

**Draft Resolutions Ordinary and Extraordinary General  
Meeting of April 27th, 2010**

The Report of the Board of Directors on these draft resolutions as well as the Statutory Auditors special reports can be downloaded from the « www.loreal-finance.com » Internet site.

**Ordinary Part**

**1 - Approval of the 2009 parent company financial Statements**

The Annual General Meeting, having reviewed the reports of the Board of Directors and the Statutory Auditors, approves the report of the Board of Directors and the 2009 parent company financial statements showing net income of €1,841,772,283.85, compared with €1,552,103,144.14 for 2008.

**2 - Approval of the 2009 consolidated financial statements**

The Annual General Meeting, having reviewed the reports of the Board of Directors and the Statutory Auditors, approves the 2009 consolidated financial statements.

**3 - Allocation of the company's net income for 2009 and declaration of the dividend**

The Annual General Meeting, on the proposal of the Board of Directors, decides to allocate the net income for the 2009 financial year, amounting to €1,841,772,283.85 as follows:

No allocation to the legal reserve which already represents over one-tenth of the share capital	-
An amount of will be allocated to shareholders as a dividend <sup>(1)</sup>	€898,873,365.00
The balance that is will be allocated to the "Other reserves" item	€942,898,918.85

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

This amount is calculated on the basis of the number of shares forming the capital at February 15<sup>th</sup>, 2010, and will be adjusted to reflect the number of shares issued between that date and the date of payment of this dividend following the exercise of stock options with 2009 dividend rights.

The Annual General Meeting therefore declares a dividend to be paid for the financial year of €1.50 per share. The Annual General Meeting decides that this dividend will be paid on Wednesday May 5<sup>th</sup>, 2010 in respect of the shares they hold on Thursday April 29<sup>th</sup>, 2010.

The amount of distributable income corresponding to the dividends on treasury shares held by the company will be allocated to the *Ordinary reserve* item.

It is to be noted that 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, unless such natural person otherwise elects, at the time of receipt of the dividends or on income received during the same year, for the fixed levy in final discharge provided for in Article 117 *quater* 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:

	<b>2006</b>	<b>2007</b>	<b>2008</b>
Dividend per share	€1.18	€1.38	€1.44

**4 - Approval of regulated agreements and commitments relating to the status of Mr. Jean-Paul Agon whose employment contract is suspended**

The Annual General Meeting, having reviewed the special report of the Statutory Auditors provided for in Article L. 225-40 of the French Commercial Code, with regard to the agreements and commitments referred to in Articles L. 225-38, L. 225-42-1 and L. 225-22-1 of such Code, approves the commitments made with regard to Mr. Jean-Paul Agon presented in this report.

This decision is made on the condition precedent of renewal of the term of office as Chief Executive Officer of Mr. Jean-Paul Agon by the Board of Directors at its meeting to be held at the close of this general meeting.

#### **5 - Renewal of the tenure as Director of Sir Lindsay Owen-Jones**

The Annual General Meeting renews the tenure as Director of Sir Lindsay Owen-Jones for a period of four years. His tenure will expire at the end of the Annual General Meeting to be held in 2014 to review the financial statements for the previous financial year.

#### **6 - Renewal of the tenure as Director of Mr. Jean-Paul Agon**

The Annual General Meeting renews the tenure as Director of Mr. Jean-Paul Agon for a period of four years. His tenure will expire at the end of the Annual General Meeting to be held in 2014 to review the financial statements for the previous financial year.

#### **7 - Renewal of the tenure as Director of Mr. Francisco Castañer Basco**

The Annual General Meeting renews the tenure as Director of Mr. Francisco Castañer Basco for a period of two years. His tenure will expire at the end of the Annual General Meeting to be held in 2012 to review the financial statements for the previous financial year.

#### **8 - Renewal of the tenure as Director of Mr. Charles-Henri Filippi**

The Annual General meeting renews the tenure as Director of Mr. Charles-Henri Filippi for a period of one year. His tenure will expire at the end of the Annual General Meeting to be held in 2011 to review the financial statements for the previous financial year.

#### **9 - Renewal of the tenure as Director of Mr. Xavier Fontanet**

The Annual General meeting renews the tenure as Director of Mr. Xavier Fontanet for a period of four years. His tenure will expire at the end of the Annual General Meeting to be held in 2014 to review the financial statements for the previous financial year.

#### **10 - Renewal of the tenure as Director of Mr. Marc Ladreit de Lacharrière**

The Annual General meeting renews the tenure as Director of Mr. Marc Ladreit de Lacharrière for a period of four years. His tenure will expire at the end of the Annual General Meeting to be held in 2014 to review the financial statements for the previous financial year.

#### **11 - Renewal of the terms of office of a Statutory Auditor and substitute Statutory Auditor**

The Annual General meeting, after placing on record the expiry of the term of office of PricewaterhouseCoopers Audit, Statutory Auditor, and the term of office of Mr. Yves Nicolas, substitute Statutory Auditor, decides to renew their terms of office for a period of 6 financial years, namely until the close of the Annual General Meeting which will review the financial statements for the financial year ending December 31<sup>st</sup>, 2015.

#### **12 - Renewal of the term of office of a Statutory Auditor and appointment of a substitute Statutory Auditor**

The Annual General meeting, after placing on record the expiry of the term of office of Deloitte & Associés, Statutory Auditor, and the term of office of Mr. Jean-Paul Picard, substitute Statutory Auditor, decides:

- to renew the term of office of Deloitte & Associés as Statutory Auditor; and
- to appoint as substitute Statutory Auditor in respect of Deloitte & Associés, BEAS, 7, villa Houssay, 92524 Neuilly-sur-Seine Cedex, and registered with the Nanterre Trade and Companies Registry under number 315 172 445;

for a period of 6 financial years, namely until the close of the Annual General Meeting which will review the financial statements for the financial year ending December 31<sup>st</sup>, 2015.

#### **13 - Authorisation for the company to buy back its own shares**

The Annual General Meeting, having reviewed the report of the Board of Directors, authorises the Board of Directors, with the possibility for it to delegate to the 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 €130;
- 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, as of February 15<sup>th</sup>, 2010, 59,897,241 shares for a maximum amount of €7.8 billion, it being stipulated that the company may at no time hold over 10% of its own capital.

In the event of any transaction affecting the company's capital, in particular through capitalisation of reserves followed by the issue and grant of bonus shares, and/or share splits or reverse share splits, the amounts indicated above will be adjusted on the basis of the characteristics of the transaction.

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

- their cancellation for purposes of optimising shareholders' equity and net earnings per share by a reduction in the capital, on condition of adoption of the fourteenth resolution set out below;
- their allocation to employees and corporate officers of the company and affiliates, under the terms and conditions provided for by French law, and in particular within the scope of employee profit-sharing schemes, share purchase options, free grants of shares or company savings schemes;
- stabilising the market through a liquidity agreement entered into with an investment services provider;
- retaining them and subsequently using them as payment in connection with external growth transactions.

The purchase of these shares may be carried out by any means, on one or more occasions, on or off the stock markets, including through the acquisition of blocks of shares.

These transactions may be carried out at any time, in accordance with the regulations in force at the time of the transactions concerned, except during periods of public offers with regard to the company's capital.

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 any prior authorisation for the same purpose.

Full powers are granted to the Board of Directors, with the possibility for it to delegate, for the implementation of this resolution.

#### **Extraordinary Part**

#### **14 - Delegation of authority to the Board of Directors to reduce the share capital by cancelling shares purchased by the company under Articles L. 225-209 and L. 225-208 of the French Commercial Code**

The Annual General Meeting, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors:

- authorises the Board of Directors, in accordance with Article L. 225-209 of the French Commercial Code, to cancel, on one or more occasions, the shares held by the company pursuant to Article L. 225-209 of the French Commercial Code, within the limit of 10% of the capital as of the date of cancellation, per twenty-four month period;
- authorises the Board of Directors, in accordance with Articles L. 225-204 and L. 225-205 of the French Commercial Code, to cancel, on one or more occasions, a maximum of 500,000 shares purchased by the company on the basis of Article L. 225-208 of the French Commercial Code to cover stock options to purchase shares which currently correspond, or will correspond in future, to options that are no longer exercisable.

Full powers are given to the Board of Directors, with the possibility for it to delegate, to:

- reduce the share capital by cancelling shares;
- decide on the final amount of the reduction in the share capital;
- set the methods and record the completion of such reduction in the share capital;
- offset the difference between the book value of the shares cancelled and their par value against all reserves and available share premiums;
- amend the Articles of Association accordingly;
- and more generally, do all that is necessary to implement this resolution.

These authorisations are granted for a period of twenty-six months as from the date of this Annual General Meeting and render ineffective as of the date hereof any prior authorisation granted for the same purpose.

#### **15 - 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.

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