

CONVENING NOTICE

ORDINARY AND EXTRAORDINARY ANNUAL GENERAL MEETING

ON WEDNESDAY,
APRIL 22ND, 2015 AT 10.00
PALAIS DES CONGRÈS
F-75017 PARIS



L'ORÉAL

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This is a free translation of the Convening Notice issued in the French language and is provided solely for the convenience of English speaking readers. In case of discrepancy the French version prevails.

AGENDA

of the Annual General Meeting of Wednesday, April 22nd, 2015

/ ORDINARY PART

1. Approval of the 2014 parent company financial statements
2. Approval of the 2014 consolidated financial statements
3. Allocation of the Company's net income for 2014 and declaration of the dividend
4. Appointment of Mrs. Sophie Bellon as Director
5. Renewal of the tenure as Director of Mr Charles-Henri Filippi
6. Advisory vote on the components of remuneration due or allocated to the Chairman and Chief Executive Officer in respect of the 2014 financial year
7. Authorisation for the Company to buy back its own shares

/ EXTRAORDINARY PART

8. Delegation of authority to the Board of Directors to increase the share capital either through the issue of ordinary shares with maintenance of preferential subscription rights, or via the capitalisation of share premiums, reserves, profits or other amounts
9. Authorisation to the Board of Directors to make free grants to employees and executive officers of existing shares and/or of shares to be issued entailing waiver by the shareholders of their preferential subscription right
10. Delegation of authority to the Board for the purpose of carrying out a capital increase reserved for employees with cancellation of the shareholders' preferential subscription right
11. Amendment of Article 12 of the Articles of Association related to the introduction of double voting rights by French Law No. 2014-384 of March 29th, 2014 in order to continue to apply simple voting rights
12. Removal from the Articles of Association of the reference to the time periods to be taken into account to participate in the Annual General Meeting
13. Powers for formalities



Dear Shareholder,

I am pleased to invite you to attend L'Oréal's Annual General Meeting which will be held on Wednesday, April 22nd, 2015 at 10 a.m. at the Palais des Congrès, Porte Maillot in Paris.

Like every year, the Annual General Meeting is a privileged occasion for the provision of information and dialogue between L'Oréal and its shareholders.

This meeting will be the opportunity to look back at 2014, a year during which the Group posted growth in all its Divisions and regions of the world in a volatile economic context and a less dynamic market.

2014 was also a year of transformation for L'Oréal, in particular through the acceleration of our digital transformation and strategic acquisitions such as Magic in China, NYX in the United States, Decléor, Carita in France and Niely⁽¹⁾ in Brasil, which complement our brand portfolio in key categories and regions of the world.

MESSAGE

Jean-Paul AGON Chairman and Chief Executive

Despite adverse currency effects, operating margin increased once again in 2014 highlighting the strength of our business model. Following the capital gain realised upon the disposal of Galderma as part of the strategic transaction with Nestlé, net profit has grown strongly.

The General Meeting also represents an opportunity for you to vote and take an active part in decisions concerning L'Oréal. In this document you will find a detailed presentation of the draft resolutions which will you will be requested to approve.

I count on your attendance at this Annual General Meeting. If you are unable to be present, please note that you have the possibility to vote via Internet or by post, or give a proxy to the Chairman of the meeting or any other person of your choice. You will find all the relevant information in this document, as well as the meeting's agenda and the draft resolutions. You will also be able to watch the recorded webcast of the main speeches of the Annual General Meeting on our website www.loreal-finance.com from April, 22nd afternoon.

In the name of the Board of Directors, I want to thank each one of you for your trust and loyalty, and look forward to seeing you on April 22nd.

“

**ALL OUR TEAMS ARE
FOCUSED TO ENSURE
L'ORÉAL OUTPERFORMS
THE MARKET IN 2015,
AND TO DELIVER SALES
AND PROFIT GROWTH**

”

(1) Acquisition under completion as at March 17th, 2015.

1

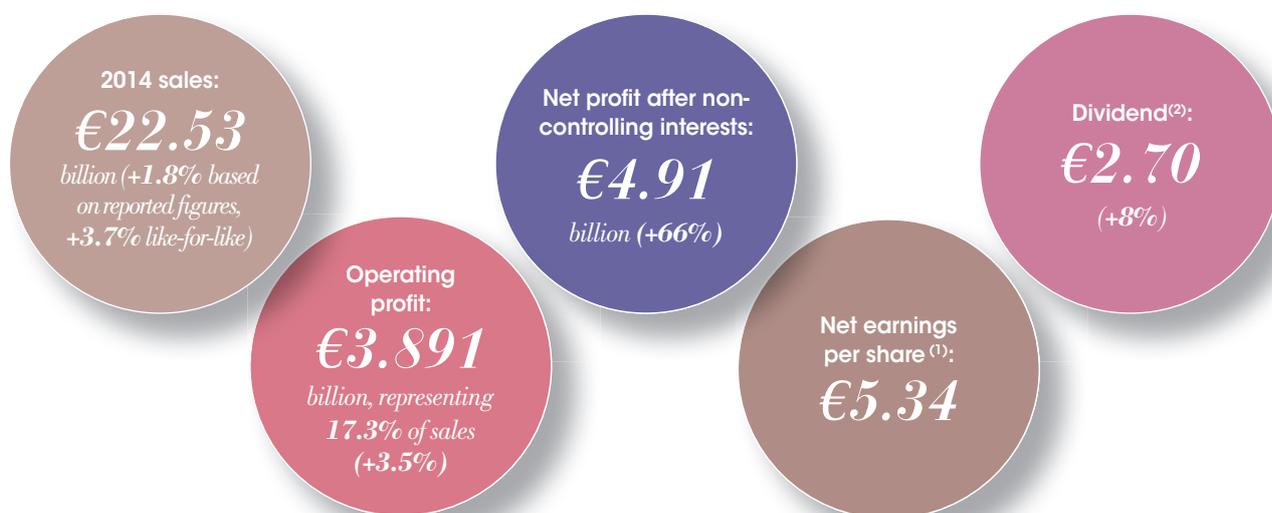
BRIEF PRESENTATION OF THE L'ORÉAL GROUP IN 2014 AND KEY FIGURES

/ 2014 KEY FIGURES

Growth in all divisions and all geographic zones

Record operating margin

Strong growth in net profit



/ COMMENTS

The Board of Directors of L'Oréal met on February 12th, 2015 under the chairmanship of Mr Jean-Paul Agon and in the presence of the Statutory Auditors. The Board closed the consolidated financial statements and the financial statements for 2014.

Commenting on the annual results, Mr Jean-Paul Agon, Chairman and Chief Executive Officer of L'Oréal, said:

"As anticipated and announced, L'Oréal recorded in the fourth quarter its strongest growth of the year. In a volatile economic context and a less dynamic market, the Group posted growth in all its Divisions and regions of the world. L'Oréal Luxe and Active Cosmetics achieved very good growth and outperformed their market significantly. The Professional Products Division continued to improve. Meanwhile, in a slowing market, the Consumer Products Division saw a temporary sag in its growth, particularly in the United States.

2014 was also a year of transformation for L'Oréal, in particular through the acceleration of our digital transformation and strategic acquisitions such as Magic, NYX, Decléor, Carita and Niely⁽³⁾, which complement our brand portfolio in key categories and regions of the world.

Despite adverse currency effects, operating margin increased once again in 2014 highlighting the strength of our business model. Following the capital gain realised upon the disposal of Galderma as part of the strategic transaction with Nestlé, net profit has grown strongly.

We are looking to the future with confidence, driven by our "Beauty for All" mission and our "Universalisation" strategy towards our ambition of winning one billion new consumers.

In an economic environment that is uncertain, but more favourable on the monetary front, all our teams are focused to ensure L'Oréal outperforms the market in 2015, and to deliver sales and profit growth."

The Board of Directors has decided to propose to the Annual General Meeting of Wednesday, April 22nd, 2015, the renewal of the tenure of Mr Charles-Henri Filippi.

After 8 years of active participation in the work of the Board, Mrs. Annette Roux has decided not to seek the renewal of her tenure which expires at the end of the 2015 Annual General Meeting. The Board warmly thanks Mrs. Roux for the quality of her contribution to the Board's debates and decisions.

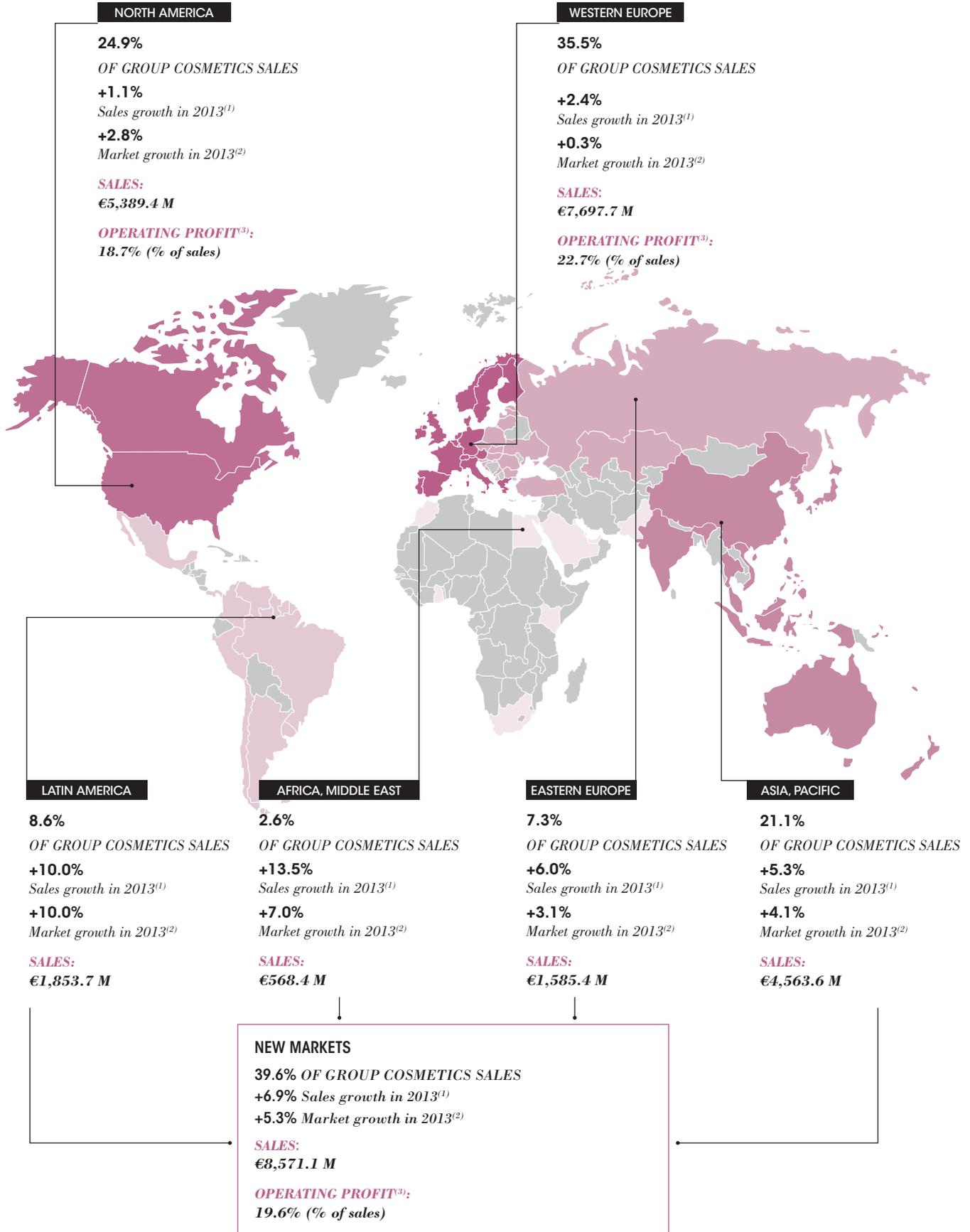
The Board will propose to the Annual General Meeting the appointment as new Board Director of Mrs. Sophie Bellon who is in charge of the Research, Development and Innovation Strategy of Sodexo and Vice Chairman of its Board of Directors.

(1) Diluted net earnings per share based on net profit from continuing operations excluding non-recurring items attributable to owners of the company.

(2) Proposed at the Annual General Meeting of April 22nd, 2015.

(3) Acquisition under completion as at March 17th, 2015.

/ INTERNATIONAL AND COSMETICS MARKET



(1) Like-for-like.

(2) Source: L'Oréal estimates of worldwide cosmetics market based on net manufacturer prices excluding soap, toothpaste, razors and blades. Excluding currency fluctuations.

(3) Operating profit before "non-allocated" items. "Non-allocated" items consist of the expenses of Functional Divisions and fundamental research, stock options and free grant of shares costs, which are not allocated to the Cosmetics Divisions. This item also includes non-core activities, such as insurance, reinsurance and banking.

/ 2014 SALES

Like-for-like, i.e. based on a comparable structure and constant exchange rates, the sales trend of the L'Oréal Group was +3.7%.

The net impact of changes in consolidation amounted to +0.4%.

Currency fluctuations had a negative impact of -2.3%.

Growth at constant exchange rates was +4.1%.

Based on reported figures, the Group's sales, at December 31st, 2014, amounted to €22.53 billion, an increase of +1.8%.

Sales by Operational Division and by geographic zone

The announcement on February 11th, 2014, of the disposal of 50% of Galderma leads to account for this business in accordance with IFRS 5 accounting rule on discontinued operations. In accordance with IFRS 11 accounting rule, Innéov has been consolidated under the equity method as of January 1st, 2014. All figures for earlier periods have been restated accordingly.

€ million	2012	2013	2013/2014 growth		
			2014	Like-for-like	Reported figures
BY OPERATIONAL DIVISION					
Professional Products	3,002.6	2,973.8	3,032.4	2.6%	2.0%
Consumer Products	10,713.2	10,873.2	10,767.5	1.6%	-1.0%
L'Oréal Luxe	5,568.1	5,865.2	6,197.9	7.1%	5.7%
Active Cosmetics	1,499.2	1,576.3	1,660.4	8.7%	5.3%
Cosmetics Total	20,783.1	21,288.5	21,658.2	3.8%	1.7%
BY GEOGRAPHICAL ZONE					
Western Europe	7,382.6	7,467.6	7,697.7	2.4%	3.1%
North America	5,210.7	5,356.1	5,389.4	1.1%	0.6%
New Markets, of which:	8,189.8	8,464.7	8,571.1	6.9%	1.3%
• Asia, Pacific	4,287.1	4,382.2	4,563.6	5.3%	4.1%
• Latin America	1,816.9	1,886.2	1,853.7	10.0%	-1.7%
• Eastern Europe ⁽¹⁾	1,622.4	1,691.3	1,585.4	6.0%	-6.3%
• Africa, Middle-East ⁽¹⁾	463.4	505.1	568.4	13.5%	12.5%
Cosmetics Total	20,783.1	21,288.5	21,658.2	3.8%	1.7%
The Body Shop	855.3	835.8	873.8	1.6%	4.6%
GROUP TOTAL	21,638.4	22,124.2	22,532.0	3.7%	1.8%

(1) As of July 1st, 2013, Turkey and Israel, which were previously included in the Africa, Middle East zone, were transferred to the Eastern Europe zone. All figures for earlier periods have been restated to allow for this change.

Cosmetics Sales

PROFESSIONAL PRODUCTS

The Professional Products Division recorded sales growth of +2.6% like-for-like and +2.0% based on reported figures in a market that remains difficult. The Division is strengthening its positions in Western Europe and continues to develop in the New Markets.

CONSUMER PRODUCTS

In a market that slowed in 2014, the Consumer Products Division posted +1.6% like-for-like and -1.0% based on reported figures, with an improvement at the end of the year.

L'ORÉAL LUXE

Following accelerating sales in the final quarter, L'Oréal Luxe recorded growth of +7.1% like-for-like and +5.7% based on reported figures. The Division is continuing to clearly outperform the selective market. The make-up and women's fragrance categories are particularly dynamic.

ACTIVE COSMETICS

In 2014, the Division accelerated its growth, with sales advancing by +8.7% like-for-like and +5.3% based on reported figures, outperforming a healthy market. Like-for-like growth rates were higher than in 2013 on every continent.

Multi-division summary by Geographic Zone

WESTERN EUROPE

In a flat market, and a highly competitive environment between mass-market retailers, growth came out at +2.4% like-for-like and +3.1% based on reported figures. This increase is particularly encouraging because L'Oréal accelerated in the fourth quarter, and is growing both in Northern and Southern Europe, particularly in Germany, the United Kingdom and Spain. All Divisions are contributing to the sales increase, with a special mention for L'Oréal Luxe and Active Cosmetics.

NORTH AMERICA

After a strong momentum over the last few years, growth in 2014 was more moderate because of the Consumer Products Division. Sales increased by +1.1% like-for-like and +0.6% based on reported figures. The Professional Products Division, Active Cosmetics and L'Oréal Luxe are continuing to develop, thanks, among others, to American brands Redken, SkinCeuticals, Urban Decay and Kiehl's. In a market that improved in the second half, the Consumer Products Division increased its sales, in particular from the contribution of L'Oréal Paris. The recent acquisitions of the very fast-growing brands NYX and Carol's Daughter complement the Consumer Products Division, and boost its product offering.

NEW MARKETS

◆ **Asia, Pacific:** L'Oréal recorded annual growth of +5.3% like-for-like and +4.1% based on reported figures. Excluding Japan, like-for-like growth came out at +5.8%.

The Group is strengthening its positions further with very good performances from Kiehl's, Yves Saint Laurent, Giorgio Armani, La Roche-Posay and Clarisonic. By country, India, Indonesia, Hong Kong and Australia are all recording high growth. Magic, acquired in China in the first half, is growing solidly in the beauty mask market.

◆ **Latin America:** L'Oréal recorded +10.0% like-for-like and -1.7% based on reported figures. The Professional Products Division, Active Cosmetics and L'Oréal Luxe recorded double-digit growth, underpinned by their major brands L'Oréal Professionnel, Lancôme, Giorgio Armani, La Roche-Posay and Vichy. Consumer Products Division growth is being driven by L'Oréal Paris with its Elsève brand and Maybelline, thanks in particular to the kiosks initiative in Brazil.

◆ **Eastern Europe:** The Zone recorded +6.0% like-for-like and -6.3% based on reported figures, and is growing significantly faster than the market, thanks to the good momentum of L'Oréal Luxe and the Professional Products Division. The Consumer Products Division is winning total Zone market share with a very good performance in hair colour, driven by the launch of Prodigy by L'Oréal Paris, and in deodorants thanks to Néo by Garnier. Active Cosmetics is outperforming the market in Russia and Turkey.

◆ **Africa, Middle East:** Sales rose by +13.5% like-for-like and +12.5% based on reported figures. All Divisions recorded double-digit growth and gained market share. South Africa, the Gulf states, as well as growth-relay countries like Egypt, Saudi Arabia and Pakistan posted strong performance. L'Oréal Paris, Maybelline, Lancôme, Giorgio Armani and Vichy contributed to the Zone's good score, along with the more recently launched brands Kiehl's and SkinCeuticals.

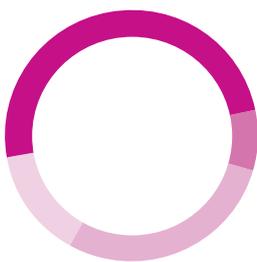
THE BODY SHOP

The Body Shop had a satisfactory end to the year in all its categories.

The brand recorded growth of +1.6% like-for-like and +4.6% based on reported figures. The strategic priority given to skincare is continuing to pay off, thanks in particular to the fourth quarter launch of Drops of Youth Eye Concentrate. The Americas' region that now includes the addition of the Emporio Body Store stores in Brazil, drove the highest growth.

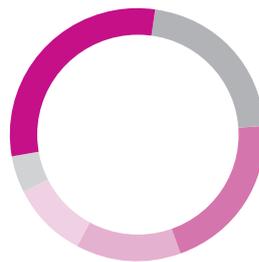
2014 consolidated sales of the Cosmetics Divisions

BY DIVISION



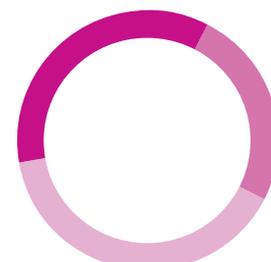
- 49.7% Consumer Products
- 7.7% Active Cosmetics
- 28.6% L'Oréal Luxe
- 14.0% Professional Products

BY BUSINESS SEGMENT



- 30.0% Skincare and sun protection
- 21.9% Make-up
- 20.5% Haircare
- 13.2% Hair colourants
- 9.8% Perfumes
- 4.6% Other⁽¹⁾

BY GEOGRAPHIC ZONE



- 35.5% Western Europe
- 24.9% North America
- 39.6% New Markets
Including: 21.1% Asia, Pacific
8.6% Latin America
7.3% Eastern Europe
2.6% Africa, Middle East

(1) "Other" includes hygiene products, sales made by American distributors with brands outside of the Group.

/ 2014 RESULTS

The announcement on February 11th, 2014, of the disposal of 50% of Galderma leads to account for this business in accordance with IFRS 5 accounting rule on discontinued operations. In accordance with IFRS 11 accounting rule, Innéov has been consolidated under the equity method as of January 1st, 2014. All figures for earlier periods have been restated accordingly.

1. Operating profitability at 17.3% of 2014 sales

Consolidated statement: from sales to operating profit⁽¹⁾.

	2012		2013		2014	
	€ million	% 2012 sales	€ million	% 2013 sales	€ millions	% 2014 sales
Sales	21,638.4	100%	22,124.2	100%	22,532.0	100%
Cost of sales	-6,388.3	29.5%	-6,379.4	28.8%	-6,500.7	28.9%
Gross profit	15,250.1	70.5%	15,744.8	71.2%	16,031.3	71.1%
Research and development expenses	-680.4	3.1%	-748.3	3.4%	-760.6	3.4%
Advertising and promotion expenses	-6,531.6	30.2%	-6,621.7	29.9%	-6,558.9	29.1%
Selling, general and administrative expenses	-4,479.7	20.7%	-4,614.4	20.9%	-4,821.1	21.4%
OPERATING PROFIT	3,558.4	16.4%	3,760.4	17.0%	3,890.7	17.3%

Gross profit, at €16,031 million, came out at 71.1% of sales, compared with 71.2% in 2013, that is a decrease of 10 basis points. Foreign exchange effects had a negative impact of 30 basis points; the other factors represented a positive impact of 20 basis points.

Research and Development expenses remained stable as a percentage of sales at 3.4%.

Advertising and promotion expenses, as announced one year ago, came out as a lower percentage of sales compared with 2013. At 29.1% of sales, that is a decrease of 80 basis points.

Selling, general and administrative expenses, at 21.4% of sales, have come out at a higher level, by 50 basis points compared with 2013, as they did in the first half of 2014.

Overall, the **operating profit**, at €3,890 million, has grown by 3.5% and amounts to 17.3% of sales. At constant exchange rates, operating profit growth would have been +5.5%.

2. Operating profit by operational Division⁽¹⁾

	2012		2013		2014	
	€ million	% 2012 sales	€ million	% 2013 sales	€ million	% 2014 sales
Professional Products	615	20.5%	609	20.5%	609	20.1%
Consumer Products	2,051	19.1%	2,167	19.9%	2,186	20.3%
L'Oréal Luxe	1,077	19.3%	1,174	20.0%	1,269	20.5%
Active Cosmetics	315	21%	343	21.7%	376	22.7%
Cosmetics Divisions total	4,058	19.5%	4,293	20.2%	4,440	20.5%
Non-allocated *	-577	-2.8%	-605	-2.8%	-615	-2.8%
The Body Shop	77	9.1%	72	8.6%	65	7.5%
GROUP	3,558	16.4%	3,760	17.0%	3,890	17.3%

* Non-allocated = Central Group expenses, fundamental research expenses, stock options and free grant of shares expenses and miscellaneous items. As a % of cosmetics sales.

- ◆ The profitability of the **Professional Products Division** at 20.1% is down by 40 basis points, due mainly to the dilutive effect of the consolidation of Decléor and Carita.
- ◆ The profitability of the **Consumer Products Division** improved at 20.3%, up by 40 basis points.
- ◆ The profitability of **L'Oréal Luxe** grew by 50 basis points, at 20.5% in 2014.
- ◆ At **Active Cosmetics**, there was a further increase in profitability at 22.7%. That is a 100 basis point improvement.

The profitability of **The Body Shop** weakened in 2014, to 7.5%.

(1) Figures for 2013 and 2012 have been restated to reflect the impacts of IFRS 5 concerning discontinued operations along with the impact of IFRS 11.

3. Profitability by geographic zone

Figures for 2013 and 2012 have been restated to reflect the impacts of IFRS 5 concerning discontinued operations along with the impact of IFRS 11.

	2012		2013		2014	
	€ million	% 2012 sales	€ million	% 2013 sales	€ million	% 2014 sales
Operating profit	1,580	21.4%	1,662	22.3%	1,746	22.7%
Western Europe	960	18.4%	1,003	18.7%	1,010	18.7%
North America	1,518	18.5%	1,628	19.2%	1,684	19.6%
New Markets						
COSMETICS ZONES TOTAL *	4,058	19.5%	4,293	20.2%	4,440	20.5%

* Before non-allocated.

Profitability in **Western Europe** improved by 40 basis points to reach 22.7%.

In **North America**, profitability remains stable at 18.7%.

And in **the New Markets**, profitability again increased this year, by 40 basis points, to reach 19.6%.

4. Net profit from continuing operations

Figures for 2013 and 2012 have been restated to reflect the impacts of IFRS 5 concerning discontinued operations along with the impact of IFRS 11.

Consolidated profit and loss account: from operating profit to net profit excluding non-recurring items.

€ million	2012	2013	2014
Operating profit	3,558.4	3,760.4	3,890.7
Finance Costs excluding dividends received	+1.7	-31.4	-24.0
Sanofi dividends	313	327.5	331.0
Pre-tax profit excluding non-recurring items	3,873.5	4,056.5	4,197.7
Income tax excluding non-recurring items	-1,004.8	-1,018.0	-1,069.5
Non-controlling interests	-2.7	-3.2	+0.1
Net profit from equity affiliates excluding non-recurring items	-4.58	-2.98	-2.99
Net profit excluding non-recurring items attributable to owners of the company ⁽²⁾	2,861.5	3,032.4	3,125.3
EPS ⁽¹⁾ (€)	4.73	4.99	5.34
DILUTED AVERAGE NUMBER OF SHARES	605,305,458	608,001,407	585,238,674

(1) Diluted net earnings per share excluding non-recurring items after non-controlling interests.

(2) Non-recurring items include mainly capital gains and losses on long-term asset disposals, impairment of long-term assets, restructuring costs and elements relating to identified operational income and expenses, non-recurring and significant regarding the consolidated performance.

Finance expenses amounted to €24 million.

Sanofi dividends amounted to €331 million.

Income tax excluding non-recurring items amounted to €1,069 million. This represents a tax rate of 25.5%, slightly higher than that of 2013 which came out at 25.1%.

Net profit excluding non-recurring items amounted to €3,125 million.

Net Earnings per Share, at €5.34, is up by 7.1%, compared to Net Earnings per Share for 2013 restated from discontinued operations.

Net Earnings per Share excluding non-recurring items attributable to owners of the company as reported in 2013 was €5.13.

5. Net profit attributable to owners of the company: €4.910 million

€ million	2012	2013	2014	Evolution 2013/2014
Net profit excluding non-recurring items attributable to owners of the company	2,861.5	3,032.4	3,125.3	
Non-recurring items net of tax	-101.8	-154.1	-357.7	
Net profit from non-continuing operations	+108.1	+79.9	+2,142.7	
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY	2,867.7	2,958.2	4,910.2	+66%

Non-recurring items amounted to a charge net of tax of €357.7 million, due in part to the decision by the French Competition Authority.

After the capital gain on the disposal of Galderma, €2.1 billion, **net profit** came out at €4,910 million, which represents a large increase of 66%.

6. Cash flow Statement, Balance sheet and Net Financial Situation

Gross cash flow amounted to €3,808 million.

The **working capital requirement** in 2014 was reduced by €55 million.

Investments, amounted to €1,008 million, representing 4.5% of sales, slightly less than in 2013, when it represented 4.6% of sales.

Finally, after payment of the dividend, acquisitions, and the purchase of shares from Nestlé, the **net debt** came out, at December 31st, 2014, at €671 million.

With a shareholders' equity amounting to €20 billion, the balance sheet remains particularly solid, after the purchase of 8% of the capital from Nestlé for €6 billion.

7. Proposed dividend at the Annual General Meeting of April 22nd, 2015

The Board of Directors has decided to propose that the Shareholders' Annual General Meeting of April 22nd, 2015 should approve a dividend of 2.70 euros per share, an increase of 8% compared with the dividend paid in 2014.

The dividend will be paid on May 7th, 2015 (ex-dividend date May 5th, 2015 at 0:00 a.m., Paris time).

8. Share capital

As of December 31st, 2014, the capital of the Company is formed by 561,230,389 shares, each with one voting right.

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SIGNIFICANT EVENTS THAT HAVE OCCURRED SINCE THE BEGINNING OF 2015

No significant event has occurred between the beginning of the 2015 financial year and the meeting of the Board of Directors finalizing the consolidated financial statements ended December 31, 2014.

3

DRAFT RESOLUTIONS **AND REPORT OF THE BOARD OF DIRECTORS TO THE ANNUAL** **GENERAL MEETING TO BE HELD ON APRIL 22ND, 2015**

/ ORDINARY PART

Resolutions 1, 2 and 3 Approval of the annual parent company and consolidated financial statements, allocation of the Company's net income for 2014 and declaration of the dividend

STATEMENT OF REASONS

Having reviewed the Reports of the Board of Directors and the Statutory Auditors, the Annual General Meeting is called on to approve:

- ◆ The parent company financial statements, with an income statement which shows net income of €4,937,957,395.33 for 2014, compared with €2,366,052,070.73 in 2013;
- ◆ The 2014 consolidated financial statements. The details of these financial statements are set out in the 2014 Annual Financial Report and the main data included in the file for calling this Annual General Meeting.

The Board of Directors proposes to the Annual General Meeting:

- ◆ An ordinary dividend of €2.70 per share, representing an increase of 8% compared with the dividend for the previous year.

The rate of distribution of the ordinary dividend (ordinary dividend paid/net income from continuing operations excluding non-recurrent items, diluted, Group share, per share) would be 50.6% in 2014 and would thus continue to rise:

Year	2009	2010	2011	2012	2013
Rate of distribution	43.9%	44.9%	46.3%	46.8%	48.7%

- ◆ A preferential dividend of €2.97 per share.

The preferential dividend will be granted to the shares held in registered form since December 31st, 2012 at the latest, and which continuously remain in registered form until the dividend payment date in 2015. The number of shares giving entitlement to such preferential dividend cannot exceed 0.5% of share capital for any one shareholder.

If the Annual General Meeting approves this proposal, the ex-dividend date for the dividends (both ordinary and preferential) will be May 5th, 2015 at zero hour (Paris time) and they will be paid on May 7th, 2015.

The amount of the ordinary dividend and the preferential dividend is eligible for the tax deduction provided for in Article 158-3-2° of the French Tax Code.

FIRST RESOLUTION:

APPROVAL OF THE 2014 PARENT COMPANY FINANCIAL STATEMENTS

The Annual General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, having reviewed the Reports of the Board of Directors and the Statutory Auditors, approves the Report of the Board of Directors and the 2014, parent company financial statements, as presented and the transactions included in these financial statements and summarised in these reports, showing net income of €4,937,957,395.33, compared with €2,366,052,070.73 for 2013.

SECOND RESOLUTION:

APPROVAL OF THE 2014 CONSOLIDATED FINANCIAL STATEMENTS

The Annual General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, having reviewed the reports of the Board of Directors and the Statutory Auditors, approves the 2014 consolidated financial statements and the transactions included in these financial statements and summarised in these reports.

THIRD RESOLUTION:

ALLOCATION OF THE COMPANY'S NET INCOME FOR 2014 AND DECLARATION OF THE DIVIDEND

The Annual General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, on the proposal of the Board of Directors, decides to allocate the net income for the 2014 financial year amounting to €4,937,957,395.33 as follows:

No allocation to the legal reserve which already represents over one-tenth of the share capital	–
Amount allocated to the shareholders as a dividend * (including preferential dividend)	€1,524,207,527.28
Balance that will be allocated to the "Other reserves" item	€3,413,749,868.05

* Including an initial dividend equal to 5% of the amounts paid up on the shares, i.e. on the total amount of the share capital.

This amount is calculated on the basis of the number of shares forming the capital at December 31st, 2014 and will be adjusted to reflect:

- ◆ the number of shares issued between January 1st, 2015 and the date of payment of this dividend following the exercise of stock options or the final vesting of new free shares granted and giving entitlement to such dividend;
- ◆ the final number of shares eligible for the preferential dividend, taking into account sales or transfer to a bearer account between January 1st, 2015 and the date of payment of the dividend.

The Annual General Meeting therefore declares an ordinary dividend to be paid of €2.70 per share, the preferential dividend entitling eligible holders to a total of €2.97 per share. The preferential dividend will be granted to the shares held in registered form since December 31st, 2012 at the latest, and which continuously remain in registered form until the dividend payment date, it being specified that the number of shares giving entitlement to such preferential dividend cannot exceed 0.5% of share capital for any one shareholder. The

ex-dividend date for the dividends (both ordinary and preferential) will be May 5th, 2015 at zero hour (Paris time) and they will be paid on May 7th, 2015.

In the event that, at the time of payment of the dividend, the Company holds treasury shares, the distributable profit corresponding to the unpaid dividend due to the holding of such shares, would be allocated to the "Other reserves" item. It is specified that, as the law currently stands, for natural persons who have their tax residence in France, the dividend is liable for personal income tax on the basis of the progressive scale of tax rates and is eligible for the tax deduction provided for in Article 158-3-2° of the French Tax Code.

The table set out below gives the amounts of the dividends distributed, that were fully eligible for the tax deduction provided for in Article 158-3-2° of the French Tax Code, for the last three financial years:

	2011	2012	2013
Ordinary dividend per share	€2.00	€2.30	€2.50
Preferential dividend per share	€0.20	€0.23	€0.25

Resolutions 4 and 5 Tenures as Director

STATEMENT OF REASONS

The appointment of a new Director is put to the vote of the Annual General Meeting as well as the renewal of one Director whose tenure expires at the close of this Annual General Meeting.

1. L'ORÉAL'S BOARD OF DIRECTORS AT DECEMBER 31ST, 2014

COMPOSITION

The Directors of L'Oréal come from different backgrounds. They complement one another due to their different professional experience, their skills and their nationalities. They have good knowledge of the Company. The Directors are present, active and closely involved. These are all assets which contribute to the quality of the Board's deliberations in the context of the decisions that it is called on to make.

The Directors have a duty of acting with due care and exercise complete freedom of judgment. This freedom of judgment enables them in particular to participate, in complete independence, in the decisions or work of the Board and its committees whose remits have been added to since 2011.



Jean-Paul Agon

Age: 58, joined the L'Oréal Group in 1978. Following an international career as General Manager of the Consumer Products Division in Greece and of L'Oréal Paris in France, International Managing Director of Biotherm, General Manager of L'Oréal Germany, Executive Vice-President of the Asia Zone, President and CEO of L'Oréal USA, Jean-Paul Agon was appointed as Deputy Chief Executive Officer of L'Oréal in 2005 and then Chief Executive Officer in April 2006 and finally Chairman and CEO in 2011. A Director of L'Oréal since 2006, he is also Chairman of the L'Oréal Corporate Foundation and Chairman of the Strategy and Sustainable Development Committee. Jean-Paul Agon is also a Director of Air Liquide.



Françoise Bettencourt Meyers

Age 61, is the daughter of Mrs. Liliane Bettencourt and the granddaughter of the founder of L'Oréal, Eugène Schueller. She has been the Chairwoman of the family-owned holding company Téthys since January 31st, 2012 and is the Chairwoman of the Bettencourt Schueller Foundation. Françoise Bettencourt Meyers has been a Director of L'Oréal since 1997 and a member of the Strategy and Sustainable Development Committee since April 2012.



Peter Brabeck-Letmathe

Age: 70, of Austrian nationality, holds the main position outside L'Oréal of Chairman of the Board of Directors of Nestlé. Peter Brabeck-Letmathe has been a Director of L'Oréal and Vice-Chairman of the Board of Directors since 1997. He has been a member of the Strategy and Sustainable Development Committee since 2005, and is a member of the Appointments and Governance Committee and the Human Resources and Remuneration Committee.



Jean-Pierre Meyers

Age: 66, has been a Director of L'Oréal since 1987, Vice-Chairman of the Board of Directors since 1994, and is a member of the Strategy and Sustainable Development Committee, the Appointments and Governance Committee and the Human Resources and Remuneration Committee. He is Vice-Chairman of the Supervisory Board and Chief Executive Officer of the family-owned holding company Téthys and Vice-Chairman of the Bettencourt Schueller Foundation.



Ana Sofia Amaral

Age: 49, of Portuguese nationality, Scientific and Technical Affairs Director for L'Oréal Portugal, Ana Sofia Amaral was appointed in 2014 by L'Oréal's Instance Européenne de Dialogue Social/European Works Council as Director representing the employees.



Charles-Henri Filippi

Age: 62, spent his career within the HSBC Group, in which he was notably Chairman and Chief Executive Officer of HSBC France from 2004 to 2007 and Chairman of the Board of Directors in 2007 and 2008. Charles-Henri Filippi has been a Director of L'Oréal since 2007 and is a member of the Audit Committee and the Human Resources and Remuneration Committee and of the Appointments and Governance Committee since 2014. He is a Director of Orange and Chairman of Citigroup for France.



Xavier Fontanet

Age: 66, former Chairman and Chief Executive Officer (1996-2009) and former Chairman of the Board of Directors of Essilor (2010-2012), member of the Supervisory Board of Schneider Electric. He has been a Director of L'Oréal since 2002 and is the Chairman of the Appointments and Governance Committee.



Belén Garijo

Age: 54, of Spanish nationality, is Chief Executive Officer of Merck Healthcare, a company bringing together the pharmaceutical business of German group Merck. She is also a member of the company's Executive Committee.

Belén Garijo has been a Director of L'Oréal since April 2014. She is also a Director of BBVA (Spain);



Bernard Kasriel

Age: 68, a former Chief Executive Officer of Lafarge, has been a Director of L'Oréal since 2004, Chairman of the Human Resources and Remuneration Committee since 2007 and is a member of the Strategy and Sustainable Development Committee. He is also a Board member of Arkema and Nucor (United States).



Christiane Kuhne

Age: 59, of Swiss nationality, is the Head of the Food Strategic Business Unit at Nestlé which she joined in 1977. Christiane Kuhne has been a member of L'Oréal's Board of Directors and a member of the Audit Committee since 2012.



Georges Liarokapis

Age: 52, of French and Greek nationality, Coordinator of Sustainability for L'Oréal Western Europe, Georges Liarokapis was appointed in 2014 by the CFE-CGC as a Director representing the employees.



Jean-Victor Meyers

Age: 28, has been a member of the Supervisory Board of the family holding company Téthys since January 2011. He has been a Director of L'Oréal since February 2012 and a member of the Audit Committee since April 2014.



Virginie Morgon

Age: 45, is the Chief Executive Officer of Eurazéo which she joined in 2008 after working for 16 years at Lazard. She has been a Director of L'Oréal since April 26th, 2013 and is a member of the Audit Committee. She is also a Board member of Accor and Vivendi.



Annette Roux

Age: 72, Chairperson and Managing Director of Bénéteau from 1976 to 2005, then Vice-Chairperson of the Supervisory Board, Annette Roux has been a member of L'Oréal's Board of Directors since 2007. She is also Chairperson of the Bénéteau Corporate Foundation.



Louis Schweitzer

Age: 72, Chairman and Chief Executive Officer of Renault from 1992 to 2005, Chairman of the Board of Directors until 2009. Louis Schweitzer has been a Director of L'Oréal since 2005, is a member of the Audit Committee and Chairman of that Committee since February 2013, and a member of the Strategy and Sustainable Development Committee. He is also General Commissioner for Investment.

Within the scope of the buyback of 48,500,000 L'Oréal shares held by Nestlé and the sale of L'Oréal's holding in Galderma to Nestlé, which were finalised on July 8th, 2014, the number of representatives of Nestlé on the Board of Directors of L'Oréal was reduced from 3 to 2 following the resignation by Mr. Paul Bulcke as of that date.

PERCENTAGE OF INDEPENDENCE

As the two Directors representing the employees are not taken into account pursuant to the AFEP-MEDEF Code, the number of independent Directors is 7 out of 13, representing a percentage of independent Directors of 54%.

BALANCED REPRESENTATION OF MEN AND WOMEN ON THE BOARD OF DIRECTORS

As the two Directors representing the employees are not taken into account pursuant to the AFEP-MEDEF Code, the number of women on the Board of Directors is 5 out of 13 Directors appointed by the Annual General Meeting, namely a percentage representation of women of 38.5%.

It is pointed out that, pursuant to French law, the proportion of directors of each gender may not be lower than 40% at the end of the first Annual General Meeting after January 1st, 2017. The AFEP-MEDEF Code provides

that, with regard to the representation of men and women, the objective is for each Board to reach, and maintain, a percentage of at least 40% of women within a period of six years, as from the Annual General Meeting in 2010, namely by April 27th, 2016 at the latest.

LENGTH OF TENURE AND MINIMUM NUMBER OF SHARES HELD

The length of the terms of office of the Directors appointed by L'Oréal's Annual General Meeting is set at four years in the Articles of Association, or a shorter period in order to provide for staggered renewal of the directors' terms of office. The term of office of a Director who is not appointed by the Annual General Meeting is four years. The directors appointed by the Annual General Meeting each hold a minimum of 1,000 L'Oréal shares. The full list of the offices and directorships held by the directors is set out in chapter 2 of the Company's Registration Document for the 2014 financial year.

2. REVIEW OF THE INDEPENDENCE OF THE DIRECTORS

The Appointments and Governance Committee proposes to the Board of Directors every year to review on a case-by-case basis the situation of each of the Directors with regard to their independence according to the criteria set out in the AFEP-MEDEF Code.

The Board of Directors of L'Oréal is well-balanced. It comprises 15 members at December 31st, 2014: Jean-Paul Agon, Chairman and Chief Executive Officer, five Directors appointed by the largest shareholders, three from the Bettencourt Meyers family and two appointed by Nestlé (the two Vice-Chairmen of the Board being chosen from among these members), seven independent Directors (Annette Roux, Virginie Morgon, Belén Garijo, Charles-Henri Filippi, Xavier Fontanet, Bernard Kasriel, and Louis Schweitzer) and two Directors representing the employees (Ana Sofia Amaral and Georges Liarakapis).

The review of the independence of these directors was carried out by the Appointments and Governance Committee at the end of 2014 on the basis, in particular, of a study of the relations existing between the Company and the companies in which the directors hold offices. The directors have no conflicts of interest. The other corporate offices and directorships held, their availability, their personal contributions and their participation in the work and discussions of the Board and its committees in 2014 were taken into consideration by the Appointments and Governance Committee to evaluate the composition and *modus operandi* of the Board.

3. APPOINTMENT OF A NEW DIRECTOR IN 2015

The Appointments and Governance Committee reviewed the candidacy of a new Director that was approved by the Board of Directors. The proposed appointment of Ms. Sophie Bellon is submitted to the Annual General Meeting.



Sophie Bellon

53 years of age, who is French, is a graduate of the leading French graduate business school EDHEC and began her career in 1985 in the United States, in finance, as a Mergers and Acquisitions Advisor, then in the fashion industry as an agent for major international fashion brands. After this experience working in the United States for nearly 10 years, Mrs. Bellon returned to France and joined Sodexo in 1994 where, for over 20 years, she has taken part, through each of the positions she has held, in the major stages of growth of the Sodexo Group: first of all in the Finance Department where she participated in important acquisition projects; she continued her career in the Sales and Marketing Department and in 2008 she became the Managing Director for Sodexo's Corporate segment in France.

Sodexo is an international Group, the world leader in quality of life services, with 420,000 employees in 80 countries.

Since January 2013, Mrs. Bellon has been responsible for Research, Development and Innovation Strategy at Sodexo.

In November 2013, the Board of Directors of Sodexo appointed Mrs. Sophie Bellon as Vice Chairman of the Board of Directors, so that she succeeds Mr Pierre Bellon, Chairman and Founder of Sodexo, as Chairman of the Board of Directors in January 2016.

Strongly committed to diversity and gender mix, Mrs. Sophie Bellon is also Co-Chair of SWIFT (Sodexo Women's International Forum for Talent), a programme aimed at increasing the representation of women in Sodexo's decision-making bodies.

Mrs. Sophie Bellon will bring to the Board her multi-disciplinary knowledge of companies at the highest level and her strategic vision, her human values and strong convictions with regard to societal responsibility, one of the L'Oréal Group's priorities for development within the scope of the *Sharing Beauty With All* programme.

4. RENEWAL OF THE TENURE OF A DIRECTOR IN 2015

Ms. Annette Roux, an independent Director, did not want her tenure to be renewed.

The representation of women and the number of independent directors would remain unchanged compared December 31st 2013 in the event that the Annual General Meeting approved the appointment of Mrs. Sophie Bellon as Director.

As the tenure of Mr Charles-Henri Filippi as Director is due to expire in 2015, the renewal of such tenure for a term of four years is submitted to the Annual General Meeting.

In 2014, Mr Charles-Henri Filippi attended all the meetings of the Board of Directors and all the meetings of the three committees of the Board of Directors of which he is a member (Audit Committee, Human Resources and Remuneration Committee and Appointments and Governance Committee), except for one meeting of the Appointments and Governance Committee.

A member of the Audit Committee since 2008, he smoothly and efficiently rounds out the Board's competencies in the financial field. Also a member of the Human Resources and Remuneration Committee and the Appointments and Governance Committee, he thus has cross-functional expertise which is useful for the work of each of these committees.

Mr Charles-Henri Filippi is an independent Director, with no conflicts of interest, available and competent.

The business relations between L'Oréal and Citigroup France, of which he is the Chairman, are analysed in detail every year in relation with the assessment of the independence of the directors. The Board noted that they were not significant either with regard to their nature or in terms of their volume, as they mainly involve foreign exchange commissions. The possibility for L'Oréal to use a panel of banks, in a competitive context, moreover rules out all relationship of dependence.

Furthermore, Mr. Charles-Henri Filippi is aware that he is under the obligation of notifying the L'Oréal Board of Directors of all situations constituting a conflict of interest, even if such conflict is only potential, and that he must refrain from participating in the corresponding decisions and deliberations. Furthermore, at Citigroup, he will not take part in the work that is liable to concern L'Oréal.

For information purposes, if the Annual General Meeting votes in favour of the appointment and renewal proposed to it in 2015, the expiry dates of the terms of office of the 15 Directors of L'Oréal would be as follows:

Directors	Expiry dates of terms of office			
	2016	2017	2018	2019
Jean-Paul Agon			X	
Françoise Bettencourt Meyers		X		
Peter Brabeck-Letmathe		X		
Jean-Pierre Meyers	X			
Ana Sofia Amaral			X	
Sophie Bellon				X
Charles-Henri Filippi				X
Xavier Fontanet			X	
Belén Garijo			X	
Bernard Kasriel	X			
Christiane Kuehne	X			
Georges Liarakapis			X	
Jean-Victor Meyers	X			
Virginie Morgon		X		
Louis Schweitzer		X		
NUMBER OF RENEWALS PER YEAR	4	4	5	2

**FOURTH RESOLUTION:
APPOINTMENT OF MRS. SOPHIE BELLON AS DIRECTOR**

The Annual General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, having reviewed the Report of the Board of Directors, appoints Mrs. Sophie Bellon as Director for a period of four years.

Her tenure will expire at the end of the Annual General Meeting to be held in 2019 to review the financial statements for the previous financial year.

**FIFTH RESOLUTION:
RENEWAL OF THE TENURE AS DIRECTOR OF MR. CHARLES-HENRI FILIPPI**

The Annual General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, having reviewed the Report of the Board of Directors, renews the tenure of Mr. Charles-Henri Filippi as Director for a period of four years.

His tenure will expire at the end of the Annual General Meeting to be held in 2019 to review the financial statements for the previous financial year.

Resolution 6

Advisory vote by the shareholders on the components of the remuneration due or allocated to the Chairman and Chief Executive Officer in respect of the 2014 financial year

STATEMENT OF REASONS

In accordance with the AFEP-MEDEF Code revised in June 2013 to which L'Oréal refers, the components of the remuneration due or allocated by the Board of Directors on the proposal of the Human Resources and

Remuneration Committee to the Chairman and Chief Executive Officer, Mr. Jean-Paul Agon, with respect to the 2014 financial year are presented to the Annual General Meeting for an advisory vote.

SUMMARY TABLES OF THE COMPONENTS OF THE REMUNERATION

Components of the remuneration due or allocated in respect of 2014	Amounts or value put to the vote	Description
Fixed remuneration	€2,200,000	At its meeting on February 10 th , 2014, the Board of Directors decided, on the proposal of the Human Resources and Remuneration Committee, to increase the fixed gross annual remuneration of Mr. Jean-Paul Agon, in the context of renewal of his term of office, from €2,100,000, which had been unchanged since 2008, to €2,200,000, representing an increase of 4.8%.
Annual variable remuneration	€1,760,000	<p>The annual variable remuneration is designed to align the remuneration allocated to the Chairman and Chief Executive Officer with the Group's annual performance and to promote the implementation of its strategy year after year. It is expressed as a percentage of fixed remuneration and this percentage may reach a maximum of 100% of fixed remuneration.</p> <p>The assessment criteria for 2014 are as follows:</p> <ul style="list-style-type: none"> ◆ Financial objectives (60% of the annual variable remuneration) <ul style="list-style-type: none"> - comparable sales as compared to the budget, - market share as compared to the main competitors, - operating profit as compared to 2013, - net earnings per share as compared to 2013, - cash flow as compared to 2013. <p>The assessment is carried out on a criterion-by-criterion basis without offsetting among the criteria. Summary of the results for 2014 on which the assessment of the objectives is based is available in chapter 2 section 2.3.2.2 of the Company's Registration Document.</p> <ul style="list-style-type: none"> ◆ Extra-financial objectives (40% of the annual variable remuneration): <ul style="list-style-type: none"> ▶ CSR criteria <i>Sharing Beauty with All</i> Programme setting out 4 development fields: <ul style="list-style-type: none"> - Innovating sustainably - Producing sustainably - Consuming sustainably - Sharing our growth. ▶ Human Resources criteria: <ul style="list-style-type: none"> - Gender balance - Talent development - Access to training ▶ Qualitative criteria: <ul style="list-style-type: none"> - Company's Image - Reputation - Dialogue with stakeholders - Handling of the priorities for the year <p>The assessment is carried out on a criterion-by-criterion basis without offsetting among the criteria. A summary of achievements in 2014 is available in chapter 2 section 2.3.2.2 of the Company's Registration Document.</p> <p>Assessment for 2014 by the Board of Directors on February 12th, 2015:</p> <p>On the basis of the above-mentioned assessment criteria, the Board of Directors decided, on the proposal of the Human Resources and Remuneration Committee, to award gross variable remuneration of €1.760.000 for 2014, namely 80% of the maximum objective.</p> <p>For reasons of confidentiality, L'Oréal does not give details of the amounts paid per criterion; the elements of assessment are set out in detail in chapter 2 section 2.3.2.2 of the Company's Registration Document.</p>
Multi-annual variable remuneration	€0	Not applicable inasmuch as the Board of Directors has not allocated any multi-annual variable remuneration.
Exceptional remuneration	€0	Not applicable inasmuch as the Board of Directors has not allocated any exceptional remuneration.
Attendance fees	€0	At its meeting on November 28 th , 2014, the Board of Directors took due note of the wish expressed by Mr. Jean-Paul Agon to no longer receive attendance fees in his capacity as Chairman and Chief Executive Officer.

DRAFT RESOLUTIONS

ORDINARY PART

Components of the remuneration due or allocated in respect of 2014	Amounts or value put to the vote	Description
Stock options, performance shares (and any other component of long-term remuneration)	40,000 performance shares valued at €4,183,200 (the estimated fair value according to the IFRS applied to prepare the consolidated financial statements)	<p>Within the scope of the authorisation of the Ordinary and Extraordinary General Meeting of April 26th, 2013 (resolution No. 10), the Board of Directors decided on April 17th, 2014, on the proposal of the Human Resources and Remuneration Committee, to make a conditional grant of 40,000 shares ("ACAs") to Mr. Jean-Paul Agon.</p> <p>The estimated fair value according to the IFRS applied for the preparation of the consolidated financial statements of one performance share (ACAs) under the April 17th, 2014 plan is €104.58 for French tax and/or social security residents, which is the case for Mr. Jean-Paul Agon. This fair value was €112.37 on April 26th, 2013.</p> <p>The estimated fair value according to the IFRS of the 40,000 performance shares granted to Mr. Jean-Paul Agon in 2014 is therefore €4,183,200.</p> <p>Final vesting of these shares is subject to achievement of performance conditions which will be recorded at the end of a 4-year vesting period as from the date of grant.</p> <p>Half of the number of shares that finally vests will depend on growth in comparable cosmetics sales as compared to those of a panel of competitors, such panel consisting of Procter & Gamble, Unilever, Estée Lauder, Shiseido, Beiersdorf, Johnson & Johnson, Henkel, LVMH, Kao, Revlon and Elizabeth Arden; the other half will depend on the growth in L'Oréal's consolidated operating profit.</p> <p>The calculation will be based on the arithmetic average for the three full financial years of the vesting period. The first full year taken into account for evaluation of the performance conditions relating to this grant is 2015. Monitoring of the performance conditions year after year is described in detail in chapter 2 section 2.3.2.2 of the Company's Registration Document.</p> <p>With respect to the criterion relating to sales, in order for all the free shares granted to finally vest for the beneficiaries at the end the vesting period, the performance of L'Oréal must be at least as good as the average performance of the competitors' panel. Below this level, attribution is digressive. The Board defines a threshold, which remains undisclosed for confidentiality reasons, below which no share is permanently vested pursuant to this criterion.</p> <p>Concerning the criterion related to operating profit, a level of growth defined by the Board, but not made public for reasons of confidentiality, must be met or exceeded in order for all the free shares granted to finally vest for the beneficiaries at the end of the vesting period. Below that level, the grant decreases. If the operating profit does not increase in absolute value over the period, no share will finally vest pursuant to this criterion.</p> <p>The grant of shares from which Mr. Jean-Paul Agon benefited in 2014 represents:</p> <ul style="list-style-type: none"> ◆ 3.74% of the total number of ACAs granted to the 1,978 beneficiaries of this same plan ◆ 3.65% of their estimated fair value according to the IFRS. <p>In accordance with the authorization granted by the Annual General Meeting on April 26th, 2013, the amount of shares granted does not exceed 0.6% of the share capital, it being understood that the maximum amount granted to executive officers cannot exceed 10% of the maximum number of free shares that may be granted. No purchase option or any other long-term incentive instrument was granted to Mr. Jean-Paul Agon in 2014.</p>
Benefits in kind	€0	Mr. Jean-Paul Agon benefits from the necessary material resources for performance of his term of office such as, for example, the provision of a car with a chauffeur. These arrangements, which are strictly limited to professional use, to the exclusion of all private use, cannot be considered as benefits in kind.
Indemnity for entry into office	€0	Not applicable inasmuch as Mr. Jean-Paul Agon has been Chief Executive Officer since 2006 and Chairman and Chief Executive Officer since 2011.

Components of remuneration due or allocated in respect of 2014 which have previously been voted by the Annual General Meeting under the regulated agreements and commitments procedure

Components of remuneration due or allocated in respect of 2014 which have previously been voted by the Annual General Meeting under the regulated agreements and commitments procedure	Amount put to the vote	Description
Termination indemnity and non-competition indemnity	Not applicable	<p>No indemnity is due in respect of termination of the corporate office.</p> <p>Payment of the indemnities due under the suspended employment contract was approved by the Annual General Meeting on April 27th, 2010.</p> <p>Remuneration under the employment contract, to be used to calculate all the rights attached thereto, is established on the basis of the remuneration at the date of suspension of the contract in 2006, namely fixed remuneration of €1,500,000 and variable remuneration of €1,250,000. This remuneration is reviewed every year by applying the revaluation coefficient in respect of salaries and pension contributions published by the French State pension fund. As of January 1st, 2015 the fixed remuneration amounts to €1,671,000 and variable remuneration to €1,392,500.</p> <p>In the event of departure, and depending on the reasons, Mr Jean-Paul Agon would only be paid the dismissal indemnities, except in the event of gross misconduct or gross negligence, or the retirement indemnities in the event of voluntary retirement or retirement at the Company's request due pursuant to the employment contract that has been suspended.</p> <p>These indemnities, which are attached solely to termination of the employment contract and in strict application of the National Collective Bargaining Agreement for the Chemical Industries and the Company-level agreements applicable to all L'Oréal executives, are due in any event pursuant to the public policy rules of French labour law. They are not subject to any condition other than those provided for by the National Collective Bargaining Agreement for the Chemical Industries or the above-mentioned Company-level agreements. The same applies to the non-competition clause and the related financial consideration.</p> <p>Pursuant to the schedule of indemnities under the National Collective Bargaining Agreement for the Chemical Industries, in the event of dismissal, except in the event of gross misconduct or gross negligence, the indemnity would be capped, in light of Mr. Jean-Paul Agon's length of service, at 20 months' remuneration under the suspended employment contract.</p> <p>In respect of the employment contract, pursuant to the provisions of the National Collective Bargaining Agreement for the Chemical Industries, in the event of termination of the employment contract, the indemnity due in consideration of the non-competition clause would be payable every month for two years on the basis of two-thirds of the monthly fixed remuneration attached to the suspended employment contract unless Mr. Jean-Paul Agon were to be released from application of the clause.</p> <p>For information purposes, the cumulative amount of the indemnity provided for under the collective bargaining agreement and the indemnity in consideration of the non-competition clause which would have been due to Mr. Jean-Paul Agon had his employment contract been terminated on December 31st, 2014 through dismissal, except in the event of gross misconduct or gross negligence, would have represented an amount of less than 24 months of the fixed and variable remuneration which he received in 2014 as a corporate officer.</p>
Supplementary pension scheme	Not applicable	<p>Mr. Jean-Paul Agon benefits, under his suspended employment contract, from the "Garantie de Retraite des Membres du Comité de Conjoncture" (Pension Cover of the Members of the "Comité de Conjoncture") scheme closed on December 31st, 2000.</p> <p>The main features of this scheme, which falls under Article L. 137-11 of the French Social Security Code, are as follows:</p> <ul style="list-style-type: none"> ◆ around 120 senior managers (active or retired) are concerned; ◆ the minimum length of service requirement was 10 years at the time of closure of the scheme on December 31st, 2000; ◆ the Pension Cover may not exceed 40% of the calculation basis, plus 0.5% per year for the first twenty years, then 1% per year for the following twenty years, nor exceed the average of the fixed part of the remuneration for the three years used for the calculation basis out of the seven calendar years prior to the end of the beneficiary's career in the Company. <p>For information purposes, the estimated amount of the pension that would be paid to Mr. Jean-Paul Agon, under L'Oréal's "Garantie de Retraite des Membres du Comité de Conjoncture" scheme, had he been able to apply for a full-rate pension from the French social security scheme on December 31st, 2014, after more than 35 years' length of service at L'Oréal, would represent around 40% of the fixed and variable remuneration he received as an executive officer in 2014.</p> <p>This information is given as an indication after estimating the main pension entitlements accrued by Mr. Jean-Paul Agon, at 65 years of age, as a result of his professional activities, according to the rules regarding the application for payment of such pensions in force at December 31st, 2013 and which may be subject to change. The amount of the pension paid to Mr. Jean-Paul Agon, under L'Oréal's "Garantie de Retraite des Membres du Comité de Conjoncture" scheme will in fact only be calculated on the date when he applies for all his pensions.</p> <p>As a reminder, the rights to the defined benefit pension are uncertain and conditional on the beneficiary ending his career in the Company. The funding of this scheme by L'Oréal cannot be broken down individually by employee.</p> <p>Benefit from this scheme pursuant to the suspended employment contract was approved by the Annual General Meeting on April 27th, 2010.</p>
Valuation of benefits of any kind	Not applicable	<p>Mr. Jean-Paul Agon continues to be treated in the same way as a senior manager during the term of his corporate office entitling him to continue to benefit from the additional social protection schemes and in particular the employee benefit and healthcare scheme applicable to the Company's employees.</p> <p>For information purposes, the amount of the employer's contributions to these schemes totals €5,892 in 2014. The continued possibility to benefit from this treatment was approved by the Annual General Meeting on April 27th, 2010.</p>

SIXTH RESOLUTION:**ADVISORY VOTE BY THE SHAREHOLDERS ON THE COMPONENTS OF THE REMUNERATION DUE OR ALLOCATED TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER IN RESPECT OF THE 2014 FINANCIAL YEAR**

The Annual General Meeting, consulted pursuant to the recommendation in § 24.3 of the AFEP-MEDEF Code of June 2013 which is the Company's

reference code pursuant to Article L. 225-37 of the French Commercial Code, voting in accordance with the quorum and majority requirements for ordinary general meetings, casts a favourable advisory vote on the components of remuneration due or allocated to Mr. Jean-Paul Agon in his capacity as Chairman and Chief Executive Officer in respect of the 2014 financial year as set out in particular in chapter 8 of the Company's 2014 Registration Document.

Resolution 7

Authorisation for the Company to buy back its own shares

STATEMENT OF REASONS

As the existing authorisation is due to expire in October 2015, it is proposed that the Annual General Meeting give the Board a new authorisation, it being specified that in the event of filing of a public offer by a third party with regard to the shares of the Company, the Board of Directors will not be able to use this authorisation during the public offer period without the prior authorisation of the Annual General Meeting.

The Company would be able to buy back its own shares for the purpose of:

- ◆ their cancellation by a reduction in capital;
- ◆ their sale within the scope of employee ownership programs and their allocation to free grants of shares in favor of employees and executive officers of the L'Oréal Group;
- ◆ liquidity provision through a liquidity agreement entered into with an investment services provider in accordance with the code of ethics recognised by the *Autorité de Marchés Financiers*;

- ◆ retaining them and subsequently using them as payment in connection with external growth transaction.

The purchase, sale, exchange or transfer of these shares may be carried out by any means on one or more occasions, in particular on or off the stock market, including in whole or in part, through the acquisition, sale, exchange or transfer of blocks of shares. These means include, where applicable, the use of all financial instruments and derivatives.

The period of validity of this authorisation would be 18 months as from the date of this Annual General Meeting. The purchase price per share may not exceed €230 (excluding expenses). The authorisation would concern 10% of the capital at most, namely, for information purposes, at December 31st, 2014 56,123,038 shares for a maximum amount of €12,908,298,740, it being stipulated that the Company may at no time hold over 10% of its own share capital.

SEVENTH RESOLUTION:**AUTHORISATION FOR THE COMPANY TO BUY BACK ITS OWN SHARES**

The Annual General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, having reviewed the Report of the Board of Directors, authorises the Board of Directors, with the possibility for it to delegate to the Chairman and Chief Executive Officer, to purchase shares of the Company, in accordance with Articles L. 225-209 *et seq.* of the French Commercial Code, and subject to the following conditions:

- ◆ the purchase price per share may not be greater than €230 (excluding expenses);
- ◆ the number of shares that may be bought by the Company may not exceed 10% of the number of shares forming the capital of the Company at the time the shares are bought back, that is, for information purposes, at December 31st, 2014, 56,123,038 shares for a maximum amount of €12,908,298,740, it being stipulated that the Company may at no time hold over 10% of its own share capital.

In the event of any transaction affecting the Company's capital, the prices and numbers of shares indicated above will be adjusted where applicable.

The Company may buy its own shares for the following purposes:

- ◆ their cancellation by a reduction in capital;
- ◆ their allocation or sale to employees and corporate officers of the Company and affiliates, under the terms and conditions provided for by French or foreign law, and in particular within the scope of employee profit sharing schemes, free grants of shares or all employee share ownership programmes as well as for the purpose of carrying out any transaction to cover the above-mentioned employee share ownership programmes;
- ◆ liquidity provision through a liquidity agreement entered into with an investment services provider in accordance with the code of ethics recognised by the *Autorité des Marchés Financiers*;
- ◆ retaining them and subsequently using them as payment in connection with external growth transactions.

The purchase, sale, exchange or transfer of these shares may be carried out by any means, on one or more occasions, in particular on or off the stock market, including in whole or in part, through the acquisition, sale, exchange

or transfer of blocks of shares. These means include, where applicable, the use of all financial instruments and derivatives.

These transactions may be carried out at any time, in accordance with the regulations in force at the time of the transactions concerned, it being specified that in the event of filing of a public offer by a third party with regard to the shares of the Company, the Board of Directors will not be able to use this authorisation during the public offer period without the prior authorisation of the Annual General Meeting.

The Annual General Meeting decides that this authorisation will expire at the end of a period of 18 months following this Annual General Meeting and renders ineffective as from the date hereof any prior authorisation for the same purpose.

The Board of Directors will have the possibility of allocating and reassigning to any of these objectives all the treasury shares currently held by the Company. Full powers are granted to the Board of Directors, with the possibility for it to delegate, for the implementation of this resolution and more generally do anything that may be necessary.

/ EXTRAORDINARY PART

Resolution 8

Delegation of authority to the Board of Directors to increase the share capital either through the issue of ordinary shares with maintenance of preferential subscription rights, or *via* the capitalisation of share premiums, reserves, profits or other amounts

STATEMENT OF REASONS

It is proposed that the Annual General Meeting delegate to the Board of Directors its authority to increase the share capital either through the issue of ordinary shares with maintenance of preferential subscription rights, it being specified that in the event of filing of a public offer by a third party with regard to the shares of the Company, the Board of Directors will not be able to use this delegation of authority during the public offer period without the prior authorisation of the Annual General Meeting or via the capitalisation of share premiums, reserves, profits or other amounts.

The total amount of the capital increases that may thus be carried out may not lead to the share capital, which amounts to €112,246,077.80, as of December 31st, 2014, being increased to over €157,144,508. The increases that may be carried out pursuant to Resolutions 9 and 10 will also be deducted from this ceiling, it being specified that this total nominal amount does not take into account adjustments that may

be made in accordance with the applicable provisions of the laws and regulations, and where applicable, the contractual provisions providing for other cases of adjustment, to preserve the rights of holders of free shares, stock options for the subscription and purchase of shares and other rights giving access to the share capital. It corresponds to a maximum increase of 40% of the capital.

In the event of a free share allotment, the allotment rights forming fractional shares will not be negotiable or transferable. The corresponding shares will be sold and the amounts resulting from the sale will be allocated to the holders of these rights.

No overallocation option is provided for.

This delegation of authority would be valid for a period of 26 months as from the date of the Annual General Meeting.

EIGHTH RESOLUTION:

DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL EITHER THROUGH THE ISSUE OF ORDINARY SHARES WITH MAINTENANCE OF PREFERENTIAL SUBSCRIPTION RIGHTS, OR VIA THE CAPITALISATION OF SHARE PREMIUMS, RESERVES, PROFITS OR OTHER AMOUNTS

The Annual General Meeting, deliberating in accordance with the quorum and majority requirements for extraordinary general meetings, having reviewed the Report of the Board of Directors and in accordance with Articles L. 225-109 *et seq.* of the French Commercial Code, and in particular Article L. 225-129-2 of the French Commercial Code:

- 1) delegates to the Board of Directors the authority to decide on one or more increases in the share capital:
 - a) through the issue of ordinary shares of the Company, and/or
 - b) *via* the capitalisation of share premiums, reserves, profits or other amounts of which the capitalisation is admissible in the form of the allotment of free shares or an increase in the par value of existing shares or by the combined use of these two processes.

The delegation of authority thus granted to the Board of Directors is valid for a period of 26 months as from the date of this Annual General Meeting;

- 2) decides that the total amount of the capital increases that may thus be carried out may not lead to the share capital, which amounts to €112,246,077.80 as of December 31st, 2014, being increased to over €157,144,508. The increases that may be carried out pursuant to Resolutions 9 and 10 will also be deducted from this ceiling, it being specified that this total nominal amount does not take into account adjustments that may be made in accordance with the applicable provisions of the laws and regulations, and where applicable, the contractual provisions providing for other cases of adjustment, to preserve the rights of holders of free shares, stock options for the subscription and purchase of shares and other rights giving access to the share capital. It corresponds to a maximum increase of 40% of the capital.
- 3) decides, if the Board of Directors uses this delegation of authority within the scope of the share issues referred to in paragraph 1)a) that:

- a) the shareholders will have a preferential subscription right to the shares issued pursuant to this resolution, in proportion to the amount of their shares,
- b) if subscriptions made by shareholders by way of right on the basis of the shares they hold and, where applicable, their subscriptions for excess shares, have not covered the full number of shares issued, the Board of Directors will be able to use, under the conditions set by law and in the order it determines, one and/or both of the possibilities set out below:
 - limit the issue to the amount of the subscriptions on condition that it reaches at least three-quarters of the share issue decided,
 - offer to the public all or some of the shares not subscribed on the French or foreign market.

Transactions involving an increase in the share capital may be carried out any time, in compliance with the regulations in force on the date

of the transactions in question. However, in the event of filing of a public offer by a third party with regard to the shares of the Company, the Board of Directors will not be able to use this delegation of authority during the public offer period without the prior authorisation of the Annual General Meeting;

- 4) decides that, if the Board of Directors uses this delegation of authority within the scope of capitalisations of share premiums, reserves, profits or other amounts referred to in paragraph 1)b), where applicable, in accordance with the provisions of Article L. 225-130 of the French Commercial Code, the fractional share rights will not be negotiable or transferable and the corresponding shares will be sold; the amounts derived from the sale will be allocated to the holders of the rights under the conditions and within the time periods provided for by the applicable regulations;
- 5) records that this delegation of authority renders ineffective any prior delegation for the same purpose.

Resolution 9

Authorisation to make free grants of shares to employees and executive officers entailing waiver by the shareholders of their preferential subscription right

STATEMENT OF REASONS

The authorisation granted by the Annual General Meeting on April 26th, 2013 to the Board of Directors to make free grants of shares to the Group's employees and to certain of its corporate officers is due to expire in 2015.

Within the scope of this authorisation, the number of free shares that may be granted may not represent more than 0.6% of the share capital on the date of the Board of Directors' decision.

The total number of free shares granted to the executive officers during a financial year may not represent more than 10% of the total number of free shares granted during that same financial year.

The free grant of shares to beneficiaries would only become final and binding, subject to satisfaction of the other conditions set at the time of grant, including in particular the condition of presence in the Company, for all or part of the shares granted:

- ◆ either at the end of a minimum vesting period of four years, in such case without any minimum holding period;
- ◆ or at the end of a minimum vesting period of two years, it being specified that the beneficiaries will then be required to hold these shares for a minimum period of two years after the date of final award thereof.

The Board of Directors will have the possibility, in any case, to set vesting or holding periods which are longer than the minimum periods set.

If the Annual General Meeting votes in favour of this resolution, any free grants of shares will be decided by the Board of Directors on the basis of the proposals of the General Management examined by the Human Resources and Remuneration Committee.

The Board of Directors will determine the identity of the beneficiaries of the free grants of shares, the number of shares granted to each of them and the performance conditions to be met for the final vesting of all or part of the shares.

These performance conditions would take into account:

- ◆ partly, the growth in L'Oréal's comparable cosmetics sales as compared to those of a panel of L'Oréal's direct competitors;
- ◆ partly, the growth in L'Oréal's consolidated operating profit.

The figures recorded year after year to determine the performance levels achieved are published in the Annual Financial Report.

The Board of Directors would once again apply the performance conditions that it uses in application of the authorisation in force which was voted on by the Annual General Meeting of April 26th, 2013.

The Board of Directors considers that these two criteria, assessed over a long period of 3 financial years and applied to several plans, are complementary, in line with the Group's objectives and specificities and should make it possible to promote balanced, continuing growth over the long term. They are exacting but remain a source of motivation for beneficiaries.

In order for all the free shares granted to finally vest for the beneficiaries at the end of the vesting period pursuant to the criterion related to sales, L'Oréal's growth must be at least as good as average growth in sales of the panel of competitors. This panel consists of Unilever, Procter & Gamble, Estée Lauder, Shiseido, Beiersdorf, Johnson & Johnson, Kao, LVMH, Coty, Henkel. Below that level, the grant decreases. The Board defines a threshold, which is not made public for reasons of confidentiality, below which no share will finally vest pursuant to this criterion.

In order for all the free shares granted to finally vest for the beneficiaries at the end of the vesting period pursuant to the criterion related to operating profit, a level of growth defined by the Board, but not made public for reasons of confidentiality, must be met or exceeded. Below that level, the grant decreases. If the operating profit does not increase in absolute value over the period, no share will finally vest pursuant to this criterion.

These performance conditions will apply to all the individual grants of more than 200 free shares per plan, with the exception of those for the executive officers and the Executive Committee members, to which they will apply in full.

The free grant of shares may be carried out without any performance condition within the scope of grants that are made to all the employees of the Group, or for shares granted in respect of cash subscriptions

made within the scope of an increase in capital reserved for the Group's employees pursuant to the tenth resolution.

Any grants of shares to the executive officers will be decided by the Board of Directors on the basis of the proposals of the Human Resources and Remuneration Committee, after assessment of their performance.

L'Oréal's executive officers will be required to retain 50% of the free shares that will be definitively allocated to them at the end of the vesting period in registered form until the termination of their duties.

An executive officer may not be granted free shares at the time of termination of his duties.

The authorisation requested from the Annual General Meeting would be granted for a period limited to 26 months as from the decision by the Annual General Meeting.

NINTH RESOLUTION:
AUTHORISATION TO THE BOARD OF DIRECTORS TO MAKE FREE GRANTS TO EMPLOYEES AND EXECUTIVE OFFICERS OF EXISTING SHARES AND/OR OF SHARES TO BE ISSUED ENTAILING WAIVER BY THE SHAREHOLDERS OF THEIR PREFERENTIAL SUBSCRIPTION RIGHT

The Annual General Meeting, deliberating in accordance with the quorum and majority requirements for extraordinary general meetings, having reviewed the Report of the Board of Directors and the Special Report of the Statutory Auditors, in accordance with Articles L.225-197-1 *et seq.* of the French Commercial Code:

- ◆ authorises the Board of Directors to make, on one or more occasions, to employees and executive officers of the Company and of French and foreign affiliates as defined by Article L. 225-197-2 of the French Commercial Code or certain categories of such employees or executive officers, free grants of existing shares or shares to be issued of L'Oréal;
- ◆ sets at 26 months as from the date of this Annual General Meeting, the period of validity of this authorisation which may be used on one or more occasions;
- ◆ decides that the number of free shares thus granted may not represent more than 0.6% of the share capital determined at the date of the decision made by the Board of Directors, it being specified that this maximum number of shares, either existing or to be issued, does not take into account the number of additional shares that may be allocated due to an adjustment in the number of shares granted initially as the result of a transaction affecting the Company's capital;
- ◆ decides that the maximum nominal amount of the increases in share capital carried out on the basis of this authorisation will be deducted from the amount of the overall ceiling provided for in paragraph 2 of the eighth resolution;
- ◆ decides that the number of free shares granted to executive officers of the Company during a financial year pursuant to this resolution may not represent more than 10% of the total number of free shares granted during any given financial year;
- ◆ decides that the Board of Directors will determine the identity of the beneficiaries of the grants, and the number of free shares granted to each of them as well as the conditions to be met for the grant to finally

vest, and in particular the performance conditions, it being stipulated that the free grant of shares may be carried out without any performance condition within the scope of a grant made (i) to all the employees and executive officers of L'Oréal and, where applicable, and of its French and foreign affiliates as defined by Article L.3332-14 of the French Labour Code or Article 217 *quinquies* of the French Tax Code, or (ii) to employees and executive officers of foreign companies subscribing to an increase in capital carried out pursuant to the tenth resolution of this Annual General Meeting or participating in an employee share ownership transaction through the sale of existing shares or (iii) to employees who are not members of the Executive Committee for at most 200 of the free shares that are granted to them within the scope of each of the plans decided by the Board of Directors;

- ◆ decides that the grant of such shares to beneficiaries will become final and binding, subject to satisfaction of the other conditions set at the time of grant, for all or part of the shares granted:
 - either at the end of a minimum vesting period of four years, in such case without any minimum holding period,
 - or at the end of a minimum vesting period of two years, it being specified that the beneficiaries will then be required to hold these shares for a minimum period of two years after the date of final award thereof;
- ◆ decides that the grant of these shares to their beneficiaries will become final and binding prior to the expiry of the above-mentioned vesting periods in the event of disability of the beneficiary corresponding to classification in the second or third categories provided for in Article L. 341-1 of the French Social Security Code (*Code de la sécurité sociale*) and that such shares will be freely transferable in the event of disability of the beneficiary corresponding to classification in the above-mentioned categories under the French Social Security Code;
- ◆ authorises the Board of Directors to make, where applicable, during the vesting period, adjustments to the number of shares, related to any potential transactions with regard to the Company's share capital within the meaning of Article L. 225-181 of the French Commercial Code, in order to preserve the rights of the beneficiaries;

- ◆ records that this authorisation automatically entails, in favour of the beneficiaries of free shares granted, the waiver by the shareholders of their preferential subscription right and the portion of the reserves which, where applicable, will be used in the event of the issue of new shares;
- ◆ delegates full powers to the Board, with the possibility to delegate within the legal limits, to implement this authorisation, it being specified that the Board of Directors will be able to provide for vesting and holding periods which are longer than the minimum periods set above.

Resolution 10

Delegation of authority to the Board of Directors for the purpose of carrying out a capital increase reserved for employees with cancellation of the shareholders' preferential subscription right

STATEMENT OF REASONS

The delegation of authority granted to the Board of Directors to decide to increase the share capital, and the authorisations to make free grants of shares to be issued, give rise to a corresponding obligation to submit to the Annual General Meeting a draft resolution enabling a potential capital increase to be carried out reserved for employees who are members of an employee savings scheme

In accordance with the French Labour Code, the issue price may not be higher than the average of the trading prices on the Euronext Paris market for the twenty trading days prior to the date of the decision setting the opening date of the subscription period. It also may not be over 20% lower than this average, it being specified that the Board of Directors, or the person to whom it delegates, if it deems it appropriate, is expressly

authorised to reduce or eliminate the discount of 20%, in particular to take into account legal and tax regimes applicable in the countries of residence of certain beneficiaries of the capital increase.

The Annual General Meeting is therefore asked to delegate to the Board of Directors the authority to decide to carry out the increase in capital of the Company on one or more occasions, for a period of 26 months and within the limit of 1% of the share capital, namely for information purposes at December 31st, 2014 through the issue of 5,612,303 new shares. The amount of the increase or increases in capital that may be carried out in this respect would be deducted from the overall ceiling for increases in capital provided for in the eighth resolution.

TENTH RESOLUTION:

DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS FOR THE PURPOSE OF CARRYING OUT A CAPITAL INCREASE RESERVED FOR EMPLOYEES WITH CANCELLATION OF THE SHAREHOLDERS' PREFERENTIAL SUBSCRIPTION RIGHT

The Annual General Meeting, deliberating in accordance with the quorum and majority requirements for extraordinary general meetings, having reviewed the Report of the Board of Directors and the special Report of the Statutory Auditors, and acting in accordance with the provisions of Articles L. 225-129-2, L. 225-129-6 and L. 225-138-1 of the French Commercial Code and Articles L. 3332-18 *et seq.* of the French Labour Code:

- ◆ delegates to the Board of Directors the authority to carry out, on one or more occasions, on its own decisions alone, in the proportions and at the times it may consider appropriate, the issue of shares or securities giving access to the Company's capital reserved for employees, executive officers and eligible former employees, of the Company and of its French and foreign affiliates as defined by Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labour Code, who are members of a company savings scheme;
- ◆ decides to cancel, in favour of the employees, executive officers and eligible former employees, of the Company and of its French and foreign affiliates as defined by Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labour Code, who are members of a company savings scheme, the preferential subscription right of shareholders for the shares or securities giving access to the Company's capital, it being specified that the subscription of the shares or securities giving access to the Company's capital issued in accordance with this resolution may be carried out through any employee investment fund, and in particular a "structured" employee investment fund within the meaning of the regulations of the *Autorité des Marchés Financiers*, or any other collective body authorised by the regulations;
- ◆ sets the period of validity of this delegation at 26 months as from the date of this Annual General Meeting, and records that this delegation renders ineffective any prior delegation for the same purpose, for the unused part thereof;
- ◆ decides to set at 1% of the share capital existing at the date of this Annual General Meeting, the capital increase that could thus be carried out (namely, for information purposes at December 31st, 2014, an increase in the share capital by a maximum nominal amount of €1.122.460 through the issue of 5.612.303 new shares);
- ◆ decides that the amount of the increases in capital that may be carried out pursuant to this resolution will be deducted from the overall ceiling for increases in capital provided for in the eighth resolution presented to this Annual General Meeting for approval;
- ◆ decides that the subscription price may include a discount as compared with the average of the trading prices on the Euronext Paris market for the twenty trading days prior to the date of the decision setting the opening date of the subscription period. Such discount may not exceed 20% of this average, it being specified that the Board of Directors, or the person to whom it delegates, if it deems it appropriate, is expressly authorised to reduce or eliminate the discount, in particular to take into account legal and tax regimes applicable in the countries of residence of the beneficiaries of the capital increase;

- ◆ decides, pursuant to Article L. 3332-21 of the French Labour Code, that the Board of Directors may provide for the free grant to the beneficiaries specified above of shares that have already been issued or are to be issued, as an additional employer contribution that may be paid pursuant to the employee savings scheme regulations, and/or in respect of the discount, provided that, after taking into account their equivalent monetary value, assessed on the basis of the subscription price, this does not lead to the limits provided for in Articles L. 3332-11 and L. 3332-19 of the French Labour Code being exceeded;
- ◆ decides that the Board of Directors will have full powers, with the possibility to delegate further under the conditions provided for by law, to implement this delegation of authority within the limits and under the conditions specified above in particular in order to:
 - set the conditions that must be met by the employees and eligible former employees to be able to subscribe, individually or through an employee investment fund, for the shares issued pursuant to this delegation,
 - decide on the list of the companies whose employees may benefit from the issue,
 - decide on the amount to be issued, the features, where applicable, of the securities giving access to the Company's capital, the issue price, the dates of the subscription period and the terms and conditions of each issue,
 - set the time period allotted to the beneficiaries to pay up their shares or securities and the payment terms,
 - set the date, even with retrospective effect, as of which the new shares will carry dividend rights,
 - deduct, where applicable, the costs, taxes and fees of such issues from the amount of the share premiums and deduct, where applicable, from the amounts of the share premiums, the amounts required to increase the legal reserve to the level required by the French legislation and regulations in force,
 - in general, carry out all acts and formalities, take all decisions and enter into any agreements that may be appropriate or necessary for the due and proper completion of the share issues made pursuant to this delegation of authority and record the final completion of the capital increase or capital increases made pursuant to this delegation of authority and amend the Articles of Association accordingly.

Resolution 11

Amendment of Article 12 of the Articles of Association relating to the introduction of double voting rights by French Law No. 2014-384 of March 29th, 2014 in order to continue to apply simple voting rights

STATEMENT OF REASONS

French Law No. 2014-384 of March 29th, 2014 "aimed at reconquering the real economy" known as the "Florange law" introduced the principle of double voting rights in companies whose shares are admitted for trading on a regulated market, unless there is a clause in the Articles of Association providing to the contrary adopted after promulgation of the law.

Article L. 225-123 of the French Commercial Code, as amended by such law, provides in fact in its third and last paragraph that:

"In companies whose shares are admitted for trading on a regulated market, the double voting rights provided for in the first paragraph are automatic, unless there is a clause in the Articles of Association providing to the contrary adopted after promulgation of Law No. 2014-384 of

March 29th, 2014 aimed at reconquering the real economy, for all the fully paid-up shares for which proof is provided that they have been registered in the name of the same shareholder for two years. The same applies for the double voting right granted immediately upon their issue to the registered shares granted free of charge pursuant to the second paragraph".

At the time of the Annual General Meeting of April 29th, 2004, on the proposal of the Board of Directors, the shareholders of L'Oréal amended the Articles of Association in order to remove the double voting right.

The Board of Directors repeats its attachment to the principle whereby each share gives a right to one vote by proposing to the Annual General Meeting to amend the Articles of Association in order to continue to apply simple voting rights.

ELEVENTH RESOLUTION:

AMENDMENT OF ARTICLE 12 OF THE ARTICLES OF ASSOCIATION RELATING TO THE INTRODUCTION OF DOUBLE VOTING RIGHTS BY FRENCH LAW NO. 2014-384 OF MARCH 29TH, 2014 IN ORDER TO CONTINUE TO APPLY SIMPLE VOTING RIGHTS

The Annual General Meeting, deliberating in accordance with the quorum and majority requirements for extraordinary general meetings, having reviewed the report of the Board of Directors, decides to amend the penultimate paragraph of Article 12 of the Articles of Association as follows:

Current version:

"Each member of the meeting has as many votes as the number of shares he owns or represents without limitation. The proxy of a shareholder can cast the votes of the shareholder he represents in the same conditions."

Proposed new version:

"Applying the provisions of Fren Law No. 2014-384 of March 29th, 2014, the General Meeting of April 22nd, 2015 confirmed that each shares entitles the holder to only one vote at Annual General Meetings. The proxy of a shareholder can cast the votes of the shareholder he represents in the same conditions."

Resolution 12

Removal from the Articles of Association of the reference to the time periods to be taken into account to participate in the Annual General Meeting

STATEMENT OF REASONS

The new wording of Article R. 225-85 of the French Commercial Code, introduced by the French Decree of December 8th, 2014 changes the date of preparation of the list of persons duly empowered to participate in the Annual General Meeting.

Pursuant to this article, the list of persons duly empowered to participate in the Annual General Meeting is prepared on the second working day prior to the Annual General Meeting at zero hour, Paris time (instead of the third working day provided for previously by law and mentioned in the Articles of Association of L'Oréal).

These new provisions, like the previous provisions, are public policy provisions and are effective even in the absence of provisions in the Articles of Association.

It is proposed to remove all reference concerning the time periods to be taken into account. This modification would make it possible to have a communication by the Company in line with the latest progress in the regulations with regard to participation in annual general meetings and to avoid all contradiction between the Articles of Association that can only be amended at an annual general meeting and the Company's other communication materials that can be updated immediately.

**TWELFTH RESOLUTION:
REMOVAL FROM THE ARTICLES OF ASSOCIATION OF THE REFERENCE
TO THE TIME PERIODS TO BE TAKEN INTO ACCOUNT TO PARTICIPATE IN
THE ANNUAL GENERAL MEETING**

The Annual General Meeting, deliberating in accordance with the quorum and majority requirements for extraordinary general meetings, having reviewed the Report of the Board of Directors, decides to amend Article 12

of the Articles of Association in order to remove the reference relating to the legal period to prepare the list of persons duly empowered to participate in the General Meeting of shareholders, in particular within the scope of exercise of voting rights by electronic means:

Current version:

Proposed new version:

ARTICLE 12

[...]

"If the Board of Directors so decides when the meeting is called, the shareholders may use a form of admission request, of proxy or of vote by correspondence in electronic form; the used electronic signature must result from a reliable identification process which ensures its link with the vote form to which it is related; it may consist, in particular, of an identification code and a password, or any other way provided or authorized by the legislation currently in force.

*As a result, the vote expressed before the General Shareholders' Meeting by this electronic method, and the acknowledgement of receipt given, shall be considered as irrevocable written evidence that is enforceable with regard to all the parties involved, it being specified that in the event of a sale of shares that takes place before **the third working day** prior to the meeting at zero hour (Paris time), the Company shall invalidate or amend the proxy form or vote cast prior to such date and time accordingly, where applicable."* [...]

ARTICLE 12

[...]

If the Board of Directors so decides when the meeting is called, the shareholders may use a form of admission request, of proxy or of vote by correspondence in electronic form; the used electronic signature must result from a reliable identification process which ensures its link with the vote form to which it is related; it may consist, in particular, of an identification code and a password, or any other way provided or authorized by the legislation currently in force. As a result, the vote expressed before the General Shareholders' Meeting by this electronic method, and the acknowledgement of receipt given, shall be considered as irrevocable written evidence that is enforceable with regard to all the parties involved." [...]

Resolution 13

Powers for formalities

STATEMENT OF REASONS

This resolution is intended to grant the powers necessary to carry out all formalities resulting from the holding of the Annual General Meeting.

**THIRTEENTH RESOLUTION:
POWERS FOR FORMALITIES**

The Annual General Meeting grants full powers to the bearer of an original, copy or extract of these minutes to accomplish all legal and administrative formalities, and to make all filings and announcements prescribed by law.

Share Capital: Authorisations in force and proposed to the Annual General Meeting

The share capital amounted to €112,246,077.80 as of December 31st, 2014. It was divided into 561,230,389 shares with a par value of €0.20 each, all of the same class and ranking *pari passu*.

The table set out below which summarises (particularly in application of Articles L. 225-129-1 and L. 225-129-2 of the French Commercial Code) the currently valid authorisations granted to the Board of Directors by the Annual General Meeting of shareholders concerning the capital. It shows the use made of such authorisations over the financial year and presents the authorisations which are to be put to the vote at the Annual General Meeting on April 22nd, 2015.

Authorisations in force					Authorisations proposed to the Annual General Meeting of April 22 nd , 2015		
Nature of the authorisation	Date of AGM (resolution no.)	Length (expiry date)	Maximum authorised amount	Use made of the authorisation in 2014	Resolution No.	Length	Maximum ceiling
Share capital increases							
Capital increase through the issue of shares with maintenance of preferential subscription rights or via the capitalisation of share premiums, reserves, profits or other amounts	April 26 th , 2013 (9 th)	26 months (June 26 th , 2015)	An increase in the share capital to €169,207,813.88	None	8 th	26 months (June 22 nd , 2017)	An increase in the share capital to €157,144,508
Capital increase reserved for employees	April 26 th , 2013 (11 th)	26 months (June 26 th , 2015)	1% of share capital at the date of the Annual General Meeting (<i>i.e.</i> a maximum of 6,054,992 shares)	None	10 th	26 months (June 22 nd , 2017)	1% of share capital at the date of the Annual General Meeting (<i>i.e.</i> a maximum of 5,612,303 shares at December 31 st , 2014)
Buyback by the Company of its own shares							
Buyback by the Company of its own shares	April 17 th , 2014 (9 th)	18 months (October 17 th , 2015)	10% of share capital on the date of the buybacks (<i>i.e.</i> , as an indication, 60,590,188 shares at December 31 st , 2013)	* See note below	7 th	18 months (October 22 nd , 2016)	10% of share capital on the date of the buybacks (<i>i.e.</i> , as an indication, 56,123,038 shares at December 31 st , 2014)
Reduction in the share capital via cancellation of shares							
Cancellation of shares purchased by the Company within the scope of Articles L. 225-208 and 209 of the French Commercial Code	April 17 th , 2014 (11 th)	26 months (June 17 th , 2016)	10% of share capital on the date of cancellation per 24-month period (<i>i.e.</i> , as an indication, 60,590,188 shares at December 31 st , 2013)	48,500,000			
Cancellation of shares purchased by the Company within the scope of Article L. 209 of the French Commercial Code	April 17 th , 2014 (11 th)	26 months (June 17 th , 2016)	650,000 shares				
Stock options and free grants of shares							
Grant of existing free shares or shares to be issued to the employees	April 26 th , 2013 (10 th)	26 months (June 26 th , 2015)	0.6% of share capital on the date of the decision to grant the shares	1,068,565 shares	9 th	26 months (June 22 nd , 2017)	0.6% of share capital on the date of the decision to grant the shares

* It is specified that, with regard to the 2014 financial year, share buybacks were carried out with regard to 950,000 and 48,500,000 shares within the scope of the authorisation granted by the Annual General Meeting on April 26th, 2013 which expired on October 26th, 2014.

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INFORMATION CONCERNING DIRECTORS

WHOSE APPOINTMENT OR TENURE RENEWAL IS PROPOSED TO THE ANNUAL GENERAL MEETING

/ APPOINTMENT PROPOSED TO THE ANNUAL GENERAL MEETING



Sophie Bellon

French | Age: 53
 Professional address:
 SODEXO – 255 Quai de la Bataille de Stalingrad – 92130 Issy-Les-Moulineaux – France
 Holds 1,000 actions shares

Main corporate office held outside L'Oréal

Sodexo *	Head of Group's Research, Development and Innovation strategy
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Other corporate offices and directorships held

French companies

Sodexo *	Vice-Chairman of the Board of Directors (since 2013)
PB Holding SAS **	Chairman
Bellon SA **	Chairman of the Board of Directors
Others	
Association Pierre Bellon	Founding member
SWIFT (Sodexo Women's International Forum for Talent)	Co-Chairwoman
Association Nationale des Sociétés par Actions (ANSA)	Member of the Board of Directors

Corporate offices and directorships over the last five years that have expired

Expiry date of term of office

French companies

Altys Multiservices SA **	Chairman of the Board of Directors	December 2012
SORESCOM SARL **	Legal Manager	December 2012
Société Française de Restauration et Services SAS **	Committee Member of the Executive	December 2012
Société Française de Propreté SAS **	Member of the Executive Committee	December 2012
Sodexo Santé Medico-Social **	Member of the Executive Committee	December 2012
Sodexo Entreprises SAS **	Chief Executive Officer	2012
Sodexo Facilities Management SAS **	Chairman	May 2011

* Listed company.

** Sodexo group company.

/ RENEWALS PROPOSED TO THE ANNUAL GENERAL MEETING



Charles-Henri Filippi

French | Age: 62
 Director since 2007
 Member of the Audit Committee
 Member of the Human Resources and Remuneration Committee
 Member of the Appointments and Governance Committee since 2014
 Professional address: Citigroup France – 1-5 rue Paul-Cézanne – 75008 Paris - France
 Holds 2,000 L'Oréal shares

Expiry date of term of office: 2015

Main corporate office held outside L'Oréal

Citigroup France	Chairman
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Other corporate offices and directorships held

French companies

Femu Qui SA	Member of the Supervisory Board
Orange*	Director
Piasa SA	Director

Foreign company

ABERTIS *	Member of the International Advisory Board (since July 2013)
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Others

ADIE (Association pour le Droit à l'Initiative Economique)	Director
Association des Amis de l'Opéra-Comique	Chairman

Corporate offices and directorships over the last five years that have expired

Expiry date of term of office

French companies

Nexity*	Non-voting member of the Board of Directors	July 2014
Euris	Member of the Supervisory Board	March 2014
Viveris Reim SA	Member of the Supervisory Board	July 2012
Octagones (parent company) and Alfina (subsidiary)	Chairman	May 2012
CVC Capital Partners ("CVC")	Senior Advisor	December 2010

Other

Centre National d'Art et de Culture Georges Pompidou	Director	March 2013
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* Listed companies.

5

STATUTORY AUDITORS' REPORTS

/ STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS (YEAR ENDED DECEMBER 31ST, 2014)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report also includes information relating to the specific verification of information given in the Management Report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31st, 2014, on:

- ◆ the audit of the accompanying financial statements of L'Oréal;
- ◆ the justification of our assessments;
- ◆ the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at December 31st, 2014, and of the results of its operations for the year then ended in accordance with French accounting principles.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matter:

- ◆ investments have been valued in accordance with the accounting methods described in note 1.7.1 Accounting policies – Financial Assets – Investments to the Company's financial statements. As part of our audit, we reviewed whether these accounting methods were appropriate and evaluated the assumptions used;
- ◆ these assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATIONS AND INFORMATION

In accordance with professional standards applicable in France, we have also performed the specific verifications required by law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Management Report of the Board of Directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of shareholders and holders of the voting rights has been properly disclosed in the Management Report.

Neuilly-sur-Seine, Februar 17th, 2015
The Statutory Auditors

PricewaterhouseCoopers Audit
G rard Morin

Deloitte & Associ s
David Dupont-Noel

/ STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (YEAR ENDED DECEMBER 31ST, 2014)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes explanatory paragraphs discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report also includes information relating to the specific verification of information given in the Group's Management Report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31st, 2014, on:

- ◆ the audit of the accompanying consolidated financial statements of L'Oréal;
- ◆ the justification of our assessments;
- ◆ the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements, based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at December 31st, 2014 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- ◆ L'Oréal performs impairment tests on goodwill and intangible assets with indefinite useful lives at least once a year and whenever there is an indication that an asset may be impaired, in accordance with the methods set out in notes 1.15 and 14 to the consolidated financial statements. We have reviewed the terms and conditions for implementing these impairment tests as well as the assumptions applied;
- ◆ obligations relating to pensions, early retirement benefits and other related benefits granted to employees have been valued and recorded in accordance with the accounting policies described in notes 1.23 and 23 to the consolidated financial statements. We have reviewed and analyzed the valuation methods of these obligations and the data used and the assumptions applied.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATION

As required by law and in accordance with professional standards applicable in France, we have also verified the information presented in the Group's Management Report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine, February 17th, 2015
The Statutory Auditors

PricewaterhouseCoopers Audit
G rard Morin

Deloitte & Associ s
David Dupont-Noel

**/ STATUTORY AUDITORS' SPECIAL REPORT ON THE AUTHORIZATION
FOR THE FREE GRANTING OF EXISTING SHARES AND/OR SHARES
TO BE ISSUED TO EMPLOYEES AND CORPORATE OFFICERS OF
THE COMPANY**

(Annual General Meeting of April 22, 2015 - Ninth resolution)

This is a free translation into English of the Statutory Auditors' special report issued in French and is provided solely for the convenience of English speaking readers.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in accordance with Article L. 225-197-1 of the French Commercial Code (*Code de commerce*), we have prepared this report on the proposed free granting of existing shares and/or shares to be issued to employees and corporate officers of L'Oréal and affiliated companies within the meaning of Article L. 225-197-2 of the French Commercial Code, or to certain categories of employees and corporate officers, a transaction on which you are asked to vote.

On the basis of its report, the Board of Directors asks you to authorize, for a period of twenty-six months commencing the day of this Annual General Meeting, the free granting on one or more occasions of existing shares and/or shares to be issued. The total number of shares likely to be granted could not exceed 0,6% of the Company's share capital existing as of the date of decision of the Board of Directors, it being specified that the total share capital increases likely to be carried out under this resolution shall be allocated to the overall limit stipulated in the eight resolution.

It is the role of the Board of Directors to prepare a report on the transaction which it wishes to conduct. It is our role, where necessary, to comment on the information which is communicated to you on the proposed transaction.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France. These procedures consisted in verifying that the proposed terms and conditions presented in the Board of Directors' report comply with the provisions provided for by law.

We have no comments to make on the information given in the Board of Directors' report relating to the proposed free granting of shares.

Neuilly-sur-Seine, Februar 17th, 2015
The Statutory Auditors

PricewaterhouseCoopers Audit
Gérard Morin

Deloitte & Associés
David Dupont-Noel

/ STATUTORY AUDITORS' SPECIAL REPORT ON THE SHARE CAPITAL INCREASE RESERVED FOR EMPLOYEES OF THE COMPANY

(Annual General Meeting of April 22, 2015 – Tenth resolution)

This is a free translation into English of the Statutory Auditors' Special Report issued in French and is provided solely for the convenience of English speaking readers.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in accordance with Articles L. 228-92 and L. 225-135 et seq. of the French Commercial Code (Code de commerce), we hereby present you with our report on the proposal to delegate to the Board of Directors the authority to carry out, on one or more occasions, the issue of shares or securities giving access to the Company's share capital with cancellation of preferential subscription rights, such increase being reserved for employees, corporate officers and eligible former employees of your Company and French or foreign affiliated companies, within the meaning of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code (*Code du travail*), who are members of a L'Oréal Group corporate savings scheme, a transaction on which you are asked to vote.

This proposed share capital increase is submitted to you for approval pursuant to Articles L. 225-129-6 of the French Commercial Code and Article L. 3332-18 et seq. of the French Labor Code.

The total number of shares likely to be issued, on one or more occasions, pursuant to this delegation, cannot exceed 1% of the Company's share capital existing as of the date of this Annual General Meeting, it being specified that the total share capital increases likely to be carried out under this resolution shall be allocated to the overall limit stipulated in the eight resolution.

On the basis of its report, the Board of Directors asks you to delegate, for a period of twenty-six months commencing the day of this Annual General Meeting, the authority to decide one or several share capital increases and to cancel your preferential share subscription rights to the shares to be issued. Where appropriate, the Board of Directors shall set the final terms and conditions of the share capital increases.

It is the role of the Board of Directors to prepare a report in accordance with Articles R. 225-113 et seq. of the French Commercial Code. It is our role to comment on the fair presentation of financial data taken from the accounts, on the proposed cancellation of your preferential subscription rights and on certain other information concerning the issue, presented in this report.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France. These procedures consisted in verifying the content of the Board of Directors' report in respect of this transaction and the terms and conditions for determining the share issue price.

Subject to the subsequent review of the terms and conditions of each share capital increase that the Board of Directors may decide, we have no comment to make on the terms and conditions for determining the share issue price as set forth in the Board of Directors' report.

As the final terms and conditions governing the share capital increase(s) have not been set, we do not express an opinion thereon and consequently on the proposed cancellation of preferential share subscription rights.

In accordance with Article R. 225-116 of the French Commercial Code, we shall prepare an additional report for each share capital increase that your Board of Directors may decide to perform.

Neuilly-sur-Seine, February 17th, 2015
The Statutory Auditors

PricewaterhouseCoopers Audit
G rard Morin

Deloitte & Associ s
David Dupont-Noel

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REQUEST FOR PROVISION OF STATUTORY DOCUMENTS AND INFORMATION⁽¹⁾

/ ANNUAL GENERAL MEETING OF APRIL 22ND, 2015

Documents may be seen or downloaded on the Company's Internet website:

www.loreal-finance.com

I, the undersigned:

Surname, first name:

Address:

Post code:

City:

The holder of: registered shares

And/or of bearer shares

Registered with ⁽²⁾

request that the document and information provided in Articles R. 225-81 and R 225-83 of the French Commercial Code concerning the General Meeting to be held on April 22nd, 2015, be sent to me at the above address.

Signed in (place).....,on (date)2015

(1) This request is reserved for shareholders only and must be sent to L'Oréal, for the attention of the Director of Shareholder Relations, 41, rue Martre – 92117 Clichy Cedex – France. Fax: 01 47 56 86 42 - E-mail: info-ag@loreal-finance.com – Freephone number (from France only): 0 800 66 66 66, from abroad: +33 1 40 14 80 50.

(2) Please provide precise details of the bank, financial institution or brokerage firm which is the custodian of the shares, together with a certificate showing that the person requesting the information is a shareholder at the time of his/her request.



L'ORÉAL

Incorporated in France as a "Société Anonyme"
With registered capital of € 112,246,077.80
632 012 100 RCS Paris

Headquarters:
41, rue Martre
92117 Clichy Cedex – France
Tel.: +33 1 47 56 70 00
Fax: +33 1 47 56 86 42

Registered Office:
14, rue Royale
75008 Paris – France

Freephone number from France:
0 800 66 66 66

Freephone number from abroad:
+33 1 40 14 80 50

*This document and all the documents relative to the Annual General Meeting can be found on this website: **www.loreal-finance.com**, section "the shareholders' corner" and "AGM".*

This document is printed in France by an Imprim'Vert certified printer on PEFC certified paper produced from sustainably managed forest.



Removable
booklet

L'ORÉAL

CONVENING NOTICE

**ORDINARY AND EXTRAORDINARY ANNUAL GENERAL MEETING
on Wednesday, April 22nd, 2015 at 10.00**

Palais des Congrès – F-75017 PARIS



/ ORDINARY PART

1. Approval of the 2014 parent company financial statements
2. Approval of the 2014 consolidated financial statements
3. Allocation of the Company's net income for 2014 and declaration of the dividend
4. Appointment of Mrs. Sophie Bellon as Director
5. Renewal of the tenure as Director of Mr Charles-Henri Filippi
6. Advisory vote on the components of remuneration due or allocated to the Chairman and Chief Executive Officer in respect of the 2014 financial year I
7. Authorisation for the Company to buy back its own shares

/ EXTRAORDINARY PART

8. Delegation of authority to the Board of Directors to increase the share capital either through the issue of ordinary shares with maintenance of preferential subscription rights, or via the capitalisation of share premiums, reserves, profits or other amounts
9. Authorisation to the Board of Directors to make free grants to employees and executive officers of existing shares and/or of shares to be issued entailing waiver by the shareholders of their preferential subscription right
10. Delegation of authority to the Board for the purpose of carrying out a capital increase reserved for employees with cancellation of the shareholders' preferential subscription right
11. Amendment of Article 12 of the Articles of Association related to the introduction of double voting rights by French Law No. 2014-384 of March 29th, 2014 in order to continue to apply simple voting rights
12. Removal from the Articles of Association of the reference to the time periods to be taken into account to participate in the Annual General Meeting
13. Powers for formalities

*Key information from L'Oréal Finance at your fingertips with the app:
download our free, easy-to-use application specially
designed for investors and shareholders
from the App Store or Google Play.*



Methods of participation in person, by proxy or by correspondence

YOU WISH TO PERSONALLY ATTEND THE ANNUAL GENERAL MEETING

HOLDERS OF REGISTERED SHARES:

- ◆ Tick **box A** of the form ⁽¹⁾. Date and sign at the bottom of the form. Return it using the free-post envelope sent with the Convening Notice.
- ◆ You will receive your entrance card by post ⁽²⁾.

HOLDERS OF BEARER SHARES:

- ◆ Contact the institution that is custodian of your shares indicating that you want to attend the Annual General Meeting, and ask for a certificate proving your shareholder status at the date of the request;
- ◆ The custodian will then transmit it to BNP Paribas Securities Services;
- ◆ You will receive your entrance card by post ⁽²⁾.

YOU WILL NOT PERSONALLY ATTEND THE ANNUAL GENERAL MEETING

FOR HOLDERS OF BOTH REGISTERED AND BEARER SHARES:

If you are not personally attending the meeting you can choose one of the three following possibilities; tick the **box B** of the voting form ⁽¹⁾:

- ◆ Vote by post: tick box "I vote by post" (**B1**) and vote following the instructions.
- ◆ Give your proxy to the Chairman of the meeting: tick the box "I hereby give proxy to the Chairman of the meeting" (**B2**). In that case, a vote in favor of adopting resolutions submitted or approved by the Board of Directors, and a vote against adopting any other draft resolutions will be issued ⁽³⁾.
- ◆ Give your proxy to someone else: tick the box "I hereby appoint" (**B3**) and give the name of the person appointed as your proxy who will be present at the meeting ⁽³⁾.

UNDER NO CIRCUMSTANCES SHOULD THIS VOTING BE RETURNED TO L'ORÉAL.

In order for this voting form to be considered, whatever option you have chosen, it has to be:

- ◆ Duly dated and signed;
- ◆ Received by the department Assemblées Générales de BNP Paribas Securities Services, at the following address: BNP Paribas Securities Services, CTS Service Assemblées Générales, Les Grands Moulins de Pantin, 9 rue du Débarcadère, 93761 Pantin Cedex, France, no later than Saturday, April 18th, 2015 at midnight.

IMPORTANT : avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso / Before selecting, please refer to instructions on reverse side.

CE FORMULAIRE N'EST PAS À UTILISER DANS LE CAS D'UN VOTE PAR INTERNET (VOIR INSTRUCTIONS CI-JOINTES) / THIS FORM SHOULD NOT BE USED IN CASE OF VOTING BY INTERNET (SEE ATTACHED INSTRUCTION)

QUELLE QUE SOIT L'OPTION CHOISIE, NOIRCIER COMME CE CI ■ LA OU LES CASES CORRESPONDANTES, DATER ET SIGNER AU BAS DU FORMULAIRE / WHICHEVER OPTION IS USED, SHADE BOX(ES) LIKE THIS ■, DATE AND SIGN AT THE BOTTOM OF THE FORM

A. ■ Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire / I wish to attend the shareholder's meeting and request an admission card : date and sign at the bottom of the form.

B. ■ J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / I prefer to use the postal voting form or the proxy form as specified below.

L'ORÉAL
 Société Anonyme au capital de € 112.246.077,80
 Siège social : 14, rue Royale, 75008 PARIS-France
 632 012 100 RCS PARIS

ASSEMBLÉE GÉNÉRALE MIXTE des actionnaires convoquée le mercredi 22 avril 2015 à 10h00, au Palais des Congrès, 2 Place de la Porte Maillot, 75017 PARIS - France.
COMBINED GENERAL MEETING for the shareholders to be held on Wednesday, April 22nd, 2015 at 10:00 am at Palais des Congrès, 2 Place de la Porte Maillot, 75017 PARIS - France.

CADRE RÉSERVÉ À LA SOCIÉTÉ / For Company's use only

Identifiant / Account
 Nominatif / Registered
 Vote simple / Single vote
 Porteur / Bearer
 Vote double / Double vote
 Nombre d'actions / Number of shares
 Nombre de voix / Number of voting rights

B1 **JE VOTE PAR CORRESPONDANCE / I VOTE BY POST**
 Cf. au verso renvoi (2) - See reverse (2)

B2 **JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE**
 cf. au verso renvoi (3)
I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING
 See reverse (3)

B3 **JE DONNE POUVOIR A :** cf. au verso renvoi (4)
I HEREBY APPOINT AS PROXY : see reverse (4)
 M., Mme ou Mlle, Raison Sociale / Mr, Mrs or Miss, Corporate Name
 Adresse / Address

B4 Registered shareholders, please fund here your Planetshares ID.

ATTENTION : S'il s'agit de titres au porteur, les présentes instructions ne seront valables que si elles sont directement retournées à votre banque.
CAUTION : If it is about bearer securities, the present instructions will be valid only if they are directly returned to your bank.

Nom, Prénom, Adresse de l'actionnaire (si ces informations figurent déjà, les vérifier et les rectifier éventuellement)
 - Surname, first name, address of the shareholder (if this information is already supplied, please verify and correct if necessary)
 Cf. au verso renvoi (1) - See reverse (1)

In all cases, date and sign the form here.

Write your name and address here or verify them if they are already.

Date & Signature

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée / In case amendments or new resolutions are proposed during the meeting
 - Je donne pouvoir au Président de l'A.G. de voter en mon nom. / I appoint the Chairman of the general meeting to vote on my behalf.
 - Je m'abstiens (l'abstention équivaut à un vote contre). / I abstain from voting (is equivalent to a vote NO).
 - Je donne procuration (cf. au verso renvoi 4) à M., Mme ou Mlle, Raison Sociale pour voter en mon nom / I appoint (see reverse (4)) Mr, Mrs or Miss, Corporate Name to vote on my behalf

Pour être prise en considération, toute formule (A ou B) doit parvenir au plus tard : le 18 avril 2015
 In order to be considered, all forms (A or B) must be returned no later than: April 18th, 2015

à/for Services Actionnaires de L'Oréal - BNP Paribas Securities Services
 CTS Assemblées, Les Grands Moulins de Pantin - 9 rue du Débarcadère - 93761 PANTIN Cedex.
 The French version prevails; English translation is for convenience only

- (1) For holders of registered shares, the voting form is sent automatically with the convening notice. For holders of bearer shares who have not received the voting form, all requests have to be addressed to the institution that is custodian of your shares who will then transmit both the shareholding certificate and the postal voting form to BNP Paribas Securities Services.
- (2) If you have not received your entrance card by the second working day prior to the Annual General Meeting, namely Monday, April 20th, 2015, please ask your custodian institution for a shareholding certificate. If you are a holder of registered shares, you can go right to the Annual General Meeting (without a shareholding certificate).
- (3) In accordance with the provisions of Article R 225-79 of French Commercial Code, it is possible to revoke a proxy who has previously been appointed. Please see the section entitled "Appointment and revocation of a proxy" on the following page of this document for further information.

Methods of participation via Internet

/ YOU ARE A DIRECTLY REGISTERED SHAREHOLDER:

Log in to the Planetshares website: <https://planetshares.bnpparibas.com>, which will be open from April 1st until April 21st, 2015 at 3 p.m., using the identification number and password which have been provided to you and which you usually use to consult your account. Then follow the instructions appearing on the screen.

/ YOU ARE A REGISTERED SHAREHOLDER AND YOUR SHARES ARE MANAGED BY A FINANCIAL INTERMEDIARY:

If you want to vote via internet, look at your paper voting form, enclosed with this brochure containing notice of the Annual General Meeting, which contains your identifier in the top right-hand corner.

This identifier will enable you to access the Planetshares website: <https://planetshares.bnpparibas.com>, open from April 1st until April 21st, 2015 at 3 p.m.

If you do not have your password, you should ask for it by clicking as follows:

- ◆ If you have forgotten your password, click on the link "Forgotten your password?" in the top right-hand corner of the homepage of the Planetshares website.
- ◆ If you are connecting for the first time, click on the link "Connecting for the first time?" in the top right-hand corner of the homepage of the Planetshares website.

Then follow the instructions appearing on the screen to obtain your password to connect to the site.

/ YOU ARE A HOLDER OF BEARER SHARES:

You can use the "Votaccess" service to vote via Internet (if the financial intermediary managing your shares offers this service).

To access the "Votaccess" service, which will be available from April 1st, 2015 until the day before the Annual General Meeting, namely until April 21st, 2015 at 3 p.m., connect to your financial intermediary's "stock market" ("Bourse"). Then follow the instructions appearing on the screen.

From then on, and regardless of the way of custody of your shares, you can:

- ◆ vote by Internet;
- ◆ give your proxy to the Chairman of the meeting or to anyone else ⁽¹⁾;
- ◆ ask for your "e-entrance card" to personally attend the meeting. You will have the possibility to download your entrance card directly on your computer;
- ◆ request your entrance card be sent to you by post.

/ A FEW TIPS:

- ◆ To prevent overloading of the dedicated secure website, it is recommended not to wait until the day before the Annual General Meeting to vote.
- ◆ If you vote via Internet, do not return the participation form for postal voting.

Reminder for holders of registered shares:

The "Votaccess" service will be open from April 1st until April 21st, 2015, at 3 p.m and accessible by clicking on the option "Participate in the Annual General Meeting" on the website home page.

APPOINTMENT AND REVOCATION OF A PROXY FOR THE ANNUAL GENERAL MEETING

Article R. 225-79 of the French Commercial Code now makes it possible to revoke a proxy who has previously been appointed. The proxy given for an Annual General Meeting can be revoked in the same forms as are required to appoint the proxy.

/ BY POST:

The person giving the proxy must send the service Assemblées Générales (Annual General Meetings department) of BNP Paribas Securities Services a letter giving the name of the Company and the date of the Annual General Meeting, the surname, first name, address and registered share account number (or bank account details for bearer shareholders) of the person giving the proxy where applicable and the surname, first name and, if possible, the address of the proxy.

Holders of bearer shares must mandatorily ask the institution that is the custodian of their shares to send written confirmation to the service Assemblées Générales, BNP Paribas Securities Services – CTS Assemblées Générales – Les Grands Moulins de Pantin 9 rue du Débarcadère – 93761 Pantin Cedex.

Appointments or revocations of proxies sent in on paper must be received no later than 3 calendar days prior to the date of the Annual General Meeting, namely at the latest Saturday, April 18th, 2015 at midnight (Paris local time).

/ ONLINE:

DIRECTLY REGISTERED SHAREHOLDER OR REGISTERED SHAREHOLDER WHOSE SHARES ARE MANAGED BY A FINANCIAL INTERMEDIARY:

The shareholder will have to make his request on PlanetShares website: <https://planetshares.bnpparibas.com> by logging in with his/her usual identifiers and password. On the home page, he/she will have to click on "Participate in the Annual General Meeting", then follow the indications shown on the screen.

BEARER SHAREHOLDER:

If the financial intermediary is connected to Votaccess:

The shareholder will have to log in to his/her financial intermediary's "Stock market" ("Bourse") portal and access his/her securities account or share savings account in order to access the "Votaccess" portal. Then follow the instructions appearing on the screen.

If the financial intermediary is not connected to Votaccess:

- ◆ the shareholder will have to send an email to the following address: **paris.bp2s.france.cts.mandats@bnpparibas.com**. This email must mandatorily contain the following information: name of the Company and date of the Annual General Meeting, last name, first name, address, bank account details of the person granting the proxy and the last name, first name and, if possible, the proxy's address;
- ◆ the shareholder will mandatorily have to ask the financial intermediary which manages his/her securities account to send written confirmation to the Service Assemblées Générales of BNP Paribas Securities Services – CTS Assemblées Générales - Grands Moulins de Pantin - 9 rue du Débarcadère – 93761 Pantin Cedex.

Only notifications of appointment or revocation of proxies may be sent to the above-mentioned e-mail address and any request or notification made to this address for another purpose will not be taken into consideration and/or processed.

In order for appointments or revocations of proxies made by e-mail to be validly taken into consideration, the confirmations must be received at the latest on the day before the Annual General Meeting, namely on Tuesday, April 21st, 2015 at 3 p.m. (Paris local time).

(1) Article R. 225-79 of the French Commercial Code makes it possible to appoint a proxy on line. For further information please see the section entitled "Appointment and revocation of a proxy for the Annual General Meeting" of this document.