

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See attachment.

Blank lined area for listing applicable Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ See attachment.

Blank lined area for providing information on resulting loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attachment.

Blank lined area for providing other necessary information for the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶

Itamar Gaino Filho

Date ▶

Jan, 22, 2020

Print your name ▶

Itamar Gaino Filho

Title ▶

Chief Legal and Compliance Officer

Paid Preparer Use Only

Print/Type preparer's name

Preparer's signature

Date

Check if self-employed PTIN

Firm's name ▶

Firm's EIN ▶

Firm's address ▶

Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

Natura & Co. Holding S.A.

EIN: Not Applicable

Attachment to Form 8937

Form 8937, Part II, Box 14:

In accordance with the terms and conditions of the Agreement and Plan of Mergers dated May 22, 2019 (as amended) by and among Natura Cosméticos S.A. ("Natura Cosméticos"), Avon Products, Inc. ("Avon"), Natura & Co. Holding S.A. ("Natura & Co"), Nectarine Merger Sub I, Inc. ("Merger Sub I"), and Nectarine Merger Sub II, Inc. ("Merger Sub II") (the "Agreement"), the parties entered into the following transactions (collectively, the "Transaction"). In November and December 2019, the shareholders of Natura Cosméticos contributed all of the outstanding common shares of Natura Cosméticos to newly-formed Natura & Co in exchange for Natura & Co common shares. Natura & Co directly held all of the outstanding shares of Merger Sub I which, in turn, directly held all of the outstanding shares of Merger Sub II. Pursuant to the Agreement, on January 3, 2020, Merger Sub II merged with and into Avon, with Avon surviving (the "First Merger"). As a result of the First Merger, Avon's common shareholders were entitled to the right to receive one (1) Merger Sub I common share for each Avon common share owned at the time of the First Merger. Immediately prior to the consummation of the First Merger, Avon's 435,000 outstanding Series C Preferred Shares were converted into 87,000,000 Avon common shares (the "Conversion") with each Series C Preferred Shareholder also receiving their proportionate share of a US\$91,503,732.65 cash payment, paid by Natura & Co, equal to the amount of the accrued but unpaid dividends with respect to the Series C Preferred Shares as of the date of the Conversion (the "Cash Consideration").

Also on January 3, 2020 and immediately subsequent to the First Merger, Merger Sub I merged with and into Natura & Co, with Natura & Co surviving (the "Second Merger"). As a result of the Second Merger, each shareholder of Merger Sub I, including persons with rights to receive shares of Merger Sub I following the First Merger, had the option to receive either (i) 0.300 American Depository Shares ("ADSs") of Natura & Co, evidenced by American Depository Receipts ("ADRs") listed on the New York Stock Exchange (Ticker symbol: NTCO); or (ii) 0.600 common shares of Natura & Co for each one (1) common share (or right to receive one (1) common share) of Merger Sub I. Each ADR issued by Natura & Co is comprised of two (2) common shares of Natura & Co. Any shareholders entitled to receive fractional shares or ADRs of Natura & Co as part of the consideration for the Second Merger received an amount of cash in exchange for such Natura & Co fractional shares or ADRs (discussed further below).

Immediately following the Transaction, Natura & Co directly owned 100 percent of the outstanding common equity interests in both Natura Cosméticos and Avon with the former shareholders of Natura Cosméticos holding common shares representing approximately 72.9% and the former shareholders of Avon holding common shares representing approximately 27.1% of the total outstanding common shares of Natura & Co.

Form 8937, Part II, Box 15:

The aggregate tax basis of the Natura & Co shares received in the Transaction by the former shareholders of Natura Cosméticos and Avon should generally be equal to the aggregate tax basis of the shares of Natura Cosméticos and Avon exchanged by each shareholder thereof.

For a U.S. taxpayer who is a former holder of Avon Series C Preferred Shares, the Cash Consideration should generally be treated as having been received in an exchange governed by Section 351 of the Internal Revenue Code (the "Section 351 Exchange"). Under such circumstances, the aggregate tax basis

of the Natura & Co common shares received in the Section 351 Exchange should generally be equal to the aggregate tax basis of the shares surrendered in the Section 351 Exchange, decreased by the amount of any cash received in the Section 351 Exchange (excluding any cash received in lieu of fractional shares of Avon common stock) and increased by the amount of gain recognized on the Section 351 Exchange (excluding any gain or loss resulting from the deemed receipt and sale of fractional shares described below). Accordingly, the tax basis of the shares of Natura & Co received in the Section 351 Exchange by a U.S. taxpayer who is a former holder of Avon Series C Preferred Shares may need to be adjusted for any taxable gain, if any, recognized by such holder and the Cash Consideration received in the Section 351 Exchange.

Further, any former U.S. shareholders of Avon common shares (including former Avon Series C Preferred Shareholders following the Conversion) should not be required to recognize gain under Section 367(a) in the Section 351 Exchange as the conditions under Treasury Regulation section 1.367(a)-3(c) should be satisfied provided the following condition is satisfied with respect to any five (5) percent U.S. shareholder of Natura & Co. In order to be exempt from the recognition of gain under Section 367(a), any former five (5) percent U.S. shareholder of Avon common shares that is also a five (5) percent U.S. shareholder of Natura & Co immediately following the Transaction must enter into and file a five-year gain recognition agreement with respect to their Natura & Co common shares pursuant to Treasury Regulation section 1.367(a)-8.

* Please note on December 24, 2019, Avon's Board of Directors approved a one-time special cash dividend on Avon's common shares and Series C Preferred Shares (on an as converted to common share basis) of \$0.01604429 per share (the "Special Dividend") payable to shareholders of record on December 30, 2019 and paid on January 6, 2020. Avon's former shareholders should consult their tax advisors to determine whether the Special Dividend should be treated as additional cash consideration as part of the Section 351 Exchange.

Form 8937, Part II, Box 16:

See Boxes 14 & 15, above.

Form 8937, Part II, Box 17:

Sections 351, 358, 362, 367, 368, 1001 and 1032.

Form 8937, Part II, Box 18:

Generally, no loss may be recognized pursuant to the Transaction with one exception. Former Avon shareholders who receive cash instead of fractional shares of Natura & Co will be treated as having received fractional shares in the Transaction and then having exchanged the fractional shares for cash. These holders will generally recognize gain or loss equal to the difference between the amount of cash received and the tax basis allocable to the fractional shares.

Form 8937, Part II, Box 19:

The Transaction concluded on January 3, 2020. In the case of shareholders who are calendar year taxpayers, the reportable tax year is 2020.

As described in the proxy statement/prospectus of Natura & Co filed with the Securities and Exchange Commission on September 23, 2019 (as amended and supplemented through the date of the Transaction, the "Proxy Statement") in connection with the Transaction, depending on a holder's particular facts and circumstances, the Section 351 Exchange could be treated as having the effect of adjusting the tax basis of the shares of Natura & Co received by a U.S. taxpayer who is a former holder of Avon common shares

and Avon Series C Preferred Shares. Former holders of Avon common shares and Avon Series C Preferred Shares should consult their tax advisors regarding the tax consequences of the Transaction.

This information is being provided pursuant to the requirements of Section 6045B of the Code, and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations related to the effects of the Transaction. It does not constitute tax advice and does not purport to be complete or describe the tax consequences that may apply to particular persons or categories of persons. Holders of Natura & Co shares and former holders of Avon common shares and Avon Series C Preferred Shares are encouraged to consult their tax advisors regarding the particular consequences of the Transaction to them (including the applicability and effect of all federal, state, local and non-U.S. laws) and should read the Proxy Statement, noting the discussion under the heading "Material U.S. Federal Income Tax Considerations." The information provided here remains subject to the Proxy Statement in all respects. The Proxy Statement may be accessed at www.sec.gov.

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None of the statements contained on this Attachment to Form 8937 are intended to be tax advice, which should be obtained from your tax advisor.

