements, Potential Bidders who have not previously conducted diligence on the Assets will have immediate access to a substantial body of information regarding the Assets, including information gathered based upon specific due diligence requests of the Stalking Horse Bidder.

C. Noticing Procedures

33. The Bidding Procedures and/or Bidding Procedures Order provide for the following Noticing Procedures:

- (a) Sale Notice. As soon as reasonably practicable, but no later than three (3) business days after entry of the Bidding Procedures Order, the Debtors will file with the Court, serve on the Sale Notice Parties and all parties listed on the Debtors' creditor matrix, and cause to be published on the Case Website the Sale Notice, which will set forth: (i) a general description of the Assets for sale; (ii) the Case Timeline; and (iii) the procedures for filing objections to a Sale Transaction (each, a "**Sale Objection**").
- (b) Objection Notice Parties. The "**Objection Notice Parties**" shall include the following parties:
 - (i) the Debtor Notice Parties;⁸
 - (ii) the United States Trustee for the District of Delaware;
 - (iii) the Creditors' Committee; and
 - (iv) Natura.
- (c) Selection of Qualified Bids. The Debtors, in their reasonable business judgment and with the recommendation of the Special Committee, will determine which timely and properly submitted Bids should be designated as Qualified Bids no later than **October 21, 2024 at 4:00 p.m. (prevailing Eastern Time)** (the "**Qualified Bid Deadline**"), and will notify Potential Bidders

⁸ The "**Debtor Notice Parties**" means the following, and each other representative advised by the Debtor in writing from time to time: (i) Weil, Gotshal & Manges LLP (Attn: Ronit J. Berkovich (ronit.berkovich@weil.com); Matthew P. Goren (matthew.goren@weil.com); and Alejandro Bascoy (alejandro.bascoy@weil.com)); (ii) Richards, Layton & Finger, PA (Attn: Michael J. Merchant (merchant@rlf.com) and Zachary I. Shapiro (shapiro@rlf.com); and (iii) Rothschild & Co (Attn: Marcelo Messer (marcelo.messer@rothschildandco.com); and Pratyush Hiremath (pratyush.hiremath@rothschildandco.com)).

whether they have been selected as Qualified Bidders by the Qualified Bid Deadline.

- (d) Notice of Hearing if Auction Not Held. If no Qualified Bid (other than the Stalking Horse Bid) is received by the Qualified Bid Deadline, the Debtors will not conduct the Auction and will file with the Court, serve on the Objection Notice Parties, and cause to be published on the Case Website, by no later than **October 21, 2024 at 4:00 p.m. (prevailing Eastern Time)**, a notice (i) indicating that the Auction for the Assets has been cancelled, (ii) indicating that the Stalking Horse Bidder is the Successful Bidder for the Assets, (iii) setting forth the date and time of the Sale Hearing, and (iv) setting forth the Sale Objection Deadline.
- (e) Notice of Auction Results. The Debtors will, within one (1) business day after designating the (provisional) Successful Bid(s) at the Auction, file with the Court, serve on the Objection Notice Parties (and each Counterparty to an Assigned Contract in a Successful Bid, if known), and cause to be published on the Case Website a notice of the results of the Auction (the “**Notice of Auction Results**”), which shall: (i) identify the Successful Bid, Successful Bidder, Back-Up Bid, and Back-Up Bidder; (ii) list all Assigned Contracts in the Successful Bids and Back-Up Bids, if known; (iii) identify any known proposed assignee(s) of Assigned Contracts (if different from the applicable Successful Bidder or Back-up Bidder); and (iv) set forth the deadline and procedures for filing objections based on any inadequacy of the Adequate Assurance Information and other Sale Objections in response to the Notice of Auction Results.

34. The Noticing Procedures constitute adequate and reasonable notice of the key dates and deadlines for the Marketing and Sale Process, including, among other things, the Sale Objection Deadline, the Bid Deadline, and the time and location of the Auction and the Sale Hearing. Accordingly, the Debtors request that the Court find that the Noticing Procedures are adequate and appropriate under the circumstances, and comply with the requirements of Bankruptcy Rule 2002.

Assumption and Assignment Procedures

35. In connection with a Sale Transaction, the Debtors may assume and assign Assigned Contracts that are desired by the Successful Bidder(s). The Assumption and Assignment Procedures set forth in the proposed Bidding Procedures Order are designed to, among other things, govern the Debtors' provision of Adequate Assurance Information and provide notice of proposed Cure Costs to relevant Counterparties.

36. The Debtors will serve the Assignment and Cure Notice on all Counterparties regarding the proposed assumption and assignment of Assigned Contracts. The Assignment and Cure Notice will identify the Debtors' calculation of any Cure Costs payable if the Debtors propose to ultimately assume and assign such Contract. As set forth above, each Counterparty will have ample time to object to the Debtors' calculation of such Cure Costs, approximately fourteen (14) calendar days after service of the Assignment and Cure Notice.

37. Further, as set forth in the Bidding Procedures, for a Bid to qualify as a "Qualified Bid," a Potential Bidder must include with its Bid proof of its financial ability to perform in satisfaction of the requirements under section 365(f)(2)(B) of the Bankruptcy Code with respect to any Contracts to be assumed and assigned ("**Adequate Assurance Information**"). The Debtors will provide Adequate Assurance Information to all Counterparties to the Assigned Contracts and such Counterparties will have an opportunity to file an objection approximately **fourteen (14) calendar days** after service of the Assignment and Cure Notice with respect to the Stalking Horse Bidder.

**Relief Requested Is Warranted
and in the Best Interests of the Debtors and Their Stakeholders**

A. The Bidding Procedures Are Fair and Reasonable

38. The Bidding Procedures are designed to promote the paramount goal of any proposed sale of property of a debtor's estate—maximizing the value of sale proceeds received by the estate. *See Burtch v. Ganz (In re Mushroom Co.)*, 382 F.3d 325, 339 (3d Cir. 2004) (finding that the debtor had the fiduciary duty to maximize and protect the value of the estate's assets); *In re Food Barn Stores, Inc.*, 107 F.3d 558, 564-65 (8th Cir. 1997) (recognizing that the main goal of any proposed sale of the property of a debtor's estate is to maximize value). Courts uniformly recognize that procedures established for the purpose of enhancing competitive bidding are consistent with the fundamental goal of maximizing value of a debtor's estate. *See Calpine Corp. v. O'Brien Envtl. Energy, Inc. (In re O'Brien Envtl. Energy, Inc.)*, 181 F.3d 527, 537 (3d Cir. 1999) (noting that bidding procedures that promote competitive bidding provide a benefit to a debtor's estate); *Official Comm. of Subordinated Bondholders v. Integrated Res. Inc. (In re Integrated Res. Inc.)*, 147 B.R. 650, 659 (S.D.N.Y. 1992) (observing that sale procedures "encourage bidding and . . . maximize the value of the debtor's assets").

39. The Bidding Procedures provide for an orderly, uniform, and competitive process through which interested parties may submit offers to purchase the Assets. The Debtors, with the assistance of their advisors, have structured the Bidding Procedures to promote active bidding by interested parties and to reach the highest or best offer reasonably available for the Assets. Additionally, the Bidding Procedures will allow the Debtors to conduct the Auction, if necessary, in a fair and transparent manner that will encourage participation by financially capable bidders with demonstrated ability to timely consummate a Sale Transaction. The Bidding Procedures provide the Debtors and the Special Committee with an adequate

opportunity to consider competing Bids and to select the highest or best offers for the potential completion of a Sale Transaction.

40. In addition, the existence of the Stalking Horse Bid attracts additional bidders because, among other things, additional bidders will be able to save considerable time and expense because they can use many of the documents that the Stalking Horse Bidder heavily negotiated, including, among other things, the Stalking Horse Agreement and the schedules thereto. In sum, if the Assets are sold to a Successful Bidder other than the Stalking Horse Bidder, the Sale Transaction likely will be the result of the Stalking Horse Bidder's constructive role as an initial bidder that generated interest in the Assets and established an acceptable price and offer against which other parties can bid.

41. An orderly and efficient marketing and sale process is critical to preserve and realize the Debtors' going concern value and maximize recoveries for the Debtors' stakeholders. In formulating the Bidding Procedures, the Debtors balanced the need to provide adequate and appropriate notice to parties in interest and Potential Bidders with the need to timely and competitively run a sale process. The Bidding Procedures provide for marketing of the Assets and for the prompt consummation of a Sale Transaction.

42. Courts in this and other districts have approved procedures substantially similar to the proposed Bidding Procedures. *See, e.g., In re Supply Source Enterprises, Inc.*, Case No. 24-11054 (BLS) (Bankr. D. Del. July 10, 2024) (Docket No. 222); *In re Coach USA, Inc.*, Case No. 24-11258 (MFW) (Bankr. D. Del. July 9, 2024) (Docket No. 241); *In re Ambri Inc.*, Case No. 24-10952 (LSS) (Bankr. D. Del. June 12, 2024) (Docket No. 160); *In re NanoString Technologies, Inc.*, Case No. 24-10160 (CTG) (Bankr. D. Del. Mar. 28, 2024) (Docket No. 384); *In re Timber Pharmaceuticals, Inc.*, Case No. 23-11878 (JKS) (Bankr. D. Del.

Jan. 22, 2024) (Docket No. 205). Accordingly, for the reasons set forth herein, the Bidding Procedures should be approved.

B. Sale Transaction

43. Ample authority exists for approval of a sale envisioned by this Motion. Section 363 of the Bankruptcy Code provides, in relevant part, “[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Although section 363 of the Bankruptcy Code does not specify a standard for determining when it is appropriate for a court to authorize the use, sale, or lease of property of the estate, courts routinely authorize a sale of a debtor’s assets if such sale is based upon the sound business judgment of the debtor. *See, e.g., Meyers v. Martin (In re Martin)*, 91 F.3d 389, 395 (3d Cir. 1996) (citing *In re Schipper*, 933 F.2d 513 (7th Cir. 1991)); *In re Chateaugay Corp.*, 973 F.2d 141, 143 (2d Cir. 1992); *Stephen Indus., Inc. v. McClung*, 789 F.2d 386 (6th Cir. 1986); *Comm. of Equity Security Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1071 (2d Cir. 1983).

44. Courts typically consider the following factors in determining whether a sale satisfies this standard: (i) whether a sound business justification exists for the sale; (ii) whether adequate and reasonable notice of the sale was provided to interested parties; (iii) whether the sale will produce a fair and reasonable price for the property; and (iv) and whether the parties have acted in good faith. *See In re Decora Indus., Inc.*, Case No. 00-4459, 2002 WL 32332749, at *2 (D. Del. May 20, 2002) (citing *In re Del. & Hudson Ry. Co.*, 124 B.R. 169, 176 (D. Del. 1991)). Where a debtor demonstrates a valid business justification for a decision, it is presumed that “in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best

interests of the company.” *In re Integrated Res., Inc.*, 147 B.R. at 656 (quoting *Smith v. Van Gorkom*, 488 A.2d 858, 872 (Del. 1985)).

1. *The Debtors Have Demonstrated a Sound Business Justification for a Sale Transaction*

45. A sound business purpose for a sale of a debtor’s assets outside the ordinary course of business exists where such sale is necessary to preserve the value of the estate for the benefit of creditors and interest holders. *See, e.g., In re Abbotts Dairies of Pa., Inc.*, 788 F.2d 143 (3d Cir. 1986); *In re Lionel Corp.*, 722 F.2d at 1063; *see also In re Food Barn Stores, Inc.*, 107 F.3d at 564–65 (recognizing that the paramount goal of any proposed sale of the property of the estate is to maximize value).

46. As set forth above and in the Messer Declaration, a strong business justification exists for a Sale Transaction as described herein. A timely and efficient sale of the Debtors is necessary to realizing its going concern value and, in turn, to maximizing recoveries for the Debtors’ stakeholders. Based upon the record to be made at the Sale Hearing, pursuing a Sale Transaction, subject to the Debtors’ right to consider all potential alternatives, represents a reasonable exercise of the Debtors’ business judgment and is in the best interests of all parties.

47. To the extent Natura is an “insider” of the Debtors within the meaning of section 101(31) of the Bankruptcy Code, the Sale Transaction contemplated by the Stalking Horse Agreement may, as described below, be subject to the heightened “entire fairness” standard. The Debtors submit the “entire fairness” standard should not apply because the evaluation of whether to enter into the Stalking Horse Agreement, and the negotiation leading up to its execution, were undertaken entirely by the independent Special Committee rather than by the Debtors. In addition, the decision to enter into the Stalking Horse Agreement was made by the independent board of directors of each of the Debtors (the “**Boards**”) in accordance with the

Special Committee's recommendation and authorization to enter into such transaction. However, even if the Court applied the "entire fairness" standard in assessing the suitability of the Stalking Horse Agreement as a proposed Sale Transaction, the Debtors' and the Special Committee's actions and approach in assessing the terms contemplated by the Stalking Horse Agreement more than satisfy this standard.

48. In evaluating a proposed transaction with a debtor involving "insiders," courts "require a showing that the transaction is entirely fair." *In re Zenith Elecs. Corp.*, 241 B.R. 92, 108 (Bankr. D. Del. 1999); *see also In re L.A. Dodgers LLC ("Dodgers")*, 457 B.R. 308, 313 (Bankr. D. Del. 2011) (applying "entire fairness" standard in lieu of business judgment rule to financing transaction where principal stood to personally benefit); *Citicorp Venture Capital, Ltd. v. Comm. of Creditors Holdings Unsecured Claims ("Papercraft")*, 211 B.R. 813, 823 (W.D. Pa. 1997) ("[I]nsider transactions are subjected to rigorous scrutiny and when challenged, the burden is on the insider not only to prove the good faith of a transaction but also to show the inherent fairness from the viewpoint of the corporation and those with interests therein." (citation omitted)), *aff'd*, 160 F.3d 982 (3rd Cir. 1998).

49. The "entire fairness" standard has two basic aspects, fair dealing and fair price, which are examined together as a whole. *Weinberger v. UOP, Inc.*, 457 A.2d 701, 711 (Del. 1983); *Official Unsecured Creditors' Comm. of Broadstripe, LLC v. Highland Capital Mgmt., L.P. (In re Broadstripe, LLC)*, 444 B.R. 51, 106 (Bankr. D. Del. 2010); *see also In re Innkeepers USA Tr.*, 442 B.R. 227, 231 (Bankr. S.D.N.Y. 2010) ("In applying heightened scrutiny, courts are concerned with the integrity and entire fairness of the transaction at issue, typically examining whether the process and price of a proposed transaction not only appear fair but are fair and whether fiduciary duties were properly taken into consideration."). Generally

speaking, the insider in such a transaction bears the burden of showing the “entire” or “inherent” fairness of the transaction at issue. *See Dodgers*, 457 B.R. at 313; *see also Papercraft*, 211 B.R. at 823. However, courts in Delaware have established that the burden of proving unfairness shifts to the party challenging the transaction where the transaction was approved by an independent committee of directors. *See Kahn v. Lynch Comm’ns Sys., Inc.*, 638 A.2d 1110, 1117 (Del. 1994); *see also In re Match Grp., Inc. Deriv. Litig.*, 315 A.3d 446, 465 (Del. 2024) (“[T]he burden of entire fairness ‘may shift, of course, if an independent committee of directors has approved the transaction.’”⁹ (quoting *Levco Alt. Fund Ltd. V. Reader’s Dig. Ass’n, Inc.*, 803 A.2d 428 (Del. 2002)).

50. Here, although the Debtors do not bear the burden of proof in establishing the fairness of the Stalking Horse Agreement, the Debtors have clearly satisfied both the “fair process” and “fair price” prongs of the “entire fairness” standard.

51. Fair Process. With respect to process, the Stalking Horse Agreement was reached only after extensive arm’s-length negotiations under the oversight and with the recommendation of the Special Committee. Over the course of several weeks leading up to the Petition Date, many draft versions and mark-ups of the Stalking Horse Agreement were exchanged by counsel of the respective parties until they ultimately reached an agreement on August 12, 2024. In addition, the Special Committee recommended to the Boards, after due consultation with the Debtors’ legal advisors, financial advisors, and investment bankers, that it

⁹ AIO, which is selling the largest portion of the Assets, is a Delaware corporation. API, which is also selling a portion of the Assets, is a New York corporation. The standard of review for the exercise of fiduciary duties under New York law is substantially similar to that of Delaware law. New York courts will defer to the exercise of sound business judgment by corporate officers and directors in the absence of self-interest or bad faith. *In re Kenneth Cole Prods., Inc.*, 27 N.Y.3d 268, 276 (2016). If the transaction involves a conflict of interest, the entire fairness standard applies. *Id.* As in Delaware, the entire fairness standard requires a showing of a fair process and a fair price. *Id.* at 275. If the transaction was approved by an independent committee, the burden to prove that the transaction was not entirely fair shifts to the objecting party. *Id.* at 276.

was in the Debtors' best interest to enter into such transaction. *See, e.g., In re BGC Partners, Inc. Deriv. Litig.*, 2022 WL 3581641, at *18 (Del. Ch. Aug. 19, 2022) (explaining that, where “[a]t least a majority of the Special Committee members was independent throughout the negotiations[,] [t]he Special Committee devoted substantial time to its work and retained independent advisors[,] [a]nd, after months of due diligence, a deal was reached following arm’s-length bargaining where the Special Committee obtained its desired structure and a favorable price, [e]ach of these factors supports a legal conclusion of fair dealing”), *aff’d*, 303 A.3d 337 (Del. 2023).

52. Fair Price. The price is fair because the Debtors' Marketing and Sale Process will provide interested parties a meaningful opportunity to review and diligence the Debtors' Assets and to position them to submit Bids. Subject to the oversight and recommendation of the Special Committee, the Debtors and Rothschild intend to commence the Marketing and Sale Process immediately in order to solicit additional Bids for a Sale Transaction. Rothschild has already identified approximately forty (40) parties that are reasonably likely to be interested in consummating a proposed Sale Transaction, including both strategic buyers and financial institutions. Rothschild intends to commence its initial outreach to these parties by the week of August 12, 2024 and, upon execution of confidentiality agreements, distribute requests for proposals to any interested parties.

53. Parties that return executed confidentiality agreements will be granted access to a virtual data room containing information necessary for those parties to conduct diligence. The virtual data room will include, among other things, a detailed confidential information memorandum describing the Debtors' assets, operations, business plan, and financial profile. Following the Bid Deadline, Rothschild, along with the Special Committee, on behalf of

the Debtors, will evaluate any Bids that are received to determine which should be designated as a Qualified Bid, if any.

54. In addition, the fairness of the process (as discussed above) that led to entry into the Stalking Horse Agreement bolsters the conclusion as to fair price. *See, e.g., ACP Master, Ltd. v. Sprint Corp.*, 2017 WL 3421142, at *19 (Del. Ch. July 21, 2017) (explaining that a “strong record of fair dealing can influence the fair price inquiry and lead to a conclusion that the price was fair”), *aff’d*, 184 A.3d 1291 (Del. 2018).

55. In sum, the process that led the Debtors to agree to, and the Special Committee to recommend and authorize entry into, the Stalking Horse Agreement was at all times conducted in good faith and at arm’s length, the terms of the Stalking Horse Agreement are likewise fair, and entry into the Stalking Horse Agreement is in the best interest of the Debtors’ estates. Accordingly, the Debtors’ entry into the Stalking Horse Agreement satisfies the entire fairness standard to the extent such standard applies.

2. *The Noticing Procedures Are Reasonable and Appropriate*

56. The Sale Notice and other notices the Debtors propose to provide, as set forth in the proposed Bidding Procedures Order (including the Bidding Procedures), is adequate and reasonable. Such notice will ensure that actual and sufficient notice of any Auction, the Sale Hearing, and any Sale Transaction will be provided to all known creditors and Counterparties of the Debtors. Such notice, together with notice by publication, will enable the Court to make findings at the Sale Hearing and in the Sale Order that the ultimate purchaser of the Assets, whether it be the Stalking Horse Bidder or otherwise, shall not be liable under theories of successor liability in connection with the Assets.

3. *The Bidding Procedures are Likely to Produce a Fair and Reasonable Purchase Price for the Assets*

57. The purchase price under the Stalking Horse Agreement is fair and reasonable and, as noted above, entirely fair for the Assets. The Stalking Horse Bid is an offer to purchase the Assets for a price that the Debtors, with the advice of their advisors and recommendation of the Special Committee, have already determined to be fair and reasonable. Given that the Stalking Horse Bid will serve as a floor for Qualified Bids for the Assets, the Debtors are confident that the Marketing and Sale Process will culminate in the Debtors' obtaining the highest or best value for the Assets.

58. The Bidding Procedures were carefully designed to facilitate a robust and competitive bidding process. The Bidding Procedures provide an appropriate framework for the Debtors and the Special Committee to review, analyze, and compare all Bids received to determine which non-Stalking Horse Bids, if any, are in the best interests of the Debtors' estates and their stakeholders. The Bidding Procedures undoubtedly will serve the important objective of obtaining the highest and best Bids for the purchase of the Assets, which will enable the Debtors, as they consider all restructuring alternatives, to realize the highest or best value for the benefit of all parties in interest in these chapter 11 cases. The Debtors' compliance with the Bidding Procedures Order (including the Bidding Procedures) will provide the basis for a finding that the purchase price represents reasonably equivalent value and is fair and reasonable.

4. *Protections as Good Faith Purchaser*

59. Section 363(m) of the Bankruptcy Code protects a good faith purchaser's interest in property purchased from a debtor even if approval of a sale conducted under section 363(b) of the Bankruptcy Code is later reversed or modified on appeal. Specifically, section 363(m) of the Bankruptcy Code states the following:

The reversal or modification on appeal of an authorization under [section 363(b) of the Bankruptcy Code] . . . does not affect the validity of a sale . . . to an entity that purchased . . . such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale . . . were stayed pending appeal.

11 U.S.C. § 363(m).

60. Section 363(m) of the Bankruptcy Code fosters the “policy of not only affording finality to the judgment of the bankruptcy court, but particularly to give finality to those orders and judgments upon which third parties rely.” *In re Abbotts Dairies of Pa., Inc.*, 788 F.2d at 147; *see Allstate Ins. Co. v. Hughes*, 174 B.R. 884, 888 (S.D.N.Y. 1994) (“Section 363(m) of the Bankruptcy Code . . . provides that good faith transfers of property will not be affected by the reversal or modification on appeal of an unstayed order, whether or not the transferee knew of the pendency of the appeal”); *In re Stein & Day, Inc.*, 113 B.R. 157, 162 (Bankr. S.D.N.Y. 1990) (“pursuant to 11 U.S.C. § 363(m), good faith purchasers are protected from the reversal of a sale on appeal unless there is a stay pending appeal”); *In re Rickel Home Ctrs., Inc.*, 209 F.3d 291, 296 (3d Cir. 2000) (“[S]ection 363(m) of the Bankruptcy Code . . . protects good faith purchasers or lessees of property of the bankruptcy estate from the effects of a reversal or modification on appeal or the authorization to sell or lease the property, if the appellant fails to obtain a stay.”); *Pittsburgh Food & Beverage, Inc. v. Ranallo*, 112 F.3d 645, 651 (3d Cir. 1997) (quoting *In re Gilchrist*, 891 F.2d 559, 560 (5th Cir. 1990) (“Section 363(m) [of the Bankruptcy Code] patently protects, from later modification on appeal, an authorized sale where the purchaser acted in good faith and the sale was not stayed pending appeal.”)).

61. Although the Stalking Horse Bidder may be an “insider,” the Debtors (subject to the Special Committee’s oversight) and the Stalking Horse Bidder have agreed to the Stalking Horse Agreement without collusion, in good faith, through arm’s-length negotiations,

and pursuant to the recommendation and authorization of the Special Committee and the approval of the independent Boards. To that end, the Stalking Horse Bidder and the Debtors have engaged separate counsel to represent their respective interests in the negotiation of the Stalking Horse Agreement, and in the Marketing and Sale Process generally which, on behalf of the Debtors, is being overseen by the Special Committee. To the best of the Debtors' knowledge, information, and belief, no party has engaged in any conduct that would cause or permit the Stalking Horse Bid to be set aside under section 363(m) of the Bankruptcy Code.

62. Further, and as set forth above, the Bidding Procedures are designed to produce a fair and transparent competitive bidding process. Any additional asset purchase agreements with any Successful Bidders executed by the Debtors will similarly be negotiated at arm's-length and in good faith. Accordingly, based upon the record to be made at the Sale Hearing, the Debtors will seek a finding that any Successful Bidder (which may be the Stalking Horse Bidder) is a good faith purchaser and is entitled to the full protections afforded by the Bankruptcy Code (including section 363(m) thereof).

C. Sale Free and Clear of Liens, Claims, Encumbrances, and Interests

63. In the interest of attracting the best offers, the Assets should be sold free and clear of any and all liens, claims, interests, and other encumbrances, in accordance with section 363(f) of the Bankruptcy Code, with any such liens, claims, interests, and encumbrances to attach to the proceeds of the applicable sale. Section 363(f) of the Bankruptcy Code authorizes a debtor to sell assets free and clear of liens, claims, interests, and encumbrances if any one of the following conditions is satisfied:

- (a) applicable nonbankruptcy law permits a sale of such property free and clear of such interest;
- (b) such entity consents;

- (c) such interest is a lien and the price at which property is to be sold is greater than the value of all liens on such property;
- (d) such interest is in bona fide dispute; or
- (e) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f); *see also In re Kellstrom Indus., Inc.*, 282 B.R. 787, 793 (Bankr. D. Del. 2002) (“Section 363(f) [of the Bankruptcy Code] is written in the disjunctive, not the conjunctive, and if any of the five conditions are met, the debtor has the authority to conduct the sale free and clear of all liens.”); *Citicorp Homeowners Servs., Inc. v. Elliot (In re Elliot)*, 94 B.R. 343, 345 (E.D. Pa. 1988) (same).

64. With respect to any party asserting a lien, claim, encumbrance, or other interest against the Assets, based upon the record to be made at the Sale Hearing, the Debtors will be able to satisfy one or more of the conditions set forth in section 363(f) of the Bankruptcy Code.

D. Assumption and Assignment of Assigned Contracts Should Be Approved

65. Section 365(a) of the Bankruptcy Code provides that a debtor in possession “subject to the court’s approval, may assume or reject any executory contract or unexpired lease of the debtor.” 11 U.S.C. § 365(a). Upon finding that a debtor has exercised its sound business judgment in determining to assume an executory contract or unexpired lease, courts will approve the assumption under section 365(a) of the Bankruptcy Code. *See, e.g., In re Market Square Inn, Inc.*, 978 F.2d 116, 121 (3d Cir. 1992) (assumption or rejection of a lease “will be a matter of business judgment by the bankruptcy court”); *In re HQ Global Holdings, Inc.*, 290 B.R. 507, 511 (Bankr. D. Del. 2003) (finding that the debtor’s decision to assume or reject executory contract is governed by the business judgment standard and may only be overturned if the decision is a product of bad faith, whim, or caprice). The “business judgment”

test in this context only requires a debtor demonstrate that the assumption or rejection of an executory contract or unexpired lease benefits the estate. *See Sharon Steel Corp. v. Nat'l Fuel Gas Distrib. Corp.*, 872 F.2d 36, 40 (3d Cir. 1989).

66. The assumption and assignment of the Assigned Contracts in connection with a Sale Transaction is an exercise of the Debtors' sound business judgment because a bidder may determine that such contracts are necessary to operate the Company. As such, the Debtors' ability to assume and assign executory contracts is essential to obtaining the highest or best offer for the Company. Moreover, the Assigned Contracts will be assumed and assigned in accordance with the Assumption and Assignment Procedures approved by the Court pursuant to the Bidding Procedures Order.

67. To the extent that consummation of a Sale Transaction will involve the assignment of the Assigned Contracts, it will be contingent upon the Debtors' compliance with the applicable requirements of section 365 of the Bankruptcy Code. Section 365(b)(1) of the Bankruptcy Code requires that any outstanding defaults under the Assigned Contracts must be cured or that adequate assurance be provided that such defaults will be promptly cured. As set forth above, the Debtors propose to file with the Court and serve on each Counterparty, the Assignment and Cure Notice indicating the Debtors' calculation of the Cure Cost for each such Contract. Such Counterparties will have the opportunity to file objections to the proposed assumption and assignment of the Assigned Contracts to the Successful Bidder, including the proposed Cure Costs, in advance of the applicable Sale Hearing. The Debtors' assumption and assignment of Assigned Contracts will be contingent upon payment or reserve of Cure Costs and effective only upon the closing of an applicable Sale Transaction.

68. Pursuant to section 365(f)(2) of the Bankruptcy Code, a debtor may assign an executory contract or unexpired lease of nonresidential real property if “adequate assurance of future performance by the assignee of such contract or lease is provided.” 11 U.S.C. § 365(f)(2)(B). The meaning of “adequate assurance of future performance” depends on the facts and circumstances of each case, but should be given “practical, pragmatic construction.” *See Carlisle Homes, Inc. v. Azzari (In re Carlisle Homes, Inc.)*, 103 B.R. 524, 538 (Bankr. D.N.J. 1988) (citation omitted); *see also In re Natco Indus., Inc.*, 54 B.R. 436, 440 (Bankr. S.D.N.Y. 1985) (adequate assurance of future performance does not mean absolute assurance that a debtor will thrive and pay rent); *In re Bon Ton Rest. & Pastry Shop, Inc.*, 53 B.R. 789, 803 (Bankr. N.D. Ill. 1985) (“[a]lthough no single solution will satisfy every case, the required assurance will fall considerably short of an absolute guarantee of performance.”). Among other things, adequate assurance may be given by demonstrating the assignee’s financial health and experience in managing the type of enterprise or property assigned. *See In re Bygaph, Inc.*, 56 B.R. 596, 605-606 (Bankr. S.D.N.Y. 1986) (adequate assurance of future performance is present when the prospective assignee of a lease has financial resources and expressed willingness to devote sufficient funding to a business to give it a strong likelihood of succeeding).

69. As set forth in the Bidding Procedures, for a Bid to qualify as a “Qualified Bid,” a Potential Bidder must include Adequate Assurance Information with its Bid. The Debtors will provide such Adequate Assurance Information to all Counterparties to any Assigned Contracts, or direct the non-Debtor Counterparty to relevant publicly available financial information regarding the Successful Bidder(s), and, upon reasonable request, the Debtors will furnish additional adequate assurance information to Counterparties. Counterparties will also have sufficient opportunity to file with the Court and serve on the Objection Notice Parties

Adequate Assurance Objections. Based on the foregoing, the Debtors' assumption and assignment of the Assigned Contracts satisfies the requirements under section 365 of the Bankruptcy Code and should be approved.

70. In addition, to facilitate the assumption and assignment of the Assigned Contracts, the Debtors further request the Court find that all anti-assignment provisions in the Assigned Contracts, whether such provisions expressly prohibit or have the effect of restricting or limiting assignment of such contract, to be unenforceable under section 365(f) of the Bankruptcy Code.⁴

E. Request for Relief Pursuant to Bankruptcy Rules 6004(h) and 6006(d)

71. Bankruptcy Rule 6004(h) provides that an “order authorizing the use, sale, or lease of property . . . is stayed until the expiration of fourteen (14) days after entry of the order, unless the court orders otherwise.” Fed. R. Bankr. P. 6004(h). Bankruptcy Rule 6006(d) further provides that an “order authorizing the trustee to assign an executory contract or unexpired lease under § 365(f) is stayed until the expiration of fourteen (14) days after the entry of the order, unless the court orders otherwise.” Fed. R. Bankr. P. 6006(d).

72. In light of the current circumstances, including the agreed Case Timeline, the Debtors believe a Sale Transaction must be consummated as soon as practicable to maximize value. Accordingly, the Debtors request that each of the Bidding Procedures Order and the Sale

⁴ Section 365(f)(1) of the Bankruptcy Code provides, in part, that “notwithstanding a provision in an executory contract or unexpired lease of the debtor, or in applicable law, that prohibits, restricts, or conditions the assignment of such contract or lease, the trustee may assign such contract or lease[.]” 11 U.S.C. § 365(f)(1). Section 365(f)(3) of the Bankruptcy Code further provides that, “[n]otwithstanding a provision in an executory contract or unexpired lease of the debtor, or in applicable law that terminates or modifies, or permits a party other than the debtor to terminate or modify, such contract or lease or a right or obligation under such contract or lease on account of an assignment of such contract or lease, such contract, lease, right, or obligation may not be terminated or modified under such provision because of the assumption or assignment of such contract or lease by the trustee.” 11 U.S.C. § 365(f)(3).

Order be effective immediately upon its entry and that the 14-day stay periods under Bankruptcy Rules 6004(h) and 6006(d) be waived.

Notice

73. Notice of this Motion will be provided to (i) the Office of the United States Trustee for the District of Delaware, (ii) the twenty-two (22) law firms with the most significant representations of parties asserting talc claims against the Debtors, (iii) the holders of the twenty (20) largest unsecured claims against the Debtors on a consolidated basis (excluding talc claims), (iv) Davis Polk & Wardwell LLP and Morris, Nichols, Arsht & Tunnell LLP, as counsel to Natura, (v) the Internal Revenue Service, (vi) the Securities and Exchange Commission, (vii) the United States Attorney's Office for the District of Delaware, (viii) all persons and entities known by the Debtors and their advisors to have recently expressed an interest in a transaction with respect to acquiring the Assets, (ix) all applicable state and local taxing authorities, (x) all persons and entities known by the Debtors to have asserted any lien on or encumbrance with respect to the Assets (for whom identifying information and addresses are available to the Debtors), and (xi) any other party that is entitled to notice pursuant to Bankruptcy Rule 2002 and/or Local Bankruptcy Rule 9013-1 (collectively, the "**Sale Notice Parties**"). The Debtors believe that no further notice is required.

No Prior Request

No previous request for the relief sought herein has been made by the Debtors to this or any other court.

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WHEREFORE the Debtors respectfully request entry of the Bidding Procedures Order and, following the Sale Hearing, the Sale Order and such other and further relief as the Court may deem just and appropriate.

Dated: August 14, 2024
Wilmington, Delaware

/s/ Zachary I. Shapiro

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*Proposed Attorneys for the Debtors
and Debtors in Possession*

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

	X		
	:		
In re	:		Chapter 11
	:		
AIO US, INC., et al.,¹	:		Case No. 24–11836 (CTG)
	:		
Debtors.	:		(Jointly Administered)
	:		
	:		Objection Deadline: September 6, 2024 at 4:00 p.m. (ET)
	:		Hearing Date: September 13, 2024 at 10:00 a.m. (ET)

NOTICE OF MOTION AND HEARING

PLEASE TAKE NOTICE that, on August 14, 2024, the above-captioned debtors and debtors in possession (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* (the “**Motion**”) with the United States Bankruptcy Court for the District of Delaware (the “**Court**”).

PLEASE TAKE FURTHER NOTICE that, any responses or objections to the Motion must be in writing and filed with the Clerk of the Court, 824 North Market Street, 3rd

¹ 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 100, Rye Brook, New York 10153.

Floor, Wilmington, Delaware 19801 on or before **September 6, 2024 at 4:00 p.m. (prevailing Eastern Time).**

PLEASE TAKE FURTHER NOTICE that, if any objections to the Motion are received, the Motion and such objections shall be considered at a hearing before The Honorable Craig T. Goldblatt, United States Bankruptcy Judge for the District of Delaware, at the Court, 824 North Market Street, 3rd Floor, Courtroom No. 7, Wilmington, Delaware 19801 on **September 13, 2024 at 10:00 a.m. (prevailing Eastern Time).**

PLEASE TAKE FURTHER NOTICE THAT, IF NO OBJECTIONS TO THE MOTION ARE TIMELY FILED, SERVED AND RECEIVED IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

Dated: August 14, 2024
Wilmington, Delaware

/s/ Zachary I. Shapiro

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*Proposed Attorneys for the Debtors
and the Debtors in Possession*

Exhibit A

STOCK AND ASSET PURCHASE AGREEMENT

dated as of August 12, 2024

by and among

Avon Products, Inc., as Seller,

and

Natura &Co UK Holdings Limited, as Buyer

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EXHIBITS

Exhibit A	Definitions
Exhibit B	Form of Bill of Sale, Assignment and Assumption Agreement
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Exhibit D	Form of Bidding Procedures Order
Exhibit E	Form of Proposed Settlement Agreement

SCHEDULES

Schedule A	Seller Parties, Companies and Transferred Equity Interests
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This STOCK AND ASSET PURCHASE AGREEMENT, dated as of August 12, 2024 (the “**Agreement Date**” and this agreement, as it may be amended, restated, modified or otherwise supplemented in accordance with its terms, the “**Agreement**”), is entered into by and among Avon Products, Inc., a New York corporation (“**Seller**”), Natura &Co UK Holdings Limited, a private limited company formed under the laws of the United Kingdom (“**Buyer**”) and, effective upon each such Person’s execution of a Joinder in accordance with Section 6.09, each of the Subsidiaries of Seller set forth on Schedule A under the heading “Seller Parties” (collectively with Seller, the “**Seller Parties**”). Each of Seller and Buyer is referred to individually as a “**Party**” and collectively as the “**Parties**.”

PRELIMINARY STATEMENTS

A. Reference is made to the Loan Documents. The obligations of Seller and/or its Subsidiaries under the Loan Documents are secured by valid and duly perfected Liens and other encumbrances in and upon substantially all property and assets of Seller and/or its Subsidiaries (including the Transferred Entities).

B. Buyer is authorized to effect the rights and interests of the Secured Lender in accordance with the terms and conditions of the Loan Documents.

C. Buyer intends to effectuate, pursuant to such authority to effect the rights and interests of the Secured Lender, pursuant to section 363(k) of the Bankruptcy Code, a credit bid in respect of the obligations owed or otherwise due to the Secured Lender under the Loan Documents for the Credit Bid Amount, in exchange for the transfer to Buyer, as applicable, of the Transferred Assets and the Transferred Equity Interests, in each case, on the terms and subject to the conditions set forth in this Agreement.

D. At or prior to the Closing, with the prior written consent of Buyer and on the terms and subject to the conditions set forth in this Agreement, the Seller Parties may consummate a pre-closing reorganization that is intended to implement the Transactions in a tax-efficient manner (such pre-closing reorganization, to the extent so consented to by Buyer, collectively, the “**Pre-Closing Restructuring**”).

E. Prior to the Closing, the Parties intend to cooperate in good faith to determine whether it is necessary or advisable for the Parties and/or their Affiliates to enter into a transition services agreement as of the Closing (the “**TSA**”), and, if the parties mutually agree that such agreement is necessary or advisable, the Parties intend cooperate and negotiate in good faith the TSA such that it will be in form and substance reasonably acceptable to Seller and Buyer.

F. If Buyer makes a Reorganization Election in accordance with Section 9.07, the Parties desire and intend that the Relevant Transactions will constitute a plan of reorganization within the meaning of Sections 354 and 368 of the Code and the Treasury Regulations promulgated thereunder.

G. Promptly following the execution of this Agreement, Seller and certain of its Subsidiaries (including certain of the other Seller Parties) intend to file voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. § 101 et seq. (the

“**Bankruptcy Code**”) in the United States Bankruptcy Court for the District of Delaware (such court, the “**Bankruptcy Court**” and, once filed, such cases, the “**Bankruptcy Cases**”).

H. Seller owns all of the issued and outstanding equity interests of, and controls, in each case, directly or indirectly, the other Seller Parties.

I. The Seller Parties own all of the issued and outstanding equity interests (collectively, the “**Transferred Equity Interests**”) of the Persons set forth on Schedule A under the heading “Company” (each, a “**Company**” and, collectively, the “**Companies**”) as set forth beside such Company’s name on Schedule A under the heading “Transferred Equity Interests.”

J. All Subsidiaries of the Companies and all other Persons in which the Companies own any capital stock or other equity interests are referred to in this Agreement as the “**Business Subsidiaries**” (the Business Subsidiaries, together with the Companies, being collectively referred to as the “**Transferred Entities**”).

K. The Seller Parties and the Transferred Entities are engaged in, and/or hold assets or liabilities relating to, the Business (and/or, in the case of certain of the Seller Parties, hold Transferred Equity Interests).

L. Upon the terms and subject to the conditions set forth in this Agreement, in a sale authorized by the Bankruptcy Court pursuant to, *inter alia*, sections 105, 363 and 365 of the Bankruptcy Code and in accordance with the other applicable provisions of the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure and the local rules for the Bankruptcy Court, and subject to entry of the Sale Order, the Seller Parties propose to sell, transfer and assign to Buyer, and, Buyer desires to purchase from the Seller Parties, all of the Transferred Equity Interests and the Transferred Assets, and Buyer desires to assume the Assumed Liabilities, in each case, on the terms and subject to the conditions set forth in this Agreement.

M. The Parties’ ability to consummate the Transactions will be subject to, *inter alia*, the entry of the Sale Order, as further set forth herein, and the Parties desire to consummate the transactions contemplated hereby as promptly as practicable, subject to the terms and conditions set forth in this Agreement, after the Bankruptcy Court enters the Sale Order.

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Certain Defined Terms. Capitalized terms used in this Agreement and defined in Exhibit A shall have the meanings specified in Exhibit A.

ARTICLE II

PURCHASE AND SALE; CLOSING

Section 2.01. Purchase and Sale of the Transferred Equity Interests. On the terms and subject to the conditions set forth in this Agreement, at the Closing, each Seller Party shall sell, convey, assign, transfer and deliver to Buyer, and Buyer shall purchase, acquire and accept from each such Seller Party, all of such Seller Party's right, title and interest in, to and under the Transferred Equity Interests, free and clear of any and all Liens (other than transfer restrictions of general applicability arising under the Securities Act or any other applicable securities Laws).

Section 2.02. Purchase and Sale of Transferred Assets; Excluded Assets; Assumption of Assumed Liabilities; Excluded Liabilities.

(a) Transferred Assets. On the terms and subject to the conditions set forth in this Agreement and subject to the exclusions set forth in Section 2.02(b) and Section 2.03, at the Closing, each Seller Party shall sell, convey, assign, transfer and deliver to Buyer, and Buyer shall purchase, acquire and accept from each such Seller Party, all of such Seller Party's right, title and interest in, to and under the following assets, as the same shall exist immediately prior to the Closing, in each case, other than the Transferred Equity Interests (which, for the avoidance of doubt, each Seller Party shall sell, convey, assign, transfer and deliver to Buyer pursuant to Section 2.01) (collectively, the "**Transferred Assets**"), free and clear of any and all Liens (other than Permitted Liens), in each case, to the maximum extent permitted by the Bankruptcy Code and other applicable Law:

(i) all Cash of the Seller Parties that is in excess of an amount equal to (A) \$1,000,000 plus (B) Cash delivered or required to be delivered to the Seller Parties pursuant to the Settlement Agreement (such excess, the "**Transferred Cash**");

(ii) [Reserved];

(iii) except for Excluded Contracts, all Contracts to which a Seller Party, including the Transferred Executory Contracts (collectively, the "**Transferred Contracts**"), including as set forth on Schedule 2.02(a)(iii) (and as may be added to such Schedule 2.02(a)(iii) in accordance with Section 2.05);

(iv) all Permits, including Environmental Permits, and all applications therefor (for the avoidance of doubt, solely to the extent, if required under applicable Law, the applicable Government Authority consents to or otherwise approves the assignment or transfer of the applicable Permit);

(v) (A) all rights of such Seller Party under or pursuant to all warranties, representations and guarantees made by suppliers, manufacturers, contractors for other third parties to the extent pertaining to any Transferred Assets or (B) all rights and defenses pertaining to any Assumed Liability;

(vi) all Business Intellectual Property, Business Software and Business Systems, including the Business Registered IP set forth on Schedule 2.02(a)(vi);

(vii) all personnel files related to the Transferred Entity Employees;

(viii) without limiting Section 2.02(a)(iii), all rights under non-disclosure or confidentiality, non-compete or non-solicitation Contracts with current and former employees, service providers and agents of the Seller Parties or with third parties;

(ix) all assets (including Cash and securities and all proceeds from any such assets, including Rabbi Trust Proceeds (as defined in the Settlement Agreement)) relating to (or held by, in or under, including by any trustee thereunder) the Trust Agreement by and between Avon Products, Inc. and Chase Manhattan Bank, N.A. amended and restated as of October 29, 1998, as amended effective as of January 1, 2009 and as assumed by Wells Fargo Bank, National Association as of May 8, 2014 (collectively, the “**Rabbi Trust Assets**”);

(x) the Transferred Books and Records;

(xi) all claims, rights or interests of the Seller Parties in or to any refund, rebate, abatement or other recovery for Taxes in respect of any Taxes that are Assumed Liabilities;

(xii) all Tax Returns and all records (including all working papers) that relate to the Transferred Assets or the Transferred Entities;

(xiii) all personal property and interests therein owned by any Seller Party, including inventory (if any), furniture, furnishings, office equipment, communications equipment, vehicles and other tangible personal property (including, rights, if any, in any of the foregoing purchased subject to any conditional sales or title retention agreement in favor of any other Person), wherever located;

(xiv) all inventory wherever located, including raw materials, works in progress, packaging, supplies, tooling and parts, whether held at any location or facility of any Seller Party or in transit to any Seller Party, in each case, as of the Closing Date;

(xv) [Reserved];

(xvi) all goodwill of the Business;

(xvii) all trade and non-trade accounts (and notes) receivable and any other receivables of the Seller Parties and/or the Business (including, for the avoidance of doubt, all receivables owed or otherwise due to any Seller Party from any Transferred Entity), other than those Excluded Assets described under Section 2.02(b)(iv);

(xviii) all claims and rights under any Insurance Policies in respect of any damage to or loss as a result of events or circumstances occurring prior to or on the Closing Date

(“**Pre-Closing Insurance Claims and Rights**”), other than the Liquidation Insurance Receivable (as defined in the Settlement Agreement);

(xix) all claims, causes of action, lawsuits, judgements and demands of any nature, in each case, available to or being pursued by Seller or any of its Affiliates, whether arising by way of counterclaim or otherwise, including (A) as set forth on Schedule 2.02(a)(xix) and (B) any Estate Claims (as defined in the Settlement Agreement) against any of the Transferred Entities;

(xx) all causes of action (including causes of action related to the ongoing operations of the Business) to avoid a transfer of property or an obligation incurred by any of Seller Party 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, except as set forth on Schedule 2.02(a)(xx);

(xxi) all credits, prepaid expenses, refunds, deferred charges, advance payments, Deposits, prepaid items and duties, in each case, to the extent related to a Transferred Asset;

(xxii) all guaranties, indemnities and similar rights in favor of the Seller Parties, other than those Excluded Assets described under Section 2.02(b)(v);

(xxiii) to the extent transferrable, all express or implied warranties related to any of the foregoing in favor of the Seller Parties;

(xxiv) other than the Transferred Equity Interests (which, for the avoidance of doubt, each Seller Party shall sell, convey, assign, transfer and deliver to Buyer pursuant to Section 2.01) and the equity interests of any other Seller Party, all right, title and interest in and to all equity interests of any Person owned by any Seller Party;

(xxv) all other assets, properties or rights of every kind and description, including those related to the Business, wherever located, whether real, personal or mixed, tangible or intangible, that are owned by a Seller Party or any Subsidiary of a Seller Party (other than a Transferred Entity); and

(xxvi) all right, title and interest of any of the Seller Parties in, to or under any of the foregoing.

(b) Excluded Assets. Notwithstanding anything to the contrary herein or in any other Transaction Agreement, the following assets (collectively, the “**Excluded Assets**”), shall be retained by the Seller Parties and their respective Subsidiaries (other than the Transferred Entities) and nothing herein will be deemed to constitute an agreement to, or shall, sell, convey, assign, transfer or deliver the Excluded Assets to Buyer, and the Seller Parties will, from and after the Closing, retain all right, title and interest to, in and under such Excluded Assets:

(i) all Contracts set forth on Schedule 2.02(b)(i), including those designated for rejection under sections 365 or 1123 of the Bankruptcy Code (including, for the avoidance of doubt, any Contract that is designated as an Excluded Contract pursuant to Section 2.05) (“**Excluded Contracts**”);

(ii) any amounts paid or payable to the Seller Parties pursuant to this Agreement or any other Transaction Agreement;

(iii) all Contracts with any Seller Advisor and/or any other any agent, financial advisor, investment banker, broker, finder, consultant, counsel, accountant or other third-party representative or similar Person engaged or employed in connection with the Bankruptcy Cases and/or the Transactions;

(iv) all accounts (and notes) receivable to the extent arising solely and exclusively from or solely and exclusively with respect to any Excluded Asset (including any Excluded Contract) (it being understood that this Section 2.02(b)(iv) shall not apply to or include any receivables owed or otherwise due to any Seller Party from any Transferred Entity, which shall be Transferred Assets);

(v) all indemnification Contracts with, and indemnification obligations to, directors, officers or employees of the Seller Parties or related solely to any Excluded Assets;

(vi) all Cash, other than Cash constituting (A) Rabbi Trust Assets and (B) Transferred Cash;

(vii) all Personal Data that is nontransferable under the Bankruptcy Code or applicable Law;

(viii) all claims, rights or interests of the Seller Parties in or to any refund, rebate, abatement or other recovery for Taxes (other than in respect of Taxes that are Assumed Liabilities), and any other Tax assets (including any Tax attributes), together with any interest due thereon or penalty rebate arising therefrom, for any Tax period (or portion thereof);

(ix) all Tax Returns and all records (including all working papers) related thereto (other than those Tax Returns and records that relate to the Transferred Assets or the Transferred Entities);

(x) (A) except for Pre-Closing Insurance Claims and Rights, in each case, all Insurance Policies and all rights of any nature with respect to any such Insurance Policy, including any recoveries thereunder and any rights to assert claims seeking any such recoveries and (B) the Liquidation Insurance Receivable (as defined in the Settlement Agreement);

(xi) all Permits, including Environmental Permits, the transfer of which, as contemplated under Section 2.02(a)(iv), is prohibited by applicable Law;

(xii) all rights and interests of the Seller Parties under the Transaction Agreements;

(xiii) all assets relating to the Employee Plans, other than Rabbi Trust Assets;

(xiv) (A) any books and records to the extent solely relating to the Excluded Assets, (B) any books and records or other materials of or in the possession of the Seller Parties or the Transferred Entities that (1) any of the Seller Parties are required by Law or by order of the Bankruptcy Court to retain or (2) any of the Seller Parties or Transferred Entities are prohibited by Law from delivering to Buyer (including confidential and personal medical records), (C) any copies of any books and records that Seller and its Affiliates retain pursuant to Section 7.04 or (D) any books, records, files or papers that are not Transferred Books and Records;

(xv) (A) all records and reports prepared or received by any Seller Party or any of its Subsidiaries solely in connection with the sale of the Business or the Transactions or any other Transaction Agreement, including all such analyses relating to Buyer or any third-party bidder or potential purchaser, (B) all bids and expressions of interest received from third parties with respect to the Business between the Agreement Date and the Closing Date and (C) all privileged communications that are the subject of Section 12.22;

(xvi) any warranties, representations and guarantees pertaining to any Excluded Asset or rights and defenses pertaining to any Excluded Liability; and

(xvii) all capital stock or other equity interests in any Debtor or other Seller Party.

(c) Assumed Liabilities. On the terms and subject to the conditions set forth in this Agreement and subject to the exclusions set forth in Section 2.02(d), as partial consideration for the Transferred Assets, Buyer shall, at the Closing, assume and thereafter timely pay, discharge and perform if, as and when due in accordance with their terms, the following Liabilities of the Seller Parties arising from or related to the Transferred Assets and/or the Business, as the same shall exist on or after the Closing Date and irrespective of whether the same arise or accrue prior to, on or following the Closing Date (the “**Assumed Liabilities**”):

(i) all Liabilities arising under any of the Transferred Contracts;

(ii) all Liabilities with respect to Transfer Taxes;

(iii) all Liabilities with respect to non-income Taxes imposed in any jurisdiction in which a Government Authority asserts in writing personal liability on any officer, director or other employee of the Seller Parties (each, a “**Seller DOE**” and all such Liabilities, the “**Seller DOE Liabilities**”);

(iv) all Cure Costs payable by Buyer pursuant to Section 2.05;

(v) all Liabilities relating to Buyer's ownership or operation of the Transferred Assets, but solely to the extent arising from events, facts or circumstances that occur from and after the Effective Time;

(vi) all accounts payable existing on the Closing Date and owed or otherwise due to Persons other than the Seller Parties (including, for the avoidance of doubt, (A) invoiced accounts payable and (B) accrued but uninvoiced accounts payable), other than any accounts payable arising out of the Excluded Assets;

(vii) [Reserved];

(viii) all Liabilities for Taxes of the Transferred Entities for any taxable period (or portion thereof);

(ix) the liabilities listed on Schedule 2.02(c)(ix); provided that in no event shall the Liabilities assumed pursuant to this Schedule 2.02(c)(ix) exceed \$2,000,000; and

(x) all Liabilities arising out of or relating to amounts required to be paid by Buyer hereunder.

(d) Excluded Liabilities. Notwithstanding any other provision of this Agreement, Buyer is not assuming or agreeing to pay or discharge any Liabilities, irrespective of whether the same arise or accrue prior to, on or following the Closing Date, of the Seller Parties other than the Assumed Liabilities (any such Liabilities other than the Assumed Liabilities, collectively, the "**Excluded Liabilities**"), and the Seller Parties shall, from and after the Closing, retain, pay, discharge and perform if, as and when due in accordance with their terms, all such Excluded Liabilities, as applicable, it being understood that the Excluded Liabilities include the following:

(i) all Liabilities arising out of, relating to or resulting from any Excluded Asset (including, for the avoidance of doubt, any Contract that is designated as an Excluded Contract pursuant to Section 2.05), including all Liabilities arising out of, relating to or resulting from the rejection of any Contract under sections 365 or 1123 of the Bankruptcy Code;

(ii) any Liability for Taxes of the Seller Parties or any of their Subsidiaries (other than the Transferred Entities) for any taxable period (or portion thereof), other than any Liability for (A) Transfer Taxes and (B) non-income Taxes imposed by any jurisdiction in which a Governmental Authority asserts in writing personal liability on any Seller DOE;

(iii) all Liabilities expressly retained by the Seller Parties pursuant to Section 6.08;

(iv) any Liability (including for any intercompany accounts payable) due or owing to any Seller Party;

(v) any Liabilities relating to the employees, officers, directors or independent contractors of any Seller Party, whether incurred prior to, on or following the Closing, other than any employees who are employed prior to the Agreement Date by a Transferred Entity (the “**Transferred Entity Employees**”);

(vi) any Liabilities relating to any Employee Plan (other than any Employee Plan solely and exclusively of a Transferred Entity);

(vii) all Liabilities owing to any Seller Advisor and/or any other any agent, financial advisor, broker, finder, consultant, counsel, accountant or other third-party representative engaged or employed by the Seller Parties or the Transferred Entities in connection with the Bankruptcy Cases and/or the Transactions;

(viii) all claims, costs and expenses (other than Cure Costs) incurred in connection with the initiation or conduct of the Bankruptcy Cases, including all Liabilities arising out of the consummation of a plan of reorganization, including any distributions or other actions taken by any of the Seller Parties and their bankruptcy estates (whether existing as of the Agreement Date or arising in the future);

(ix) all Debt, including all Liabilities arising under any debtor-in-possession financing, including the DIP Credit Agreement (other than, for the avoidance of doubt, any Debt extinguished pursuant to Section 3.01 or the Settlement Agreement);

(x) all Liabilities under Environmental Laws, including those relating in any way to the environment or natural resources, human health and safety or Hazardous Materials;

(xi) all Liabilities relating to or arising out of the manufacture, storage, marketing, promotion, sale, distribution, packaging, labeling or use of the Products, whether before or after the Closing, and whether arising under warranty, contract, equity, tort, strict liability, product liability, product defect, statute or otherwise; and

(xii) any other Liabilities relating to amounts to be paid by the Seller Parties pursuant to this Agreement.

Section 2.03. Assignment of Certain Transferred Assets. Notwithstanding any other provision of this Agreement to the contrary, this Agreement shall not constitute an agreement to sell, convey, assign, transfer and deliver to Buyer (in each case, solely with respect to Transferred Assets held by the Seller Parties, any Transferred Asset and any claim or right or any benefit arising thereunder or resulting therefrom, and not, for the avoidance of doubt, any asset, claim, right or benefit held by, and therefore acquired indirectly through the acquisition of, any of the Transferred Entities) if such attempted sale, conveyance, assignment, transfer or delivery thereof, without the Consent of a third party (including any Government Authority), would constitute a breach or other contravention thereof or a violation of applicable Law or Order. If, on the Closing Date, (i) any such Consent has not been obtained or (ii) the Bankruptcy Court has not entered an Order providing that such Consent is not required, in any case, such that an

attempted sale, conveyance, assignment, transfer or delivery of such Transferred Asset would be ineffective or a violation of applicable Law or Order, the Seller Parties and Buyer will, at any Party's request, subject to Section 6.03 and Section 6.04, cooperate in good faith to promptly obtain such Consent and/or enter into a mutually agreeable arrangement under which, until the Wind-Up Date, (a) Buyer would, in compliance with any applicable Law or Order, obtain the benefits and assume the obligations and bear the economic burdens associated with such Transferred Asset in accordance with this Agreement, including, for example (and without limitation of other similar arrangements being employed instead and in place thereof), by subcontracting, sublicensing or subleasing such Transferred Asset to Buyer and/or (b) the Seller Parties would enforce for the benefit (and at the expense) of Buyer any and all of the Seller Parties' rights, claims or benefit against a third party associated with such Transferred Asset and the Seller Parties would promptly pay to Buyer when received all monies received by them under any such Transferred Asset, claim, right or benefit (net of the Seller Parties' reasonable out-of-pocket expenses incurred in connection with any sale, conveyance, assignment, transfer, delivery or other performance contemplated by this Section 2.03). If any Consent for the sale, conveyance, assignment, transfer or delivery of any Transferred Asset not sold, conveyed, assigned, transferred or delivered at the Closing as contemplated by this Section 2.03 is obtained following the Closing, then the applicable Seller Party(ies) shall sell, convey, assign, transfer and deliver to Buyer (as applicable) such Transferred Asset to Buyer at no additional cost or obligation.

Section 2.04. Closing. Subject to the satisfaction of the Closing Conditions and the terms of this Agreement, the closing of the sale and purchase of the Transferred Equity Interests and the Transferred Assets and the assumption of the Assumed Liabilities (the "**Closing**") shall take place remotely by telephone conference and electronic exchange of documents, at 9:00 a.m. (New York City time) on the third Business Day following the date upon which all Closing Conditions are satisfied or waived in writing (to the extent permitted by applicable Law) in accordance with Article X (other than those Closing Conditions that by their nature can only be satisfied at the Closing, but subject to the satisfaction or waiver of those Closing Conditions at such time), or on such other date or at such other time or place as the Parties may agree in writing. The date on which the Closing occurs is referred to in this Agreement as the "**Closing Date**." For all purposes under this Agreement and each other Transaction Agreement, (a) except as otherwise expressly provided in this Agreement or such other Transaction Agreements, all matters at the Closing will be considered to take place simultaneously and (b) the Closing shall be deemed effective as of the Effective Time.

Section 2.05. Cure Costs; Executory Contracts.

(a) Subject to Section 2.03 and the other provisions of this Section 2.05, at Closing and pursuant to Section 365 of the Bankruptcy Code and the Sale Order, each Debtor that is a Seller Party shall assume and, effective as of the Closing, assign, transfer and deliver to Buyer, and Buyer shall assume from such Seller Party, the Transferred Executory Contracts to which such Seller Party is a party. All Cure Costs shall be paid by Buyer at or after Closing in accordance with the to the procedures set forth in the Sale Order (or, with respect to any Contract

for which a cure objection has not been finally resolved as of the Closing, in accordance with Section 2.05(d)).

(b) As soon as practicable following the Agreement Date, Seller shall (i) file with the Bankruptcy Court a list of each Executory Contract and the proposed amount of the Cure Costs associated with such Executory Contract (such list, the “**Available Contract Schedule**”) and (ii) serve written notice (each, a “**Cure Notice**”) to the non-debtor counterparty(ies) to each Executory Contract, which notice shall include the Available Contract Schedule. If, at any time prior to the Closing Date, any Debtor that is a Seller Party becomes aware that it is a party to an Executory Contract that is not listed on the Available Contract Schedule (each, an “**Undisclosed Contract**”), Seller will promptly update the Available Contract Schedule with respect to such Undisclosed Contract and (i) file with the Bankruptcy Court such updated Available Contract Schedule and (ii) serve a Cure Notice, which notice shall include such updated Available Contract Schedule, to the non-debtor counterparty(ies) to such Undisclosed Contract.

(c) From time to time after the Agreement Date, but not later than five (5) Business Days prior to the Closing Date (the “**Designation Deadline**”), to the extent consistent with the Bidding Procedures Order, Buyer may, in its sole discretion, elect, by written notice to Seller, each Executory Contract it wishes to be assigned, transferred and delivered to it on the Closing Date (each such Contract, a “**Transferred Executory Contract**”), and each such Transferred Executory Contract shall be deemed a Transferred Contract for all purposes hereof and automatically (without action of any Party or Person) added to Schedule 2.02(a)(iii). Any Executory Contract not designated by Buyer in writing as a Transferred Executory Contract on or before the Designation Deadline shall be deemed an Excluded Contract for all purposes hereof and automatically (without action of any Party or Person) added to Schedule 2.02(b)(i). From time to time prior to the Designation Deadline, Buyer may, in its sole discretion, elect, by written notice to Seller, to remove any Executory Contract from Schedule 2.02(a)(iii) and, from and after such date, such Executory Contract shall be deemed an Excluded Contract for all purposes hereof and automatically (without action of any Party or Person) added to Schedule 2.02(b)(i). On or before the Closing Date, Seller will file with the Bankruptcy Court a notice of assumption and shall serve such notice on each applicable non-debtor counterparty, which notice of assumption shall identify all Transferred Executory Contracts. Notwithstanding the foregoing, an Executory Contract shall not be a Transferred Executory Contract hereunder and shall not be assigned to, or assumed by, any Debtor that is a Seller Party if such Executory Contract is validly terminated by the other party thereto, or terminates or expires in accordance with its own terms on or prior to the Designation Deadline and is not continued or otherwise extended prior to or upon assumption. For the avoidance of doubt, if Buyer exercises its rights pursuant to this Section 2.05(c) an Executory Contract as a Transferred Executory Contract or as an Excluded Contract (as the case may be), there will be no increase or reduction in the Credit Bid Amount as a result of such designation or change in designation.

(d) If any objections are filed by, or received from, any non-debtor counterparty in response to a Cure Notice, each Seller Party will use commercially reasonable efforts to resolve any such objections with such non-debtor counterparty. If any such cure

objection is not consensually resolved or finally determined by the Bankruptcy Court prior to the Closing Date with respect to any Transferred Executory Contract, so long as Buyer (x) pays on or before the Closing Date such non-debtor counterparty an amount equal to the undisputed portion of Cure Costs payable with respect to such Transferred Executory Contract and (y) appropriately reserves funding for the disputed portion of such Cure Costs pending resolution of such cure objection, subject to entry by the Bankruptcy Court of the Sale Order, (i) Seller shall assume and assign, transfer and deliver to Buyer such Transferred Executory Contract at the Closing and (ii) upon either the consensual resolution or final determination by the Bankruptcy Court of such cure objection, Buyer shall promptly pay to such non-debtor counterparty any remaining Cure Costs owing to such non-debtor counterparty with respect to such Transferred Executory Contract.

Section 2.06. Withholding. Buyer and its Affiliates shall be entitled to deduct and withhold, or cause to be deducted and withheld, from any amounts otherwise payable pursuant to this Agreement such amounts as are required to be deducted and withheld with respect to such payment under applicable Law. Buyer or its applicable Affiliate(s) shall use commercially reasonable efforts to (i) as soon as reasonably practicable after determining that it is required to deduct and withhold from any non-compensatory amounts otherwise payable to any Person pursuant to or as contemplated by this Agreement, notify such Person in writing of such determination, and (ii) cooperate in good faith with such Person to reduce or eliminate such deduction or withholding. To the extent that amounts are so withheld, such withheld amounts shall be paid to the appropriate Taxing Authority and be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made. Notwithstanding the foregoing, the Parties hereto acknowledge and agree that no deduction or withholding for U.S. federal tax purposes will be required to be made from any amounts payable to the Seller if the Seller provides Buyer with a validly executed IRS Form W-9.

Section 2.07. Purchasing Parties. Without limiting Section 12.08, Buyer may, upon notice to Seller, elect to have any or all of the Transferred Equity Interests and/or the Transferred Assets sold, conveyed, assigned, transferred or delivered to, or any of the Assumed Liabilities assumed by, one or more of its Affiliates so long as no such election (a) results in any greater cost or obligation than the Seller Parties would otherwise have had and (b) otherwise does not adversely affect the Seller Parties' rights under the Transaction Agreements; provided, however, that (i) no such election shall relieve Buyer of any of its obligations to the Seller Parties hereunder with respect to the Assumed Liabilities or otherwise and (ii) upon Seller's request in writing, Buyer shall consider in good faith any comments from Seller relating to such election adversely affecting the Seller Parties' reasonably anticipated Tax treatment of the Transactions.

ARTICLE III

PURCHASE PRICE

Section 3.01. Purchase Price. Subject to the terms and subject to the conditions set forth in this Agreement, the aggregate consideration to be paid by Buyer for the sale of all of the

Transferred Equity Interests and the Transferred Assets shall be (i) an amount equal to the sum of \$125,000,000 (the “**Credit Bid Amount**”) and (ii) the assumption of the Assumed Liabilities. The payment and delivery of the Credit Bid Amount shall be satisfied (and deemed paid) solely and exclusively by means of (a) first, a credit against amounts due and owing under the DIP Credit Agreement and (b) second, to the extent amounts due and owing under the DIP Credit Agreement are less than the Credit Bid Amount, a credit against amounts due and owing under the other Loan Documents, in each case, as of the Closing Date (and, for the avoidance of doubt, Buyer shall have no obligation to pay or deliver any portion of the Credit Bid Amount in cash).

Section 3.02. Certain Closing Deliverables. At the Closing:

(a) Seller and the other Seller Parties shall deliver or cause to be delivered to Buyer the following:

(i) to the extent the Transferred Equity Interests are certificated, certificates evidencing the Transferred Equity Interests, duly endorsed in blank or accompanied by stock powers duly executed in blank (or, if the Transferred Equity Interests are certificated, an instrument of transfer with respect to the Transferred Equity Interests in form and substance reasonably acceptable to Buyer, duly executed by the applicable Seller Parties);

(ii) a counterpart of the Bill of Sale, Assignment and Assumption Agreement for the Transferred Assets, in the form attached hereto as Exhibit B (the “**Bill of Sale, Assignment and Assumption Agreement**”), duly executed by the applicable Seller Parties;

(iii) a counterpart of the IP Assignment Agreement, in the form attached hereto as Exhibit C (the “**IP Assignment Agreement**”), duly executed by the applicable Seller Parties;

(iv) the officer’s certificate required to be delivered pursuant to Section 10.03(a)(iv);

(v) to the extent Buyer and Seller mutually agree prior to the Closing that such agreements or instruments are required by applicable Law or otherwise necessary or advisable in specific jurisdiction(s) in which the Companies are formed and/or in which the Business operates (it being understood that, as promptly as practicable following the Agreement Date, Buyer and Seller will cooperate in good faith to determine whether any such agreements or instruments are so required, necessary or advisable in the jurisdictions set forth on Schedule 3.02(a)(v)), a counterpart to each local transfer agreement or instrument, in form and substance reasonably acceptable to Seller and Buyer (and consistent with the terms of this Agreement), to effect the transfer of applicable Transferred Equity Interests or applicable Transferred Assets in such specific jurisdiction(s) (each, a “**Local Agreement**”), duly executed by the applicable Seller Parties;

(vi) an IRS Form W-9 from each Seller Party (or its regarded owner) selling, conveying, transferring or delivering any Transferred Assets or Transferred Equity Interests;

(vii) without limiting Section 7.05, any and all other instruments of conveyance and transfer, in form and substance reasonably acceptable to Seller and Buyer, as may be necessary to convey the Transferred Equity Interests and Transferred Assets to Buyer or to otherwise give effect to the transactions contemplated by this Agreement to occur at the Closing; and

(viii) to the extent Buyer and Seller mutually agree prior to the Closing to enter into the TSA, a counterpart of the TSA, as duly executed by Seller and the other Seller Parties that are party thereto.

(b) Buyer shall deliver or cause to be delivered to Seller the following:

(i) a receipt for the Transferred Equity Interests, duly executed by Buyer and other instruments of transfer duly executed by Buyer, in each case, to the extent required by applicable Law to validly transfer title in and to the Transferred Equity Interests to Buyer and in form and substance reasonably acceptable to Buyer;

(ii) a counterpart of the Bill of Sale, Assignment and Assumption Agreement, duly executed by Buyer;

(iii) a counterpart of the IP Assignment Agreement, duly executed by Buyer;

(iv) the officer's certificate required to be delivered to Seller pursuant to Section 10.02(a)(iii);

(v) to the extent Buyer and Seller mutually agree prior to the Closing that such agreements or instruments are required by applicable Law or otherwise necessary or advisable in specific jurisdiction(s) in which the Companies are formed and/or in which the Business operates (it being understood that, as promptly as practicable following the Agreement Date, Buyer and Seller will cooperate in good faith to determine whether any such agreements or instruments are so required, necessary or advisable in the jurisdictions set forth on Schedule 3.02(a)(v)), a counterpart to each Local Agreement, duly executed by Buyer;

(vi) without limiting Section 7.05, all other instruments of conveyance and transfer, in form and substance reasonably acceptable to Seller and Buyer, as may be necessary to convey the Transferred Equity Interests and Transferred Assets to Buyer or to otherwise give effect to the transactions contemplated by this Agreement to occur at the Closing; and

(vii) to the extent Buyer and Seller mutually agree prior to the Closing to enter into the TSA, a counterpart of the TSA, as duly executed by Buyer and/or Buyer's Affiliates that are party thereto.

Section 3.03. Purchase Price Allocation. Buyer and Seller agree to allocate the Credit Bid Amount, the Assumed Liabilities, and all other relevant items among the Transferred Assets

and the Transferred Equity Interests in accordance with the allocation under this Section 3.03. Reasonably in advance of the Closing Date, Seller shall deliver to Buyer its proposed allocation for review and comment. Buyer and Seller shall mutually cooperate to resolve any differences in good faith, with the objective of having an agreed tentative allocation at least three (3) Business Days prior to the Closing. In the absence of an agreed tentative allocation, Seller's allocation (as adjusted after giving good faith consideration to any Buyer comments, which allocation shall be delivered to Buyer no later than two (2) Business Days prior to the Closing) shall govern, pending the final allocation. Accordingly, the tentative allocation shall govern the initial remittance of any Transfer Taxes, subject to adjustment in accordance with a later agreed Purchase Price Allocation. No later than thirty (30) days following the Closing Date, Seller shall deliver to Buyer a proposed final allocation of the Credit Bid Amount and the Assumed Liabilities (and all other relevant items) as of the Closing Date among the Transferred Assets and the Transferred Equity Interests determined in a manner consistent with the tentative allocation. The Parties shall negotiate in good faith to agree on a final allocation of the Credit Bid Amount and the Assumed Liabilities (and all other relevant items) for a period of at least sixty (60) days following the Seller's delivery of a draft thereof (as agreed during such period, the "**Purchase Price Allocation**"). The Purchase Price Allocation, if any, shall be conclusive and binding on the Parties. None of the Parties shall take any position inconsistent with the Purchase Price Allocation, if any, on any Tax Return, or in any audit or Tax proceeding, unless otherwise required by a final determination by a Government Authority. For the avoidance of doubt, unless there is an agreed Purchase Price Allocation, the Parties may take positions in a manner consistent with their own determinations of the proper Purchase Price Allocation. Notwithstanding any other provision of this Agreement, the terms and provisions of this Section 3.03 shall survive the Closing without limitation.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE SELLER PARTIES

Seller hereby represents and warrants to Buyer, on behalf of itself and each of the other Seller Parties, except as set forth in the Disclosure Schedules, as follows:

Section 4.01. Formation and Qualification of the Transferred Entities. Each Transferred Entity is a corporation or other entity duly incorporated, formed or organized, validly existing and, to the extent legally applicable, in good standing under the Laws of its jurisdiction of incorporation, formation or organization and has the requisite corporate or other appropriate power and authority to operate its business as now conducted. Each Transferred Entity is duly qualified as a foreign corporation or other organization to do business, and, to the extent legally applicable, is in good standing, in each jurisdiction in which the character of its owned, operated or leased properties or the nature of its activities makes such qualification necessary, except where the failure to be so qualified or in good standing has not had, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.02. Capital Structure of the Transferred Entities.

(a) The authorized capital stock or other equity interests (if applicable) and the number of issued and outstanding shares or other equity interests of each Company is set forth on Schedule 4.02(a). Subject to the entry of the Sale Order and the discharge of any applicable Lien pursuant thereto, the Seller Parties own all of the Transferred Equity Interests, free and clear of any and all Liens, except (i) any transfer restrictions of general applicability arising under the Securities Act or any other applicable securities Laws, (ii) any Lien arising out of, under or in connection with this Agreement or any other Transaction Agreement or (iii) a Lien in favor of the Secured Lender arising under the Loan Documents. All of the Transferred Equity Interests have been duly authorized and validly issued, are, as applicable, fully paid and nonassessable and were not issued in violation of any preemptive rights, purchase or call rights, rights of first refusal, or subscription rights. Except as set forth on Schedule 4.02(b), there are no outstanding (i) shares of capital stock or other equity interests in the Companies, (ii) options, warrants, redemption or repurchase rights, “phantom” stock rights, stock appreciate rights, stock-based performance units, or rights of conversion or other similar rights, agreements, arrangements or commitments obligating any Company to issue, deliver, offer or sell any shares of its capital stock, other equity interests or securities convertible into or exchangeable for any of the foregoing, other than as expressly provided in this Agreement. There are no voting trusts, stockholder or shareholder agreements, registration rights agreements, proxies or other agreements in effect with respect to the voting or transfer of the Transferred Equity Interests of any Company.

(b) The authorized capital stock or other equity interests (if applicable) and the number of issued and outstanding shares or other equity interests of each Business Subsidiary is set forth on Schedule 4.02(b). One or more of the Companies and/or the Business Subsidiaries own all of the outstanding capital stock or other equity interests of each Business Subsidiary, free and clear of any and all Liens, except (i) any transfer restrictions of general applicability arising under the Securities Act or any other applicable securities Laws, (ii) any Lien under this Agreement or any other Transaction Agreement or (iii) a Lien in favor of the Secured Lender arising under the Loan Documents. All outstanding shares or other equity interests of each Business Subsidiary have been duly authorized and validly issued and, to the extent applicable, are fully paid and nonassessable and were not issued in violation of any preemptive rights, purchase or call rights, rights of first refusal, or subscription rights. Except as set forth on Schedule 4.02(a), there are no outstanding (i) shares of capital stock or other equity interests in the Business Subsidiaries, other than the equity interests of such Business Subsidiaries owned by other Transferred Entities, (ii) options, warrants, redemption or repurchase rights, “phantom” stock rights, stock appreciate rights, stock-based performance units, or rights of conversion or other rights, agreements, arrangements or commitments obligating any Business Subsidiary to issue deliver, offer or sell any of its shares, other equity interests or securities convertible into or exchangeable for any of the foregoing, other than as provided in this Agreement. There are no voting trusts, stockholder or shareholder agreements, registration rights agreements, proxies or other agreements in effect with respect to the voting or transfer of the shares or other equity interests of any Business Subsidiary.

(c) Other than (i) the Transferred Entities and (ii) if applicable, other Seller Parties, the Seller Parties have no Subsidiaries and do not own equity interests in any other Person.

Section 4.03. Formation and Authority of the Seller Parties; Enforceability. Each Seller Party is a corporation or other entity duly incorporated, formed or organized, validly existing and, to the extent legally applicable, in good standing under the Laws of its jurisdiction of incorporation, formation or organization. Except for such authorizations required by the Bankruptcy Court, each Seller Party has the requisite corporate or other appropriate power to execute, deliver and perform its obligations under this Agreement and will have prior to the Closing the requisite corporate or other appropriate power to execute, deliver and perform its obligations under the other Seller Transaction Agreements (including the consummation of the Seller Transactions). Each Seller Party has the requisite corporate or other appropriate power and authority to operate its business as now conducted (including the Transferred Assets and the Transferred Equity Interests and is duly qualified as a foreign corporation or other organization to do business, and to the extent legally applicable, is in good standing in each jurisdiction in which the character of its owned, operated or leased properties or the nature of its activities makes such qualification necessary, except where the failure to be so qualified or in good standing has not had, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. The execution, delivery and performance by each Seller Party of the Seller Transaction Agreements (including the consummation of the Seller Transactions) to which it is a party have been (or, in the case of a Seller Party other than Seller, will be prior to the Closing) duly authorized by all requisite corporate or organizational action on the part of such Seller Party, and no shareholder or other similar approval is required in connection with such Seller Party's execution, delivery and performance of the Seller Transaction Agreements. Except for such authorizations as may be required by the Bankruptcy Court, this Agreement has been duly executed and delivered by each Seller Party, and upon execution and delivery thereof, the other Seller Transaction Agreements will be duly executed and delivered by the Seller Parties party thereto, and (assuming due authorization, execution and delivery thereof by the other parties hereto and thereto) this Agreement constitutes, and upon execution and delivery thereof, the other Seller Transaction Agreements will constitute, legal, valid and binding obligations of the Seller Parties party thereto, enforceable against the Seller Parties party thereto in accordance with their respective terms, subject to the Bankruptcy and Equity Exception.

Section 4.04. No Conflict. Provided that all Consents, waivers or other actions listed on Schedule 4.04 or described in Section 4.05 have been obtained or satisfied, except as otherwise expressly provided in this Article IV and except as may result solely and exclusively from any facts or circumstances relating to Buyer or its Affiliates (other than the Seller Parties and their Subsidiaries), the execution, delivery and performance by the Seller Parties of the Seller Transaction Agreements (including the consummation of the Seller Transactions) do not and will not:

(i) violate or conflict with the certificate or articles of incorporation or bylaws or similar organizational or governing documents of any of the Seller Parties or any of the Transferred Entities;

(ii) violate in any material respect any Law or Order applicable to the Seller Parties, the Transferred Entities or the Business; or

(iii) violate or conflict with, result in any breach of, or constitute a violation or default (or, any event that, with notice or lapse of time, or both would constitute a default) under, or give to any Person any right to terminate, accelerate or cancel, or result in a material loss under, or the creation of any Lien on any Transferred Equity Interests, any Transferred Assets or any assets of any Transferred Entity pursuant to, (A) any Transferred Contract or (B) any material Contract to which any Transferred Entity is a party, except, in the case of this clause (iii), as would not affect, prevent, materially delay or materially impair any Seller Party's ability to consummate the Transactions or perform its obligations under the Seller Transaction Agreements.

Section 4.05. Consents and Approvals. The execution, delivery and performance by the Seller Parties of the Seller Transaction Agreements (including the consummation of the Seller Transactions) do not and will not require any Consent, waiver, or other action from or by, or any filing with or notification to, any Government Authority by any Seller Party or any Transferred Entity, except (a) in connection with applicable filing, notification, waiting period or approval requirements under applicable Antitrust Laws, (b) where the lack of any such Consent, waiver, or other action or filing or notification would not affect, prevent, materially delay or materially impair any Seller Party's ability to consummate the Transactions or perform its obligations under the Seller Transaction Agreements or (c) as may be necessary solely and exclusively as a result of any facts or circumstances relating to Buyer or its Affiliates (other than the Seller Parties and their Subsidiaries).

Section 4.06. Absence of Certain Undisclosed Liabilities, Guaranties.

(a) Other than (i) Liabilities for Taxes, (ii) Liabilities arising under this Agreement and (iii) Excluded Liabilities, taken as a whole, there are no Liabilities of the Business that are required to be reflected on, reserved against or otherwise described in a balance sheet prepared in accordance with IFRS.

(b) None of the execution and delivery of this Agreement or any of the other Transaction Agreements or the consummation of the transactions contemplated hereby or thereby (alone or in conjunction with any other event, including any termination of employment on or following the Closing) will entitle any officer, director, employee or independent contractor of any Transferred Entity to any compensation or benefit, or accelerate the time of payment or vesting, or trigger any payment or funding, of any compensation or benefit for any officer, director, employee or independent contractor of any Transferred Entity or trigger any other material obligation under any Employee Plan, in each case, that would result in any Liability to Buyer or any of its Affiliates (including, following the Closing, the Transferred

Entities) following the Closing or (ii) result in any material breach or violation of or material default under, or limit Buyer's or any of its Affiliates' (including, following the Closing, the Transferred Entities) right to amend, modify or terminate, any Employee Plan of any of the Transferred Entities.

(c) Except as set forth on Section 4.06(c) of the Disclosure Schedules, there are no:

(i) letters of credit, guarantees, surety bonds, performance bonds or other financial assurance obligations issued or entered into by or on behalf of (or for the account of) Buyer or any of its Affiliates (other than the Seller Parties and their Subsidiaries, including the Transferred Entities), on the one hand, to, in favor or for the benefit of any of the Seller Parties and their Subsidiaries (including the Transferred Entities), on the other hand; or

(ii) Liabilities owed or otherwise due from Buyer or any of its Affiliates (other than the Seller Parties and their Subsidiaries, including the Transferred Entities), on the one hand, to, in favor or for the benefit of any of the Seller Parties and their Subsidiaries (including the Transferred Entities), on the other hand.

Section 4.07. Absence of Litigation.

(a) As of the Agreement Date, there are no Actions or Orders pending, existing or threatened in writing against the Seller Parties (with respect to the Business) or relating to the Transferred Assets or the Transactions that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or that would affect, prevent, materially delay or materially impair any Seller Party's ability to consummate the Transactions or perform its obligations under the Seller Transaction Agreements.

(b) As of the Agreement Date, there are no Actions or Orders pending, existing or threatened in writing against the Transferred Entities (with respect to the Business).

Section 4.08. No Real Property; Title.

(a) The Seller Parties do not own any real property.

(b) Except for Permitted Liens, the Transferred Assets (other than any personal property leased pursuant to a Transferred Contract) are owned by or otherwise made available to the Seller Parties or the Transferred Entities, and effective as of immediately following the Closing, subject to Section 2.03 and Buyer's payment of Cure Costs in accordance with Section 2.05, and subject to entry of the Sale Order, Buyer will own good and valid title to each of the Transferred Assets or will be vested with good and valid title to such Transferred Assets, as the case may be, free and clear of all Liens, to the fullest extent permissible under Section 363(f) of the Bankruptcy Code.

Section 4.09. Obligations Under Loan Documents. As of the Agreement Date, approximately \$2,435,290,000 is due and owing under the Loan Documents.

Section 4.10. Advisors. Except for Ankura Consulting Group LLP, Rothschild & Co and Weil, Gotshal & Manges LLP, (the “**Seller Advisors**”) (whose fees and expenses shall be solely borne by Seller Parties as an Excluded Liability), none of the Seller Parties nor any of their Affiliates (including, for the avoidance of doubt, any of the Transferred Entities) has (a) engaged, employed or entered into any Contract with any agent, financial advisor, investment banker, broker, finder, consultant, counsel, accountant or other third-party representative or incurred any Liability for any fees, costs or expenses to any such Person (including brokerage fees, commissions or finders’ fees in connection with the Transactions) or (b) entered into any Contract which might give rise to any valid claim against any Transferred Entity for any Liability for any fees, costs or expenses to any such Person. There is no Contract between any Seller Party or any Transferred Entity, on the one hand, and any Seller Advisor, on the other hand, a true and complete copy of which has not been provided to Buyer prior to the Agreement Date.

Section 4.11. No Other Representations or Warranties. Except for the representations and warranties expressly set forth in this Article IV (as modified by the Disclosure Schedules), the other Transaction Agreements or any certificate delivered pursuant to any Transaction Agreement, none of the Seller Parties or any other Person has made, makes or shall be deemed to make any other representation or warranty of any kind whatsoever, express or implied, written or oral, at law or in equity, on behalf of the Seller Parties, the Transferred Entities or any of their respective Affiliates, including any representation or warranty regarding any Seller Party, any Transferred Entity or any other Person, the Transferred Equity Interests, any Assets, any Transferred Assets, any Liabilities of any Seller Party or Transferred Entity, including any Assumed Liabilities, the Business, any Transaction, any other rights or obligations to be transferred pursuant to the Transaction Agreements or any other matter, and the Seller Parties hereby disclaim all other representations and warranties of any kind whatsoever, express or implied, written or oral, at law or in equity, whether made by or on behalf of any Seller Party, any Transferred Entity or any other Person, including any of their respective Representatives. Except for the representations and warranties expressly set forth in this Article IV (as modified by the Disclosure Schedules), the other Transaction Agreements or any certificate delivered pursuant to any Transaction Agreement, each Seller Party hereby (a) disclaims and negates any representation or warranty, expressed or implied, at common law, by statute, or otherwise, relating to the condition of the Transferred Assets, the Assets or the Business, and (b) disclaims all Liability and responsibility for all projections, forecasts, estimates, financial statements, financial information, appraisals, statements, promises, advice, Data or information made, communicated or furnished (orally or in writing, including electronically) to Buyer or any of Buyer’s Affiliates or any Representatives of Buyer or any of Buyer’s Affiliates (including any opinion, information, projection, or advice that may have been or may be provided to Buyer by any Representative of the Seller Parties or the Transferred Entities, respectively), including omissions therefrom. Without limiting the foregoing, no Seller Party makes any representation or warranty of any kind whatsoever, express or implied, written or oral, at law or in equity, to Buyer or any of its Affiliates or any Representatives of Buyer of any of its Affiliates regarding the probable success, profitability or value of the Transferred Entities, the Transferred Assets or the Business.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to the Seller Parties that, as follows:

Section 5.01. Formation and Authority of Buyer; Enforceability. Buyer is a corporation or other entity duly incorporated, formed or organized, validly existing and, to the extent legally applicable, in good standing under the Laws of its jurisdiction of incorporation, formation or organization and has the requisite corporate or other appropriate power and authority to execute, deliver and perform its obligations under this Agreement and will have prior to the Closing the requisite corporate or other appropriate power and authority to execute, deliver and perform its obligations under the other Buyer Transaction Agreements (including the consummation of the Buyer Transactions). The execution, delivery and performance of the Buyer Transaction Agreements by Buyer (including the consummation of the Buyer Transactions) have been duly authorized by all requisite corporate or organizational action on the part of Buyer, and no shareholder or other similar approval is required in connection with Buyer's execution, delivery and performance of the Buyer Transaction Agreements. This Agreement has been, and upon execution and delivery thereof, the other Buyer Transaction Agreements will be, duly executed and delivered by Buyer, and (assuming due authorization, execution and delivery by the other parties hereto and thereto) this Agreement constitutes, and upon execution and delivery thereof, the other Buyer Transaction Agreements will constitute, legal, valid and binding obligations of Buyer enforceable against Buyer in accordance with their respective terms, subject to the Bankruptcy and Equity Exception.

Section 5.02. No Conflict. Provided that all Consents, waivers and other actions described in Section 5.03 have been obtained or satisfied, except as otherwise expressly provided in this Article V and except as may result solely and exclusively from any facts or circumstances relating to the Seller Parties and their Subsidiaries, the execution, delivery and performance by Buyer of the Buyer Transaction Agreements (including the consummation of the Buyer Transactions) do not and will not:

- (a) violate or conflict with the certificate or articles of incorporation or bylaws or similar organizational or governing documents of Buyer;
- (b) violate in any material respect any Law or Order applicable to Buyer; or
- (c) violate or conflict with, result in any breach of, or constitute a violation or default (or, any event that, with notice or lapse of time, or both would constitute a default) under, or give to any Person any right to terminate, accelerate or cancel, or result in any material loss under, or the creation of any Lien on any material assets or material properties of Buyer pursuant to, any material Contract to which Buyer or any of its Subsidiaries or Affiliates is a party or by which any of such material assets or material properties is bound, except for any such conflicts, violations, terminations, cancellations, breaches, defaults, accelerations, or Liens as would not

prevent, materially delay or materially impair Buyer's ability to consummate the Transactions or perform its obligations under the Buyer Transaction Agreements.

Section 5.03. Consents and Approvals. The execution, delivery and performance by Buyer of the Buyer Transaction Agreements (including the consummation of the Buyer Transactions) do not and will not require any Consent, waiver, or other action from or by, or any filing with or notification to, any Government Authority by Buyer, except (a) in connection with applicable filing, notification, waiting period or approval requirements under applicable Antitrust Laws, (b) where the lack of any such Consent, waiver, or other action or filing or notification would not prevent, materially delay or materially impair Buyer's ability to consummate the Transactions or perform its obligations under the Buyer Transaction Agreements or (c) except as may result solely and exclusively from any facts or circumstances relating to the Seller Parties and their Subsidiaries.

Section 5.04. Absence of Litigation. As of the Agreement Date, there are no Actions or Orders pending, existing or, threatened in writing that would prevent, materially delay or materially impair Buyer's ability to consummate the Transactions or perform its obligations under the Buyer Transaction Agreements.

Section 5.05. Financial Ability. Buyer has, and will have at the Closing, (a) sufficient immediately available funds and the financial ability to pay all Cure Costs and any costs and expenses incurred by Buyer pursuant to, or in connection with the negotiation, execution or performance of the Transaction Agreements and (b) the resources and capabilities (financial and otherwise) to perform its obligations under the Buyer Transaction Agreements.

Section 5.06. Investigation. Buyer acknowledges and agrees that it (a) has completed such inquiries and investigations as it has deemed appropriate into, and, based thereon, has formed an independent judgment concerning, the Transferred Entities, the Transferred Equity Interests, the Assets, the Liabilities of the Transferred Entities, the Transferred Assets, the Assumed Liabilities, the Business and the Transactions, and any other rights or obligations to be transferred, directly or indirectly, pursuant to the Transaction Agreements and (b) has been furnished with, or given access to, all such projections, forecasts, estimates, appraisals, statements, promises, advice, Data or information about the Seller Parties, the Transferred Entities, the Transferred Equity Interests, the Assets, the Liabilities of the Transferred Entities, the Transferred Assets, the Assumed Liabilities, the Business and any other rights or obligations to be transferred, directly or indirectly, pursuant to the Transaction Agreements, as it has requested or otherwise requires to enter into this Agreement. Buyer further acknowledges and agrees that (x) the only representations and warranties made by Seller Parties are the representations and warranties expressly set forth in Article IV (as modified by the Disclosure Schedules) and Buyer has not relied upon, and will not rely upon, any other express or implied representations, warranties or other projections, forecasts, estimates, appraisals, statements, promises, advice, Data or information made, communicated or furnished by or on behalf of Seller or any of its Affiliates, any Representatives of Seller or any of its Affiliates or any other Person, including any projections, forecasts, estimates, appraisals, statements, promises, advice, Data or information made, communicated or furnished by or through the Seller Advisors, or

management presentations, data rooms (electronic or otherwise) or other due diligence information, and that Buyer will not have any right or remedy arising out of any such representation, warranty or other projections, forecasts, estimates, appraisals, statements, promises, advice, Data or information and (y) any claims Buyer may have for breach of any representation or warranty shall be based solely on the representations and warranties of Seller expressly set forth in Article IV (as modified by the Disclosure Schedules), subject to the exclusive remedies set forth herein. Except as otherwise expressly set forth in this Agreement, Buyer understands and agrees that the Transferred Entities, the Assets, the Business, the Transferred Assets and the Assumed Liabilities are being transferred on a “where-is” and, as to condition, “as-is” basis subject to the representations and warranties contained in Article IV (as modified by the Disclosure Schedules) without any other representations or warranties of any nature whatsoever.

Section 5.07. Securities Matters. The Transferred Equity Interests are being acquired by Buyer for its own account, and not with a view to, or for the offer or sale in connection with, any public distribution or sale of the Transferred Equity Interests or any interest in them. Buyer has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of its investment in the Transferred Equity Interests, and Buyer is capable of bearing the economic risks of such investment, including a complete loss of its investment in the Transferred Equity Interests. Buyer acknowledges that the Transferred Equity Interests have not been registered under the Securities Act, or any state securities Laws, and understands and agrees that it may not sell or dispose of any of the Transferred Equity Interests except pursuant to a registered offering in compliance with, or in a transaction exempt from, the registration requirements of the Securities Act and any other applicable state, foreign or federal securities Laws.

Section 5.08. No Other Representations or Warranties. Except for the representations and warranties expressly set forth in this Article V, the other Transaction Agreements or any certificate delivered pursuant to any Transaction Agreement, neither Buyer nor any other Person has made, makes or shall be deemed to make any other representation or warranty of any kind whatsoever, express or implied, written or oral, at law or in equity, on behalf of Buyer or any of its Affiliates, and Buyer hereby disclaims all other representations and warranties of any kind whatsoever, express or implied, written or oral, at law or in equity, whether made by or on behalf of Buyer or any other Person, including any of their respective Representatives.

ARTICLE VI

ADDITIONAL AGREEMENTS

Section 6.01. Conduct of Business Before the Closing. Buyer acknowledges that, following the commencement of the Bankruptcy Cases, the Seller Parties and the Transferred Entities will be operating the Business in the context of the Bankruptcy Cases. Subject to the foregoing, except (i) in connection with, or as otherwise contemplated by, the Pre-Closing Restructuring (but only if, and to the extent, previously consented to in writing by Buyer in accordance with Section 6.08), (ii) as required by applicable Law, by Order of the Bankruptcy

Court or to the extent required in connection with the Bankruptcy Cases, (iii) as expressly required by the terms of any Transaction Agreement or (iv) for matters identified on Schedule 6.01, during the Pre-Closing Period:

(i) Seller shall, and shall cause the other Seller Parties and the Transferred Entities to (A) other than in connection with the Bankruptcy Cases, operate the Business in the ordinary course of business, (B) use commercially reasonable efforts to maintain the Transferred Assets and the Assets in their current condition (subject to ordinary wear and tear) and (C) preserve in all material respects the present business operations, organization and goodwill of the Business and present relationships with material customers and material suppliers and other material commercial counterparties of the Business; and

(ii) without limiting any other restriction set forth in this Section 6.01, unless Buyer otherwise consents in writing (which consent Buyer may withhold or grant in its sole discretion, and provided that if Buyer or its applicable Affiliate consents to such any such action in writing in accordance with, and for the purposes of, the DIP Credit Agreement or the other Loan Documents, such action shall be deemed to have been consented to by Buyer in writing for purposes of this Agreement), Seller shall not (and shall cause each other Seller Party, the Transferred Entities and its other Subsidiaries not to), take any action that is not permitted to be taken under, or would otherwise violate the covenants of, the DIP Credit Agreement or the other Loan Documents (and for this purpose, the DIP Credit Agreement and each other Loan Document shall be deemed to be in effect during the entirety of the Pre-Closing Period as it is in effect as of the date hereof (and as amended, restated or modified in accordance with its terms after such date), even if it is terminated prior to the end of the Pre-Closing Period); and

(iii) unless Buyer otherwise consents in writing (which consent Buyer may withhold or grant in its sole discretion), Seller shall, and shall cause each other Seller Party and the Transferred Entities and its other Subsidiaries to, not do any of the following:

(A) adopt or effect any change in any organizational or governing document;

(B) create, grant or incur any Lien on (i) the Transferred Equity Interests, (ii) except in the ordinary course of business, any material Assets or Transferred Assets (in each case, whether tangible or intangible), in each case, other than a Permitted Lien or a Lien that will be discharged at or prior to the Closing;

(C) merge or consolidate any Seller Party or any Transferred Entity or any of their respective Subsidiaries with any other Person;

(D) restructure, reorganize or completely or partially liquidate or otherwise enter into any agreements or arrangements imposing material changes or restrictions on the respective assets, operations or businesses of any Seller Party or any Transferred Entity;

(E) acquire (by merger, consolidation, acquisition of stock or assets or otherwise), directly or indirectly, any corporation, partnership, limited liability company or other business organization, business or division or any securities or interests in any business organization;

(F) make any investment in, or any loan, advance or capital contribution to, any Person or enter into any joint venture, partnership or other similar arrangement;

(G) convey, assign, deliver or otherwise transfer any Cash (or any rights to any Cash) to (or among) any Seller Party or any Subsidiary of any Seller Party (including any Transferred Entity), except for transfers of Cash in an amount less than \$100,000 in the aggregate solely from one Transferred Entity to another Transferred Entity in the ordinary course of business;

(H) acquire, directly or indirectly, any assets or properties, other than (i) raw materials and supplies in the ordinary course of business and (ii) assets and property the value of which does not exceed \$100,000;

(I) other than with respect to Intellectual Property (which is specifically addressed in subsection (J) below), sell, transfer or otherwise dispose of any assets or properties (including any Transferred Assets), other than inventory and immaterial obsolete equipment in the ordinary course of business;

(J) sell, assign, license, sublicense, abandon, allow to lapse, transfer or otherwise dispose of, or create or incur any Lien on or otherwise fail to take any commercially reasonable action necessary to maintain or protect, any Business Intellectual Property, other than a Permitted Lien incurred in the ordinary course of business;

(K) except to the extent expressly permitted by the DIP Credit Agreement, incur, issue or otherwise become responsible for any Debt;

(L) except to the extent necessary in connection with the Bankruptcy Cases, assume, grant, guarantee or endorse, or otherwise become responsible for, the obligations of any Person;

(M) issue, sell, pledge, dispose of, grant, transfer, encumber, or authorize the issuance, sale, pledge, disposition, grant, transfer or encumbrance of, or amend or modify the terms of any shares of, or other equity interests in, the Transferred Entities, or securities convertible into or exchangeable for such shares or equity interests (other than, in each case, the issuance or sale of shares of, or other equity interest in, one Transferred Entity to another Transferred Entity), or issue or grant any options, warrants, calls, subscription rights or other rights of any kind to acquire such shares, other equity interests or securities;

(N) reclassify, split, combine, subdivide or redeem, purchase or otherwise acquire, directly or indirectly, any shares of, or other equity interests in, the Transferred Entities, or securities convertible into or exchangeable for such shares or equity interests;

(O) (i) enter into (including by assignment or acquisition), amend or modify, fail to renew, waive compliance with, settle any claim with respect to, or terminate any Transferred Contract, or otherwise waive, release or assign any material rights, claims or benefits under any such Transferred Contract or (ii) reject any Transferred Contract or other material Contract or seek Bankruptcy Court approval to do so;

(P) other than the Bankruptcy Cases, take any action to initiate any bankruptcy, insolvency, reorganization or moratorium proceeding of any character, including bankruptcy, receivership, reorganization, composition, administration or an arrangement with creditors, voluntary or involuntary, of any Seller Party or any Transferred Entity or any of their respective Subsidiaries or any of their respective assets or properties;

(Q) take any action in breach of the Bidding Procedures Order or the Sale Order;

(R) with respect to any Transferred Asset, (i) agree to allow any form of relief from the automatic stay in the Bankruptcy Cases or (ii) fail to use reasonable best efforts to oppose any action by a third party to obtain relief from the automatic stay in the Bankruptcy Cases;

(S) voluntarily pursue or seek, or fail to use reasonable best efforts to oppose any third party in pursuing or seeking, a conversion of any of the Bankruptcy Cases to a case under chapter 7 of the Bankruptcy Code, the appointment of a trustee under chapter 11 or chapter 7 of the Bankruptcy Code and/or the appointment of an examiner with expanded powers;

(T) incur any capital expenditures in excess of \$500,000 in the aggregate;

(U) declare, pay or set aside any dividends or distributions on any capital stock of any Company (in cash or in kind);

(V) other than as required by applicable Law or by the terms of any Employee Plan as in effect on the Agreement Date, (i) (x) hire, promote or terminate the employment of, or increase the compensation or benefits payable to, any officer, director, employee or independent contractor of any Transferred Entity with an annual base salary or wages in excess of \$150,000 (or the local currency equivalent) (each of the foregoing individuals, a “**Transferred Entity Service Provider**”) or (y) transfer the employment of any employee or independent contractor of any Seller Party or any Seller

Party's Subsidiaries (other the Transferred Entities) to any Transferred Entity, (ii) grant or increase any severance, change in control, retention, termination or similar compensation or benefits to (or amend any existing severance, change in control, retention, termination or similar compensation, benefits or arrangement with) any Transferred Entity Service Provider with an annual base salary or wages in excess of \$150,000 (or the local currency equivalent), or (iii) (x) establish, adopt, materially amend, or terminate any Employee Plan sponsored by a Transferred Entity or (y) transfer or assign the sponsorship of, or administration of or any liabilities relating to, any Employee Plan to any Transferred Entity;

(W) make, change or revoke any material Tax election of any Transferred Entity unless required by IFRS or Law (provided that any entity classification election under Treasury Regulation 301.7701-3 shall be deemed material);

(X) make any changes with respect to accounting policies, practice, or procedures except as required by applicable Law;

(Y) enter into any material new line of business; or

(Z) agree, authorize or enter into any legally binding commitment with respect to any of the foregoing.

Section 6.02. Access to Information.

(a) During the Pre-Closing Period, upon reasonable prior written notice to the Seller, subject to any limitations imposed by the Bankruptcy Code or the Bankruptcy Court, Seller shall, and shall cause each of the other Seller Parties and the Transferred Entities and each of its other Subsidiaries to, at the sole cost and expense of Buyer, (i) afford Buyer and the Representatives of Buyer reasonable access, during normal business hours, to the premises, assets, employees, facilities, properties, Contracts and books and records of such Seller Party and its Subsidiaries, including in respect of any of the Transferred Entities, the Business, the Transferred Assets and the Assumed Liabilities, (ii) furnish to Buyer and the Representatives of Buyer such additional financial and operating Data and other information regarding the Transferred Entities, the Business, the Transferred Assets and the Assumed Liabilities as Buyer or its Representatives may from time to time request, (iii) make available to Buyer and its Representatives, during normal business hours, those directors, officers, employees, auditors, accountants and other Representatives of the Seller Parties and the Transferred Entities and the other Subsidiaries of the Seller Parties, except, in the case of each of the preceding clauses (i), (ii) and (iii), as set forth in Section 6.02(b).

(b) Notwithstanding anything in this Agreement to the contrary:

(i) (A) in no event shall the Seller Parties, the Transferred Entities or their respective Affiliates be obligated to provide any (1) access or information if, after consultation with Seller's counsel, doing so would be in violation of any applicable Law or any Order of the Bankruptcy Court or (2) information the disclosure of which would jeopardize any

applicable privilege (including the attorney-client privilege) available to any of the Seller Parties, the Transferred Entities or any of their respective Affiliates relating to such information or (3) information the disclosure of which would cause any Seller Party, any Transferred Entity or any of their respective Affiliates to breach a bona fide and material confidentiality obligation to a third party to which it is bound (it being agreed that, in the case of the preceding clauses (1), (2) and (3), the Seller Parties shall cooperate with Buyer and its Representatives to make appropriate substitute arrangements or limit disclosure to the extent necessary to avoid a violation of an applicable Law or an Order of the Bankruptcy Court or avoid jeopardizing an applicable privilege or avoid breaching the applicable confidentiality obligation) and (B) any access or investigation contemplated by Section 6.02(a) shall not unreasonably interfere with any of the businesses, personnel or operations of any of the Seller Parties, the Transferred Entities or any of their respective Affiliates or the Business; and

(ii) the auditors and accountants of any of the Seller Parties, the Transferred Entities or any of their respective Affiliates or the Business shall not be obligated to make any work papers available to any Person except in accordance with such auditors' and accountants' normal disclosure procedures and then only after such Person has signed a customary agreement relating to such access to work papers in form and substance reasonably acceptable to such auditors or accountants.

Section 6.03. Regulatory Approvals; Efforts. Subject, in each case, to the other provisions of this Section 6.03 (including, for the avoidance of doubt, Section 6.03(d)):

(a) Promptly following the Agreement Date, each of the Parties shall, and shall cause its Affiliates and applicable Representatives to, cooperate with the other Parties and their Affiliates and applicable Representatives in good faith to determine what all Consents, Permits and Orders of all Government Authorities (other than any required approvals or action of the Bankruptcy Court, which are governed exclusively by Article VIII) may be, or become, necessary for the execution and delivery of, and performance of the Parties' and their Affiliates' obligations pursuant to, the Transaction Agreements (including the consummation of the Transactions) (collectively, the "**Government Approvals**"). To the extent any Government Approvals are required, each of the Parties shall, and shall cause its Affiliates to, use its reasonable best efforts to take any and all steps to make all required filings and promptly obtain all such Government Approvals.

(b) Without limiting the generality of each Party's obligations under Section 6.03(a), to the extent required by the HSR Act and other applicable Antitrust Laws, each of the Parties shall make its respective filing under the HSR Act, and any and all other filings, declarations or registrations required pursuant to other applicable Antitrust Laws, with respect to the Transactions as promptly as practicable following the determination that such filings are required. Each Party shall, and shall cause its Affiliates to, use its reasonable best efforts to take any and all necessary steps to resolve as soon as reasonably practicable, but in any event not later than the Outside Date, any inquiry or investigation by any Government Authority relating to the Transactions under any Antitrust Law. In connection with any such inquiry or investigation and in furtherance of its obligations under Section 6.03(e), each Party further agrees to use its

reasonable best efforts to supply as promptly as reasonably practicable any additional information and documentary material that may be requested or required pursuant to applicable Law, including any other Antitrust Law. No Party shall withdraw its HSR Act filing, or other filing required by an applicable Antitrust Law, enter into any agreements to extend any HSR Act waiting period or any other waiting period under any other applicable Antitrust Law or enter into any agreements with any Government Authority to delay or not to consummate the Transactions without the prior written consent of the other Parties, which shall not be unreasonably withheld, conditioned, or delayed. All filings fees related to the HSR Act or any other filings under any other applicable Antitrust Laws shall be borne by Buyer.

(c) Each Party shall, and shall cause its Affiliates to, use its reasonable best efforts to promptly take and diligently pursue any or all actions to the extent necessary to eliminate each and every impediment under any Antitrust Law that may be asserted by any Government Authority or any other Person in opposition to the consummation of any of the Transactions, so as to enable the Parties to consummate the Transactions as soon as reasonably practicable, but in any event not later than the Outside Date.

(d) Notwithstanding anything to the contrary in this Agreement, the Parties acknowledge and agree that neither Buyer, nor any Seller Party or Transferred Entity, nor any of the respective Affiliates of any of the foregoing, shall be obligated to (and, without Buyer's prior written consent, no Seller Party or Transferred Entity shall, agree to do any of the following in pursuit of or in satisfaction of a condition for any approval from a Government Authority), and the covenants set forth in Sections 6.03(a) through (c) of this Agreement will in no event require, or be construed to require, Buyer, any Seller Party, any Transferred Entity or any of the respective Affiliates of any of the foregoing to (A) enter into any settlement, undertaking, consent decree, stipulation or Contract with any Government Authority, (B) litigate, defend, challenge or take any action with respect to any Action by any Person, including any Government Authority (including taking any steps or actions to defend against, vacate, modify or suspend any injunction or Order, including any injunction related to a private cause of action that would prevent consummation of the transactions contemplated by this Agreement or any other Transaction Agreement), (C) agree, propose, negotiate, offer, effect or commit, by consent decree, hold separate order or otherwise (including by establishing a trust), to sell, divest, license, lease, dispose of, transfer, encumber or otherwise restrict any of the Transferred Assets, the Assets, the Transferred Entities or any of any Seller Party's or any Transferred Entity's or Buyer's or Buyer's or any of their Affiliates' assets or businesses, operations, product or service lines, assets or properties, or any rights in any of the foregoing, (D) terminate or modify existing relationships, contractual rights or obligations of the affected party or any of its respective Affiliates, including by committing to the payment of any fee, penalty or other consideration or making any concession, waiver or amendment under any Contract, (E) take or commit to take actions that would limit the affected party's or any of its Affiliates' freedom of action with respect to, or its ability to retain or exercise rights of ownership or control with respect to, one or more of any of their businesses, operations, product or service lines, assets or properties, or any rights in any of the foregoing, (F) cease to conduct any business in any jurisdiction or (G) agree to do any of the foregoing, in each case, in connection with the Transactions (any of the actions described in this proviso, a "**Burdensome Condition**"). Notwithstanding the foregoing

sentence, at the written request of Buyer, the Seller Parties shall, and shall cause the Transferred Entities to, agree to take any of the actions described in the previous sentence to the extent any such action is conditioned upon the occurrence of the Closing.

(e) Each Party shall promptly notify the other Parties of any substantive oral or any written communication it or any of its Representatives receives from any Government Authority relating to the matters that are the subject of this Section 6.03, permit the other Parties and their respective Representatives to review in advance any communication relating to the matters that are the subject of this Section 6.03 proposed to be made by such Party to any Government Authority and provide the other Parties with copies of all correspondence, filings or other communications between them or any of their Representatives, on the one hand, and any Government Authority or members of its staff, on the other hand, relating to the matters that are the subject of this Section 6.03 (and considering in good faith any comments provided by such other Parties with respect thereto); provided, however, that materials proposed to be submitted in response to any such Government Authority communication may be redacted: (i) to remove references concerning the valuation of the Business; (ii) as necessary to comply with contractual arrangements, applicable Law or by Order of the Bankruptcy Court; and (iii) as necessary to address reasonable attorney-client or other privilege or confidentiality concerns. No Party shall agree to participate in any meeting or substantive discussion (including by phone) with any Government Authority in respect of any such filings, investigation or other inquiry unless it consults with the other Parties in advance and, to the extent permitted by such Government Authority, gives the other Parties the opportunity to attend and participate at such meeting or discussion (including by phone). The Parties will use their reasonable best efforts to coordinate and cooperate fully with each other in exchanging such information and providing such assistance as the other Parties may reasonably request in connection with the foregoing.

(f) Buyer shall, in reasonable consultation with Seller, control and direct the process by which the Parties seek to avoid or eliminate impediments under any Antitrust Law or any other competition, trade regulation or foreign investment regulation or other applicable Law, including by directing the strategy and making final determinations related to the review or investigation of the Transactions by any Government Authority.

(g) Nothing in this Section 6.03 shall be applicable to Tax matters.

Section 6.04. Third Party Consents. Each Party agrees to cooperate and use commercially reasonable efforts to obtain any other consents and approvals from any third person other than a Government Authority that may be required in connection with any Transaction (the “**Third Party Consents**”). Notwithstanding anything in this Agreement to the contrary, no Party or any of its Affiliates shall be required to compensate any third party, commence or participate in any Action or offer or grant any accommodation (financial or otherwise, including any accommodation or arrangement to remain primarily, secondarily or contingently liable for any Assumed Liability) to any third party to obtain any such Third Party Consent. For the avoidance of doubt, no representation, warranty or covenant of any Seller Party contained in any Transaction Agreement shall be breached or deemed breached, and no condition shall be deemed not satisfied, based on (a) the failure to obtain any Third Party Consents or (b)

any Action commenced or threatened by or on behalf of any Person arising out of or relating to the failure to obtain any such Third Party Consents.

Section 6.05. Intercompany Obligations. As promptly as practicable following the Agreement Date (and, in any event, within ten (10) days of the Agreement Date), Seller shall deliver to Buyer a true, correct and complete list of all Contracts, Liabilities, balances or accounts (other than pursuant to the Transaction Agreements) owing or due from (i) the Transferred Entities, on the one hand, to or in favor of (ii) the Seller Parties (other than the Transferred Entities), on the other hand (collectively, the “**Intercompany Obligations**”). Unless Buyer consents or directs otherwise in writing, each Seller Party shall take or cause to be taken such action as may be necessary so that, effective as of immediately prior to the Closing, there shall be no Intercompany Obligations (and all Intercompany Obligations shall be forever irrevocably and unconditionally terminated, cancelled and extinguished), in each case, without (A) the payment, conveyance, assignment, transfer, delivery of any consideration (whether in Cash or otherwise) in exchange for such termination, cancellation and extinguishment or (B) any further Liability to any Transferred Entity; provided that prior to taking any such action, the Seller Parties shall provide at least ten (10) Business Days’ prior written notice to Buyer (and provide Buyer with drafts of all documents and instruments prepared to effect any such action, and consider in good faith any comments from Buyer on such draft documents and instruments); provided, further, that, in the event that Seller believes in good faith that any such Intercompany Obligations that are receivables or payables of any Seller Party cannot be so terminated, cancelled and extinguished, subject to Buyer’s prior written consent, in lieu of such termination, cancellation and extinguishment, and without limiting the provisions of Section 2.02, such Intercompany Obligation(s) shall be a Transferred Asset or an Assumed Liability, as applicable. Nothing in this Section 6.05 shall require the Seller Parties to terminate or cancel any intercompany obligations solely and exclusively between or among the Transferred Entities.

Section 6.06. Cooperation. During the Pre-Closing Period, (a) each Seller Party and Buyer shall, and shall cause its respective Affiliates to, (i) refrain from taking any actions that would reasonably be expected to impair, delay or impede the Closing and (ii) without limiting the foregoing or modifying the Parties’ obligations pursuant to, and subject to, Section 6.03, use reasonable best efforts to cause all Closing Conditions to be satisfied as promptly as practicable and in any event on or before the Outside Date and (b) each Party shall keep the other Party reasonably apprised of the status of the matters relating to the completion of the Transactions.

Section 6.07. Bulk Transfer Laws. The Seller Parties will not comply with the provisions of any applicable “bulk sales,” “bulk transfer” or similar Laws (including under any Tax Laws) of any jurisdiction in connection with the Transactions and Buyer hereby waives all claims related to the noncompliance therewith.

Section 6.08. Pre-Closing Restructuring. Within fifteen (15) Business Days following the Agreement Date, the Seller Parties may propose to Buyer in writing, and in reasonable detail, the actions and steps that the Seller Parties intend to take to effectuate the Pre-Closing Restructuring and, following such proposal, the Parties will cooperate in good faith to evaluate such steps and actions as the Parties may request. No Seller Party (nor any Transferred Entity)

shall take any actions or steps to effectuate the Pre-Closing Restructuring unless Buyer has consented to such actions or steps in writing. In furtherance and not in limitation of the foregoing in this Section 6.08, Seller shall (i) keep Buyer reasonably apprised of any ongoing continued consideration by it and its Representatives of the Pre-Closing Restructuring (or any portion thereof), (ii) provide Buyer with copies of, and a reasonable opportunity to review, all agreements and other instruments to be executed in connection with the Pre-Closing Restructuring (or any portion thereof) prior to their execution, delivery or implementation, (iii) consider, in good faith, any reasonable requests by, and comments of, Buyer in connection with such agreements and instruments and (iv) not execute, deliver or implement such agreements and instruments without the prior written consent of Buyer (which may be withheld in the sole discretion of Buyer).

Section 6.09. Seller Parties. Seller hereby represents, warrants and covenants that it controls, directly or indirectly, each of the other Seller Parties and shall cause each of such other Seller Parties to comply with its obligations under the Transaction Agreements. Without limiting the foregoing, and except as set forth on Schedule 6.09, within ten (10) days of the Agreement Date, Seller shall cause each of the other Seller Parties to execute a joinder to this agreement in form and substance acceptable to Buyer pursuant to which each such other Seller Party shall (i) agree to be bound by the terms of this Agreement (including to be bound by, and agree to comply with, the terms of this Agreement requiring Seller to cause the other Seller Parties to take, or refrain from taking, actions) and (ii) be deemed to make each of the representations and warranties set forth in Article IV hereof (all such joinders collectively, the “**Joinders**”).

Section 6.10. Certain Entity. Prior to the Closing, the Parties shall cooperate in good faith to (i) consider (including in respect of any required Third Party Consents) whether, in lieu of Avon NA IP LLC being a “Company” and a “Transferred Entity” for purposes hereof it shall instead be a “Seller Party” for purposes hereof such that its assets (including the IP License Agreement, as defined in the Disclosure Schedules) and liabilities are transferred pursuant to Section 2.02 of this Agreement and (ii) upon mutual agreement with respect to the foregoing, amend this Agreement and the Disclosure Schedules as mutually agreed to be required to effectuate the foregoing.

ARTICLE VII

POST-CLOSING COVENANTS

Section 7.01. Access.

(a) From and after the Closing Date, subject to any limitations imposed by the Bankruptcy Code or the Bankruptcy Court (if applicable), in connection with any reasonable business purpose, including the preparation or amendment of Tax Returns, claims or obligations relating to Excluded Liabilities, financial statements, or the determination of any matter relating to the rights or obligations of the Seller Parties or any of their Affiliates under any Transaction Agreement, or as is necessary to administer, or satisfy their obligations in connection with, the Bankruptcy Cases, upon reasonable prior written notice to Buyer, and except to the extent

necessary to (i) ensure compliance with any applicable Law or an Order of the Bankruptcy Court or (ii) preserve any applicable privilege (including the attorney-client privilege) (it being agreed that, in the case of the preceding clauses (i) and (ii), the Seller Parties shall cooperate with Buyer and its Representatives to make appropriate substitute arrangements or limit disclosure to the extent necessary to avoid a violation of an applicable Law or an Order of the Bankruptcy Court or avoid jeopardizing an applicable privilege), Buyer shall, and shall cause each of the Transferred Entities, their respective Affiliates and their respective Representatives to (A) afford each Seller Party and its Representatives and their respective Affiliates reasonable access, during normal business hours, to the premises, assets, employees, facilities, properties, Contracts and books and records of Buyer and its Affiliates in respect of any of the Transferred Entities and the Business, the Transferred Assets and the Assumed Liabilities, (B) furnish to each Seller Party and its Representatives and their respective Affiliates such additional financial and other information regarding the Transferred Entities, their Affiliates, the Business, the Transferred Assets and the Assumed Liabilities as any Seller Party or its Representatives may from time to time reasonably request and (C) make available to each Seller Party and its Representatives and their respective Affiliates those employees of Buyer or its Affiliates whose assistance, expertise, testimony, notes or recollections or presence to the extent required to assist such Seller Party, its Representatives or their respective Affiliates to administer the Bankruptcy Cases; provided, however, that such access shall not unreasonably interfere with the business or operations of the Business; and provided, further, that the auditors and accountants of Buyer or its Affiliates shall not be obligated to make any work papers available to any Person except in accordance with such auditors' and accountants' normal disclosure procedures and then only after such Person has signed a customary agreement relating to such access to work papers in form and substance reasonably acceptable to such auditors or accountants.

(b) Notwithstanding anything to the contrary herein, for the longer of (1) any applicable statute of limitations and (2) the period ending on the Wind-Up Date, the Seller Parties shall have continued access to all Transferred Books and Records to the extent required to administer the Bankruptcy Cases and the Seller Parties may retain copies of such Transferred Books and Records, as necessary or appropriate in connection with such purpose.

(c) If so requested by Buyer, on the one hand, or any Seller Party or any of its Subsidiaries, on the other hand, one or more Seller Parties or their Subsidiaries, or Buyer or one of its Affiliates, as the case may be, shall cooperate and negotiate in good faith to enter into a customary joint defense agreement or common interest agreement with Buyer and its Affiliates, or one or more Seller Parties and their Subsidiaries, as applicable, with respect to any information to be provided to any other Party or its Affiliates or any of their respective Representatives pursuant to Section 6.02, Section 7.01(a) or Section 7.01(b).

Section 7.02. Intellectual Property Matters.

(a) From and after the Closing Date, the Seller Parties shall, and shall cause each of their respective Subsidiaries to, as promptly as practicable, remove any and all Trademarks that are included in the Business Intellectual Property from any and all assets in their respective possession or control (including any publications, signage, corporate letterhead,

stationery, business cards, marketing materials or content, internet or other electronic communications vehicles or other materials or as part of the Seller Parties' or their Subsidiaries' corporate names) and, except as expressly provided for in this Section 7.02, cease and discontinue any and all use of such Trademarks.

(b) Effective as of the Closing Date, Buyer and each of the Transferred Entities hereby grants to each Seller Party and its Subsidiaries a limited, royalty-free, fully paid-up, irrevocable, worldwide, non-sublicensable, non-transferable, non-exclusive license, until the Wind-Up Date, to continue to use any Trademarks included in the Business Intellectual Property as part of the name of such Seller Party or Subsidiary solely (i) to the extent such Trademark was used in such Seller Party's or Subsidiary's name immediately prior to the Closing Date and (ii) in connection with the winding up and cessation of the Seller Parties' or such Subsidiaries' corporate existence. Nothing in this Section 7.02 shall prohibit any Seller Party or any of its Subsidiaries from using such Trademarks in a text-only form in connection with historical, tax, employment or similar references to the Business, as necessary and appropriate to describe the historical relationship of any Seller Party or any of its Subsidiaries with the Transferred Entities, or as otherwise required to comply with applicable Law.

(c) Neither any Seller Party nor any Subsidiary thereof shall contest, challenge or oppose, or knowingly authorize or knowingly facilitate any third party to contest, challenge or oppose, the validity, enforceability or ownership rights of Buyer or any of its Affiliates (including, after the Closing, the Transferred Entities) of any Trademarks included in the Business Intellectual Property or register or seek to register any such Trademarks in any jurisdiction. Any and all goodwill generated by the use of such Trademarks, including under this Section 7.02, shall inure solely to the benefit of Buyer or any of its Affiliates (including, after the Closing, the Transferred Entities) as the respective owner(s) of the applicable Trademark.

(d) Solely to the extent that any Business Intellectual Property (other than Trademarks) is used, practiced or otherwise exploited by any Seller Party or any of its Subsidiaries (other than the Transferred Entities) immediately prior to the Closing Date, effective as of the Closing Date, each of the Transferred Entities hereby grants to such Seller Party and Subsidiary a royalty-free, fully paid-up, perpetual, irrevocable, worldwide, non-sublicensable, non-transferable, non-exclusive license, until the Wind-Up Date, to use, practice and otherwise exploit such Business Intellectual Property solely to the extent necessary in connection with the winding up and cessation of the corporate existence of such Seller Party and Subsidiary (it being understood that any such use, practice or other exploitation shall be consistent with past practice and in compliance with any written policies and procedures of the applicable Transferred Entity relating to such Business Intellectual Property).

Section 7.03. Directors' and Officers' Indemnification and Exculpation.

(a) Buyer agrees that all rights of the individuals who on or prior to the Closing Date were directors and officers of the Transferred Entities (collectively, the **"D&O Indemnified Parties"**) to indemnification and exculpation from liabilities for acts or omissions occurring at or prior to the Closing Date as provided in the certificate of incorporation, bylaws,

or comparable organizational or governing documents of the Transferred Entities, as applicable, as now in effect, and any indemnification agreement, as now in effect by and between a D&O Indemnified Party and a Transferred Entity, shall survive the Closing Date and shall continue in full force and effect against the applicable Transferred Entity in accordance with the terms of such document. Such rights shall not be amended or otherwise modified in any manner that would adversely affect the rights of the D&O Indemnified Parties, unless such modification is required by Law.

(b) The provisions of this Section 7.03 are intended to be for the benefit of and shall be enforceable by, each D&O Indemnified Party, his or her successors and heirs and his or her legal representatives and are in addition to, and not in substitution for, any other rights to indemnification or contribution that any such Person may have by Contract or otherwise. The obligations of Buyer under this Section 7.03 shall not be amended, terminated or modified in such a manner as to adversely affect any D&O Indemnified Party (including such Person's successors, heirs and legal representatives) to whom this Section 7.03 applies without the written consent of the affected D&O Indemnified Party (it being expressly agreed that the D&O Indemnified Parties to whom this Section 7.03 applies shall be third-party beneficiaries of this Section 7.03), and this Section 7.03 shall be enforceable by such D&O Indemnified Parties and their respective successors, heirs and legal representatives and shall be binding on all successors and assigns of Buyer and each Transferred Entity.

(c) If Buyer or, following the Closing and prior to the sixth (6th) anniversary of the Closing Date, any Transferred Entity, or any of their respective successors or assigns, (i) shall consolidate with or merge into any other corporation or entity and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) shall transfer all or substantially all of its properties and assets to any Person, then, and in such case, Buyer shall use commercially reasonable efforts to cause proper provisions to be made so that the successors and assigns of Buyer or such Transferred Entity or any of their respective successors or assigns, as the case may be, shall assume all of the obligations set forth in this Section 7.03(c).

Section 7.04. Preservation of Books and Records. Buyer agrees to use commercially reasonable efforts to retain all Transferred Books and Records for the longer of (a) any applicable statute of limitations and (b) the period ending on the Wind-Up Date and to make personnel of Buyer available to afford Seller and its Representatives reasonable access thereto, during regular business hours and upon reasonable advance notice, to the extent in each case that such access is reasonably related to any Excluded Assets or Excluded Liabilities or otherwise necessary for Sellers to comply with the terms of this Agreement or any applicable Law. The Seller Parties agree to use commercially reasonable efforts to retain all books, ledgers, files, reports, plans, records, manuals and other materials (in any form or medium) that are included in the Excluded Assets for a commercially reasonable period following the Closing and to afford Buyer and its Representatives reasonable access thereto, during regular business hours and upon reasonable advance notice, to the extent in each case that such access is reasonably related to any Transferred Assets or Assumed Liabilities or otherwise necessary for Buyer to comply with the terms of this Agreement or any applicable Law or for any reasonable business purpose. In no event shall either Party have access under this Section 7.04 to any information

that (x) based on advice of counsel, would create any potential Liability under applicable Laws, including antitrust, competition and merger control Laws, or would destroy any legal privilege or (y) in its reasonable judgment, would (A) result in the disclosure of any trade secrets of third parties or (B) violate any confidentiality obligations so long as, with respect to confidentiality, such party has made reasonable efforts to obtain a waiver regarding the possible disclosure from the third party to whom is owed an obligation of confidentiality.

Section 7.05. Further Assurances. From time to time following the Closing, the Parties shall, and shall cause their respective Affiliates to, promptly execute, acknowledge and deliver all reasonable further conveyances, notices, assumptions, releases and acquaintances and other documents or instruments, and shall take such reasonable actions as may be necessary or appropriate, to make effective the Transactions as may be reasonably requested by any other Party (including, without limiting the generality of the foregoing, (a) transferring to Seller or its designee(s) (and having Seller or such designee(s) assume) each Excluded Asset and any asset or Liability not contemplated by this Agreement to be a Transferred Asset or an Assumed Liability, respectively, which asset or Liability was transferred to Buyer at the Closing or is otherwise held by Buyer or any of its Subsidiaries after the Closing and (b) transferring to Buyer or its designee (and having Buyer or such designee(s) assume) any asset or Liability contemplated by this Agreement to be a Transferred Asset or an Assumed Liability, respectively, which was not transferred to Buyer at the Closing); provided, however, that except for Buyer's obligations to discharge an Assumed Liability and as otherwise provided pursuant to Section 2.03, nothing in this Section 7.05 shall require any Party or its Affiliates to pay money to, commence or participate in any Action with respect to, or offer or grant any accommodation (financial or otherwise) to, any third party following the Closing.

ARTICLE VIII

BANKRUPTCY PROVISIONS

Section 8.01. Competing Transaction. This Agreement is subject to approval by the Bankruptcy Court and the consideration by the Seller Parties of higher or better competing bids in respect of all or any part of the Transferred Assets, the Assets and the Transferred Equity Interests (each, a "**Competing Bid**"), as determined in each Seller Party's sole and exclusive discretion. From and after the Agreement Date and until the Auction is declared closed by the Seller Parties in accordance with the Bidding Procedures Order (or, if no Competing Bid that is a Qualified Bid (as defined in the Bidding Procedures Order) that the Seller Parties deem higher and better than this Agreement is received by the Bid Deadline (as defined in the Bidding Procedures Order), the date of the Bid Deadline), each Seller Party is permitted to and to cause its Representatives and Affiliates to, initiate contact with, solicit or encourage submission of any inquiries, proposals or offers by, any Person (in addition to Buyer and its Affiliates and Representatives) in connection with a Competing Bid. In addition, each Seller Party shall have the responsibility and obligation to respond to any inquiries or offers with respect to a Competing Bid and perform any and all other acts related thereto which are required under the Bankruptcy Code, the Bidding Procedures Order or other applicable Law, including supplying information relating to the Business, the Transferred Assets and the Assets to prospective

purchasers; provided that any non-public information provided to any Person in written format in connection with any Competing Bid shall be provided to Buyer promptly, and in no event more than two (2) Business Days, following the time it is provided to such Person.

Section 8.02. Bankruptcy Court Filings.

(a) On the Agreement Date, Seller and each Seller Party listed on Schedule 8.02(a) shall file the Bankruptcy Cases with the Bankruptcy Court.

(b) As promptly as practicable following the execution of this Agreement and the commencement of the Bankruptcy Cases (but in no event more than three (3) days following the commencement of the Bankruptcy Cases), the Seller Parties shall file with the Bankruptcy Court the Sale Motion seeking entry of (i) the Bidding Procedures Order and (ii) subject to any Competing Bid that is a Qualified Bid (as defined in the Bidding Procedures Order) that the Seller Parties deem higher and better than this Agreement received by the Bid Deadline (as defined in the Bidding Procedures Order), the Sale Order.

(c) Buyer agrees that it will use reasonable best efforts to take such actions as are reasonably requested by Seller to assist in obtaining (i) entry of the Bidding Procedures Order, (ii) subject to any Competing Bid that is a Qualified Bid (as defined in the Bidding Procedures Order) that the Seller Parties deem higher and better than this Agreement received by the Bid Deadline (as defined in the Bidding Procedures Order), entry of the Sale Order, and (iii) a finding of adequate assurance of future performance by Buyer, including furnishing affidavits or other documents or information for filing with the Bankruptcy Court for the purposes, among others, of providing necessary assurances of performance by Buyer under this Agreement and demonstrating that Buyer is a “good faith” purchaser under Section 363(m) of the Bankruptcy Code. Buyer shall not, without the prior written consent of Seller, file, join in, or otherwise support in any manner whatsoever any motion or other pleading relating to the sale of the Transferred Assets, the Assets and/or the Transferred Equity Interests hereunder. In the event the entry of the Sale Order or the Bidding Procedures Order shall be appealed, Seller and Buyer shall use their respective reasonable best efforts to defend such appeal.

(d) The Seller Parties shall file such motions or pleadings as may be appropriate or necessary to assume and assign the Transferred Contracts and to determine the amount of the Cure Costs.

(e) The Seller Parties shall (i) give Buyer and its legal representatives reasonable advance notice and proposed drafts of all pleadings, motions, Orders, notices, hearings, other Actions and other papers to be filed by the Seller Parties related to the Transaction Agreements and the Transactions and (ii) provide Buyer and its counsel with a reasonable opportunity to review such papers prior to filing with the Bankruptcy Court unless such advance notice is impossible or impracticable under the circumstances.

Section 8.03. Back-up Bidder. Seller and Buyer agree that, in the event that Buyer is not the winning bidder at the auction undertaken pursuant to the Bidding Procedures Order (the

“**Auction**”), if and only if (a) Buyer submits the second highest or second best bid at the Auction and is named the “Back-Up Bidder” at the Auction, in each case, as determined by the Seller Parties, and (b) Seller gives notice to Buyer on or before the Back-up Expiration Date, stating that the Seller Parties (i) failed to consummate the sale with the winning bidder, and (ii) has terminated the purchase agreement with the winning bidder, Buyer shall consummate the Transactions upon the terms and conditions as set forth herein, including the Credit Bid Amount, as the same may be increased by Buyer at the Auction.

ARTICLE IX

TAX MATTERS

Section 9.01. Transfer Taxes. Notwithstanding anything to the contrary in this Agreement, Buyer shall promptly pay and discharge any Transfer Tax imposed or arising with respect to the Transactions. Buyer shall indemnify, defend and hold harmless the Seller Parties and any Affiliates and Representatives from and against any such Transfer Taxes (unless such indemnity is prohibited by (or otherwise invalid under) applicable Law in which case Buyer shall indemnify, defend and hold harmless the Seller Parties for an amount equal to any such Transfer Taxes). The party required by Law to file a Tax Return with respect to such Transfer Taxes shall, with the cooperation of the other Parties, timely prepare and file such Tax Return. If the Seller Parties or any of their Affiliates (other than a Transferred Entity) is required to pay any Transfer Tax, Buyer shall within five (5) days of receipt of evidence of filing reimburse the Seller Parties for any Transfer Taxes paid by the Seller Parties or such Affiliate in connection with the filing of the applicable Tax Return. Buyer and Seller each agree to timely sign and deliver (or to cause their respective Affiliates to timely sign and deliver) such certificates or forms as may be necessary or appropriate and otherwise to cooperate to establish any available exemption from (or otherwise reduce) any Transfer Taxes (it being understood that Seller and its cooperation obligation hereunder shall cease as of the Wind-Up Date). No sums payable, or consideration given, by Buyer under this Agreement should be reduced by the amount of any Transfer Tax, and Buyer shall pay any Transfer Tax chargeable on those sums or consideration. All refunds or credits of VAT paid by Buyer under this provisions shall belong to Buyer. To the extent Buyer and Seller mutually agree prior to the Closing that such items are required by applicable Law (or otherwise necessary or advisable) to be delivered by a Seller Party or by Buyer, all required Transfer Tax stamps and transfer forms (if any), unless under applicable Law such Transfer Tax stamps or duly stamped transfer forms are only available post-Closing (in which case such Transfer Tax stamps or duly stamped transfer forms shall be delivered to Seller or Buyer (as applicable) promptly and in any event no later than five (5) Business Days after receipt thereof by the Seller Parties).

Section 9.02. [Reserved.]

Section 9.03. Tax Cooperation and 245 Election.

(a) Without limiting the obligations set forth in Sections 6.02 and 7.01, the Parties shall furnish or cause to be furnished to each other, upon request, and at the sole cost of

the requesting Party, as promptly as practicable, such information and assistance relating to the Transferred Entities and the Transferred Assets as is reasonably necessary for the filing of Tax Returns, the making of any election related to Taxes permitted to be made under this Agreement, and the preparation for, or the prosecution or defense of, any audit, claim, demand, proposed adjustment or deficiency relating to Taxes, and any other matter or proceeding relating to Taxes. Buyer agrees that it shall preserve and keep, or cause to be preserved and kept, all original books and records in respect of the Business relating to Taxes with respect to Taxable years or periods (or portion thereof) ending on or before the Closing Date and in the possession of Buyer or its Affiliates in accordance with Section 7.04. The obligations in this Section 9.03 shall cease as of the Wind-Up Date; provided, however, if mutually agreed by Buyer and Seller, the Parties and their respective Affiliates shall (i) work together in good faith to determine each direct or indirect shareholder of Buyer that is a “U.S. tax resident” within the meaning of Treasury Regulations Section 1.245A-5(i)(29) that will be a “United States shareholder” within the meaning of Section 951(b) of the Code at the end of the Closing Date that owns directly and indirectly stock of an applicable Transferred Entity and is described in Treasury Regulations Section 1.245A-5(e)(3)(i)(C) (each a “**U.S. Tax Resident**”) and (ii) enter into, and Buyer will use commercially reasonable efforts to cause all U.S. Tax Residents to enter into, a written, binding agreement as described in Treasury Regulations Section 1.245A-5(e)(3)(i)(C) (a “**245A Election Agreement**”) with the relevant Seller Party or the relevant controlling Section 245A shareholder (within the meaning of Treasury Regulations Section 1.245A-5(i)(2), if applicable), and their relevant Affiliates (including, if applicable, any agent of the Company Group within the meaning of Treasury Regulations Section 1.1502-77(c)(1)) to make an election pursuant to Treasury Regulations Section 1.245A-5(e)(3) to close the taxable year of each Transferred Entity that is a “controlled foreign corporation” within the meaning of Section 957 of the Code effective as of the Closing Date (the “**245A Election**”).

(b) The form of the 245A Election Agreement will be negotiated between Buyer and the Seller Party in good faith. To the extent the parties cannot agree on the final form of any such 245A Election Agreement or 245A Election (or any corresponding form, statement or document) after negotiating in good faith pursuant to this Section 9.02(b) within sixty (60) days before any such 245A Election Agreement, 245A Election (or any corresponding form, statement or document) is required to be entered into, filed or made, the dispute shall be submitted to and resolved by an independent nationally recognized accounting firm (provided, however, that such accounting firm’s conclusive resolution shall be made within fifteen (15) days following receipt of the submitted dispute). Buyer, the Sellers and their respective Affiliates will not take any position, whether in audits, Tax Returns, or otherwise, that is inconsistent with any such final and binding resolution by the accounting firm or otherwise agreed upon forms or documents pursuant to this Section 9.02 unless required to do so by applicable Law, and, if applicable, Buyer agrees to use commercially reasonable efforts to take all steps thereafter reasonably requested by Seller in connection with the timely and validly making, entering into, or filing of the 245A Election Agreement and the 245A Election (or any corresponding form, statement or document).

(c) The relevant Seller Party shall timely file or cause to be timely filed valid 245A Elections so long as the other conditions set forth in this Section 9.02 are satisfied. In the

event that such Seller files the 245A Election, none of the parties shall (and each shall cause its Affiliates not to), take any position inconsistent with the taxable year of the applicable Transferred Entity closing for all purposes of the Code on the date of the “extraordinary reduction amount” or “tiered extraordinary reduction amount” (as each are defined in Treasury Regulations Section 1.245A-5) on any Tax Return or in connection with any Tax claim or audit, unless otherwise required by applicable Law. Solely for purposes of this Section 9.02, “Transferred Entity” shall mean any entity for which there would be an “extraordinary reduction amount” or “tiered extraordinary reduction amount” (as each are defined in Treasury Regulations Section 1.245A-5) absent an election under Treasury Regulations Section 1.245A-5(e)(3).

Section 9.04. Post-Closing Actions. Except with the Seller Parties’ consent, to the extent that an action could be expected to increase the Seller Parties’ Tax liability, neither Buyer nor any Affiliate of Buyer shall (or shall cause or permit any Transferred Entity to) with respect to any Transferred Entity with respect to any Taxable year or period (or portion thereof) commencing on or before the Closing Date (or with respect to any a taxable period commencing before and ending on or after the Closing Date) (A) make or change any election, amend, refile or otherwise modify any Tax Return, (B) voluntarily approach a Government Authority regarding any Taxes or Tax Returns, enter into any closing agreement, settle any Tax claim or assessment or surrender any right to claim a refund of Taxes or (C) extend or waive any statute of limitations or other period for the assessment or collection of Taxes.

Section 9.05. Survival. The obligations set forth in this Article IX with respect to Taxes shall survive until the date that is thirty (30) days following the expiration of the applicable statute of limitations.

Section 9.06. Adjustment to Credit Bid Amount. The Parties agree to treat any payment made pursuant to this Agreement as an adjustment to the Credit Bid Amount for all income Tax purposes, unless otherwise required by applicable Law.

Section 9.07. Tax Characterization.

(a) If, in its sole and absolute discretion, Buyer shall have elected, in its sole discretion and by written notice to Seller prior to the Closing, to structure the transactions contemplated by this Agreement to constitute a reorganization within the meaning of Section 368(a) of the Code (a “**Reorganization Election**”), the Parties shall treat the purchase and sale of Transferred Equity Interests and Transferred Assets (and certain other transactions contemplated by this Agreement) in combination with the Pre-Closing Restructuring and subsequent liquidation of Seller and certain of its Subsidiaries (the “**Relevant Transactions**”) as a reorganization pursuant to Section 368(a) of the Code and as constituting a “plan” of Seller pursuant Treasury Regulations Section 1.368-2(g).

(b) Unless otherwise mutually agreed to by the Parties, the Parties further agree that, if a Reorganization Election is made, (i) this Agreement shall constitute a “plan” of Seller and Buyer for purposes of Sections 368 and 354 of the Code, (ii) the board of directors (or comparable governing body) of Seller and Buyer shall, by resolution, approve the execution of

this Agreement and expressly recognize its treatment as a “plan” of Seller and Buyer for purposes of Sections 368 and 354 of the Code, and the treatment of the Relevant Transaction as a reorganization pursuant to Section 368(a) of the Code for U.S. federal income Tax purposes, and (iii) Seller shall describe the tax treatment and characterization of the Relevant Transactions consistent therewith in any documents describing the Relevant Transactions, including in connection with any Chapter 11 plan, and shall provide Buyer opportunity for review and comment with respect to any such Tax discussion.

(c) No Party shall take any position with respect to the Relevant Transactions that is inconsistent with this Section 9.07, unless, and then only to the extent, otherwise required to do so by a “determination” as defined in Section 1313(a) of the Code.

(d) Liquidations. If a Reorganization Election is made, the Seller Parties shall liquidate, as determined for U.S. federal income tax purposes and to the satisfaction of Buyer, no later than two hundred and forty (240) days after the Closing Date, and such liquidations may include a distribution of assets to a “liquidating trust” within the meaning of Treasury Regulations Section 301.7701-4, the terms of which shall be satisfactory to Buyer.

(e) Pre-Closing Cooperation. Without limiting Section 6.08, the Parties shall cooperate with each other in good faith to structure the Transactions (including, for the avoidance of doubt, the Pre-Closing Restructuring) in a manner that is tax-efficient to Buyer and the Seller Parties.

ARTICLE X

CONDITIONS TO CLOSING

Section 10.01. Conditions to the Obligations of Buyer and Seller. The obligations of the Parties to effect the Closing shall be subject to the satisfaction or (to the extent permitted by applicable Law) waiver, at or before the Closing, of each of the following conditions:

(a) Governmental Approvals. Any applicable waiting periods under the HSR Act shall have expired or been terminated and all other Required Approvals shall have been obtained or, if applicable, shall have expired, have been waived by the applicable Government Authority or have been terminated (in each case, without the imposition of a Burdensome Condition, unless Buyer, in its sole discretion, has consented to such Burdensome Condition).

(b) No Prohibition. No court or other Government Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law or Order (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins or otherwise prohibits consummation of the Transactions.

(c) Sale Order. The Bankruptcy Court shall have entered the Sale Order and such Sale Order shall be in full force and effect and no Order staying or reversing or modifying or amending (without Buyer’s prior written consent) the Sale Order shall be in effect.

(d) Pre-Closing Restructuring. To the extent, and only to the extent, Buyer has consented in writing to the Pre-Closing Restructuring (or any portion thereof) in accordance with Section 6.08, such Pre-Closing Restructuring (or such portion thereof) shall have been completed in accordance with the terms and conditions of this Agreement.

Section 10.02. Conditions to Obligations of the Seller Parties. The obligations of Seller and each other Seller Party to consummate the Transactions shall be subject to the satisfaction or (to the extent permitted by applicable Law) waiver by Seller, in its sole discretion, at or before the Closing, of each of the following conditions:

(a) Representations and Warranties; Covenants.

(i) all representations and warranties of Buyer contained in this Agreement shall be true and correct in all respects as of the Closing as if made on the Closing Date (other than representations and warranties that are made as of a specific date, which representations and warranties shall have been true and correct in all respects as of such specific date), except for breaches or inaccuracies that, individually or in the aggregate, would not reasonably be expected to prevent or materially impair or materially delay the ability of Buyer to consummate the Transactions or otherwise timely perform its obligations under the Transaction Agreements; provided, however, that for purposes of determining the satisfaction of the condition in this clause (i), no effect shall be given to any qualifier of “material” in such representations and warranties;

(ii) the covenants and agreements contained in this Agreement required to be performed or complied with by Buyer at or before the Closing shall have been performed or complied with in all material respects; and

(iii) Seller shall have received a certificate signed by an authorized officer of Buyer, dated as of the Closing Date, certifying as to the satisfaction of the conditions set forth in the foregoing clauses (i) and (ii).

(b) Transaction Agreements. Buyer shall have executed and delivered to Seller all Buyer Transaction Agreements.

Section 10.03. Conditions to Obligations of Buyer. The obligations of Buyer to consummate the Transactions shall be subject to the satisfaction or (to the extent permitted by applicable Law) waiver by Buyer, in its sole discretion, at or before the Closing, of each of the following conditions:

(a) Representations and Warranties; Covenants.

(i) (A) the representations and warranties of Seller contained in Sections 4.01, 4.02, 4.03, 4.04(i), 4.04(ii), 4.06(c) and 4.11 shall be true and correct in all respects (except for de minimis inaccuracies) as of the Closing as if made on the Closing Date (other than representations and warranties that are made as of a specific date, which representations and warranties shall have been true and correct in all respects (except for de

minimis inaccuracies) as of such specific date) and (B) all other representations and warranties of Seller contained in this Agreement shall be true and correct as of the Closing as if made on the Closing Date (other than representations and warranties that are made as of a specific date, which representations and warranties shall have been true and correct as of such date), except for breaches or inaccuracies, as the case may be, as to matters that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect (provided, however, that for purposes of determining the satisfaction of the condition in this clause (i)(B), no effect shall be given to any qualifier of “material” or “Material Adverse Effect” in such representations and warranties);

(ii) the covenants and agreements contained in this Agreement required to be performed or complied with by each Seller Party on or before the Closing shall have been performed or complied with in all material respects;

(iii) from the Agreement Date, there shall not have occurred and be continuing as of the Closing any Material Adverse Effect; and

(iv) Buyer shall have received a certificate signed by an authorized officer of Seller, dated as of the Closing Date, certifying as to the satisfaction of matters set forth in the foregoing clauses (i), (ii) and (iii).

(b) Seller Transaction Agreements. The Seller Parties shall have executed and delivered, or caused to be executed and delivered, to Buyer all Seller Transaction Agreements.

(c) Settlement Agreement. A settlement agreement that is in form and substance, and among parties, (i) consistent with the form of settlement agreement attached hereto as Exhibit E and (ii) acceptable to Buyer (in its sole discretion) (the “**Settlement Agreement**”), shall (A) have been approved by an Order entered by the Bankruptcy Court (and such Order shall be in full force and effect and no Order staying or reversing or modifying or amending (without Buyer’s prior written consent) such Order shall be in effect) and (B) have been duly executed by the applicable parties thereto, and such duly executed agreement shall have been delivered to Buyer and shall be effective.

Section 10.04. Waiver of Closing Conditions. Upon the occurrence of the Closing, any condition set forth in this Article X that was not satisfied as of the Closing shall be deemed to have been waived as of and from the Closing.

ARTICLE XI

TERMINATION

Section 11.01. Termination. Notwithstanding anything in this Agreement to the contrary, but subject to Section 11.02 and Section 11.03, this Agreement may be terminated before the Closing:

(a) by the mutual written consent of Seller and Buyer;

(b) by Seller, if Buyer shall have breached any representation or warranty or failed to comply with any covenant or agreement applicable to Buyer that would cause any Closing Condition set forth in Section 10.02(a) not to be satisfied, and (i) such breach is not waived by Seller or (ii) if such breach has not been waived by Seller but is curable and is not cured by Buyer prior to the earlier to occur of (A) twenty (20) Business Days after receipt by Buyer of Seller's notice of its intent to terminate this Agreement and (B) the Outside Date; provided, however, that each Seller Party is not then in material breach of this Agreement;

(c) by Buyer, if any Seller Party shall have breached any representation or warranty or failed to comply with any covenant applicable to Seller that would cause any Closing Condition set forth in Section 10.03(a) not to be satisfied, and (i) such breach is not waived by Buyer or (ii) if such breach has not been waived by Buyer but is curable and is not cured by Seller prior to the earlier to occur of (A) twenty (20) Business Days after receipt by Seller of Buyer's notice of its intent to terminate this Agreement and (B) the Outside Date; provided, however, that Buyer is not then in material breach of this Agreement;

(d) by either Seller or Buyer, if the Closing shall not have occurred by December 12, 2024 (the "**Outside Date**"); provided, however, that (1) if, by such date, (i) the Closing Condition set forth in Section 10.01(c) remains unsatisfied or not waived or (ii) the Closing Condition set forth in Section 10.01(a) remains unsatisfied or not waived and, in the case of each of clauses (i) and (ii), all other Closing Conditions have been satisfied or waived (or, with respect to those conditions which, by their nature can only be satisfied at the Closing, would reasonably be capable of satisfaction as of such date), then no Party may terminate this Agreement pursuant to this Section 11.01(d) prior to, and the Outside Date shall be extended to, January 12, 2025 or (2) the Closing Condition set forth in Section 10.03(c) remains unsatisfied or not waived by such Outside Date (or the Closing Condition set forth in Section 10.01(b) or Section 10.01(c) remains unsatisfied or not waived by such Outside Date as a result of matters relating to the failure of the Closing Condition set forth in Section 10.03(c) remaining unsatisfied or not waived) and all other Closing Conditions have been satisfied or waived (or, with respect to those conditions which, by their nature can only be satisfied at the Closing, would reasonably be capable of satisfaction as of such date), then, at Buyer's election (to be exercised by written notice to Seller), the Outside Date shall be extended to, January 12, 2025 (and, if so extended, then Seller may not terminate this Agreement pursuant to this Section 11.01(d) prior to such extended Outside Date); provided, further, that if the Closing shall not have occurred on or before the Outside Date (as extended pursuant to the preceding proviso, if applicable) due to a material breach of any representations, warranties or covenants contained in this Agreement by Buyer or Seller, then the breaching Party may not terminate this Agreement pursuant to this Section 11.01(d);

(e) by either Seller or Buyer, in the event that any Government Authority of competent jurisdiction shall have issued an Order that permanently restricts, enjoins or prohibits the consummation of the purchase of the Transferred Equity Interests or the Transferred Assets contemplated by this Agreement and such Order shall have become final and non-appealable;

provided, however, that the right to terminate this Agreement under this Section 11.01(e) shall not be available to Seller or Buyer whose action or failure to fulfill any obligation under this Agreement has been the cause of, or has resulted in, the issuance of such Order or other action;

(f) by either Seller or Buyer, if (i) any Seller Party enters into a definitive agreement with respect to any Competing Bid or (ii) the Bankruptcy Court enters an Order approving any Competing Bid or sale that provides for any sale or other disposition of the Transferred Assets to a person or entity other than Buyer;

(g) by Buyer if (i) the Bankruptcy Cases are dismissed or converted to a case or cases under chapter 7 of the Bankruptcy Code, and neither such dismissal nor conversion expressly contemplates the Transactions or (ii) any Seller Party withdraws or seeks authority to withdraw any motion seeking Bankruptcy Court material relief contemplated herein, including entry of the Sale Order; or

(h) by Buyer if Buyer reasonably believes, prior to the Closing, that the sum of (i) all Liabilities with respect to Transfer Taxes, (ii) all Liabilities relating to any non-compliance with any applicable “bulk sales,” “bulk transfer” or similar Laws and (iii) the Seller DOE Liabilities, in the aggregate, exceed \$5,000,000.

Section 11.02. Notice of Termination. If either Buyer or Seller desires to terminate this Agreement pursuant to Section 11.01, such Party shall give written notice of such termination to the other Parties.

Section 11.03. Effect of Termination. If this Agreement is validly terminated pursuant to Section 11.01, this Agreement shall thereupon become null and void and of no further force and effect, except for the provisions of this Section 11.03 and Article XII, together with any related defined terms and definitions thereof (each of which shall survive such termination); provided that nothing in this Section 11.03 shall be deemed to (A) release any Party from any Liability for any (x) knowing and intentional breach of this Agreement prior to such termination or (y) willfully and knowingly committed actual fraud against a non-breaching party with the specific intent to deceive and mislead, as determined by the Bankruptcy Court, or (B) impair the right of any Party to compel specific performance by any other Party of its obligations under this Agreement prior to the date of termination.

ARTICLE XII

MISCELLANEOUS

Section 12.01. Rules of Construction. The following rules of construction shall govern the interpretation of this Agreement:

(a) references to “applicable” Law or Laws with respect to a particular Person, thing or matter means only such Law or Laws as to which the Government Authority that enacted or promulgated such Law or Laws has jurisdiction over such Person, thing or matter

as determined under the Laws of the State of Delaware as required to be applied thereunder by the Bankruptcy Court;

(b) references to any statute, rule, regulation or form (including in the definition thereof) shall be deemed to include references to such statute, rule, regulation or form as amended, modified, supplemented or replaced from time to time (and, in the case of any statute, include any rules and regulations promulgated under such statute), and all references to any section of any statute, rule, regulation or form include any successor to such section;

(c) when calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is referenced in beginning the calculation of such period will be excluded (for example, if an action is to be taken within two (2) days after a triggering event and such event occurs on a Tuesday, then the action must be taken by Thursday); if the applicable provision calculates the period of time using Business Days and the last day of such period is a non-Business Day, the period in question will end on the next succeeding Business Day;

(d) whenever the context requires, words in the singular shall be held to include the plural and vice versa, and words of one gender shall be held to include the other gender;

(e) (i) the provision of a table of contents, the division into Articles, Sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in construing or interpreting this Agreement and (ii) references to the terms “Article,” “Section,” “subsection,” “subclause,” “clause,” “Schedule” and “Exhibit” are references to the Articles, Sections, subsections, subclauses, clauses, Schedules and Exhibits to this Agreement unless otherwise specified;

(f) all Schedules (including the Disclosure Schedules) and Exhibits annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein;

(g) any capitalized terms used in any Schedule (including the Disclosure Schedules) or Exhibit but not otherwise defined therein shall have the meaning as defined in this Agreement;

(h) where there is any inconsistency between the definitions set out in Exhibit A and the definitions set out in any other Section or any Schedule (including the Disclosure Schedules) or Exhibit, then, for the purposes of construing such Section, Schedule or Exhibit, the definitions set out in such Section, Schedule or Exhibit shall prevail;

(i) (i) the terms “hereof,” “herein,” “hereby,” “hereto,” and derivative or similar words refer to this entire Agreement, including the Disclosure Schedules, schedules and Exhibits thereto, (ii) the terms “thereof,” “therein,” “thereby,” “thereto” and derivative or similar words refer to this Agreement to which the context refers, including the Disclosure Schedules, schedules and Exhibits thereto, (iii) the terms “include,” “includes,” “including” and words of

similar import when used in this Agreement mean “including, without limitation” unless otherwise specified, (iv) the term “any” means “any and all” and (v) the term “or” shall not be exclusive and shall mean “and/or”;

(j) (i) references to “days” means calendar days unless Business Days are expressly specified, (ii) references to “written” or “in writing” include in electronic form (including by e-mail transmission or electronic communication by portable document format (.pdf)) and (iii) references to “\$” mean U.S. dollars;

(k) references to any Person includes such Person’s successors and permitted assigns;

(l) whenever this Agreement requires any Seller Party, to take any action, such requirement shall be deemed to involve an undertaking on the part of the Seller to take such action or to cause such Seller Party, to take such action;

(m) “writing”, “written” and comparable terms refer to printing, typing and other means of reproducing works (including electronic media) in visible form;

(n) references to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms thereof;

(o) unless the context otherwise requires, the word “extent” in the phrase “to the extent” means the degree to which a subject or other thing extends, and such phrase does not mean simply “if”;

(p) each Party has participated in the negotiation and drafting of this Agreement and the other Transaction Agreements, and if an ambiguity or question of interpretation should arise, this Agreement and the other Transaction Agreements shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or burdening any Party by virtue of the authorship of any provision in this Agreement or the other Transaction Agreements; the language used in this Agreement and the other Transaction Agreements will be deemed to be the language chosen by the Parties to express their mutual intent, and no rule of strict construction will be applied against any Party;

(q) prior drafts of this Agreement or the other Transaction Agreements or any ancillary agreements, schedules or exhibits thereto or the fact that any clauses have been added, deleted or otherwise modified from any prior drafts of this Agreement or any ancillary agreements, schedules or exhibits hereto shall not be used as an aide of construction or otherwise constitute evidence of the intent of the Parties; and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of such prior drafts; and

(r) references in this Agreement and in the Disclosure Schedules to “Schedule __” and “Section __ of the Disclosure Schedules” shall each be deemed to refer to Sections of the Disclosure Schedules (even where this Agreement references a certain “Schedule”).

Section 12.02. Expenses. Except as otherwise expressly specified in the Transaction Agreements, each Party will pay its own costs and expenses, including legal, consulting, financial advisor, accounting and other fees and expenses, incurred in connection with the Transaction Agreements and the Transactions, irrespective of when incurred or whether or not the Closing occurs.

Section 12.03. Notices. All notices and other communications under or by reason of this Agreement shall be in writing and shall be deemed to have been duly given or made (a) upon receipt when personally delivered, (b) when delivered by e-mail transmission with receipt confirmed or (c) upon delivery by overnight courier service, in each case, to the addresses and attention parties indicated below (or such other address, e-mail address or attention party as the recipient party has specified by prior notice given to the sending party in accordance with this Section 12.03):

If to Seller, to:

Avon Products, Inc.
4 International Drive
Suite 110
Rye Brook, New York 10573
Attention: Lisa Siders
E-mail: lisa.siders@avon.com

with a copy (which will not constitute notice) to:

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attention: Mariel E. Cruz
Ronit Berkovich
Matthew Goren
E-mail: Mariel.Cruz@weil.com
Ronit.Berkovich@weil.com
Matthew.Goren@weil.com

If to Buyer, to:

Natura &Co UK Holdings Limited
c/o Natura &Co Holding S.A.
Avenida Alexandre Colares, No. 1188
Room A17-Block A,
Vila Jaguara,
05106-000
São Paulo, Brazil
Attention: Patricia Espinelli, Director
Itamar Gaino Filho, Chief Legal and
Compliance Officer
E-mail: patricia.espinelli@natura.net
itamargaino@natura.net

with a copy (which will not constitute notice) to:

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017
Attention: Manuel Garciadiaz
Michael Senders
Darren Klein
E-mail: manuel.garciadiaz@davispolk.com
michael.senders@davispolk.com
darren.klein@davispolk.com

Section 12.04. Survival. Except (i) as set forth in Section 3.03, Section 7.03, Section 9.05 and Section 11.03 and (ii) for any covenant that by its terms is to be performed (in whole or in part) by any Party following the Closing (which covenants shall survive the Closing in accordance with their terms), none of the representations, warranties, or covenants of any Party set forth in this Agreement shall survive, and each of the same shall terminate and be of no further force or effect as of, the Closing (other than in respect of a claim for willfully and knowingly committed actual fraud).

Section 12.05. Limitation on Liability. Notwithstanding anything in this Agreement or in any other Transaction Agreement to the contrary, in no event shall any Party have any Liability under this Agreement (including under this Article XII) for any consequential, special, incidental, indirect or punitive damages, lost profits or similar items (including loss of revenue, income or profits, diminution of value or loss of business reputation or opportunity relating to a breach or alleged breach of this Agreement); provided that such limitation set forth in this Section 12.05 shall not limit any Party's right to recover contract damages in connection with or resulting from a Party's failure to close the Transactions in breach or violation of this Agreement.

Section 12.06. Public Announcements. The initial press release with respect to the execution of this Agreement shall be a joint press release to be reasonably agreed upon by the Parties. No Party nor any Affiliate or Representative of such Party shall issue or cause the publication of any press release or public announcement or otherwise communicate with any news media in respect of the Transaction Agreements or the Transactions without the prior written consent of the other Parties (which consent shall not be unreasonably withheld, conditioned or delayed), except as required by applicable Law or by Order of the Bankruptcy Court or by applicable rules of any stock exchange or quotation system on which such Party or its Affiliates lists or trades securities (in which case the disclosing Party, to the extent practicable under the circumstances and permissible by Law, shall (a) advise the other Parties before making such disclosure and (b) provide each such other Party a reasonable opportunity to review and comment on such release or announcement and consider in good faith any comments with respect thereto).

Section 12.07. Severability. If any term or provision of this Agreement is held invalid, illegal or unenforceable in any respect under any applicable Law, as a matter of public policy or on any other grounds, the validity, legality and enforceability of all other terms and provisions of

this Agreement will not in any way be affected or impaired. If the final judgment of a court of competent jurisdiction or other Government Authority declares that any term or provision hereof is invalid, illegal or unenforceable, the Parties agree that the Government Authority making such determination will have the power to reduce the scope, duration, area or applicability of the term or provision, to delete specific words or phrases, or to replace any invalid, illegal or unenforceable term or provision with a term or provision that is valid, legal and enforceable and that comes closest to expressing the intention of the invalid, illegal or unenforceable term or provision.

Section 12.08. Assignment. This Agreement will be binding upon and inure to the benefit of and be enforceable by the respective successors and permitted assigns of the Parties. Except as contemplated by Section 2.07, no Party may assign (whether by operation of Law or otherwise) this Agreement or any rights, interests or obligations provided by this Agreement without the prior written consent of the other Parties; provided, however, that (a) Buyer may assign this Agreement and any or all rights under this Agreement to any of its Affiliates and (b) each Seller Party may assign any of its rights or obligations under this Agreement to any of its Affiliates, successor entities or to any plan administrator, liquidator, liquidating trust, examiner, receiver, trustee or similar party appointed on its behalf following that Closing; provided, further, that no such assignment pursuant to the foregoing clause (a) or (b) shall release any Party from any Liability or obligation under this Agreement. Any attempted assignment in violation of this Section 12.08 shall be void *ab initio*.

Section 12.09. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties and their respective successors and permitted assigns, and, except with respect to the D&O Indemnified Parties pursuant to Section 7.03(a), the Nonparty Affiliates pursuant to Section 12.18, any Seller DOE pursuant to Section 2.02(c)(iii) and Section 2.02(d)(ii) or as otherwise expressly set forth in this Agreement, nothing in this Agreement shall create or be deemed to create any third-party beneficiary rights in any Person that is not a Party, including any Affiliates of any Party.

Section 12.10. Entire Agreement. This Agreement (including the Disclosure Schedules) and the other Transaction Agreements (and all Exhibits and Schedules hereto and thereto) collectively constitute and contain the entire agreement and understanding of the Parties with respect to the subject matter hereof and thereof and supersede all prior negotiations, correspondence, understandings, agreements and Contracts, whether written or oral, among the Parties respecting the subject matter hereof and thereof.

Section 12.11. Amendments. This Agreement (including the Disclosure Schedules and all Exhibits and Schedules hereto) may be amended, restated, supplemented or otherwise modified, only by written agreement duly executed by Buyer and Seller.

Section 12.12. Waiver. At any time before the Closing, either Seller or Buyer may, by written instrument duly executed by the waiving Party, (a) extend the time for the performance of any obligation or other acts of the other Party, (b) waive any breaches or inaccuracies in the representations and warranties of the other Party contained in this Agreement or in any document

delivered pursuant to this Agreement or (c) waive compliance with any covenant, agreement or condition contained in this Agreement, but such waiver of compliance with any such covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. No failure on the part of any Party to exercise, and no delay in exercising, any right, power or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such Party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

Section 12.13. Governing Law. Except to the extent of the mandatory provisions of the Bankruptcy Code, this Agreement, and any Action or claim that may be based upon, arise out of or relate or be incidental to any Transaction, this Agreement, the negotiation, execution, performance or consummation of the foregoing or the inducement of any Party to enter into the foregoing, whether for breach of Contract, tortious conduct or otherwise, and whether now existing or hereafter arising (each, a “**Transaction Dispute**”), will be exclusively governed by and construed and enforced in accordance with the internal Laws of the State of Delaware, without giving effect to any Law or rule that would cause the Laws of any jurisdiction other than the State of Delaware to be applied.

Section 12.14. Dispute Resolution; Consent to Jurisdiction.

(a) Without limiting any Party’s right to appeal any Order of the Bankruptcy Court, (i) the Bankruptcy Court shall have and retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any Transaction Dispute which may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the Transactions, and (ii) any and all proceedings related to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the Parties hereby consent to and submit to the jurisdiction and venue of the Bankruptcy Court and shall receive notices at such locations as indicated in Section 12.03 (as may be updated from time to time in accordance with Section 12.03); provided, however, that upon the closing of the Bankruptcy Cases, or if the Bankruptcy Court does not have subject matter jurisdiction, the Parties agree to unconditionally and irrevocably submit to the exclusive jurisdiction of the Court of Chancery of the State of Delaware and any appellate court from any thereof for the resolution of any such Transaction Dispute. In that context, and without limiting the generality of the foregoing, each Party irrevocably and unconditionally:

(i) submits for itself and its property to the exclusive jurisdiction of such courts with respect to any Transaction Dispute and for recognition and enforcement of any judgment in respect thereof, and agrees that all claims in respect of any Transaction Dispute shall be heard and determined in such courts;

(ii) agrees that venue would be proper in such courts, and waives any objection that it may now or hereafter have that any such court is an improper or inconvenient forum for the resolution of any Transaction Dispute; and

(iii) agrees that the mailing by certified or registered mail, return receipt requested, to the Persons listed in Section 12.03 (as may be updated from time to time in

accordance with Section 12.03) of any process required by any such court, will be effective service of process; provided, however, that nothing herein will be deemed to prevent a Party from making service of process by any means authorized by the Laws of the State of Delaware.

(b) The foregoing consent to jurisdiction will not constitute submission to jurisdiction or general consent to service of process in the State of Delaware for any purpose except with respect to any Transaction Dispute.

Section 12.15. Waiver of Jury Trial. To the maximum extent permitted by Law, each Party irrevocably and unconditionally waives any right to trial by jury in any forum in respect of any Transaction Dispute and covenants that neither it nor any of its Affiliates or Representatives will assert (whether as plaintiff, defendant or otherwise) any right to such trial by jury. Each Party certifies and acknowledges that (a) such Party has considered the implications of this waiver, (b) such Party makes this waiver voluntarily and (c) such waiver constitutes a material inducement upon which such Party is relying and will rely in entering into the this Agreement. Each Party may file an original counterpart or a copy of this Section 12.15 with any court as written evidence of the consent of each Party to the waiver of its right to trial by jury.

Section 12.16. Admissibility into Evidence. All offers of compromise or settlement among the Parties or their Representatives in connection with the attempted resolution of any Transaction Dispute (a) shall be deemed to have been delivered in furtherance of a Transaction Dispute settlement, (b) shall be exempt from discovery and production and (c) shall not be admissible into evidence (whether as an admission or otherwise) in any proceeding for the resolution of the Transaction Dispute.

Section 12.17. Remedies; Specific Performance.

(a) Except to the extent set forth otherwise in this Agreement, all remedies under this Agreement expressly conferred upon a Party will be deemed cumulative with and not exclusive of any other remedy conferred hereby, or by Law or equity upon such Party, and the exercise by a Party of any one remedy will not preclude the exercise of any other remedy.

(b) Each Party agrees that irreparable damage would occur and the Parties would not have an adequate remedy at law if any provision of this Agreement is not performed in accordance with its specific terms or is otherwise breached. Accordingly, each Party agrees that the other Party will be entitled to injunctive relief from time to time to prevent breaches of the provisions of this Agreement and to enforce specifically the terms and provisions of this Agreement, in each case (i) without the requirement of posting any bond or other indemnity and (ii) in addition to any other remedy to which it may be entitled, at law or in equity. Furthermore, each Party agrees not to raise any objections to the availability of the equitable remedy of specific performance to prevent or restrain breaches of this Agreement, and to specifically enforce the terms of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of such Party under this Agreement. Each Party expressly disclaims that it is owed any duty not expressly set forth in this Agreement, and waives

and releases all tort claims and tort causes of action that may be based upon, arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement.

Section 12.18. Non-Recourse. All claims, obligations, Liabilities, Actions or causes of action (whether in Contract or in tort, in law or in equity, or granted by statute) that may be based upon, in respect of, arise under, out or by reason of, be connected with, or relate in any manner to this Agreement, or the negotiation, execution, or performance of this Agreement (including any representation or warranty made in, in connection with, or as an inducement to, this Agreement), may be made only against (and are expressly limited to) the entities that are expressly identified as Parties in the preamble to this Agreement or, if applicable, their successors and assigns (“**Contracting Parties**”). No Person who is not a Contracting Party, including any past, present or future director, officer, employee, incorporator, member, partner, manager, stockholder, Affiliate, agent, consultant, attorney, accountants, financial advisor or other representative of, and any lender to, any Contracting Party, or any director, officer, employee, incorporator, member, partner, manager, stockholder, Affiliate, agent, consultant, attorney, accountants, financial advisor or other representative of, and any lender to, any of the foregoing (“**Nonparty Affiliates**”), shall have any Liability (whether in Contract or in tort, in law or in equity, or granted by statute) for any claims, causes of action, obligations, or other Liabilities arising under, out of, in connection with, or related in any manner to this Agreement or based on, in respect of, or by reason of this Agreement or their negotiation, execution, performance, or breach; and, to the maximum extent permitted by Law, each Contracting Party hereby waives and releases all such claims, causes of action, obligations and other Liabilities against any such Nonparty Affiliates. It is expressly agreed that the Nonparty Affiliates to whom this Section 12.18 applies shall be third-party beneficiaries of this Section 12.18.

Section 12.19. Interest. If any payment required to be made to a Party under this Agreement is made after the date on which such payment is due, interest shall accrue at the Interest Rate on such amount from (but not including) the due date of the payment to (and including) the date such payment is actually made. All computations of interest pursuant to this Agreement shall be made on the basis of a year of three hundred sixty-five (365) days, in each case for the actual number of days from (but not including) the first day to (and including) the last day occurring in the period for which such interest is payable.

Section 12.20. Disclosure Schedules and Exhibits. The Disclosure Schedules, Schedules and Exhibits attached to this Agreement shall be construed with and as an integral part of this Agreement to the same extent as if the same had been set forth verbatim herein. Any capitalized terms used in any Exhibit or Schedule or in the Disclosure Schedules but not otherwise defined therein shall be defined as set forth in this Agreement. The representations and warranties of the Seller Parties set forth in this Agreement are made and given subject to the disclosures contained in the Disclosure Schedules, and neither any Seller Party nor any of its Affiliates shall be, or deemed to be, in breach of any such representations and warranties (and no claim shall lie in respect thereof) in respect of any such matter so disclosed in the Disclosure Schedules. Any matter, information or item disclosed in the Disclosure Schedules under any specific representation or warranty or schedule or section thereof shall be deemed to be disclosed and incorporated by reference in any other schedule or section of the Disclosure Schedules as though

fully set forth in such other schedule(s) or section(s), to the extent the applicability to such other schedule(s) or section(s) is reasonably apparent on its face. The inclusion of any matter, information or item in the Disclosure Schedules as an exception to a representation or warranty shall not be deemed to constitute (a) an admission of any Liability by any Seller Party or any Transferred Entity to any third party, (b) an admission that any breach or violation of applicable Laws or any contract or agreement to which any Seller Party or any Transferred Entity is a party exists or has actually occurred, (c) an admission that such item is outside the ordinary course of business or not consistent with past practice, or (d) otherwise imply an admission that such item represents a material exception or material fact, event, circumstance or that such item has had, and would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. The Disclosure Schedules have been arranged for purposes of convenience in separately titled schedules corresponding to the sections of this Agreement.

Section 12.21. Provision Respecting Legal Representation. Each Party to this Agreement agrees, on its own behalf and on behalf of its Affiliates and Representatives, that Weil, Gotshal & Manges LLP may serve as counsel to the Seller Parties, on the one hand, and any Transferred Entity, on the other hand, in connection with the negotiation, preparation, execution and delivery of the Transaction Agreements and the consummation of the Transactions, and that, following consummation of the Transactions, Weil, Gotshal & Manges LLP may serve as counsel to any Seller Party or any Subsidiary or Representative of any Seller Party, in connection with any litigation, claim or obligation arising out of or relating to the Transactions and the Transaction Agreements notwithstanding such prior representation of any Transferred Entity and each Party consents thereto and waives any conflict of interest arising therefrom, and each Party shall cause its Affiliates and Representatives to consent to waive any conflict of interest arising from such representation.

Section 12.22. Privilege. Buyer, for itself and its Affiliates, and its and its Affiliates' respective successors and assigns, hereby irrevocably and unconditionally acknowledges and agrees that, other than in the case of potential willfully and knowingly committed actual fraud with the specific intent to deceive and mislead (such potential claims to be reasonably determined upon the advice of counsel), all attorney-client privileged communications between any Seller Party, any Transferred Entity and their respective current or former Affiliates or Representatives and their counsel, including Weil, Gotshal & Manges LLP, made before the consummation of the Closing in connection with the negotiation, preparation, execution, delivery and Closing under any Transaction Agreement, any Transaction Dispute or, before the Closing, any other matter, shall continue after the Closing to be privileged communications with such counsel and neither Buyer nor any of its former or current Affiliates or Representatives nor any Person purporting to act on behalf of or through Buyer or any of its current or former Affiliates or Representatives, shall seek to obtain the same by any process on the grounds that the privilege attaching to such communications belongs to Buyer, any Transferred Entity or the Business or on any other grounds.

Section 12.23. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and

the same instrument. Facsimiles, e-mail transmission of .pdf signatures or other electronic copies of signatures shall be deemed to be originals.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Seller Parties and Buyer have caused this Agreement to be executed on the date first written above by their respective duly authorized officers.

SELLER:

AVON PRODUCTS, INC.

By:

Signed by:

Philip J Gund

01A38335985A456

Name: Philip J. Gund

Title: Chief Restructuring Officer

NATURA &CO UK HOLDINGS LIMITED

By:  Signed by:
Name: Patricia Espinelli
Title: officer

EXHIBIT A

DEFINITIONS

“Action” means any action, suit, arbitration, investigation or proceeding by or before any Government Authority.

“Affiliate” means, with respect to any specified Person, any other Person that, at the time of determination, directly or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with such specified Person; provided, however, that for the purposes of this Agreement (a) from and after the Agreement Date, none of Seller or any other Seller Party shall be deemed to be an Affiliate of Buyer (or any of its other Affiliates), (b) from the Agreement Date to the Closing Date, no Transferred Entity shall be deemed to be an Affiliate of Buyer (or any of its other Affiliates) and (c) from and after the Closing, Buyer (and each of its other Affiliates) shall be deemed an Affiliate of each of the Transferred Entities (and vice versa).

“Antitrust Laws” means any Laws applicable to Buyer, any Seller Party or any Transferred Entity under any applicable jurisdiction that are designed to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade.

“Assets” means the assets, properties, rights and interests that are owned, leased or licensed by any Seller Party, any Transferred Entity or any of their respective Subsidiaries.

“Back-up Expiration Date” means the first to occur of (a) the consummation of a transaction with a winning bidder other than Buyer, (b) one hundred and twenty (120) calendar days following the date on which the Seller Parties identified Buyer’s bid as the second highest or second best bid at the Auction, and (c) Buyer’s receipt of written notice from the Seller Parties of the release by the Seller Parties of Buyer’s obligations under Section 8.03.

“Bankruptcy and Equity Exception” means the effect on enforceability of (a) any applicable Law relating to bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or preferential transfers, or similar Law relating to or affecting creditors’ rights generally and (b) general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law).

“Bidding Procedures Order” means that certain order to be entered by the Bankruptcy Court substantially in the form attached hereto as Exhibit D or otherwise in form and substance reasonably acceptable to Buyer and Seller, that among other things, establishes the date by which Competing Bids are due.

“Business” means the business of Seller and its Subsidiaries (taken as a whole), together with all other business conducted by the Seller Parties and their respective Subsidiaries (taken as a whole), in each case, as of the Agreement Date.

Exhibit A-1

“Business Day” means any day that is not a Saturday, a Sunday or other day on which commercial banks in New York City, New York and São Paulo, Brazil are required or authorized by Law to be closed.

“Business Intellectual Property” means any and all (a) Business Registered IP, (b) Intellectual Property in any Business Software and (c) other Intellectual Property to the extent owned, or purported to be owned, by any Seller Party or any of the Transferred Entities or any of their other Subsidiaries.

“Business Registered IP” means any and all patents, patent applications, trademark registrations, applications for trademark registration, copyright registrations and Internet domain names to the extent owned, or purported to be owned, by any Seller Party or any of the Transferred Entities or any of their other Subsidiaries, including those set forth on Schedule 2.02(a)(vi).

“Business Software” means all Software to the extent owned, or purported to be owned by any Seller Party or any of the Transferred Entities or any of their other Subsidiaries.

“Business Systems” means all Systems to the extent owned, or purported to be owned, by any Seller Party or any of the Transferred Entities or any of their other Subsidiaries.

“Buyer Transaction Agreements” means this Agreement and each other Transaction Agreement to which Buyer is (or is contemplated to be) a party.

“Buyer Transactions” means the transactions contemplated by the Buyer Transaction Agreements.

“Cash” means (a) all cash and cash equivalents, including restricted cash, checks, commercial paper, treasury bills, certificates of deposit, Deposits, securities, securities entitlements, instruments and other investments and (b) all bank accounts and securities accounts.

“Change” has the meaning set forth in the definition of “Material Adverse Effect”.

“Closing Conditions” means the conditions to the respective obligations of the Parties to consummate the Transactions contemplated by this Agreement, in each case, as set forth in Article X.

“Code” means the U.S. Internal Revenue Code of 1986.

“Consent” means any consent, approval or authorization.

“Contract” means any written or oral contract, agreement, undertaking, indenture, note, bond, debenture, guarantee, obligation, mortgage, lease, sublease, license, sublicense, sales order, purchase or sale order or other instrument, obligation or commitment that

Exhibit A-2

purports to be binding on any Person or any part of its property (or subjects any such assets or property to a Lien), including any amendments thereto.

“Control” means, with respect to any Person, the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by Contract or otherwise. The terms **“Controlled by,” “Controlled,” “under common Control with”** and **“Controlling”** shall have correlative meanings.

“Cure Costs” means any and all amounts, costs or expenses, including pre-petition monetary Liabilities, that must be paid or actions or obligations that must be performed or satisfied pursuant to the Bankruptcy Code (including sections 365(b)(1)(A) and (B) of the Bankruptcy Code) (a) to cure all of the Seller Parties’ monetary and other defaults under the Transferred Contracts pursuant to Section 365 of the Bankruptcy Code at the time of the assumption thereof and (b) in connection with the assumption by, and the assignment to, Buyer, of the Transferred Contracts to which each Seller Party is party.

“Data” means all data, databases and compilations, including all technical data, data files, data rules and collections of data, whether machine readable or otherwise.

“Debt” means, without duplication, all monetary obligations of any nature (including principal and accrued interest related thereto), whether current or funded, secured or unsecured, (a) for borrowed money, (b) evidenced by notes, bonds, debentures, mortgages or similar instruments, but excluding letters of credit to the extent not drawn upon, in each case, from third party lending sources, and (c) under any leases required to be recorded as capital leases under IFRS. Notwithstanding the foregoing, “Debt” of any of the Transferred Entities shall not include trade payables incurred in the ordinary course of business.

“Debtors” means Seller and each of the subsidiaries of Seller set forth on Section 8.02(a) of the Disclosure Schedules.

“Deposits” means all deposits (including customer deposits and security deposits for rent, electricity, telephone or otherwise and adequate assurance deposits posted in accordance with section 366 of the Bankruptcy Code) and prepaid or deferred charges and expenses (including all lease and rental payments).

“DIP Credit Agreement” means the New York law-governed superpriority senior secured debtor-in-possession credit and guaranty agreement, dated on or about the date of this Agreement (as it may be amended, restated, modified or otherwise supplemented from time to time), between, amongst others, Avon Products, Inc., as lead borrower, the co-borrowers listed in Schedule 1.01 therein, Avon Cosmetics Limited, as non-debtor guarantor, and Buyer and/or certain of its Affiliates, as lenders.

“Disclosure Schedules” means the disclosure schedules dated as of the Agreement Date delivered by Seller to Buyer, which form a part of this Agreement.

“Effective Time” means 12:01 a.m. (local time) on the Closing Date.

Exhibit A-3

“Employee Plans” means all employee benefit plans (within the meaning of Section 3(3) of ERISA), and each other material retirement, welfare benefit, bonus, stock option, stock purchase, restricted stock, incentive, deferred compensation, employment, retention, termination, or severance programs or agreements, in each case, pursuant to which any of the Seller Parties or Transferred Entities has, or could reasonably be expected to have, any Liability (contingent or otherwise).

“Environmental Law” means any applicable Law promulgated by a Government Authority relating to pollution or protection of the environment.

“Environmental Permit” means any Permit that is issued or required by a Government Authority under any Environmental Law and necessary to the operation of the Business as of the Agreement Date.

“ERISA” means the Employee Retirement Income Security Act of 1974.

“Executory Contract” means any executory Contract (including any unexpired leases) within the meaning of Section 365 of the Bankruptcy Code to which any Seller Party is a party.

“Exhibits” means the exhibits to this Agreement (as may be amended from time to time in accordance herewith) which form a part of this Agreement.

“Government Authority” means any U.S. federal, state or local or any supra-national or non-U.S. government, political subdivision, governmental, regulatory or administrative authority, instrumentality, agency, body or commission, self-regulatory organization or any court, tribunal, or judicial or arbitral body.

“Hazardous Materials” means (a) any substance, material or waste that is defined or regulated as “hazardous,” “toxic,” “radioactive,” a “pollutant,” a “contaminant” or words of similar meaning and regulatory effect under any applicable Environmental Law; and (b) any petroleum or petroleum-derived products, radon, radioactive materials or wastes, asbestos in any form, lead or lead-containing materials, urea formaldehyde foam insulation, greenhouse gases, per- and polyfluoroalkyl substances, and polychlorinated biphenyls.

“HSR Act” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

“IFRS” means the international financial reporting standards issued by the IFRS Foundation and the International Accounting Standards Board.

“Insurance Policies” means, collectively, all policies and programs of or agreements for insurance and interests in insurance pools and programs of the Seller Parties (in each case including self-insurance and insurance from Affiliates).

“Intellectual Property” means any and all intellectual property rights or similar proprietary rights throughout the world, including any and all: (a) patents and patent

Exhibit A-4

applications, including reissues, divisionals, continuations, continuations-in-part, extensions and reexaminations; (b) copyrights, moral rights, mask work rights, database rights and design rights, including all applications, registrations, extensions, renewals and reversions of the foregoing; (c) Trademarks; (d) trade secrets and other proprietary or confidential information, technology, designs, procedures, models, discoveries, processes, techniques, methods, ideas, know-how, research and development, tools, specifications, inventions (whether patentable or unpatentable and whether or not reduced to practice), apparatus, creations, improvements, works of authorship, and other similar materials, and all recordings, graphs, drawings, reports, analyses and other writings; (e) Internet domain names; (f) rights in Software; (g) improvements to any of the foregoing; (h) rights to apply for, obtain, prosecute, register, maintain and defend any of the foregoing; (i) rights of publicity and rights of privacy; (j) the right to assert, claim or sue and collect damages for the past, present or future infringement, misappropriation or other violation of any of the foregoing and (k) rights in all of the foregoing provided by treaties, conventions and all other applicable Law.

“Interest Rate” means the rate designated from time to time in Section 6621(a)(2) of the Code, compounded on a daily basis.

“IRS” means the U.S. Internal Revenue Service.

“Law” means any U.S. federal, state, local or non-U.S. statute, law, ordinance, regulation, rule, code, act, treaty, Order, or other requirement or rule of law (including common law) promulgated by a Government Authority.

“Leased Real Property” means any real property that is leased by any Transferred Entity or any Seller Party, in each case, granting the Transferred Entities and/or the Seller Parties, as applicable, a right of use or occupancy in such real property.

“Liabilities” means any liability, Debt, guarantee, claim, demand, loss, damage, expense, fine, penalty, duty, responsibility, commitment or obligation (whether known or unknown, direct or indirect, fixed, absolute or contingent, matured or unmatured, accrued or unaccrued, asserted or unasserted, ascertained or ascertainable, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, vested or unvested, executory, determined, determinable, in contract, tort, strict liability, or otherwise, or otherwise due or to become due) of any kind, character, or description, including all costs and expenses related thereto.

“Lien” means any mortgage, deed of trust, pledge, hypothecation, security interest, encumbrance, license, claim, lien or charge or other restriction or adverse claim of any kind.

“Loan Documents” means all Contracts relating to Debt of Seller and its Subsidiaries, on the one hand, owing or otherwise due to Buyer and its Affiliates (other than Seller and its Subsidiaries), on the other hand (including (i) the loan agreements set forth on Schedule 1.01(b) and (ii) the DIP Credit Agreement), in each case, together with all the security

documents, the DIP Orders, any promissory note and any other instrument or agreement executed and delivered by any loan party, in each case, as the same may be amended, restated, amended and restated, modified, supplemented or extended from time to time in accordance with the terms thereof.

“Material Adverse Effect” means any fact, event, change, effect, development, circumstance, or occurrence (each, a **“Change”**) that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on the business, operations, properties, assets or condition (whether financial or otherwise) of the Business; provided that none of the following, either alone or in combination, will constitute a Material Adverse Effect: (a) any Change in the United States or foreign economies or securities or financial markets in general (including any decline in the price of securities generally or any market or index); (b) any Change that generally affects any industry, or that is the result of general business or economic conditions in any of the geographical areas, in which the Business operates; (c) national or international political or social conditions, including any Change arising in connection with hostilities, acts of war, sabotage or terrorism or military action or any escalation or material worsening of any such hostilities, acts of war, sabotage or terrorism or military action, whether commenced before or after the Agreement Date and whether or not pursuant to the declaration of a national emergency or war; (d) the occurrence of any act of God or other calamity or force majeure event (whether or not declared as such), including any strike, labor dispute, civil disturbance, cyberattack, embargo, natural disaster, fire, flood, hurricane, tornado, or other weather event or any global health conditions (including any epidemic, pandemic or other outbreak of illness, including as a result of the COVID-19 or SARS-CoV-2 virus or other disease, virus (or, in each case any variation or mutation thereof) or any action by any Government Authority related to the foregoing); (e) any actions taken by Buyer or its Affiliates or expressly required to be taken by any Seller Party or Transferred Entity pursuant to this Agreement or any other Transaction Agreement or actions taken or omitted to be taken by any Seller Party or Transferred Entity at the written request or written consent of Buyer; (f) any Changes in applicable Laws or IFRS (or other relevant accounting rules); (g) any Change resulting from the filing or pendency of the Bankruptcy Cases and any reasonably anticipated effects thereof; (h) any Change resulting from the public announcement of the entry into this Agreement, compliance with terms of this Agreement or the consummation of the Transactions; or (i) any effects or Changes arising from or related to the breach of this Agreement by Buyer; provided further that the exceptions set forth in clauses (a) through (d) of this definition shall not be regarded as exceptions solely to the extent that any such described Change has a disproportionately adverse impact on the Business or the Seller Parties, as compared to other companies similarly situated in the industries in which the Business or the Seller Parties operate.

“Order” means any order, writ, judgment, injunction, temporary restraining order, decree, stipulation, determination or award entered by or with any Government Authority.

“Permits” means all permits, licenses, authorizations, clearances, closures, decisions, registrations, concessions, grants, franchises, certificates, waivers and filings issued or required by any Government Authority or self-regulatory organizations under applicable Law, in each case, relating to or required for the operation of the Business.

Exhibit A-6

“Permitted Liens” means the following Liens: (a) Liens for Taxes, assessments or other governmental charges or levies that are not yet due or payable or that are being contested in good faith by appropriate proceedings and in respect of which adequate reserves have been established in accordance with IFRS and set forth in the financial statements; (b) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, materialmen, workmen, repairmen and other Liens imposed or permitted by Law in the ordinary course of business and in respect of which reserves have been established in accordance with IFRS and set forth in the financial statements; (c) Liens incurred or deposits made in the ordinary course of business in connection with workers’ compensation, unemployment insurance or other types of social security; (d) defects or imperfections of title, exceptions, easements, covenants, rights-of-way, restrictions and other similar charges, defects or encumbrances not materially interfering with the ordinary conduct of the Business; (e) zoning, entitlement, building and other generally applicable land use and environmental restrictions by a Government Authority; (f) Liens not created by any Seller Party or the Transferred Entity that affect the underlying fee, lessor, licensor or sublessor interest of any Leased Real Property or real property over which any Seller Party (with respect to the Business) or the Transferred Entities have easement or other property rights; (g) Liens created by or through, or resulting from any facts or circumstances relating to, Buyer or its Affiliates; (h) Liens arising out of, under or in connection with this Agreement or the other Transaction Agreements; (i) any set of facts an accurate up-to-date survey would show; (j) Liens securing debt disclosed on the financial statements; (k) any title matters shown in any title policy or report made available to Buyer; (l) right, terms or conditions of any leases, subleases, licenses, sublicenses or occupancy agreements made available to Buyer, including title of a lessor under a capital or operating lease; (m) in the case of Intellectual Property, (1) licenses, options to license, covenants or other grants and (2) gaps in the chain of title evident from the publicly-available records of the applicable Government Authority maintaining such records; and (n) any other Lien that will be cleared or discharged by the Bankruptcy Court by operation of the Sale Order.

“Person” means any natural person, general or limited partnership, corporation, company, trust, limited liability company, limited liability partnership, firm, association, Government Authority, organization or other legal entity.

“Personal Data” means, in addition to any definition for any similar term (e.g., “personal information” or “personally identifiable information” or “PII”) provided by applicable Law, any information that identifies, or could be reasonably used to identify, a particular individual.

“Pre-Closing Period” means the period beginning on the Agreement Date and ending on the earlier of the Closing Date and the date this Agreement is terminated in accordance with its terms.

“Product” means any product manufactured, sold, distributed or marketed by Seller or any of its Subsidiaries (including the Transferred Entities), or any of their predecessors, prior to the Closing.

Exhibit A-7

“Representative” of a Person means the directors, officers, employees, advisors, agents, consultants, attorneys, accountants, financial advisors or other representatives of such Person.

“Required Approvals” means the Government Approvals required under applicable Antitrust Laws (other than HSR Act) to consummate the Transactions.

“Sale Motion” means the motion or motions of the Seller Parties, in form and substance reasonably acceptable to Seller and Buyer, seeking approval and entry of the Bidding Procedures Order and Sale Order.

“Sale Order” shall be an order or orders of the Bankruptcy Court, in form and substance, and among parties, acceptable to Buyer and Seller, approving this Agreement and the terms and conditions hereof, and approving and authorizing the Seller Parties and Buyer to consummate the Transactions on the terms set forth in this Agreement.

“Secured Lender” means, at any given time, Buyer and each of its Affiliates (other than Seller and its Subsidiaries) that is a lender under the Loan Documents as of such time (in each case, together with its permitted successors and assigns).

“Securities Act” means the Securities Act of 1933.

“Seller Transaction Agreements” means this Agreement and each other Transaction Agreement to which any Seller Party is (or is contemplated to be) a party.

“Seller Transactions” means the transactions contemplated by the Seller Transaction Agreements.

“Software” means all (a) computer programs, including all software implementation of algorithms, models and methodologies, whether in source code, object code, human readable form or other form, and (b) documentation relating to any of the foregoing.

“Subsidiary” of any specified Person means any other Person of which such first Person owns (either directly or through one or more other Subsidiaries) a majority of the outstanding equity securities or securities carrying a majority of the voting power in the election of the board of directors or other governing body of such Person or for which such Person or any of its Subsidiaries acts as a general partner, managing member or in a similar capacity.

“Systems” means all servers, network and telecommunications equipment, and other computer hardware.

“Tax” or **“Taxes”** means all federal, state, local, foreign and other income, excise, gross receipts, ad valorem, value-added (including VAT), sales, use, production, employment, unemployment, severance, franchise, profits, registration, license, lease, service, service use, environmental, recording, documentary, filing, permit or authorization, stamp, business and occupation, gains, property, leasing, transfer, payroll, intangibles or other taxes, together with

any interest and any penalties, additions to tax or additional amounts imposed by any Taxing Authority with respect thereto and any liability for any of the foregoing as transferee or successor.

“Tax Returns” means all returns and reports (including elections, declarations, disclaimers, notices, disclosures, schedules, estimates, claims (including claims for refunds) and information returns) supplied or required to be supplied to a Taxing Authority relating to Taxes and including any amendments thereof.

“Taxing Authority” means any federal, state, local or foreign Government Authority in a jurisdiction (including any subdivision and any revenue agency of a jurisdiction) imposing Taxes and the agencies, if any, charged with the collection of such Taxes for such jurisdiction.

“Trademarks” means any and all trademarks, service marks, trade names, corporate names, trade dress and logos, including all applications, registrations, extensions and renewals of the foregoing and all goodwill associated with the foregoing.

“Transaction Agreements” means this Agreement, the Bill of Sale, the Assignment and Assumption Agreement, the IP Assignment Agreement, the Local Agreements (if any), the Joinders, the Settlement Agreement and any other agreements, instruments or documents required to be delivered at the Closing or otherwise in connection with the transactions contemplated by this Agreement (including the Pre-Closing Restructuring, if any) and such other agreements, in each case, including all exhibits and schedules thereto and all amendments thereto made in accordance with the respective terms thereof.

“Transactions” means the transactions contemplated by this Agreement and the other Transaction Agreements.

“Transfer Taxes” means all sales, use, purchase, excise, gross receipts, ad valorem, direct or indirect real property, transfer, intangible, stamp, business and occupation, value added (including VAT), recording, documentary, filing, permit or authorization, leasing, license, lease, service, service use, severance, franchise, profits, gains, property registration, and similar non-income Taxes, motor vehicle registration, title recording and similar non-income Taxes or filing fees and other amounts payable in respect of transfer filings, together with any interest and any penalties, additions to tax or additional amounts imposed by any Taxing Authority with respect thereto.

“Transferred Books and Records” means all books, records, files and papers, whether in hard copy or computer or digital format or any other form or medium, including sales and promotional literature, manuals and Data, sales and purchase correspondence, customer lists, lists of suppliers, personnel and employment records, in each case, related to the Business, the Transferred Entities and the Transferred Assets.

“U.S.” means the United States of America.

“**Wind-Up Date**” means the date upon which all of the Seller Parties’ corporate existences cease to exist.

<u>Term</u>	<u>Section</u>
Agreement	Preamble
Agreement Date	Preamble
Assumed Liabilities	2.02(c)
Auction	8.03
Available Contract Schedule	2.05(b)
Bankruptcy Cases	Preliminary Statements
Bankruptcy Code	Preliminary Statements
Bankruptcy Court	Preliminary Statements
Bill of Sale, Assignment and Assumption Agreement	3.02(a)(ii)
Burdensome Condition	6.03(d)
Business Subsidiaries	Preliminary Statements
Buyer	Preamble
Closing	2.04
Closing Date	2.04
Companies	Preliminary Statements
Company	Preliminary Statements
Competing Bid	8.01
Contracting Parties	12.18
Credit Bid Amount	3.01
Cure Notice	2.05(b)
D&O Indemnified Parties	7.03(a)
Designation Deadline	2.05(c)
Excluded Assets	2.02(b)
Excluded Contracts	2.02(b)(i)
Excluded Liabilities	2.02(d)
Government Approvals	6.03(a)
Intercompany Obligations	6.05
IP Assignment Agreement	3.02(a)(iii)
Joinders	6.09
Local Agreement	3.02(a)(v)
Nonparty Affiliates	12.18
Outside Date	11.01(d)
Parties	Preamble
Party	Preamble
Pre-Closing Restructuring	Preliminary Statements
Pre-Closing Insurance Claims and Rights	2.02(a)(xviii)
Purchase Price Allocation	3.03
Rabbi Trust Assets	2.02(a)(ix)
Relevant Transactions	9.07(a)
Reorganization Election	9.07(a)

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<u>Term</u>	<u>Section</u>
Seller	Preamble
Seller Advisors	4.10
Seller DOE	2.02(c)(iii)
Seller Parties	Preamble
Settlement Agreement	10.03(c)
Third Party Consents	6.04
Transaction Dispute	12.13
Transferred Assets	2.02(a)
Transferred Cash	2.02(a)(i)
Transferred Contracts	2.02(a)(iii)
Transferred Entities	Preliminary Statements
Transferred Entity Employees	2.02(d)(v)
Transferred Entity Service Provider	6.01(ii)(V)
Transferred Equity Interests	Preliminary Statements
Transferred Executory Contract	2.05(c)
TSA	Preliminary Statements
Undisclosed Contract	2.05(b)
U.S. Tax Resident	9.02(a)
245A Election Agreement	9.02(a)
245A Election	9.02(a)

Exhibit A-11

SCHEDULE A**Seller Parties, Companies and Transferred Equity Interests**

Seller Party	Company	Transferred Equity Interests
Avon Products, Inc.	Avon Cosmetics International BV Avon Beauty & Cosmetics Research and Development (Shanghai) Co. Ltd. Productos Avon S.A.S. (Dominican Republic) Productos Avon S.A. (El Salvador) Productos Avon de Guatemala S.A. Avon Cosmetics S.A.U (Spain)	All issued and outstanding capital stock and other equity interests in each such Company
Surrey Leasing Ltd.	Mirabella Realty Corporation (Philippines)	All issued and outstanding capital stock and other equity interests in each such Company
AIO US, Inc.	Avon Cosmetics Limited (New Zealand) Avon Beauty Products India Pvt. Limited Arlington Limited (Bermuda) Beautifont Products Inc. (Philippines) Avon Cosmetics Limited (UK) Avon Cosmetics BiH d.o.o. Sarajevo (Bosnia) Productos Para La Mujer AP, Limitada Productos Avon de Nicaragua, S.A. Productos Avon, S.A. de C.V. (Honduras) Avon Cosmetics Netherlands Holdings B.V. Viva Panama S de R.L. Avon Holdings LLC Avon International Holdings Company (Cayman) US Productos Avon S.A.S. (Dominican Republic) Avon Cosmetics (Greece) EPE Stratford Insurance Company, Limited (Bermuda) Avon NA IP LLC	All issued and outstanding capital stock and other equity interests in each such Company
MI Holdings, Inc.		
Avon Capital Corporation	Avon NA Holdings LLC	All issued and outstanding capital stock and other equity interests in each such Company

Schedule B-1

Seller Party	Company	Transferred Equity Interests
Viva Panama Holdings LLC	Productos Avon de Nicaragua, S.A. Productos Avon, S.A. de C.V. (Honduras) Avon Export Limitada (Guatemala)	All issued and outstanding capital stock and other equity interests in each such Company
Avon Pacific, Inc.		
Manila Manufacturing Company MFG		
Surrey Products, Inc.		
California Perfume Co.		
Avon Overseas Capital Corporation	Productos Avon S.A.S. (Dominican Republic) Productos Avon S.A. (El Salvador) Productos Avon de Guatemala S.A. Avon Beauty Products India Pvt. Limited Productos Para La Mujer AP, Limitada	All issued and outstanding capital stock and other equity interests in each such Company
Silpada Designs LLC		
Avon (Windsor) Limited		
Avon Cosmetics DE, Inc.		
Avon Lomalinda, Inc.		
Retirement Inns of America Inc.		
Avon Americas, Ltd.	Productos Avon S.A.S. (Dominican Republic)	All issued and outstanding capital stock and other equity interests in each such Company
Avon Holdings LLC	Productos Avon de Nicaragua, S.A.	All issued and outstanding capital stock and other equity interests in each such Company
Avon Products Mfg. Inc. Employee Retirement Plan	Mirabella Realty Corporation (Philippines)	All issued and outstanding capital stock and other equity interests in each such Company
Avon Cosmetics, Inc. Multi-Employer Retirement Plan	Mirabella Realty Corporation (Philippines)	All issued and outstanding capital stock and other equity interests in each such Company
Avon Products Mfg., Inc. (a Philippines entity)	Mirabella Realty Corporation (Philippines)	All issued and outstanding capital stock and other equity interests in each such Company
Avon Cosmetics, Inc. (a Philippines entity)	Mirabella Realty Corporation (Philippines)	All issued and outstanding capital stock and other equity interests in each such Company

Exhibit B

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

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

Debtors.¹

Chapter 11

Case No. 24-11836 (CTG)

(Jointly Administered)

**ORDER (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; AND
(II) GRANTING RELATED RELIEF**

Upon the motion, dated August 14, 2024 [Docket No. [●]] (the “**Motion**”)² of AIO US, Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), pursuant to sections 105(a), 363, and 365 of title 11 of the United States Code (the “**Bankruptcy Code**”), Rules 2002, 6004, 6006, 9007, 9008, and 9014 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rules 2002-1, 6004-1, and 9006-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “**Local Bankruptcy Rules**”), for entry of orders, including this order (together with all exhibits hereto (each of which is incorporated herein by reference), this “**Bidding Procedures Order**”), (i)(a) approving the bidding procedures, substantially in the form attached hereto as **Exhibit 1** (the “**Bidding**

¹ 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.

² Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Stalking Horse Agreement (as defined below), the Motion, or the First Day Declaration, as applicable.

Procedures”) in connection with the sale of the Assets (the “**Sale Transaction**”); (b) authorizing the Debtors’ designation of Natura 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, substantially in the form attached hereto as **Exhibit 2** (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 contract or unexpired lease of the Debtors (collectively, the “**Contracts**”) setting forth the Debtors’ calculation of the proposed amount necessary to cure any defaults thereunder (the “**Cure Costs**”), substantially in the form attached hereto as **Exhibit 3** (the “**Assignment and Cure Notice**”); 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**”); (ii) authorizing and approving (a) the sale of the Assets to the Stalking Horse Bidder or the bidder who submits the highest or otherwise best offer at the Auction free and clear of liens, claims, interests, interests, and encumbrances pursuant to section 363(f) of the Bankruptcy Code and (b) the assumption and assignment of the Assigned Contracts in connection with the Sale Transaction; and (iii) granting related relief, all as more fully set forth in the Motion; and the United States Bankruptcy Court for the District of Delaware (the “**Court**”) having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware* dated February 29, 2012; and

consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided; and such notice having been adequate and appropriate under the circumstances, and it appearing that no other or further notice need be provided; and this Court having reviewed the Motion, the First Day Declaration, and the Messer Declaration filed contemporaneously therewith; and this Court having held a hearing (the “**Bidding Procedures Hearing**”) to consider the relief granted herein; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief granted herein is in the best interests of the Debtors, their estates, creditors, and all parties in interest; and upon all of the proceedings had before this Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY FOUND AND DETERMINED THAT:³

A. Jurisdiction. This Court has jurisdiction to hear and determine the Motion and to grant the relief requested herein with respect to the Bidding Procedures pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

B. Statutory and Legal Predicates. The predicates for relief granted herein are sections 105(a), 363, and 365 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006, 9007, 9008, and 9014, and Local Bankruptcy Rules 2002-1, 6004-1, and 9006-1.

³ The findings and conclusions set forth herein constitute the Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

C. Bidding Procedures. The Debtors have articulated good and sufficient business reasons for the Court to approve the Bidding Procedures. The Bidding Procedures are entirely fair, reasonable, appropriate, and designed to maximize the value of the Debtors' estates. The Bidding Procedures are reasonably designed to promote a competitive and robust bidding process to generate the greatest level of interest in the Debtors' Assets resulting in the highest or otherwise best offers.

D. Designation of Stalking Horse Bid. The Bid of the Stalking Horse Bidder, as reflected in the Stock and Asset Purchase Agreement with the Stalking Horse Bidder dated August 12, 2024 (the "**Stalking Horse Agreement**" and the Bid represented therein, the "**Stalking Horse Bid**"), substantially in the form attached to the Motion as **Exhibit A**, represents the highest and/or best offer the Debtors have received as of the date hereof to purchase the Assets. One or more affiliates of Natura &Co Holding S.A. ("**Natura**" or the "**Stalking Horse Bidder**") shall act as the Stalking Horse Bidder under the Stalking Horse Agreement, and its Stalking Horse Bid shall be subject to higher or better offers in accordance with the Bidding Procedures. Pursuit of the Stalking Horse Bidder as a "stalking-horse" and the Stalking Horse Agreement as a "stalking-horse" sale agreement is the result of fair dealing, is in the best interests of the Debtors, their estates, and creditors, and reflects a sound exercise of the Debtors' business judgment. The Stalking Horse Agreement will provide the Debtors with the opportunity to sell the Assets and to preserve and realize their maximum value. The Stalking Horse Agreement will enable the Debtors to secure a fair and adequate floor price for the Assets at the Auction that will encourage competitive bidding and, accordingly, will provide a clear benefit to the Debtors, their estates, their creditors, and all other parties in interest.

E. Good-Faith Negotiations. The Bidding Procedures and Stalking Horse Agreement were negotiated in good faith and at arms' length and are reasonably designed to promote participation and active bidding and ensure that the highest and/or best value is generated for the Assets.

F. Assumption and Assignment Procedures. The Debtors have articulated good and sufficient business reasons for the Court to approve the Assumption and Assignment Procedures. The Assumption and Assignment Procedures, including the form of Sale Notice attached hereto as Exhibit 2 and the form of Assignment and Cure Notice attached hereto as Exhibit 3, are fair and reasonably calculated to provide all interested parties with timely and proper notice of the Assumption and Assignment Procedures, as well as any and all objection deadlines related thereto. The Assumption and Assignment Procedures provide an adequate opportunity for all Counterparties to raise any objections to the proposed assumption and assignment and proposed Cure Costs. The Assumption and Assignment Procedures, as approved hereby, comply with the provisions of section 365 of the Bankruptcy Code and Bankruptcy Rule 6006.

G. Sale Notice. The Sale Notice, substantially in the form attached hereto as Exhibit 2, is appropriate and reasonably calculated to provide all interested parties with timely and proper notice of the Bidding Procedures, the Assumption and Assignment Procedures, the Auction, the Sale Hearing, and the Sale Transaction (including the sale of the Assets as set forth under the Stalking Horse Bid) free and clear of any liens, claims, encumbrances, or interests pursuant to section 363(f) of the Bankruptcy Code (provided, however, that any such liens, claims, encumbrances, or interests shall attach to the proceeds of the sale of the applicable Assets), and any and all objection deadlines related thereto, and no other or further notice shall

be required for the Sale Motion, the Sale Transaction, or the assumption and assignment of the Assigned Contracts except as expressly required herein.

H. Assignment and Cure Notice. The Assignment and Cure Notice, the form of which is attached hereto as **Exhibit 3**, is appropriate and reasonably calculated to provide all interested parties with timely and proper notice of the Assumption and Assignment Procedures, as well as any and all objection deadlines related thereto, and no other or further notice shall be required for the Motion and procedures described therein, except as expressly required herein.

I. Notice. Good and sufficient notice of the relief granted by this Bidding Procedures Order has been given, and no other or further notice is required except as otherwise set forth herein and in the Bidding Procedures. A reasonable opportunity to object or be heard regarding the relief granted herein has been afforded to all parties in interest, including those persons and entities entitled to notice pursuant to Bankruptcy Rule 2002.

J. Relief is Warranted. The legal and factual bases set forth in the Motion, in the First Day Declaration, the Messer Declaration filed contemporaneously therewith, and at the Bidding Procedures Hearing, establish just and sufficient cause to grant the relief requested therein.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is granted to the extent set forth herein.
2. All objections to the relief granted herein that have not been withdrawn with prejudice, waived, or settled, and all reservations of rights included in such objections, are hereby overruled and denied on the merits with prejudice.
3. The Debtors are hereby authorized to implement the Bidding Procedures, in accordance with the following timeline (the “**Case Timeline**”), as may be extended or modified in the Debtors’ reasonable business judgment and in good faith by filing a notice of such extension or modification on the Court’s docket.

Key Event	Deadline
Deadline to (i) file the Assignment and Cure Notice with the Court and serve the Assignment and Cure Notice on the Counterparties and (ii) file the Sale Notice with the Court and serve it on all creditors and interested parties	September 19, 2024
Deadline to Object to (i) Cure Costs and (ii) adequate assurance of future performance with respect to the Stalking Horse Bidder	October 3, 2024 at 4:00 p.m. (prevailing Eastern Time)
Deadline for potential bidders to submit binding Bids	October 18, 2024 at 4:00 p.m. (prevailing Eastern Time)
Deadline for Debtors to designate Qualified Bids or to cancel the Auction if no Bids are designated as Qualified Bids besides the Stalking Horse Bid	October 21, 2024 at 4:00 p.m. (prevailing Eastern Time)
Auction (if the Debtors receive a Qualified Bid in addition to the Stalking Horse Bid) to be conducted at (i) the offices of Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153-0119, or (ii) virtually, pursuant to procedures to be announced to Qualified Bidders	October 22, 2024 at 10:00 a.m. (prevailing Eastern Time)
Deadline to file notice of (i) Successful Bid(s) and Back-Up Bid(s) and (ii) identity of Successful Bidder(s) and Back-Up Bidder(s)	The business day after designating the (provisional) Successful Bid(s) at the Auction
Deadline to object to (i) any Sale Transaction, (ii) adequate assurance of future performance (other than with respect to the Stalking Horse Bidder), and	October 24, 2024 at 4:00 p.m. (prevailing Eastern Time)

(iii) the manner in which the Auction (if any) was conducted	
Deadline to reply to objections to (i) any Sale Transaction, (ii) Cure Costs, (iii) adequate assurance of future performance, and (iv) the manner in which the Auction (if any) was conducted	October 25, 2024 at 12:00 p.m. (prevailing Eastern Time)
Sale Hearing	October 28, 2024 (subject to the Court's availability)
Consummation of proposed Sale Transaction	No later than November 5, 2024 or such later date if necessitated by applicable regulatory approvals

Bidding Procedures

4. The Bidding Procedures attached hereto as **Exhibit 1** are hereby approved in their entirety, and shall govern the Bids and proceedings related to the sale of the Assets and the Auction, including the Marketing and Sale Process. The failure to specifically include or reference any particular provision of the Bidding Procedures in the Motion or elsewhere in this Bidding Procedures Order shall not diminish or otherwise impair the effectiveness of such procedures, it being the Court's intent that the Bidding Procedures are approved in their entirety, as if fully set forth in this Bidding Procedures Order. If there is any conflict between the terms of this Bidding Procedures Order and **Exhibit 1** hereto, the terms of this Bidding Procedures Order shall govern.

5. The procedures and requirements set forth in the Bidding Procedures, including those associated with submitting a Qualified Bid, are fair, reasonable and appropriate, and are designed to maximize recoveries for the benefit of the Debtors' estates, creditors, and all parties in interest.

6. All parties are prohibited from: (i) engaging in any collusion with respect to the submission of any Bid or the Auction; (ii) entering into an agreement or negotiating towards terms of an agreement that would restrict a party's ability to submit a Bid or engage in

discussions with other parties surrounding the submission of a Bid (except in accordance with this Bidding Procedures Order (including the Bidding Procedures)); or (iii) taking any other action to prevent a transparent and competitive auction process. Each Qualified Bidder participating in the Auction shall confirm in writing and on the record at the Auction that: (i) it has not engaged in any of the foregoing prohibited actions; and (ii) its Qualified Bid is a good faith bona fide offer that it intends to consummate if selected as a Successful Bidder or Back-Up Bidder. Notwithstanding anything to the contrary herein, nothing in the Bidding Procedures shall prohibit or limit any discussion, communication, negotiation or coordination (x) among members of the Creditors' Committee regarding a potential Bid or (y) between or among the Creditors' Committee and/or other parties in interest with respect to any matters other than submission of a Bid by such parties so discussing, communicating, negotiating or coordinating (which, for the avoidance of doubt, excludes a Bid by an individual member or members of the Creditors' Committee, so long as such individual member or members is not party to such discussions, communications, negotiations or coordination). The Debtors reserve their rights, in their reasonable business judgment, to disqualify any Potential Bidders that fail to comply with any of the foregoing.

7. The Debtors are authorized to take all reasonable actions necessary or appropriate to implement the Bidding Procedures in accordance herewith.

Designation of Stalking Horse Bid

8. The Debtors are hereby authorized to designate Natura as the Stalking Horse Bidder.

9. The Stalking Horse Bidder is hereby deemed a Qualified Bidder, and the Stalking Horse Bid is hereby deemed a Qualified Bid, for all purposes under this Bidding Procedures Order (including the Bidding Procedures).

10. Subject to the Bidding Procedures and entry of the Sale Order, the Debtors and Stalking Horse Bidder are granted all rights and remedies provided to them under the Stalking Horse Agreement, including, without limitation, the right to specifically enforce the Stalking Horse Agreement in accordance with its terms.

11. For the avoidance of doubt, nothing herein shall preclude the Debtors from continuing to provide the Stalking Horse Bidder or any potential financing source of the Stalking Horse Bid with diligence materials regarding the Assets in accordance with any applicable confidentiality agreements.

12. For the avoidance of doubt, consummation of the transactions contemplated by the Stalking Horse Agreement shall be subject to entry of an order approving the sale of the Assets (the “**Sale Order**”) and the satisfaction or waiver of the other conditions to closing on the terms set forth in the Stalking Horse Agreement.

Objections to Sale Transaction

13. Within one (1) business day after the conclusion of any Auction, the Debtors shall file with the Court, serve on the Objection Notice Parties, and cause to be published on the Case Website, a Notice of Auction Results.

14. Objections to the Sale Transaction (each, a “**Sale Objection**”), 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 Debtor, would obviate such objection; (iv) conform to the Bankruptcy Rules and the Local Bankruptcy Rules; (v) be filed with the Court no later than **October 24, 2024 at 4:00 p.m. (prevailing Eastern Time)**; and (vi) shall be served on the Objection Notice Parties and the Successful Bidder (which may be the Stalking Horse Bidder).

15. Any party who fails to timely and properly file with the Court a Sale Objection will be forever barred from asserting any objection to the Sale Transaction, or to the consummation and performance of the Sale Transaction contemplated by a purchase agreement, including the transfer of the Assets to a Successful Bidder(s), free and clear of all claims and interests pursuant to section 363(f) of the Bankruptcy Code. Failure to object shall constitute consent for the purposes of section 363(f) of the Bankruptcy Code. Any objection filed after the Sale Objection Deadline or otherwise not in accordance herewith (including the Bidding Procedures) shall not be considered unless otherwise ordered by the Court.

16. If a party files a Sale Objection consistent with the requirements set forth above and the parties are unable to consensually resolve the dispute prior to the Sale Hearing, such Sale Objection will be heard by the Court at the Sale Hearing.

17. If any person files a Sale Objection in accordance herewith, the Debtors, the Stalking Horse Bidder, and other parties in interest will have the opportunity to object to any alleged rights asserted by such person by filing a response to the Sale Objection and serving such response on the objecting party at any time prior to the Sale Hearing. Upon the filing of such response to such objection, any rights asserted will be deemed to be disputed and the Debtors will be entitled to assert that a bona fide dispute exists as to such rights asserted. Nothing herein will be deemed a waiver of any rights of the Debtors or any other parties in interest to contest

any rights asserted by any person in such objections, and all such rights of the Debtors are expressly preserved.

18. Notwithstanding anything to the contrary contained in the Bidding Procedures, in the event that a Successful Bidder does not consummate the proposed Sale Transaction and a Back-Up Bidder has been previously identified, the Debtors shall, to the extent set forth in the Sale Order approving the Sale Transaction to the Successful Bidder, be authorized to consummate the Sale Transaction to the Back-Up Bidder without further order of the Court.

Sale Hearing

19. A Sale Hearing with respect to the sale of the Assets will be held on **[October 28, 2024] at [●] [a.m./p.m.] prevailing Eastern Time**. The Sale Hearing may be adjourned without further notice other than announcing such adjournment at the Sale Hearing or filing a notice on the Court's docket indicating such adjournment.

Sale Notice

20. The Sale Notice, substantially in the form attached hereto as **Exhibit 2**, is approved, and no other or further notice of the Sale Transaction, the Assumption and Assignment Procedures, the Auction, the Sale Objection Deadline, or the Sale Hearing shall be required if the Debtors serve the Sale Notice on the Sale Notice Parties, and all parties on the Debtors' creditor matrix and publish such notice, including any Notice of Stalking Horse Bidder, in the manner provided in the Bidding Procedures and this Bidding Procedures Order.

21. The Sale Notice contains the type of information required under Bankruptcy Rule 2002, and complies in all respects with applicable provisions of the Bankruptcy Code, Bankruptcy Rules, and Local Bankruptcy Rules.

22. All parties in interest shall receive or be deemed to have received good and sufficient notice of (i) the Motion, (ii) the Assumption and Assignment Procedures, including the proposed assumption and assignment of the Assigned Contracts to the Successful Bidder; (iii) the Auction; (iv) the Sale Objection Deadline; (v) the Sale Transaction, and (vi) the Sale Hearing, and no further notice of the foregoing shall be required, if:

- (a) As soon as practicable, but no later than three (3) business days after entry of this Bidding Procedures Order, the Debtors cause the Sale Notice to be filed with this Court and served by email, mail, facsimile, or overnight delivery on the Sale Notice Parties and all parties on the Debtors' creditor matrix; and
- (b) As soon as practicable, but no later than three (3) business days after entry of this Bidding Procedures Order, the Debtors shall cause the Sale Notice to be published on the Case Website.

Assumption and Assignment Procedures

23. The following Assumption and Assignment Procedures are reasonable and appropriate under the circumstances, fair to all Counterparties, comply in all respects with the Bankruptcy Code, and are approved.

24. The Assignment and Cure Notice, substantially in the form attached hereto as **Exhibit 3**, is reasonable, fair, and appropriate, contains the type of information required under Bankruptcy Rule 2002, is hereby approved, and complies in all respects with applicable provisions of the Bankruptcy Code, Bankruptcy Rules, and Local Bankruptcy Rules.

25. The Assignment and Cure Notice, including any Supplemental Assignment and Cure Notice (as defined below), is reasonably calculated to provide sufficient notice to the Counterparties of the Debtor's proposed assumption and assignment of the Assigned Contracts in connection with the Sale Transaction and constitutes adequate notice thereof, and no other or further notice of the Debtor's proposed Cure Costs or the proposed

assumption and assignment of the Assigned Contracts shall be required if the Debtors file and serve such notice in accordance with the Assumption and Assignment Procedures and this Bidding Procedures Order.

26. Within three (3) business days of entry of this Bidding Procedures Order, the Debtors shall file the Assignment and Cure Notice with the Court and serve the Assignment and Cure Notice on the Counterparties. The Assignment and Cure Notice shall also be accompanied by the Adequate Assurance Information of the Stalking Horse Bidder, which shall be provided on a strictly confidential basis. Service of the Assignment and Cure Notice in accordance with this Bidding Procedures Order on all Counterparties is hereby deemed to be good and sufficient notice of the proposed Cure Costs for, and the proposed assumption and assignment of, the Assigned Contracts. As soon as reasonably practicable after filing the Assignment and Cure Notice, the Debtors shall post a copy of the Assignment and Cure Notice on the Case Website.

27. In accordance with the Bidding Procedures, each Bid must contain such financial and other information that allows the Debtors to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate the Sale Transaction including, without limitation, ability to post replacement letters of credit, as applicable, and such financial and other information setting forth adequate assurance of future performance in satisfaction of the requirements under section 365(f)(2)(B) of the Bankruptcy Code, and the Potential Bidder's willingness to perform under any contracts that are assumed and assigned to such party (such information, "**Adequate Assurance Information**").

28. On the date of service of the Notice of Auction Results (or such other notice identifying a Successful Bidder who is not the Stalking Horse Bidder), or as soon as

reasonably practicable thereafter, the Debtors shall provide, or cause to be provided, to all Counterparties of proposed Assigned Contracts, Adequate Assurance Information for the Successful Bidder (other than the Stalking Horse Bidder) on a strictly confidential basis. Such Counterparties shall not use any Adequate Assurance Information for any purpose other than to (i) evaluate whether the adequate assurance requirements under Bankruptcy Code section 365(f)(2)(B) and, if applicable, Bankruptcy Code section 365(b)(3), have been satisfied, and (ii) to support any Adequate Assurance Objection (as defined herein) filed by such Counterparty; *provided, that*, if a Counterparty seeks to disclose confidential, non-public information included in the Adequate Assurance Information, it shall request Court authority to redact such information, unless disclosure of such confidential, non-public information is authorized by the Debtors, the Successful Bidder, and any known proposed assignee(s) of the relevant Assigned Contracts (if different from the Successful Bidder), or ordered by the Court. The Notice of Auction Results shall also include the deadline to file and serve Adequate Assurance Objections with respect to any Successful Bidder other than the Stalking Horse Bidder.

29. Objections, if any, to any proposed Cure Costs (each, a “**Cure Objection**”) and/or to the provision of adequate assurance of future performance (each, an “**Adequate Assurance Objection**”) in respect of a proposed Assigned Contract must: (i) be in writing; (ii) state the name and address of the objecting party and the amount and nature of the claim or interest of such party; (iii) state with particularity the legal and factual bases thereof, including, for Cure Objections, the cure amount the objecting Counterparty believes is required to cure defaults under the relevant Assigned Contract; (iv) conform to the Bankruptcy Code, Bankruptcy Rules and the Local Bankruptcy Rules; and (v) be filed with the Court and served on the parties set forth in the Assignment and Cure Notice by **October 3, 2024 at 4:00**

p.m. (prevailing Eastern Time); provided, that, Adequate Assurance Objections with respect to any Successful Bidder other than the Stalking Horse Bidder shall be filed and served by no later than **October 24, 2024 at 4:00 p.m. (prevailing Eastern Time).**

30. If a timely and properly filed Cure Objection or Adequate Assurance Objection is received and such objection cannot otherwise be resolved by the parties, such objection shall be heard at the Sale Hearing or such other hearing scheduled prior to any scheduled closing of the Applicable Sale Transaction as determined by the Debtors. If any Cure Objection cannot otherwise be resolved by the parties, the Debtors may, after consultation with the applicable Successful Bidder(s), assume the Assigned Contract(s) prior to the resolution of any Cure Objection and such Cure Objection may be scheduled to be heard by the Court after the Sale Hearing.

31. If: (i) the Debtors identify (a) additional contracts or leases to be assumed and assigned to a Successful Bidder (any “**Additional Assigned Contracts**”), or (b) modifications that need to be made to a proposed Cure Cost previously stated in the Assignment and Cure Notice; or (ii) a Successful Bidder designates any additional contracts or leases not previously included on the Assignment and Cure Notice for assumption in accordance with the time period set forth in the applicable purchase agreement between the Debtors and such Successful Bidder, the Debtors shall promptly file with the Court and serve by first class mail a supplemental Assignment and Cure Notice, the form of which shall be substantially similar to the form of Assignment and Cure Notice attached hereto as **Exhibit 3** each, a “**Supplemental Assignment and Cure Notice**”), only on the Counterparties to each added, removed, or otherwise effected Contract. The Debtors shall identify any Additional Assigned Contracts no later than the deadline set forth in section 365(d) of the Bankruptcy Code. As soon as reasonably

practicable after filing a Supplemental Assignment and Cure Notice, the Debtors shall post a copy of the Supplemental Assignment and Cure Notice on the Case Website. Any Cure Objection with respect to Cure Costs set forth in a Supplemental Assignment and Cure Notice or any Adequate Assurance Objection with respect to the provision of adequate assurance of future performance must be filed no less than fourteen (14) calendar days after service of a Supplemental Assignment and Cure Notice and must otherwise comply with the requirements herein for Cure Objections.

32. If no timely and properly filed Cure Objection is filed in respect of an Assigned Contract, the Cure Cost identified on the Assignment and Cure Notice or a Supplemental Assignment and Cure Notice, as applicable, will be the only amount necessary under section 365(b) of the Bankruptcy Code to cure all defaults under such Assigned Contract. Any party failing to timely file a Cure Objection shall be forever barred from objecting to the Cure Costs and from asserting any additional cure or other amounts against the Debtors, their estates, and a Successful Bidder(s).

33. If no timely and properly filed Adequate Assurance Objection is filed with respect to an Assigned Contract or a Successful Bidder, the Successful Bidder will be deemed to have provided adequate assurance of future performance for such Assigned Contract in accordance with section 365(f)(2)(B) of the Bankruptcy Code and the Counterparty shall forever be barred from asserting against the Debtors, their estates, and a Successful Bidder, any additional obligation to provide adequate assurance of future performance.

34. Further, if no timely and properly filed Cure Objection or Adequate Assurance Objection is filed with respect to an Assigned Contract, (i) the relevant Counterparty shall be deemed to have consented to the assumption and assignment of the Assigned Contract to

a Successful Bidder(s), and be forever barred from asserting any objection with regard to such assumption and assignment (including, without limitation, with respect to adequate assurance of future performance by the Successful Bidder); (ii) any and all defaults under the Assigned Contract and any and all pecuniary losses related thereto shall be deemed cured and compensated pursuant to section 365(b)(1)(A) of the Bankruptcy Code and upon payment of the Cure Costs set forth in the Cure Notice for such Assigned Contract; and (iii) the Counterparty shall be forever barred from asserting any other claims related to such Assigned Contract against the Debtors and their estates or the Successful Bidder(s), or the property of any of them, that existed prior to the date of the assumption and assignment of the Assigned Contract.

35. Absent entry of an order approving the Sale Transaction, the Assigned Contracts shall not be deemed assumed or assigned, and shall in all respects be subject to further administration under the Bankruptcy Code.

36. The inclusion of a contract, lease, or other agreement on the Assignment and Cure Notice or any Supplemental Assignment and Cure Notice shall not constitute or be deemed a determination or admission by the Debtors or any other party in interest that such contract or other document is an executory contract or unexpired lease within the meaning of the Bankruptcy Code or that the stated Cure Cost is due (all rights with respect thereto being expressly reserved). The Debtors reserve all rights, claims, defenses, and causes of action with respect to each contract or other document listed on the Assignment and Cure Notice or any Supplemental Assignment and Cure Notice.

Reservation of Rights

37. The Debtors shall have the right, as they may reasonably determine to be in the best interests of their estates and subject to their fiduciary duties, to carry out the Bidding Procedures, 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 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 this Bidding Procedures Order or the DIP Credit Agreement.

Fiduciary Out

38. Nothing in the Bidding Procedures will require the Debtors to take any action, or to refrain from taking any action, to the extent the Debtors determine that refraining from taking such action or taking such action, as applicable, would be inconsistent with applicable law or their fiduciary obligations under applicable law.

General Provisions

39. All persons or entities (whether or not Qualified Bidders) that participate in the Marketing and Sale Process shall be deemed to have knowingly and voluntarily: (i) consented to the entry of a final order by this Court in connection with the Motion or this

Bidding Procedures Order (including any disputes relating to the Marketing and Sale Process, the Auction, and/or any Sale Transaction) to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution; and (ii) waived any right to jury trial in connection with any disputes relating to any of the foregoing matters.

40. Notwithstanding the possible applicability of Bankruptcy Rules 2002, 6004(h), 6006(d), 9007, 9008, and 9014, or any applicable provisions of the Local Bankruptcy Rules or otherwise, the terms and conditions of this Bidding Procedures Order shall be immediately effective and enforceable upon its entry, and no automatic stay of execution shall apply to this Bidding Procedures Order.

41. The Debtors are authorized to take all reasonable steps necessary or appropriate to carry out the relief granted in this Bidding Procedures Order.

42. This Court retains jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Bidding Procedures Order.

Exhibit 1

Bidding Procedures

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

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

Debtors.¹

Chapter 11

Case No. 24-11836 (CTG)

(Jointly Administered)

BIDDING PROCEDURES

Overview

On August 12, 2024 (the “**Petition Date**”), AIO US, Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the District of Delaware (the “**Court**”). The Debtors are authorized to continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. [No trustee, examiner, or statutory committee has been appointed in these chapter 11 cases.]

On [●], 2024, the Court entered an order (Docket No. [●]) (the “**Bidding Procedures Order**”) which, among other things, authorized the Debtors to solicit bids and approved these procedures (the “**Bidding Procedures**”) for the consideration of the highest or otherwise best bid for substantially all of the Debtors’ assets (the “**Assets**”) on the terms and conditions set forth herein.

The Bidding Procedures describe, among other things: (i) the procedures for bidders to submit bids (“**Bids**”) for the Assets, subject to an order of the Court approving such potential sale transaction; (iii) the manner in which bidders and Bids become Qualified Bidders and Qualified Bids (each as defined herein); (iv) the process for negotiating the Bids received; (v) the conduct of the Auction (as defined herein) if the Debtors receive more than one Qualified Bid; (vi) the procedures for the ultimate selection of any Successful Bidder and any Back-Up Bidder (each as defined herein); (vii) authorization of the sale of the Assets free and clear of all liens, claims, encumbrances, and other interests pursuant to section 363(f) of the Bankruptcy Code following the sale process and, if necessary, completion of the Auction (collectively, the “**Sale Transaction**”); and (viii) the process for approval of the Sale Transaction at the Sale Hearing (as defined herein).

¹ 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.

Summary of Important Dates

These Bidding Procedures provide interested parties with the opportunity to submit competing Bids for the Assets and, where more than one Qualified Bid is received, to participate in an auction to be conducted by the Debtors (the “**Auction**”). At the Auction, the Debtors may, in the exercise of their business judgment, identify the highest or otherwise best Qualified Bid as the successful Bid (the “**Successful Bid**,” and the bidder submitting such bid, the “**Successful Bidder**”).

The key dates for the sale process are set out in the below timeline (the “**Case Timeline**”). The Debtors are authorized to extend or modify the Case Timeline in the Debtors’ reasonable business judgment in good faith by filing a notice of such extension or modification on the Court’s docket.

Key Event²	Deadline
Deadline to (i) file the Assignment and Cure Notice with the Court and serve the Assignment and Cure Notice on the Counterparties and (ii) file the Sale Notice with the Court and serve it on all creditors and interested parties	September 19, 2024
Deadline to Object to (i) Cure Costs and (ii) adequate assurance of future performance with respect to the Stalking Horse Bidder	October 3, 2024 at 4:00 p.m. (prevailing Eastern Time)
Deadline for potential bidders to submit binding Bids	October 18, 2024 at 4:00 p.m. (prevailing Eastern Time)
Deadline for Debtors to designate Qualified Bids or to cancel the Auction if no Bids are designated as Qualified Bids besides the Stalking Horse Bid	October 21, 2024 at 4:00 p.m. (prevailing Eastern Time)
Auction (if the Debtors receive a Qualified Bid in addition to the Stalking Horse Bid) to be conducted at (i) the offices of Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153-0119, or (ii) virtually, pursuant to procedures to be announced to Qualified Bidders	October 22, 2024 at 10:00 a.m. (prevailing Eastern Time)
Deadline to file notice of (i) Successful Bid(s) and Back-Up Bid(s) and (ii) identity of Successful Bidder(s) and Back-Up Bidder(s)	The business day after designating the (provisional) Successful Bid(s) at the Auction
Deadline to object to (i) any Sale Transaction, (ii) adequate assurance of future performance (other than with respect to the Stalking Horse Bidder), and (iii) the manner in which the Auction (if any) was conducted	October 24, 2024 at 4:00 p.m. (prevailing Eastern Time)
Deadline to reply to objections to (i) any Sale Transaction, (ii) Cure Costs, (iii) adequate assurance of	October 25, 2024 at 12:00 p.m. (prevailing Eastern Time)

² Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Stalking Horse Agreement (as defined below), the proposed Bidding Procedures Order, or the First Day Declaration, as applicable.

future performance, and (iv) the manner in which the Auction (if any) was conducted	
Sale Hearing	October 28, 2024 (subject to the Court's availability)
Consummation of proposed Sale Transaction	No later than November 5, 2024 or such later date if necessitated by applicable regulatory approvals

Sale of the Assets

Parties may submit Bids for the Assets by the Bid Deadline (as defined below).

Designation of Stalking Horse Bidder

The Debtors have obtained a binding commitment from one or more affiliates of their parent company and senior secured debt holder, Natura &Co Holding, S.A. (“**Natura**” or the “**Stalking Horse Bidder**”) to serve as a stalking horse bidder for the sale of substantially all of their Assets, pursuant to a signed Stock and Asset Purchase Agreement, dated August 12, 2024, a copy of which is attached as Exhibit A (the “**Stalking Horse Agreement**” and the Bid represented therein, the “**Stalking Horse Bid**”) to 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* (the “**Sale and Bid Procedures Motion**”).

The Stalking Horse Bid contemplates the purchase of all of the Debtors’ equity interests in Avon Non-U.S. (as defined in the Sale and Bid Procedures Motion). The aggregate purchase consideration to be provided under the Stalking Horse Agreement consists of \$125 million in the form of a credit against the Debtors’ outstanding secured obligations to Natura. In addition, to ensure the Debtors’ estates are receiving maximum value, the Stalking Horse Bid is subject to higher or better offers to be solicited in accordance with the proposed Bidding Procedures. The material terms of the Stalking Horse Agreement are set forth in the Sale and Bid Procedures Motion. Of particular note, the Stalking Horse Agreement does not include any break-up fee, expense reimbursement or other traditional bid protections for Natura.

For all purposes under the Bidding Procedures, Natura shall be deemed a Qualified Bidder and its Stalking Horse Bid shall be considered a Qualified Bid. The Stalking Horse Bid will be subject to higher or better offers submitted in accordance with the terms and conditions of these Bidding Procedures. In the event that the Stalking Horse Bid is the only Qualified Bid received by the Debtors by the Bid Deadline, the Stalking Horse Bidder shall be deemed the Successful Bidder.

Due Diligence

The Debtors' investment banker, Rothschild & Co., has posted copies of all material documents related to the Assets to the Debtors' confidential electronic data room (the "**Data Room**"). To access the Data Room, a party must submit to the Debtor Notice Parties:

- (A) an executed confidentiality agreement in form and substance that is satisfactory to the Debtors; and
- (B) sufficient information, as reasonably determined by the Debtors, to allow the Debtors to determine, in their reasonable business judgment, that the interested party (i) has the financial wherewithal to consummate the Sale Transaction, and (ii) intends to access the Data Room for a bona fide purpose consistent with these Bidding Procedures.

An interested party that meets the aforementioned requirements to the reasonable satisfaction of the Debtors shall be a "**Potential Bidder**."

Notwithstanding the foregoing, the Debtors shall provide the Stalking Horse Bidder (and any potential financing source of the Stalking Horse Bid) with access to the Data Room and other diligence information shared with any Potential Bidders subject to, in the case that the Stalking Horse Bidder (or any potential financing source of the Stalking Horse Bid) is not already party to a confidentiality agreement with the Debtors, execution of a confidentiality agreement in form and substance satisfactory to the Debtors.

As soon as practicable, the Debtors will provide such Potential Bidder access to the Data Room; *provided, that*, such access may be terminated by the Debtors in their reasonable discretion at any time for any reason whatsoever, including that a Potential Bidder does not become a Qualified Bidder, these Bidding Procedures are terminated, the Potential Bidder breaches any obligations under its confidentiality agreement, or the Debtors become aware that information submitted by the Potential Bidder for requesting access to the Data Room is inaccurate or misleading. The Debtors may restrict or limit access of a Potential Bidder to the Data Room if the Debtors determine, based on their reasonable business judgment, that certain information in the Data Room is sensitive, proprietary, or otherwise not appropriate for disclosure to such Potential Bidder.

Each Potential Bidder shall comply with all reasonable requests for information and due diligence access by the Debtors or its advisors regarding the ability of such Potential Bidder to consummate the Sale Transaction.

Until the Bid Deadline, and except as otherwise provided herein, the Debtors will provide any Potential Bidder with reasonable access to the Data Room and any additional information requested by Potential Bidders (subject to any restrictions pursuant to applicable law or these Bidding Procedures) that the Debtors believe in their reasonable business judgment to be reasonable and appropriate under the circumstances. All additional due diligence requests shall be directed to Rothschild & Co. (Attn: Marcelo Messer (marcelo.messer@rothschildandco.com); Pratyush Hiremath (pratyush.hiremath@rothschildandco.com); Patton Taylor (patton.taylor@rothschildandco.com); and Anshul Rana (anshul.rana@rothschildandco.com)). In

the event that any such additional information is in written form and provided to a Potential Bidder, the Debtors shall simultaneously provide such additional information to all other Potential Bidders by posting it in the Data Room.

Neither the Debtors nor any of their representatives shall be obligated to furnish any information of any kind whatsoever relating to the Assets to any person or entity who: (i) is not a Potential Bidder; (ii) does not comply with the participation requirements set forth herein; or (iii) in the case of competitively sensitive information, is a competitor of the Debtors, in the reasonable business judgment of the Debtors.

Each Qualified Bidder shall be deemed to acknowledge and represent that: (i) it has had an opportunity to (a) conduct any and all due diligence regarding the Assets prior to making a Bid and (b) investigate and/or inspect any documents and the Assets in making its Bid; (ii) it has relied solely upon its own independent review in making its Bid; and (iii) it did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express, implied, by operation of law or otherwise regarding the Assets, or the completeness of any information provided in connection therewith, except as expressly stated in these Bidding Procedures. The Debtors and their estates are not responsible for, and will have no liability with respect to, any information obtained by, or provided to, any Potential Bidders in connection with these Bidding Procedures and the Sale Transaction.

Bid Deadline

A Potential Bidder that desires to make a Bid shall deliver electronic copies of its Bid to the Debtor Notice Parties so as to be received no later than **October 18, 2024 at 4:00 p.m. (Eastern Time)** (the “**Bid Deadline**”). **The submission of a Bid by the Bid Deadline shall constitute a binding and irrevocable offer to acquire the Assets.** Notwithstanding anything to the contrary in these Bidding Procedures, any party that does not submit a Bid by the Bid Deadline will not be allowed to: (i) submit any offer after the Bid Deadline; or (ii) participate in any Auction.

Form and Content of Qualified Bid

A Bid is a signed document from a Potential Bidder received by the Bid Deadline that identifies the purchaser by its legal name and any other party that will be participating in connection with the Bid. To constitute a “**Qualified Bid**,” a Bid must include, at a minimum, the following:³

- i. **Proposed Agreement.** Each Bid must include an executed agreement (the “**Proposed Agreement**”) for the acquisition of the Assets marked with a redline to show the specific changes to the Proposed Agreement to the applicable form agreement distributed to Potential Bidders. Additionally,

³ The Debtors may waive any of the requirements for a Bid to constitute a Qualified Bid to the extent reasonably necessary to promote Bids and a robust auction; *provided, that*, any such modifications shall not be inconsistent with the Bidding Procedures Order, or any other order of the Court; and *provided, further*, that any modifications shall not modify nor affect the rights of the Stalking Horse Bidder under the Stalking Horse Agreement, as applicable, or other Qualified Bidders in respect of their Good Faith Deposits as set forth in these Bidding Procedures under the heading “Good Faith Deposit.”

the Proposed Agreement related to such Bid must be redlined against the Stalking Horse Agreement. The Proposed Agreement shall:

- (a) include a complete set of all disclosure schedules and exhibits thereto marked to show the specific changes to the disclosure schedules and exhibits to the Stalking Horse Agreement or form agreement distributed by the Debtors to Potential Bidders, as applicable; and
 - (b) not condition the closing of the proposed Sale Transaction on the receipt of any third party approvals (excluding such approvals required by the Court or governmental and/or regulatory approvals).
- ii. Purchase Price; Assets; Assumed Liabilities. Each Bid must clearly set forth, as applicable:
 - (a) Purchase Price. Each Bid must clearly identify the purchase price to be paid (the “**Purchase Price**”) in U.S. dollars.
 - (b) Cash Requirements. Each Bid must identify that the Purchase Price is to be paid in cash in full, unless otherwise agreed by the Debtors.
 - (c) Assets Purchased: Each Bid must, in the Proposed Agreement, indicate that the Potential Bidder proposes to acquire the assets of the Debtors through a sale pursuant to section 363 of the Bankruptcy Code and clearly state the assets contemplated by or excluded from the proposal.
 - (d) Assumed Liabilities: Each Bid must clearly identify, in writing and as applicable, the particular liabilities, if any, the bidder seeks to assume. For the avoidance of doubt, a Qualified Bid may include a Bid for less than all of the Debtors’ liabilities.
- iii. Minimum Overbid Increment. Any Overbid (as defined below) after and above the Stalking Horse Bid shall be made in an initial increment valued at not less than \$6 million. The Debtors reserve the right, after consultation with the Creditors’ Committee and with the recommendation of the Special Committee, to announce reductions or increases in the minimum incremental bids (or in valuing such bids) at any time during the Auction (if any).
- iv. Unconditional Offer / Contingencies. Each Bid must contain a statement that the Bid is formal, binding, and unconditional, is not subject to any further due diligence or financing contingency, and is irrevocable until the Debtors notify the Potential Bidder that such Bid is not a Successful Bid or

a Back-Up Bid, or until the first business day after the close of the Sale Transaction.

- v. Proof of Financial Ability to Perform. Each Bid must contain such financial and other information that allows the Debtors to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate the Sale Transaction, including financial and other information setting forth adequate assurance of future performance in satisfaction of the requirements under section 365(f)(2)(B) of the Bankruptcy Code, and the Potential Bidder's willingness to perform under any contracts that are assumed and assigned to such party. Without limiting the foregoing, such information must include current financial statements or similar financial information certified to be true and correct as of the date thereof, proof of financing commitments if needed to consummate the transaction (in the Debtors' sole discretion), contact information for verification of such information, including any financing sources, and any other information reasonably requested by the Debtors necessary to demonstrate adequate assurance of future performance and to demonstrate that such Potential Bidder has the ability to consummate the Sale Transaction in a timely manner.
- vi. Designation of Contracts and Leases. Each Bid must identify with particularity each and every executory contract and unexpired lease the assumption and assignment of which is contemplated by the applicable Sale Transaction.
- vii. TSA Requirement. Each Bid must identify whether transition services will be needed, the type of such services, and the duration such services are needed.
- viii. Required Approvals. Each Bid must include a statement or evidence: (i) that the Potential Bidder has not conditioned their Bid on (a) obtaining financing, (b) any internal approval, or (c) the outcome or review of outstanding or unperformed due diligence; (ii) that the Potential Bidder has made or will make in a timely manner all necessary filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or other antitrust laws, as applicable, and pay the fees associated with such filings; (iii) identifying each governmental and regulatory third-party approvals required for the Potential Bidder to consummate the Sale Transaction, if any, and the Potential Bidder's plan and ability to obtain all requisite governmental, regulatory, or other third-party approvals and the proposed timing for the Potential Bidder to undertake the actions required to obtain such approvals; and (iv) that the Bid is reasonably likely (based on antitrust or other regulatory issues, experience, and other considerations) to be consummated, if selected as the Successful Bid or as the Back-Up Bid, within a timeframe acceptable to the Debtors. A Potential Bidder further agrees that its legal counsel will coordinate in good faith with the Debtors'

legal counsel to discuss and explain such Potential Bidder's regulatory analysis, strategy, and timeline for securing all such approvals as soon as reasonably practicable.

- ix. Disclosure of Identity and Corporate Authorization. Each Bid must (i) fully disclose the identity of each entity that will be bidding or otherwise participating in such Bid (including any equity owners or sponsors, if the Potential Bidder is an entity formed for the purpose of consummating the Sale Transaction), and the complete terms of any such participation, and (ii) include evidence of corporate authorization and approval from the Potential Bidder's board of directors (or comparable governing body) with respect to the submission, execution, and delivery of a Bid, participation in the Auction, and closing of the transactions contemplated by the Potential Bidder's Proposed Agreement in accordance with the terms of the Bid and these Bidding Procedures.
- x. No Entitlement to Break-Up Fee, Expense Reimbursement or Other Amounts. Each Bid must expressly state that the Bid does not entitle the Potential Bidder to any break-up fee, termination fee, expense reimbursement or similar type of payment or reimbursement, and a waiver of any substantial contribution administrative expense claims under section 503(b) of the Bankruptcy Code related to the bidding process.
- xi. Disclosure of Connections. Each Bid must fully disclose any connections or agreements with the Debtors, any other known Potential Bidder and/or any officer, director, or equity owner of the Debtors.
- xii. Joint Bids. The Debtors may approve joint Bids in its sole and reasonable business judgment on a case-by-case basis.
- xiii. Representations and Warranties. Each Bid must include the following representations and warranties:
 - a. A statement that the Potential Bidder has had an opportunity to conduct, and has completed, any and all due diligence regarding the Assets prior to submitting its Bid;
 - b. A statement that the Potential Bidder has relied solely upon its own independent review, investigation, and/or inspection of any relevant documents and the Assets in making its Bid and did not rely on any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express or implied, by operation of law or otherwise, regarding the Assets or the completeness of any information provided in connection therewith, except as expressly stated in the representations and warranties contained in the Potential Bidder's Proposed Agreement ultimately accepted and executed by the Debtors;

- c. A statement that the Potential Bidder agrees to serve as Back-Up Bidder, if its Bid is selected as the next highest or next best Bid after the Successful Bid with respect to the Assets;
- d. A statement that the Potential Bidder has not (i) engaged in any collusion with respect to the Marketing and Sale Process (including the Auction and submission of any Bid), (ii) entered into an agreement or negotiated towards terms of an agreement that would restrict a party's ability to submit a Bid or engage in discussions with other parties surrounding the submission of a Bid,⁴ or (iii) taken any other action to, or that could, prevent a transparent and competitive Marketing and Sale Process; *provided, that*, certain joint Bids may be permitted in the Debtors' discretion as set forth in the Bidding Procedures;
- e. A statement that all proof of financial ability to consummate the Sale Transaction in a timely manner and all information provided to support adequate assurance of future performance is true and correct; and
- f. A statement that the Potential Bidder agrees to be bound by the terms of the Bidding Procedures and that it and its Bid complied herewith.

A Potential Bidder (other than the Stalking Horse Bidder) must also accompany its Bid with:

- i. a cash deposit in the amount of ten percent (10%) of the proposed purchase price (a "**Good Faith Deposit**");
- ii. the contact information of the specific person(s) whom the Debtors or their advisors should contact in the event that the Debtors have any questions or wishes to discuss the Bid submitted by the Potential Bidder; and
- iii. a covenant to cooperate with the Debtors to provide pertinent factual information regarding the Potential Bidder's operations reasonably required to analyze issues arising with respect to any applicable antitrust laws and other applicable regulatory requirements.

Without the written consent of the Debtors, a Qualified Bidder may not modify, amend, or withdraw its Qualified Bid, except for proposed amendments to increase the Purchase Price or otherwise improve the terms of the Qualified Bid for the Debtors during the period that such Qualified Bid remains binding as specified herein, including at the Auction.

⁴ For the avoidance of doubt, prior to any Potential Bidder in its capacity as such engaging in any communication with another Potential Bidder in its capacity as such regarding a potential Bid, the Potential Bidder initiating such communication must obtain the prior written consent from the Debtors.

Good Faith Deposit

Except with respect to the Stalking Horse Bid, a Good Faith Deposit must be deposited, prior to the Bid Deadline, with an escrow agent selected by the Debtors (the “**Escrow Agent**”) pursuant to a customary and reasonable escrow agreement to be provided by the Debtors. A Good Faith Deposit of a Qualified Bidder will be forfeited to the Debtors if: (i) the Qualified Bidder attempts to modify, amend, or withdraw its Qualified Bid, except as permitted under these Bidding Procedures or the Bidding Procedures Order, or with the Debtors’ prior written consent during the time the Qualified Bid remains binding and irrevocable; or (ii) the Qualified Bidder is selected as a Successful Bidder or Back-Up Bidder and fails to enter into the required definitive documentation or to consummate the Sale Transaction in accordance with the Bidding Procedures Order and/or the Bidding Procedures or the applicable Court order approving such Sale Transaction. To the extent a Qualified Bid is modified before, during, or after the Auction, the Debtors reserve the right to require that such Qualified Bidder increase its Good Faith Deposit so that it equals at least ten percent (10%) of the Purchase Price at all times. If a Qualified Bidder is required to increase its Good Faith Deposit, its status as a Qualified Bidder shall be suspended pending satisfaction of such adjustment. For the avoidance of doubt, and notwithstanding anything to the contrary in these Bidding Procedures or any Court order to the contrary, any Good Faith Deposit by any Qualified Bidder, shall only be for purposes of this process. No party, including the Creditors’ Committee, have or shall have any lien, claim, or right with respect to the Good Faith Deposit, and such funds shall not be available for distribution to the Debtors’ creditors, unless and until such funds become property of the Debtors’ estates in accordance with the terms of these Bidding Procedures.

Review of Bids and Designation of Qualified Bids

The Debtors will evaluate Bids that are timely submitted and may engage in negotiations with Potential Bidders who submitted Bids as the Debtors deem appropriate in the exercise of their reasonable business judgment, based upon the Debtors’ evaluation of the content of each Bid.

A Bid that is reasonably determined by the Debtors, to meet the requirements set forth herein will be considered a Qualified Bid and any bidder that submits a Qualified Bid will be considered a “**Qualified Bidder**.”

By no later than **one (1) business day prior to the Auction** (the “**Qualified Bid Deadline**”), the Debtors shall determine, in their reasonable business judgment, which of the Bids other than the Stalking Horse Bid received by the Bid Deadline qualifies as a Qualified Bid. The Debtors shall notify each Bidder who submits a Qualified Bid of its status as a Qualified Bidder by the Qualified Bid Deadline.

In evaluating the Bids, the Debtors may take into consideration the following non-exhaustive factors:

1. the amount and the form of consideration included in the Purchase Price set forth in the Bid;
2. the assets and liabilities included in or excluded from the Bid, including any executory contracts or leases or other liabilities proposed to be assumed;

3. the value to be provided to the Debtors under the Bid, including the net economic effect upon the Debtors' estates;
4. any benefit to the Debtors' bankruptcy estates from any assumption of liabilities or waiver of liabilities;
5. the transaction structure and execution risk, including: conditions to, timing of, and certainty of closing; termination provisions; availability of financing and financial wherewithal to meet all commitments; and required governmental or other approvals;
6. whether such Bid is structured as an asset sale or sale of equity;
7. the impact on trade creditors; and
8. any other factors the Debtors may deem relevant, consistent with their fiduciary duties.

The Debtors reserve the right to work with any Potential Bidder in advance of the Auction to cure any deficiencies in a Bid that is not initially deemed a Qualified Bid.

Failure to Receive Qualified Bids

If the Debtors and the Special Committee determine that no Qualified Bid (other than the Stalking Horse Bid) was received by the Qualified Bid Deadline, the Debtors will not conduct the Auction, and shall file a notice with the Court indicating that no Auction will be held. The Debtors shall also publish such notice on the Case Website.

To the extent the only Qualified Bid received is from the Stalking Horse Bidder, the Stalking Horse Bidder shall be deemed the Successful Bidder and a Sale Hearing with respect to the sale of the Assets to the Stalking Horse Bidder (the "**Staking Horse Sale Transaction**") will be held on or about October 28, 2024, subject to the Court's availability. The Debtors will serve on the Objection Notice Parties, and cause to be published on the Case Website a notice: (1) indicating that the Auction for the Assets has been cancelled; (2) indicating that the Stalking Horse Bidder is the Successful Bidder for the Assets; and (3) setting forth the date and time of the Sale Hearing.

Auction Procedures

If the Debtors receive two (2) or more Qualified Bids for the Assets, the Debtors shall conduct the Auction on **October 22, 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 Qualified Bidders, or such other later date as may be determined by the Debtors and upon notice to all parties in interest.** Only Qualified Bidders will be eligible to participate at the Auction, subject to such limitations as the Debtors may impose in good faith. In addition, only the professionals and/or other representatives of the Qualified Bidders and the Debtors shall be permitted to attend and observe the Auction. A creditor of the Debtors may attend and observe the Auction; *provided, that*, such creditor provides the Debtors with written notice of its intention to attend the Auction on or before one (1) business day

prior to the Auction, which written notice shall be sent to the Debtor Notice Parties via electronic mail.

The Debtors may adjourn or continue the Auction to a later date by filing a notice prior to, or making an announcement at, the Sale Hearing.

The following auction rules shall apply to the Auction to promote a spirited and robust bidding process (the “**Auction Rules**”). All Qualified Bids in the Auction will be made and received on an open basis, and all other Qualified Bidders participating in the Auction will be entitled to be present for all bidding with the understanding that the true identity of each Qualified Bidder placing a Bid at the Auction will be fully disclosed to all other bidders participating in the Auction and that all material terms of a Bid submitted in response to any successive Bids made at the Auction (each, an “**Overbid**”) will be disclosed to all other Qualified Bidders participating in the Auction. Each Qualified Bidder will be permitted what the Debtors reasonably determine to be an appropriate amount of time to respond to the previous Bid at the Auction. The Auction will be conducted openly and shall be transcribed or recorded on a non-confidential basis.

At the Auction, Qualified Bidders (including the Stalking Horse Bidder) will be permitted to increase their Bids. At the outset of the Auction, the Debtors will determine and announce the highest or otherwise best Bid for the Assets, which Bid will serve as the starting Bid (the “**Starting Bid**”). Bidding will start at the Purchase Price and terms proposed in the Starting Bid, and will proceed thereafter in increments valued at not less than \$2 million for any subsequent Bid thereafter.

The Debtors reserve the right, after consultation with the Committee, to announce reductions or increases in the minimum incremental Bids (or in valuing such Bids) at any time during the Auction (if any).

The Debtors may adopt additional rules for the Auction at any time that the Debtors reasonably determine to be appropriate to promote the goals of maximizing the value of the Assets and that such rules are not inconsistent with the Bidding Procedures Order or these Bidding Procedures.

Absent advance consent of the Debtors, pursuant to 18 U.S.C. §§ 156 and 157, Potential Bidders and their representatives may not in their capacity as such communicate with one another, collude, or otherwise coordinate (including regarding a joint Bid), regarding any potential or submitted Bid or for purposes of participating in the Auction. All parties are prohibited from (i) engaging in any collusion with respect to the submission of any Bid or the Auction, (ii) entering into an agreement or negotiating towards terms of an agreement that would restrict a party’s ability to submit a Bid or engage in discussions with other parties surrounding the submission of a Bid,⁵ or (iii) taking any other action to prevent a transparent and competitive auction process; *provided, that*, certain joint Bids may be permitted with the advance consent of the Debtors. Notwithstanding anything to the contrary herein, nothing in these Bidding Procedures shall prohibit or limit any discussion,

⁵ For the avoidance of doubt, prior to any Potential Bidder in its capacity as such engaging in any communication with another Potential Bidder in its capacity as such regarding a potential bid, the Potential Bidder initiating such communication must obtain consent from the Debtors.

communication, negotiation or coordination (x) among advisors or members of the Creditors' Committee regarding a potential Bid or (y) between or among the Creditors' Committee and/or other parties in interest with respect to any matters other than submission of a Bid by such parties so discussing, communicating, negotiating or coordinating (which, for the avoidance of doubt, excludes a Bid by an individual member or members of the Creditors' Committee, so long as such individual member or members is not party to such discussions, communications, negotiations or coordination). The Debtors reserve the right, in their reasonable business judgment, to disqualify any Potential Bidders that fail to comply with any of the foregoing.

All parties attending the Auction must keep the proceedings and results of the Auction confidential until the Debtors have closed the Auction; *provided, that*, parties may speak with clients or parties necessary to place or increase their Bid so long as such individuals are advised of the confidentiality restriction.

The Debtors may, in the exercise of their business judgment and in their sole discretion, identify the highest or otherwise best Qualified Bid as the Successful Bid and the bidder submitting such Bid, the Successful Bidder. The Debtors may also identify a Qualified Bidder that submitted the next highest or otherwise best Qualified Bid as a back-up Bid (the "**Back-Up Bid**" and the bidder submitting such Bid, the "**Back-Up Bidder**").

A Back-Up Bid shall remain open and irrevocable until the earliest to occur of: (i) consummation of the Sale Transaction with a Successful Bidder; (ii) ninety (90) calendar days following the date on which the Debtors identified the Back-Up Bidder's Bid as the Back-Up Bid; and (iii) the release of such Back-Up Bid by the Debtors in writing (such date, the "**Back-Up Bid Expiration Date**"). If a Sale Transaction with a Successful Bidder is terminated prior to the Back-Up Bid Expiration Date, the Back-Up Bidder shall be deemed a Successful Bidder and shall be obligated to consummate the Back-Up Bid as if it were the Successful Bidder.

Within one (1) business day after the Auction, or as soon as reasonably practicable thereafter, the Successful Bidder shall: (i) submit to the Debtors fully executed documentation memorializing the terms of the Successful Bid such Successful Bidder submitted; and (ii) unless otherwise agreed in the purchase agreement between the Debtors and a Successful Bidder, submit by transfer of immediately available funds to an account identified by the Debtors any amount required to increase the Successful Bidder's Good Faith Deposit to an amount equal to ten percent (10%) of the Purchase Price contained in the Successful Bid, if the amount of the Good Faith Deposit previously delivered by the Successful Bidder is less than such amount. For the avoidance of doubt, and notwithstanding anything to the contrary in these Bidding Procedures or any Court order to the contrary, any such increase to the Good Faith Deposit by a Qualified Bidder to such designated account shall only be for purposes of this process. A Successful Bid may not be assigned to any party without the consent of the Debtors.

At any time before the designation of a Successful Bid and Back-Up Bid, if any, the Debtors reserve the right to and may reject such Qualified Bid(s) (other than the Stalking Horse Bid) if such Qualified Bid(s), in the Debtors' reasonable business judgment, is/are: (i) inadequate or insufficient; (ii) not in conformity with the requirements of the Bankruptcy Code, these Bidding Procedures, or the terms and conditions of the Sale Transaction; or (iii) contrary to the best interests of the Debtors and their estates.

Post-Auction Process

Within one (1) business day after the conclusion of the Auction, the Debtors shall file with the Court, and serve on the Objection Notice Parties (and each Contract Counterparty to a proposed Assigned Contract in the Successful Bid, if known), and cause to be published on the Case Website, a notice of the results of the Auction (the “**Notice of Auction Results**”), which shall: (i) identify the Successful Bid, Successful Bidder, Back-Up Bid, and Back-Up Bidder; (ii) list all proposed Assigned Contracts in the Successful Bids and Back-Up Bids, if known; (iii) identify any known proposed assignee(s) of proposed Assigned Contracts (if different from the applicable Successful Bidder or Back-up Bidder); and (iv) set forth the deadline and procedures for filing objections based on the inadequacy of the Adequate Assurance Information and other Sale Objections (as defined herein) in response to the Notice of Auction Results.

Within five (5) business days after the conclusion of the Auction, the Debtors shall direct the Escrow Agent to return the Good Faith Deposit of any bidder, together with interest accrued thereon, who is not declared a Successful Bidder or Back-Up Bidder. Within five (5) business days after the Back-Up Bid Expiration Date, the Debtors shall direct the Escrow Agent to return the Good Faith Deposit of each Back-Up Bidder, together with interest accrued thereon, if any. Upon the authorized return of any such Good Faith Deposit, the Bid of such Potential Bidder, Qualified Bidder or Back-Up Bidder, as applicable, shall be deemed revoked and no longer enforceable.

The Successful Bidder’s Good Faith Deposit shall be applied against the purchase price of such bidder’s Successful Bid upon the consummation of the Sale Transaction.

Notices Regarding Assumption and Assignment

The Debtors shall provide all notices regarding the proposed assumption and assignment of contracts and leases in accordance with the Assumption and Assignment Procedures included in the Bidding Procedures Order.

Sale Objections and Hearing

Objections to the Sale Transaction (each, a “**Sale Objection**”) shall: (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 Rules; (v) be filed with the Court no less than four (4) calendar days before the Sale Hearing (the “**Sale Objection Deadline**”); and (vi) shall be served on the Objection Notice Parties and the Successful Bidder; *provided, that*, the Debtors may extend the Sale Objection Deadline as the Debtors deem appropriate in the exercise of its reasonable business judgment and upon notice to the Successful Bidder(s). If a timely Sale Objection cannot otherwise be resolved by the parties, such objection shall be heard by the Court at the Sale Hearing.

An appropriate representative of each Successful Bidder shall appear at the Sale Hearing and be prepared, if necessary, to have such representative(s) testify in support of a Successful Bid and the Successful Bidder’s ability to close in a timely manner and provide adequate assurance of its future

performance under any and all executory contracts and unexpired leases to be assumed and assigned to the Successful Bidder as part of the proposed transaction.

Any party who fails to timely file with the Court a Sale Objection will be forever barred from asserting any objection to the sale, or to the consummation and performance of a sale transaction contemplated by a purchase agreement between the Debtors and the Successful Bidder, including the transfer of the Assets to the Successful Bidder, free and clear of all claims and interests pursuant to section 363(f) of the Bankruptcy Code. Failure to object shall constitute consent for the purposes of section 363(f) of the Bankruptcy Code. Any objection filed after the Sale Objection Deadline will not be considered by the Court unless otherwise ordered by the Court.

Consent to Jurisdiction and Authority as Condition to Bidding

All Potential Bidders (including the Stalking Horse Bidder) that participate in the bidding process shall be deemed to have: (i) consented to the core jurisdiction of the Court to enter any order or orders, which shall be binding in all respects, in any way related to these Bidding Procedures, the Bid process, the Auction, the Sale Hearing, or the construction and enforcement of any agreement or any other document relating to the Sale Transaction; (ii) waived any right to a jury trial in connection with any disputes relating to these Bidding Procedures, the Bid process, the Auction, the Sale Hearing, or the construction and enforcement of any agreement or any other document relating to the Sale Transaction; and (iii) consented to the entry of a final order or judgment in any way related to these Bidding Procedures, the Bid process, the Auction, the Sale Hearing, or the construction and enforcement of any agreement or any other document relating to the Sale Transaction if it is determined that the Court would lack Article III jurisdiction to enter such a final order or judgment absent the consent of the parties.

Notice

The “**Debtor Notice Parties**” shall include the following, and each other representative advised by the Debtors in writing from time to time: (i) Weil, Gotshal & Manges LLP (Attn: Ronit J. Berkovich (ronit.berkovich@weil.com); Matthew P. Goren (matthew.goren@weil.com); and Alejandro Bascos (alejandro.bascos@weil.com)); (ii) Richards, Layton & Finger, PA (Attn: Michael J. Merchant (merchant@rlf.com) and Zachary I. Shapiro (shapiro@rlf.com)); and (iii) Rothschild & Co (Attn: Marcelo Messer (marcelo.messer@rothschildandco.com); and Pratyush Hiremath (pratyush.hiremath@rothschildandco.com)).

The “**Objection Notice Parties**” shall include the following: (i) the Debtor Notice Parties; (ii) the United States Trustee for the District of Delaware; (iii) the Creditors’ Committee; and (iv) Natura.

Fiduciary Out

Nothing in these Bidding Procedures shall require the Debtors to take any action, or to refrain from taking any action to the extent the Debtors determine that refraining from taking such action or taking such action, as applicable, would be inconsistent with applicable law or its fiduciary obligations under applicable law.

Reservation of Rights

The Debtors shall have the right, as they may reasonably determine to be in the best interests of their estates and subject to their fiduciary duties (including, for the avoidance of doubt, with the recommendation of the Special Committee, where appropriate or required), to carry out the Bidding Procedures, 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 requirements of 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 the Bidding Procedures; (vi) withdraw the 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 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 Company, to the extent not materially inconsistent with the Bidding Procedures Order.

Exhibit 2

Sale Notice

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re

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

Debtors.¹

Chapter 11

Case No. 24-11836 (CTG)

(Jointly Administered)

Obj. Deadline: [●] at [●] [a.m./p.m.] (ET)

Hearing Date: [●] at [●] [a.m./p.m.] (ET)

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

PLEASE TAKE NOTICE OF THE FOLLOWING:

On August [●], 2024, the United States Bankruptcy Court for the District of Delaware (the “**Court**”) entered the *Order (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; and (II) Granting Related Relief* [Docket No. [●]] (the “**Bidding Procedures Order**”)² (i)(a) approving the Bidding Procedures, substantially in the form attached thereto as **Exhibit 1** (the “**Bidding Procedures**”), in connection with the sale of the Assets (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, substantially in the form attached thereto as **Exhibit 2** (the “**Sale Notice**”) and (2) notice to each relevant non-Debtor counterparty to an Assigned Contract (each, a “**Counterparty**”) regarding the Debtors’ potential

¹ 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.

² 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.

assumption and assignment of an executory contract or unexpired lease of the Debtors (collectively, the “**Contracts**”) setting forth the Debtors’ calculation of the amount necessary to cure any defaults thereunder (the “**Cure Costs**”), substantially in the form attached to the Bidding Procedures Order as **Exhibit 3** (the “**Assignment and Cure Notice**”); 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**”).

The Bidding Procedures Order and the Bidding Procedures establish the key dates and times relating to the Auction and Sale Hearing.³ Recipients of this Notice should carefully read the Bidding Procedures Order and the Bidding Procedures in their entirety.

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. 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 proposed claims and noticing agent, Epiq Corporate Restructuring, LLC (the “**Case Website**”) and on the Court’s docket at Docket No. [●].

Important Dates and Deadlines

- **Bid Deadline.** Any person or entity interested in participating in the Auction must submit a binding Bid on or before **October 18, 2024 at 4:00 p.m. (prevailing Eastern Time)** (the “**Bid Deadline**”).
- **Auction.** An Auction, if necessary, has been scheduled for **October 22, 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** (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 herein) on or before **October 3, 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 (each, an “**Adequate Assurance Objection**”) must be (i) filed in accordance with the Bidding Procedures,

³ 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.

(ii) filed with the Bankruptcy Court, and (iii) served on the Objection Notice Parties on or before **October 3, 2024 at 4:00 p.m. (prevailing Eastern Time)** with respect to the Stalking Horse Bidder and **October 24, 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 Court by **October 24, 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 Court before the Honorable Craig T. Goldblatt on **[October 28, 2024] at [●] [a.m./p.m.] (prevailing Eastern Time)** (the “**Sale Hearing**”) or such other date as determined by the 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 Court’s docket indicating such adjournment.

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 Court no later than **October 24, 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: [●]; (b) proposed 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) proposed investment bankers 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 any official committee of unsecured creditors appointed in these cases; 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)); 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**”).

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' proposed 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 Motion, the Bidding Procedures Order, the Bidding Procedures, as well as all related exhibits and other agreements filed with the 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, 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 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 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 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 COURT.

Dated: _____, 2024
Wilmington, Delaware

RICHARDS, LAYTON & FINGER, P.A.

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-and-

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*Proposed Attorneys for the Debtors
and Debtors in Possession*

Exhibit 3

Assignment and Cure Notice

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re

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

Debtors.¹

Chapter 11

Case No. 24-11836 (CTG)

(Jointly Administered)

Obj. Deadline: [●] at [●] [a.m./p.m.] (ET)

Hearing Date: [●] at [●] [a.m./p.m.] (ET)

NOTICE OF CURE COSTS AND POTENTIAL
ASSUMPTION AND ASSIGNMENT OF EXECUTORY
CONTRACTS AND UNEXPIRED LEASES IN CONNECTION WITH SALE

PLEASE TAKE NOTICE OF THE FOLLOWING:

On August [●], 2024, the United States Bankruptcy Court for the District of Delaware (the “**Court**”) entered the *Order (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; and (II) Granting Related Relief* [Docket No. [●]] (the “**Bidding Procedures Order**”)² (i)(a) approving the Bidding Procedures, substantially in the form attached thereto as **Exhibit 1** (the “**Bidding Procedures**”), in connection with the sale of the Assets (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, substantially in the form attached thereto as **Exhibit 2** (the “**Sale Notice**”) and (2) notice to each relevant non-Debtor counterparty to an Assigned Contract (each, a “**Counterparty**”) regarding the Debtors’ potential

¹ 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.

² 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.

assumption and assignment of an executory contract or unexpired lease of the Debtors (collectively, the “**Contracts**”) setting forth the Debtors’ calculation of the amount necessary to cure any defaults thereunder (the “**Cure Costs**”), substantially in the form attached to the Bidding Procedures Order as **Exhibit 3** (the “**Assignment and Cure Notice**”); 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**”).

The Bidding Procedures Order and the Bidding Procedures establish the key dates and times relating to the Auction and Sale Hearing.³ Recipients of this Notice should carefully read the Bidding Procedures Order and the Bidding Procedures in their entirety.

You are receiving this Notice because you may be a counterparty to an executory contract or unexpired lease of the Debtors that may be assumed and assigned to the Successful Bidder (or any other entity contemplated by the Successful Bid), or as otherwise contemplated in the Successful Bid (collectively, the “Assigned Contracts”).

Each of the Assigned Contracts that may be assumed and assigned in connection with the Sale Transaction with a Successful Bidder (the “**Assigned Contracts**”) and the Debtors’ calculation of the Cure Costs with respect thereto are set forth on **Exhibit A** hereto. The Cure Costs are the only amounts proposed to be paid upon the assumption and assignment of the Assigned Contracts.

Notwithstanding the inclusion of any lease or contract on **Exhibit A**, a Successful Bidder is not bound to accept assignment of any Assigned Contract, and may amend the schedule of Assigned Contracts to remove any contract or lease.

If: (a) the Debtors identify (i) additional contracts or leases to be assumed and assigned to a Successful Bidder, or (ii) modifications that need to be made to a proposed Cure Cost previously stated in the Assignment and Cure Notice; or (b) a Successful Bidder designates any additional contracts or leases not previously included on this Assignment and Cure Notice for assumption and assignment, the Debtors shall promptly file with the Court and serve by first class mail on the applicable Counterparty a Supplemental Assignment and Cure Notice.

Key Dates

The key dates for the sale process are as follows. Such dates may be extended or otherwise modified by the Debtors by filing a notice of such extension or modification on the Court’s docket:

³ 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.

- **Cure Objection Deadline.** Objections to the Debtors' proposed Cure Costs of any Assigned Contract listed on **Exhibit A** (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 herein) on or before **October 3, 2024 at 4:00 p.m. (prevailing Eastern Time)**.
- **Adequate Assurance Objection Deadline.** Objections to the adequate assurance of future performance with respect to any Assigned Contract listed on **Exhibit A** (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 **October 3, 2024 at 4:00 p.m. (prevailing Eastern Time)** with respect to the Stalking Horse Bidder and **October 24, 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 Hearing.** A hearing to approve and authorize the Sale of the Debtors' Assets to the Successful Bidder or the Back-Up Bidder(s) will be held before the Honorable Craig T. Goldblatt, in the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street., 6th Floor, Wilmington, DE 19801] on or before [**October 28, 2024 at [•] [a.m./p.m.] (prevailing Eastern Time)**] or such other date as determined by the 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 Court's docket indicating such adjournment.

Filing Objections

A. Cure Objections

Any objection to the proposed assumption, or assumption and assignment of an Assigned Contract identified on **Exhibit A**, the subject of which objection is the Debtors' proposed Cure Costs (a "Cure Objection") must: (i) be in writing, (ii) state the name and address of the objecting party and the amount and nature of the claim or interest of such party; (iii) state with particularity the legal and factual bases thereof, including the cure amount the objecting Counterparty believes is required to cure defaults under the relevant Assigned Contract; (iv) conform to the Bankruptcy Code, Bankruptcy Rules and the Local Bankruptcy Rules; (v) be filed with the Court no later than **October 3, 2024 at 4:00 p.m. (prevailing Eastern Time)**; and (vi) shall be served on the following parties: (a) the Debtors, 4 International Drive Suite 110, Rye Brook, New York 10573, Attn: [•]; (b) proposed 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 (alejandrobascoy@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) proposed investment bankers 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 any official committee of unsecured creditors appointed in these cases; 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)); 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**”).

IF A COUNTERPARTY FAILS TO FILE WITH THE BANKRUPTCY COURT AND SERVE ON THE OBJECTION NOTICE PARTIES A TIMELY CURE OBJECTION, THE COUNTERPARTY SHALL BE FOREVER BARRED FROM ASSERTING ANY OBJECTION WITH REGARD TO THE AMOUNT TO CURE ANY DEFAULT UNDER THE APPLICABLE ASSIGNED CONTRACT. THE CURE COSTS SET FORTH ON EXHIBIT A HERETO SHALL BE CONTROLLING AND WILL BE THE ONLY AMOUNT NECESSARY TO CURE OUTSTANDING DEFAULTS UNDER THE APPLICABLE ASSIGNED CONTRACT UNDER BANKRUPTCY CODE SECTION 365(B), NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE ASSIGNED CONTRACT, OR ANY OTHER DOCUMENT, AND THE APPLICABLE COUNTERPARTY SHALL BE FOREVER BARRED FROM ASSERTING ANY ADDITIONAL CURE OR OTHER AMOUNTS WITH RESPECT TO SUCH ASSIGNED CONTRACT AGAINST THE DEBTORS, ANY SUCCESSFUL BIDDER, OR THE PROPERTY OF ANY OF THEM.

B. Adequate Assurance Objections

Adequate Assurance Objections with respect to the assumption and assignment of any Assigned Contracts identified on Exhibit A to a Successful Bidder or as otherwise contemplated by the Successful Bid must be filed and served in accordance with the preceding paragraphs by **October 3, 2024 at 4:00 p.m. (prevailing Eastern Time)** for the Stalking Horse Bidder, and **October 24, 2024 at 4:00 p.m. (prevailing Eastern Time)** for any other Successful Bidder.⁴

IF A COUNTERPARTY FAILS TO FILE WITH THE BANKRUPTCY COURT AND SERVE ON THE OBJECTION NOTICE PARTIES A TIMELY ADEQUATE ASSURANCE OBJECTION, THE COUNTERPARTY SHALL BE FOREVER BARRED FROM ASSERTING ANY OBJECTION WITH REGARD TO ADEQUATE ASSURANCE OF FUTURE PERFORMANCE OF THE APPLICABLE ASSIGNED

⁴ The Stalking Agreement is subject to higher or otherwise better offers submitted in accordance with the terms and provisions of the Bidding Procedures. If a Qualified Bidder(s) (other than the Stalking Horse Bidder) is selected as a Successful Bidder following the Auction, Contract Counterparties will have an additional opportunity to evaluate and object to adequate assurance of future performance with respect to such Successful Bidder.

CONTRACT. THE SUCCESSFUL BIDDER (OR ANY OTHER ENTITY CONTEMPLATED BY THE SUCCESSFUL BID) SHALL BE DEEMED TO HAVE PROVIDED ADEQUATE ASSURANCE OF FUTURE PERFORMANCE WITH RESPECT TO THE APPLICABLE ASSIGNED CONTRACT IN ACCORDANCE WITH BANKRUPTCY CODE SECTION 365(F)(2)(B), NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE ASSIGNED CONTRACT OR ANY OTHER DOCUMENT.

Additional Information

Copies of the Motion, the Bidding Procedures Order, the Bidding Procedures, as well as all related exhibits and other agreements filed with the Court, may be obtained free of charge at the website dedicated to the Debtors' chapter 11 cases maintained by their claims and noticing agent, Epiq Restructuring, LLC, located at <https://dm.epiq11.com/case/aiousinc/info>.

Reservation of Rights

The inclusion of any contract or lease on **Exhibit A** shall not constitute or be deemed a determination or admission by the Debtors that such contract or other document is, in fact, an executory contract or unexpired lease within the meaning of the Bankruptcy Code (all rights with respect thereto being expressly reserved.)

[Remainder of page intentionally left blank]

Dated: _____, 2024
Wilmington, Delaware

RICHARDS, LAYTON & FINGER, P.A.
Mark D. Collins (No. 2981)
Michael J. Merchant (No. 3854)
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-and-

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*Proposed Attorneys for the Debtors
and Debtors in Possession*

Exhibit A

Assigned Contracts and Proposed Cure Costs

Exhibit C

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

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

Debtors.¹

Chapter 11

Case No. 24-11836 (CTG)

(Jointly Administered)

**DECLARATION OF MARCELO MESSER IN SUPPORT OF
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**

I, Marcelo Messer, pursuant to section 1746 of title 28 of the United States Code, hereby declare under penalty of perjury that the following is true and correct:

1. I am a Managing Director in the Advisory & Restructuring Group at Rothschild & Co US Inc. ("**Rothschild**"). Rothschild is the proposed investment banker for AIO US, Inc. and certain of its affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the "**Debtors**"). Rothschild and its senior professionals have extensive experience with reorganizing and restructuring distressed companies, both out-of-court and in chapter 11 proceedings.

¹ 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.

2. I submit this declaration (the “**Declaration**”) in support of 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* (the “**Motion**”).²

3. Except as otherwise indicated, all statements in this Declaration are based on (i) my personal knowledge of the Debtors’ operations and finances, (ii) my review of relevant documents, (iii) information provided to me by Rothschild employees working under my supervision, (iv) information provided to me by, or in discussions with, the members of the Debtors’ management team or their other advisors, and (v) my opinion based upon my experience as a restructuring professional. If called to testify, I could and would testify to each of the facts set forth herein. I am not being compensated specifically for this testimony other than through payments received by Rothschild as a professional proposed to be retained by the Debtors in these chapter 11 cases. I am authorized to submit this Declaration.

Background and Qualifications

4. Rothschild is a member of one of the world’s leading independent investment banking groups, with more than fifty (50) offices in more than forty (40) countries. Rothschild has expertise in domestic and cross-border restructurings, mergers and acquisitions, new capital raises, and other financial advisory and other investment banking services. Rothschild

² Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Stalking Horse Agreement (as defined below), the Motion, or the First Day Declaration (as defined below), as applicable.

also has experience in providing high-quality financial advice to financially troubled companies across the world and is well-qualified to advise the Debtors during these chapter 11 cases. Furthermore, the Rothschild team has extensive experience in restructuring across the world, providing services to debtors and creditor constituencies in numerous cases.

5. During my twenty-five (25) years of investment banking, I have spent approximately nineteen (19) years focused exclusively on advising companies, creditors and other constituencies on restructuring transactions. In addition, my experience with chapter 11 cases includes, but is not limited to: Kasper A.S.L. Ltd. (major shareholders, consumer products case); Circuit City (debtors, consumer retail); Aeromexico (debtors); Allied Systems Holdings, Inc. (debtors); AlphaCredit (debtors); Alpha Natural Resources, Inc. (debtors); Automotores Gildemeister (debtors); Avianca (sponsor of affiliate); Cengage Learning, Inc. (sponsor); Exco Resources, Inc. (ad hoc group of creditors); Fieldwood Energy LLC (ad hoc group of creditors); Garrett Motion, Inc. (major shareholders); GT Advanced Technologies, Inc. (debtors); Horizon Natural Resources Co. (debtors); ILAP (ad hoc group of creditors); Inner City Broadcasting Corp. (debtors); LATAM (major shareholder); Mercon (debtors); Nassau Broadcasting Partners, L.P. (debtors); Northwestern Energy Corp. (regulatory commission); Rouge Steel Co. (debtors); Seadrill Limited (financial advisor); Stoneway (ad hoc group of creditors); SunEdison, Inc. (debtors); Trident Resources Corp. (debtors); Ultra Petroleum Corp. (debtors); and WOM S.A. (debtors).

6. In forming the views set forth herein, I have relied upon and/or considered, among other things, the following: (a) my experience as an investment banker conducting sales, mergers, and acquisitions, (b) the Motion, the Bidding Procedures, and the exhibits attached thereto; (c) the *Declaration of Philip J. Gund in Support of Debtors' Chapter 11 Petitions and first*

Day Relief [Docket No. 12] (the “**First Day Declaration**”); (d) certain of the Debtors’ financial statements and reports; (e) discussion with the Debtors’ management concerning the Debtors’ business and finances; and (f) discussions with certain other professionals at Rothschild and other advisors to the Debtors.

7. As set forth below, I believe there is sound business justification for the relief requested in the Motion, and that the requested relief is entirely fair and sufficient to allow a timely and efficient sale of the Debtors’ Assets to maximize recoveries for the Debtors’ stakeholders.

Rothschild’s Retention

8. After months of internal discussions and exploring various alternatives, the Board, on the recommendation of the Special Committee and the advice of the Debtors’ restructuring professionals, determined the most appropriate path forward to maximize value of the Debtors’ estates for creditors and other stakeholders was to commence these chapter 11 cases to pursue a sale of all or substantially all of the Debtors’ assets (the “**Sale**”). Accordingly, the Debtors engaged Rothschild in July 2024 as their proposed investment banker to, among other things, advise the Debtors regarding a potential Sale.³ The consummation of a value-maximizing sale of the Assets is one of the cornerstones of these chapter 11 cases.

9. Since their engagement, the professionals at Rothschild have worked with the Debtors and their other advisors to prepare for the Marketing and Sale Process. This includes, among other things, drafting a confidential information memorandum and other marketing materials, establishing a virtual data room, and preparing a form non-disclosure agreement to be

³ Prior to entering into the restructuring engagement, Rothschild was previously engaged by the Debtors with respect to a valuation of the Debtors’ businesses in Argentina, Ecuador, and Uruguay.

ready to promptly commence the postpetition marketing of the Debtors' assets immediately, while the Debtors seek approval of the Bid Procedures in parallel. Rothschild is poised to immediately commence their postpetition marketing efforts.

10. I have reviewed the terms of a binding commitment from Natura to serve as a stalking horse bidder for the sale of all or substantially all of the Debtors' assets, pursuant to that certain Stock and Asset Purchase Agreement, dated August 12, 2024 (the "**Stalking Horse Agreement**"), and the bid represented therein, the "**Stalking Horse Bid**"). The Stalking Horse Agreement provides for the purchase by Natura of substantially all of the Debtors' assets, including all of the Debtors' equity interests in Avon Non-U.S., for the aggregate purchase consideration of \$125 million in the form of a credit against the Debtors' outstanding secured obligations to Natura. The material terms of the Stalking Horse Agreement are set forth in the Motion. Of particular note, the Stalking Horse Agreement does not include any break-up fee, expense reimbursement, or other traditional bid protections for Natura.

11. With the assistance of Rothschild and their other restructuring advisors, the Debtors are commencing a comprehensive and robust marketing process with respect to the Sale and are seeking Court approval of related bid procedures to implement a process to solicit potential higher or better offers for the Debtors' assets.

The Debtors' Marketing and Sale Process

12. The Debtors did not have sufficient time to market their Assets prior to filing these chapter 11 cases given their liquidity constraints. Subject to the oversight of the Special Committee and with the assistance of Rothschild, the Debtors and Rothschild intend to commence a robust marketing process aimed at soliciting additional bids for a Sale Transaction. Rothschild has identified approximately forty (40) parties that are reasonably likely to be interested in consummating a proposed Sale Transaction, including strategic buyers, private equity funds,

and other financial institutions. As of today's date, Rothschild has already begun an initial outreach to most of these parties and intends to complete its initial outreach during the week of August 12, 2024. Additionally, during the week of August 12, 2024, Rothschild intends to distribute confidentiality agreements to any parties that expressed an interest in the proposed Sale Transaction and, upon execution of such confidentiality agreements, to distribute requests for proposals to such parties.

13. In addition, parties (including potential interested bidders) that return executed confidentiality agreements (the "**Potential Bidders**") will be granted access to a virtual data room containing information necessary for those parties to conduct diligence. The virtual data room will include, among other things, a detailed confidential information memorandum describing the Debtors' assets, operations, business plan, and financial profile.

14. The Debtors and their advisors will continue soliciting competing offers for the Assets while a hearing to approve the Bidding Procedures is pending to quickly and efficiently run a sale process. Following the Bid Deadline, Rothschild, along with the Special Committee, on behalf of the Debtors, will evaluate any Bids that are received to determine which should be designated as a Qualified Bid, if any.

15. The Debtors are seeking approval of the following proposed timeline to establish a fair and open process for the solicitation, receipt, and evaluation of bids:

Key Event	Deadline
Deadline to (i) file the Assignment and Cure Notice with the Court and serve the Assignment and Cure Notice on the Counterparties and (ii) file the Sale Notice with the Court and serve it on all creditors and interested parties	September 19, 2024
Deadline to Object to (i) Cure Costs and (ii) adequate assurance of future performance with respect to the Stalking Horse Bidder	October 3, 2024 at 4:00 p.m. (prevailing Eastern Time)
Deadline for potential bidders to submit binding Bids	October 18, 2024 at 4:00 p.m.

	(prevailing Eastern Time)
Deadline for Debtors to designate Qualified Bids or to cancel the Auction if no Bids are designated as Qualified Bids besides the Stalking Horse Bid	October 21, 2024 at 4:00 p.m. (prevailing Eastern Time)
Auction (if the Debtors receive a Qualified Bid in addition to the Stalking Horse Bid) to be conducted at (i) the offices of Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153-0119, or (ii) virtually, pursuant to procedures to be announced to Qualified Bidders	October 22, 2024 at 10:00 a.m. (prevailing Eastern Time)
Deadline to file notice of (i) Successful Bid(s) and Back-Up Bid(s) and (ii) identity of Successful Bidder(s) and Back-Up Bidder(s)	The business day after designating the (provisional) Successful Bid(s) at the Auction
Deadline to object to (i) any Sale Transaction, (ii) adequate assurance of future performance (other than with respect to the Stalking Horse Bidder), and (iii) the manner in which the Auction (if any) was conducted	October 24, 2024 at 4:00 p.m. (prevailing Eastern Time)
Deadline to reply to objections to (i) any Sale Transaction, (ii) Cure Costs, (iii) adequate assurance of future performance, and (iv) the manner in which the Auction (if any) was conducted	October 25, 2024 at 12:00 p.m. (prevailing Eastern Time)
Sale Hearing	October 28, 2024 (subject to the Court's availability)
Consummation of proposed Sale Transaction	No later than November 5, 2024 or such later date if necessitated by applicable regulatory approvals

16. Under the proposed Bidding Procedures, the Debtors will have the right to extend or modify this Case Timeline in the Debtors' reasonable business judgment in good faith by filing a notice of such extension or modification on the Bankruptcy Court's docket.

17. Based on my experience, the time periods set forth in the Bidding Procedures are reasonable and will provide all Potential Bidders with sufficient time and information to submit a bid for the Assets and do not prejudice parties in interest. In formulating the procedures and time periods set forth therein, the Debtors balanced the need to provide adequate and appropriate notice to parties in interest and potential bidders with the need to quickly and efficiently run a sale process. In addition, as discussed in the First Day Declaration, the

Debtors cannot afford a longer Sale Process because the DIP Facility is contingent on closing a sale within the timeline provided in the Bidding Procedures.

18. Under the proposed timeline, there will be sixty-seven (67) calendar days between the date hereof and the Bid Deadline. I believe this period will provide parties with sufficient time to formulate bids to purchase the Assets. Further, extensive information regarding the Assets will be made available to Potential Bidders in a virtual data room upon the execution of confidentiality agreements. Accordingly, parties that may have an interest in bidding will have adequate time before the Bid Deadline to conduct diligence and evaluate the Debtors' Assets so that they will not be bidding in a vacuum and can formulate a Bid on an informed basis.

19. I believe the Marketing and Sale Process contemplated by the Debtors is in the best interests of the Debtors' estates, will establish whether and to what extent a market exists for the Assets, and provides interested parties with sufficient opportunity to participate. Accordingly, I believe that the Debtors' and the Debtors' Sale Process should be best served by approval of the Bidding Procedures Order.

Reasonableness of the Bidding Procedures

20. In connection with the Sale Process, the Debtors are filing the Motion, pursuant to which the Debtors seek entry of two orders: (i) the Bidding Procedures Order approving certain Bidding Procedures and approving the Debtors' designation of Natura as the Stalking Horse Bidder; and (ii) an order approving the sale of the Assets, which will be filed at a later date.

21. As described in the Motion, the Debtors seek approval of Bidding Procedures designed to promote a competitive and timely sale process. If approved, the Bidding Procedures will allow the Debtors to solicit and identify bids from potential buyers that constitute the highest or best offer(s) for the Assets on a schedule consistent with the Case Timeline.

22. The Bidding Procedures provide for an orderly, uniform, and competitive process through which interested parties may submit offers to purchase the Assets. The Debtors, with the assistance of their advisors, have structured the Bidding Procedures to promote active bidding by interested parties and to reach the highest or best offer reasonably available for the Assets. Additionally, the Bidding Procedures will allow the Debtors to conduct the Auction, if necessary, in a fair and transparent manner that will encourage participation by financially capable bidders with demonstrated ability to timely consummate a Sale Transaction. The Bidding Procedures provide the Debtors and Special Committee with an adequate opportunity to consider competing bids and to select the highest or best offers for the potential completion of a Sale Transaction.

23. The Bidding Procedures were carefully designed to facilitate a robust and competitive bidding process. The Bidding Procedures provide an appropriate framework for the Debtors and Special Committee to review, analyze, and compare all bids received to determine which non-Stalking Horse Bids, if any, are in the best interests of the Debtors' estates and their stakeholders. I believe the Bidding Procedures will serve the important objective of obtaining the highest and best Bids for the purchase of the Assets, which will enable the Debtors, as they consider all restructuring alternatives, to realize the highest or best value for the benefit of all parties in interest in these chapter 11 cases. I believe that the Bidding Procedures are fair, reasonable, and appropriate.

24. In light of Natura's substantial amount of prepetition debt secured by liens on the Assets and Natura's experience with, and knowledge of, the Debtors' international operations, the Debtors determined Natura was the most logical option to serve as the Stalking Horse Bidder. Based on my experience, the existence of the Stalking Horse Bid will help attract

additional bidders because, among other things, additional bidders will be able to save considerable time and expense because they can use many of the documents that the Stalking Horse Bidder negotiated, including, among other things, the Stalking Horse Agreement and the schedules thereto. In addition, as noted above, the Stalking Horse Agreement does not include any break-up fee, expense reimbursement, or other bid protections for Natura.

25. The Debtors' and Special Committee's selection of Natura as their Stalking Horse Bidder was further supported by the fact that Natura was willing to enter into an agreement for the purchase of the Debtors' equity interests in all of their foreign subsidiaries that make up the Company's global operations rather than selecting certain markets or assets to purchase or requiring a more tailored asset purchase agreement, which would have required carving out specific assets and resulted in a longer sale process and significantly increased transaction costs and operational risks to the Company's business.

26. I believe the Debtors' designation of Natura as the Stalking Horse Bidder is in the best interest of the Debtors' estates.

[Remainder of Page Intentionally Left Blank]

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated: August 14, 2024
New York, New York

/s/ Marcelo Messer
Marcelo Messer
Managing Director
Rothschild & Co US Inc.