

Avon Products Inc

Country: United States
 Meeting Type: AGM
 Meeting Date: 5 May 2005
 ISIN Code: US0543031027

Item	Description	Issue	TMF Vote	Mgmt Vote
1.1	Elect Director Fred Hassan	B. Director and Remuneration	FOR	FOR
1.2	Elect Director Ann S. Moore	B. Director and Remuneration	WITHHOLD	FOR
	<i>Not considered independent as she has been a director of the company for 12 years. She is also the Chair and CEO of Time Inc., a company that provides advertising services to Avon. This relationship is deemed immaterial by Avon given that the transactions fall below the threshold of 1% of total revenue for both companies.</i>			
1.3	Elect Director Lawrence A. Weinbach	B. Director and Remuneration	FOR	FOR
2	Ratify Auditors	E. Auditors	FOR	FOR
3	Declassify the Board of Directors	D. Share Capital and Shareholder Relations	FOR	FOR
4	Amend Omnibus Stock Plan	B. Director and Remuneration	AGAINST	FOR
	<i>The 2005 Plan would replace the Avon Products, Inc. 2000 Stock Incentive Plan approved by the Company's Shareholders in 2000. Under the plan, stock options vest with respect to share price appreciation only. No performance measures have been disclosed. The Plan provides for grants of stock incentives covering up to 31 million shares of common stock and up to 4.5 million shares for each participant in any one year. The Plan authorizes the issuance of up to 31 million shares of Common Stock, representing approximately 8.7% of the outstanding share capital which is above acceptable threshold. The remuneration committee is authorised to prescribe all terms and conditions of awards. The plan as proposed prevents any assessment of whether awards granted under the plan will be commensurate with performance. In addition, the ability of non-employee directors to receive restricted stock awards and options under a plan they administer is not in line with best practice.</i>			
5	Disclose Charitable Contributions and Fundraising Efforts	II. Corporate Social Responsibility	FOR	AGAINST

Shareholder proposal by Trillium Asset Management.

The proponent asserts that Avon Products, Inc. and the Breast Cancer Foundation do not provide sufficient information regarding key aspects of the fundraising and grant distribution associated with the Foundation, which has become the largest corporate fundraiser for breast cancer causes. The proponents seek specific information on contributions, fundraising and administrative costs, criteria for awarding grants, and several other issues etc. The proponents request that Avon Products report annually to shareholders (at reasonable cost and omitting proprietary information) on these matters, beginning in 2005. The request comes in the context of critiques of Avon in the media for a lack of transparency and accountability in key aspects of its fundraising and grant-making. In the proponents' view, basic information about the Avon Foundation's research grants are unavailable, such as the scientific question they address, their purpose and duration, and the scientists to whom they are awarded. The Board of Directors believes that the Company and the Foundation already provide extensive information on fundraising, grant distribution and other activities of the Foundation and that the proponent's request is burdensome and unnecessary. In the view of Triodos the demands are not unreasonable and the disclosure of such information is in line with the transparency principle.

6	Reformulate Products to Remove Chemicals Banned by EU	II. Corporate Social Responsibility	FOR	AGAINST
	<p>Shareholder proposal by Domini Social Investments. The proponents are seeking that Avon reformulate, in a reasonable time frame and as legally permitted, all its products worldwide to be free of chemicals banned by European Union Directive 2003/15/EC, and that the Board of Directors produce a report to shareholders on the implementation of the reformulation plan by November 1, 2005. The report should be prepared at reasonable cost and omit proprietary information. In February 2003, European Union Directive 2003/15/EC ('the Directive') banned the sale in Europe of cosmetics or personal care products containing any ingredients on a list of chemicals known or suspected of causing cancer, genetic mutation, or birth defects. The Directive identifies the mutagens, reproductive toxins and carcinogens—including breast carcinogens—currently posing the greatest risks to public health. In the proponents view, without a global reformulation policy, Avon risks losing non-European customers who are concerned about cosmetic safety. Avon has already reformulated its products to meet EU regulatory requirements by eliminating the use of dibutyl phthalate (DBP) in its European products. The response, the company does not consider it necessary to develop a global reformulation plan. The company states that it will continue to monitor and evaluate the scientific data as it is developed, to ensure that all ingredients in Avon's cosmetic products are safe in full compliance with all applicable laws and regulations. The company does not believe that the requested report or</p>			

reformulation is necessary or appropriate. The proposal is not considered unreasonable and is considered in line with the precautionary principle.