

# COTY

## NOTICE OF 2014 ANNUAL MEETING OF STOCKHOLDERS AND PROXY STATEMENT

October 6, 2014

To Coty Inc. Stockholders:

The 2014 Annual Meeting of Stockholders (the “Annual Meeting”) of Coty Inc. (the “Company”) will be held via the Internet at <http://www.virtualshareholdermeeting.com/coty2014>, at 9:00 a.m., Eastern Standard Time, on Monday, November 17, 2014. The principal business of the meeting will be the consideration of the following matters:

1. The election of seven directors named in the proxy statement;
2. The approval, on an advisory (non-binding) basis, of an advisory resolution on the compensation of the Company’s named executive officers, as disclosed in this proxy statement;
3. Conducting, on an advisory (non-binding) basis, a vote on the frequency of the advisory (non-binding) vote on the compensation of the Company’s named executive officers;
4. The ratification of the appointment of Deloitte & Touche LLP to serve as the Company’s independent auditor for fiscal year ending June 30, 2015; and
5. To transact such other business as may properly come before the Annual Meeting or any adjournment thereof.

The proxy statement describes these items in more detail. As of the date of this notice, we have not received notice of any other matters that may be properly presented at the Annual Meeting. The close of business on September 22, 2014 has been fixed as the date for determining the holders of shares of the Company’s Class A Common Stock and Class B Common Stock entitled to notice of and to vote at the Annual Meeting and any adjournment thereof.

By order of the Board of Directors,



Jules P. Kaufman  
Senior Vice President, General Counsel and Secretary

**WHETHER OR NOT YOU PLAN TO VIRTUALLY ATTEND THE 2014 ANNUAL MEETING OF STOCKHOLDERS, YOU MAY VOTE AND SUBMIT YOUR PROXY. YOU MAY SUBMIT YOUR PROXY ELECTRONICALLY, BY TELEPHONE OR BY REQUESTING A PRINTED COPY OF THE PROXY MATERIALS AND COMPLETING AND RETURNING BY MAIL THE PROXY CARD YOU WILL RECEIVE IN RESPONSE TO YOUR REQUEST.**

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2014 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON NOVEMBER 17, 2014: The Company’s Proxy Statement for the 2014 Annual Meeting of Stockholders and the Annual Report to Stockholders for the fiscal year ended June 30, 2014 are available at [materials.proxyvote.com/222070](http://materials.proxyvote.com/222070).**

## Table of Contents

Questions and Answers about the Proxy Materials and the Annual Meeting	<u>3</u>
Corporate Governance	<u>8</u>
Structure of our Board	<u>9</u>
Board Meetings	<u>10</u>
Board Qualifications and Membership Criteria	<u>10</u>
Director Nomination Process	<u>11</u>
Director Independence	<u>11</u>
Communications with our Board	<u>12</u>
Our Board’s Role in Risk Oversight	<u>12</u>
Board Attendance at the Annual Meeting	<u>12</u>
Compensation Committee Interlocks and Insider Participation	<u>12</u>
Certain Relationships and Related Party Transactions	<u>13</u>
Proposal No. 1: Election of Directors	<u>15</u>
Directors	<u>15</u>
Director Compensation	<u>17</u>
Executive Officers	<u>19</u>
Security Ownership of Certain Beneficial Owners and Management	<u>21</u>
Section 16(a) Beneficial Ownership Reporting Compliance	<u>23</u>
Proposal No. 2: Approval of Advisory Resolution on NEO Compensation (Say-On-Pay)	<u>23</u>
Compensation Discussion and Analysis	<u>24</u>
Remuneration and Nomination Committee Report	<u>43</u>
Proposal No. 3: Advisory Vote on the Frequency of the Advisory Vote on NEO Compensation	<u>44</u>
Audit and Finance Committee Report	<u>44</u>
Proposal No. 4: Ratification of Appointment of Deloitte & Touche LLP as our Independent Auditor	<u>45</u>
Audit Fees and Other Fees	<u>46</u>
Stockholder Proposals for the 2015 Annual Meeting	<u>46</u>
Other Matters	<u>47</u>

**COTY INC.**

**350 Fifth Avenue**

**New York, New York 10118**

October 6, 2014

**PROXY STATEMENT  
FOR ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD NOVEMBER 17, 2014**

These proxy materials are being made available to you electronically or, if you have requested, printed versions of these materials have been delivered to you by mail in connection with the solicitation of proxies by the Board of Directors of Coty Inc. (the “Company”, “we” or “us”), a Delaware corporation, for our 2014 Annual Meeting of Stockholders (the “Annual Meeting”) to be held at 9:00 a.m. Eastern Standard Time (“EST”) on Monday, November 17, 2014 via the Internet at <http://www.virtualshareholdermeeting.com/coty14>.

**QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND THE ANNUAL MEETING**

**Proxy Materials and Voting Information**

**1. What are proxy materials?**

A proxy statement is a document which includes information that we are required to provide to you under Securities and Exchange Commission (“SEC”) rules and is designed to assist you in voting your shares. The proxy materials include our proxy statement for the Annual Meeting (“Proxy Statement”) and our Annual Report on Form 10-K for the fiscal year ended June 30, 2014 (“Annual Report”), and the proxy card or a voting instruction card for the Annual Meeting.

This Proxy Statement contains information about the Annual Meeting and was prepared by our management for our Board of Directors (the “Board”). We sent a Notice of Internet Availability of Proxy Materials (the “Notice”) on or about October 6, 2014 to stockholders of record entitled to receive notice of the Annual Meeting. All stockholders may access the proxy materials online and download printable versions of the proxy materials or request a printed set of the proxy materials by following the instructions in the Notice. As a stockholder, you are invited to attend the Annual Meeting online and are requested to vote on the items of business described in this proxy statement.

**2. What is the difference between holding shares as a stockholder of record and as a beneficial owner?**

If your shares are registered directly in your name with the Company’s registrar and transfer agent, Wells Fargo Bank, N.A. (“Wells Fargo”), you are considered a stockholder of record with respect to those shares. If your shares are held in a bank or brokerage account, you are considered the “beneficial owner” of those shares.

**3. Why did I receive a notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?**

In accordance with SEC rules, we may furnish proxy materials, including this Proxy Statement and our Annual Report, to our stockholders by providing access to such documents on the Internet instead of mailing printed copies. Accordingly, we are sending the Notice to our stockholders of record and beneficial owners as of the close of business on September 22, 2014.

**4. I share an address with another stockholder. Why did we receive only one copy of the proxy materials and how may I obtain an additional copy of the proxy materials?**

The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for the Notice or other annual meeting materials with respect to two or more stockholders sharing the same address by delivering a single Notice or other annual meeting materials addressed to those stockholders. This process, which is commonly referred to as “householding,” is intended to provide extra convenience for stockholders and cost savings for companies.

A number of brokers with account holders who are our stockholders will be “householding” our proxy materials. A single Notice will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. If you have received notice from your broker that they will be “householding” communications to your address, “householding” will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in “householding” and would prefer to receive a separate Notice, please notify your broker. Stockholders who have multiple accounts in their names or who share an address with other stockholders can request “householding” and authorize their broker to discontinue mailings of multiple annual reports and proxy statements by contacting their broker.

We will promptly deliver to a stockholder who received one copy of the Notice as a result of “householding” a separate copy upon the stockholder’s written or oral request directed to Investor Relations at Coty Inc., 350 Fifth Avenue, New York, New York 10118 or (212) 389-7300.

**5. Who is entitled to vote at the Annual Meeting?**

Only stockholders of record of our Class A Common Stock and Class B Common Stock (together, our “Common Stock”) at the close of business on September 22, 2014 (the “Record Date”) are entitled to vote at the Annual Meeting or at any adjournment or postponement of the Annual Meeting. Each stockholder of record of Class A Common Stock on the Record Date is entitled to one vote per share of Class A Common Stock, and each stockholder of record of Class B Common Stock on the Record Date is entitled to ten votes per share of Class B Common Stock. On the Record Date, there were 91,198,041 shares of Class A Common Stock and 263,752,817 shares of Class B Common Stock issued and outstanding. All shares of Common Stock will vote together as a single class on each of the items expected to be presented at the meeting.

*Registered Stockholders.* The Notice was provided to you directly by us. As a stockholder of record, you have the right to grant your voting proxy directly to the individuals listed on the proxy card or to vote virtually at the Annual Meeting.

*Beneficial Stockholders.* The Notice was forwarded to you by your broker or nominee. Your broker or nominee is considered the stockholder of record of those shares and you are considered to hold your shares in “street name”. Beneficial owners are also invited to virtually attend the Annual Meeting. However, since you are not a stockholder of record, you may not vote your shares virtually at the Annual Meeting unless you follow your broker’s procedures for obtaining a legal proxy. If you request a printed copy of your proxy materials by mail, your broker or nominee will provide a voting instruction card for you to use.

**6. What items of business will be voted on at the Annual Meeting? How does the Board of Directors recommend I vote on these items and what are the voting standards?**

<b>Proposal</b>	<b>Voting Options</b>	<b>Vote Required to Adopt the Proposal</b>	<b>Effect of Abstentions</b>	<b>Effect of “Broker Non-Votes”</b>	<b>Board Recommendation</b>
Proposal 1: Election of Directors	For, against, or abstain on each nominee.	A plurality of votes - a nominee for director will be elected if the votes cast for such nominee exceed the votes cast against such nominee.	No effect.	No effect.	Our Board of Directors (“Board”) recommends a vote <b>FOR</b> each director.
Proposal 2: Approval of Advisory Resolution on Named Executive Officer (“NEO”) Compensation	For, against, or abstain.	The affirmative vote of a majority of the votes cast.	No effect.	No effect.	Our Board recommends a vote <b>FOR</b> the approval of the advisory resolution on NEO compensation.
Proposal 3: Advisory Vote on the Frequency of the Advisory Vote on NEO Compensation	Every one year, two years, or three years.	The affirmative vote of a majority of the votes cast.	No effect.	No effect.	Our Board recommends a vote for the approval of <b>EVERY YEAR</b> with respect to the frequency of the advisory vote on NEO compensation.
Proposal 4: Ratification of Appointment of Deloitte & Touche LLP (“Deloitte”) as our independent auditor	For, against, or abstain.	The affirmative vote of a majority of the votes cast.	No effect.	Brokers have discretion to vote.	Our Board recommends a vote <b>FOR</b> ratification.

The advisory resolution on NEO compensation (Proposal 2) and the advisory vote on the frequency of the advisory vote on NEO compensation (Proposal 3) are not binding on the Company. However, the Remuneration and Compensation Committee (the “RNC”), which is responsible for designing and administering our executive compensation program, value the opinions expressed by stockholders and will take into account the outcome of the vote when making future compensation decisions.

**7. How do I cast my vote if I am a stockholder of record?**

If you are a stockholder of record, you can vote your shares by proxy electronically, by telephone or by mail by following the instructions set forth below.

*Voting Electronically.* You can vote at [www.proxyvote.com](http://www.proxyvote.com), 24 hours a day, seven days a week. You will need the 12-digit control number included on your Notice or your proxy card (if you received a printed copy of the proxy materials).

*Voting By Telephone.* You can vote using a touch-tone telephone by calling 1-800-690-6903, 24 hours a day, seven days a week. You will need the 12-digit control number included on your Notice or your proxy card (if you received a printed copy of the proxy materials).

*Voting By Mail.* If you have requested and received a printed copy of the proxy materials by mail, you may complete, sign and return the proxy card by mail to Coty Inc., c/o Broadridge Financial Solutions, 51 Mercedes Way, Edgewood, New York 11717.

*Voting at the Annual Meeting.* Although we encourage you to complete and return a proxy prior to the Annual Meeting to ensure that your vote is counted, you can virtually attend the Annual Meeting and vote your shares online by visiting [www.virtualshareholdermeeting.com/coty14](http://www.virtualshareholdermeeting.com/coty14). You will need your 12-digit control number included on your Notice or proxy card (if you receive a printed copy of the proxy materials) in order to be able to vote during the Annual Meeting. If you vote by proxy prior to the Annual Meeting and also virtually attend the Annual Meeting, there is no need to vote again at the Annual Meeting unless you wish to change your vote.

The procedures for voting online, by telephone, by mail and virtually at the Annual Meeting comply with Delaware law and are designed to authenticate stockholders' identities, to allow stockholders to vote their shares and to confirm that their instructions have been properly recorded.

**8. Is there a deadline for submitting proxies electronically or by telephone or mail?**

Proxies submitted electronically or by telephone as described above must be submitted by 11:59 p.m. EST on November 16, 2014.

Proxies submitted by mail must be received before the close of the Annual Meeting on November 17, 2014.

Each valid proxy received in time will be voted at the Annual Meeting in accordance with your instructions, regardless of the submission method used.

**9. What if I am a stockholder of record and do not specify a choice for a matter when returning a proxy?**

All proxies properly submitted pursuant to this solicitation and not revoked will be voted at the Annual Meeting in accordance with the directions given. If you properly submit a proxy but do not provide specific voting instructions, your shares will be voted:

1. FOR the election of each nominee as director;
2. FOR the advisory resolution on the compensation of our NEOs;
3. For EVERY YEAR on the frequency of the advisory vote on the compensation of our NEOs; and
4. FOR the ratification of the appointment of Deloitte as independent auditors.

If you have returned your signed and completed proxy card and other matters are properly presented at the Annual Meeting for consideration, the proxy holders appointed by our Board (the persons named in your proxy card if you are a stockholder of record) will have the discretion to vote on those matters for you.

**10. What if I am a beneficial owner and do not give voting instructions to my broker?**

As a beneficial owner, in order to ensure your shares are voted in the way you would like, you must provide voting instructions to your bank, broker or other nominee by the deadline provided in the materials you receive from your bank, broker or other nominee. Under the rules of the New York Stock Exchange (the "NYSE"), if you do not provide voting instructions to your bank, broker or other nominee, whether your shares can be voted by such person depends on the type of item being considered for vote.

Under the rules of the NYSE, if you hold your shares in street name and do not provide voting instructions to the broker, bank or other nominee that holds your shares, the nominee has discretionary authority to vote on routine matters but not on non-routine matters. If you hold your shares in street name, it is critical that you cast your vote if you want it to count in the election of directors (Proposal 1), the advisory resolution to approve NEO compensation (Proposal 2) or the advisory resolution to approve the frequency of advisory votes on NEO compensation (Proposal 3), which are considered non-routine matters. Only the ratification of the appointment of the independent auditor (Proposal 4) is considered a routine matter.

**11. How are broker non-votes and abstentions counted?**

A broker non-vote occurs when shares held by a broker are not voted with respect to a particular proposal because the broker does not have authority to vote on the non-discretionary item and has not received voting instructions from its clients.

Broker non-votes and abstentions by stockholders from voting (including brokers holding their clients' shares of record who cause abstentions to be recorded) will be counted towards determining whether or not a quorum is present. However, because broker non-votes and abstentions are not voted affirmatively or negatively, they will have no effect on the approval of any of the proposals, except where brokers may exercise their discretion on routine matters, as discussed above.

**12. What constitutes a quorum?**

A quorum will be present if holders of a majority of the outstanding shares of our Common Stock entitled to vote at the Annual Meeting are present or represented by proxy at the Annual Meeting. Abstentions, broker non-votes and votes withheld are included in the count to determine if a quorum is present.

**13. What can I do if I change my mind after I vote my shares?**

At any time prior to the completion of voting at the Annual Meeting, you may change your vote either by:

- giving written notice to our Corporate Secretary revoking your proxy;
- by submitting a later-dated proxy by telephone or electronically before 11:59 p.m. EST on November 16, 2014;
- by a later-dated mailed proxy received before the close of the Annual Meeting on November 17, 2014; or
- by voting online at the Annual Meeting.

**14. Who will count the vote?**

Representatives of Broadridge Financial Solutions, Inc. will tabulate the votes and act as inspectors of election.

**15. May I see a list of stockholders entitled to vote as of the Record Date?**

A list of registered stockholders as of the close of business on the Record Date will be available for examination by any stockholder for any purpose germane to the meeting during normal business hours at our principal executive offices at the address listed above for a period of at least 10 days prior to the Annual Meeting and during the Annual Meeting such list will be available for examination at [www.virtualshareholdermeeting.com/coty14](http://www.virtualshareholdermeeting.com/coty14).

**16. How do I virtually attend the Annual Meeting?**

We will host the Annual Meeting live online. Any stockholder can attend the Annual Meeting live online at [www.virtualshareholdermeeting.com/coty14](http://www.virtualshareholdermeeting.com/coty14). The webcast will start at 9:00 a.m. EST. Stockholders may vote and submit questions while attending the Annual Meeting online. You will need the 12-digit control number included on your Notice or your proxy card (if you received a printed copy of the proxy materials) in order to be able to enter the

Annual Meeting. Instructions on how to attend and participate online, including how to demonstrate proof of stock ownership, are posted at [www.virtualshareholdermeeting.com/coty14](http://www.virtualshareholdermeeting.com/coty14).

**17. How can I access the Notice, Proxy Statement and Annual Report? How can I sign up for electronic delivery of proxy materials?**

Our Proxy Statement (including the Notice) and Annual Report are available at [materials.proxyvote.com/222070](http://materials.proxyvote.com/222070).

These proxy materials are also available in the “Investor Relations” section of our website: [www.coty.com](http://www.coty.com) within the “Reports & Filings” subsection. Instead of receiving future copies of our Proxy Statement (including Notice) and Annual Report by mail, stockholders can access these materials online. Opting to receive your proxy materials online will save us the cost of producing and mailing documents to your home or business, and will also give you an electronic link to the proxy voting site.

If you hold your shares in a bank or brokerage account, you also may have the opportunity to receive copies of these documents electronically. Please check the information provided in the proxy materials mailed to you by your bank, broker or other nominee regarding the availability of this service.

**Any stockholder who would like to receive a copy of our Annual Report, including the related financial statements and financial statement schedules, may obtain one, without charge, by addressing a request to the attention of the Corporate Secretary, Coty Inc., 350 Fifth Avenue, New York, New York 10118. Our copying costs will be charged if copies of exhibits to the Annual Report are requested.**

## CORPORATE GOVERNANCE

We are committed to good governance practices. Our governance practices seek to ensure that we conduct our affairs in a manner that matches the high standards we have set for our people and products. We believe that good governance builds integrity and trust, strengthens the accountability of our Board, management and employees, promotes the long-term interests of stockholders and allows us to be a good corporate citizen in each of the countries where we do business.

### *Principles of Corporate Governance and Code of Business Conduct*

Our Board has developed corporate governance practices to help it fulfill its responsibilities to stockholders in providing general direction and oversight of management. These practices are set forth in our Corporate Governance Guidelines. We also have a Code of Business Conduct (the “Code”) applicable to all our employees, officers and directors, including the interim Chief Executive Officer (“interim CEO”), the Chief Financial Officer (“CFO”) and other senior financial officers. These documents and any waivers of provisions of the Code granted to any senior officer or any material amendments to the Code may be found in the “Investor Relations” section of our website: [www.coty.com](http://www.coty.com) within the “Corporate Governance” subsection under the heading “Governance Documents.” The charters for the Audit and Finance Committee, Remuneration and Nomination Committee and Equity Compliance Committee may be found by clicking “Read more” under the heading “Committees” within the “Corporate Governance” subsection. Stockholders may also contact Investor Relations at 350 Fifth Avenue, New York, New York 10118 or call (212) 389-7300 to obtain hard copies of these documents without charge.

### *Controlled Company Exception*

JAB Holdings B.V. (“JAB Holdings”), Agnaten SE (formerly: Parentes Holding SE) (“Agnaten”) and Lucrezca SE (formerly: Donata Holding SE) (“Lucrezca”) beneficially own a majority of the voting power of our outstanding Common Stock. As a result, we are a “controlled company” within the meaning of the NYSE corporate governance standards. Under the NYSE rules, a company of which more than 50% of the voting power is held by an individual, group or another company is a “controlled company” and may elect to not comply with certain NYSE corporate governance standards. Despite the availability of such exceptions, our Board has determined that it will be composed

of a majority of independent directors and our RNC will have written charters addressing their respective roles and responsibilities. As permitted by NYSE rules for “controlled companies”, our Board does not require the RNC to be comprised solely of directors who meet the NYSE’s heightened independence standards for members of compensation committees.

## **Structure of our Board**

Our Amended and Restated Certificate of Incorporation (“Certificate of Incorporation”) provides that the number of directors will be fixed from time to time by a resolution adopted by our Board, but must not consist of less than five or more than 13 directors. Our Board is presently composed of seven directors. Directors are elected by the stockholders at the annual meeting of stockholders by a plurality of the shares present and entitled to vote. Unless his or her office is earlier vacated in accordance with our Amended and Restated Bylaws (“Bylaws”), each director holds office until his or her successor is duly elected and qualified.

Four directors on our Board have a relationship with the JAB Group. Each of Lambertus Becht, Olivier Goudet and Peter Harf may be deemed to have an indirect pecuniary interest in a portion of the shares of our outstanding Class B Common Stock beneficially owned by Lucesca, Agnaten and JAB Holdings, and, together with certain other persons, each exercises voting and investment control over the shares of the Company beneficially owned by Lucesca, Agnaten and JAB Holdings. Mr. Goudet is the CEO of the JAB Group, and Mr. Harf is the Chief Executive Officer of Agnaten and Lucesca. Mr. Faber also serves in a position similar to a director of JAB Holding Company s.á.r.l. Each of these directors receive compensation for the services each provides to the JAB Group. Our Board considers this structure appropriate in view of the JAB Group’s significant investment in and control of the Company.

### ***Board Leadership***

Our Corporate Governance Guidelines permit our Board flexibility in determining whether to appoint an independent chairman. Our Board has appointed Lambertus J.H. Becht as the Chairman of our Board, and our Board has determined that Mr. Becht was independent until he became our interim CEO. A special committee of our Board has determined that Mr. Becht will not be independent during his service as our interim CEO. Our Board believes it is important for its chairman to have both a stake in and deep understanding of the Company.

### ***Committees of our Board***

The standing committees of our Board are the Audit and Finance Committee (the “AFC”), the RNC and the Equity Compliance Committee (the “ECC”). From time to time, when appropriate, ad hoc committees may be formed by our Board.

*AFC.* The members of the AFC are Joachim Faber, Robert Singer and Jack Stahl. Our Board has determined that Mr. Singer, the Chair of the AFC, is an audit committee financial expert, as that term is defined under SEC rules. The Board has also determined that Mr. Singer’s future service upon an additional public company audit committee would not impair Mr. Singer’s ability to effectively serve as Chair of our AFC. Our Board has also determined that each member of the AFC meets the independence criteria set forth in Rule 10A-3 (“Rule 10A-3”) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The AFC has adopted a written charter that describes its primary duties and responsibilities, and the AFC and our Board review its charter each year. The AFC’s primary duties and responsibilities include:

- to monitor the integrity of our financial reporting process and systems of internal controls regarding finance, accounting, and compliance with our Code and laws and regulations;
- to monitor the independence and performance of our independent auditors and internal audit department; and
- to provide an objective, direct communication between our Board, independent auditors, management and the internal audit department.

*RNC.* The members of the RNC are Messrs. Harf (Chair), Becht and Erhard Schoewel. Since we are a “controlled company”, the NYSE does not require each member of the RNC to satisfy the NYSE independence criteria for RNC members. Our Board has determined that only Mr. Schoewel satisfies the independence criteria for RNC members. Messrs. Becht and Harf are not considered independent for purposes of membership on the RNC.

The RNC has adopted a written charter that describes its primary duties and responsibilities, and the RNC and our Board review the RNC’s charter each year. The RNC’s primary duties and responsibilities include:

- to assist our Board in positioning us as a sustainable high performance organization through a very robust director succession and qualification process;
- to recommend to our Board nominees for each board committee;
- to review and make recommendations to our Board concerning board committee structure, operations and Board reporting;
- to discharge our Board’s responsibilities relating to the remuneration of our senior executives;
- to approve and evaluate the our executive remuneration plans, policies and programs and ensure that these plans, policies and programs enable us to attract and retain exceptional talents and incentivize them to achieve exceptional performance;
- to provide overall governance and review of the corporate succession plan and conduct succession planning for the Chief Executive Officer, and to guide our Board in appointing and retaining key talents that will nurture our values and culture and strive for constantly improving results;
- to recommend to our Board the corporate governance principles applicable to the operation of the RNC; and
- to oversee the evaluation of the performance of our Board and management.

*ECC.* The Board formed the ECC in September 2014. The ECC has adopted a written charter, and its primary duty is to review and approve acquisitions of equity (including equity grants and awards under the ELTIP and Platinum and purchases under Platinum) from Coty Inc. by our officers and directors. The members of the ECC are Messrs. Schoewel (Chair) and Faber. Each member of the ECC is considered a “non-employee director” under Rule 16b-3 of under the Exchange Act.

### ***Executive Sessions***

Our Board meets regularly in executive session without management directors or any members of management. In addition, the independent directors on our Board meet annually in executive session. Mr. Becht, the Chairman of our Board, serves as Chairman in each of these sessions. During Mr. Becht’s service as our interim CEO, the director then serving the longest tenure will serve as chairman of these sessions.

### **Board Meetings**

Regular meetings of our Board are held at such times as our Board may determine. In addition, special meetings of our Board may be called by the Chairman of our Board, the Vice Chairman, if any, or a majority of the directors then in office. In fiscal 2014, our Board held five meetings, the AFC held five meetings and the RNC held three meetings. All the directors attended our Board meetings, except that one director did not attend one meeting, and all the committee members attended all the committee meetings.

Our Board and its committees also act from time to time by written consent in lieu of meetings.

### **Board Qualifications and Membership Criteria**

The RNC and our Board believe that it is important for our Board to be comprised of a mix of experienced directors with a deep understanding of our industry and others who hold the requisite skills and who bring an fresh perspective. In seeking to maintain the right mix of directors on our Board, the RNC and our Board seek a range of different types of skills, backgrounds and experiences, including leadership, consumer product, international and strategic planning

experience; financial and accounting expertise; and corporate governance, governmental policy and regulatory experience. The RNC and our Board also consider it critical for our Board to have directors who have a deep understanding of specific components of our business, such as supply chain, manufacturing, marketing and product development and innovation. The RNC and our Board believe that, in addition to meeting the other criteria established by our Board for directors, it is important for directors to represent a mix of professional and personal backgrounds.

### **Director Nomination Process**

The RNC recommends nominees for our Board consistent with the criteria determined by our Board. The RNC will consider nominations from stockholder(s) to the extent the nomination complies with all procedures and includes all information about the candidate(s) required by our Bylaws. Nominations from stockholder(s) that are made in accordance with these procedures and include all required information will be considered by the RNC in accordance with the criteria discussed above and in the same manner as other nominations, and the RNC will present its recommendation to our Board.

### **Director Independence**

We have incorporated in our Corporate Governance Principles the NYSE's independence standards for evaluating the independence of each director on our Board. These standards are available in the "Investor Relations" section of our website, [www.coty.com](http://www.coty.com) within the "Corporate Governance" subsection under the heading "Governance Documents." Under these standards, a director will not be considered independent if:

- the director is, or has been within the last three years, our employee, or an immediate family member of the director is, or has been within the last three years, our executive officer;
- the director has received, or has an immediate family member who has received, during any 12-month period during the last three years, more than \$120,000 in direct compensation from us (other than Board and committee fees, and pension or other forms of deferred compensation for prior service). Compensation received by an immediate family member for service as our employee (other than an executive officer) is not considered for purposes of this standard;
- (a) the director, or an immediate family member of the director, is a current partner of our internal or external auditor; (b) the director is a current employee of our internal or external auditor; (c) an immediate family member of the director is a current employee of our internal or external auditor who personally works on our audit; or (d) the director, or an immediate family member of the director, was within the last three years (but is no longer) a partner or employee of our internal or external auditor and personally worked on our audit within that time;
- the director, or an immediate family member of the director, is, or has been within the last three years, employed as an executive officer of another company where any of our present executive officers serves or served at the same time on that company's compensation committee;
- the director is a current employee, or an immediate family member of the director is a current executive officer, of a company that has made payments to, or received payments from, us for property or services in an amount that, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of the other company's consolidated gross revenues; or
- the director, or the director's spouse, is an executive officer of a non-profit organization to which we make, or in the past three years have made, payments that, in any single fiscal year, exceeded the greater of \$1 million or 2% of the non-profit organization's consolidated gross revenues.

Our Board has determined that each of the following directors satisfies our independence standards and the independence standards of the NYSE: Messrs. Faber, Goudet, Schoewel, Singer and Stahl. Our Board determined that Mr. Becht satisfied our independence standards and the independence standards of the NYSE until he became interim CEO.

## **Communications with our Board**

Stockholders, employees and other interested parties may communicate with any or all of our directors by writing to such director(s) at c/o Board of Directors, Coty Inc., 350 Fifth Avenue, New York, New York 10118, Attention: Corporate Secretary. Each communication should specify the applicable director(s) to be contacted, the general topic of the communication, and the number of shares of our Class A Common Stock owned of record (if a record holder) or beneficially. Our Corporate Secretary will initially receive and process communications before forwarding them to the applicable director(s), and generally will not forward a communication that is unrelated to the duties and responsibilities of the director(s), including communications our Corporate Secretary determines to be primarily commercial in nature, is related to an improper or irrelevant topic, or is a request for general information about the Company or our products. In addition, communications that are unduly hostile, threatening, illegal, or similarly unsuitable will be excluded, with the provision that any communication that is filtered out will be made available to any director upon any such director's request.

## **Our Board's Role in Risk Oversight**

Our Board oversees, with management, the various risks we face. Our Board and management consider risks in all facets of the Company, our business strategy and our overall business.

Our Board dedicates a portion of one meeting each year to evaluating and discussing risk, risk mitigation strategies and the Company's internal control environment. At this meeting, our Board considers a full enterprise risk management analysis. Topics examined in the enterprise risk management analysis include, but are not limited to, strategic, operational, financial and compliance risks. Our Board's risk oversight also includes a comprehensive annual review of our strategic plan. Because overseeing risk is an ongoing process and inherent in our strategic decisions, our Board also receives input from senior management and considers risk at other times in the context of specific proposed actions.

In addition to our Board's risk oversight, the AFC is responsible for oversight of accounting, auditing and financial-related risks, and the RNC is responsible for overseeing the management of risks related to our executive compensation policies and practices. In fiscal 2014, the RNC reviewed our compensation policies and practices to determine whether it encouraged excessive or inappropriate risk taking. Following such evaluation, the RNC determined that our compensation policies and practices do not encourage excessive or inappropriate risk taking.

While our Board oversees risk, management is responsible for assessing and managing our risks on a day-to-day basis. Certain departments, such as treasury, legal and internal audit, and individuals within other departments, focus on specific risks associated with different aspects of our business, from regulatory, environmental and financial risks to commercial and strategic risks. We integrate risk analysis into all facets of our business.

## **Board Attendance at the Annual Meeting**

We expect directors to attend the Annual Meeting absent unusual circumstances.

## **Compensation Committee Interlocks and Insider Participation**

The current members of the RNC are Messrs. Becht, Harf and Schoewel. During fiscal 2014, Messrs. Harf, Faber and Schoewel were members of the RNC for all of fiscal 2014, and M. Steven Langman was a member of the RNC until his resignation from the Board of Directors on June 12, 2014. Mr. Langman resigned in connection with the Repurchase (defined and described in “—Repurchase of Shares Owned by Berkshire and Rhône” below). Mr. Becht joined the RNC effective September 11, 2014, and Mr. Faber's appointment to the RNC ended effective the same day.

Messrs. Becht and Harf are not considered independent under the NYSE's standards for compensation committee members and are not considered “non-employee” directors under the Exchange Act. All other members of the RNC who are currently serving or who served during fiscal 2014 are considered independent and “non-employee” directors. In June 2014, we repurchased all the shares of Class B Common Stock owned by Worldwide Onshore Beauty L.P. and

Worldwide Offshore Beauty L.P. and all the shares of Class A Common Stock received by Mr. Langman in connection with vesting of the Restricted Stock Units (“RSUs”) he received for service as a director on our Board. For additional information, please see “—Certain Relationships and Related Party Transactions”. Messrs. Becht and Harf each receive annual compensation in an amount greater than \$120,000 for advisory services rendered to the JAB Group, and Mr. Harf served as our Executive Chairman until September 2011 and currently serves as Chief Executive Officer of Agnaten and Lucrezca. JAB Holdings, Lucrezca and Agnaten beneficially own all our outstanding Class B Common Stock and hold approximately 97% of the total voting power of our outstanding Common Stock. Due to his executive positions at the JAB Group, Mr. Harf may also be considered to have an indirect financial interest in our agreement to reimburse JAB Holdings up to \$150,000 for certain legal expenses and our media services agreement with JAB Luxury GmbH. For additional information, please see “— Certain Relationships and Related Party Transactions”.

## **CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS**

### ***Repurchase of Shares Owned by Berkshire and Rhône***

In June 2014, we repurchased 27,892,818 shares of our Class B Common Stock owned by Worldwide Beauty Onshore L.P. and Worldwide Beauty Offshore L.P. (together, “Rhône”) and Berkshire Fund VII, L.P., Berkshire Fund VII-A L.P., Berkshire Investors III LLC and Berkshire Investors IV LLC (together, “Berkshire”) and 59,786 shares of our Class A Common Stock received by Messrs. Bloom and Langman upon settlement of RSUs received for service as directors on our Board (the “Repurchase”). The purchase price for each share was \$16.7779, which was determined by calculating the volume weighted average price of the Company’s Class A Common Stock from May 30, 2014 through June 5, 2014, inclusive.

Immediately prior to the Repurchase, Berkshire beneficially owned more than 5% and Rhône beneficially owned more than 10% of our Class A Common Stock as a result of their ownership of 9,429,348 shares and 19,429,348 shares, respectively, of our Class B Common Stock. Rhône and Berkshire each also had nominees serving on our Board.

### ***Terminated Stockholders Agreement and Registration Rights Agreement***

We were party to a stockholders agreement with JAB Holdings, Berkshire and Rhône (the “Stockholders Agreement”). JAB Holdings is an entity in the JAB Group. Pursuant to the Stockholders Agreement, Berkshire and Rhône each had the right to nominate a director, each of the parties had agreed to vote for the other parties’ nominees, and Berkshire and Rhône were generally prohibited from seeking to change or influence our management or board of directors, or acquiring more than 3% of our then-outstanding voting securities, for four years after consummation of our initial public offering (“IPO”).

We were also party to a registration rights agreement with the same parties (the “Registration Rights Agreement”). Pursuant to the Registration Rights Agreement, each of JAB Holdings, Berkshire and Rhône was entitled to demand and piggyback registration rights. The registration rights would have expired on the earlier of the date of the tenth anniversary of our IPO or the date on which the securities subject to the Registration Rights Agreement could have been sold by the holder in a single transaction pursuant to Rule 144 promulgated under the Securities Act.

Both the Stockholders Agreement and the Registration Rights Agreement were terminated in connection with the Repurchase discussed above.

### ***Media Services Agreement***

We are party to media services agreement with JAB Luxury GmbH (formerly: LABELUX Group GmbH) (“JAB Luxury”) under which we negotiate rates and manage agreements for JAB Luxury with third-party media suppliers. JAB Luxury is an entity in the JAB Group. In exchange for the services we provide JAB Luxury, JAB Luxury pays us a fixed annual fee equal to 3% of JAB Luxury’s media budget for the services to be purchased through the arrangement, with a guaranteed minimum annual amount of \$250,000 (VAT excluded) and a maximum annual amount of \$450,000 (VAT excluded). In fiscal 2014, JAB Luxury paid us 277,664 euros for these services.

### ***Third-Party Expenses***

In connection with our IPO, we agreed to reimburse JAB Holdings up to \$150,000, and, in fiscal 2014, we reimbursed Berkshire and Rhône \$273,091 collectively, for legal fees and expenses related to our IPO and the restatement of our Certificate of Incorporation, Bylaws, and now terminated Stockholders Agreement.

### ***Review, Approval or Ratification of Transactions with Related Persons***

Our Board has adopted a written policy regarding the approval or ratification of “related person transactions.” A related person transaction is one in which we or any of our subsidiaries participate, in which the amount involved since the beginning of our last completed fiscal year exceeds \$120,000 and in which a “related person” has or will have a direct or indirect interest, other than solely as a result of being a director of, or, together with all other related persons, a less than 10% beneficial owner of an equity interest in, another entity, or both. “Related persons” are the following persons and their immediate family members: our directors, director nominees, executive officers and stockholders beneficially owning more than 5% of our outstanding Common Stock. Under this policy, the AFC reviews and approves, disapproves or ratifies related person transactions. In determining whether or not to approve a related person transaction, the AFC takes into account, among other factors it deems appropriate, whether the interested transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related person’s interest in the transaction. If advance approval by the AFC is not possible, then a related person transaction may be considered and ratified, if appropriate, at the AFC’s next regularly scheduled meeting. The chair of the AFC may pre-approve or ratify related person transactions in which the aggregate amount involved is expected to be less than \$1 million. The chair reports to the AFC each transaction so approved or ratified. If a related person transaction will be ongoing, the committee may establish guidelines for our management to follow in its ongoing dealings with the related person, after which such related person transaction will be reviewed on an annual basis for guideline compliance and ongoing appropriateness.

The AFC has reviewed and pre-approved the following types of related person transactions:

- certain types of executive officer compensation reported in this Proxy Statement;
- compensation paid to a director if required to be reported in our proxy statement;
- any transaction with another company to which a related person’s only relationship is as an employee (other than an executive officer), or as a director or beneficial owner of a less than 10% (together with all other related persons) equity interest in that company, or both, if the amount involved does not exceed the greater of \$1 million or 2% of that company’s total annual revenue;
- any charitable contribution, grant, or endowment by us to a charitable organization, foundation, or university to which a related person’s only relationship is as an employee (other than an executive officer) or a director, if the amount involved does not exceed the lesser of \$1 million or 2% of the charitable organization’s total annual receipts;
- any related person transaction where the related person’s interest arises solely from the ownership of our Common Stock and in which all stockholders receive proportional benefits; and
- any related person transaction in which the rates or charges involved are determined by competitive bids.

A director who is a related person with respect to a transaction may not participate in the discussion or approval of the transaction, except that the director will provide all material information concerning the related person transaction to the AFC. Each transaction described above except the agreement to reimburse third-party expenses was approved or ratified under our related person transaction policy. The reimbursement of third-party expenses described above was not approved under our related person transaction policy but was approved by our Board.

## PROPOSAL NO. 1

### ELECTION OF DIRECTORS

The election of seven directors is proposed by our Board, each director to hold office, in accordance with our Certificate of Incorporation and Bylaws, until the next annual meeting or until his or her successor is duly elected and qualified. All nominees are currently serving as directors of the Company.

The nominees are Lambertus J.H. Becht, Joachim Faber, Olivier Goudet, Peter Harf, Erhard Schoewel, Robert Singer and Jack Stahl.

**The Board of Directors recommends a vote FOR the nominees for director listed above.**

#### Directors

Name	Age	Director Since
Lambertus J.H. Becht	58	2011
Joachim Faber	64	2010
Olivier Goudet	49	2013
Peter Harf	68	1996
Erhard Schoewel	65	2006
Robert Singer	62	2010
Jack Stahl	61	2011

**Lambertus J.H. Becht** joined the Board of Directors of Coty Inc. as Chairman in 2011 and became our interim CEO in September 2014. In 2013, Mr. Becht became the Chairman of the board of directors of D.E. Master Blenders 1753 B.V. and joined the board of directors of Peet's Coffee & Tea Inc. From 1999 to 2011, Mr. Becht was Chief Executive Officer of Reckitt Benckiser Group plc, a leading global consumer goods company in the field of Household Cleaning and Health & Personal Care. Prior to that, Mr. Becht was Chief Executive Officer of privately held Benckiser Detergents, which in 1997 became Benckiser N.V. and listed on the Amsterdam and New York Stock Exchanges, and in 1999 merged with Reckitt & Colman plc and listed on the London Stock Exchange with Mr. Becht as Chief Executive Officer. Under Mr. Becht's leadership, Reckitt Benckiser's market capitalization increased from \$7 billion at the time of the merger in 1999 to \$41 billion when he retired. Before becoming CEO of Benckiser Detergents in 1995, Mr. Becht held a variety of marketing, sales and finance positions at The Procter & Gamble Company in the United States and Germany and served within Benckiser Detergents as General Manager in Canada, the U.K., France and Italy. Mr. Becht holds a Master of Business Administration degree from the University of Chicago Booth School of Business (1982) and a Bachelor of Arts degree in Economics from the University of Groningen in the Netherlands.

We believe Mr. Becht is well qualified to serve as Chairman of our Board. Mr. Becht has many years of experience in the consumer products industry, including executive, operating, marketing, finance and international business experience, and was Chief Executive Officer of Reckitt Benckiser. We believe these experiences will be advantageous to us and will be critical to his ability to identify, understand and address challenges and opportunities that we will face.

**Joachim Faber** joined the Board of Directors of Coty Inc. in 2010. Mr. Faber is also the Chairman of the Supervisory Board of Deutsche Börse AG, Frankfurt, a member of the board of HSBC Holdings Plc, London, Chairman of the Shareholder Committee of JAB Holding Company s.á.r.l. and a member of the board of Allianz S.A., Paris. Mr. Faber was until June 30, 2014, a member of the Supervisory Board of OSRAM Licht AG and the Chairman of its audit committee. Until 2011, Mr. Faber served as the Chief Executive Officer of Allianz Global Investors, a global asset management company, and a member of the management board of Allianz SE in Munich. Prior to joining Allianz in 1997, he worked for 14 years in various positions for Citicorp in Frankfurt and London. He serves on the board of German Cancer Aid in Bonn, the European School for Management and Technology in Berlin and is Chairman of the

Investment Board of the Stifterverband für die Deutsche Wissenschaft. Mr. Faber graduated from the University of Bonn with a degree in Law. He received his PhD degree from the Postgraduate National School of Public Administration Speyer, Germany after completing his research at the Sorbonne University in Paris, France.

We believe Mr. Faber is well qualified to serve as a member of our Board. As Chief Executive Officer of Allianz, Mr. Faber's financial expertise and experience in running a large corporation with multinational operations will be critical to his ability to assess and address operational challenges and opportunities we face. Additionally, Mr. Faber's more than 25 years of experience in the banking and finance industries, will be critical to his ability to identify, understand and address challenges and opportunities that we will face.

**Olivier Goudet** joined the Board of Directors of Coty Inc. in 2013. Mr. Goudet is Partner and CEO of the JAB Group, a position he has held since June 2012. He started his professional career in 1990 at Mars, Incorporated, serving on the finance team of the French business. After six years, he left Mars to join the VALEO Group, where he held several senior executive positions. In 1998, he returned to Mars, where he later became Chief Financial Officer in 2004. In 2008, his role was broadened, and he was appointed Executive Vice President and CFO. In June 2012, he became an Advisor to the Board of Mars. In 2013, Mr. Goudet also joined the board of directors of D.E. Master Blenders 1753 B.V. and became Chairman of the board of directors of Peet's Coffee & Tea Inc. He is also a member of the board of directors of Anheuser-Busch InBev SA/NV and serves as the Chairman of its audit committee. Mr. Goudet holds a Degree in Engineering from l'Ecole Centrale de Paris and graduated from the ESSEC Business School in Paris with a major in Finance.

We believe Mr. Goudet is well qualified to serve as a member of our Board. Mr. Goudet's financial and executive experience in the consumer products industry, as well as his tenure as a director of other public companies, will be critical to his ability to identify, understand and address the challenges and opportunities that we will face.

**Peter Harf** joined the Board of Directors of Coty Inc. in 1996 and serves as Chair of the Remuneration and Nomination Committee. Mr. Harf was Chairman of the Board of Coty Inc. from 2001 until 2011 and Chief Executive Officer of Coty Inc. from 1993 to 2001. He is Chief Executive Officer of Lucreca SE. and Agnaton SE., which indirectly share voting and investment control over shares of the Company. Mr. Harf joined Joh. A. Benckiser SE. in 1981, serving the company in a variety of capacities, including Chairman and Chief Executive Officer since 1988. Prior to joining Joh. A. Benckiser, Mr. Harf was Senior Vice President of Corporate Planning at AEG-Telefunken, Frankfurt, Germany. He began his career at the Boston Consulting Group. Mr. Harf is Deputy Chairman of the Board of Directors of Reckitt Benckiser Group plc, a director on the boards of directors of Peet's Coffee & Tea Inc. and D.E. Master Blenders 1753 B.V. and co-founder and Executive Chairman of DKMS. Mr. Harf was Chairman of the Board of Directors and a member of the audit committee of Anheuser-Busch InBev SA/NV until 2012. Mr. Harf holds a Master of Business Administration degree from Harvard Business School and a Diploma and a Doctorate in Economics from the University of Cologne in Germany.

We believe Mr. Harf is well qualified to serve as a member of our Board. As our former Chief Executive Officer, Mr. Harf has intimate knowledge of our business and operations and brings a valuable perspective to the Board. Mr. Harf's more than 30 years of experience in our industry, including executive, operating, strategic planning and international business experience, will be critical to his ability to identify, understand and address challenges and opportunities that we will face.

**Erhard Schoewel** joined the Board of Directors of Coty Inc. in 2006. From 1999 to 2006, he was Executive Vice President responsible for Europe at Reckitt Benckiser plc. From 1979 to 1999 he held positions of increasing responsibilities at Benckiser. Prior to that, he worked for PWA Waldhof. In 2012, Mr. Schoewel was elected to the Supervisory Board of the Jahr Holding GmbH & Co. KG in Hamburg, Germany. He is Chairman of Birdseye Iglo Ltd London and a director of Phorms SE Berlin. Mr. Schoewel received a Diplom-Kaufmann degree from University of Pforzheim.

We believe Mr. Schoewel is well qualified to serve as a member of our Board. Mr. Schoewel has many years of experience in the consumer products industry, including executive, operating and international business experience

and experience as a member of the board of directors of other companies, and we believe these experiences will be critical to his ability to identify, understand and address challenges and opportunities that we will face.

**Robert Singer** joined the Board of Directors of Coty Inc. in 2010, and serves as Chair of the Audit and Finance Committee. From 2006 to 2009 he served as Chief Executive Officer of Barilla Holding S.p.A., an Italian food company, and before that he served as the President and Chief Operating Officer of Abercrombie and Fitch Co. from May 2004 until August 2005. He served as Chief Financial Officer of Gucci Group N.V. from 1995 to 2004. Mr. Singer started his career at Coopers & Lybrand in 1977. Mr. Singer also serves as a director of Gianni Versace S.p.A. and a director and Chair of the audit committees of Mead Johnson Nutrition and Tiffany & Co. Mr. Singer has served as a senior advisor to CCMP Capital Advisors, LLC since 2011. He received a Bachelor of Arts Humanities degree from Johns Hopkins University, a Master of Arts degree in Comparative Literature from University of California, Irvine and graduated from New York University with a Master of Science in Accounting.

We believe Mr. Singer is well qualified to serve as a member of our Board. Mr. Singer has many years of operating, financial and executive experience, including his experience as Chief Executive Officer of Barilla Holding S.p.A. and President and Chief Operating Officer of Abercrombie and Fitch Co., and we believe these experiences will be critical to his ability to identify, understand and address challenges and opportunities that we will face. Mr. Singer has significant public company board experience and extensive risk management experience from his time at Gucci Group and Coopers & Lybrand.

**Jack Stahl** joined the Board of Directors of Coty Inc. in 2011. From 2002 to 2006 he served as President and Chief Executive Officer of Revlon Inc. Prior to joining Revlon, Mr. Stahl worked for 22 years with The Coca-Cola Company, culminating in the role of President and Chief Operating Officer. He started his career as an auditor at Arthur Andersen & Co. He serves on the Board of Managers of Advantage Sales and Marketing LLC, on the Boards of Directors and as Chair of the audit committees of Delhaize Group and Catalent, Inc. and on the U.S. Board of Advisors of CVC Capital and served until 2013 on the Board of Directors and as Chair of the audit committee of Saks Incorporated. Mr. Stahl is a member of the Board of Governors of The Boys and Girls Clubs of America. Mr. Stahl received a Bachelor of Arts degree in Economics from Emory University and a Master of Business Administration from the Wharton Business School of the University of Pennsylvania. His book “Lessons on Leadership: The 7 Fundamental Management Skills for Leaders at All Levels” was published in 2007.

We believe Mr. Stahl is well qualified to serve as a member of our Board. Mr. Stahl has significant public company experience, including many years of operating, financial and executive experience and experience as President and Chief Executive Officer of Revlon Inc. and President and Chief Operating Officer of The Coca-Cola Company, and we believe these experiences will be critical to his ability to identify, understand and address challenges and opportunities that we will face.

## **Director Compensation**

The following summary describes compensation paid to directors in fiscal 2014.

### ***Annual Cash Compensation for Board Service***

Each non-employee director except the Chairman of our Board (“Chairman”) and the Chair of the AFC (“AFC Chair”) receives \$100,000 annually, payable in November. The Chairman receives \$400,000 annually and the AFC Chair receives \$130,000 annually. Mr. Becht served as Chairman in fiscal 2014 and Mr. Singer served as AFC Chair in fiscal 2014.

### ***Annual Restricted Stock Unit Grant***

Each non-employee director except the Chairman receives an annual grant of 10,000 RSUs under the 2007 Stock Plan for Directors. The Chairman receives an annual grant of 30,000 RSUs. Each RSU vests on the fifth anniversary

of the grant date, subject to acceleration upon termination of service due to retirement, death or disability or upon a change in control.

### ***Management Directors***

Directors who are currently our employees receive no additional compensation for service on our Board. Mr. Scannavini was the only director who was also our employee until his resignation from his role as Chief Executive Officer in September 2014. All the directors currently serving on our Board are non-employee directors except that Mr. Becht is serving as our interim CEO.

### ***Reimbursement of Expenses***

Directors are reimbursed for reasonable expenses (including costs of travel, food and lodging) incurred when attending meetings of our Board, meetings of the committees of our Board and meetings of our stockholders. Directors are also reimbursed for other reasonable expenses relating to their service on our Board, such as visits to our offices and facilities.

### ***Non-Employee Directors***

The following table sets forth compensation information for our non-employee directors in fiscal 2014. As of June 2014, Messrs. Bloom and Langman are no longer directors on our Board. Mr. Becht was a non-employee director during all of fiscal 2014. He will continue to be compensated as a non-employee director during his service as interim CEO.

Name	Fees Earned or Paid in Cash (\$)(1)	Stock Awards \$(2)(5)	Total (\$)
Lambertus J.H. Becht	400,000	471,900	871,900
Bradley M. Bloom <sup>(3)</sup>	100,000	90,070	190,070
Joachim Faber	100,000	157,300	257,300
Olivier Goudet <sup>(4)</sup>	116,667	157,300	273,967
Peter Harf	100,000	157,300	257,300
M. Steven Langman <sup>(3)</sup>	100,000	90,070	190,070
Erhard Schoewel	100,000	157,300	257,300
Robert Singer	130,000	157,300	287,300
Jack Stahl	100,000	157,300	257,300

- (1) The amount represents annual cash compensation for service as a director, Chairman or AFC Chair, as applicable.
- (2) Amount represents the aggregate grant date fair value calculated in accordance with FASB ASC Topic 718 for restricted stock units issued to non-employee directors on November 15, 2013.
- (3) Messrs. Bloom and Langman resigned as directors in June 2014 in connection with the Repurchase. In accordance with the 2007 Director Plan, a *pro rata* portion of the RSUs received in fiscal 2014 by Messrs. Bloom and Langman vested, and the remaining RSUs they received in fiscal 2014 were forfeited.
- (4) Mr. Goudet received a *pro rata* additional fee of \$16,667 for his two months of service on our Board in fiscal 2013.
- (5) Presented below are the aggregate number of shares of Class A Common Stock underlying RSUs and stock options as of June 30, 2014.

Name	Total Number of Shares of Class A Common Stock Underlying RSUs Outstanding as of June 30, 2014	Total Number of Shares of Class A Common Stock Underlying Stock Options Outstanding as of June 30, 2014
Lambertus J.H. Becht	82,500	
Joachim Faber	34,167	
Olivier Goudet	11,666	
Peter Harf	72,500	1,500,000
Erhard Schoewel	50,000	45,000
Robert Singer	48,335	
Jack Stahl	30,000	

## EXECUTIVE OFFICERS

The following table sets forth certain information concerning our executive officers.

Name	Age	Position(s) Held
Lambertus J.H. Becht	58	Interim Chief Executive Officer
Patrice de Talhouët	48	Chief Financial Officer
Catia Cesari	47	Senior Vice President, Business Development, Mergers and Acquisitions
Jules P. Kaufman	56	Senior Vice President, General Counsel and Secretary
Géraud-Marie Lacassagne	50	Senior Vice President of Human Resources
Ralph Macchio	57	Senior Vice President of Global Research and Development, Chief Scientific Officer
Jean Mortier	54	President of Global Markets
Mario Reis	55	Executive Vice President, Supply Chain
Renato Semerari	53	President of Categories and Innovation
Kevin Monaco	51	Senior Vice President, Treasurer and Investor Relations
Thomas Muench	48	Senior Vice President, Group Controller

**Patrice de Talhouët** is Chief Financial Officer and a member of the Executive Committee of Coty Inc. Mr. de Talhouët oversees strategic leadership for corporate finance, planning and budgeting, treasury, tax and fiscal management and information technologies, as well as business development and mergers & acquisitions. He has more than 20 years of comprehensive global financial experience. Prior to joining Coty Inc. as Chief Financial Officer in January 2014, Mr. de Talhouët spent nearly seven years with food products manufacturer Mars, Inc., serving as Corporate Finance Officer Americas and a member of the finance executive committee from April 2011 to December 2013 and Chief Financial Officer Europe Mars Chocolate from January 2007 to March 2011. Before joining Mars, Inc., Mr. de Talhouët spent more than a decade in senior finance positions at Alcatel-Lucent. Mr. de Talhouët started his career at Societe Generale S.A. bank. Mr. de Talhouët has served as a member of Devoteam's Remuneration Committee from 2002 through 2010 and of Devoteam's Audit Committee since 2011. He holds a Bachelor's degree in Economics and International Management from Nanterre University and as well as a Master's degree in Finance, Accounting and Corporate Law from Conservatoire National des Arts et Métiers (CNAM).

**Catia Cesari** is Senior Vice President, Business Development, Mergers & Acquisitions and a member of the Executive Committee of Coty Inc. In this position, Ms. Cesari identifies and executes new business strategies and opportunities for the Company and leads acquisitions of new entities and the integration thereof. Ms. Cesari brings 20 years of successful experience in mergers and acquisitions to the Company. Prior to joining the Company in her current role in February 2014, Ms. Cesari served as Chief Mergers & Acquisitions and Human Capital Officer at JAB Luxury GmbH, where she oversaw the acquisitions and restructuring of world-renowned fashion brands such as Belstaff, Jimmy Choo and Zagliani. JAB Luxury GmbH is privately-owned by JAB Holdings, which also owns a majority of

the Company. Prior to joining JAB Luxury GmbH, Ms. Cesari also worked at Gucci Group, where she was instrumental in the acquisition of luxury brands Bottega Veneta and Boucheron, and at Bally, where she led the sale of Bally to JAB Luxury GmbH. Ms. Cesari began her career at KPMG LLP, an audit, tax, and advisory firm, before joining General Electric Company, where she held various positions of increasing responsibility, including Director Corporate Mergers & Acquisitions, Europe. Ms. Cesari holds a Master's degree in Economics and Management from the University of Florence and is also a Certified Public Accountant in the European Union.

**Jules Kaufman** is Senior Vice President, General Counsel and Secretary of Coty Inc. and is a member of the Executive Committee of Coty Inc. In his role as General Counsel, he is responsible for overseeing Coty's legal affairs worldwide, including, among other things, acquisitions and divestitures, governance, compliance, licenses and patents and regulatory issues. Mr. Kaufman has more than 28 years of legal experience. Prior to joining Coty Inc. as General Counsel in 2008, he served in Paris and Geneva as Vice President and Division General Counsel for Colgate-Palmolive Company's Europe/South Pacific division. Prior to that, Mr. Kaufman held positions of increasing responsibility within the Colgate legal function. Mr. Kaufman began his career in private practice in New York City. He received his Bachelor of Arts degree from Harvard University and his *Juris Doctor* from the University of Virginia School of Law.

**Géraud-Marie Lacassagne** is Senior Vice President of Human Resources at Coty Inc. and is a member of the Executive Committee of Coty Inc. Mr. Lacassagne leads Coty's worldwide human resources department and oversees all global employee communication initiatives. Prior to becoming Senior Vice President of Human Resources in 2005, Mr. Lacassagne joined the Company as an International Human Resources Manager in 1998. Prior to joining Coty Inc., Mr. Lacassagne was the Director of Human Resources at Nestlé Nespresso S.A. and also spent eight years at The Dow Chemical Company in various roles. Mr. Lacassagne holds a Master of Science degree in business management from École des Hautes Études Commerciales in Paris.

**Ralph Macchio** is Chief Scientific Officer and Senior Vice President of Global Research & Development at Coty Inc. and is a member of Coty Inc.'s Executive Committee. He is responsible for all Scientific Affairs and Global Regulatory Affairs at the Company and the Global Consumer Affairs Team. Mr. Macchio has 30 years of cosmetic research and development experience. Since joining the Company in 1992, Mr. Macchio has held various positions of increasing responsibility at Coty Inc. Prior to becoming Chief Scientific Officer and Senior Vice President of Global Research and Development in 2007, Mr. Macchio served as Vice President of Global Research and Development. Prior to joining Coty Inc., Mr. Macchio held several positions at Revlon Inc., including Departmental Manager, Color Cosmetics. He received degrees in Biochemistry and Chemistry from the State University of New York at Albany.

**Jean Mortier** is President of Global Markets and a member of the Executive Committee of Coty Inc. In his role, Mr. Mortier oversees sales execution and steers the Company's business according to specific consumer and retailer needs and priorities. Prior to his appointment as President of Global Markets in June 2014 in connection with the Company's new organizational structure, Mr. Mortier was President of Coty Prestige. From 2005 until he was appointed President of Coty Prestige in 2012, Mr. Mortier was Senior Vice President, Commercial for Coty Prestige. Prior to that, he held various positions at Unilever PLC in finance, internal audit, human resources, sales and trade marketing, key account management and supply chain, including Senior Vice President, International at Unilever Cosmetics International. Mr. Mortier holds a degree in Business Administration from École Supérieure des Sciences Économiques et Commerciales in Cergy, France.

**Mario Reis** is Executive Vice President, Supply Chain and a member of the Executive Committee of Coty Inc. Mr. Reis brings diversified experience in supply chain and commercial fields with a unique perspective and a strong skill set for a best in class end-to-end supply chain. Mr. Reis has more than 30 years of experience as a solid business leader and supply chain expert. Mr. Reis built his career during his tenure at Groupe Danone, where he held several senior executive positions within Worldwide Operations from 1996 to 2014. In his various supply chain roles within Groupe Danone, Mr. Reis was successful in implementing best practices and synergies across divisions. Most recently, Mr. Reis served as Managing Director of Groupe Danone South Africa, where his leadership resulted in strong acceleration in profitability and growth over a five year period. Mr. Reis worked at Mars Inc. and Bain & Co. in various business roles from 1986 to 1996. Mr. Reis holds a Master of Business Administration degree from INSEAD, the University of Manchester and a Bachelor of Science degree with Honors from the University of Manchester.

**Renato Semerari** is President of Categories and Innovation. In his role, Mr. Semerari oversees marketing, research and development, communications, digital and consumer marketing insight to drive strategic category and brand development. Prior to Mr. Semerari's appointment as President of Categories and Innovation in June 2014 in connection with the Company's new organization structure, Mr. Semerari was President of Coty Beauty. From October 2007 until he joined the Company as President of Coty Beauty in May 2009, Mr. Semerari was President and Chief Executive Officer of Sephora Europe. From 2002 to 2007, he was President and Chief Executive Officer of Guerlain. Prior to that, Mr. Semerari held the position of International Marketing Director of Parfums Christian Dior and held a series of positions at The Procter & Gamble Company. Mr. Semerari holds a degree in Business Administration from the LUISS University of Rome.

**Kevin Monaco** is Senior Vice President, Treasurer and Investor Relations of Coty Inc. In this position, Mr. Monaco oversees the Company's global treasury and tax functions and represents the Company to the investment community. His responsibilities include capital structure management, liquidity, risk management, the global tax function, and communication of the Company's business strategy to investors and analysts. From 2006 until joining the Company as Senior Vice President, Treasurer and Investor Relations in 2009, Mr. Monaco was Senior Vice President, Treasurer at Travelport Limited. Mr. Monaco has more than 20 years of global finance experience, including positions at Cendant Corporation, Avon Products, Inc. and at JPMorgan Chase and Co. Mr. Monaco holds a Master of Business Administration degree with Honors from the University of Notre Dame Mendoza School of Business and a Bachelor of Science degree in Business Administration from the University of Delaware.

**Thomas Muench** is Senior Vice President, Group Controller of Coty Inc. In this position, Mr. Muench is the Company's principal accounting officer responsible for overseeing various activities including financial reporting systems of internal control and other compliance programs. Prior to his appointment as Senior Vice President, Group Controller in July 2014, Mr. Muench served in a variety of finance positions of increasing responsibility at the Company, including Vice President, Coty Prestige since July 2011. Mr. Muench joined the Company in 2005 through the acquisition of Unilever Cosmetics International. He then served as CFO Switzerland from November 2006 until February 2008 and Commercial Finance Director, Coty Prestige from February 2008 until July 2011. Mr. Muench brings twenty years of experience in successfully co-piloting businesses at Unilever and the Company. He received a degree in a combination of Mathematics and Economics from the Universität Hamburg.

Each executive officer serves for a one-year term ending at the next meeting of our Board at which executive officers are elected, subject to his or her applicable employment agreement and his or her earlier death, resignation or removal.

## **SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table shows the amount of our Common Stock beneficially owned as of the Record Date, by (i) each person who is known by us to own beneficially more than 5% of our Common Stock, (ii) each member of our Board of Directors, (iii) each Named Executive Officer and (iv) all current directors on our Board and executive officers, as a group. A person is a "beneficial owner" of a security if that person has or shares voting or investment power over the security or if that person has the right to acquire sole or shared voting or investment power over the security within 60 days. Unless otherwise noted, these persons, to our knowledge, have sole voting and investment power over the shares listed.

Applicable percentage ownership is based on 91,178,041 shares of Class A Common Stock and 263,752,817 shares of Class B Common Stock, each as of October 1, 2014.

In computing the number of shares of Common Stock beneficially owned by a person and the percentage ownership of that person, we deemed outstanding shares of Common Stock subject to options held by that person that are currently exercisable or exercisable within 60 days of October 1, 2014. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

**Common Stock Beneficially Owned**

Name of Beneficial Owner	Class A <sup>(1)</sup>		Class B		% of Total Voting Power
	Shares	%	Shares	%	
JAB Holdings B.V.	—	—	263,752,817 <sup>(2)</sup>	100	96.7
Putnam Investments, LLC	15,933,189 <sup>(3)</sup>	17.5	—	—	*
FMR LLC	9,627,521 <sup>(4)</sup>	10.6	—	—	*
Wellington Management Company, LLP	9,508,077 <sup>(5)</sup>	10.4	—	—	*
Aristotle Capital Management, LLC	7,080,648 <sup>(6)</sup>	7.8	—	—	*
Ethenea Independent Investors S.A.	5,500,000	6.0	—	—	*
Dynamo Internacional	4,805,234 <sup>(7)</sup>	5.3	—	—	*
Waddell & Reed Investment Management Company	4,744,144 <sup>(8)</sup>	5.2	—	—	*
Lambertus J.H. Becht	4,668,810	5.1	—	—	*
Patrice de Talhouët	30,061	*	—	—	*
Joachim Faber	190,500	*	—	—	*
Olivier Goudet	15,000	*	—	—	*
Peter Harf	4,533,719 <sup>(9)</sup>	4.9	—	—	*
Jean Mortier	645,954 <sup>(10)</sup>	*	—	—	*
Erhard Schoewel	345,500 <sup>(11)</sup>	*	—	—	*
Renato Semerari	444,091 <sup>(12)</sup>	*	—	—	*
Robert Singer	40,000	*	—	—	*
Jack Stahl	14,000	*	—	—	*
All Directors and Management as a Group	12,691,910 <sup>(13)</sup>	13.4	—	—	*

\* Less than one percent

- (1) Includes shares of Class A Common Stock subject to Stock Options that are currently exercisable or exercisable within, and RSUs that will vest within, 60 days of October 1, 2014.
- (2) Lucesca (formerly known as Donata Holding SE) and Agnaten (formerly known as Parentes Holding SE), each of which is a company with its registered seat in Austria, and JAB Holdings, which is registered in the Netherlands, indirectly share voting and investment control over the shares. Lucesca, Agnaten and JAB Holdings are each controlled by Renate Reimann-Haas, Wolfgang Reimann, Stefan Reimann-Andersen and Matthias Reimann-Andersen, who with Messrs. Harf, Becht and Goudet exercise voting and investment authority over the shares. Each of the foregoing individuals disclaims the existence of a “group” with respect to and beneficial ownership of these securities for purposes of Section 13D of the Exchange Act. Each of the foregoing individuals disclaims beneficial ownership of these securities for purposes of Section 16 of the Exchange Act except to the extent of their pecuniary interest therein. The address of Lucesca and Agnaten is Rooseveltplatz 4-5/Top 10 A-1090 Vienna, and the address of JAB Holdings is Oudeweg 147, 2031 CC Haarlem, The Netherlands.
- (3) Represents shares of Class A Common Stock beneficially owned as of June 30, 2014 by Putnam Investments, LLC (“Putnam”) which wholly owns two registered investment advisers: Putnam Investments Management, LLC (“PIM”), which is the investment adviser to the Putnam family of mutual funds and the Putnam Advisory Company, LLC (“PAC” together with Putnam and PIM, the “Putnam Group”), which is the investment adviser to Putnam’s institutional clients. Putnam has sole voting power over 914,704 shares and sole dispositive power over 15,933,189 shares, PIM has sole voting power over 286,125 shares and sole dispositive power over 15,695,589 shares, and PAC has sole voting power over 628,579 shares and sole dispositive power over 637,600 shares. The foregoing information is based solely on a Schedule 13F filed with the SEC on August 14, 2014. The Putnam Group is located at One Post Office Square, Boston, Massachusetts 02109.

- (4) Based solely on a Schedule 13F filed with the SEC on August 14, 2014.
- (5) Based solely on a Schedule 13G/A filed with the SEC on August 11, 2014.
- (6) Represents shares of Class A Common Stock held for the benefit of Aristotle Capital Management, LLC's ("Aristotle") investment advisory clients. Aristotle serves as investment manager for these clients. Based solely on a Schedule 13F filed with the SEC on August 14, 2014.
- (7) Based solely on a Schedule 13F filed with the SEC on August 18, 2014.
- (8) Based solely on a Schedule 13F filed with the SEC on August 14, 2014.
- (9) Includes 1,500,000 shares of Class A Common Stock issuable upon exercise of vested options and 20,000 shares of Class A Common Stock underlying Restricted Stock Units expected to vest on November 15, 2014.
- (10) Includes 454,700 shares of Class A Common Stock issuable upon exercise of vested options.
- (11) Includes 45,000 shares of Class A Common Stock issuable upon exercise of vested options and 10,000 shares of Class A Common Stock underlying Restricted Stock Units expected to vest on November 15, 2014.
- (12) Includes 185,000 shares of Class A Common Stock issuable upon exercise of vested options.
- (13) Includes 3,414,050 shares of Class A Common Stock issuable upon exercise of vested options and 30,000 shares of Class A Common Stock underlying Restricted Stock Units expected to vest on November 15, 2014.

#### **SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires our executive officers, directors, and persons who own more than ten percent of a registered class of our equity securities to file reports of ownership and changes in ownership with the SEC. Executive officers, directors and greater than ten percent stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. Based solely on its review of the copies of such forms received by it, or written representations from certain reporting persons that no other reports were required for those persons, we believe that all filing requirements applicable to our executive officers, directors, and greater than ten percent beneficial owners were complied with during fiscal 2014, with the exception that the Form 4 filed on behalf of Mr. McCall on May 6, 2014 was filed one day after the deadline.

#### **PROPOSAL NO. 2**

##### **APPROVAL OF ADVISORY RESOLUTION ON NEO COMPENSATION (SAY-ON-PAY)**

As required by Section 951 the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), we are asking stockholders to vote, on a non-binding advisory basis, to approve compensation paid to our NEOs. Executive compensation is disclosed in our "Compensation Discussion and Analysis" ("CD&A") on page 23 of this Proxy Statement and the tables following the CD&A.

We believe that the overriding objective of our compensation program for our NEOs is to encourage, reinforce and reward delivery of stockholder value. We also believe that our compensation program is effectively designed to attract and retain high quality talent. Further, we believe that our compensation program is competitive, stimulates outstanding business growth through long-term incentives, and further aligns the NEOs' interests with those of the Company's stockholders.

**Proposal:** In accordance with Section 14A of the Exchange Act, and as a matter of good corporate governance, we are asking stockholders to approve the following advisory resolution at the Annual Meeting:

**RESOLVED**, that the stockholders of Coty Inc. (the "Company") approve, on an advisory basis, the compensation of the Company's Named Executive Officers disclosed in the Compensation Discussion and Analysis, the Summary Compensation Table and the related compensation tables, notes and narrative in the Proxy Statement for the Company's 2014 Annual Meeting of Stockholders.

**Recommendation:** The Board recommends voting **FOR** the proposal to approve, on a non-binding advisory basis, the compensation of our NEOs as described in the CD&A beginning on page 23.

**Vote Required:** This advisory vote, commonly referred to as “Say-on-Pay”, requires the affirmative vote of a majority of the votes cast. The advisory proposal is not binding on our Board. However, our Board values our stockholders’ opinions and the RNC will take into account the outcome of the advisory vote when considering future NEO compensation.

## **Compensation Discussion and Analysis**

### *Overview of Compensation Philosophy & Objectives*

The overriding objective of our compensation programs for our NEOs is to encourage, reinforce and reward delivery of stockholder value.

NEO compensation consists of base salaries, annual cash awards under our Annual Performance Plan (“APP”) and equity awards under our Equity and Long-Term Incentive Plan (“ELTIP”) and its predecessor program, our Long-Term Incentive Plan (“LTIP” and, with the ELTIP, the “Long-Term Incentive Plans”). We also provide certain benefits and perquisites in line with general practice in the country in which the NEO resides and certain payments in lieu of pensions. Variable pay under our APP and Long-Term incentive Plans has and will continue to be the most significant element of our NEO compensation program.

*Competitive Compensation.* We compensate our NEOs competitively to ensure that we attract and retain the right talent to deliver stockholder value. We benchmark our compensation against a peer group of companies that includes companies against whom we compete for key talent (the “Compensation Peer Group”). We target total direct NEO compensation towards the third quartile of the Compensation Peer Group.

*Equity-Based Compensation.* We closely align the interests of our NEOs with those of our stockholders through a compensation program in which a significant portion of total compensation is paid through equity-based long-term incentives. To balance incentives to achieve short-term and long-term success, NEOs’ compensation includes annual grants of long-term equity-based compensation under our Long-Term Incentive Plans as well as annual cash awards under our APP as described in more detail below. Long-term equity-based compensation further aligns NEOs’ and stockholders’ interests. All annual equity-based awards have five-year cliff vesting tied to continued employment with the Company.

*Variable, Performance-Based Pay.* The APP is a key component of our compensation program for NEOs. Our APP is designed to stimulate achievement of outstanding business results by linking highly-leveraged annual cash incentives to the achievement of performance targets. We link achievement to compensation by basing NEOs’ APP awards on performance against collective and individual targets. Individual targets are derived from our collective targets and tailored to the areas in which an NEO can most effectively deliver stockholder value.

*Stock Ownership.* We strongly believe in encouraging stock ownership by our NEOs and have adopted stock ownership guidelines for our executives. We encourage stock ownership and facilitate compliance with our stock ownership guidelines through our Platinum Program (“Platinum”). All executives who are subject to our stock ownership guidelines are invited to purchase stock through Platinum, and any executive who purchases stock through Platinum receives a matching award of restricted stock units (“Platinum RSUs”). All Platinum RSUs have five-year cliff vesting tied to continued employment with the Company and continued ownership of the purchased shares that were matched by the Platinum RSUs. We believe Platinum closely aligns key executives and stockholders and reduces the likelihood of excessive risk taking.

## *Executive Summary*

### *Our Named Executive Officers*

Our NEOs for fiscal 2014 are:

- Michele Scannavini, our former Chief Executive Officer (“former CEO”),
- Patrice de Talhouët, CFO,
- Sérgio Pedreiro, our former CFO,
- Jean Mortier, President of Global Markets (formerly, President, Coty Prestige),
- Renato Semerari, President of Categories and Innovation, (formerly, President, Coty Beauty), and
- Darryl McCall, Executive Vice President, Global Operations.

Mr. Scannavini resigned as our Chief Executive Officer effective September 30, 2014, and Mr. Becht became our interim CEO effective upon Mr. Scannavini’s resignation. Mr. Pedreiro resigned as our CFO effective January 1, 2014, and, after a transition period, his employment terminated on March 31, 2014. Mr. de Talhouët became our CFO on January 1, 2014. Mr. Mortier and Mr. Semerari assumed their new titles on July 1, 2014 in connection with our new organizational structure announced on July 9, 2014 on a Current Report on Form 8-K. Mr. McCall will retire effective December 31, 2014 and is no longer an executive officer of Coty Inc. Mr. Reis was appointed EVP, Supply Chain effective May 1, 2014.

### *Pay for Performance Overview*

Fiscal 2014 Annual Incentive Compensation. Our collective performance targets for Coty Inc. under the APP and performance relative to these targets in fiscal 2014 are set forth in “Coty Inc. Fiscal 2014 Targets.”

Coty Inc.’s fiscal 2014 performance resulted in a collective performance factor of 0.72. We measure Coty Inc.’s financial performance based on targets for growth in net income attributable to Coty Inc., and like-for-like growth in net revenues and improvement in average net working capital as a percentage of rolling net revenues. We use these performance measures because we believe they most accurately measure our performance in executing our business plan, with a focus on top line growth, margin expansion and cash flow generation. During fiscal 2014, the RNC adjusted Coty Inc.’s minimum profits target for the purposes of determining whether any awards would be paid under the APP (the “Killer Factor”) to be different from the minimum net income growth target and lowered the Killer Factor from a net income of \$323.2 million to \$295 million. Although this adjustment did not affect the targets for growth in net income attributable to Coty Inc., the adjustment did allow for an APP award to be paid under other performance measures if net income attributable to Coty Inc. was at least \$295 million. The RNC adjusted the Killer Factor to encourage strong additional continued investment behind our brands, and the payment of awards under the adjusted APP targets was conditioned on our making this additional investment. While each target is considered achievable, a superior level of performance was required to receive an award above the target level. NEO individual performance factors ranged from 0.30 to 1.21, and total APP factors for APP awards paid to NEOs ranged from 0.59 to 1.41.

Fiscal 2014 long-term equity compensation. Annual long-term equity awards granted under the ELTIP in fiscal 2014 were awarded in September 2013 and were based on fiscal 2013 individual performance. The pool is based on the total number of employees and their target or notional grants for their respective job levels. When deciding whether to award annual grants, our Board considers the collective performance of Coty Inc. during the fiscal year on which the awards are based. All annual long-term equity awards granted in fiscal 2014 for fiscal 2013 performance were awarded in the form of RSUs with five-year cliff vesting tied to continued employment with the Company.

Annual long-term equity awards granted in fiscal 2015 will be granted in September 2014 and will be based on fiscal 2014 performance.

## *Other Highlights*

We believe our compensation program follows best practices. The following principles are incorporated:

Stock ownership encouraged. We strongly believe in encouraging stock ownership by our NEOs. All of our NEOs have participated in Platinum or its predecessor program, the Executive Stock Ownership Plan (the “EOP” and, together with Platinum, the “Executive Ownership Programs”). In fiscal 2012, to further encourage stock ownership, we adopted stock ownership guidelines requiring our Chief Executive Officer to own shares of our Class A Common Stock equal to five times his base salary and each other NEO to own shares of our Class A Common Stock equal to three times his base salary.

No tax gross-ups. Any personal income taxes due as a result of compensation and/or perquisites, other than international assignment benefits, are the responsibility of the NEOs, with the exception of our agreement to pay the personal income taxes associated with certain perquisites we provide to Mr. de Talhouët. We do not provide tax gross-ups for golden parachute excise taxes.

Incentives do not encourage excessive risk taking. Our compensation program does not contain features that could potentially encourage excessive risk taking, such as multi-year guaranteed bonuses, high pay opportunities relative to peer companies or mega annual equity grants. In addition, we utilize multiple performance measures under the APP. Our stock options and RSUs generally have five-year cliff vesting tied to continued employment with the Company, and management has sizable stock positions relative to their income, which together encourage focus on the long-term value of our stock, aligns management’s and stockholders’ interests and discourages excessive risk taking to optimize short-term and non-sustainable performance.

No backdating or repricing of stock options. We generally make annual equity awards at the same predetermined time each fiscal year. Equity awards, including stock options, are never backdated or issued at below-market prices. Repricing of stock options is expressly prohibited.

Independent external companies engaged for executive compensation information. Each year since fiscal 2010, the RNC has engaged an independent external company to provide information with respect to executive compensation.

Perquisites. NEO perquisites are reasonable and generally represent less than 1% of each NEO’s total compensation with the exception of Mr. de Talhouët whose perquisites amounted to 11%.

Double-trigger equity vesting upon a change in control. In March 2011, we amended our LTIP and EOP to require a “double-trigger” for accelerated vesting in connection with a change in control of the Company, which means that accelerated vesting of equity issued under the LTIP or EOP will only occur upon a termination of employment in connection with a change in control. This amendment applies to all equity granted after March 2011. In addition, all compensation plans and programs adopted since March 2011 that provide for accelerated payment or accelerated vesting in connection with a change in the control of the Company, including the ELTIP and Platinum, also require a “double-trigger”.

### ***Competitive Compensation and Peer Group Rationale***

In establishing compensation for our NEOs, we consider the compensation practices of the Compensation Peer Group (as defined below). We consider these practices to determine the competitiveness of individual compensation elements and total compensation of our NEOs. We target total direct NEO compensation towards the third quartile of the Compensation Peer Group in order to attract and retain talent. Individual pay to NEOs varies in accordance with experience, individual and collective performance and other factors determined by the RNC. Actual total direct compensation reported may vary due to currency fluctuations.

The Compensation Peer Group consists of companies that compete directly with us for executive talent and compete with us in the marketplace for business and investment opportunities.

The RNC periodically reviews the companies included in the Compensation Peer Group. Our fiscal 2014 Compensation Peer Group changed from fiscal 2013 to remove companies that are not in our industry or the fast moving consumer goods industry and includes the following companies:

Avon Products, Inc.	Kimberly Clark Corporation
The Clorox Company	L'Oreal
Colgate-Palmolive Company	The Procter and Gamble Company
Elizabeth Arden, Inc.	Revlon, Inc.
The Estée Lauder Company, Inc.	Unilever PLC
Inter Parfums, Inc.	

The last reported annual revenues of Compensation Peer Group companies ranged from \$564 million to \$84.1 billion, with a median of \$10.2 billion. Benchmarking of compensation was size adjusted to reflect our annual net revenues of approximately \$4.6 billion in fiscal 2013.

### *Elements of Compensation*

Our NEO compensation programs consist of three key elements: base pay, annual cash incentive awards under the APP, and equity-based compensation under our Long-Term Incentive Plans. We also provide certain benefits and perquisites to assist NEOs in the performance of their duties.

We pay for performance and structure our compensation program to target actual total direct compensation towards the third quartile compared to the Compensation Peer Group only if exceptional performance is achieved. For fiscal 2014, aggregate target total direct compensation of NEOs was near the 50th percentile compared to the Compensation Peer Group.

#### *Base Salary*

We pay base salaries to provide executives with a secure, fixed base of cash compensation in recognition of individual responsibilities and job performance. Consistent with our pay-for-performance philosophy, base salary did not account for more than 39% of any NEO's fiscal 2014 actual total direct compensation.

Salary levels are typically set and annually reviewed by the RNC. Any salary increases are approved by the RNC after a comparative analysis of base salaries for similar positions among the Compensation Peer Group (as described in “—Competitive Compensation and Peer Group Rationale”). When determining base salaries, the Remuneration and Nomination Committee considers external market conditions in addition to total direct compensation targets. There were no material increases or decreases in base salary of any NEO in fiscal 2014.

#### *Annual Incentive Compensation under the APP*

We pay incentive cash compensation awards annually under the APP. The APP is a key component of our compensation program for NEOs. It is designed to stimulate achievement of outstanding business results by linking highly-leveraged annual cash awards with the achievement of quantifiable performance measures.

Target APP awards for each NEO are calculated as a percentage of such NEO's base salary and may be multiplied by a factor ranging from zero to 3.6 times such target award. 70% of the NEO's APP Award is based on collective financial performance, and the other 30% is based on achievement of individual goals derived from our collective financial targets and tailored to the areas in which an NEO can most effectively deliver stockholder value.

After changes in APP award targets due to changes in executive positions during the fiscal year, APP award targets ranged from 60% to 100% of NEO base salary in fiscal 2014.

Collective Performance. Collective performance is based on the financial performance of Coty Inc. and, for certain NEOs, the operations for which they are directly responsible. The RNC sets these collective performance targets across several performance measures based on our internal planning and forecasting processes. Each performance measure is weighted, and targets for each performance measure are set at “minimum”, “below”, “target”, “exceeds” and “maximum” award levels.

In fiscal 2014, collective targets were established for Coty Inc. and for the operations for which Mr. Mortier, Mr. Semerari and Mr. McCall were directly responsible. Collective performance for Coty Inc. was measured by growth in net income attributable to Coty Inc., like-for-like growth in net revenues and improvement in average net working capital as a percentage of rolling net revenues. While targets are considered achievable, a superior level of performance is required to receive an award above the target level. The collective portions of Mr. Scannavini’s and Mr. de Talhouët’s awards were based on Coty Inc.’s performance. The collective portions of Mr. Mortier’s, Mr. Semerari’s and Mr. McCall’s awards were based partially on Coty Inc.’s performance and partially on the performance of the operations for which each was respectively responsible during fiscal 2014.

Individual Performance. The RNC also establishes weighted, individual targets for each NEO. Individual targets are derived from our collective targets and tailored to the areas in which an NEO can most effectively deliver stockholder value. Examples of individual targets include net revenue growth in emerging markets, market share gains in specific market segments or improvements in customer service. Individual targets are measurable and serve to focus each NEO on the area of our business in which he can add the most stockholder value.

Evaluation and Payment. Each fiscal year, the RNC measures collective financial performance and individual performance to determine APP awards for that fiscal year. The RNC also sets an aggregate amount available for payment of APP awards based on collective financial performance.

In its review of collective performance, the RNC determines whether collective performance meets targets set at “minimum”, “below”, “target”, “exceeds” and “maximum” award levels. If actual performance is between two award levels, the factor is calculated *pro rata* between the two award levels based on actual performance.

Measurement of performance against the established collective targets is subject to certain automatic adjustments, such as changes in accounting principles, impairment of intangibles, the impact of discontinued operations, acquisition expenses, nonrecurring income/expenses, the impact on net revenues of foreign currency rate fluctuations and other factors that the RNC may deem outside of management’s control.

We condition APP awards on meeting a minimum collective target for profitability, which we refer to as the Killer Factor, so that no awards will be paid if the minimum profits target is not met. We believe this directly ties receiving awards under our APP to delivering stockholder value. In fiscal 2014, the RNC adjusted the Killer Factor from \$323.2 million to \$295 million for purposes of determining whether any awards would be paid under the APP. The RNC adjusted the fiscal 2014 performance factors to encourage strong additional investment behind our brands and no NEO would have received an APP award if the adjusted Killer Factor had not been met and this additional investment had not been made.

In its review of individual performance, the RNC rates each NEO’s performance against each of his individual goals. The Chief Executive Officer participates in each performance review, except for his own. Based on the aggregate amount available for payment of APP awards, a corresponding individual factor is prescribed to each NEO’s rating.

APP awards are calculated after the end of the fiscal year and paid in a single payment (adjusted for taxes as applicable) around the beginning of the second quarter of the following fiscal year.

Illustrative Example. As an example, assume an NEO has an annual base salary of \$500,000 and an annual APP target set at 50% of his base salary and that his APP award is based 70% on the Company’s collective performance and 30% on his individual performance. Also assume that the Company’s collective performance factor is 1.30 and the NEO’s individual performance factor is 1.00.

Based on these facts, the NEO's target APP award is \$250,000, and his total APP factor is 1.21, resulting in an APP award of \$302,500. His APP award could have ranged from \$0, if his total APP factor was zero, to \$900,000 if his total APP factor was 3.6.

The formulas below illustrate the calculation:

Target APP Award:	\$500,000 times 50%	=	\$250,000
APP total factor:	(1.30 times 70%) + (1.00 times 30%)	=	1.21
Actual APP Award:	\$250,000 times 1.21	=	\$302,500

Please see “—Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table” for a more detailed discussion of the mechanics of the APP program, including detail regarding the financial performance targets for fiscal 2014.

#### *Long-Term Incentive Compensation Awards*

We pay long-term incentive compensation in the form of equity under our Long-Term Incentive Plans and our Executive Ownership Programs. Historically, annual awards under the Long-Term Incentive Plans and equity received to match investments made under our Executive Ownership Programs have been in the form of non-qualified stock options. In fiscal 2013, we adopted the Equity and Long-Term Incentive Plan, which governs all equity awards granted to employees after its adoption, and Platinum, our new executive ownership program. Annual equity awards under the Equity and Long-Term Incentive Plan and matching equity under Platinum are in the form of RSUs.

We believe these awards will further focus our executives on increasing stockholder value. All annual equity awards under our Long-Term Incentive Plans, stock options (“Matching Options”) under the EOP and Platinum RSUs have five-year cliff vesting tied to continued employment with the Company.

Our equity compensation program encourages retention of and long-term focus by our NEOs by giving them an ownership stake in our future growth and financial success. The program also provides a direct link between the interests of our stockholders and our NEOs and other eligible leadership employees.

We use the Black-Scholes methodology and, when applicable, the Monte Carlo methodology to value stock option awards (both ours and those of companies in the Compensation Peer Group) to enable meaningful comparisons across companies and across time. Shares purchased under the Executive Ownership Programs are not considered compensation because executives purchase the shares at their fair market value. Shares purchased under the EOP and Platinum, Matching Options and Platinum RSUs are not taken into account in determining target compensation levels for the NEOs.

Annual Awards under our Long-Term Incentive Plans. Awards under our Long-Term Incentive Plans recognize strong collective financial performance and individual achievement and align each NEO's interests with our organizational goals and our stockholders' long-term financial interests. The number of total available awards is based on the total number of employees and their target or notional grants for their respective job levels. When deciding whether to award annual grants for that fiscal year, our Board considers collective performance.

The RNC considers several factors when determining long-term incentive awards for each NEO. First, notional grants or target awards are established. As total target direct compensation is benchmarked against the third quartile of the Compensation Peer Group, the RNC deducts the NEO's base salary and target APP award from the total target direct compensation when determining the NEO's target annual award under the ELTIP. Then, these target awards are adjusted based on the RNC's determination of the total pool size and the NEO's individual performance during the fiscal year.

Award determinations are typically made in September of each year. There is no relationship between the timing of the granting of awards and our release of material non-public information.

Special Grant of IPO Units. In exceptional cases, the RNC may grant additional awards as it deems appropriate. For example, in fiscal 2011, the RNC granted a special incentive award of IPO Units. The grant was designed to motivate, retain and engage key executives to prepare the Company for a successful IPO. The RNC determined the grant amount and recipients of the grant based on information provided by an independent external company about grants made by companies considered comparable to us prior to such companies' initial public offerings. Since the IPO Units were an extraordinary, non-recurring grant, they were not taken into account in setting each NEO's target total direct compensation in fiscal 2011 or 2012. Fifty percent of the IPO Units vested on June 13, 2013, which was the first day the Company's Class A Common Stock was listed on the NYSE. The remaining 50% vested on June 13, 2014, which was the one-year anniversary of the first day the Company's Class A Common Stock was listed on the NYSE.

Please see “—Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table” for a more detailed discussion of our long-term equity program and actual awards granted in fiscal 2014.

#### *Executive Stock Ownership*

We strongly believe in encouraging stock ownership by our NEOs. We encourage NEOs to own stock in the Company in two ways: through our Executive Ownership Programs and by our stock ownership guidelines.

Executive Ownership Programs. The primary way we encourage stock ownership and compliance with stock ownership guidelines by our NEOs is through our Executive Ownership Programs. In December 2012, Platinum replaced the EOP as our Executive Ownership Programs. Under Platinum, executives are invited to purchase stock through Platinum and receive matching awards of Platinum RSUs based upon their investments. In fiscal 2014, Mr. de Talhouët participated in Platinum.

While there is no specific maximum purchase for a participant under Platinum, any purchase higher than the participant's annual base salary in any given year must receive approval of the Chief Executive Officer. For every three shares purchased up to an amount equal to 15% of the participant's annual base salary, the participant will receive one matching Platinum RSU. For example, if an NEO's salary is \$350,000 and he purchased 3,100 shares of Class A Common Stock under Platinum at a value of \$17.50 per share, the NEO would have received 1,000 Platinum RSUs. In this example, 3,000 purchased shares were matched on a one-to-three basis.

All Platinum RSUs awarded under Platinum have five-year cliff vesting tied to continued employment with the Company and continued ownership of the shares that were matched by the Platinum RSUs.

Stock Ownership Guidelines. In February 2012, we adopted stock ownership guidelines that apply to our NEOs. Our Chief Executive Officer's target is five times his annual base salary. Targets for all other NEOs are three times the NEO's annual base salary. Each NEO has seven years to meet his target, and each is on track to meet his ownership target.

#### *Other Benefits and Perquisites*

General. In general, our NEOs participate in the same benefit plans generally available to our employees in the home country in which the NEO resides. These benefit plans include health insurance, life insurance and disability coverage. NEOs receive the same coverage as the rest of our employees.

Perquisites. We provide NEOs with reasonable perquisites on an individual basis. The perquisites generally include housing allowances and car allowances to the extent deemed necessary for business purposes. Perquisites generally represented less than 1% of each NEO's total direct compensation in fiscal 2014 with the exception of Mr. de Talhouët, whose perquisites amounted to 11%. All perquisites with an aggregate value of at least \$10,000 received by an NEO are reported in the Summary Compensation Table.

Retirement Plans. We provide retirement benefits to our NEOs in the United States and certain other employees in the U.S. under our Retirement Savings Plan.

Potential Payments upon Termination of Employment. The employment agreements with our NEOs and our compensation plans provide for certain payments and incremental benefits if an NEO's employment is terminated under certain circumstances. There are no tax gross-ups provided in connection with these payments or incremental benefits. These payments and incremental benefits are discussed in "—Potential Payments upon Termination or Change in Control."

#### *Employment Agreements*

We have also entered into employment agreements with each of our NEOs. The employment agreements are described in "—Employment Agreements."

#### *Tax and Accounting Implications*

Section 162(m) of the Internal Revenue Code ("Section 162(m)") limits the Company's deductions for compensation paid to the chief executive officer and three other most highly compensated executive officers (other than the chief financial officer) to \$1,000,000 per year, but contains an exception for certain performance-based compensation. However, there is transitional relief from Section 162(m) for compensation paid pursuant to certain plans or agreements of corporations which are privately held and which become publicly held in an initial public offering.

Our compensation programs are intended to maximize the deductibility of the compensation paid to our NEOs to the extent that we determine it is in our best interests and to further advance organizational growth while providing competitive base salaries.

While the RNC is mindful of the benefit to the Company of the full deductibility of compensation, the committee believes that the requirements of Section 162(m) should not impair its flexibility in compensating our NEOs in a manner that can best promote the Company's objectives. Therefore, the RNC has not adopted a policy that requires that all compensation be deductible. The RNC intends to continue to compensate our executive officers in a manner consistent with the best interests of the Company and its stockholders.

#### *Independent External Companies Engaged by the Remuneration and Nomination Committee*

The RNC has engaged an independent external company to provide information with respect to our executive compensation.

The independent external company reports directly to the RNC, with input from certain members of senior management. All decisions with respect to the amount and form of NEO compensation under our executive compensation programs are made solely by the RNC and may reflect factors and considerations other than the information provided by the independent external company.

In fiscal 2014, the RNC engaged Deloitte LLP to provide information regarding competitive compensation peer group and compensation benchmarking data for NEO's and executive-level positions, as well as information about market practices for equity compensation and plan governance. The AFC and RNC assessed the independence of Deloitte LLP and concluded that Deloitte LLP is independent and no conflict of interest exists that would prevent Deloitte LLP from providing this information to the RNC.

### Summary Compensation Table

The following table sets forth information regarding fiscal years 2012, 2013 and 2014 compensation for our NEOs. Columns otherwise required by SEC rules are omitted where there is no amount to report.

Name & Title	Year	Salary (\$ (1)	Stock Awards \$(2)	Option Awards \$(3)	Non-Equity Incentive Plan Compensation \$(1)(4)	All other Compensation \$(1)	Total Compensation \$(1)
Michele Scannavini, former CEO	2014	1,492,700	3,404,100	—	1,021,007	—	5,917,807
	2013	1,393,479	4,876,096	—	516,857	— (5)	6,786,432
	2012	1,100,616	993,400	(5) 3,697,350	1,479,409	409,574 (5)	7,680,349
Patrice de Talhouët, CFO	2014	375,000	1,137,485	—	195,075	220,108 (6)	1,927,668
Sérgio Pedreiro, former CFO	2014	412,500	1,215,750	—	—	429,155 (7)	2,057,405
	2013	550,000	1,162,500	—	253,300	21,691 (8)	1,987,491
	2012	515,000	—	1,493,400	681,300	—	2,689,700
Jean Mortier, President of Global Markets	2014	719,210	1,945,200	—	400,456	17,399 (9)	3,082,265
	2013	667,294	1,550,000	—	153,866	16,538 (9)	2,387,698
Renato Semerari, President of Categories and Innovation	2014	947,842	1,945,200	—	422,264	35,797 (10)	3,351,103
	2013	910,571	3,463,907	—	329,378	20,614 (10)	4,724,470
	2012	927,159	—	2,634,000	1,117,225	18,931 (10)	4,697,315
Darryl McCall, EVP, Global Operations	2014	608,407	972,600	—	515,147	92,946 (11)	2,189,100
	2013	622,631	930,000	—	193,377	122,037 (11)	1,868,045
	2012	642,023	—	1,627,960	792,982	151,001 (11)	3,213,966

- (1) Mr. Scannavini and Mr. Mortier are paid in Euros. Mr. de Talhouët is paid in U.S. dollars and his salary is pro-rated based on his employment start date of January 1, 2014. Mr. Pedreiro resigned as CFO on January 1, 2014, and his employment terminated on March 31, 2014. Mr. Pedreiro was paid in U.S. dollars and his salary is pro-rated based on his employment termination date on March 31, 2014. All Mr. McCall's payments prior to September 1, 2013 were made in Swiss Francs and since September 1, 2013 Mr. McCall is paid in U.S. dollars. Mr. Semerari was paid in Euros until July 31, 2012 and is paid in Swiss Francs since August 1, 2012. Exchange rates for fiscal 2012, 2013 and 2014 compensation are calculated using the weighted average monthly exchange rate during the fiscal year.
- (2) Amounts represent the grant date fair value of the IPO Units and restricted stock granted on February 1, 2012; RSUs granted on September 25, 2012, September 30, 2013, January 1, 2014 and February 18, 2014; matching Platinum RSUs granted on January 17, 2013, April 23, 2013, February 21, 2014 in each case calculated in accordance with FASB ASC Topic 718.
- (3) Amounts represent the grant date fair value of Stock Options granted to each NEO in fiscal 2012 for fiscal 2011 performance and are calculated in accordance with FASB ASC Topic 718. All amounts represent Stock Options granted under the LTIP or Matching Options granted under the EOP.
- (4) Amounts represent cash awards paid under the APP in October 2012 with respect to fiscal 2012 performance and in October 2013 with respect to fiscal 2013 performance and expected to be paid in October 2014 with respect to fiscal 2014 performance.
- (5) Mr. Scannavini received \$45,941 in fiscal 2012 as a housing allowance, and we provided him with a car lease valued at \$15,752 in fiscal 2012 and \$7,752 in fiscal 2013 for a dual-purpose company car. Mr. Scannavini also received a pro-rated cash payment of \$347,881 in fiscal 2012 in lieu of his participation in a social retirement program in Italy for his own retirement investment plans. In February 2012, Mr. Scannavini received a grant of 70,000 IPO Units and 30,000 shares of Restricted Stock as consideration for foregoing his right to any future cash payments in lieu of his participation in a social retirement program.
- (6) In fiscal 2014, we provided Mr. de Talhouët with a car lease valued at \$6,487, reimbursement for travel to France valued at \$25,988, reimbursement for his children's school tuition valued at \$107,283, plus gross up taxes for such education valued at \$69,827. Additionally, in 2014, Mr. de Talhouët received assistance in and reimbursement for the cost of renewing his work permit and visas valued at \$10,523.
- (7) We provide Mr. Pedreiro with a separation payment of \$412,500 payable over nine months from March 31, 2014, pursuant to the Letter Agreement, dated December 3, 2013, attached as an exhibit to the Current Report on Form 8-K filed with the SEC on December 6, 2013. Additionally, in fiscal 2014, we provided Mr. Pedreiro with a car lease valued at \$16,655 for a dual-purpose company car.
- (8) In fiscal 2013, we provided Mr. Pedreiro with a car lease valued at \$21,691 for a dual-purpose company car.
- (9) We provided Mr. Mortier with a car lease valued at \$16,538 in fiscal 2013 and \$17,399 in fiscal 2014 for a dual-purpose company car.
- (10) We provided Mr. Semerari with a car lease valued at \$18,931 in fiscal 2012, \$20,614 in fiscal 2013 and \$35,797 in fiscal 2014 for a dual-purpose company car.
- (11) We provided Mr. McCall with a car lease valued at \$20,499 in fiscal 2012, \$26,497 in fiscal 2013 and \$7,000 in fiscal 2014 for a dual-purpose company car. In fiscal 2012, Mr. McCall received \$30,011 for relocation assistance services, \$53,595 as a cost of living adjustment and a one-time payment of \$46,896, each in connection with Mr. McCall's relocation from Paris, France to Geneva, Switzerland. In fiscal 2013, Mr. McCall received \$95,540 as a cost of living adjustment. In fiscal 2014, we provided Mr. McCall with a relocation allowance of \$50,870, an amount equal to his one month base salary, in connection with Mr. McCall's relocation from Geneva, Switzerland to New York, NY. In fiscal 2014, we also provided Mr. McCall with a cost of living adjustment in the amount of \$35,076.

### *Fiscal 2014 Grants of Plan-Based Awards*

The following table and footnotes provide information on all grants of plan-based compensation under the Company's plans made to NEOs during fiscal 2014.

Name	Grant Date	Estimated Future Payments under Non-Equity Incentive Plan Awards \$(1)			All Other Stock Awards: Number of Shares of Stock or Units #(2)	Grant Date Fair Value of Stock and Option Awards (\$)
		Minimum	Target	Maximum		
Michele Scannavini	9/30/2013				210,000	3,404,100
	10/2014	—	1,492,700	5,373,720		
Patrice de Talhouët	1/1/2014				51,381	800,002
	2/18/2014				21,141	299,991
	2/21/2014				2,591	37,492
	10/2014	—	450,000	1,620,000		
Sérgio Pedreiro (3)	9/30/2013				75,000	1,215,750
Jean Mortier	9/30/2013				120,000	1,945,200
	10/2014	—	431,526	1,553,494		
Renato Semerari	9/30/2013				120,000	1,945,200
	10/2014	—	710,882	2,559,173		
Darryl McCall	9/30/2013				60,000	972,600
	10/2014	—	366,262	1,318,542		

(1) Represents the range of possible payments under the APP based on each NEO's annual base salary at fiscal year end. Mr. Scannavini and Mr. Mortier will be paid in Euros, and Mr. Semerari will be paid in Swiss Francs. Exchange rates for fiscal 2014 compensation are calculated using the weighted average monthly exchange rate during the fiscal year. Awards under the APP are expected to be paid in October 2014.

(2) Represents the annual long-term incentive compensation award of Restricted Stock Units under the ELTIP and matching Platinum RSUs.

(3) Mr. Pedreiro is not eligible for APP payments in fiscal 2014 due to termination of his employment as of March 31, 2014.

### *Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table*

#### *Employment Agreements*

The material terms of each NEO's current employment agreement are described below:

Patrice de Talhouët. Under his employment agreement, Mr. de Talhouët is an at-will employee and our CFO. The agreement provides that Mr. de Talhouët is entitled to participate in our benefits plan and retirement plans generally afforded to our local executives and to use of a company car or a car allowance in accordance with our local policies. The

agreement also provides that Mr. de Talhouët is entitled to reimbursement for his children's private secondary school education and travel to France once per year for himself and his family, to personal tax assistance from our global provider and to assistance in and reimbursement for the cost of renewing his work permit and visas, and that he is entitled to tax gross-ups for any taxes incurred in connection with these additional perquisites.

Jean Mortier. Under his employment agreement, Mr. Mortier is an at-will employee and President of Global Markets. The agreement provides that Mr. Mortier is entitled to an expatriation allowance limited to a maximum gross amount of 110,000 Euros by year and the use of a company car in accordance with our local policy and is eligible to participate in our benefit plans and retirement plan generally available to our local executives.

Renato Semerari. Under his employment agreement, Mr. Semerari is an at-will employee and President of Categories and Innovation. The agreement provides that Mr. Semerari is entitled to use of a company car or a car allowance in accordance with our local policy and to participate in our benefit plans and retirement plans generally available to our local executives.

Darryl McCall. Under his employment agreement, Mr. McCall is an at-will employee and our Executive Vice President, Supply Chain. Mr. McCall's employment agreement provides for a planned retirement date of December 31, 2014 or earlier. The agreement also provides that Mr. McCall is entitled to use of a company car or a car allowance in accordance with our local policy, relocation benefits, including an allowance equal to one month's salary and to participate in our benefit plans and retirement plans generally available to our local executives.

#### *Mr. Scannavini's Release Agreement*

On September 29, 2014, we and Mr. Scannavini mutually entered into a settlement and release agreement (the "Release Agreement") which provided for termination of Mr. Scannavini's employment with the Company on September 30, 2014. The Release Agreement requires us to pay Mr. Scannavini the following amounts no later than October 30, 2014 in connection with the termination of his employment: a severance indemnity equal to 1,100,000 euros; a payment of 751,950 euros, which represents the average amount awarded to Mr. Scannavini under the APP in fiscals 2013 and 2012, as required under Mr. Scannavini's employment agreement; a payment of 752,400 euros, which represents the amount awarded to Mr. Scannavini for fiscal 2014; any accrued termination indemnity required under Italian law; and the value of any accrued vacation days. In addition, Mr. Scannavini's outstanding stock options scheduled to vest on September 14, 2015 vested on September 29, 2014 (the "Accelerated Options"), and we and Mr. Scannavini agreed that we will purchase on or before January 27, 2014 all shares of our Class A Common Stock that Mr. Scannavini directly or indirectly holds (including any shares underlying vested stock options). We agreed to purchase the shares at a price equal \$17.2140 per share, which is the average closing value of our Class A Common Stock on the NYSE over the five business days immediately preceding September 29, 2014 (the "Purchase Price"). The Release Agreement also provides that, in accordance with the terms of his employment agreement, Mr. Scannavini will be subject to a one-year non-competition and non-solicitation period with us (the "Restriction Period"). During the Restriction Period, we will pay Mr. Scannavini 550,000 euros, which is equal to one half of his annual gross salary, in four quarterly installments.

#### *Mr. Pedreiro's Settlement Agreement*

On December 3, 2013, we and Mr. Pedreiro mutually entered into a transition service agreement which provided for the termination of Mr. Pedreiro's employment with the Company on March 31, 2014. The agreement provides that Mr. Pedreiro is entitled to a separation payment in the amount of \$412,500 representing his base salary for nine months following the date of termination. Additionally, the agreement provides for the continued vesting of the IPO Units awarded to Mr. Pedreiro as if he were employed by the Company on the vesting date. The agreement also provides that Mr. Pedreiro is entitled to the benefits generally afforded to our local executives until either the earlier of the last day of his salary continuation period or the date he becomes eligible to participate in another employer's health care insurance plans.

#### *Annual Incentive Compensation Awards under our APP*

APP awards are calculated as set forth above in "—Annual Incentive Compensation."

Collective Factor. The collective factor for fiscal 2014 APP awards was based on collective performance for 0.72. The table below sets forth each of the collective targets of the Company for purposes of incentive payout under this APP component:

### Coty Inc. Fiscal 2014 Targets

	Target		Minimum		Below		Target		Exceeds		Maximum		Actual	
	Improvement over prior year	Delta (bps) with Target	Payout (Factor)											
Net Income Attributable to Coty Inc Growth YOY (40%)	8.0%	(800)	—	(400)	0.2	—	0.4	150	0.8	300	1.44	(934)	—	
Net Revenues Growth YOY (40%)	3.5%	(200)	—	(100)	0.2	—	0.4	100	0.8	200	1.44	(509)	—	
Average NWC as % of Rolling Sales Improvement YOY in basis point (20%)	140	(80)	—	(40)	0.1	—	0.2	40	0.4	80	0.72	217	0.72	
<b>TOTAL</b>			—		<b>0.5</b>		<b>1.0</b>		<b>2.0</b>		<b>3.60</b>		<b>0.72</b>	

The collective factor of the Company for fiscal 2014 was 0.72. In fiscal 2014, like-for-like net revenues growth excludes the impact of foreign currency exchange translations, the divestiture of one of our licenses, the expiration of a certain North American service agreement that was not renewed and product returns associated with the reorganization of our mass business in China and does not exclude revenues from the acquisition or conversion of third-party distributors. In fiscal 2014, net of tax adjustments were made to Net Income Attributable to Coty Inc. to take into account share-based compensation expenses, asset impairment charges, restructuring costs and business structure realignment programs costs, New York real estate consolidation costs, China optimization costs, public entity preparedness costs, and acquisition-related costs.

The collective factor for fiscal 2014 of the operations for which Messrs. Mortier, Semerari and McCall were directly responsible in fiscal 2014 were 1.16, 0.72 and 2.27, respectively.

The following example illustrates the calculation of the collective portion of an NEO's APP award. Based on the actual performance of the Company, if an NEO had a target APP award of \$500,000 and his collective component (70% of his APP award) was based solely on the financial performance of the Company, his collective factor for fiscal 2014 is 0.72 and he would receive 360,000 for the collective component of his APP award. The remaining 30% of his APP award would be determined by his individual factor.

Individual Factor. As discussed in “—Annual Incentive Awards, Individual Factor”, the remaining 30% of each NEO's APP award is based on achievement of individual goals set by the RNC. Once achievement levels are determined, individual factors are adjusted based on collective performance.

The individual goals of each NEO for fiscal 2014 were:

**Michele Scannavini.** Mr. Scannavini's individual goals were to accelerate growth in emerging markets, increase net revenue of specific brands and improve gross margin.

**Mr. de Talhouët.** Mr. de Talhouët's individual goals were to improve gross margin, improve net working capital while strengthening financial governance and enhance internal succession plan.

**Jean Mortier.** Mr. Mortier’s individual goals, all of which relate to the commercial operations for which he is directly responsible, were to increase net revenue of specific brands, improve gross margin and accelerate growth in emerging markets.

**Renato Semerari.** Mr. Semerari’s individual goals, all of which relate to the commercial operations for which he is directly responsible, were to increase net review of specific brands, improve gross margin and accelerate growth in emerging markets.

**Darryl McCall.** Mr. McCall’s individual goals, all of which relate to the operations for which he is directly responsible, were to support growth in emerging markets, strengthen internal succession plan and improve productivity while executing efficiency programs.

APP Awards by NEO. The following table shows the minimum, target and maximum amounts each NEO could have been awarded in fiscal 2014.

Name	Salary (\$) <sup>(1)</sup>	Award Target Relative to Salary (%)	Award Minimum (\$)	Award Maximum (\$)	Award Target (\$)	Actual APP Factor	Actual Award (\$) <sup>(2)</sup>
Michele Scannavini	1,492,700	100%	—	5,373,720	1,492,700	0.68	1,021,007
Patrice de Talhouët	750,000	60%	—	1,620,000	450,000	0.87	195,075 <sup>(3)</sup>
Sérgio Pedreiro <sup>(4)</sup>	550,000	—	—	—	—	—	—
Jean Mortier	719,210	60%	—	1,553,494	431,526	0.93	400,456
Renato Semerari	947,842	75%	—	2,559,173	710,882	0.59	422,264
Darryl McCall	610,436	60%	—	1,318,542	366,262	1.41	515,147

(1) Represents annual base salary as of June 30, 2014. In fiscal 2014 Mr. Scannavini and Mr. Mortier were paid in Euros, and Mr. Semerari was paid in Swiss Francs. Exchange rates for fiscal 2014 compensation are calculated using the weighted average monthly exchange rate during the fiscal year.

(2) Actual award amounts are calculated based on each NEO’s annual base salary in the local currency in which they are paid. Exchange rates for fiscal 2014 compensation are calculated using the weighted average monthly exchange rate during the fiscal year.

(3) Actual award to Mr. de Talhouët is prorated due to the start date of his employment of January 1, 2014.

(4) Mr. Pedreiro was not eligible to receive an APP award for fiscal 2014 performance.

#### *Long-Term Incentive Compensation Awards*

Annual Grant. Through the process described in “—Long-Term Incentive Compensation, Annual Awards under our Long-Term Incentive Plans,” the RNC determined that the total number of awards available for the annual grant in fiscal 2014 for fiscal 2013 performance was 1,569,325 RSUs. The target awards for Messrs. Scannavini, Mortier, Semerari, McCall and Pedreiro were 210,000 RSUs, 100,000 RSUs, 120,000 RSUs, 60,000 RSUs and 75,000 RSUs, respectively. Mr. de Talhouët was not our employee at the time of the fiscal 2014 annual grant. After assessing the individual performance of each NEO, the RNC awarded each NEO 100% of his target award except that Mr. Mortier was awarded 120,000 RSUs in connection with his promotion to his role of President, Coty Prestige, on October 1, 2012.

Matching RSUs under our Platinum Program. In fiscal 2014, Mr. de Talhouët received matching Platinum RSUs under our Platinum Program.

IPO Units. In fiscal 2011, the RNC granted a special incentive grant of IPO Units. The grant was designed to motivate, retain and engage key executives to prepare us for a successful IPO. 50% of the IPO Units vested on June 13, 2013, the first day our capital stock was listed on the NYSE, and the remaining 50% vested on June 13, 2014, the first anniversary of the listing of our capital stock on the NYSE.

Each NEO except for Mr. de Talhouët received IPO Units in the fiscal 2011 grant. Mr. de Talhouët was not our employee at the time of the fiscal 2011 grant. Mr. Scannavini received an additional grant of 70,000 IPO Units in fiscal 2011 as consideration for no longer receiving certain payments in lieu of participation in a social retirement program.

***Outstanding Equity Awards at Fiscal Year End***

The following table shows outstanding equity awards held by the NEOs on June 30, 2014, the last day of our fiscal year. The market value of the shares of unvested restricted stock is determined by multiplying the number of outstanding awards by \$17.13 which was the closing price of our Class A Common Stock on June 30, 2014. The market value does not reflect, nor in any way assures, that the amounts will correspond to the actual value that will be recognized by the NEOs.

## Outstanding Equity Awards at Fiscal Year-End

NEO	Option Awards				Stock Awards		
	Number of Securities Underlying Unexercised Options Exercisable (#)(1)	Number of Securities Underlying Unexercised Options Unexercisable (#)(1)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)		Market Value of Shares or Units of Stock That Have Not Vested (\$)
Michele Scannavini	404,700		10.20	11/1/2017	30,000	(2)	513,900
	300,000		6.40	1/7/2019	310,000	(3)	5,310,300
		200,000	8.25	9/8/2019	4,662	(4)	79,860
		520,000	9.20	9/14/2020	210,000	(5)	3,597,300
		291,660	9.20	12/3/2020			
		600,000	10.50	9/22/2021			
		291,163	10.50	1/10/2022			
Patrice de Talhouët					51,381	(6)	880,157
					21,141	(7)	362,145
					2,591	(8)	44,384
Jean Mortier	100,000		10.20	9/10/2017	100,000	(3)	1,713,000
	199,700		10.20	11/1/2017	120,000	(5)	2,055,600
	100,000		6.40	1/7/2019			
		55,000	8.25	9/8/2019			
		115,000	9.20	9/14/2020			
		74,980	9.20	12/3/2020			
		165,000	10.50	9/22/2021			
		140,468	10.50	1/10/2022			
Renato Semerari	60,000		6.50	6/12/2019	220,000	(3)	3,768,600
		125,000	8.25	9/8/2019	3,171	(9)	54,319
		520,000	9.20	9/14/2020	120,000	(5)	2,055,600
		30,000	9.20	12/3/2020			
		600,000	10.50	9/22/2021			
		60,000	10.50	1/10/2022			
Darryl McCall	109,250		6.40	1/7/2019	60,000	(3)	1,027,800
	15,750		6.40	3/2/2019	60,000	(5)	1,027,800
		100,000	8.25	9/8/2019			
		250,000	9.20	9/14/2020			
		10,900	9.20	12/3/2020			
		300,000	10.50	9/22/2021			
		97,600	10.50	1/10/2022			

- (1) Each of the Stock Options and EOP Matching Options described in this table expires ten years after the grant date. All Stock Options and Matching Options vest on the fifth anniversary of the grant date, subject to certain vesting conditions. Mr. Pedreiro had no outstanding equity at 2014 fiscal year end.
- (2) Represents shares of restricted stock granted under the LTIP on February 1, 2012. The shares of restricted stock vest on the fifth anniversary of the grant date, subject to certain vesting conditions.
- (3) Represents RSUs granted under the LTIP on September 25, 2012 that vest five years after the grant date.
- (4) Represents matching Platinum RSUs granted on January 17, 2013 in connection with purchase of stock under Platinum. Platinum RSUs vest on the fifth anniversary of the grant date, subject to certain vesting conditions.
- (5) Represents RSUs granted under the ELTIP on September 30, 2013 that vest five years after the grant date.
- (6) Represents RSUs granted under the ELTIP on January 1, 2014 that vest on a three year cliff vesting schedule after the grant date.
- (7) Represents RSUs granted under the ELTIP on February 18, 2014 that vest on a three year cliff vesting schedule after the grant date.
- (8) Represents matching Platinum RSUs granted on February 21, 2014 in connection with purchase of stock under Platinum.
- (9) Represents matching Platinum RSUs granted on April 23, 2013 in connection with purchase of stock under Platinum.

### *Option Exercises and Stock Vested*

The following table sets forth each NEO information on exercises of stock options as well as vesting of IPO Units and EOP RSUs during fiscal 2014.

NEO	Option Awards		Stock Awards			
	Number of shares acquired on exercise (#)	Value realized on exercise \$(1)	Number of shares acquired on vesting (#)		Value realized on vesting (\$)	
Michele Scannavini			200,000	(2)	3,422,000	(4)
			35,000	(2)	598,850	(4)
Sérgio Pedreiro	35,250	(6)	328,537		17,625	(3)
	24,050	(6)	224,151		200,000	(2)
	89,475	(6)	798,627		148,931	(5)
	127,200	(6)	1,151,809		3,422,000	(4)
	9,275	(6)	82,482			
Jean Mortier			40,000	(2)	684,400	(4)
Renato Semerari			30,000	(3)	318,300	(5)
			200,000	(2)	3,422,000	(4)
Darryl McCall	28,250	(7)	233,896		7,875	(3)
	31,250	(7)	298,072		100,000	(2)
	31,250	(7)	319,041		1,711,000	(4)

- (1) Represents the difference between the closing price of the Class A Common Stock on the exercise date and the exercise price multiplied by the number of shares underlying each option exercised.
- (2) Represents the vesting and settlement of the remaining fifty percent of the outstanding IPO Units held by each NEO on June 13, 2014, which was the anniversary of the first day that the Company's Class A Common Stock was traded on the NYSE and vesting and settlement of the EOP RSUs.
- (3) Represents the vesting and settlement of EOP RSUs.
- (4) Represents the product of the number of shares received by each NEO upon settlement of IPO Units on June 13, 2014 and \$17.11, which was the closing trading price of our Class A Common Stock on June 13, 2014.
- (5) Represents the difference between the closing price of the Class A Common Stock on the vesting date and the grant price multiplied by the number of shares underlying each EOP RSU vested.
- (6) 35,250 options exercised were granted on March 2, 2009 at an exercise price of \$6.40; 24,050 options exercised were granted on March 9, 2009 at an exercise price of \$6.40; 89,475 options exercised were granted on March 9, 2009 at an exercise price of \$6.40; 127,200 options exercised were granted on March 9, 2009 at an exercise price of \$6.40; 9,275 options exercised were granted on March 9, 2009 at an exercise price of \$6.40.
- (7) 90,750 options exercised were granted on January 7, 2009 at an exercise price of \$6.40.

### ***Pension Benefits***

We do not administer any pension programs that provide our NEOs with additional benefits from those offered to our other employees.

### ***Potential Payments upon Termination or Change-in-Control***

As described in the CD&A and the narrative to the foregoing tables, we have entered into employment agreements with each of our NEOs and maintain certain incentive, equity and benefit plans in which our NEOs participate. These employment agreements and plans provide for certain payments and incremental benefits if an NEO's employment is terminated under certain circumstances. These payments and benefits are described below.

#### ***Payments under the APP***

A pro-rated award for the fiscal year in which an NEO's employment is terminated may be paid under the APP if his employment is terminated by reason of retirement, disability or death. No awards for the fiscal year in which an NEO's employment is terminated are paid under the APP if an NEO's employment is terminated for any reason other than retirement, disability or death.

In the event of a change in control, each NEO will be paid an award equal to the "exceeds" target award for the fiscal year in which the change in control occurs.

#### ***Matching Options under the EOP, Stock Options under the LTIP, RSUs and Platinum RSUs under the ELTIP***

Treatment upon termination due to death, disability or retirement. All unvested Matching Options, unvested Stock Options, unvested RSUs, and unvested Platinum RSUs will accelerate on a *pro rata* basis. The *pro rata* amount is based on the number of days that have passed since the Matching Options, Stock Options, RSUs or Platinum RSUs were granted.

Treatment upon termination for any reason other than retirement, death or disability. All unvested Matching Options, unvested Stock Options, unvested RSUs, and unvested Platinum RSUs will be forfeited and canceled.

Treatment upon a change in control. In March 2011, we amended the EOP and the LTIP to require "double-trigger" vesting upon a change in control. The amendments applied to all Matching Options and Stock Options granted after March 2011. All equity granted prior to March 2011 will automatically vest upon a change in control. All equity granted under the EOP or LTIP after March 2011 and all equity granted under the ELTIP will vest if an NEO's employment is terminated without cause or he resigns for Good Reason within twelve months following a change in control.

### *Certain Additional Payments*

Unless specified below, each NEO would not have any additional payments upon termination of his employment for any reason or a change in control, except for payments provided for under the APP and accelerated vesting under the EOP, LTIP and ELTIP.

- Under his employment agreement, Mr. Scannavini was entitled to 50% of his annual base salary if his employment were terminated for any reason other than termination without cause. If his employment were terminated without cause, Mr. Scannavini was entitled to 1.5 times his annual base salary plus the average APP award received for fiscal year 2012 and fiscal year 2013.
- Mr. de Talhouët is entitled to 90-days base salary if his employment is terminated due to resignation or retirement and 12-months base salary if his employment is terminated without cause.
- Mr. Mortier is entitled to two-thirds of average gross salary (including his target APP award) for up to 12 months if his employment is terminated for any reason in consideration of the competition restrictions within his employment agreement.
- Mr. McCall is entitled to a *pro rata* APP award based on his termination date and the factor that would be achieved, and accelerated vesting, on a *pro rata* basis, of Stock Options under the LTIP, RSUs and Platinum RSUs under the ELTIP, if his employment is terminated due to resignation. If Mr. McCall's employment is terminated without cause, our Board may determine whether Mr. McCall will receive either (i) six times his monthly base salary and forfeit all equity awards or (ii) no salary-based severance payment and a *pro rata* vesting of his equity awards.
- Mr. Semerari is entitled to 12-months annual base salary if his employment is terminated without cause.

### *Effect of Section 409A on Timing of Payments and Equity Awards*

Any amounts that are not exempt from Section 409A are subject to the required six-month delay in payment after termination of service if the NEO is a "specified employee" for purposes of Section 409A at the time of termination of employment. Amounts that otherwise would have been paid during the six-month delay will be paid in a lump sum on the first day after the delay period expires.

### *Potential Payments in the Event of Termination at the End of Our Last Fiscal Year*

The following table sets forth the estimated incremental payments and benefits that would have been received by each NEO if employment had been terminated or upon a change in control, on June 30, 2014. Amounts received due to accelerated vesting of equity were calculated using closing price of our Common Stock as of June 30, 2014, which was \$17.13. The value of accelerated vesting of Stock Options was calculated by subtracting the exercise price of the Stock Option from \$17.13.

Exchange rates are calculated using the weighted average monthly exchange rate during the fiscal year.

Name	Resignation with Good Reason	Termination without cause	Termination for cause	Resignation without Good Reason	Disability, Retirement or death	Change in Control (1)	Resignation with Good Reason or Termination without Cause after Change in Control (2)
Michele Scannavini	746,350	3,259,446	746,350	746,350	13,851,701	11,197,864	16,156,121 (3)
Patrice de Talhouët	184,932	750,000	—	184,932	311,216 (4)	900,000	1,471,617 (5)
Jean Mortier	910,999	910,999	910,999	910,999	4,876,592	2,857,993	6,704,852
Renato Semerari	—	947,842	—	—	8,840,492	6,893,263	10,254,319 (6)
Darryl McCall	4,492,913	4,492,913 (7)	—	4,492,913	4,874,543	3,689,460	2,133,959 (8)

- (1) Includes accelerated vesting of stock options granted before March 2011, the date we amended our LTIP and EOP to require a “double-trigger” for accelerated vesting in connection with a change in control of the Company.
- (2) Incremental payments represented in this column do not include any incremental payments reported in the column labeled “Change in Control” that the NEO is entitled to receive pursuant to such change in control.
- (3) Represents incremental payments Mr. Scannavini is entitled to receive if he had resigned for good reason after a change in control. Mr. Scannavini is entitled to receive an additional \$2,462,716 if his employment had been terminated without cause after a change in control.
- (4) Represents incremental payments Mr. de Talhouët is entitled to receive upon termination of his employment due to his disability or death. Mr. de Talhouët is entitled to receive additional \$184,932 upon his retirement.
- (5) Represents incremental payments Mr. de Talhouët is entitled to receive if he had resigned for good reason after a change in control. Mr. de Talhouët is entitled to receive an additional \$565,068 if his employment had been terminated without cause after a change in control.
- (6) Represents incremental payments Mr. Semerari is entitled to receive if he had resigned for good reason after a change in control. Mr. Semerari is entitled to receive an additional \$947,842 if his employment had been terminated without cause after a change in control.
- (7) Represents payment with respect to one of the two scenarios provided for in Mr. McCall’s employment agreement based on the decision of the Board. Per other scenario, the Board may choose to pay Mr. McCall \$823,505 for termination without cause.
- (8) Represents incremental payments Mr. McCall is entitled to receive if he had resigned for good reason after a change in control (the “Resignation With Good Reason Change of Control Payout”). If Mr. McCall had been terminated without cause after a change in control he is entitled to receive incremental payments (in lieu of the Resignation With Good Reason Change of Control Payout) of either \$4,492,913 or \$823,505 based on a decision of the Board with respect to the two scenarios provided for in Mr. McCall’s employment agreement.

Mr. Pedreiro received certain incremental payments equal to \$3,845,966, including \$3,422,000 of IPO RSUs vested before his employment with the Company was terminated in connection with his resignation as CFO of the Company on January 1, 2014.

Pursuant to the Release Agreement, Mr. Scannavini is entitled to receive certain payments equal to approximately \$8,454,518, which amount includes: a severance indemnity equal to approximately \$1,492,700; a payment of approximately \$1,020,396, which represents the average amount awarded to Mr. Scannavini under the APP in the fiscal years ended June 30, 2013 and 2012; and a payment of approximately \$1,021,007, which represents the amount awarded to Mr. Scannavini for the fiscal year ended June 30, 2014 under the APP. The value of Mr. Scannavini’s Accelerated Options is \$4,167,280. Pursuant to the Release Agreement, we will also purchase on or before January 27, 2014 all of the shares of Class A Common Stock that Mr. Scannavini directly or indirectly holds (including any shares underlying vested stock options) at the Purchase Price. Mr. Scannavini will also receive an amount of \$746,350 in four quarterly installments in consideration for a one-year non-competition and non-solicitation period with the Company.

## REMUNERATION AND NOMINATION COMMITTEE REPORT

The Remuneration and Nomination Committee has reviewed and discussed with management the foregoing Compensation Discussion and Analysis in the Company's Proxy Statement on Schedule 14A for the 2014 Annual Meeting of Stockholders. Based on such review and discussions, the Remuneration and Nomination Committee has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's Proxy Statement on Schedule 14A for the 2014 Annual Meeting of Stockholders and incorporated by reference into the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2014.

### *The Remuneration and Nomination Committee*

Peter Harf, Chair  
Lambertus J.H. Becht  
Erhard Schoewel

## PROPOSAL NO. 3

### ADVISORY VOTE ON THE FREQUENCY OF THE ADVISORY VOTE ON NEO COMPENSATION

As required by Section 951 of the Dodd-Frank Act, we are providing stockholders with the opportunity to recommend, on a discretionary and non-binding basis, whether a non-binding advisory vote on NEO compensation provided for in Proposal 3 should occur every one, two or three years. Specifically, our Board is asking stockholders to vote on how often we should include an advisory vote on executive compensation in its proxy materials for future annual stockholders meetings.

After careful consideration, our Board believes that a frequency of every year for the advisory vote on NEO compensation is the optimal interval for conducting a Say-on-Pay vote. An advisory vote on NEO compensation every year will provide an effective way to obtain information on stockholder sentiment regarding our NEO compensation programs and reflects our belief in our NEO compensation programs and their effectiveness.

**Proposal:** Approve, on a non-binding advisory basis, the frequency of **EVERY YEAR** for holding future advisory votes on named executive officers compensation.

**Recommendation:** Our Board recommends voting for the proposal, on a non-binding advisory basis, approving the frequency of **EVERY YEAR** for holding future advisory votes on named executive officers compensation.

**Vote Required:** This advisory proposal requires a plurality of the votes cast and is not binding on our Board. However, our Board values the opinions of our stockholders, and the RNC will take into account the frequency that receives the most votes when considering the frequency of future advisory votes on NEO compensation. Stockholders may cast their vote on their preferred voting frequency by choosing the option of one year, two years or three years, or abstaining from voting.

Notwithstanding our Board's recommendation and the outcome of the stockholder vote, our Board may in the future decide to conduct advisory votes on NEO compensation on a more or less frequent basis. Our Board may also vary its practice based on factors such as discussions with stockholders and the adoption of material changes to our executive compensation program.

## AUDIT AND FINANCE COMMITTEE REPORT

The AFC, consisting solely of "independent directors" as defined by our Board and consistent with the rules of the NYSE, has:

1. Reviewed and discussed the Company's audited financial statements for the fiscal year ended June 30, 2014 with management;
2. Discussed with Deloitte & Touche LLP ("Deloitte & Touche") the matters required to be discussed by the Statement on Auditing Standards No. 61, as amended (AICPA, *Professional Standards*, Vol. 1. AU section 380) as adopted by the Public Company Accounting Oversight Board in Rule 3200T; and
3. Received the written disclosures and the letter from Deloitte & Touche LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding Deloitte & Touche LLP's communications with the AFC concerning independence and has discussed with Deloitte & Touche LLP their independence from management and the Company.

Based upon the review and discussions referred to above, the AFC recommended to the Board of Directors that the Company's audited financial statements for the fiscal year ended June 30, 2014 be included in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2014 filed with the SEC.

*The Audit and Finance Committee*

Robert Singer, Chair

Joachim Faber

Jack Stahl

**PROPOSAL NO. 4**

**2014 RATIFICATION OF APPOINTMENT OF DELOITTE & TOUCHE LLP  
AS OUR INDEPENDENT AUDITOR**

The AFC has the sole authority to appoint, retain or terminate our independent auditors and to approve the compensation of our independent auditors. The AFC has retained Deloitte to serve as our independent registered public accounting firm for the fiscal year ending in June 30, 2015 to audit our consolidated financial statements. Deloitte has audited our financial statements each fiscal year since 1997.

The AFC monitors the independence and performance of our independent auditors and internal audit department. By engaging in this process, the AFC is able to evaluate the quality and efficiency of the services provided by the auditors, in addition to the auditor's technical expertise and knowledge of our operations and industry. The AFC and management consider Deloitte to be well qualified, and strongly believe the continued retention of Deloitte is in our best interest and the best interests of our stockholders.

As a matter of corporate governance, the AFC submits its selection of Deloitte as our independent auditors for the year ending June 30, 2015 to the stockholders for ratification. In the event that the stockholder should not ratify the appointment of Deloitte, the AFC will reconsider the appointment.

One or more representatives of Deloitte will be present at the Annual Meeting. The representatives will have an opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions.

**Proposal:** Ratification of the appointment of Deloitte as our independent auditor for the fiscal year ending June 30, 2015.

**Recommendation:** The Board recommends a vote **FOR** the proposal to ratify the appointment of Deloitte as our independent auditors for the fiscal year ending June 30, 2015.

**Vote Required:** Ratification of the appointment of our independent auditors requires the affirmative vote of a majority of the votes cast.

### AUDIT FEES AND OTHER FEES

The following table shows the fees we paid (or will pay) for audit and other services provided by Deloitte for fiscal years 2014 and 2013:

Fee Type	Fiscal 2014 (in thousands)	Fiscal 2013 (in thousands)
Audit Fees <sup>1</sup>	\$7,489	\$7,883
Audit-Related Fees <sup>2</sup>	509	877
Tax Fees <sup>3</sup>	2,033	2,198
All Other Fees <sup>4</sup>	1,270	104
<b>Total</b>	<b>\$11,301</b>	<b>\$11,062</b>

<sup>(1)</sup> This category represents the fees associated with the annual audit and the audit of internal control over financial reporting and international statutory audit requirements.

<sup>(2)</sup> This category includes fees paid for professional services associated with the preparations for its certification of internal controls as required by the Sarbanes-Oxley Act and agreed upon procedures for one of our licenses.

<sup>(3)</sup> This category represents the fees for tax-related services, including tax compliance, tax advice, and tax planning.

<sup>(4)</sup> This category represents all other fees that are not included in the above categories, and represents primarily fees paid for management consulting services and \$73,000 in fees paid for benchmarking and the provision of other data related to management compensation arrangements.

#### Pre-Approval Policies and Procedures

In accordance with the rules promulgated by the Sarbanes-Oxley Act of 2002 and the Public Company Accounting Oversight Board, the AFC pre-approves all services, audit and non-audit, provided to the Company by its independent registered public accounting firm.

The AFC has adopted a policy for the pre-approval of services provided by Deloitte. For each proposed service, Deloitte is required to provide detailed supporting documentation in advance of the pre-approval to permit the AFC to make an appropriate determination as to whether the provision of such services would impair auditor independence.

All services performed by Deloitte as our independent registered public accounting firm for fiscal years 2013 and 2014 were pre-approved by the AFC.

### STOCKHOLDER PROPOSALS FOR THE 2015 ANNUAL MEETING

In accordance with Rule 14a-8 under the Exchange Act, as amended (“Rule 14a-8”), proposals to be considered for inclusion in our proxy statement for the 2015 Annual Meeting of Stockholders pursuant to Rule 14a-8 must be received by us at our principal executive offices on or before June 8, 2015. Proposals must comply with the procedures and requirements set forth in Rule 14a-8 and will not be effective otherwise.

In accordance with our Bylaws, director nominations and other business to be brought before the 2015 Annual Meeting by a stockholder, other than proposals pursuant to Rule 14a-8, must be received in writing by us at our principal executive offices no earlier than the close of business on July 20, 2015 and no later than the close of business on August 19, 2015. Proposals must comply with the procedures and requirements set forth in our Bylaws. In addition, if a stockholder submits a proposal outside of Rule 14a-8 for the 2015 Annual Meeting of Stockholders and the proposal

fails to comply with the advance notice procedures set forth in our Bylaws, our proxy may confer discretionary authority on the persons being appointed as proxies on behalf of our Board to vote on the proposal.

Proposals should be submitted in writing to Corporate Secretary, Coty Inc., 350 Fifth Avenue, New York, New York 10118.

#### **OTHER MATTERS**

As of the date of this Proxy Statement, we do not know of any other matters that may be presented for consideration at the annual meeting other than the items set forth in the notice of annual meeting above. If any other matter is properly brought before the Annual Meeting for action by stockholders, proxies in the enclosed form returned to us will be voted in accordance with the recommendation of our Board, in absence of such a recommendation, in accordance with the judgment of the proxy holder.

By order of the Board of Directors,

A handwritten signature in black ink, appearing to read "Jules P. Kaufman", with a long horizontal flourish extending to the right.

Jules P. Kaufman  
Senior Vice President, General Counsel and Secretary

