

Clichy, 11 February 2021

Publication on related-party agreements pursuant to Article L. 22-10-13 of the French Commercial Code

Agreement on the status of Mr. Nicolas Hieronimus whose employment contract will be suspended upon his appointment as Chief Executive Officer

Interested party, nature of his relationship with L'Oréal and date of the agreement:

On 11 February 2021, the Board of Directors of L'Oréal authorised the conclusion of an agreement to suspend the employment contract between the company and Mr. Nicolas Hieronimus, current Deputy CEO in charge of Divisions, an employee of L'Oréal, who will assume, pursuant to a decision of the Board of Directors following the General Meeting of 20 April 2021, the position of Chief Executive Officer of L'Oréal as of 1 May 2021.

This agreement was concluded at the end of the Board of Directors meeting. It will take effect on 1 May 2021, subject to the condition precedent of the effective appointment of Mr. Hieronimus as Chief Executive Officer by the Board of Directors following the General Meeting of 20 April 2021.

Interest in the agreement, purpose and financial conditions of the agreement:

L'Oréal's constant practice has been to appoint as corporate executive officers, senior executives who have succeeded in the various stages of their career within the Group. The remuneration policy applicable to executive corporate officers is a logical result of this choice. This policy must make it possible to attract L'Oréal's best talents to the very top positions in General Management, without them losing, after a long career in the Group, the benefits they would have continued to be entitled to had they remained employees.

To achieve this objective, the Board of Directors decided to maintain the employment contracts of executive corporate officers with at least 15 years' service in the Group at the time of their appointment, and to ensure that there are no cumulative benefits related on the one hand, to the corporate office and, on the other hand, to the employment contract.

Pursuant to this policy, the Board does not wish that, having accepted the position of Chief Executive Officer after 34 years of career at L'Oréal, Mr. Hieronimus, will be deprived, as of 1 May 2021, of benefits which he would have continued to have had he remained an employee and which will not be attributed to him as a corporate officer.

For this reason, the Board has authorised the conclusion of an agreement to suspend his employment contract which would allow him, in the event of termination thereof during the performance of his corporate office, and according to the reasons for such termination, to receive severance pay, except in the event of gross negligence or serious misconduct, or retirement due under his suspended employment contract. These indemnities, being attached only to the termination of the employment contract and in strict application of the National Collective Bargaining Agreement for the Chemical Industries and collective agreements applicable to all L'Oréal senior managers, are in any event due by application of the public policy rules of French Labour Law. They are not subject to any conditions other than those provided by the National Collective Bargaining Agreement for the Chemical Industries or the aforementioned agreements. The same applies to the non-competition clause and the financial consideration attached thereto.

Mr. Hieronimus will continue to benefit, under his suspended employment contract during the performance of the corporate office, from the "Retirement Income Guarantee for former senior managers", closed to new entrants effective 31 December 2015. The Retirement Income Guarantee is calculated according to the number of years of professional activity in the company until 31 December 2019, up to a maximum of 25 years. In general, after 31 December 2019, no new rights are granted under this pursuant to French Order No. 2019-697 of 3 July 2019 on occupational supplementary pension schemes which provided for the closure of all defined benefit schemes falling under Article L. 137-11 of the French Social Security Code. The main features of this scheme are described in paragraph 4.3.2.5. of the 2019 Universal Registration

Document of L'Oréal. In this particular case, Mr. Hieronimus has since 2012 reached the ceiling of 25 years of professional activity in the Group provided for by the scheme and therefore does not benefit from any new rights for an additional annuity since that date.

Under his employment contract, pursuant to the provisions of the National Collective Bargaining Agreement for the Chemical Industries, in the event of termination of the employment contract, the compensation for the non-competition clause would be payable monthly for two years on the basis of two thirds of the fixed monthly remuneration attached to the suspended employment contract unless Mr. Hieronimus was released from the application of the clause. This clause is not applicable in the event of voluntary retirement or compulsory retirement on the Company's initiative: no non-competition compensation would be paid in this situation.

Under no circumstances shall the remuneration, under the term of office, be taken into consideration for the calculation of all the benefits which may be due under the employment contract referred to above.

The reference remuneration to be taken into account for all the rights attached to the employment contract is based on his remuneration on the date of suspension of the employment contract. This reference remuneration is 1,750,000 euros fixed remuneration and 1,850,000 euros variable remuneration. This remuneration will be reassessed each year by applying the adjustment coefficient of salaries and pension contributions, published by the French *Caisse Nationale d'Assurance Vieillesse*.

The length of service retained will take into account all of his career within the Group, including the years spent as executive corporate officer.

Mr. Hieronimus is also regarded as a senior executive during his term of office, which will enable him to continue to benefit from the supplementary social protection schemes and in particular from the defined contribution pension scheme, welfare and health care schemes for company employees. These elements will be included in the remuneration policy subject to the approval of the L'Oréal Annual General Meeting to be held on 20 April 2021.

The details of the financial conditions of the agreement, which are the subject of this publication, appear above but a value cannot be calculated at present as such value would depend upon on assumptions not yet known. It is recalled for all intents and purposes, and in application of the regulations, that the last annual profit of L'Oréal amounts to 4.15 billion euros.

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