

**AVON PRODUCTS, INC.**  
**COMPENSATION AND MANAGEMENT DEVELOPMENT**  
**COMMITTEE CHARTER**

**Revised as of December 6, 2016**

**Purpose**

The Compensation and Management Development Committee is appointed by the Board of Directors to discharge the responsibilities of the Board of Directors relating to compensation of the Company's executives as well as management development and succession planning. In furtherance of this purpose, the Committee shall have the authority and responsibilities set forth below in this Compensation and Management Development Committee Charter.

**Committee Membership**

The Committee shall be comprised of three or more members of the Board of Directors, each of whom is determined by the Board of Directors to be "independent" under the rules of the New York Stock Exchange. At least two members of the Committee shall satisfy the criteria of non-employee directors for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended ("Non-Employee Directors"), and at least two members of the Committee shall satisfy the criteria of outside directors for purposes of Section 162(m) of the Internal Revenue Code, as amended ("Outside Directors"). Additionally, none of the members of the Committee shall be a current or former employee of the Company.

The members and Chair of the Committee shall be appointed annually by the Board of Directors upon the recommendation of the Nominating and Corporate Governance Committee and shall serve until the member's successor is duly appointed or until the member's earlier resignation or removal. A member may be removed at any time by the Board of Directors, with or without cause.

**Committee Structure and Operations**

The Committee shall meet at least four times annually or more frequently as circumstances dictate, and shall meet periodically in executive session. It has at all times direct access to any officer or employee of the Company.

The Committee shall have the authority to retain and terminate (or obtain the advice of) any adviser to assist it in the performance of its duties, but only after taking into consideration all factors relevant to the adviser's independence from management, including those specified in Section 303A.05(c) of the NYSE Listed Company Manual. The Committee shall be directly responsible for the appointment, compensation, oversight and termination of the work of any adviser retained by the Committee, and shall have sole authority to approve the adviser's fees and

the other terms and conditions of the adviser's retention. The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any adviser retained by the Committee. In addition, any compensation consultant retained by the Committee shall be independent. A compensation consultant will not be considered independent if the consulting firm provides significant services to the Company apart from work performed for the Committee. Services are considered significant if they are in excess of \$50,000 (or, if lesser, 1% of the consulting firm's gross revenues) for the most recent fiscal year, and under no circumstances, shall the amount of payments to a compensation consultant be larger for management services than for Committee services.

The Board of Directors may assign some or all of the Committee's responsibilities to another committee, *provided* that the other committee is composed entirely of independent members of the Board of Directors, at least two of whom are Non-Employee Directors and at least two of whom are Outside Directors and has a published charter. The Committee may delegate responsibilities to a subcommittee comprised of one or more members of the Committee, *provided* that any action taken shall be reported to the full Committee as soon as practicable, but in no event later than at the Committee's next meeting. In particular, the Committee may delegate the approval of certain transactions to subcommittees consisting solely of members of the Committee who are (i) Non-Employee Directors or (ii) Outside Directors. Each subcommittee shall have the full authority of the Committee with respect to its responsibilities.

The Committee shall review and evaluate annually the performance of the Committee and its members, including review of the compliance by the Committee with this Charter.

The Committee shall also review and assess annually the adequacy of this Charter and recommend to the Nominating and Corporate Governance Committee and the Board of Directors any changes to the Charter deemed advisable by the Committee.

### **Committee Responsibilities**

The Committee shall have the following responsibilities:

#### ***Executive Compensation***

1. Review and establish the Company's overall executive compensation and benefits philosophy, including review of the risk and reward structure of executive compensation plans, policies and practices, as appropriate.
2. In consultation with the other independent members of the Board of Directors, review and approve the goals and objectives relevant to the compensation of the Chief Executive Officer, including annual performance objectives, evaluate the performance of the Chief Executive Officer in light of those goals and objectives, and, based on this evaluation, determine and approve the compensation level of the Chief Executive Officer (including salary, bonus, equity and non-equity incentive compensation and other benefits). In determining the long-term incentive component of the compensation of the Chief Executive Officer, consideration should be given to the Company's performance and relative shareholder return, the value of similar incentive awards to chief executive

officers at comparable companies, and the awards given to the Company's Chief Executive Officer in past years.

3. Determine and approve the compensation of all senior officers of the Company. For purposes of this Charter, the term "senior officer" means any officer at or above the level of Senior Vice President and any Section 16 Officer covered under Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended.
4. Except as otherwise provided in this Charter, approve contracts and transactions with current and former senior officers, including employment contracts, severance arrangements and post-employment consulting arrangements.
5. Establish and periodically review policies in the area of senior officer perquisites.

### *Plans*

6. Review, approve and, as appropriate, recommend for approval by the independent members of the Board of Directors or shareholders, all incentive compensation plans and equity-based plans, including establishing performance measures as well as evaluating and approving any incentive pay-outs thereunder; *provided*, that the Committee may delegate some or all of its authority relating to the incentive compensation plans to one or more officers of the Company other than with respect to the compensation of senior officers.
7. Approve all grants of stock options, restricted stock units or any other form of stock incentive award or other securities-based compensation, including such awards under the Company's 2013 Stock Incentive Plan, as amended and restated, and 2016 Omnibus Incentive Plan or any successor plan(s), determine the terms and conditions of such awards, and carry out the administrative responsibilities given to the Committee in such plan(s); *provided* that the Committee may delegate some or all of this authority to one or more directors of the Company other than with respect to the compensation of senior officers.
8. Authority to approve the adoption or amendment of other employee benefit plans, subject to the terms of any such plans, including:
  - (i) Any non-qualified employee benefit plan or any related trust agreement;
  - (ii) Any tax-qualified employee retirement plan or related trust agreement; and
  - (iii) Any employee welfare benefit plan;

*provided* that the Committee may delegate some or all of this authority to one or more officers of the Company.

### ***Management Development and Succession Planning***

9. The Committee will be responsible for development actions and succession plans for all members of the Company's Executive Committee. In addition, the Committee will provide oversight of development plans for individuals identified as potential successors to these key roles. The Committee will review development and succession plans for these roles at least annually with the Board of Directors.
10. Review and evaluate the Company's talent management and succession planning approach, philosophy and key processes at least once a year with periodic updates as appropriate.
11. On at least an annual basis, review with the Board of Directors any actions relating to talent management and succession planning for the CEO and the development plans for those individuals identified as potential successors to the CEO.
12. Establish and thereafter periodically review, with input from the independent members of the Board of Directors, the policies and principles for the selection and performance review of the Company's CEO as well as CEO succession in the event of an emergency or the retirement of the CEO.
13. In connection with the foregoing, obtain advice and assistance from external and/or internal advisors, as appropriate, in accordance with the guidelines above regarding the Committee's authority to retain advisors.

### ***SEC Filings***

14. Review and discuss with management the Compensation Discussion and Analysis to be included in the Company's filings with the Securities and Exchange Commission and, based on the review and discussion, recommend to the Board of Directors whether the Compensation Discussion and Analysis should be included therein, and prepare the disclosure required by Item 407(e)(5) of Regulation S-K.

### ***Reports to the Board of Directors***

15. Report regularly to the Board of Directors (i) following meetings of the Committee and (ii) with respect to such other matters or recommendations as the Committee deems appropriate in carrying out its duties.