

COTY INC.
Form DEF 14A
October 06, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549 _____
SCHEDULE 14A
(Rule 14a-101)

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No. _____)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

COTY INC.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- Fee paid previously with preliminary materials.

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- which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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.

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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?

Proposal	Voting Options	Vote Required to Adopt the Proposal	Effect of Abstentions	Effect of "Broker Non-Votes"	Board Recommendation
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 FOR 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 FOR 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 EVERY YEAR 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 FOR 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, 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).

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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. 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.

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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.

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. 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

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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.

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.

These proxy materials are also available in the “Investor Relations” section of our website: 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 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 Lucesca SE (formerly: Donata Holding SE) (“Lucesca”) 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

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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.