L'ORÉAL

Convening notice

Ordinary and extraordinary General Meeting
On Tuesday June 30, 2020 at 10.00 a.m.
behind closed doors at 41 rue Martre, in Clichy

Warning :

Given the exceptional context related to the Coronavirus (Covid-19) epidemic and in accordance with Ordinance no.2020-321 of March 25, 2020, the Board of Directors decided on May 12, 2020 that the Ordinary and Extraordinary General Meeting of the Company, initially convened at the Palais des Congrès in Paris, a location affected by administrative measures, will be held on June 30, 2020 behind closed doors, without the physical presence of the shareholders and any other person having the right to attend the meeting, at the Company's administrative headquarters (41, rue Martre,Clichy). In this context, shareholders are invited to vote by correspondence using the voting form or via the Internet on the Votaccess secure voting platform, or to give a proxy to the Chairman of the General Meeting or to any other individual or legal entity. Shareholders have the possibility to send written questions until Wednesday June 24, 2020 by registered letter with acknowledgment of receipt, and via the email address: info-ag@loreal-finance.com

In order to promote dialogue with shareholders, shareholders will also have the opportunity to ask questions which are not assimilated to written questions, between Thursday June 25 and Monday June 29, 2020 at the following address AG-questionslibres@loreal-finance.com.These questions will be organized in groups by main themes and will be answered, to the extent possible, during the Internet broadcast of the General Meeting. The General Meeting will be broadcast live on www.loreal-finance.com, provided of course that the conditions for this retransmission can be met.

CONTENTS

ORDINARY AND EXTRAORDINARY GENERAL MEETING OF TUESDAY, JUNE 30th, 2020

AGENDA

Ordinary part

1. Approval of the 2019 parent company financial statements
2. Approval of the 2019 consolidated financial statements
3. Allocation of the Company's net income for 2019 and setting of the dividend
4. Appointement of Mr Nicolas Meyers as a Director
5. Appointement of Ms Ilham Kadri as a Director
6. Renewal of Ms Béatrice Guillaume-Grabisch's term of office as a Director
7. Renewal of Mr Jean-Victor Meyers' term of office as a Director
8. Approval of the information on the remuneration of each of the corporate officers required by Article L. 225-37-3 I of the French Commercial Code
9. Approval of the fixed and variable components of the total remuneration and benefits of any kind paid during the 2019 financial year or allocated for that year to the Chairman and Chief Executive Officer, Mr Jean-Paul Agon
10. Approval of remuneration policy for corporate officers
11. Authorisation for the Company to buy back its own shares

Extraordinary part

12. Authorisation given to the Board of Directors to reduce the share capital by cancelling the shares acquired by the Company under article L.225-209 of the French Commercial Code
13. Authorisation granted to the Board of Directors to carry out free grants of existing shares and/or shares to be issued with cancellation of shareholders' preferential subscription right to employees and executive officers
14. Delegation of authority to the Board of Directors for the purpose of carrying out a capital increase reserved for employees with cancellation of shareholders' preferential subscription rights
15. Delegation of authority granted to the Board of Directors for the purpose of carrying out a capital increase reserved for categories of beneficiaries consisting of employees of foreign subsidiaries, with cancellation of preferential subscription rights, within the framework of an employee share ownership plan
16. Amendment to Article 8 of the Articles of Association on the number of Directors representing the employees
17. Powers for formalities

(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, or by e-mail: info-ag@loreal-finance.com – Toll free (from France only): 0 800 66 66 66, from abroad: +33 1 40 14 80 50.

MESSAGE OF THE
CHAIRMAN AND CHIEF EXECUTIVE OFFICER
JEAN-PAUL AGON

"I invite you to vote and therefore take an active role in decisions that concern your Group."

Dear Shareholder,

I am pleased to invite you to L'Oréal's General Meeting which, due to the exceptional context of the Coronavirus (Covid-19) epidemic and after decision of the Board of Directors on May 12, 2020, will be held behind closed doors on Tuesday, June 30, 2020 at 10 a.m. at 41, rue Martre in Clichy, without the physical presence of shareholders and other persons entitled to attend it. This decision is necessary to protect the health and safety of all stakeholders of the General Meeting, which are obviously our top priority.

Despite the constraints of this situation, we wish to make the General Meeting a privileged moment of information and exchange between L'Oréal and all its shareholders. Therefore, L'Oréal will offer the full retransmission of its General Assembly on the **www.loreal-finance.com** website and we invite you to regularly consult the dedicated "General Assembly" section of this site for any details concerning the terms of retransmission.

In accordance with the recommendations of the AMF, you will be able, as every year, to vote before the General Meeting, without having to travel, by correspondence, by internet via the secure and dedicated platform Votaccess, or via a mandate and to ask questions on subjects related to the General Meeting. You will find in this document all practical details, the agenda as well as the detailed presentation of the resolutions that will be submitted to your approval.

We hope that the situation will improve quickly in order to meet again on other occasions, in the context of our usual shareholder dialogue.

On behalf of the Board of Directors, thank you for your understanding and cooperation.

With all my consideration,

JEAN-PAUL AGON

Chairman and Chief Executive Officer

1 BRIEF PRESENTATION OF THE L'ORÉAL GROUP IN 2019

KEY FIGURES 2019

2019 SALES
29.9
billion euros
(**+10.9%** based on reported figures, **+8.0%** like-for-like 0[1])

OPERATING PROFIT
5.54
billion euros
(**+12.7%**[2])

NET EARNINGS PER SHARE [3]
7.74
euros per share
(**+9.3%**)

OPERATING CASH-FLOW [4]
5.03
billion euros
(**+29.8%**)

DIVIDEND [5]
3.85
euros per share

(1) Like-for-like: based on a comparable structure dans identical exchange rates.
(2) Excluding the impact of IFRS 16, the increase was 11.8%.
(3) Diluted net earnings per share excluding non-recurring items after non-controlling interests.
(4) Operating cash flow = Gross cash flow + changes in working capital – investments.
(5) Proposed at the Annual General Meeting of June 30th, 2020, an amount identical to that paid for the 2018 financial year, by decision of the Board of Directors of May 12, 2020.

n°1 in beauty

150 countries
International presence

111 years
Created in 1909

85%
of new or renovated products have an improved social profile

57%
of brands conducted a consumer awareness initiative

- 78%*
CO_2 emissions (plants and distribution centres)

- 35 %*
reduction in waste (plants and distribution centres)

- 51%*
water consumption (plants and distribution centres)

** versus 2005 (see chapter 4 of the 2019 URD).*

87,974
employees

Top 5
Gender equality in business (Equileap worldwide)

90,635
people from underprivileged communities have had access to work

€147.3 billion
Market capitalisation as of 12.31.2019

€985 million
Research and Innovation budget

497
patents

NORTH AMERICA

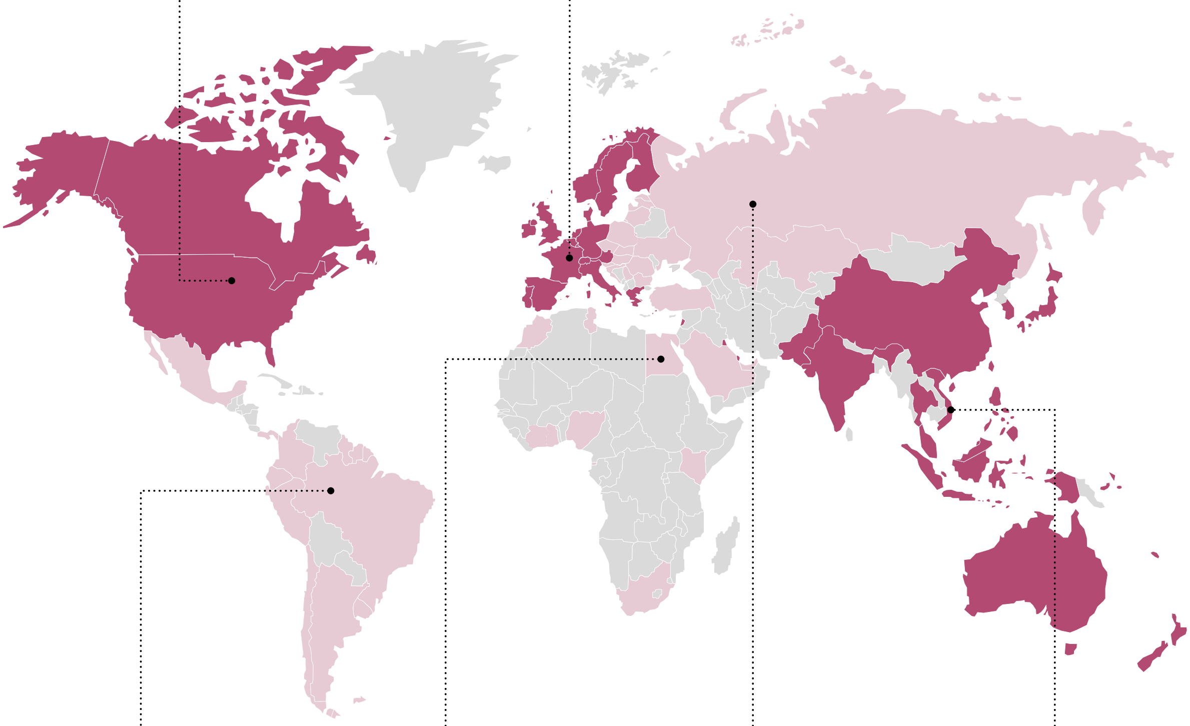
25.3% share of Group sales
-0,8% sales evolution in 2019[1]

€7,567.0M
SALES

WESTERN EUROPE

27.7% share of Group sales
+1,8% sales growth in 2019[1]

€8,277.1M
SALES



LATIN AMERICA

6.0% share of Group sales
+2.0% sales growth
in 2019[1]

€1,773.1M
SALES

AFRICA, MIDDLE-EAST

2.3% share of Group sales
-4.1% sales evolution
in 2019[1]

€688.7M
SALES

EASTERN EUROPE

6.4% share of Group sales
+9.0% sales growth
in 2019[1]

€1,909.7M
SALES

ASIA PACIFIC

32.3% share of Group sales
+25.5% sales growth
in 2019[1]

€9,658.0M
SALES

NEW MARKETS

47.0% share of Group sales
+17.9% sales growth in 2019[1]

€14,029.5M
SALES

(1) Like-for-like sales growth: based on a comparable structure and identical exchange rates.

(1) Like-for-like sales growth: based on a comparable structure and identical exchange rates.

COMMENTS

The Board of Directors of L'Oréal met on 6 February 2020, under the chairmanship of Jean-Paul Agon and in the presence of the Statutory Auditors. The Board closed the consolidated financial statements and the financial statements for 2019.

L'Oréal closed the decade with its best year for sales growth since 2007, at +8.0% like-for-like [(1)], and an excellent fourth quarter, in a beauty market that remains very dynamic.

All Divisions are growing. L'Oréal Luxe sales exceeded 11 billion euros, driven by the strong dynamism of its four big brands – Lancôme, Yves Saint Laurent, Giorgio Armani and Kiehl's – which all posted double-digit growth. The Active Cosmetics Division had its best year ever, with La Roche-Posay sales exceeding one billion euros. Growth at the Consumer Products Division was boosted by L'Oréal Paris which had a great year. Lastly, growth improved in the Professional Products Division; the highlight was the double-digit performance of Kérastase.

Performances by geographic Zone were contrasted. The New Markets posted their strongest growth for more than 10 years[(1)]. Asia Pacific became the Group's number one Zone, with a remarkable end to the year in China, but also good growth in South Korea, India, Indonesia and Malaysia. Eastern Europe maintained its strong growth rate, and Western Europe returned to growth last year. North America was impacted by the poor performance in makeup.

E-commerce [(2)] and Travel Retail, which are also powerful growth drivers, contributed strongly to the Group's success. E-commerce grew spectacularly by +52.4% and accounts for 15.6% of sales. Travel Retail maintained its strong momentum and posted growth of +25.3% [(1)].

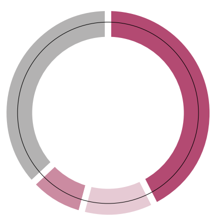
2019 also saw good growth in our profits. The strong growth in sales and the increase in gross profit, combined with the lower weight of operating expenses, enabled us both to invest more in our brands and to improve our profitability.

Once again this year, the strength of L'Oréal's well-balanced business model paid off. It is the universal presence of L'Oréal, which covers the whole beauty market, combined with its talented teams all over the world, which enable the Group to keep on achieving profitable and sustainable growth, while again strengthening its position as the beauty market leader.

Meanwhile, in a world that was hit particularly hard by climate-related uncertainties in 2019, L'Oréal is continuing its initiatives to promote responsible and sustainable growth. For the fourth consecutive year, CDP [(3)] awarded the Group three A ratings for its initiatives in tackling climate change, sustainable water management and combating deforestation. L'Oréal was also recognised, for the tenth time, as one of the world's most ethical companies by Ethisphere Institute. And lastly, the Group is playing a major role in gender equality, and its leadership in this field has been recognised by Equileap and Bloomberg. These extra-financial performances are a source of pride for the Group, which is firmly committed to promoting a responsible and sustainable model.

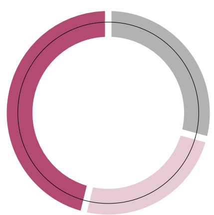
2019 SALES

By division



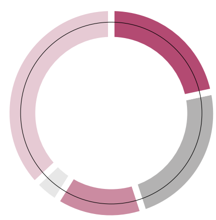
Professional Products **11.5%**
Consumer Products **42.7%**
L'Oréal Luxe **36.9%**
Active Cosmetics **8.9%**

By Geographic Zone



Western Europe **27.7%**
North America **25.3%**
New Markets **47.0%**
Of which:
Asia-Pacific **32.3%**
Eastern Europe **6.4%**
Africa, Middle East **2.3%**
Latin America **6.0%**

By currency



Euro **21.7%**
Dollar **23.5%**
Chinese yuan **13.8%**
Pound sterling **4.3%**
Other currencies **36.7%**
Of which:
Mexican peso **1.5%**
Japanese yen **1.8%**
Russian rouble **2.5%**
Canadian dollar **2.3%**
Brazilian real **2.2%**
Other **26.4%**

(1) Like-for-like sales growth: based on a comparable structure and identical exchange rates.
(2) Sales achieved on our brands' own websites + estimated sales made by our brands corresponding to sales through our retailers' websites (non-audited data); like-for-like growth.
(3) The CDP is an independent NGO which offers a global system for the measurement and publication of environmental information and which assesses the strategy, close involvement and results obtained by companies in the fight against climate change, sustainable water management and forest protection.

2019 SALES

Like-for-like, *i.e.* based on a comparable scope of consolidation and constant exchange rates, the sales growth of the L'Oréal group was +8.0%.

The net impact of changes in the scope of consolidation amounted to +0.8%.

Growth at constant exchange rates was +8.8%.

At the end of 2019, **currency fluctuations** had a positive impact of +2.1%.

Based on reported figures, the Group's sales, at 31 December 2019, amounted to 29.87 billion euros, an increase of +10.9%.

SALES BY DIVISION AND GEOGRAPHIC ZONE

€ millions	2017	2018	2019	% 2019 sales	2018/2019 progression Like-for-like	Reported figures
BY DIVISION						
Professional Products	3,350.4	3,262.5	3,441.9	11.5%	+3.2%	+5.5%
Consumer Products	12,118.7	12,032.2	12,748.2	42.7%	+3.3%	+6.0%
L'Oréal Luxe	8,471.7	9,367.2	11,019.8	36.9%	+13.8%	+17.6%
Active Cosmetics	2,082.9	2,275.5	2,663.7	8.9%	+15.5%	+17.1%
Group total	**26,023.7**	**26,937.4**	**29,873.6**	**100%**	**+8.0%**	**+10.9%**
BY GEOGRAPHIC ZONE						
Western Europe	8,125.3	8,065.1	8,277.1	27.7%	+1.8%	+2.6%
North America	7,350.5	7,234.3	7,567.0	25.3%	-0.8%	+4.6%
New Markets, of which:	10,547.8	11,638.1	14,029.5	47.0%	+17.9%	+20.5%
• Asia, Pacific	6,151.8	7,405.6	9,658.0	32.3%	+25.5%	+30.4%
• Latin America(1)	1,952.9	1,784.8	1,773.1	6.0%	+2.0%	-0.7%
• Eastern Europe	1,750.8	1,754.2	1,909.7	6.4%	+9.0%	+8.9%
• Africa, Middle East	692.4	693.5	688.7	2.3%	-4.1%	-0.7%
GROUP TOTAL	**26,023.7**	**26,937.4**	**29,873.6**	**100%**	**8.0%**	**+10.9%**

The finalisation of the disposal of The Body Shop on 7 September 2017 lead to the application, in 2017, of IFRS 5 for discontinued operations.

(1) The Group has applied IAS 29 (Financial Reporting in Hyperinflationary Economies) to Argentina since 1 July 2018. The negative impact of this adjustment is 340 basis points on like-for-like growth in Latin America and 20 basis points on that of the entire L'Oréal Group in 2019.

2019 sales

Professional products

The Professional Products Division recorded annual growth of +3.2% like-for-like and +5.5% based on reported figures.

Consumer products

The Consumer Products Division ended the year at +3.3% like-for-like and +6.0% based on reported figures.

L'Oréal luxe

L'Oréal Luxe has grown by +13.8% like-for-like and +17.6% based on reported figures.

Active cosmetics

The Active Cosmetics Division achieved record growth of +15.5% like-for-like, the Division's highest growth rate for 20 years. Growth based on reported figures is at +17.1%.

Summary by Geographic Zone

Western Europe

The Zone recorded growth of +1.8% like-for-like and +2.6% based on reported figures.

North America

The Zone is at -0.8% like-for-like and +4.6% based on reported figures, with contrasting performances across the Divisions.

New markets

Asia Pacific: the Zone grew by +25.5% like-for-like and +30.4% based on reported figures.

Latin America: the Zone is at +2.0% like-for-like and -0.7% based on reported figures.

Eastern Europe: the Zone recorded growth of +9.0% like-for-like and +8.9% based on reported figures, driven by Russia, Turkey, Ukraine and Romania.

Africa, Middle East: the Zone is at -4.1% like-for-like and -0.7% based on reported figures. The Zone was affected by a sharp fourth-quarter deceleration in the countries of the Levant, and Lebanon in particular.

2019 RESULTS

Operating profitability at 18.6% of sales

OPERATING PROFITABILITY AND CONSOLIDATED INCOME STATEMENT

	2017		2018		2019	
	€m	% sales	€m	% sales	€m	% sales
Sales	**26,023.7**	**100.0%**	**26,937.4**	**100.0%**	**29,873.6**	**100.0%**
Cost of sales	-7,359.2	28.3%	-7,331.6	27.2%	-8,064.7	27.0%
Gross profit	**18,664.5**	**71.7%**	**19,605.8**	**72.8%**	**21,808.9**	**73.0%**
R&I expenses	-877.1	3.4%	-914.4	3.4%	-985.3	3.3%
Advertising and promotion expenses	-7,650.6	29.4%	-8,144.7	30.2%	-9,207.8	30.8%
Selling, general and administrative expenses	-5,460.5	21.0%	-5,624.7	20.9%	-6,068.3	20.3%
OPERATING PROFIT	**4,676.3**	**18.0%**	**4,922.0**	**18.3%**	**5,547.5**	**18.6%**

The finalisation, on 7 September 2017, of the disposal of The Body Shop leads to account for the businesses sold, for 2017, in accordance with the IFRS 5 accounting rule on discontinued operations. For consistency with the financial information given outside the financial statements below, please refer to the tables published in the 2017 Registration Document (chapter 4, page 223) describing the financial performance of the Group when The Body Shop was an integral part of its continuing operations.

Gross profit, at 21,808 million euros, came out at 73.0% of sales, compared with 72.8% in 2018, which is an improvement of 20 basis points.

Research and Development expenses, at 985 million euros, have increased by 7.8% compared with 2018.

Advertising and promotion expenses increased by 60 basis points, at 30.8% of sales.

Selling, general and administrative expenses, at 20.3% of sales, have been reduced by 60 basis points.

Overall, **operating profit** has grown by +12.7% to 5,547 million euros, and amounts to 18.6% of sales, representing an increase of 30 basis points. Excluding the impacts of applying the IFRS 16 accounting rule, this growth amounted to 11.8%.

Operating profit by Division

	2017		2018		2019	
	€m	% sales	€m	% sales	€m	% sales
Professional Products	669	20.0%	652	20.0%	691	20.1%
Consumer Products	2,419	20.0%	2,428	20.2%	2,575	20.2%
L'Oréal Luxe	1,856	21.9%	2,072	22.1%	2,494	22.6%
Active Cosmetics	471	22.6%	523	23.0%	621	23.3%
DIVISIONS TOTAL	**5,415**	**20.8%**	**5,675**	**21.1%**	**6,381**	**21.4%**
Non-allocated (1)	-739	-2.8%	-753	-2.8%	-833	-2.8%
GROUP	**4,676**	**18.0%**	**4,922**	**18.3%**	**5,548**	**18.6%**

(1) Non-allocated = Central Group expenses, fundamental research expenses, free grant of shares expenses and miscellaneous items.
As a % of sales.

The profitability of the **Professional Products Division** came out at 20.1%, an improvement of 10 basis points.

The profitability of the **Consumer Products Division** was stable at 20.2%.

The profitability of **L'Oréal Luxe**, at 22.6%, increased by 50 basis points.

The profitability of the **Active Cosmetics Division** came out at 23.3%, representing an increase of 30 basis points.

Non-allocated expenses amounted to 833 million euros, which is stable in relative value.

Net profit

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

NET PROFIT

From operating profit to net profit excluding non-recurring items:

€m	2017	2018	2019	Growth
Operating profit	**4,676.3**	**4,922.0**	**5,547.5**	**+12.7%**
Financial revenues and expenses excluding Sanofi dividends	-22.9	-1.9	-62.7	
Sanofi dividends	350.0	358.3	363.0	
Profit before tax excluding non-recurring items	**5,003.3**	**5,278.4**	**5,847.9**	**+10.8%**
Income tax excluding non-recurring items	-1,250.5	-1,286.8	-1,486.7	
Net profit excluding non-recurring items of equity consolidated companies	-0.1	+0.1	+1.0	
Non-controlling interests	-3.9	-4.1	-5.4	
Net profit excluding non-recurring items	**3,748.7**	**3,987.6**	**4,356.9**	**+9.3%**
EPS [(1)] *(€)*	6.65	7.08	7.74	+9.3%
NET PROFIT AFTER NON-CONTROLLING INTERESTS	**3,581.4**	**3,895.4**	**3,750.0**	
Diluted EPS after non-controlling interests *(€)*	6.36	6.92	6.66	
Diluted average number of shares	563,528,502	563,098,506	562,813,129	

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

Net finance costs amount to 62 million euros, of which 54 million euros is the result of applying the IFRS 16 accounting rule.

Sanofi dividends amounted to 363 million euros.

Income tax excluding non-recurrent items amounted to 1,486 million euros, representing a tax rate of 25.4%.

Net profit excluding non-recurring items after non-controlling interests amounted to 4,356 million euros, an increase of +9.3%.

Earnings per share, at 7.74 euros, is up by +9.3%.

Non-recurring items after non-controlling interests [(1)] amounted to 606 million euros net of tax.

Net profit after non-controlling interests [(1)] came out at 3,750 million euros.

Cash flow statement, Balance sheet and Cash position

Gross cash flow amounted to 5,802 million euros, an increase of 12.1%.

The **working capital requirement** decreased by 460 million euros.

At 1,230 million euros, **investments** represented 4.1% of sales.

Net cash flow [(2)] at 5,031 million euros, increased by 29.8%.

The balance sheet is particularly solid, with shareholders' equity amounting to 29.4 billion euros. After allowing for finance lease liabilities in an amount of 2,035 million euros, net cash came out at 2,399 million euros at 31 December 2019.

Proposed dividend at the General Meeting of June 30th, 2020

The Board of Directors has decided to propose to the shareholders' General Meeting of June 30th, 2020 a dividend of 3.85 euros, an amount identical to that paid for the 2018 financial year, by decision of the Board of Directors of May 12, 2020. The dividend will be paid on July 7th, 2020 (ex-dividend date July 3rd, 2020 at 0:00 a.m., Paris time).

Share capital

At 31 December 2019, the capital of the company is formed by 558,117,205 shares, each with one voting right.

(1) Non-recurring items include impairment of assets, net profit of discontinued operations, restructuring costs and tax effects of non-recurring items.
(2) Operational cash flow = Gross cash flow + changes in working capital - capital expenditure.

2

SIGNIFICANT EVENTS THAT HAVE OCCURRED SINCE THE BEGINNING OF 2020

- On 3 February, for the 4th year in a row, L'Oréal has been highlighted as a world leader in corporate sustainability by the international non-profit organisation CDP, whose annual environmental disclosure and scoring process is recognised as the gold standard of corporate environmental transparency. The Group achieved a place on the 'A' List for all three environmental issues covered by CDP scores: climate change, water security and forests.
- On 4 February, following a strategic review regarding the best development options for the Roger & Gallet brand, L'Oréal announced that it has entered in exclusive
- The coronavirus epidemic (COVID-19), that first emerged in China, creates a context that impacts on the Beauty market in several geographic Zones as well as Travel Retail (see "2020 Outlook").
- On 31 March, after obtaining the necessary authorisations from the relevant authorities, L'Oréal finalised the acquisition of the Mugler brands and Azzaro fragrances from Clarins Group, in accordance with the terms announced on 21 October 2019.
- On May 12, L'Oréal announced the launch of the social and environmental solidarity program "L'Oréal for the future", which plans the creation of a 50 million euros philanthropic endowment fund and an impact investing fund of 100 million euros.

2020 Outlook

Given the context related to the Covid-19, lockdown measures will clearly continue to have a significant impact on the consumption of skincare and beauty products, and consequently on the Group's business in the first semester. However, as the example of China has shown, the current situation does not call into question consumers' strong appetite for beauty products, which remains intact. The market should recover quickly as soon as measures to close sales outlets are lifted.

In this context L'Oréal's fundamentals remain more relevant than ever. First of all, the strength of the Group rests on its balanced business model, with our presence in all distribution channels and all categories. In addition, the Group has already introduced very strict measures in terms of operational discipline, with a freeze on the worldwide headcount, a freeze on travel, a reduction in non-essential spending, and a thorough review of business drivers and investments. Furthermore, L'Oréal entered this period with a robust balance sheet, a high level of shareholders' equity, a positive net cash situation, and with very substantial credit lines available. Finally, it is the outstanding talent and commitment of L'Oréal teams all over the world, and the agility of its organisation, which enable the company to adapt, country by country, to the constantly changing situation.

We are therefore confident in the ability of the Group to traverse this period of crisis in the best possible conditions and to reaccelerate as soon as conditions permit in each geographic Zone.

3 PRESENTATION OF THE BOARD OF DIRECTORS

The composition of the Board reflects L'Oréal's shareholding structure, while guaranteeing the interests of all its shareholders. As of December 31, 2019, with the Chairman and Chief Executive Officer, there are therefore five Directors from L'Oréal's major shareholders, seven independent Directors and two Directors representing the employees. facing L'Oréal, the leader of a globalised and highly competitive cosmetics market in which constant innovation and adaptation are required.

The diversity and complementarity of the Directors' industrial, entrepreneurial, financial and extra-financial expertise mean they are equipped to quickly and thoroughly comprehend development challenges.

Extremely committed and vigilant, and convinced that stringent governance creates value for the Company, the Directors always keep the company's long-term interest first in mind as they voice their opinions. The Directors proactively and assiduously participate in the work of the Board and its Committees, which play an active role in preparing the Board's deliberations.

Jean-Paul Agon

Françoise Bettencourt Meyers

Paul Bulcke

Jean-Pierre Meyers

Ana Sofia Amaral

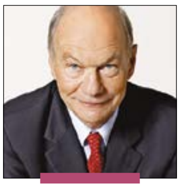
Sophie Bellon

Patrice Caine

Fabienne Dulac

Belén Garijo

Béatrice Guillaume-Grabisch



Bernard Kasriel

Georges Liarokapis

Jean-Victor Meyers

Virginie Morgon

Eileen Naughton

COMPOSITION OF THE BOARD AT 31 DECEMBER 2019

	As of December 31, 2019		Age	M/W	Nationality	Number of offices in listed companies*	Independence	Date of first appointment	Expiry date of term of office	Seniority on the Board	Board Committees: Strategy and Sustainable Development	Board Committees: Audit	Board Committees: HR and Remuneration	Board Committees: Appointments and Governance
Chairman and CEO	Mr. Jean-Paul Agon		63	M	French	1		25/04/2006	2022	13	C			
Françoise Bettencourt Meyers and her family	Ms. Françoise Bettencourt Meyers		66	W	French			12/06/1997	2021	22	●			
	Mr. Jean-Pierre Meyers Vice-President		71	M	French			15/12/1987	2020	32	●		●	●
	Mr. Jean-Victor Meyers		33	M	French			13/02/2012	2020	7		●		
Directors from Nestlé	Mr. Paul Bulcke** Vice-President		65	M	Belgian Swiss	2		20/04/2017	2021	2	●		●	●
	Ms. Béatrice Guillaume-Grabisch		55	W	French			20/04/2016	2020	3		●		
Independent Directors	Ms. Sophie Bellon		58	W	French	1	♦	22/04/2015	2023	4		●	C	C
	Mr. Patrice Caine		49	M	French	1	♦	17/04/2018	2022	2				●
	Ms. Fabienne Dulac		52	W	French	1	♦	18/04/2019	2023	<1		●		
	Ms. Belén Garijo		59	W	Spanish	1	♦	17/04/2014	2022	5			●	
	Mr. Bernard Kasriel		73	M	French		♦	29/04/2004	2020	15	●			
	Ms. Virginie Morgon		50	W	French	2	♦	26/04/2013	2021	6		C		
	Ms. Eileen Naughton		62	W	American		♦	20/04/2016	2020	3			●	
Directors representing the employees	Ms. Ana Sofia Amaral		54	W	Portuguese			15/07/2014	2022	5			●	
	Mr. Georges Liarokapis		57	M	French Greek			15/07/2014	2022	5		●		

58
average age of the Directors at 31/12/2019

54%
of Independent Directors***

54%
of female directors***

♦ *Independence within the meaning of the criteria of the AFEP-MEDEF Code as assessed by the Board of Directors* ● *Committee Member* **C** *Committee Chairman/Chairwoman*
* *Number of offices (excluding L'Oréal) in listed companies, including foreign companies, in accordance with the provisions of point 19 of the AFEP-MEDEF Code (i.e. with the exception of offices held in subsidiaries and investments, alone or in concert, by an executive officer of companies whose main activity is to acquire and manage such interests).*
** *Mr Paul Bulcke was a Director at L'Oréal from 2012 to June 2014 and has been again since 2017.*
*** *Excluding Directors representing the employees.*

ACTIVITIES OF THE BOARD AND ITS COMMITTEES IN 2019

the Board of Directors fully assumes its role in defining the Group's strategic orientations.

Thanks to an open and constructive dialogue with the General Management and regular meetings with management, the Directors are completely up-to-date with L'Oréal's economic reality and fully informed of all the Company's activities, its performances and the challenges it faces. They examine the main areas and opportunities for long-term development and acquisitions in particular.

The Directors make sure that the decisions taken contribute to implementation of the strategy.

Wishing to continually enhance its role to reflect on issues and drive strategic decision-making, in 2019, the Board carried out an evaluation of its modus operandi and organisation, as it has done every year since 1996.

BOARD OF DIRECTORS

7 meetings in 2019 and Strategic Seminar "Beauty in 2030" organised in June
96% attendance rate

MAIN WORK IN 2019

- **Corporate governance:** changes in the composition of the Board and Committees, draft resolutions on the renewal of terms of office and nominations; information on the expectations of investors and proxy advisors; implementation of the procedure for assessing free agreements; assessment of the Board's functioning;
- **Remuneration policy for corporate executive officers and Human Resources:** definition of the remuneration policy and the amounts due or awarded to Mr Jean-Paul Agon; Group employee remuneration policy; review of the diversity and gender parity policy; report on the first worldwide shareholding plan;
- **Business activity and results:** systematic review of sales by business segment by zone and by brand; analysis of market share and competition; analysis of the development of e-commerce;
- **Strategy and Sustainable Development:** development challenges (by zone and by business segment); monitoring of the results of the digital transformation and sharing of the L'Oréal Beauty Tech project; change in consumer expectations; monitoring of the objectives for sustainable development and description of new commitments "Science Based Targets"; acquisitions and licences (projects and monitoring of business plans); Human Resources policy;
- **Ethics:** description of the Ethics policy; training seminar for Directors;
- **Strategic Seminar in June 2019:** "Beauty in 2030".

STRATEGY AND SUSTAINABLE DEVELOPMENT COMMITTEE	AUDIT COMMITTEE	APPOINTMENTS AND GOVERNANCE COMMITTEE	HUMAN RESOURCES AND REMUNERATION COMMITTEE
6 meetings *100% attendance rate*	*4 meetings* *95% attendance rate*	*6 meetings* *100% attendance rate*	*5 meetings* *93% attendance rate*
MAIN ACTIVITIES IN 2019	MAIN ACTIVITIES IN 2019	MAIN ACTIVITIES IN 2019	MAIN ACTIVITIES IN 2019
• Analysis of sales, update on business activities, markets and competition • Analysis of the performance of the latest product launches • Review of the Group's strategic development prospects • Review of the main acquisition projects, and review of recent acquisitions • Update on the development of the business activity of the BOLD fund (*Business Opportunities for L'Oréal Development*)	• Review of the accounts and financial position • Risk review and monitoring • Review of risk mapping • Review of Internal Control and Internal Audit • Monitoring of the business plan for acquisitions • Approval of non-audit services • Review of Statutory Auditors' Reports • Review of the changes in the Vigilance Plan and risk factors (URD) • Review of the IFRS 16 standard • European GDPR (*General Data Protection Regulation*) regulation: monitoring of the compliance process • Cyber security: assessment of the measures deployed • Review of the management of currency risk	• Reflection on the composition of the Board and its committees • Diversity policy applied to the Board of Directors: objectives and 2019 results • Review of the succession plans • Review of the independence of Directors • Organisation and annual evaluation of the modus operandi of the Board • Topical issues with regard to Governance (PACTE Law, Reports by the AMF and the Haut Comité de Gouvernement d'Entreprise, etc.) • Review of the voting policies of the main investors and proxy advisors • Review and implementation of the procedure for regular evaluation of current agreements concluded under normal terms • Amendment to the Internal Rules of the Board of Directors	• Analysis of the voting policies of the main investors and proxy advisors on remuneration issues • Analysis of the performance of the Chairman and Chief Executive Officer in 2018 • Recommendations concerning the 2019 remuneration policy • Proposals concerning the bonus structure and objectives for the Chairman and Chief Executive Officer for 2019 • Preparation of the *Say On Pay* resolutions (*ex ante* and *ex post*) • Benefit pension scheme: Ordinance of July 2019 and consequences for L'Oréal and review of the level of achievement of the performance conditions for the executive officer. • *Long Term Incentive* policy (delivery of the 2015 Plan, preparation of the draft resolution, 2019 Plan, proposed award of performance shares to the Chairman and Chief Executive Officer) • Diversity: policy developed and results obtained • Distribution of remuneration of Directors (formerly known as attendance fees) • Review of the Group's employee remuneration policy

4

DRAFT RESOLUTIONS AND REPORT OF THE BOARD OF DIRECTORS

AGENDA

Ordinary part

1. Approval of the 2019 parent company financial statements
2. Approval of the 2019 consolidated financial statements
3. Allocation of the Company's net income for 2019 and setting of the dividend
4. Appointement of Mr Nicolas Meyers as a Director
5. Appointement of Ms Ilham Kadri as a Director
6. Renewal of Ms Béatrice Guillaume-Grabisch's term of office as a Director
7. Renewal of Mr Jean-Victor Meyers' term of office as a Director
8. Approval of the information on the remuneration of each of the corporate officers required by Article L. 225-37-3 I of the French Commercial Code
9. Approval of the fixed and variable components of the total remuneration and benefits of any kind paid during the 2019 financial year or allocated for that year to the Chairman and Chief Executive Officer, Mr Jean-Paul Agon
10. Approval of remuneration policy for corporate officers
11. Authorisation for the Company to buy back its own shares

Extraordinary part

12. Authorisation given to the Board of Directors to reduce the share capital by cancelling the shares acquired by the Company under article L.225-209 of the French Commercial Code
13. Authorisation granted to the Board of Directors to carry out free grants of existing shares and/or shares to be issued with cancellation of shareholders' preferential subscription right to employees and executive officers
14. Delegation of authority to the Board of Directors for the purpose of carrying out a capital increase reserved for employees with cancellation of shareholders' preferential subscription rights
15. Delegation of authority granted to the Board of Directors for the purpose of carrying out a capital increase reserved for categories of beneficiaries consisting of employees of foreign subsidiaries, with cancellation of preferential subscription rights, within the framework of an employee share ownership plan
16. Amendment to Article 8 of the Articles of Association on the number of Directors representing the employees
17. Powers for formalities

Ordinary part

Resolutions 1, 2, 3: approval of the annual (parent company and consolidated) financial statements for 2019, allocating the company's net income and setting the dividend

EXPLANATORY STATEMENT

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 showing net income of €4,105,828,765.28 for 2019, compared with €3,594,895,876.41 for 2018;
- the 2019 consolidated financial statements.

  The details of these financial statements are set out in the 2019 Annual Financial Report and the main data included in the package containing the notice convening the Annual General Meeting.

The Board of Directors proposes to the Annual General Meeting:

- an ordinary dividend of €3.85 per share, an amount identical to that paid for the 2018 financial year.

  The rate of distribution of the ordinary dividend (ordinary dividend paid/net income diluted per share from continuing operations excluding non-recurring items, diluted, attributable to owners of the Company) would be 49.7% in 2019. Over the last five financial years, this rate was:

Year	2014	2015	2016	2017	2018
Rate of distribution	50.6%	50.2%	51.1%	53.4%	54.4%

- A per share bonus dividend of €4.23, corresponding to a 10% increase over the ordinary dividend. This amount is rounded down to the nearest euro cent, pursuant to Article 15 of the Company's Articles of Association.

  The bonus dividend will be granted to the shares held in registered form since 31 December 2017 at the latest, and which continuously remain in registered form until the dividend payment date in 2020. The number of shares eligible for these preferential dividends may not exceed 0.5% of the share capital at the closing date of the past financial year, for the same shareholder.

If the Annual General Meeting approves this proposal, the ex-dividend date for the dividends (both ordinary and preferential) will be July 3rd, 2020 at zero hour, Paris time, and they will be paid on July 7th, 2020.

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 General Tax Code, which is applicable in the event that an individual beneficiary opts to tax his or her income from movable assets on the progressive scale of income tax.

First resolution: approval of the 2019 parent company financial statements

The Annual General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, having reviewing the Reports of the Board of Directors and the Statutory Auditors, approves the Report of the Board of Directors and the 2019 parent company financial statements, as presented, and the transactions reported in these financial statements and summarised in these Reports, showing net income of €4,105,828,765.28 compared with €3,594,895,876.41 for the 2018 financial year.

Second resolution: approval of the 2019 consolidated financial statements

The Annual General Meeting, voting 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 2019 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 2019 and setting of the dividend

The Annual General Meeting, voting 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 2019 financial year, amounting to €4,105,828,765.28 as follows:

No allocation to the legal reserve which already represents over one-tenth of the share capital	-
Amount allocated to the shareholders as dividend * (including bonus dividend)	€2,172,647,800.80
Balance that will be allocated to the "Other reserves" item	**€1,933,180,964.48**

* *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 31 December 2019 and will be adjusted to reflect:

- the number of shares issued between 1 January 2020 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 bonus dividend, taking into account sales or transfers to a bearer account between 1 January 2020 and the date of payment of the dividend.

The Annual General Meeting therefore declares an ordinary dividend of €3.85 per share, the bonus dividend entitling eligible holders to a total of €4.23 per share. The preferential dividend will be granted to the shares held in registered form since 31 December 2017 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 a bonus 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 July 3rd, 2020 at zero hour (Paris time) and they will be paid on July 7th, 2020.

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.

For individuals domiciled in France, the dividend is subject to income tax at a flat rate, but may be taxed progressively if the shareholder so chooses. In such a case, the dividend is eligible for the tax deduction provided for in Article 158–3-2° of the French General 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 General Tax Code, for the last three financial years:

	2016	2017	2018
Ordinary dividend per share	€3.30	€3.55	€3.85
Preferential dividend per share	€0.33	€0.35	€0.38

Resolutions 4, 5, 6 & 7: offices of Directors

EXPLANATORY STATEMENT

1. Composition of L'Oréal's Board of Directors at 31 December 2019

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 it is called on to make.

The Directors (whose biographies are included below) are attentive and vigilant and exercise complete freedom of judgement. This freedom of judgment enables them in particular to participate, in complete independence, in the decisions or work of the Board and its Committees.

Jean-Paul Agon, age 63, 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, General Manager of the Asia Zone, Chairman and Chief Executive Officer 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 Chief Executive Officer in 2011. A Director of L'Oréal since 2006, he is also the Chairman of the Strategy and Sustainable Development Committee. Jean-Paul Agon is also the Chairman of the L'Oréal Corporate Foundation and Director of Air Liquide.

Françoise Bettencourt Meyers, age 66, daughter of Liliane Bettencourt and granddaughter of the founder of L'Oréal, Eugène Schueller, has been the Chairwoman of the family-owned holding company Téthys since 31 January 2012, and is the Chairwoman of the Supervisory Board of the investment subsidiary Téthys Invest, Chairwoman of the Bettencourt Schueller Foundation, and Honorary President of the *Pour l'Audition* Foundation. Françoise Bettencourt Meyers has been a Director of L'Oréal since 1997 and a member of the Strategy and Sustainable Development Committee since 2012.

Paul Bulcke, age 65, of Belgian and Swiss nationality, is the Chairman of the Board of Directors of Nestlé. Paul Bulcke was a Director at L'Oréal from 2012 to June 2014 and has been back in that position since 2017. Paul Bulcke is the Vice-Chairman of the Board of Directors, 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 also a Director of Roche Holding (Switzerland).

Jean-Pierre Meyers, age 71, 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. Jean-Pierre Meyers is Vice-Chairman of the Supervisory Board and Chief Executive Officer of the family-owned holding company Téthys, Chairman of the investment subsidiary Téthys Invest, Vice-Chairman of the Bettencourt Schueller Foundation and President of the *Pour l'Audition* Foundation.

Ana Sofia Amaral, age 54, of Portuguese nationality, is 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 a Director representing the employees; her term of office was then renewed for a period of four years in 2018. She is a member of the Human Resources and Remuneration Committee.

Sophie Bellon, age 58, is Chairwoman of the Board of Directors of Sodexo. After a career in finance in the United States, she joined Sodexo in 1994, where she held a variety of positions, including Manager for the Business Division in France, then as R&D and Innovation Strategy Manager. Sophie Bellon has been a Director of L'Oréal since 2015. She is the Chairwoman of the Appointments and Governance Committee, the Human Resources and Remuneration Committee, and a member of the Audit Committee.

Patrice Caine, age 49, has been Chairman and Chief Executive Officer of the Thales Group since December 2014, after holding management positions in various operating units (Aviation and Naval, Communications, Navigation and Identification, Air Systems, Radio-Communication Products, Network and Infrastructure Systems, and Protection Systems) from 2002 to 2013. Patrice Caine has been a Director of L'Oréal since April 2018, and is a member of the Appointments and Governance Committee.

Fabienne Dulac, age 52, is Chairwoman and Chief Executive Officer of Orange France and Deputy Chief Executive Officer of the Orange Group, which she joined in 1997. She has held various positions in marketing, business development, communications and digital. She is also a Director of Orange Bank and Willa (an incubator dedicated to female entrepreneurship). She has been a Director of L'Oréal since 2019 and is a member of the Audit Committee.

Belén Garijo, age 59, of Spanish nationality, is Chairwoman and Chief Executive Officer of Merck Healthcare, a company bringing together the pharmaceutical businesses of German group Merck, and a member of the Merck group's Executive Committee. Belén Garijo has been a Director of L'Oréal since 2014 and is a member of the Human Resources and Remuneration Committee. She is also a Director of BBVA (Spain).

Béatrice Guillaume-Grabisch, age 55, has been since 2019 Executive Vice-President and Global Head of Human Resources and Business Services of the Nestlé Group, which she joined in 2013. She previously served as Chief Executive Officer of Nestlé Germany, after a career in a variety of consumer goods corporations (Colgate-Palmolive, Beiersdorf, Johnson & Johnson, L'Oréal and Coca-Cola). Béatrice Guillaume-Grabisch has been a Director at L'Oréal since 2016 and is a member of the Audit Committee.

Bernard Kasriel, age 73, a former Chief Executive Officer of Lafarge, has been a Director of L'Oréal since 2004, and is a member of the Strategy and Sustainable Development Committee.

Georges Liarokapis, age 57, of French and Greek nationality, is Coordinator of Sustainability for L'Oréal Western Europe. Mr Liarokapis was appointed by the CFE-CGC union as a Director representing the employees in 2014; his term of office was renewed for a period of four years in 2018. He is a member of the Audit Committee.

Jean-Victor Meyers, age 33, has been a member of the Supervisory Board of the family-owned holding company Téthys since January 2011, and is a member of the Supervisory Committee of the investment subsidiary Téthys Invest and Chairman of the Exemplaire and Constantine Capital companies. Jean-Victor Meyers has been a Director of L'Oréal since 2012 and is a member of the Audit Committee.

Virginie Morgon, age 50, is Chairwoman of the Executive Board of Eurazeo, which she joined in 2008 after working for sixteen years at Lazard, and is also Chairwoman of Eurazeo North America Inc. (USA). She is also Co-Chair of the Paris Committee of Human Rights Watch. Virginie Morgon has been a Director of L'Oréal since 2013 and is the Chairwoman of the Audit Committee.

Eileen Naughton, age 62, of American nationality, is Vice-President People Operations at Google, which she joined in 2006 after holding various positions with Time Warner, including the position of President of Time Group from 2002 to 2005. She has been a Director of L'Oréal since 2016 and is a member of the Human Resources and Remuneration Committee.

2. Resolutions submitted for approval to the Annual General Meeting of 30 June 2020

The appointment of two new Directors, Mr Nicolas Meyers and Ms Ilham Kadri, as well as the renewal of the terms of office of Ms Béatrice Guillaume-Grabisch and Mr Jean-Victor Meyers, whose current terms of office are expiring, are submitted to a vote by the Annual General Meeting.

The term of office of Mr Jean-Pierre Meyers, a Director of L'Oréal since 1987, Vice-Chairman of the Board of Directors since 1994, and a member of the Strategy and Sustainable Development, Human Resources and Remuneration, and Appointments and Governance Committees, expires at the end of this Annual General Meeting.

Mr Jean-Pierre Meyers has informed the Board that he does not wish to request the renewal of his term of office as Director, and declared that this seemed an opportune moment after 33 years on the Board to enable the family connection to continue, stressing the profound and lasting attachment of the Bettencourt Meyers family to L'Oréal. Mr Jean-Paul Agon, on behalf of the Board of Directors, warmly thanked Mr Jean-Pierre Meyers for his outstanding contribution to the works of the Board and of its Committees over so many years. He paid tribute in particular to Mr Meyers' in-depth knowledge of the company, his constant determination to preserve its values, his insistence on the highest standards of governance, and the support he has provided for the Group's development and international success.

Mr Bernard Kasriel, a Director of L'Oréal since 2004 and a member of the Strategy and Sustainable Development Committee, has informed the Board of Directors that he does not wish to request the renewal of his term of office. The Board expressed its gratitude to Mr Bernard Kasriel for the quality of his contribution during his 16 years of office. He brought to the Board his experience as an executive of a large international industrial group. The Board thanked him for his commitment, his great freedom of judgement and his contribution of proposals for the works of the various Committees of which he has been a member or Chairman.

The term of office of Ms Eileen Naughton, a Director of L'Oréal since 2016 and a member of the Human Resources and Remuneration Committee, expires in 2020. Ms Naughton has informed the Board of Directors that she does not wish to request the renewal of her office. The Board thanked Ms Eileen Naughton for taking part in the Board's debates and for the works of the Committee of which she was a member.

2.1. Appointment of two new Directors: Mr Nicolas Meyers and Ms Ilham Kadri

Appointment of Mr Nicolas Meyers as a Director

On the recommendation of the Appointments and Governance Committee, the Board of Directors submits the name of Mr Nicolas Meyers as Director to the vote of the Annual General Meeting for a term of four years.

Mr Nicolas Meyers, age 32, studied communications in Brussels, then at the *Institut des Hautes Etudes pour l'Innovation et l'Entreprenariat* (IHEIE). As part of his varied professional experience, he spent several months in Divisions of the L'Oréal Group, both in France and abroad (United Kingdom, USA, Canada, India, Japan). After his first business experience with Christie's in London in 2009, he held the positions of e-commerce and Social Media Manager at SwatchGroup France from 2011 to 2014. In 2017, he was an analyst with McKinsey.

He has been a member of the Supervisory Committee of the family holding company Téthys since 2011 and Téthys Invest since 2016. He has also been a director of the Bettencourt Schueller Foundation since 2012.

Mr Nicolas Meyers will bring the Board of Directors his knowledge of L'Oréal and his deep commitment to the company, his strong interest in new technologies and his international experience.

Appointment of Ms Ilham Kadri as a Director

On the recommendation of the Appointments and Governance Committee, the Board of Directors submits the name of Ms Ilham Kadri as Director to the vote of the Annual General Meeting for a term of four years.

Ms Ilham Kadri, 51, holds dual French and Moroccan nationality and has a PhD in Macromolecular Physical-Chemistry. She has been Chairwoman of the Executive committee and CEO of Solvay since March 2019, before which she had been CEO and Chairwoman of the American company Diversey since 2013. Ms Kadri has international professional experience, which she acquired in leading industrial companies (Shell, UCB, Dow, Sealed Air…), where she performed roles in research & development, sales, marketing, strategy, business management and digital technology.

Ms Kadri is very committed to diversity and inclusion, through mentoring young women and promoting their leadership in science.

She will notably bring to the L'Oréal Board of Directors her knowledge of industrial challenges, her diversified and international experience acquired in the United States, Europe, the Middle East, Africa and Asia, and her strategic vision focused on innovation.

2.2. Renewal of the terms of office of two Directors: Ms Béatrice Guillaume-Grabisch and Mr Jean-Victor Meyers

Renewal of Ms Béatrice Guillaume-Grabisch's term of office as a Director

As the term of office of Ms Béatrice Guillaume-Grabisch expires in 2020, her renewal for a term of four years is submitted to the Annual General Meeting.

Béatrice Guillaume-Grabisch has been a Director at L'Oréal since 2016 and a member of the Audit Committee since that date.

Since 2019, Ms Guillaume-Grabisch has been Executive Vice-President and Global Head of Human Resources and Business Services of the Nestlé Group, which she joined in 2013. She was formerly Chief Executive Officer of Nestlé Germany after a career in various consumer goods groups (Colgate-Palmolive, Beiersdorf, Johnson & Johnson, L'Oréal, Coca-Cola).

Ms Guillaume-Grabisch is deeply committed to the work of the Audit Committee and the Board of Directors, to which she brings her experience in marketing and general management in the consumer goods sector, as well as her skills in Human Resources management.

Over the four years of her term of office as Director, Ms Guillaume-Grabisch's attendance rate has been 100% at the meetings of the Board of Directors and the Audit Committee of which she is a member.

Renewal of Mr Jean-Victor Meyers' term of office as a Director

As the term of office of Mr Jean-Victor Meyers as Director expires in 2020, his renewal for a term of four years is submitted to the Annual General Meeting.

Jean-Victor Meyers has been a Director of L'Oréal since 2012 and a member of the Audit Committee since 2014.

He has been a member of the Supervisory Board of the family holding company Téthys since January 2011. He is the Chairman of the Exemplaire and Constantine Capital companies.

He brings to the Board his in-depth knowledge of L'Oréal and his strong attachment to the company, his experience in luxury businesses and his entrepreneurial vision.

Over the four years of his term of office as Director, the attendance of Mr Jean-Victor Meyers at meetings of the Board of Directors and of the Audit Committee on which he serves has been 100%.

3. Composition of the Board of Directors after the Annual General Meeting of 30 June 2020

If the Annual General Meeting approves the appointments and renewals proposed to it in 2020, the expiry dates of the terms of office of the 14 Directors of L'Oréal would be as follows:

			Board Committees			
	Independence	Expiry date of current term of office	Strategy and Sustainable Development	Audit	HR and Remuneration	Appointments and Governance
Mr Jean-Paul Agon		2022	C			
Ms Françoise Bettencourt Meyers		2021	•		•	•
Mr Paul Bulcke		2021	•		•	•
Ms Ana Sofia Amaral	●	2022			•	
Ms Sophie Bellon	◆	2023		•	C	C
Mr Patrice Caine	◆	2022	•			•
Ms Fabienne Dulac	◆	2023		•	•	
Ms Belén Garijo	◆	2022			•	
Ms Béatrice Guillaume-Grabisch		2024		•		
Ms Ilham Kadri	◆	2024				
Mr Georges Liarokapis	●	2022		•		
Mr Jean-Victor Meyers		2024	•	•		
Mr Nicolas Meyers		2024				
Ms Virginie Morgon	◆	2021		C		

◆ *Independence as defined by the criteria of the AFEP-MEDEF Code*
● *Director representing the employees*
C *Chairman / Chairwoman of the Committee*
• *Committee Member*

3.1. 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 review of the independence of these Directors was carried out by the Board of Directors on the basis, in particular, of a study of the relationships existing between the Company and the companies in which the Directors hold offices.

If the Annual General Meeting approves the appointements and renewals that are proposed by the Board of Directors, the number of Independent Directors would be 6 out of 12, i.e. an independence rate of 50% (the two Directors representing the employees are not taken into account pursuant to the AFEP-MEDEF Code).

3.2. Balanced gender representation on the Board of Directors

If the Annual General Meeting approves the appointments and renewals proposed to it, the number of women on the Board of Directors would be 7 out of the 12 Directors appointed by the Annual General Meeting, i.e. a percentage representation of women of 58% (the two Directors representing the employees are not taken into account pursuant to the French Commercial Code).

3.3. Length of office and minimum number of shares held

The term of office of the Directors appointed by the L'Oréal Annual General Meeting is four years or less to allow a planned scheduled renewal of the terms of office of Directors. The term of office of a Director who is not appointed by the Annual General Meeting is four years. Directors appointed by the Annual General Meeting must each hold a minimum of 500 L'Oréal shares: at least 250 shares on the date of his/her appointment by the Annual General Meeting, and the balance no later than 24 months after this appointment. A list of the offices and functions of the Directors at 31 December 2019 (with an indication of the number of L'Oréal shares held for Directors appointed by the Annual General Meeting) is set out in section 2.2.2. of Chapter 2 of the Universal Registration Document.

Fourth resolution: appointment of Mr Nicolas Meyers as a Director

The Annual General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, having reviewed the Report of the Board of Directors, appoints Mr Nicolas Meyers as a Director for a period of four years.

His term of office will expire at the end of the Annual General Meeting to be held in 2024 to vote on the financial statements for the previous financial year.

Fifth resolution: appointment of Ms Ilham Kadri as a Director

The Annual General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, having reviewed the Report of the Board of Directors, appoints Ms Ilham Kadri as a Director for a term of four years.

Her term of office will expire at the end of the Annual General Meeting to be held in 2024 to vote on the financial statements for the previous financial year.

Sixth resolution: renewal of Ms Béatrice Guillaume-Grabisch's term of office as a Director

The Annual General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, having reviewed the Report of the Board of Directors, renews the term of office as a Director of Ms Béatrice Guillaume-Grabisch for a term of four years.

Her term of office will expire at the end of the Annual General Meeting to be held in 2024 to vote on the financial statements for the previous financial year.

Seventh resolutions: renewal of Mr Jean-Victor Meyers' term of office as a Director

The Annual General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, having reviewed the Report of the Board of Directors, renews Mr Jean-Victor Meyers' term of office as a Director for a term of four years.

His term of office will expire at the end of the Annual General Meeting to be held in 2024 to vote on the financial statements for the previous financial year.

Resolution 8: approval of the information on the remuneration of each of the corporate officers of L'Oréal required by article L. 225-37-3 I of the French Commercial Code

EXPLANATORY STATEMENT

Pursuant to Ordinance no. 2019-1234 of 27 November 2019, adopted pursuant to Law no. 2019-486 of 22 May 2019 on business growth and transformation (PACTE law), the General Meeting is called upon to approve the information on the remuneration of each of the corporate officers of L'Oréal pursuant to Articles L. 225-37-3 I and L. 225-100 II of the French Commercial Code. This information is presented in section 2.4.2. of chapter 2 of the Universal Registration Document.

Eighth resolution: approval of the information on the remuneration of each of the corporate officers of L'Oréal required by Article L. 225-37-3 I of the French Commercial Code

Pursuant to Article L. 225-100 II of the French Commercial Code, the General Meeting, voting in accordance with the quorum and majority required for Ordinary General Meetings, approves the information described in Article L. 225-37-3 I of the French Commercial Code as presented in section 2.4.2. of Chapter 2 of the Universal Registration Document.

Resolution 9: approval of the fixed and variable components of the total remuneration and benefits of any kind paid during the 2019 financial year or allocated for that year to the chairman and chief executive officer, Mr Jean-Paul Agon

EXPLANATORY STATEMENT

Pursuant to Ordinance no. 2019-1234 of 27 November 2019, adopted pursuant to Law no. 2019-486 of 22 May 2019 on business growth and transformation (PACTE law), the General Meeting is called upon to approve the fixed and variable components of the total remuneration and benefits of any kind paid during the 2019 financial year or allocated for that year to Mr Jean-Paul Agon, Chairman and Chief Executive Officer of L'Oréal, pursuant to Article L.225-100 III of the French Commercial Code. This information is summarised in the following table ("Summary table of the components of remuneration paid during the 2019 financial year or allocated for that year").

SUMMARY TABLE OF THE COMPONENTS OF REMUNERATION PAID IN 2019 OR ALLOCATED FOR THAT YEAR

<table>
<tr><th>Remuneration components submitted for a vote</th><th>Amounts allocated for the 2019 financial year or accounting valuation</th><th>Amounts paid during the 2019 financial year</th><th>Description</th></tr>
<tr><td>Fixed remuneration
2019/2018 changes</td><td colspan="2">€2,200,000
0%</td><td>At its meeting on 7 February 2019, and on the recommendation of the Human Resources and Remuneration Committee, the Board of Directors decided to maintain Mr Jean-Paul Agon's fixed gross annual remuneration at €2,200,000.</td></tr>
<tr><td rowspan="2">Annual variable remuneration</td><td>€2,168,831
98.6% out of a maximum target of 100% of the fixed remuneration</td><td></td><td>The annual variable remuneration is designed to align the corporate executive officer's remuneration with the Group's annual performance and to promote the implementation of its strategy year after year. The Board of Directors strives to encourage the executive officer both to maximise performance for each financial year and to ensure that it is repeated and regular year-on-year. It is expressed as a percentage of the fixed remuneration and can amount to a maximum of 100% of the fixed remuneration.
CRITERIA FOR ASSESSMENT OF PERFORMANCE FOR 2019
• FINANCIAL CRITERIA — 60%
• Growth in comparable sales as compared to the budget — 15%
• Growth in market share as compared to the main competitors — 15%
• Growth in operating profit as compared to 2018 — 10%
• Growth in net earnings per share as compared to 2018 — 10%
• Growth in cash flow as compared to 2018 — 10%
• EXTRA-FINANCIAL AND QUALITATIVE CRITERIA — 40%
• Quantifiable criteria (allocated equally among the following criteria) — 25%
- CSR (Sharing Beauty With All programme)
- Human Resources: gender parity, development of talented employees, access to training
- Digital Development
• Individual qualitative performance: Management, Image, Company reputation, Dialogue with stakeholders. — 15%
The assessment is carried out on a criterion-by-criterion basis without offsetting among the criteria. A summary of achievements in 2019 is available in section 2.4.2.2. of Chapter 2 of the Universal Registration Document.
ASSESSMENT FOR 2019 BY THE BOARD OF DIRECTORS OF 6 FEBRUARY 2020
On the basis of the aforementioned assessment criteria, the Board of Directors decided, on the recommendation of the Human Resources and Remuneration Committee, to award gross variable remuneration of €2,168,831 for 2019, which is 98.6% of the maximum objective, with a level of achievement of the financial and extra-financial and qualitative criteria of 100% and 96.5% respectively. The assessment elements are set out in section 2.4.2.2. of Chapter 2 of the Universal Registration Document. Pursuant to Article L. 225-100 III of the French Commercial Code, the payment of this annual variable remuneration is subject to the approval of this ninth resolution.</td></tr>
<tr><td></td><td>€2,045,998
93% out of a maximum target of 100% of the fixed remuneration</td><td>For information, following the approval by the Annual General Meeting of 18 April 2019 (seventh resolution), an annual variable remuneration was paid for the 2018 financial year amounting to a total of €2,045,998, since the Board of Directors decided on 7 February 2019, as proposed by the Human Resources and Remuneration Committee, that 93% of the maximum objective had been achieved.</td></tr>
</table>

Remuneration components submitted for a vote	Amounts allocated for the 2019 financial year or accounting valuation	Amounts paid during the 2019 financial year	Description
Performance shares	24,000 performance shares valued at €5,430,000 (fair value estimated according to the IFRS standards used to prepare the consolidated financial statements)	N/A	Under the authorisation of the Extraordinary General Meeting of 17 April 2018 (fifteenth resolution), the Board of Directors, meeting on 18 April 2019, and on the recommendation of the Human Resources and Remuneration Committee, approved a conditional grant of 24,000 shares (ACAs) to Mr Jean-Paul Agon. This grant is in line with the 2019 remuneration policy defined by the Board of Directors on 7 February 2019 and approved by the Annual General Meeting of 18 April 2019. The fair value of one performance share (ACAs) under the 18 April 2019 plan, estimated according to the IFRS standards applied for the preparation of the consolidated financial statements, is €226.25, i.e. a fair value of €5,430,000 for the 24,000 ACAs granted to Mr Jean-Paul Agon in 2019. For the 17 April 2018 Plan, the fair value of one ACAs amounted to €176.17. Final vesting of these shares is subject to performance conditions being achieved, which will be recorded at the end of a 4-year vesting period as from the date of grant. Half of the number of fully vested shares will depend on growth in comparable cosmetics net sales compared to those of a panel of L'Oréal's competitors: Unilever, Procter & Gamble, Estée Lauder, Shiseido, Beiersdorf, Johnson & Johnson, Henkel, LVMH, Kao, Coty; the other half will depend on the growth in the L'Oréal Group's consolidated operating profit. 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 evaluating the performance conditions relating to this grant is 2020. The monitoring of performance conditions each year is described in section 7.4.3.6. of Chapter 7 of the Universal Registration Document. 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, L'Oréal has to outperform the average growth in sales of the panel of competitors. Below this level, the grant decreases. The Board defines a threshold, not made public for confidentiality reasons, below which no share will finally vest pursuant to this criterion. Concerning the criterion related to operating profit, a level of growth, defined by the Board, but not made public for confidentiality reasons, must be met or exceeded in order for all the free shares granted to be fully vested by the beneficiaries at the end of the vesting period. Below this level, the grant decreases. If the operating profit does not increase in absolute value over the period, no share will fully be vested pursuant to this criterion. The grant of shares from which Mr Jean-Paul Agon benefited in 2019 represents 2.85% of the total number of ACAs granted to the 2,107 beneficiaries of this same plan. In accordance with the authorisation granted by the Annual General Meeting on 18 April 2019, this grant of shares does not exceed 0.6% of the share capital, it being understood that the maximum amount granted to the executive officers may not represent more than 10% of the total number of free shares that may be granted. No stock option to purchase or subscribe to shares or other long-term incentive was granted to Mr Jean-Paul Agon in 2019.
Remuneration as Director	€0		Mr Jean-Paul Agon did not wish to receive remuneration as Director (formerly called attendance fees) in his capacity as Chairman and Chief Executive Officer.
Benefits in addition to remuneration	€0		**Benefits in kind:** Mr Jean-Paul Agon benefits from the material resources needed for the performance of his office such as, for example, the provision of a car with a driver. These arrangements, which are strictly limited to professional use, to the exclusion of any private use, are not benefits in kind.
	€10,396		**Additional social protection schemes:** employee benefit and healthcare schemes and defined-contribution pension. Mr Jean-Paul Agon continues to be treated in the same way as a senior manager during the term of his corporate office, which allows him to continue to benefit from the additional social protection schemes and, in particular, the employee benefit and healthcare schemes applicable to the Company's employees. The amount of the employer's contributions to these different schemes was €10,396 in 2019, including €6,281 for the defined contribution pension scheme; it is noted that the amount due in this respect will be deducted from the pension due for the defined benefits pension in accordance with the provisions of this collective scheme. The continuation of this treatment was approved by the Annual General Meeting on 27 April 2010.

Mr Jean-Paul Agon does not receive exceptional or multi-year remuneration.

The information on (i) the severance package, (ii) dismissal or retirement benefits, (iii) the financial consideration for the non-compete clause, and (iv) the supplementary defined-benefit pension scheme to which Mr Agon may be entitled under his suspended employment contract, can be found in section 2.4.3. of Chapter 2 of the Universal Registration Document. The application of the defined-benefit pension plan provisions of Mr Jean-Paul Agon's employment contract of Mr Jean-Paul Agon for the duration of his renewed corporate office was approved by the Annual General Meeting of 17 April 2018.

Ninth resolution: approval of the fixed and variable components of the total remuneration and benefits of any kind paid during the 2019 financial year or allocated for that year to the Chairman and Chief Executive Officer, Mr Jean-Paul Agon

Pursuant to Article L. 225-100 III of the French Commercial Code, the Annual General Meeting, voting in accordance with the quorum and majority required for Ordinary General Meetings, approves the fixed and variable components of the total remuneration and benefits of any kind paid in the 2019 financial year or allocated for that year to Chairman and Chief Executive Officer, Mr Jean-Paul Agon, as presented in section 2.4.2. of Chapter 2 of the Universal Registration Document.

Resolution 10: approval of the remuneration policy for corporate officers

EXPLANATORY STATEMENT

Pursuant to Ordinance no. 2019-1234 of 27 November 2019, adopted pursuant to Law no. 2019-486 of 22 May 2019 on business growth and transformation (PACTE law), the Annual General Meeting is called upon to approve the remuneration policy for corporate officers, i.e. the Directors of L'Oréal and its Chairman and Chief Executive Officer, as established by the Board of Directors, pursuant to Article L. 225-37-2 of the French Commercial Code. This policy is in line with L'Oréal's corporate interest, contributes to its continuity and is aligned with its commercial strategy. It is presented in section 2.4.1. of chapter 2 of the Universal Registration Document ("Remuneration policy for corporate officers").

In view of exceptional circumstances and in a spirit of solidarity, Mr Agon informed the Board, which accepted it, that he would renounce with immediate effect, for 2020:

- any remuneration in respect of the financial objectives of his annual variable remuneration, which represents a reduction of 30% of the maximum amount of his annual fixed and variable remuneration for 2020 which he is eligible for in accordance with the remuneration policy detailed in section 2.4.1. of chapter 2 of the 2019 Universal Registration Document;
- all attribution of performance shares if a plan were to be decided in 2020, to which he is eligible in accordance with the remuneration policy detailed in section 2.4.1. of the 2019 Universal Registration Document.

With respect to the foregoing waivers, the table entitled "Breakdown of the components of remuneration for the 2020 financial year applicable to Mr Jean-Paul Agon, the only executive officer concerned by this report", in section 2.4.1.2.4., is amended as follows:

<table>
<tr><th></th><th>Amount</th><th colspan="3">Description</th></tr>
<tr><td>Fixed remuneration</td><td>€2,200,000</td><td colspan="3">At its meeting of 6 February 2020, and on the recommendation of the Human Resources and Remuneration Committee, the Board of Directors proposed to the Annual General Meeting that Mr Agon's fixed remuneration should be maintained at the gross amount of €2,200,000 on an annual basis. This amount has not changed since 2014.</td></tr>
<tr><td rowspan="5">Annual variable remuneration</td><td rowspan="5">Cap set at 40%</td><td colspan="3">Following Mr Agon's waiver of a portion of his variable remuneration, the annual variable remuneration may reach a maximum of 40% of the fixed remuneration (instead of 100%) in the event of the achievement of the extra-financial and qualitative criteria for annual variable remuneration set by the Board on 6 February 2020, in accordance with the remuneration policy.</td></tr>
<tr><td colspan="2">CRITERIA FOR ASSESSMENT OF PERFORMANCE FOR 2020</td><td>WEIGHTING</td></tr>
<tr><td>Quantifiable extra-financial criteria</td><td>% allocated equally among the following criteria:
• CSR (Sharing Beauty With All programme)
• Human Resources: gender parity, development of talented employees, access to training
• Digital development</td><td>62.50%</td></tr>
<tr><td>Individual qualitative performance</td><td>Management, image, company reputation, dialogue with stakeholders.</td><td>37.50%</td></tr>
<tr><td colspan="3">Quantifiable criteria represent the majority share of the annual variable remuneration. The weighting of each of these criteria and the targets to be met were set at the start of the year and communicated to the executive officer. The assessment is made without offsetting among criteria. Pursuant to Article L. 225-100 of the French Commercial Code, payment of the annual variable remuneration is conditional on approval by the Annual General meeting called to approve the 2020 financial statements.</td></tr>
<tr><td>Performance shares</td><td>0</td><td colspan="3">Mr Agon has already announced that he is waiving any performance share allocation for the 2020 financial year.</td></tr>
<tr><td>Remuneration as Director</td><td>€0</td><td colspan="3">Mr Jean-Paul Agon did not wish to receive remuneration as a Director in his capacity as Chairman and Chief Executive Officer.</td></tr>
<tr><td>Benefits in addition to remuneration</td><td></td><td colspan="3">Benefits in kind: Mr Jean-Paul Agon benefits from the material resources needed for the performance of his office such as, for example, the provision of a car with a driver. These arrangements, which are strictly limited to professional use, to the exclusion of all private use, are not benefits in kind.
Additional social protection schemes: defined contribution pension, employee benefit and healthcare schemes: Mr Jean-Paul Agon continues to be treated in the same way as a senior manager during the term of his corporate office, which allows him to continue to benefit from the additional social protection schemes and, in particular, the employee benefit and healthcare schemes applicable to the Company's employees. The amount of the employer's contributions concerning the defined contribution pension scheme will be deducted from the pension due in respect of the defined benefit pension in accordance with the provisions of this collective scheme. The continuation of this treatment was approved by the Annual General Meeting on 27 April 2010.</td></tr>
</table>

Tenth resolution: approval of the remuneration policy for corporate officers

The Annual General Meeting, voting in accordance with the quorum and majority required for Ordinary General Meetings, having reviewed the Report of the Board of Directors, established pursuant to Article L. 225-37-2 of the French Commercial Code, approves the remuneration policy for the corporate officers of L'Oréal. These are currently the Chairman and Chief Executive Officer and the Directors, as presented in section 2.4.1. of chapter 2 of the Universal Registration Document and in the explanatory statement to this resolution.

Resolution 11: authorisation for the company to buy back its own shares

EXPLANATORY STATEMENT

As the existing authorisation is due to expire in October 2020, it is proposed that the Annual General Meeting give the Board a new authorisation, it being specified that in the event of a public offer being filed 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 its own shares for the following purposes:

- their cancellation by a reduction in its capital;
- their sale within the scope of employee share ownership programmes and their allocation to free grants of shares for the benefit of employees and executive officers of the L'Oréal Group;
- market-making under a liquidity agreement entered into with an investment services provider in accordance with the ethics charter recognised by the French Financial Markets Authority (AMF);
- 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.

The Annual General Meeting resolves that this authorisation will take effect on the date of this Annual General Meeting and will expire at the end of a period of 18 months from the date of this Annual General Meeting. It renders ineffective from this day onwards any previous authorisation for the unused portion with the same purpose.

The purchase price per share may not exceed €350 (excluding expenses). The authorisation would be for a maximum of 10% of the share capital, namely, for information purposes, at 31 December 2019, 55,811,720 shares for a maximum amount of €19,534,102,000 it being specified that the Company may not at any time hold more than 10% of its own capital.

Eleventh resolution: authorisation for the Company to buy back its own shares

The Annual General Meeting, voting in accordance with the quorum and majority required for Ordinary General Meetings, having reviewed the Report of the Board of Directors, authorises the Board of Directors, with the option 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 EU Regulation No 596/2014 of the European Parliament and of the Council of 16 April 2014, and subject to the following conditions:

- the purchase price per share may not exceed €350 (excluding expenses);
- the number of shares that may be bought by the Company may not exceed 10% of the number of shares forming the Company's capital on the date of execution of these buybacks, which is, for information purposes, at 31 December 2019, 55,811,720 shares for a maximum amount of €19,534,102,000 on the understanding that the Company may at no time hold over 10% of its own share capital.

The Company may buy back its own shares under the conditions defined by the laws and regulations in force, and notably with a view to:

- their cancellation by a reduction in its 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;
- market-making under a liquidity agreement entered into with an investment services provider in accordance with the ethics charter recognised by the French Financial Markets Authority (AMF);
- 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 a public offer being filed 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 resolves that this authorisation will take effect on the date of this Annual General Meeting and will expire at the end of a period of 18 months from the date of this Annual General Meeting. It renders ineffective from this day onwards any previous authorisation for the unused portion with the same purpose.

The Board of Directors will have the option 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 option for it to delegate, for the implementation of this resolution and, more generally, to do anything that may be necessary.

Extraordinary part

Resolution 12: authorisation given to the Board of Directors to reduce the share capital by cancelling the shares acquired by the Company under article L.225-209 of the French Commercial Code

EXPLANATORY STATEMENT

The authorisation granted to the Board of Directors in 2018 to cancel shares purchased by the Company within the scope of L.225-209 of the french commercial code is due to expire.

It is proposed that the Annual General Meeting give the Board a new authorisation allowing it to carry out share cancellations, subject to the legal limits, namely 10% of the existing share capital on the date of the cancellation per twenty-four month periods.

This authorisation shall be granted for a duration of twenty-six months from the date of this Annual General Meeting and shall render ineffective all previous authorisations.

Twelfth resolution: authorisation given to the Board of Directors to reduce the share capital by cancelling the shares acquired by the Company under article L.225-209 of the French Commercial Code

The Annual General Meeting, voting in accordance with the quorum and majority required for Extraordinary General Meetings, having reviewed the Reports of the Board of Directors and 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, all or some of the shares held by the Company under Article L. 225-209 of the French Commercial Code, subject to a limit of 10% of the share capital existing on the date of cancellation per twenty-four month periods.

Full powers are granted to the Board of Directors, with the option of delegation, to:

- carry out a reduction in share capital by a cancellation of shares;
- determine the final amount of the capital reduction;
- set the terms and conditions and record completion;
- deduce the difference between the book value of the shares cancelled and their nominal amount from the available reserves and premiums;
- amend the articles of association accordingly;
- and, more generally, carry out all formalities and do everything necessary for the implementation of this resolution.

This authorisation is granted for a duration of twenty-six months from the date of this General Meeting, and shall render ineffective as of this date, any previous authorisation for the unused portion with the same purpose.

Resolution 13: Authorisation granted to the board of directors to carry out free grants of existing shares and/or shares to be issued with cancellation of shareholders' preferential subscription right to employees and executive officers

EXPLANATORY STATEMENT

It is proposed that the Annual General Meeting renew its authorisation to carry out free grants of shares to Group employees and certain executive officers which will expire in August 2020.

Under the scope of this authorisation, the number of free shares that may be granted may not exceed 0.6% of the share capital on the date of the Board of Directors' decision. The maximum nominal amount of the capital increases that may be carried out pursuant to this authorisation will be charged against the total ceiling of 40% of the share capital provided for in 2) of the ninth resolution approved by the Annual General Meeting of 18 April 2019.

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 this same financial year.

Pursuant to Article L. 225-197-1 of the French Commercial Code, the free grant of shares to their beneficiaries will become final and binding subject to the satisfaction of the other conditions set at the time of the grant, and specifically the employment condition, for all or part of the shares granted:

- either after a minimum vesting period of two years, and in this case, without a minimum holding period;
- or after a minimum vesting period of one year, it being stated that the beneficiaries must then hold these shares for a minimum of one year from their final allocation.

In all these cases, the Board of Directors proposes that the vesting and holding periods should be a minimum of four years. The Board of Directors shall have the power, in all cases, to provide for vesting periods which are longer than the minimum periods set above or to provide for a holding period.

If the Annual General Meeting approves this resolution, any free grant of shares shall be decided by the Board of Directors on the basis of the proposals made by the General Management and examined by the Human Resources and Remuneration Committee.

The Board of Directors will decide the identity of the beneficiaries of the grants, the number of shares allocated to each one and the performance conditions to be met for the final vesting of all or part of the shares.

These performance conditions will take into account:

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

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

The Board of Directors considers that these two criteria, assessed over a long period of three financial years and applied to several plans, are complementary, in line with the Group's objectives and its 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 the beneficiaries.

Pursuant to the criterion relating to sales, in order for all the free shares granted to finally vest for the beneficiaries at the end of the vesting period, L'Oréal must outperform the average growth in sales of the panel of competitors. This panel comprises Unilever, Procter & Gamble, Estée Lauder, Shiseido, Beiersdorf, Johnson & Johnson, Henkel, LVMH, Kao, and Coty. Below this level, the grant decreases. If L'Oréal's comparable growth in net sales is less than the average growth in sales of the panel of competitors, no share will be allocated for this criterion.

Pursuant to the criterion relating to operating profit, in order for all the free shares granted to finally vest for the beneficiaries at the end of the vesting period, a level of growth defined by the Board, but not made public for confidentiality reasons, must be achieved or exceeded. Below this 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 individual allocations greater than 200 bonus shares per plan, with the exception of executive officers and member of the Executive Committee, for which they will apply to the totality.

The free grant of shares may be carried out for all Group staff, or for shares allocated on the basis of cash subscriptions carried out as part of an increase in share capital reserved for Group employees pursuant to the fifteenth resolution.

Any allocations 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.

The executive officers of L'Oréal will be obliged to retain 50% of the free shares that are definitively granted to them at the end of the vesting period in registered form until the termination of their term of office.

Thirteenth resolution: authorisation granted to the Board of Directors to carry out free grants of existing shares and/or shares to be issued with cancellation of shareholders' preferential subscription right to employees and executive officers

The Annual General Meeting, voting in accordance with the quorum and majority required for Extraordinary General Meetings, having reviewed the Reports of the Board of Directors and the Statutory Auditors, and acting in accordance with Articles L. 225-197-1 et seq. of the French Commercial Code:

1. authorises the Board of Directors to carry out, on one or several occasions, free grants of existing or shares to be issued in L'Oréal to employees and executive officers of the Company and of its French or foreign affiliates under the conditions of Article L. 225-197-2 of the French Commercial Code, or to certain categories of such affiliates;
2. sets the validity period of this authorisation, which may be used on one or several occasions, at 26 months from the date of the Annual General Meeting, and notes that this authorisation renders ineffective the unused portion of any prior authorisation for the same purpose;
3. decides that the number of free shares granted may not represent more than 0.6% of the share capital recorded on the date of the Board's decision, it being specified that this maximum number of shares, existing or to be issued, does not include the number of additional shares that may be allocated as the result of an adjustment in the number of shares initially granted following a transaction on the Company's share capital;
4. decides that the maximum nominal amount of the capital increases carried out on the basis of this authorisation will be charged against the total ceiling stipulated in 2) of the ninth resolution approved by the Annual General Meeting of 18 April 2019 or, as applicable, against the ceiling stipulated by a similar resolution that may potentially succeed this ninth resolution during the period in which this authorisation is valid;
5. decides that the number of free shares granted to the Company's executive officers during a financial year under this resolution may not represent more than 10% of the total number of free shares granted during the same financial year;
6. decides that the Board of Directors shall determine the identity of the beneficiaries or categories of beneficiaries of the allocations and the number of free shares granted to each one as well as the conditions to be met in order for the allocation to become binding, and notably the performance conditions, it being stated that the free grant of shares may be carried out without performance conditions as part of an allocation (i) for the benefit of all employees of L'Oréal and, if applicable, of its French and foreign affiliates, or (ii) for the benefit of employees and executive officers of foreign companies subscribing to a capital increase carried out pursuant to the fifteenth resolution of this Annual General Meeting or taking part in an employee shareholder transaction through the disposal of existing shares, or (iii) for the benefit of employees that are not members of the Executive Committee for a maximum of 200 free shares allocated as part of each of the plans decided by the Board of Directors;
7. decides (i) that the grant of such shares to their beneficiaries, for all or part of the shares granted, will become final and binding subject to satisfying the other conditions set at the time of the grant, at the end of a minimum vesting period of four years, and (ii) that the Board of Directors may set, and if applicable decide the duration of, a holding period for the vested shares;
8. 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 a classification in the second or third categories provided for in Article L. 341-4 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 a classification in the above mentioned categories under the French Social Security Code;
9. authorises the Board of Directors to carry out, where necessary, during the vesting period, adjustments to the number of shares associated with any possible transactions on the Company's share capital under the meaning of Article L. 225-181 of the French Commercial Code, so as to preserve the rights of the beneficiaries;
10. duly notes that this authorisation automatically entails, for the benefit of the beneficiaries of the free shares, the waiver by shareholders of their preferential subscription rights and of the portion of the reserves, profits or share premiums which, where applicable, are necessary for the issue of new shares;
11. delegates full powers to the Board, with the power to delegate further subject to the legal limits, to implement this authorisation.

Resolutions 14 and 15: delegations of authority granted to the board of directors for the purpose of carrying out a capital increase reserved for employees and certain categories of employees internationally, with cancellation of the shareholders' preferential subscription rights

EXPLANATORY STATEMENT

It is proposed to the Annual General Meeting, pursuant to the fourteenth resolution, to delegate to the Board of Directors the authority to decide on an increase in capital in favour of the Group's employees who are members of an Employee Savings Scheme.

This resolution, valid for a period of 26 months, would enable the employees of Group companies to subscribe to L'Oréal shares, in France, within the scope of the employee savings schemes.

In order for the Board to be able to implement, where applicable, a global employee share ownership programme in the best possible conditions, it is also proposed to the Annual General Meeting in the fifteenth resolution to delegate to the Board of Directors the authority to increase the capital in favour of Group employees or categories of Group employees outside France.

This resolution, valid for a period of 18 months, would make it possible to propose the subscription of L'Oréal shares to Group employees or categories of Group employees outside France, after adapting the conditions of the offer to local specificities.

Under the fourteenth resolution, the issue price may not be higher than the average of the trading prices recorded 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, nor may it exceed the legal maximum of 30% of this average, it being specified that the Board of Directors, or its delegated agent, is expressly authorised, if he deems wise, to reduce or eliminate the discount.

Pursuant to the fifteenth resolution, the issue price would be determined under similar terms and conditions to those set for the fourteenth resolution, and could also be set taking into account the specific regime of an offering of shares in the Company carried out within the framework of a share ownership scheme governed by foreign law.

The Annual General Meeting is therefore asked to delegate to the Board of Directors, pursuant to the fourteenth and fifteenth resolutions, the authority to increase the share capital of the Company on one or more occasions within the limit of 1% of the share capital, namely for information purposes at 31 December 2019 through the issue of 5,581,172 new shares, this ceiling being applicable jointly to the twelfth and thirteenth resolutions.The amount of the capital increases that may be carried out on the basis of the fourteenth and fifteenth resolutions will be charged against the total ceiling of 40% of the capital stipulated in 2) of the ninth resolution approved by the Annual General Meeting of 18 April 2019.

Fourteenth 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 rights

The Annual General Meeting, having reviewed the Reports of the Board of Directors and the Statutory Auditors, voting in accordance with the quorum and majority requirements for Extraordinary General Meetings 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:

1. 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, corporate 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 an Employee Savings Scheme;
2. 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 an Employee Savings Scheme, the shareholders' preferential subscription right 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 on the basis of 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 French financial markets authority (AMF), or any other collective body authorised by the regulations;
3. sets the period of validity of this delegation of authority at 26 months as from the date of this Annual General Meeting, and records that this delegation renders ineffective the unused portion of any prior delegation for the same purpose, 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 General Meeting;
4. resolves 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, as at 31 December 2019, an increase in the share capital by a nominal amount of €1,116,234.40 by issuing 5,581,172 new shares), it being specified that the cumulative amount of the increases in share capital that

may be carried out under this resolution and the fifteenth resolution may not exceed the maximum amount of 1% of the share capital existing at the date of this Annual General Meeting, which constitutes a ceiling applicable jointly to the fourteenth and fifteenth resolutions;

5. resolves that the amount of the increases in capital that may be carried out pursuant to this resolution will be charged against the total ceiling stipulated in 2) of the ninth resolution approved by the Annual General Meeting of 18 April 2019 or, as applicable, against the ceiling stipulated by a similar resolution that may potentially succeed this ninth resolution during the period in which this delegation is valid;
6. 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 the legal maximum of 30% of this average, it being specified that the Board of Directors, or its delegated agent, if it deems appropriate, is expressly authorised to reduce or eliminate the discount, in particular to take into account market practices, legal and tax regimes applicable in the countries of residence of the beneficiaries of the capital increase;
7. decides, pursuant to Article L. 3332-21 of the French Labour Code, that the Board of Directors will be able to provide for the free grant to the beneficiaries specified above of shares that have already been issued or are to be issued, for the employer contribution that may be paid pursuant to the Employee Savings Scheme regulations, and/or in repsect 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;
8. 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, to 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 rights 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 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, and, in the event of an issue of new free shares granted in respect of the additional employer contribution and/or discount, to deduct, where applicable, the sums necessary for paying up such shares from the reserves, profits or share premiums, as it chooses,
   - in general, carry out all acts and formalities, take all decisions and enter into any agreements that may be useful 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(s) made pursuant to this delegation of authority and amend the Articles of Association accordingly.

Fifteenth resolution: delegation of authority granted to the Board of Directors for the purpose of carrying out a capital increase reserved for categories of beneficiaries consisting of employees of foreign subsidiaries, with cancellation of preferential subscription rights, within the scope of an employee share ownership plan

The Annual General Meeting, voting in accordance with the quorum and majority required 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 and L. 225-138 of the French Commercial Code:

1. delegates to the Board of Directors the authority to decide to increase the Company's share capital, on one or more occasions, in the proportions and at the times it may consider appropriate, through the issue of shares or securities giving access to the Company's capital with cancellation of the shareholders' preferential subscription rights in favour of the beneficiaries defined below;
2. decides to cancel the shareholders' preferential subscription right for the shares and securities giving access to the Company's capital within the scope of this delegation of authority and to reserve the right to subscribe them to one or several categories of beneficiaries meeting the following characteristics: (i) employees and corporate officers of affiliates of the Company under the conditions of Article L. 225-180 of the French Commercial Code and Article L. 3341-1 of the French Labour Code and which have their registered office outside France and/or (ii) for UCITS or other entities governed by French or foreign law, whether or not they constitute a legal person, of employee share ownership schemes invested in shares of the Company whose unit holders or shareholders will consist of the persons mentioned in paragraph (i) or enabling the persons mentioned in paragraph (i) to benefit, either directly or indirectly, from a Company employee share ownership plan or employee share savings scheme;

3. sets the period of validity of this delegation of authority at 18 months as from the date of this Annual General Meeting, and records that this delegation renders ineffective the unused portion of any prior delegation for the same purpose; 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;
4. decides that the issue price of the new shares, to be issued pursuant to this delegation of authority, will be set, (i) on the basis of an average of the trading prices on the Euronext Paris market for the twenty trading days prior to the date of the decision of the Board of Directors or the Chief Executive Officer, setting the opening date of the subscription period, with a maximum discount of 30%, and/or (ii) at the same price as decided on the basis of the fourteenth resolution at the time of a simultaneous transaction, and/or (iii) in accordance with the terms and conditions for setting the subscription price for the Company's shares taking into account the specific regime of an offering of shares in the Company that would be carried out within the framework of a share ownership scheme governed by foreign law, and in particular within the scope of a Share Incentive Plan in the United Kingdom or a 401k or 423 plan in the United States;
5. resolves to set at 1% of the share capital existing at the date of this Annual General Meeting, the capital increase that may be carried out (namely, for information purposes, at 31 December 2019, an increase in the share capital by a maximum nominal amount of €1,116,234.40 through the issue of 5,581,172 new shares), it being specified that the cumulative amount of the increases in share capital that may be carried out under this resolution and the fourteenth resolution may not exceed the maximum amount of 1% of the share capital existing at the date of this Annual General Meeting, which constitutes a ceiling applicable jointly to the fourteenth and fifteenth resolutions;
6. resolves that the amount of the increases in capital that may be carried out pursuant to this resolution will be charged against the total ceiling stipulated in 2) of the ninth resolution approved by the Annual General Meeting of 18 April 2019;
7. resolves that the Board of Directors will have full powers, to delegate further under the conditions provided for by law, with the possibility to delegate authority on one or more occasions, in particular in order to:
   - decide on the list of beneficiaries, from one or more categories defined above, or the categories of employees who will be beneficiaries of each issue and the number of shares to be subscribed to by each of them,
   - determine the formulas and methods of subscription which will be presented to the employees in each country concerned, in light, where applicable, of the local legal constraints that apply, and select the countries chosen from those in which the Group has subsidiaries as well as such subsidiaries whose employees will be able to participate in the transaction,
   - decide on the maximum number of shares to be issued, within the limits set by this resolution and record the final amount of each increase in capital and amend the Articles of Association accordingly,
   - decide on the dates and any other terms and conditions of such an increase in capital under the conditions provided for by law,
   - deduct the costs of such an increase in capital from the amount of the related share premiums and take from this amount the amounts necessary to increase the legal reserve to one-tenth of the new amount of the share capital resulting from such an increase,
   - in general, carry out all acts and formalities, take any decisions and enter into any agreements that may be useful 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(s) made pursuant to this delegation of authority and amend the Articles of Association accordingly.

Resolution 16: amendment to article 8 of the articles of association on the number of directors representing the employees

EXPLANATORY STATEMENT

The Annual General Meeting is being asked to make its Articles of Association comply with Article L. 225-27-1 of the French Commercial Code, amended by Law no. 2019-486 of 22 May 2019 concerning the growth and transformation of companies, known as the PACTE law. Now, when the number of Directors is greater than eight, compared with twelve previously, two Directors must be designated representing the employees. This legislative change has no impact on the composition of the L'Oréal Board of Directors which, as at 31 December 2019, had thirteen members, excluding Directors representing the employees, and which has had two Directors representing the employees since July 2014. Article 8 of the Company's Articles of Association, which mentions the previous threshold of twelve Directors, must be amended in order to comply with the law.

Sixteenth resolution: amendment to Article 8 of the Articles of Association on the number of Directors representing the employees

The Annual General Meeting, voting with the quorum and majority required for Extraordinary General Meetings, having reviewed the Report of the Board of Directors, resolves to amend Article 8 of the Company's Articles of Association on the number of directors representing the employees as follows.

Current version of Article 8 of the Articles of Association	New version of Article 8 of the Articles of Association
The Company is administered by a Board of Directors.	The Company is administered by a Board of Directors.
The Board of Directors consists of at most eighteen members appointed by the Annual General Meeting.	The Board of Directors consists of at most eighteen members appointed by the Annual General Meeting.
The length of the terms of office of directors appointed by the Annual General Meeting is four years. By way of exception, the Annual General Meeting may appoint a director for a term of office of one, two or three years, in order to provide for staggered renewal of the directors' terms of office.	The length of the terms of office of directors appointed by the Annual General Meeting is four years. By way of exception, the Annual General Meeting may appoint a director for a term of office of one, two or three years, in order to provide for staggered renewal of the directors' terms of office.
The Board of Directors includes a director representing the employees appointed by the trade union organisation which obtained the most votes in the first round of the elections mentioned in Articles L. 2122-1 and L. 2122-4 of the French Labour Code at the Company and its direct or indirect subsidiaries with their registered office on French territory.	The Board of Directors includes a director representing the employees appointed by the trade union organisation which obtained the most votes in the first round of the elections mentioned in Articles L. 2122-1 and L. 2122-4 of the French Labour Code at the Company and its direct or indirect subsidiaries with their registered office on French territory.
The Board of Directors will include a second Director representing the employees who is appointed by the European Works Council inasmuch as the Board of Directors has more than twelve directors appointed by the Annual General Meeting at the date of such appointment.	The Board of Directors will include a second Director representing the employees who is appointed by the European Works Council known in the L'Oréal Group as the "Instance Européenne de Dialogue Social") inasmuch as the Board of Directors has more than **eight** directors appointed by the Annual General Meeting at the date of such appointment.
If the number of directors elected by the Annual General Meeting to the Board of Directors then falls to twelve or fewer directors, the term of office of the director representing the employees appointed by the European Works Council will continue in force until it expires but will not be renewed.	If the number of directors elected by the Annual General Meeting to the Board of Directors then falls to **eight** or fewer than **eight** directors or less, the term of office of the director representing the employees appointed by the European Works Council will continue in force until it expires but will not be renewed.
The term of office of a director not appointed by the Annual General Meeting is four years and ends at the close of the Ordinary General Meeting held during the year in which that director's term of office expires to review the financial statements for the previous financial year.	The term of office of a director not appointed by the Annual General Meeting is four years and ends at the close of the Ordinary General Meeting held during the year in which that director's term of office expires to review the financial statements for the previous financial year.
In the event that the conditions for application of Article L. 225-27-1 of the French Commercial Code do not continue to apply at the end of a financial year, the terms of office of the directors representing the employees will end at the close of the Annual General Meeting that approved the financial statements for such financial year.	In the event that the conditions for application of Article L. 225-27-1 of the French Commercial Code do not continue to apply at the end of a financial year, the terms of office of the directors representing the employees will end at the close of the Annual General Meeting that approved the financial statements for such financial year.
.../...	.../...

Resolution 17: powers for formalities

EXPLANATORY STATEMENT

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

Seventeenth 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.

APPENDICES

	Authorisations in force				Authorisations proposed to the Annual General Meeting of 30 June 2020		
	Date of the Annual General Meeting (Resolution No.)	Length (date of expiry)	Maximum authorised amount	Use of the authorisation in 2019	Resolution No.	Length	Maximum calling
Share capital increases							
Capital increase through the issue of shares with maintenance of preferential subscription rights	18 April 2019 (9)	26 months (17 June 2021)	Increase the share capital to €156,911,062.56 (1)	None			
Capital increase *via* the capitalisation of share premiums, reserves, profits or other amounts	18 April 2019 (10)	26 months (17 June 2021)	Increase the share capital to €156,911,062.56 (1)	None			
Capital increase reserved for L'Oréal employees savings plan (PEE)	18 April 2019 (12)	26 months (17 June 2021)	1% of share capital on the date of the Annual General Meeting (*i.e.* a maximum of 5,608,396 shares at 18 April 2019) (2)	8 shares (3)	14	26 months (29 August 2022)	1% of share capital on the date of the Annual General Meeting (*i.e.*, as an indication, 5,581,172 shares at 31 December 2019) (2)
Capital increase reserved for employees of foreign subsidiaries	18 April 2019 (13)	18 months (17 October 2020)	1% of share capital on the date of the Annual General Meeting (*i.e.* a maximum of 5,608,396 shares at 18 April 2019) (2)	None	15	18 months (29 December 2021)	1% of share capital on the date of the Annual General Meeting (*i.e.*, as an indication, 5,581,172 shares at 31 December 2019) (2)
Share capital increase in order to remunerate the contributions in kind of equity securities or securities giving access to the share capital of third party companies.	18 April 2019 (11)	26 months (17 June 2021)	2% of share capital on the date of the decision to increase the capital (*i.e.* as an indication, 11,207,933 shares at 31 December 2018) (2)	None			
Buyback by the Company of its own shares							
Buyback by the Company of its own shares	18 April 2019 (8)	18 months (17 October 2020)	10% of share capital on the date of the buybacks (*i.e.* as an indication, 56,039,665 shares at 31 December 2018)	3,000,000 shares	11	18 months (29 December 2021)	10% of share capital on the date of the buybacks (*i.e.* as an indication, 55,811,720 shares at 31 December 2019)
Reduction in the share capital via cancellation of shares							
Cancellation of shares purchased by the Company within the scope of Article L. 225-209 of the French Commercial Code	17 April 2018 (13)	26 months (16 June 2020)	10% of share capital on the date of cancellation per 24-month period (*i.e.* as an indication, 56,051,908 shares at 31 December 2017)	3,000,000 shares	12	26 months (29 august 2022)	10% of share capital on the date of cancellation per 24-month period (*i.e.* as an indication, 55,811,720 shares at 31 December 2019)
Cancellation of shares purchased by the Company within the scope of Article L. 225-208 of the French Commercial Code	17 April 2018 (13)	26 months (16 June 2020)	771,125 shares	771,125 shares			
Free grants of shares							
Grant of existing free shares or shares to be issued to the employees	17 April 2018 (15)	26 months (20 August 2020)	0.6% of the share capital on the grant decision date (*i.e.* as an indication, 3,363,114 shares at 31 December 2017)	843,075 shares	13	26 months (29 august 2022)	0.6% of the share capital on the grant decision date (*i.e.* as an indication, 3,348,703 shares at 31 December 2019)

(1) Total ceiling on capital increases, for all authorisations. It corresponds to maximum increases of 40% of the capital.

(2) The cumulative amount of the increases in share capital that may be carried out pursuant to the 14th and 15th resolutions submitted for a vote of the Annual General Meeting on 30 June 2020 may not exceed the maximum amount of 1% of the share capital, which constitutes a ceiling that applies jointly to these two resolutions, and a ceiling that was also common to the 12th and 13th resolutions adopted by the Annual General Meeting of 18 April 2019.

(3) These new shares resulted in increasing the capital by €1.6 achieved by deduction from "Other Reserves".

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INFORMATION CONCERNING DIRECTORS WHOSE APPOINTMENT OR RENEWAL IS PROPOSED TO THE ANNUAL GENERAL MEETING

APPOINTMENTS PROPOSED TO THE ANNUAL GENERAL MEETING

NICOLAS MEYERS

French

Age: 32

A member of the Supervisory Board of the family-owned holding company Téthys since 2011, a member of the Supervisory Committee of the Investment subsidiary Téthys Invest since 2016, and a member of the Board of Directors of the Bettencourt Schueller Foundation since 2012.

- Professional address : Téthys – 27-29, rue des Poissonniers – 92200 Neuilly-sur-Seine
- Holds 1.500 L'Oréal shares

OTHER CURRENT OFFICES AND POSITIONS	
French companies	
Téthys SAS	Member of the Supervisory Board
Téthys Invest SAS	Member of the Supervisory Board
Others	
Bettencourt Schueller Foundation	Member of the Board of Directors
CORPORATE OFFICES AND DIRECTORSHIP OVER THE LAST FIVE YEARS THAT HAVE EXPIRED	
None	

ILHAM KADRI

French and Moroccan

Age: 51

Chairwoman of the Executive Committee and CEO of Solvay she joined in march 2019. She had been CEO and Chairwoman of the American company Diversey since 2013. Ms Kadri has international experience acquired in leading industrial companies (Shell, UCB, Dow, Sealed Air…) where she performed roles in research & development, sales, marketing, strategy, business management and digital technology. She is also a Director of A.O. Smith Corporation (USA).

- Professional address: Solvay - 310 rue de Ransbeek - 1120 Bruxelles, Belgium
- Holds 250 L'Oréal shares

MAIN CORPORATE OFFICE HELD OUTSIDE L'OREAL		
Solvay*	Chairwoman of the Executive committee and CEO Director	
OTHER CORPORATE OFFICES AND DIRECTORSHIPS HELD		
Foreign companies		
A.O. Smith Corporation* (USA)	Director	
CORPORATE OFFICES AND DIRECTORSHIP OVER THE LAST FIVE YEARS THAT HAVE EXPIRED		**EXPIRY DATE OF TERM OF OFFICE**
Foreign companies		
Diversey (USA)	Chairwoman and CEO	2018

* *Listed companies*

RENEWALS PROPOSED TO THE ANNUAL GENERAL MEETING

BÉATRICE GUILLAUME-GRABISCH

French

Age: 55

Executive Vice-President Human Resources and Business Services of Nestlé Group, which she joined in 2013. She was formerly Chief Executive Officer of Nestlé Germany after a career in various consumer goods groups (Colgate-Palmolive, Beiersdorf, Johnson & Johnson, L'Oréal, Coca-Cola). Béatrice Guillaume-Grabisch has been a Director of L'Oréal since 2016 and is a member of the Audit Committee.

EXPIRY DATE OF TERM OF OFFICE: 2020

- Professional address: Nestlé – Avenue Nestlé, 55 – CH 1800 Vevey – Switzerland
- Holds 1,400 L'Oréal shares

MAIN CORPORATE OFFICE HELD OUTSIDE L'ORÉAL		
Nestlé S.A. (Switzerland) *	Executive Vice-President Human Resources and Business Services	
OTHER CORPORATE OFFICES AND DIRECTORSHIPS HELD		
Other		
GS1	Director	
CORPORATE OFFICES AND DIRECTORSHIP OVER THE LAST FIVE YEARS THAT HAVE EXPIRED		**EXPIRY DATE OF TERM OF OFFICE**
Foreign companies		
Nestlé (Germany)	Chief Executive Officer	2019
Henkel (Germany)	Director	2016
Other		
MarkenVerband/Brand producers' association (Germany)	Member of the Management Board	2019

** Listed company.*

JEAN-VICTOR MEYERS

French

Age: 33

A member of the Supervisory Board of the family-owned holding company Téthys since January 2011 and a member of the Supervisory Committee of the investment subsidiary Téthys Invest and Chairman of Exemplaire and Constantine Capital, Jean-Victor Meyers has been a Director of L'Oréal since 2012 and is a member of the Audit Committee.

EXPIRY DATE OF TERM OF OFFICE: 2020

- Professional address: Téthys – 27-29, rue des Poissonniers – 92200 Neuilly-sur-Seine – France
- Holds 1,500 L'Oréal shares

OTHER CURRENT OFFICES AND POSITIONS	
French companies	
Téthys SAS	Member of the Supervisory Board
Téthys Invest SAS	Member of the Supervisory Board
Exemplaire SAS	Chairman
Constantine Capital SAS	Chairman
CORPORATE OFFICES AND DIRECTORSHIP OVER THE LAST FIVE YEARS THAT HAVE EXPIRED	
None	

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STATUTORY AUDITORS' REPORTS

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

(For the year ended December 31, 2019)

To the Shareholders,

L'ORÉAL

14, rue Royale

75008 Paris

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of L'Oréal for the year ended December 31, 2019.

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 31, 2019 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from January 1, 2019 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No 537/2014 or the French Code of Ethics *(Code de déontologie)* for Statutory Auditors.

Justification of assessments – Key audit matters

In accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

Description of risk	How our audit addressed this risk
Measurement of investments *See Note 1.7 – Accounting principles - Investments, Note 14 – Financial assets, and Note 30 – Table of subsidiaries and holdings, to the parent company financial statements*	

At December 31, 2019, the carrying amount of investments recognized in the balance sheet amounted to €10,582 million, representing 59% of total assets. Investments are recognized at purchase cost excluding incidental expenses.
An impairment loss is recognized if the value in use of a given item falls below its carrying amount.
As described in Note 1.7 to the financial statements, the value of these items is assessed annually by reference to their value in use, which is mainly based on the current and forecast profitability of the subsidiary concerned and the share of equity owned.
In order to estimate the value in use of these items, management must use judgment to project future cash flows and determine the main assumptions to be used.
Given the materiality of investments in the balance sheet and the inherent uncertainty of certain components of the calculations, including the forecasts used to calculate value in use, we deemed the measurement of investments to be a key audit matter, carrying a risk of material misstatement.
	We examined the methodology employed by management to estimate the value in use of investments.
	Our audit work consisted primarily in verifying, on the basis of the information provided to us, that the estimated values determined by management were based on an appropriate measurement method and underlying data and, depending on the investment:
	• for valuations based on historical data: comparing the data used in the impairment tests performed on investments with the accounting data drawn from the audited financial statements of the subsidiaries concerned;
	• for valuations based on an estimated value in use:
	  • assessing the consistency of projections of sales and margin rates with past performance and the economic and financial context;
	  • corroborating the growth rates used with analyses of the performance of the global cosmetics market, taking into account the specific features of local markets and distribution channels in which the Group operates;
	  • assessing the discount rates applied to future cash flows, by comparing their inputs with external references, with the guidance of our valuation experts.

Recognition of sales - estimation of items to be deducted from sales *See Note 1.1 – Accounting principles – Sales, and Note 2 – Sales, to the parent company financial statements*	
Sales incentives, discounts and product returns are deducted from sales of goods. These various deductions are recorded simultaneously to the recognition of sales, based mainly on statistics compiled from past experience and contractual conditions. We deemed estimating these amounts at the reporting date to be both difficult (due to the range of contracts and contractual conditions prevalent in the Group's different markets) and sensitive (sales are a key indicator in the assessment of the performance of the Company and its management), and to have a material impact in the financial statements. Accordingly, these estimates constitute a key audit matter given the risk that sales incentives, discounts and other incentives granted to customers (distributors or consumers) are not fully catalogued and/or properly measured and thus that net sales are not accounted for correctly or in the appropriate reporting period.	We assessed the appropriateness of the accounting policies applied by the Company with respect to the recognition of product returns, sales incentives, discounts and other incentives granted to customers, with respect to French accounting principles. We familiarized ourselves with the internal control systems implemented within the Company, with a view to measuring and accounting for items deducted from sales, especially at the end of the reporting period, and we tested, on a sample basis, the main controls of those systems. We also carried out substantive tests on representative samples in order to ascertain whether product returns and incentives granted to customers were being estimated correctly. Our tests consisted primarily in: • assessing the appropriateness of valuation methods, in particular through a critical assessment of the assumptions used, verification of the consistency of the methods, and analysis of the unwinding of provisions from the previous year; • reconciling the statistics compiled from past experience and contractual conditions with the data contained in the IT systems dedicated to the management of commercial conditions; • verifying the calculation of the corresponding expenses (including the residual commitment at the end of the reporting period) and how they are recorded in the accounting system and presented in the financial statements.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

Information given in the management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements.

We attest to the fair presentation and the consistency with the financial statements of the information given with respect to the payment terms referred to in article D.441-4 of the French Commercial Code.

Report on corporate governance

We attest that the corporate governance section of the Board of Directors' management report sets out the information required by articles L.225-37-3 and L.225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of article L.225-37-3 of the French Commercial Code relating to remuneration and benefits received by or granted to 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 controlled by it and included in the consolidation scope. Based on this work, we attest to the accuracy and fair presentation of this information.

Concerning the information given in accordance with the requirements of article L.225-37-5 of the French Commercial Code relating to those items your Company has deemed liable to have an impact in the event of a takeover bid or exchange offer, we have verified its consistency with the underlying documents that were disclosed to us. Based on this work, we have no matters to report with regard to this information.

Other information

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

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of L'Oréal by the Annual General Meeting of April 29, 2004 for both PricewaterhouseCoopers Audit and Deloitte & Associés.

At December 31, 2019, PricewaterhouseCoopers Audit and Deloitte & Associés were in the sixteenth consecutive year of their engagement.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the financial statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit. They also:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Paris-La Défense, February 17, 2020

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Anne-Claire Ferrié	Frédéric Moulin

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(For the year ended December 31, 2019)

To the Shareholders,

L'ORÉAL

Société anonyme

14, rue Royale

75008 PARIS

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of L'Oréal for the year ended December 31, 2019.

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 31, 2019 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.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from January 1, 2019 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No 537/2014 or the French Code of Ethics *(Code de déontologie)* for Statutory Auditors.

Emphasis of matter

Without qualifying the opinion expressed above, we draw your attention to Note 1 "Change in accounting policy applied at 1 January 2019: IFRS 16 Leases" to the consolidated financial statements, which describes the impacts of the first-time application of IFRS 16 Leases as of January 1, 2019.

Justification of assessments – Key audit matters

In accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Description of risk	How our audit addressed this risk
Measurement of intangible assets *See Note 7.1. – Goodwill, Note 7.2. – Other intangible assets, Note 7.3. – Impairment tests on intangible assets, and Note 4 – Other operational income and expenses, to the consolidated financial statements*	
At December 31, 2019, the carrying amount of goodwill and other intangible assets recognized in the consolidated financial statements totaled €12,749 million, representing 29% of assets. These assets consist primarily of goodwill and non-amortized brands with indefinite useful lives, recognized following business combinations. When an adverse event occurs, or at least once a year, the Group verifies that the carrying amount of these assets is not greater than their recoverable amount and does not present a risk of impairment (impairment test). The recoverable amount of each Cash Generating Unit (CGU) is determined on the basis of discounted operating cash flow forecasts covering a period of 10 years (the period considered necessary for the strategic positioning of an acquisition) and a terminal value. • The main assumptions taken into account in the measurement of recoverable amount concern: • growth in sales and margin rate; • a perpetual growth rate for calculating the terminal value; and discount rates based on the weighted average cost of capital, where necessary adjusted by a country risk premium. The impairment tests performed led to the recognition of impairment losses for a total of €139 million at December 31, 2019, of which €83 million relating to goodwill. We deemed the measurement of these assets to be a key audit matter because of their relative materiality in the consolidated financial statements and because the calculation of their recoverable amount requires a high degree of judgment from Management in terms of projecting future cash flows and determining the main assumptions to be used.	We obtained the impairment tests and sensitivity analyses prepared by Management. We assessed the sensitivity analyses, in particular by comparing them to our own sensitivity analyses, to determine the nature and scope of our procedures. We assessed, in particular, the quality of the process implemented by Management for drawing up and approving budgets and forecasts and, for the impairment tests that we deemed the most sensitive, the reasonableness of the main estimates made and, more specifically: • the consistency of projections of sales and margin rates with the Group's past performance and the economic and financial context in which the Group operates; • the corroboration of the growth rates used with analyses of the performance of the global cosmetics market, taking into account specific features of the local markets and distribution channels in which the Group operates; • the discount rates applied to future cash flows, by comparing their inputs with external references, with the guidance of our valuation experts; • the analyses of the sensitivity of the recoverable amount to the key main assumptions used, as described by Management in Note 7.3 to the consolidated financial statements, and to our own analyses.

Description of risk	How our audit addressed this risk
Measurement of provisions for liabilities and charges, other non-current liabilities and contingent liabilities *See Note 12 – Provisions for liabilities and charges and other non-current liabilities - Contingent liabilities and material ongoing disputes, to the consolidated financial statements*	
The Group is exposed to various risks arising in the ordinary course of its operations, particularly tax risks, industrial, environmental and commercial risks relating to operations (excluding provisions for product returns), employee-related risks and risks related to antitrust investigations, for which provisions amounting to €1,134 million had been recorded at December 31, 2019. When the amount or due date of a liability can be estimated with sufficient reliability, provisions are recorded for these risks. When this is not the case, the Group provides disclosures on contingent liabilities in the notes to the consolidated financial statements. The contingent liabilities and material ongoing disputes reported in Note 12.2.1 include tax disputes in Brazil and India. These tax risks amounted to €700 million and €168 million, respectively, and are partially covered by provisions. We deemed the determination and measurement of provisions for liabilities and charges and other non-current liabilities to be a key audit matter given: • the high degree of judgment required from Management to determine which risks should be provisioned and to measure with sufficient reliability the amounts of these provisions; • the potentially material impact of these provisions on the Group's profit.	In order to identify and gain an understanding of all of the existing disputes and liabilities as well as the corresponding judgments made, we made inquiries with General Management and the Legal and Tax Departments at all levels of the organization, in France and abroad. We corroborated the list of identified disputes with: • the Group's risk mapping, as presented by the Legal Department to the Audit Committee; • the information provided by the principal law firms acting for the Group, with which we conducted interviews. We assessed the quality of Management's estimates by comparing the amounts paid out with the provisions recorded in recent years. Regarding the most significant disputes for which a provision was recorded, with the guidance of our experts in the field where applicable, we carried out the following procedures: • we examined the procedural aspects and/or the legal or technical opinions prepared by the lawyers or external experts selected by Management in order to assess the merits of the decision to record a provision; • on the basis of the information provided to us, we critically assessed the estimated ranges of risk level and verified that the measurements used by Management fall within these ranges; • when appropriate, we verified the consistency of the methods used for these assessments. Regarding contingent liabilities, with the guidance of our experts in the field where applicable, we examined the procedural aspects and/or the legal or technical opinions prepared by the lawyers or external experts selected by Management in order to assess the merits of the decision not to record a provision. We verified the appropriateness of the disclosures provided in the notes to the consolidated financial statements.
Recognition of net sales – estimation of items to be deducted from sales *See Note 3 – Accounting principles – Net sales, to the consolidated financial statements*	
Sales incentives, discounts and product returns are deducted from sales, as are incentives granted to distributors or consumers, such as commercial cooperation, coupons, discounts and loyalty programs. These various deductions are recorded simultaneously to the recognition of sales, based mainly on statistics compiled from past experience and contractual conditions. We deemed estimating these amounts at the reporting date to be both difficult (due to the range of contracts and contractual conditions prevalent in the Group's different markets) and sensitive (sales are a key indicator in the assessment of the performance of the Group and its Management), and to have a material impact in the financial statements. Accordingly, these estimates constitute a key audit matter given the risk that product returns, sales incentives, discounts and other incentives granted to customers (distributors or consumers) are not fully catalogued and/or properly measured and thus that net sales are not accounted for correctly or in the appropriate reporting period.	We assessed the appropriateness of the accounting policies applied by the Group with respect to the recognition of product returns, sales incentives, discounts and other incentives granted to customers, with respect to IFRS. We familiarized ourselves with the internal control systems implemented by the Group's commercial entities, with a view to measuring and accounting for items deducted from sales, especially at the end of the reporting period, and we tested, on a sample basis, the main controls of those systems. We also carried out substantive tests on representative samples in order to ascertain whether product returns and incentives granted to customers were being estimated correctly. Our tests consisted primarily in: • assessing the appropriateness of valuation methods, in particular through a critical assessment of the assumptions used, verification of the consistency of the methods, and analysis of the unwinding of provisions from the previous year; • reconciling the statistics compiled from past experience and contractual conditions with the data contained in the IT systems dedicated to the management of commercial conditions; • verifying the calculation of the corresponding expenses (including the residual commitment at the end of the reporting period) and how they are recorded in the accounting system and presented in the consolidated financial statements.

Specific verifications

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also verified the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial information statement provided for in article L.225-102-1 of the French Commercial Code is included in the information pertaining to the Group presented in the management report, it being specified that, in accordance with article L.823-10 of the Code, we have not verified the fair presentation and consistency with the consolidated financial statements of the information contained in that statement, which must be verified in a report by an independent third party.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of L'Oréal by the Annual General Meeting of April 29, 2004 for both PricewaterhouseCoopers Audit and Deloitte & Associés.

At December 31, 2019, PricewaterhouseCoopers Audit and Deloitte & Associés were in the sixteenth consecutive year of their engagement.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit.

They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;

- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Paris-La Défense, February 17, 2020

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Anne-Claire Ferrié	Frédéric Moulin

STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS

(Annual General Meeting held to approve the financial statements for the year ended December 31, 2019)

L'ORÉAL

14, rue Royale

75008 Paris

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report to you on related-party agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of, as well as the reasons provided for, the agreements that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of article R.225-31 of the French Commercial Code *(Code de commerce)*, it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R.225-31 of the French Commercial Code in relation to the performance during the year of agreements already approved by the Annual General Meeting.

We performed the procedures that we considered necessary with regard to the professional guidelines of the French National Institute of Statutory Auditors *(Compagnie Nationale des Commissaires aux Comptes)* applicable to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreements submitted for the approval of the Annual General Meeting

Agreements authorised during the year

We were not informed of any agreements entered into during the year to be submitted for approval at the Annual General Meeting pursuant to the provisions of article L.225-38 of the French Commercial Code.

Agreements already approved by Annual General Meeting

Agreements approved during previous years

In accordance with article R.225-30 of the French Commercial Code, we were informed that the following agreement, already approved by the Annual General Meeting of April 27, 2010 and described in our special report of February 19, 2010, continued to be performed during the year.

Agreement concerning Jean-Paul Agon, Chairman and Chief Executive Officer

- Suspension of Jean-Paul Agon's employment contract during the term of his corporate office;
- Elimination of all rights to remuneration in respect of the corporate office:

In the event of departure, and depending on the reasons for such departure, Jean-Paul Agon will only be paid the termination indemnities (save for gross misconduct or gross negligence) or retirement indemnities due in the event of voluntary retirement or retirement at the Company's request pursuant to the employment contract that has been suspended. These indemnities, which are attached solely to termination of the employment contract and in strict application of the French collective bargaining agreement for the chemicals industry *(Convention collective nationale des industries chimiques)* and the company-level agreements applicable to all L'Oréal managers, are automatically due pursuant to the public policy rules of French labour law. They are not subject to any condition other than those provided for by the collective bargaining agreement or the above-mentioned company-level agreements. The same applies to the non-competition clause and the related financial consideration.

Under no circumstances may the remuneration in respect of the corporate office be taken into consideration for the calculation of the indemnities due pursuant to the collective bargaining agreement and the company-level agreements applicable to all L'Oréal senior managers.

Jean-Paul Agon will continue to benefit from the defined-benefit pension scheme currently applicable to the Group's senior managers, as described in chapter 2 of the management report.

Terms and conditions relating to the suspension of Jean-Paul Agon's employment contract:

- The reference remuneration to be taken into account for all rights attached to the employment contract and in particular for the calculation of the pension under the defined-benefit scheme will be based on the amount of remuneration at the date of suspension of the employment contract in 2006, namely, fixed remuneration of €1,500,000 and variable remuneration of €1,250,000. This reference remuneration is revised annually by applying the revaluation coefficient in respect of salaries and pension contributions published by the French state pension fund *(Caisse nationale d'assurance vieillesse)*. As of January 1, 2020, the fixed remuneration amounted to €1,725,000 and the variable remuneration to €1,437,500.
- The seniority applied will cover his entire career, including his years as Chairman and Chief Executive Officer.
- Jean-Paul Agon will continue to be treated in the same way as a senior manager throughout the term of his corporate office, which allows him to benefit from the additional social protection schemes, including the employee benefit and healthcare schemes applicable to the Company's employees, as described in chapter 2 of the management report.

Neuilly-sur-Seine and Paris-La Défense, February 17, 2020

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Anne-Claire Ferrié	Frédéric Moulin

STATUTORY AUDITORS' REPORT ON THE SHARE CAPITAL REDUCTION BY CANCELLATION OF PURCHASED SHARES

(Ordinary and Extraordinary Annual General Meeting – Twelfth resolution)

L'ORÉAL

14, rue Royale

75008 Paris

In our capacity as Statutory Auditors of your Company and in accordance with article L.225-209 of the French Commercial Code *(Code de commerce)*, which applies in the event of a share capital reduction by cancellation of shares purchased by a company, we hereby report to you on our assessment of the reasons for and terms and conditions of the planned share capital reduction.

The Board of Directors invites you to delegate, for a period of 26 months as from the date of this Annual General Meeting, the authority to cancel, on one or more occasions, up to a maximum limit of 10% of the share capital as of the date of the cancellation, and within a given period of 24 months, shares purchased pursuant to an authorization for the Company to purchase its own shares in accordance with the aforementioned article. The authorization to purchase shares is submitted for the approval of the Annual General Meeting under the eleventh resolution and would be granted for a period of 18 months.

We performed the procedures that we deemed necessary in accordance with the professional standards applicable in France to such engagements. Those standards require that we ensure that the reasons for and terms and conditions of the planned share capital reductions, which are not considered to affect shareholder equality, comply with the applicable legal provisions.

We have no matters to report on the reasons for and the terms and conditions of the proposed share capital reduction.

Neuilly-sur-Seine and Paris-La Défense, February 17, 2020

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Anne-Claire Ferrié	Frédéric Moulin

STATUTORY AUDITORS' REPORT ON THE AUTHORISATION OF FREE GRANTS OF EXISTING SHARES AND/OR SHARES TO BE ISSUED TO EMPLOYEES AND EXECUTIVE OFFICERS

(Ordinary and Extraordinary Annual General Meeting – Thirteenth resolution)

L'ORÉAL

14, rue Royale

75008 Paris

In our capacity as the Statutory Auditors of your Company and in accordance with article L.225-197-1 of the French Commercial Code *(Code de commerce)*, we hereby report to you on the proposed authorization of free grants of existing and/or newly issued shares to employees and corporate officers of L'Oréal and French or non-French entities related to your Company, within the meaning of article L.225-197-2 of the French Commercial Code, or to certain categories of said employees and corporate officers, a matter submitted for your approval.

The total number of shares likely to be granted under this authorization may not represent more than 0.6% of the Company's share capital as of the date of the Board of Directors' decision, it being specified that the aggregate amount of any share capital increases that may be carried out under this resolution will count towards the maximum limit for share capital increases set in paragraph 2 of the ninth resolution approved by the Annual General Meeting of April 18, 2019.

On the basis of its report, the Board of Directors invites you to authorize it, for a period of 26 months as from the date of this Annual General Meeting, to grant existing and/or newly issued shares on one or more occasions.

It is the role of the Board of Directors to prepare a report on the proposed transaction. It is our responsibility to provide you with our observations, if any, on the information provided to you on the proposed transaction.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying in particular that the proposed terms and conditions of the transaction described in the Board of Directors' report comply with applicable legal provisions.

We have no matters to report on the information provided in the Board of Directors' report, with respect to the proposed authorization to grant free shares.

Neuilly-sur-Seine and Paris-La Défense, February 17, 2020

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Anne-Claire Ferrié	Frédéric Moulin

STATUTORY AUDITORS' REPORT ON THE ISSUE OF SHARES AND SECURITIES GRANTING ACCESS TO THE COMPANY'S SHARE CAPITAL RESERVED FOR MEMBERS OF AN EMPLOYEE SAVINGS SCHEME

(Ordinary and Extraordinary Annual General Meeting - Fourteenth resolution)

L'ORÉAL

14, rue Royale

75008 Paris

In our capacity as the 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 report to you on the proposed delegation of authority to the Board of Directors to issue shares or securities granting access to the Company's share capital, with cancelation of preferential subscription rights, reserved for employees, corporate officers and eligible former employees of your Company and of French and non-French entities related to your Company within the meaning of article L.225-180 of the French Commercial Code and article L.3344-1 of the French Labour Code *(Code du travail)*, who are members of a Company employee savings scheme, a matter submitted for your approval.

This transaction is submitted for your approval in accordance with the provisions of article L.225-129-6 of the French Commercial Code and articles L.3332-18 et seq. of the French Labour Code.

The total number of shares that may be issued, on one or more occasions, under this delegation, may not exceed 1% of the Company's share capital as at the date of this Annual General Meeting, it being specified that:

- the aggregate amount of the share capital increases that may be carried out under this resolution and the fifteenth resolution may not exceed the maximum amount of 1% of the share capital as at the date of this Annual General Meeting, and
- the amount of any share capital increases that may be carried out, either immediately or in the future, under this resolution, will count towards the maximum limit for share capital increases set in paragraph two of the ninth resolution approved by the Annual General Meeting of April 18, 2019.

On the basis of its report, the Board of Directors invites you to delegate, for a period of twenty-six months as from the date of this Annual General Meeting, the authority to decide to undertake one or more share capital increases and to cancel your preferential subscription rights to the shares or securities to be issued. The Board of Directors would be responsible for setting the final terms and conditions of any such issue.

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 responsibility to express an opinion on the fairness of the information taken from the financial statements, on the proposed cancelation of preferential subscription rights and on certain other information relating to the issue, presented in this report.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying the information disclosed in the Board of Directors' report relating to the transaction and the terms and conditions for setting the issue price of the securities to be issued.

Subject to a subsequent review of the terms and conditions of each proposed issue, we have no matters to report as regards the methods used to set the issue price of the securities to be issued as set out in the Board of Directors' report.

Since the final terms and conditions of the issue(s) have not been set, we do not express an opinion in this respect or, consequently, on the proposed cancelation of shareholders' preferential subscription rights.

In accordance with article R.225-116 of the French Commercial Code, we will prepare an additional report if and when the Board of Directors uses this delegation of authority to issue shares or securities granting access to other securities, or issue securities granting access to securities to be issued.

Neuilly-sur-Seine and Paris-La Défense, February 17, 2020

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Anne-Claire Ferrié	Frédéric Moulin

STATUTORY AUDITORS' REPORT ON THE ISSUE OF SHARES AND SECURITIES GRANTING ACCESS TO THE COMPANY'S SHARE CAPITAL RESERVED FOR CATEGORIES OF BENEFICIARIES CONSISTING OF EMPLOYEES OF FOREIGN SUBSIDIARIES WITHIN THE SCOPE OF AN EMPLOYEE SHARE OWNERSHIP PROGRAM

(Ordinary and Extraordinary Annual General Meeting – Fifteenth resolution)

In our capacity as the 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 report to you on the proposed delegation of authority to the Board of Directors to issue shares or securities granting access to the Company's share capital, with cancelation of preferential subscription rights, reserved for one or more categories of beneficiaries meeting the following characteristics: (i) employees and corporate officers of entities related to the Company within the meaning of article L.225-180 of the French Commercial Code and article L.3341-1 of the French Labour Code *(Code du travail)*, which have their registered office outside France and/or (ii) UCITS or other entities governed by French or non-French law, whether or not they have legal personality, established for the purposes of employee share ownership programs invested in shares of the Company whose unitholders or shareholders will consist of the persons defined in (i) or enabling the persons defined in (i) to benefit, either directly or indirectly, from an employee share ownership or Company employee share savings program, a matter submitted for your approval.

The total number of shares that may be issued, on one or more occasions, under this delegation, may not exceed 1% of the Company's share capital as at the date of this Annual General Meeting, it being specified that:

- the aggregate amount of the share capital increases that may be carried out under this resolution and the fourteenth resolution may not exceed the maximum amount of 1% of the share capital as at the date of this Annual General Meeting,
- the amount of any share capital increases that may be carried out, either immediately or in the future, under this resolution, will count towards the maximum limit for share capital increases set in paragraph two of the ninth resolution approved by the Annual General Meeting of April 18, 2019.

On the basis of its report, the Board of Directors invites you to delegate, for a period of eighteen months as from the date of this Annual General Meeting, the authority to decide to undertake one or more share capital increases and to cancel your preferential subscription rights to the shares or securities to be issued. The Board of Directors would be responsible for setting the final terms and conditions of any such issue.

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 responsibility to express an opinion on the fairness of the information taken from the financial statements, on the proposed cancelation of preferential subscription rights and on certain other information relating to the issue, presented in this report.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying the information disclosed in the Board of Directors' report relating to the transaction and the terms and conditions for setting the issue price of the securities to be issued.

Subject to a subsequent review of the terms and conditions of each proposed issue, we have no matters to report as regards the methods used to set the issue price of the securities to be issued as set out in the Board of Directors' report.

Since the final terms and conditions of the issue(s) have not been set, we do not express an opinion in this respect or, consequently, on the proposed cancelation of shareholders' preferential subscription rights.

In accordance with article R.225-116 of the French Commercial Code, we will prepare an additional report if and when the Board of Directors uses this delegation of authority to issue shares or securities granting access to other securities, or issue securities granting access to securities to be issued.

Neuilly-sur-Seine and Paris-La Défense, February 17, 2020

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Anne-Claire Ferrié	Frédéric Moulin

7 REQUEST FOR PROVISION OF STATUTORY DOCUMENTS (1) AND INFORMATION

ANNUAL GENERAL MEETING OF JUNE 30th, 2020

Documents may be viewed 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 (insert number of shares)

And/or of: ....bearer shares (insert number of 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 June 30th, 2020, be sent to me at the above address.

Signed in ...., on 2020

(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, or by e-mail: info-ag@loreal-finance.com – Toll free (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.*

For the full version of the 2019 Annual Report

visit lorealannualreport2019.com
or the L'Oréal Finance app

L'ORÉAL

Incorporated in France as a "Société Anonyme" with registered capital of €111,855,722.20
632 012 100 R.C.S. Paris

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

Registered office:
14, rue Royale
75008 Paris – France

www.loreal.com
www.loreal-finance.com

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L'ORÉAL

Mid-section booklet

Convening notice

ORDINARY AND EXTRAORDINARY GENERAL MEETING

on Tuesday, June 30th, 2020 at 10.00 a.m. (Paris local time)

behind closed doors from 41 rue Martre in Clichy

WARNING: Given the exceptional context related to the Coronavirus (Covid-19) epidemic and in accordance with Ordinance no.2020-321 of March 25, 2020, the Board of Directors decided on May 12, 2020 that the Ordinary and Extraordinary General Meeting of the Company, initially convened at the Palais des Congrès in Paris, a location affected by administrative measures, will be held on June 30, 2020 behind closed doors, without the physical presence of the shareholders and any other person having the right to attend the meeting, at the Company's administrative headquarters (41, rue Martre, Clichy). In this context, shareholders are invited to vote by correspondence using the voting form or via the Internet on the Votaccess secure voting platform, or to give a proxy to the Chairman of the General Meeting or to any other individual or legal entity. Shareholders have the possibility to send written questions until Wednesday June 24, 2020 by registered letter with acknowledgment of receipt, and via the email address: info-ag@loreal-finance.com

In order to promote dialogue with shareholders, shareholders will also have the opportunity to ask questions which are not assimilated to written questions, between Thursday June 25 and Monday June 29, 2020 at the following address AG-questionslibres@loreal-finance.com. These questions will be organized in groups by main themes and will be answered, to the extent possible, during the Internet broadcast of the General Meeting. The General Meeting will be broadcast live on www.loreal-finance.com, provided that the conditions for this retransmission can be met.

Ordinary part

1. Approval of the 2019 parent company financial statements
2. Approval of the 2019 consolidated financial statements
3. Allocation of the Company's net income for 2019 and setting of the dividend
4. Appointement of Mr Nicolas Meyers as a Director
5. Appointement of Ms Ilham Kadri as a Director
6. Renewal of Ms Béatrice Guillaume-Grabisch's term of office as a Director
7. Renewal of Mr Jean-Victor Meyers' term of office as a Director
8. Approval of the information on the remuneration of each of the corporate officers required by Article L. 225-37-3 I of the French Commercial Code
9. Approval of the fixed and variable components of the total remuneration and benefits of any kind paid during the 2019 financial year or allocated for that year to the Chairman and Chief Executive Officer, Mr Jean-Paul Agon
10. Approval of remuneration policy for corporate officers
11. Authorisation for the Company to buy back its own shares

Extraordinary part

12. Authorisation given to the Board of Directors to reduce the share capital by cancelling the shares acquired by the Company under article L.225-209 of the French Commercial Code
13. Authorisation granted to the Board of Directors to carry out free grants of existing shares and/or shares to be issued with cancellation of shareholders' preferential subscription right to employees and executive officers
14. Delegation of authority to the Board of Directors for the purpose of carrying out a capital increase reserved for employees with cancellation of shareholders' preferential subscription rights
15. Delegation of authority granted to the Board of Directors for the purpose of carrying out a capital increase reserved for categories of beneficiaries consisting of employees of foreign subsidiaries, with cancellation of preferential subscription rights, within the framework of an employee share ownership plan
16. Amendment to Article 8 of the Articles of Association on the number of Directors representing the employees
17. Powers for formalities

HOW TO TAKE PART IN THE ANNUAL GENERAL MEETING?

Given the context related to Covid-19, shareholders will not be able to physically attend the General Meeting. Nevertheless, the General Meeting will be broadcast live on **www.loreal-finance.com**, provided that the conditions for this retransmission can be met.

All L'Oréal shares are convened to the Annual General Meeting on June 30th, 2020 namely the following ISIN codes: : FR0000120321, FR0011149590, FR0013374436 et FR0013459336.

Participate in the Annual General Meeting

You therefore have two possibilities to exercise your right to vote:

- **by correspondence:** vote or be represented by giving a proxy to the Chairman of the Meeting or to a proxy (1);
- **by Internet:** vote or be represented by giving a proxy to the Chairman of the Meeting or to a proxy (1).

It is specified that no admission card will be delivered.

Please note that any shareholder who has already cast his vote at a distance, sent a proxy or a certificate of participation under the legal conditions may choose another mode of participation in the Meeting provided that his instruction in this regard reaches the Company until the fourth day preceding the date of the General Meeting, i.e. no later than **Friday, June 26th, 2020 at midnight (Paris local time)**.

Please note that the shareholder who has already expressed his vote has the option of selling all or part of his shares. However, if the transfer is settled before **Friday, June 26th, 2020 at midnight (Paris local time)**, the company invalidates or modifies accordingly, as the case may be, the vote cast at a distance, the power, or the certificate of participation.

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 **Wednesday, June 10th, 2020 until Monday, June 29th, 2020, 3 p.m. (Paris local time)** 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 and click on "Participate in the General Meeting".

You are a managed registered shareholder:

If you want to vote via internet, use the paper voting form, enclosed with this convening notice, 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 **Wednesday, June 10th, 2020, until Monday, June 29th, 2020, 3 p.m. (Paris local time).**

If you do not have your password, you should ask for it by clicking as follows: "Forgotten or not received password?"

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 **Wednesday, June 10th, 2020** until the day before the Annual General Meeting, namely until **Monday, June 29th, 2020 at 3 p.m. (Paris local time)**, connect to your financial intermediary's "stock market" ("Bourse" portal). Then follow the instructions appearing on the screen.

Important

- 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.

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

METHODS OF PARTICIPATION BY CORRESPONDENCE OR BY PROXY

For holders of registered shares:

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 [(2)];
- 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 [(2)]

For holders of bearer shares:

Your request must be addressed to your account-keeping institution, which is responsible for transmitting the participation form accompanied by a certificate of participation to BNP Paribas Securities Services.

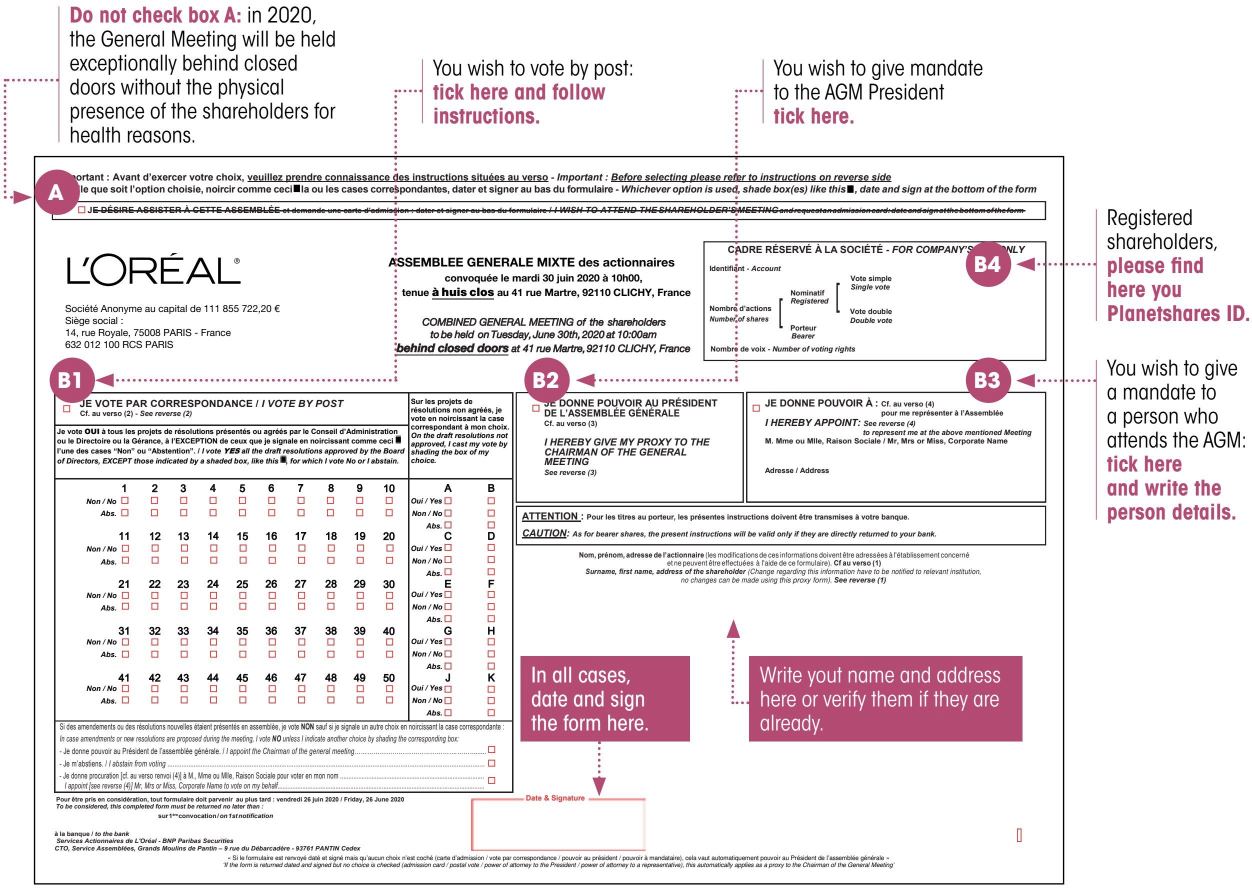
Any request for a participation form must, to be honored, be received no later than **Tuesday June 23rd, 2020 at midnight (Paris local time).**

To be taken into account, this duly completed form must then reach BNP Paribas Securities Services no later than **Friday June 26th, 2020 at midnight (Paris local time)**, using the enclosed "T" envelope.

UNDER NO CIRCUMSTANCES SHOULD THIS VOTING FORM 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 in the "Date & Signature" box;
- Received by the Department Assemblées Générales of 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 **Friday, June 26th, 2020 at midnight (Paris local time)**.



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.

Download on the App Store

GET IT ON Google Play

(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) *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.*

APPOINTMENT AND REVOCATION OF A PROXY FOR THE ANNUAL GENERAL MEETING

Article R. 225-79 of the French Commercial Code 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.

Designations or revocations of office expressed by post must reach the company up to the fourth day preceding the date of the general meeting, i.e. no later than **Friday, June 26th, 2020 at midnight (Paris local time)**.

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 sent no later than 4 calendar days prior to the date of the Annual General Meeting, namely at the latest **Friday, June 26th, 2020 at midnight (Paris local time)**.

Online:

Directly or managed registered shareholder:

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 will have to click on "Participate in the Annual General Meeting", then follow the indications shown on the screen.

The proxy of registered shareholders must send their voting instructions for the exercise of their mandates in the form of a scanned copy of the single voting form, to BNP Paribas Securities Services, by email to the following adress: **paris.bp2s.france.cts.mandats@bnpparibas.com**. The form must bear the surname, first name and address of the mandatary, the mention "As mandatary", and must be dated and signed.

Voting directions are indicated in the "I vote by mail" box on the form. This form must be sent no later than the fourth day prior to the date of the Meeting, no later than **Friday June 26th, at midnight (Paris local time)**.

The shareholder's proxy should contact the account holder, which will inform him of the voting procedures to be followed.

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.

Designations or revocations of office expressed by electronic means must reach the company up to the fourth day preceding the date of the general meeting, i.e. no later than **Friday, June 26th, 2020 at midnight (Paris local time)**.

Important

In accordance with Article R. 225-84 of the French Commercial Code, any shareholder who wishes to submit written questions may do so in the following manner up until **Wednesday, April 24th, 2020 at midnight (Paris local time)** at the latest:

- registered letter with acknowledgement of receipt requested addressed to the Chairman of the Board of Directors, 41 rue Martre – 92117 Clichy Cedex, France;
- or to the following e-mail address: **info-ag@loreal-finance.com**.

For holders of bearer shares, these questions must be accompanied by a certificate confirming that the shares are recorded in a shareholder's account in the holder's name.

As the General Meeting will be held without the physical presence of the shareholders, it will not be possible to ask oral questions. However, in order to promote shareholder dialogue, shareholders will also have the opportunity to ask questions which are not assimilated to written questions, between **Thursday June 25th, 2020 and Monday June 29th, 2020** at the following adress: **AG-questionslibres@loreal-finance.com**. These questions will be organized in groups by main themes and will be answered, to the extent possible, during the Internet broadcast of the General Meeting.

FOR ANY FURTHER INFORMATION, PLEASE DO NOT HESITATE TO:

CHECK OUR WEBSITE WWW.LOREAL-FINANCE.COM

CONTACT THE SHAREHOLDER SERVICES DEPARTMENT ON THE FOLLOWING NUMBER WHEN CALLING FROM ABROAD: +33 1 40 14 80 50, FROM 8.45 A.M. TO 6 P.M. (PARIS LOCAL TIME) FROM MONDAY TO FRIDAY

SEND US AN E-MAIL ON: INFO-AG@LOREAL-FINANCE.COM