

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 31 December 2020, with the Chairman and Chief Executive Officer, there are therefore five Directors from L'Oréal's major shareholders, six independent Directors and two Directors representing the employees.

The diversity and complementarity of the Directors' industrial, entrepreneurial, financial and extra-financial (including human resources and sustainability) expertise mean they are equipped to quickly and thoroughly comprehend development challenges facing L'Oréal, the leader of a globalised and highly competitive cosmetics market in which constant innovation and adaptation are required.

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



Ana Sofia Amaral



Sophie Bellon



Patrice Caine



Fabienne Dulac



Belén Garijo



Béatrice Guillaume-Grabisch



Ilham Kadri



Georges Liarokapis



Jean-Victor Meyers

















Nicolas Meyers



Virginie Morgon

3. PRESENTATION OF THE BOARD OF DIRECTORS

| COMPOSITION OF THE BOARD AT 31 DECEMBER 2020

										Board Committees			
As of 31 December, 2020										Strategy and Sustainability	Audit	HR and Remuneration	Nominations and Governance
		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				
Chairman and CEO	Mr. Jean-Paul Agon 	64	M	French	1		25/04/2006	2022	14	●			
Françoise Bettencourt Meyers and her family	Ms. Françoise Bettencourt Meyers Vice-President 	67	W	French			12/06/1997	2021	23	●		●	●
	Mr. Jean-Victor Meyers 	34	M	French			13/02/2012	2024	8	●	●		
	Mr. Nicolas Meyers 	32	M	French			30/06/2020	2024	< 1				
Directors from Nestlé	Mr. Paul Bulcke** Vice-President 	66	M	Belgian Swiss	2		20/04/2017	2021	3	●		●	●
	Ms. Béatrice Guillaume-Grabisch 	56	W	French			20/04/2016	2024	4		●		
Independent Directors	Ms. Sophie Bellon 	59	W	French	1	◆	22/04/2015	2023	5		●	●	●
	Mr. Patrice Caine 	50	M	French	1	◆	17/04/2018	2022	3	●			●
	Ms. Fabienne Dulac 	53	W	French	1	◆	18/04/2019	2023	1		●	●	
	Ms. Belén Garijo 	60	W	Spanish	1	◆	17/04/2014	2022	6			●	
	Ms. Ilham Kadri 	52	W	French Moroccan	2	◆	30/06/2020	2024	< 1				
	Ms. Virginie Morgon 	51	W	French	2	◆	26/04/2013	2021	7		●		
Directors representing the employees	Ms. Ana Sofia Amaral 	55	W	Portuguese			15/07/2014	2022	6			●	
	Mr. Georges Liarakapis 	58	M	French Greek			15/07/2014	2022	6		●		

54.5
average age of the Directors

50%
of Independent Directors***

58%
of female directors***

42%
of male directors***

◆ Independence within the meaning of the criteria of the AFEP-MEDEF Code as assessed by the Board of Directors ● Committee Member ● 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 2020

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 2020, the Board carried out an evaluation of its *modus operandi* and organisation, as it has done every year since 1996 (see section 2.3.4. "Self-evaluation by the Board of Directors" of the Universal Registration Document).

BOARD OF DIRECTORS

8 meetings in 2020 99% attendance rate

MAIN WORK IN 2020

- **Raison d'être:** validation of L'Oréal's *raison d'être*, published in the Management Report and presented to the shareholders at the Annual General Meeting of 30 June 2020.
- **Corporate governance:**
 - changes in the composition of the Board and Committees, preparation of draft resolutions on the renewal of terms of office and nominations; information on the expectations of investors and proxy advisors;
 - postponement then organisation of the 2020 Annual General Meeting behind closed doors;
 - new governance and succession plan: tracking of work of the Nominations and Governance Committee; announcement of the Group's new governance on 14 October 2020, with the changes effective at 1 May 2021;
 - evaluation of the *modus operandi* of the Board; and
 - executive sessions.
- **Remuneration policy for executive corporate 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 balance policy and definition of objectives for gender balance within management bodies; report on the second 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; regular update on the consequences of the Covid-19 health crisis and the actions taken (Solidarity Plan, measures to support and assist employees, management of the business activity by Operations, deployment of telecommuting and reinforcement of cyber security).
- **Strategic issues in 2020:** presentation of the new sustainable development goals for 2030; analysis of the consequences of the health crisis on L'Oréal's growth and the cosmetics market; presentation of the positive impact of the digital transformation with the development of e-commerce; changes in the organisation of the geographic zones; acquisitions and licences (projects and monitoring of business plans).

STRATEGY AND SUSTAINABILITY COMMITTEE	AUDIT COMMITTEE	NOMINATIONS AND GOVERNANCE COMMITTEE	HUMAN RESOURCES AND REMUNERATION COMMITTEE
4 meetings – 93% attendance rate	4 meetings – 100% attendance rate	10 meetings – 100% attendance rate	4 meetings – 100% attendance rate
MAIN ACTIVITIES IN 2020	MAIN ACTIVITIES IN 2020	MAIN ACTIVITIES IN 2020	MAIN ACTIVITIES IN 2020
<ul style="list-style-type: none"> • Analysis of sales, update on business activities, regular report on the consequences of Covid-19; • Update on changes in the markets and on competition; • Analysis of the performance of the latest product launches; • Review of the Group's strategic development prospects; • Review of L'Oréal's <i>raison d'être</i>; • 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); and • Update on the Impact Investing fund. 	<ul style="list-style-type: none"> • Review of the accounts and financial position; • Risk review and monitoring; • Review of risk mapping and the changes in the Vigilance Plan and risk factors (URD); • 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 process for selecting Statutory Auditors; and • Cyber security: assessment of the measures deployed. 	<ul style="list-style-type: none"> • Work to prepare the General Management succession plan: selection of several candidates and hearings, then recommendation to the Board; • Recommendation to the Board on General Management procedures as from 1 May 2021: separation of the offices of Chairman and Chief Executive Officer; • Reflection on the composition of the Board and its Committees; • Diversity policy applied to the Board of Directors: objectives and 2020 results; • Review of the independence of Directors; • Organisation and annual evaluation of the <i>modus operandi</i> of the Board; • Topical issues with regard to Governance (Reports by the AMF and the <i>Haut Comité de Gouvernement d'Entreprise</i>, etc.); • Review of the voting policies of the main investors and proxy advisors; and • Implementation of the procedure for regular evaluation of current agreements concluded under normal terms. 	<ul style="list-style-type: none"> • Analysis of the performance of the Chairman and Chief Executive Officer in 2019; • Recommendations on the 2020 remuneration policy, proposals concerning the variable remuneration structure and objectives for the Chairman and Chief Executive Officer for 2020; • Covid-19 solidarity measures on the 2020 remuneration of the Chairman and Chief Executive Officer; • Discussion and proposal of a remuneration policy for 2021 for the Chairman of the Board and the future Chief Executive Officer; • Analysis of the voting policies of the main investors and proxy advisors on remuneration issues; • Preparation of the Say On Pay resolutions (<i>ex ante</i> and <i>ex post</i>); • Long Term Incentive policy (delivery of the 2016 Plan, preparation of the 2020 Plan); • Diversity: policy developed and results obtained; • Distribution of the remuneration of Directors (formerly known as attendance fees); • Review of the Group's employee remuneration policy; and • Monitoring the second global employee shareholding plan.