

COTY INC.
PRINCIPLES OF CORPORATE GOVERNANCE
As adopted on December 13, 2018

The Board of Directors (the “Board”) of Coty Inc. (the “Company”) has adopted the corporate governance principles set forth below (the “Principles”) as a framework for the governance of the Company.

1. ROLE AND COMPOSITION OF THE BOARD OF DIRECTORS

Role of the Board

The Board, which is elected by the stockholders, is the ultimate decision-making body of the Company, except with respect to those matters reserved to the stockholders. Directors’ basic responsibility is to exercise their business judgment to act in what they reasonably believe to be the best interests of the Company and its stockholders. The Board selects and advises the senior management team, which is responsible for operating the Company’s business, and monitors the performance of senior management. Consistent with the oversight function of the Board, the Board’s core responsibilities include:

- Assessing the performance of the Chief Executive Officer (the “CEO”) and other members of the senior management team and setting their compensation;
- Planning for CEO and senior management succession and overseeing senior management development;
- Reviewing the Company’s strategies and monitoring their implementation and results;
- Overseeing the integrity of the Company’s financial statements and the Company’s financial reporting process;
- Overseeing the Company’s processes for assessing and managing risk;
- Overseeing legal and regulatory compliance;
- Nominating the Company’s director candidates and appointing committee members;
- Overseeing succession planning for positions held by senior executives (for purposes of these Principles, “senior executives” are defined as members of the Executive Committee) and appointing and retaining key talents that will nurture the Company values and culture and strive for constantly improving results;
- Providing advice and counsel to management regarding significant issues facing the Company; and
- Reviewing and approving significant corporate actions.

Size, Composition and Membership Criteria

A substantial majority of the Board is made up of independent directors. An “independent” director is a director who meets the New York Stock Exchange (the “NYSE”) definition of independence, as determined by the Board. The Board has adopted the standards set forth in Attachment A to these Principles to assist it in assessing the independence of directors. The

Board makes an affirmative determination regarding the independence of each director annually, based upon the recommendation of the Remuneration and Nomination Committee.

The Board consists of between five and thirteen directors, as determined by the Board from time to time. In determining the appropriate number of directors, the Board may consider the current and anticipated need for directors with specific qualities, skills, experience or backgrounds, the availability of highly qualified candidates, committee workloads and membership needs, and the impact of anticipated director retirements.

The Remuneration and Nomination Committee identifies individuals qualified to become Board members consistent with the criteria approved by the Board. In general, in considering its composition, the Board seeks to balance the need for its members to collectively possess varied professional and industry knowledge, business experience, financial expertise and senior management experience, while also striving for diversity of representation among its members.

Board Leadership

The Board elects the Chairman of the Board and the CEO. At each meeting of the Board and the stockholders, the Chairman, or, in the absence of the Chairman, the Vice Chairman, or in the absence of the Vice Chairman, the director then serving with the longest tenure, shall act as Chairman.

The Board believes that it is in the best interests of the Company for the Board periodically to evaluate and make a determination regarding whether or not to separate the roles of Chairman and CEO based upon the circumstances. Currently, the roles are separate.

The Board believes that it is in the best interests of the Company for the Board periodically to evaluate and make a determination regarding whether to appoint an independent director to serve as the Lead Independent Director. The duties of any such Lead Independent Director shall include:

- presiding at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors;
- serving as liaison between the Chairman and the independent directors;
- reviewing and approving meeting agendas, meeting schedules and other information, as appropriate;
- calling meetings of the independent directors;
- ensuring availability for consultation and direct communication if requested by significant stockholders, as appropriate; and
- such other duties specified by the Board from time to time.

Change in Principal Occupation

When a director's principal occupation or business association changes substantially during the director's tenure on the Board, the director must promptly inform the Remuneration and Nomination Committee and, if the Committee so requests, must submit an offer to resign promptly upon the request of the Committee. The Committee recommends to the Board the action, if any, to be taken with respect to the offer to resign.

Service on Other Boards and Audit Committees

Directors are encouraged to limit the number of other boards on which they serve so as not to interfere with their service as a director of the Company. Ordinarily, directors may not serve on the boards of more than four other public companies in addition to the Company's Board. Directors who are serving as chief executives of public companies may not serve on the boards of more than two other companies in addition to the Company's Board. Service on the boards of subsidiary companies with no publicly-traded stock, non-profit organizations and non-public for-profit organizations is not included in this calculation. Moreover, if a director sits on several mutual fund boards within the same fund family, it will count as one board for purposes of this calculation. Directors should advise the chairperson of the Remuneration and Nomination Committee in advance of accepting an invitation to serve on another corporate board.

Members of the Audit and Finance Committee may not serve on the audit committees of more than two other public companies unless a majority of the Board determines that such simultaneous service would not impair the ability of such member to effectively serve on the Audit and Finance Committee. Any such determination must be disclosed in the Company's annual proxy statement.

Retirement Age

No person will be eligible to serve as a director after the annual meeting of the stockholders coincident with or next following his or her attainment of age seventy, unless a majority of the Board approves his or her re-nomination to the Board.

2. FUNCTIONING OF THE BOARD

Agendas

The Chairman of the Board establishes the agenda for each Board meeting. Agenda items that fall within the scope of responsibilities of a Board committee are reviewed with the chairperson of that committee. Directors are encouraged to suggest the inclusion of items on the agenda. Directors are also free to raise subjects at a Board meeting that are not on the agenda for that meeting.

Distribution and Review of Board Materials

Board materials related to agenda items are provided to directors sufficiently in advance of Board meetings to allow directors to review and prepare for discussion of the items at the meeting. In some cases, due to timing or the sensitive nature of an issue, materials are presented only at the Board meeting.

Executive Sessions

Each meeting of the Board will include an executive session of only the non-employee directors. The non-employee directors will then meet with the CEO in executive session. The Chairman of the Board presides at executive sessions of non-employee directors. If the non-employee directors serving on the Board include directors who are not independent, the independent directors meet in executive session at least annually.

Attendance

Directors are expected to regularly attend meetings of the Board and committees on which such directors sit for the full length of such meetings. Any circumstance that would cause a director to attend fewer than 75% of all meetings of the Board or a committee on which such director serves should be discussed with the Chairman and the chairperson of the Remuneration and Nomination Committee. Directors also are expected to attend the annual meeting of stockholders absent unusual circumstances.

Strategic Planning

The Board reviews the Company's long-term strategic plan at least annually and monitors implementation of the strategic plan throughout the year.

Confidentiality

Directors must protect and hold confidential all non-public information that comes to them, from whatever source, in their capacity as a director of the Company, unless disclosure is authorized or required by law. Proceedings and deliberations of the Board and its committees are confidential.

3. STRUCTURE AND FUNCTIONING OF COMMITTEES

Number, Structure and Independence of Committees

The Board has two standing committees: the Audit and Finance Committee and the Remuneration and Nomination Committee. The Board may also establish and maintain other committees from time to time as it deems necessary and appropriate. The Audit and Finance Committee and the Remuneration and Nomination Committee consist solely of independent directors, subject to applicable NYSE listing standards and SEC rules and regulations. In addition, directors who serve on these committees must meet additional, heightened independence criteria applicable to directors serving on these committees under the NYSE listing standards.

Assignment of Committee Members

The Remuneration and Nomination Committee considers and makes recommendations to the Board regarding committee size, structure, composition and functioning. Committee members and chairpersons are recommended to the Board by the Remuneration and Nomination Committee and appointed by the full Board.

Responsibilities

Each standing committee operates under a written charter that sets forth the purposes and responsibilities of the committee as well as qualifications for committee membership. Each standing committee assesses the adequacy of its charter annually and recommends changes to the Board as appropriate. All committees report regularly to the full Board with respect to their activities.

Meetings and Agendas

The chairperson of each committee determines the frequency, length and agenda of the committee's meetings. Materials related to agenda items are provided to committee members sufficiently in advance of meetings where necessary to allow the members to review and prepare for discussion of the items at the meeting.

4. DIRECTOR ACCESS TO MANAGEMENT, EMPLOYEES AND ADVISORS

At the invitation of the Board, members of senior management may attend meetings of the Board or the committees or portions of meetings for the purpose of presenting matters to the Board or the committees and participating in discussions. Directors also have full and free access to other members of management and the employees of the Company.

The Board and each committee has the authority to retain such outside counsel, experts and other advisors as it determines appropriate to assist the Board or such committee in the performance of its functions.

5. DIRECTOR ORIENTATION AND CONTINUING EDUCATION

New directors meet with senior operating and functional managers of the Company, in order that the new directors can become familiar with the Company's strategic plans, financial statements and key policies and practices. The orientation should begin as soon as practicable after the new director is elected. The Board encourages directors to participate in education programs to assist them in performing their responsibilities as directors.

6. DIRECTOR REMUNERATION

The Remuneration and Nomination Committee annually reviews the remuneration of directors. Director remuneration is set by the Board based upon the recommendation of the Committee. A substantial portion of director remuneration is equity-based to assist in aligning directors' interests with the long-term interests of stockholders. Management directors do not receive remuneration for service on the Board.

7. SUCCESSION PLANNING

The Board is responsible for oversight of succession planning for senior executives, including the CEO. At least annually, the Board reviews succession planning and management development, including recommendations and evaluations of potential successors to fill these positions. The succession planning process includes consideration of both ordinary course succession, in the event of planned promotions and retirements, and planning for situations where the CEO or another member of senior management unexpectedly becomes unable to perform the duties of his or her position.

8. EVALUATION OF THE CEO

The Remuneration and Nomination Committee is responsible for setting individual and corporate goals and objectives for the CEO, evaluating the CEO's performance in light of those goals, and

setting the CEO's remuneration level based on this evaluation. The results of the evaluation are shared with the CEO and used by the Committee in setting the CEO's remuneration.

9. BOARD AND COMMITTEE PERFORMANCE EVALUATIONS

The Board conducts an annual self-evaluation to assess the Board's performance. The Audit and Finance and Remuneration and Nomination Committees conduct annual self-evaluations to assess their performance. The ability of individual directors to contribute to the Board is considered in connection with the re-nomination process. The Remuneration and Nomination Committee periodically appraises the framework for assessment of Board performance and self-evaluation process.

10. AMENDMENT TO THESE PRINCIPLES

The Remuneration and Nomination Committee reviews these Principles annually and recommends changes to the Board as it deems appropriate.

Attachment A

An “independent” director is a director whom the Board of Directors has determined has no material relationship with Coty Inc. or any of its consolidated subsidiaries (collectively, the “Company”), either directly, or as a partner, stockholder or officer of an organization that has a relationship with the Company. For purposes of this definition, the Board has determined that a director is not independent if:

1. The director is, or has been within the last three years, an employee of the Company, or an immediate family member of the director is, or has been within the last three years, an executive officer of the Company.
2. 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 the Company (other than Board and committee fees, and pension or other forms of deferred compensation for prior service, provided such compensation is not contingent in any way on continued service). Compensation received by an immediate family member for service as an employee (other than an executive officer) of the Company is not considered for purposes of this standard.
3. (a) The director, or an immediate family member of the director, is a current partner of the Company’s internal or external auditor; (b) the director is a current employee of the Company’s internal or external auditor; (c) an immediate family member of the director is a current employee of the Company’s internal or external auditor who personally works on the Company’s 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 the Company’s internal or external auditor and personally worked on the Company’s audit within that time.
4. 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 the Company’s present executive officers serves or served at the same time on that company’s compensation committee.
5. 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, the Company 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
6. the director, or the director’s spouse, is an executive officer of a non-profit organization to which the Company makes, or in the past three years has 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.

An “immediate family” member includes a director’s spouse, parents, children, siblings, mother and father-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than a domestic employee) who shares the director’s home.

Each director must notify the Board of Directors of any change in circumstances that may put his or her independence at issue. If so notified, the Board of Directors will reevaluate, as promptly as practicable thereafter, such director's independence.