

CREDIT DERIVATIVES DETERMINATIONS COMMITTEE FOR THE AMERICAS

MEETING STATEMENT SEPTEMBER 24, 2024

In connection with the publication on September 19, 2024 of the Auction Settlement Terms for the Avon Products, Inc. (Avon) Auction (the **Avon Auction Settlement Terms**),¹ the Credit Derivatives Determinations Committee for the Americas (the **Americas DC**) is publishing this statement regarding the expected timeline for the Physical Settlement of a Representative Auction-Settled Transaction (**RAST**) (each as defined in the 2014 Definitions) formed pursuant to the Avon Auction Settlement Terms and the procedures by which a Buy-in may occur pursuant to the Section 9.7 (Buy-in of Bonds Not Delivered) of the 2014 Definitions (as defined below), as amended by the Avon Auction Settlement Terms.

Each capitalized term used and not otherwise defined herein has the meaning given to such term in the 2014 ISDA Credit Derivatives Definitions, as published by the International Swaps and Derivatives Association, Inc. (**ISDA**) (the **2014 Definitions**) or the Avon Auction Settlement Terms, as applicable. In the event of any inconsistency between the 2014 Definitions and the Avon Auction Settlement Terms, the Avon Auction Settlement Terms shall govern.

Pursuant to Article VIII (Terms Relating to Physical Settlement) and Section 9.7 (Buy-in of Bonds Not Delivered) of the 2014 Definitions, as amended by the Avon Auction Settlement Terms, the process by which the Physical Settlement of a RAST and any subsequent Buy-in may occur follows the procedure set out in the table below (each a **Settlement and Buy-in Step**, and together the **Settlement and Buy-in Steps**).²

This summary is for informational purposes only, is not a summary of the entire Avon Auction Settlement Terms and is subject to the terms of the published Avon Auction Settlement Terms in all respects. Market participants should review the Avon Auction Settlement Terms in their entirety before deciding whether to take any action with respect thereto.

	Relevant Date³	Settlement and Buy-in Step Timeline
(1)	Notice of Physical Settlement Date ⁴	September 25, 2024. If Buyer ⁵ does not deliver a Notice of Physical Settlement by 4:00 p.m. New York time ⁶ on this date, Buyer will not have the right to deliver a Notice of Physical Settlement thereafter.
(2)	On or prior to the Physical Settlement Date ^{7 8}	

¹ See Avon Auction Settlement Terms, available here.

² Given the Deliverable Obligations included in the Final List for the Avon Auction, as published by the Americas DC on September 19, 2024, this Meeting Statement intends to provide a summary of the procedures for Physical Settlement and Buy-in applicable to Bonds only. This Meeting Statement does not intend to provide a summary of any other procedures for Settlement with respect to any other obligations.

³ For the purposes of preparing the Settlement and Buy-in Step Timeline set out herein, the Americas DC has assumed that the Auction Final Price Determination Date is September 24, 2024.

⁴ Pursuant to the Avon Auction Settlement Terms, "Notice of Physical Settlement Date" means the Business Day following the Auction Final Price Determination Date.

⁵ References herein to "Buyer" or "Seller" are to the "Buyer" or "Seller" as applicable under the relevant RAST.

⁶ See Section 1.38 of the 2014 Definitions and the definition of "Calculation Agent City" in the definition of "Representative Auction Settled Transaction" in the Avon Auction Settlement Terms.

⁷ Pursuant to Section 8.17 of the 2014 Definitions, as amended by the Avon Auction Settlement Terms, "Physical Settlement Date" means the last day of the longest Physical Settlement Period following the Final Notice of Physical Settlement Date. The Final Notice of Physical Settlement Date is the fifteenth calendar day after the Notice of Physical Settlement Date (subject to adjustment in accordance with the Following Business Day Convention). See the definition of "Representative Auction-Settled Transaction" of the Avon Auction Settlement Terms. Assuming the Auction Final Price Determination Date is September 24, 2024, then the Final Notice of Physical Settlement Date is October 10, 2024.

		<p>Buyer shall Deliver to Seller the Deliverable Obligations specified in the Notice of Physical Settlement⁹ and Seller shall pay to Buyer the Physical Settlement Amount that corresponds to the Deliverable Obligations that Buyer has Delivered.</p> <p>For purposes of the RAST, the Physical Settlement Amount is the product of the Floating Rate Payer Calculation Amount (i.e., the relevant RAST Quotation Amount)¹⁰ and the Reference Price (i.e., the Auction Final Price).¹¹</p>
(3)	5 Business Days after the Physical Settlement Date	If Buyer has not Delivered all or a portion of the Deliverable Obligations specified in the Notice of Physical Settlement that are Bonds, Seller may exercise a right to close out (all or the relevant portion) of the RAST by the purchase of such Bonds. ¹²
(4)	2 or more Business Days prior to the Buy-in Date	<p>Seller will provide Buyer a notice specifying the:</p> <ul style="list-style-type: none"> • Buy-in Date: the date of the anticipated Buy-in; • Relevant Bonds: the Bonds subject to the Buy-in (to the extent not Delivered prior to the Buy-in Date); and • Outstanding Principal Balance of the Relevant Bonds subject to the Buy-in, (the Buy-in Notice). <p>The Buy-in Notice may be provided prior to the expiration of the five Business Day period after the Physical Settlement Date (as set out in Settlement and Buy-in Step (3)).</p>
(5)	On the Buy-in Date	<ul style="list-style-type: none"> • Seller shall attempt to obtain firm quotations for the sale of the specified Outstanding Principal Balance of the Relevant Bonds (together with any accrued interest) from five or more Dealers (Buy-in Offers). • The lowest Buy-in Offer (or if only one Buy-in Offer is obtained) shall be the Buy-in Price.
(6)	During the Buy-in Period	<p>If one or more Buy-in Offers are not obtained on the Buy-in Date for specified Outstanding Principal Balance of the Relevant Bonds, then on each Business Day following the Buy-in Date until the earlier of:</p> <ul style="list-style-type: none"> • the fourth Business Day (inclusive) following such Buy-in Date; and • the date a Buy-in Price is determined for all of the specified Outstanding Principal Balance of the Relevant Bonds (the

⁸ Note that this summary does not describe settlement arising from a Notice of Physical Settlement delivered by Seller after the Notice of Physical Settlement Date. See the amendments to Section 8.2 of the 2014 Definitions in the definition of "Representative Auction Settled Transaction" in the Avon Auction Settlement Terms.

⁹ Pursuant to the Avon Auction Settlement Terms, "Notice of Physical Settlement" means a notice from Buyer to Seller that confirms that Buyer intends to settle the RAST and requires performance in accordance with Physical Settlement, contains, among other required information, a detailed description of each Deliverable Obligation that Buyer intends to Deliver to Seller. Please refer to Exhibit 3 of the Avon Auction Settlement Terms for a form of Notice of Physical Settlement.

¹⁰ For purposes of the RAST, the "Floating Rate Payer Calculation Amount" is the relevant Quotation Amount for the RAST. See Sections 12(g) and 18(ii) of the Avon Auction Settlement Terms.

¹¹ For purposes of the RAST, the "Reference Price" is the Auction Final Price. See the definition of "Representative Auction-Settled Transaction" on page 28 (in Section 21) of the Avon Auction Settlement Terms.

¹² Please note that the Buy-in process (as summarized in Settlement and Buy-in Steps (3) to (10) (inclusive)) is only to the extent that Buyer does not Deliver a Deliverable Obligation specified in the applicable Notice of Physical Settlement.

		<p style="text-align: center;">Buy-in Period),</p> <p>Seller will attempt to obtain Buy-in Offers for all or a portion of the specified Outstanding Principal Balance of the Relevant Bonds from five or more Dealers.</p> <p>Buyer's right to Deliver the specified Outstanding Principal Balance of the Relevant Bonds shall be suspended during the Buy-in Period.</p>
(7)	On the first Business Day following the end of the Buy-in Period	<p>To the extent Seller has not determined a Buy-in Price for the specified Outstanding Principal Balance of the Relevant Bonds:</p> <ul style="list-style-type: none"> • Buyer's right to Deliver the specified Outstanding Principal Balance of the Relevant Bonds shall recommence. • Seller must commit to purchase such Outstanding Principal Balance of the Relevant Bonds at the applicable Buy-in Price.
(8)	On or at any time after the sixth Business Day after such Buy-in Period	<p>To the extent a Buy-in Price has not been determined during a Buy-in Period with respect to all of the specified Outstanding Principal Balance of the Relevant Bonds, Seller may give another Buy-in Notice for purposes of commencing another Buy-in Period for the Relevant Bonds.</p> <p>In respect of a Relevant Bond whereby no Buy-in Price was determined, the Buy-in process may be repeated until the final settlement of the RAST.</p>
(9)	On the date a Buy-in Price is determined (or as soon as practicable thereafter)	<p>Seller will provide notice of the:</p> <ul style="list-style-type: none"> • Outstanding Principal Balance of the Relevant Bonds for which a Buy-in Price was determined; and • Buy-in Price (the Buy-in Price Notice).
(10)	On the third Business Day following the date on which the Buy-in Price Notice is delivered	<p>Buyer will be deemed to have Delivered an Outstanding Principal Balance of the Deliverable Obligations specified in the Notice of Physical Settlement for which a Buy-in Price was determined.</p> <p>If the amount set out by the equation below is (a) positive, such amount will be payable by Buyer to Seller; and (b) negative, the absolute value of such amount will be payable by Seller to Buyer:</p> <p><i>The product of:</i></p> <p>(a) the Outstanding Principal Balance of the Deliverable Obligations specified in the Notice of Physical Settlement for which a Buy-in Price was determined; and</p> <p>(b) in the case where the Buy-in Price is equal to or greater than the Auction Final Price, the excess, if any, of the Buy-in Price over the Auction Final Price (expressed as a positive amount) and otherwise the excess of the Auction Final Price over the Buy-in Price (expressed as a negative amount);</p> <p><i>plus</i></p> <p>any reasonable brokerage costs incurred by Seller in connection with any purchases by it of the Relevant Bonds as part of the Buy-in.</p>

