L'ORÉAL

Convening notice

Ordinary and extraordinary General Meeting
On Tuesday April 20, 2021 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, the Ordinary and Extraordinary General Meeting of the Company will be held on April 20, 2021 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 provided they are received no later than **Friday April 16, 2021 at midnight** 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, from Saturday April 17, 2021, until the eve of the General Meeting, on April 19 at 3 p.m., 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. Shareholders will also be able to ask their questions live over the phone during the General Meeting on Tuesday April 20, 2021 (see Mid-section booklet). It will be answered within the time allotted.
The General Meeting will be broadcast live on **loreal-finance.com**, provided of course that the conditions for this retransmission can be met.

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ORDINARY AND EXTRAORDINARY GENERAL MEETING OF TUESDAY, APRIL 20th, 2021

AGENDA

Ordinary part

1. Approval of the 2020 parent company financial statements
2. Approval of the 2020 consolidated financial statements
3. Allocation of the Company's net profit for 2020 and setting of the dividend
4. Appointment of Mr Nicolas Hieronimus as a Director
5. Appointment of Mr Alexandre Ricard as a Director
6. Renewal of the term of office of Ms Françoise Bettencourt Meyers as Director
7. Renewal of the term of office of Mr Paul Bulcke as Director
8. Renewal of the term of office of Ms Virginie Morgon as Director
9. Approval of the information on the remuneration of each of the corporate officers required by Article L. 22-10-9, I of the French Commercial Code
10. Approval of the fixed and variable components of the total remuneration and benefits of any kind paid during the 2020 financial year or allocated for that year to the Chairman and Chief Executive Officer, Mr Jean-Paul Agon
11. Approval of the remuneration policy for Directors
12. Approval of the remuneration policy for the Chairman and Chief Executive Officer (Mr Jean-Paul Agon from 1 January to 30 April 2021)
13. Approval of the remuneration policy for the Chief Executive Officer (Mr Nicolas Hieronimus as from 1 May 2021)
14. Approval of the remuneration policy for the Chairman of the Board of Directors (Mr Jean-Paul Agon as from 1 May 2021)
15. Approval of the agreement on the status of Mr Nicolas Hieronimus whose employment contract will be suspended as from his appointment as Chief Executive Officer
16. Authorisation for the Company to buy back its own shares

Extraordinary part

17. Delegation of authority to the Board of Directors to increase the share capital through the issuance of ordinary shares, with maintenance of shareholders' preferential subscription rights
18. Delegation of authority to the Board of Directors to increase the share capital through the capitalisation of premiums, reserves, profits or other amounts
19. Delegation of authority to the Board of Directors to increase the share capital in order to remunerate the contributions in kind of equity securities or securities giving access to the share capital of third party companies granted to the Company
20. 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
21. Delegation of authority 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
22. Amendment to Article 9 of the Articles of Association to provide for written consultation of the Directors under the conditions defined by the regulations
23. 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

"L'Oréal was able to pass through the crisis in the best possible conditions and has even grown stronger."

Dear Shareholder,

I am pleased to invite you to the Annual General Meeting of L'Oréal shareholders which again this year, given the exceptional circumstances associated with the coronavirus, will be held behind closed doors, at 10:00 am on Tuesday 20 April 2021 at 41, rue Martre in Clichy, without the physical presence of the shareholders and other persons entitled to attend. We, like you, regret this situation but it was a decision we had to make to protect the health and safety of all those involved in the AGM, which is, of course, our absolute priority.

The full proceedings of the L'Oréal AGM will be livestreamed on the loreal-finance.com website. For further details of the livestream procedure, we invite you to check the "Annual General Meeting" section regularly. Here you will also find details of how to ask questions, either before the AGM or live on 20 April. As in 2020, you will only be able to vote ahead of the AGM, without having to travel, either by post, online via the dedicated secure platform Votaccess, or by proxy.

At this AGM, I will have the pleasure of presenting the Group's performance in 2020, an unprecedented year. I will explain how L'Oréal has been able to navigate the crisis in the best possible conditions and even grow stronger. You will also have the opportunity to hear Nicolas Hieronimus lay out L'Oréal's prospects for the next few years. As you know, Nicolas Hieronimus, who is currently Deputy Chief Executive Officer in charge of the Divisions, will, by decision of the Board of Directors at the end of this Annual General Meeting, become Chief Executive Officer of the Group, effective 1 May 2021.

In this notice you will find all the practical details, the agenda and a detailed presentation of the resolutions that will be submitted to your approval.

We hope that the situation will shortly improve so that we can meet in person again and resume our normal shareholder dialogue.

On behalf of the Board of Directors, I would like to thank you for your support, your understanding and your cooperation.

With warmest regards,

JEAN-PAUL AGON
Chairman and Chief Executive Officer

1. BRIEF PRESENTATION OF THE L'ORÉAL GROUP IN 2020 AND KEY FIGURES

KEY FIGURES 2020

2020 SALES
27.99 billion euros
(**-6.3%** based on reported figures, **-4.1%** like-for-like (1))

OPERATING PROFIT
5.20 billion euros
(**18.6%** of the sales)

NET EARNINGS PER SHARE (2)
7.30 euros

OPERATING CASH-FLOW (3)
5.48 billion euros
(on increase **+8.9%**)

DIVIDEND (4)
4.00 euros per share
(on increase **+3.9%**)

(1) Like-for-like: based on a comparable structure dans identical exchange rates.
(2) Diluted net earnings per share excluding non-recurring items after non-controlling interests.
(3) Net cash flow = Gross cash flow + changes in working capital - capital expenditure.
(4) Proposed at the Annual General Meeting of 20 April 2021.

n°1 in beauty

150 countries International presence

112 years Created in 1909

85,392 employees
Recognised for the 11th time as one of the world's most ethical companies by the **Ethisphere Institute**
Recognised for the 4th time by the **Bloomberg Gender-Equality Index** acknowledging the most advanced companies in the area of gender equality
100,905 people from underprivileged communities gained access to employment

€174 billion
Market capitalisation as of 12.31.2020

€964 million
Research and Innovation budget

500
patents

96%
of new updated products have an improved social profile

79%
of brands identify with an environmental or social cause and have carried out awareness-raising activities on this subject among their consumers

-81%*
CO_2 emission
(plants and distribution centres)

-37%*
Reduction in waste
(plants and distribution centres)

-49%*
Water consumption
(plants and distribution centres)

** Versus 2005 (see chapter 4 URD 2020).*

NORTH AMERICA

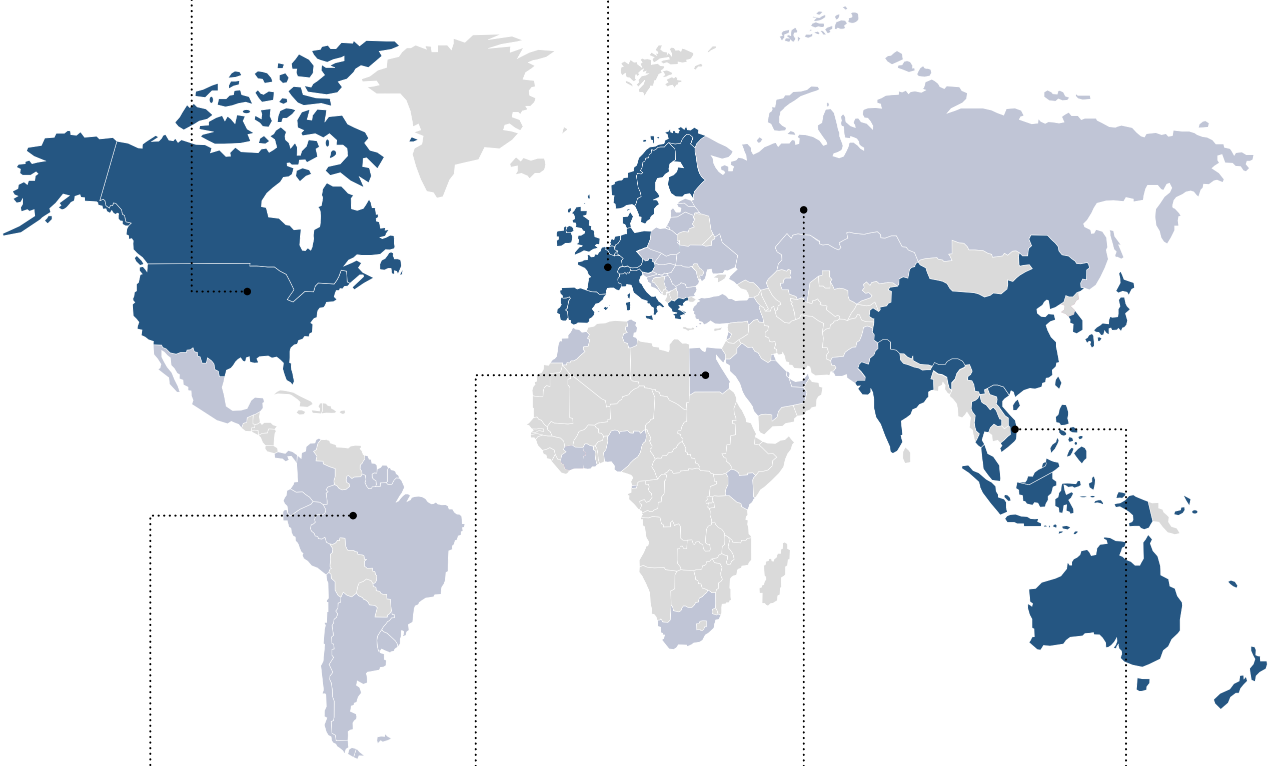
24.7% share of Group sales
-7.4% sales evolution in 2020[1]

€6,903.4 M
SALES

WESTERN EUROPE

26.8% share of Group sales
-10.3% sales evolution in 2020[1]

€7,514.0M
SALES



LATIN AMERICA

5.2% share of Group sales
-1.5% sales evolution in 2020[1]

€1,469.3M
SALES

AFRICA, MIDDLE-EAST

2.2% share of Group sales
-3.3% sales evolution in 2020[1]

€620.6M
SALES

EASTERN EUROPE

6.0% share of Group sales
-4.9% sales evolution in 2020[1]

€1,685.3M
SALES

ASIA-PACIFIC

35.0% share of Group sales
+3.5% sales growth in 2020[1]

€9,799.5M
SALES

NEW MARKETS

48.5% share of Group sales
+1.5% sales growth in 2020[1]

€13,574.7M
SALES

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

COMMENTS

"In 2020, the Covid-19 pandemic, which spread across the world, triggered a crisis of supply due to the widespread closure of points of sale which led to an unprecedented, if temporary, decline of the beauty market.

Throughout the year, L'Oréal made the protection of all its employees as well as its customers and suppliers an absolute priority and mobilised to produce millions of units of hand sanitiser and hand cream for donation to healthcare and other frontline workers.

Thanks to the outstanding commitment of its employees, L'Oréal has traversed this crisis in the best possible condition and has even grown stronger. As anticipated and announced, the Group returned to growth in the second half, with a fourth quarter in acceleration at +4.8% (1), and won significant market shares.

Thanks to its strength in digital and e-commerce, which has again increased considerably during the crisis, L'Oréal has been able to maintain a close relationship with all its consumers and compensate to a large extent for the closure of points of sale. As a result, sales achieved in e-commerce (2) rose sharply by +62% (2), across all Divisions and all regions, reaching the record level of 26.6% of the total Group's sales for the year.

The Active Cosmetics Division had a record year driven by a dynamic skincare market and the remarkable success of its brands, recommended by healthcare professionals. The Consumer Products Division returned to equilibrium in the second half of the year despite the weight of makeup, and increased its market share in the other major categories. The Professional Products Division, significantly impacted by the closure of salons in the first half of the year, bounced back strongly in the second and significantly outperformed the market over the year as a whole. L'Oréal Luxe, in an extremely difficult context, also outperformed the market and even returned to growth in the last quarter.

By geographic Zone, performance was contrasted. In Western Europe and North America, growth was impacted by the development of the pandemic and public health measures, but L'Oréal gained market share in many countries. In the New Markets, the Group saw a return to growth in all Zones in the second half of the year. The performance of China is spectacular and its contribution to the performance of the Group is important.

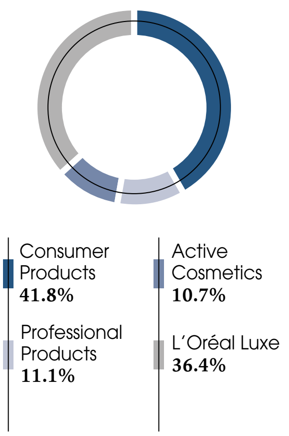
After demonstrating its resistance over the first half of the year, the Group engaged the second half with a determined and virtuous dynamic: launching major innovations, reinvesting in business drivers leading to a return to growth like-for-like, with flexibility and rigorous cost control allowing for an improvement in profitability. Over the year as a whole, and in spite of the crisis, L'Oréal maintained an operating margin of 18.6%, and generated strong operating cash flow.

The Group's non-financial performance was equally remarkable. For the fifth consecutive year, L'Oréal was recognised by the CDP as a global leader in sustainable development for its actions to fight climate change, protect forests and manage water sustainably. In addition, the Group was ranked in the top ten among 9,000 companies evaluated by the Refinitiv Diversity & Inclusion Index. L'Oréal was also recognised, for the eleventh time, as one of the world's most ethical companies by the Ethisphere Institute. Finally, in 2020, L'Oréal launched its L'Oréal for the Future programme with ambitious new sustainability commitments for 2030.

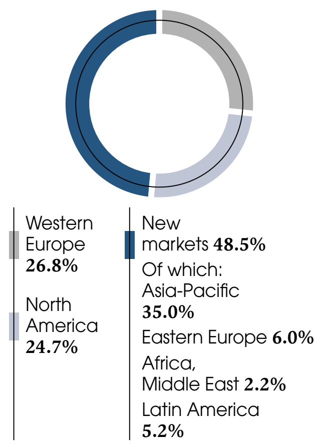
Driven by the strength of its strategic choices and a determined dynamic across the year, L'Oréal has adapted to this unprecedented context and terrible pandemic with speed and agility, accelerated all of its transformations and will emerge stronger."

2020 SALES

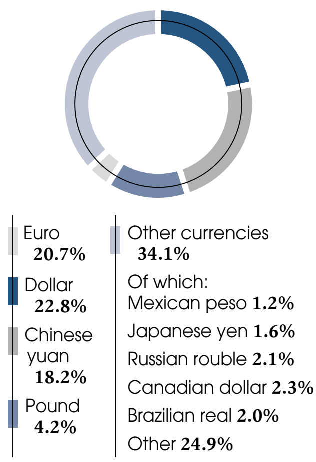
By operational division



By geographic zone



By currency



(1) *Like-for-like sales growth : based on a comparable structure and identical exchanges rates.*
(2) *Sales achieved on our brands' own websites + estimated sales achieved by our brands corresponding to sales through our retailers' websites (non-audited data).*

1

2020 SALES

Like-for-like, *i.e.* based on a comparable scope of consolidation and constant exchange rates, the sales evolution of the L'Oréal group was -4.1%.

The net impact of changes in the scope of consolidation amounted to +0.5%.

Evolution at constant exchange rates was -3.6%.

At the end of 2020, **currency fluctuations** had a negative impact of -2.7%.

Based on reported figures, the Group's sales, at 31 December 2020, amounted to €27.99 billion, *i.e* -6.3%.

SALES BY OPERATIONAL DIVISION AND BY GEOGRAPHIC ZONE

					2019/2020 progression	
€ millions	2018	2019	2020	% 2020 sales	Like-for-like	Reported figures
By Division						
Professional Products	3,262.5	3,441.9	3,097.3	11.1%	-6.4%	-10.0%
Consumer Products	12,032.2	12,748.2	11,703.8	41.8%	-4.7%	-8.2%
L'Oréal Luxe	9,367.2	11,019.8	10,179.9	36.4%	-8.1%	-7.6%
Active Cosmetics	2,275.5	2,663.7	3,011.1	10.7%	+18.9%	+13.0%
Group total	**26,937.4**	**29,873.6**	**27,992.1**	**100%**	**-4.1%**	**- 6.3%**
By geographic zone						
Western Europe	8,065.1	8,277.1	7,514.0	26.8%	-10.3%	-9.2%
North America	7,234.3	7,567.0	6 903.4	24.7%	-7.4%	-8.8%
New Markets, of which:	11,638.1	14,029.5	13,574.7	48.5%	+1.5%	-3.2%
• Asia, Pacific	7,405.6	9,658.0	9,799.5	35.0%	+3.5%	+1.5%
• Latin America (1)	1,784.8	1,773.1	1,469.3	5.2%	-1.5%	-17.1%
• Eastern Europe	1,754.2	1,909.7	1,685.3	6.0%	-4.9%	-11.8%
• Africa, Middle East	693.5	688.7	620.6	2.2%	-3.3%	-9.9%
GROUP TOTAL	**26,937.4**	**29,873.6**	**27,992.1**	**100%**	**-4.1%**	**-6.3%**

(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 270 basis points on like-for-like growth in Latin America and 10 basis points on that of the entire L'Oréal Group in 2020.

Summary by Divisions

Professional Products

The Professional Products Division ended the year at -6.4% like-for-like and -10.0% based on reported figures.

Consumer Products

The Consumer Products Division ended the year at -4.7% like-for-like and -8.2% based on reported figures.

L'Oréal Luxe

At year-end, L'Oréal Luxe was at -8.1% like-for-like and -7.6% reported in a global luxury beauty market down approximately 14%.

Active Cosmetics

For the second year running, the Active Cosmetics Division achieved record growth of +18.9% like-for-like and +13.0% based on reported figures, with sales exceeding the €3-billion mark.

Summary by Geographic Zone

Western Europe

The Zone ended the year at -10.3% like-for-like, and -9.2% based on reported figures.

North America

The Zone ended the year at -7.4% like-for-like and -8.8% based on reported figures.

New Markets

Asia Pacific: the Zone grew by +3.5% like-for-like and +1.5% based on reported figures.

Latin America: the Zone is at -1.5% like-for-like and -17.1% based on reported figures. The Zone was severely impacted by the pandemic with the widespread closure of points of sale.

Eastern Europe: the Zone was at -4.9% like-for-like and -11.8% based on reported figures.

Africa, Middle East: the Zone was at -3.3% like-for-like and -9.9% based on reported figures, with good performance in the second half, despite the lockdown measures implemented in the countries.

2020 RESULTS

Operating profitability and consolidated income statement

	2018		2019		2020	
	€ million	% 2018 sales	€ million	% 2019 sales	€ million	% 2020 sales
Net sales	**26,937.4**	**100.0%**	**29,873.6**	**100.0%**	**27,992.1**	**100%**
Cost of sales	-7,331.6	27.2%	-8,064.7	27.0%	-7,532.3	26.9%
Gross profit	**19,605.8**	**72.8%**	**21,808.9**	**73.0%**	**20,459.8**	**73.1%**
Research and innovation	-914.4	3.4%	-985.3	3.3%	-964.4	3.4%
Advertising and promotion	-8,144.7	30.2%	-9,207.8	30.8%	-8,647.9	30.9%
Selling, general and administrative expenses	-5,624.7	20.9%	-6,068.3	20.3%	-5,638.5	20.1%
OPERATING PROFIT	**4,922.0**	**18.3%**	**5,547.5**	**18.6%**	**5,209.0**	**18.6%**

Gross profit, at €20,459 million, came out at 73.1% of sales, compared with 73.0% in 2019, an improvement of 10 basis points.

Research & Innovation expenses increased by 10 basis points, at 3.4% of sales.

Advertising and promotion expenses increased by 10 basis points, at 30.9% of sales.

Selling, general and administrative expenses, at 20.1% of sales, have been reduced by 20 basis points.

Overall, **operating profit** decreased by 6.1% to €5,209 million, and amounted to 18.6% of sales, stable compared to 2019.

Operating profit, by Operational Division

	2018		2019		2020	
	€ millions	% 2018 sales	€ millions	% 2019 sales	€ millions	% 2020 sales
Professional Products	652	20.0%	691	20.1%	582	18.8%
Consumer Products	2,428	20.2%	2,575	20.2%	2,388	20.4%
L'Oréal Luxe	2,072	22.1%	2,494	22.6%	2,276	22.4%
Active Cosmetics	523	23.0%	621	23.3%	766	25.4%
COSMETICS DIVISIONS TOTAL	**5,675**	**21.1%**	**6,381**	**21.4%**	**6,012**	**21.5%**
Non-allocated (1)	-753	-2.8%	-833	-2.8%	-803	-2.9%
GROUP TOTAL	**4,922**	**18.3%**	**5,548**	**18.6%**	**5,209**	**18.6%**

(1) Non-allocated items consist of the expenses of Functional Divisions and fundamental research, stock option and free share grant costs, which are not allocated to the Cosmetics Divisions. This item also includes non-core activities, such as insurance, reinsurance and banking.

The profitability of the **Professional Products Division** came out at 18.8% in 2020, compared to 20.1% in 2019.

The profitability of the **Consumer Products Division** increased by 20 basis points, at 20.4%.

The profitability of **L'Oréal Luxe,** at 22.4%, decreased by 20 basis points.

The profitability of the **Active Cosmetics Division** came out at 25.4%, a rise of 210 basis points.

Non-allocated expenses amounted to €803 million.

Net profit

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

€ millions	2018	2019	2020	Evolution
Operating profit	**4,922.0**	**5,547.5**	**5,209.0**	**-6.1%**
Financial revenues and expenses excluding Sanofi dividends	-1.9	-62.7	-95.9	
Sanofi dividends	358.3	363.0	372.4	
Profit before tax excluding non-recurring items	**5,278.4**	**5,847.9**	**5,485.5**	**-6.2%**
Income tax excluding non-recurring items	-1,286.8	-1,486.7	-1,383.1	
Net profit excluding non-recurring items of equity consolidated companies	+0.1	+1.0	+0.9	
Non-controlling interests	-4.1	-5.2	-4.2	
Net profit excluding non-recurring itemsafter non-controlling interests [(1)]	**3,987.6**	**4,356.9**	**4,099.0**	**-5.9%**
EPS [(2)] *(€)*	7.08	7.74	7.30	-5.7%
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY	**3,895.4**	**3,750.0**	**3,563.4**	**-5.0%**
Diluted earnings per share attributable to owners of the Company *(€)*	6.92	6.66	6.34	
Diluted average number of shares	563,098,506	562,813,129	561,635,963	

(1) Net profit excluding non-recurring items attributable to owners of the Company excludes impairment losses, restructuring costs, tax effects and minority interests.
(2) Diluted earnings per share, based on net profit, excluding non-recurring items, after non-controlling interests.

Net finance costs amounted to €95 million.

Sanofi dividends amounted to €372 million.

Income tax excluding non-recurrent items amounted to €1,383 million, representing a tax rate of 25.2%.

Net profit excluding non-recurring items after non-controlling interests amounted to €4,099 million.

Earnings per share, at €7.30, dropped by 5.7%.

Non-recurring items after non-controlling interests [(1)] amounted to €535 million net of tax.

Net profit after non-controlling interests came out at €3,563 million.

Gross cash flow, Balance sheet and Cash position

Gross cash flow amounted to €5,724 million, a decrease of 1.3%.

The working capital requirement decreased by €729 million.

At €972 million, **investments** represented 3.5% of sales.

Net cash flow [(2)] at €5,480 million, increased by 8.9%.

The **balance sheet** is particularly solid, with shareholders' equity amounting to €29 billion. After allowing for finance lease liabilities in an amount of €1,681 million, **net cash** came out at €3,859 million at 31 December 2020.

Proposed dividend at the Annual General Meeting of 20 April 2021

The Board of Directors has decided to propose to the shareholders' Annual General Meeting of 20 April 2021 a dividend of €4.00 per share, an increase of +3.9% compared with the dividend paid in 2020. The dividend will be paid on 29 April 2021 (ex-dividend date 27 April at 0:00 a.m., Paris time).

Share capital and additional paid in capital

At 31 December 2020, the capital of the Company is formed by 559,871,580 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) Net cash flow = Gross cash flow + changes in working capital - capital expenditure.

2. SIGNIFICANT EVENTS THAT HAVE OCCURRED SINCE THE BEGINNING OF FINANCIAL YEAR 2021

- On 12 January 2021, L'Oréal announced the appointment of Ms Blanca Juti to the Group's Executive Committee in the role of Chief Communications & Public Affairs Officer. She will take up the position officially from April 2021.
- At its meeting of 11 February 2021, the Board of Directors will propose to the Annual General Meeting the candidacy as new independent director of Mr Alexandre Ricard, Chairman and CEO of the Pernod Ricard group. Mr Alexandre Ricard will bring to the Board his knowledge of consumers and his marketing and digital expertise in the luxury and mass retail markets, particularly in Asia and America. If the Annual General Meeting approves the proposed resolutions, the Board of Directors will be composed of 16 directors, 14 appointed by the Meeting and two directors representing the employees.

  Annual General Meeting to be held on 20 April 2021: in view of the extension of the state of medical emergency until 1 June 2021 and the measures that could prevent shareholders from being physically present, the Annual General Meeting usually held at the Palais des Congrès in Paris is likely to be held on a restricted attendance basis under special rules applicable to "closed doors" (*à huis clos*) shareholder meetings, at L'Oréal's headquarters, 41, rue Martre in Clichy.

  For this reason and in accordance with Order No. 2020-321 of 25 March 2020 as amended by Order No. 2020-1497 of 2 December 2020, the Board of Directors in its meeting of 11 February 2021 gave full powers to the Chairman and CEO to hold the Annual General Meeting on such a basis if the circumstances so require, pursuant to the specific regulations that will be in force at such time.

  Shareholders will be informed of the arrangements for the Annual General Meeting no later than the date of publication in the BALO (*Bulletin des Annonces Légales Obligatoires*) of the convening notice of the Annual General Meeting planned for 31 March. This information will also be available on the "Annual General Meeting documents" page in the "Regulated information" section of the loreal-finance.com website (see Mid-section booklet).
- On 5 March 2021, L'Oréal announced two moves within the Group's Executive Committee. Mr Omar Hajeri is appointed President of the Professional Products Division on 8 March 2021 and succeeds Ms Nathalie Roos. Ms Ersi Pirishi will be appointed President of the Latin America zone and will join the Executive Committee from autumn 2021.

2021 Outlook

At the beginning of this new year, which remains marked by uncertainty regarding the evolution of the pandemic, but also by consumer's appetite for beauty that remains intact across the world, we are confident in our capacity to outperform the market again this year and, subject to the evolution of the sanitary crisis, achieve a year of growth in sales and profits.

L'Oréal and the Covid-19 pandemic

In the totally unexpected context of the Covid-19 health crisis, the commitment of L'Oréal's employees proved to be stronger than ever. The mobilisation of teams enabled the continuity of the Group's business activities, despite the lockdown periods.

For L'Oréal, it was important to act with its stakeholders. Strongly mobilised since the start of the crisis in March 2020, L'Oréal implemented a large-scale Solidarity Plan.

Priority was given to employees with major initiatives implemented to prevent the risks and ensure the safety of everyone:

- by offering masks and hand sanitisers to everyone;
- by organising telecommuting for eligible positions, which allowed around 60,000 employees to work remotely in 2020; and
- by setting up support and assistance mechanisms accessible to all with the mobilisation of occupational physicians and social workers; by adapting its methods to enhance online training practices for employees.

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

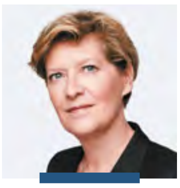
Françoise Bettencourt Meyers

Paul Bulcke

Ana Sofia Amaral

Sophie Bellon

Patrice Caine



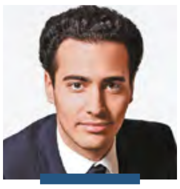
Fabienne Dulac

Belén Garijo

Béatrice Guillaume-Grabisch

Ilham Kadri

Georges Liarokapis



Jean-Victor Meyers

Nicolas Meyers

Virginie Morgon

COMPOSITION OF THE BOARD AT 31 DECEMBER 2020

	As of 31 December, 2020		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 Sustainability	Board Committees: Audit	Board Committees: HR and Remuneration	Board Committees: Nominations and Governance
Chairman and CEO	Mr. Jean-Paul Agon		64	M	French	1		25/04/2006	2022	14	C			
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		●	C	C
	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		C		
Directors representing the employees	Ms. Ana Sofia Amaral		55	W	Portuguese			15/07/2014	2022	6			●	
	Mr. Georges Liarokapis		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* **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 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**
• 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 *raison d'être*; • 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.	• 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.	• 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 modus operandi of the Board; • Topical issues with regard to Governance (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; and • Implementation of the procedure for regular evaluation of current agreements concluded under normal terms.	• 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 (*ex ante* and *ex post*); • 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.

4. DRAFT RESOLUTIONS AND REPORT OF THE BOARD OF DIRECTORS

AGENDA

Ordinary part

1. Approval of the 2020 parent company financial statements
2. Approval of the 2020 consolidated financial statements
3. Allocation of the Company's net profit for 2020 and setting of the dividend
4. Appointment of Mr Nicolas Hieronimus as a Director
5. Appointment of Mr Alexandre Ricard as a Director
6. Renewal of the term of office of Ms Françoise Bettencourt Meyers as Director
7. Renewal of the term of office of Mr Paul Bulcke as Director
8. Renewal of the term of office of Ms Virginie Morgon as Director
9. Approval of the information on the remuneration of each of the corporate officers required by Article L. 22-10-9, I of the French Commercial Code
10. Approval of the fixed and variable components of the total remuneration and benefits of any kind paid during the 2020 financial year or allocated for that year to the Chairman and Chief Executive Officer, Mr Jean-Paul Agon
11. Approval of the remuneration policy for Directors
12. Approval of the remuneration policy for the Chairman and Chief Executive Officer (Mr Jean-Paul Agon from 1 January to 30 April 2021)
13. Approval of the remuneration policy for the Chief Executive Officer (Mr Nicolas Hieronimus as from 1 May 2021)
14. Approval of the remuneration policy for the Chairman of the Board of Directors (Mr Jean-Paul Agon as from 1 May 2021)
15. Approval of the agreement on the status of Mr Nicolas Hieronimus whose employment contract will be suspended as from his appointment as Chief Executive Officer
16. Authorisation for the Company to buy back its own shares

Extraordinary part

17. Delegation of authority to the Board of Directors to increase the share capital through the issuance of ordinary shares, with maintenance of shareholders' preferential subscription rights
18. Delegation of authority to the Board of Directors to increase the share capital through the capitalisation of premiums, reserves, profits or other amounts
19. Delegation of authority to the Board of Directors to increase the share capital in order to remunerate the contributions in kind of equity securities or securities giving access to the share capital of third party companies granted to the Company
20. 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
21. Delegation of authority 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
22. Amendment to Article 9 of the Articles of Association to provide for written consultation of the Directors under the conditions defined by the regulations
23. Powers for formalities

Ordinary part

RESOLUTIONS 1, 2, 3: APPROVAL OF THE ANNUAL (PARENT COMPANY AND CONSOLIDATED) FINANCIAL STATEMENTS FOR 2020, 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 for 2020, with an income statement showing net income of €4,158,826,992.71 in 2020, compared with €4,105,828,765.28 for 2019; and
- the 2020 consolidated financial statements.

  The details of these financial statements are set out in the 2020 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 €4 per share, representing an increase of +3.9% over the dividend for the previous year.

  The rate of distribution of the ordinary dividend (ordinary dividend paid/net income diluted per share excluding non-recurring items, attributable to owners of the Company) would be 54,8% in 2020. Over the last five financial years, this rate was:

Year	2015	2016	2017	2018	2019
Rate of distribution	50.2%	51.1%	53.4%	54.4%	49.7%

- a preferential dividend per share of €4.40, 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 preferential dividend will be granted to the shares held in registered form since 31 December 2018 at the latest, and which continuously remain in registered form until the dividend payment date in 2021. The number of shares eligible for this preferential dividend may not exceed, for the same shareholder, 0.5% of the share capital at the closing date of the previous financial year.

If the Annual General Meeting approves this proposal, the ex-dividend date for the dividends (both ordinary and preferential) will be 27 April 2021 at zero hour, Paris time, and they will be paid on 29 April 2021.

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.

4

First resolution: approval of the 2020 parent company financial statements

The Annual General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Reports of the Board of Directors and the Statutory Auditors, approves the Report of the Board of Directors and the 2020 parent company financial statements, as presented, and the transactions reported in these financial statements and summarised in these Reports, showing net income of €4,158,826,992.71 *versus* €4,105,828,765.28 for 2019.

Second resolution: approval of the 2020 consolidated financial statements

The Annual General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Reports of the Board of Directors and the Statutory Auditors, approves the 2020 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 2020 and setting of the dividend

The Annual General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings, on the proposal of the Board of Directors, decides to allocate the net income for the 2020 financial year, amounting to €4,158,826,992.71 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 preferential dividend)	€2,261,674,177.20
Balance that will be allocated to the "Other reserves" item	**€1,897,152,815.51**

* *Including a primary dividend equal to 5% of the amounts paid up on 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 2020 and will be adjusted to reflect:

- the number of shares issued between 1 January 2021 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; and
- the final number of shares eligible for the preferential dividend, taking into account sales or transfers to a bearer account between 1 January 2021 and the date of payment of the dividend.

The Annual General Meeting therefore sets the ordinary dividend at €4 per share and the preferential dividend at €4.40 per share. The preferential dividend will be granted to the shares held in registered form since 31 December 2018 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 preferential dividend cannot exceed 0.5% of share capital for any one shareholder. The ex-dividend date for the dividends (both ordinary and preferential) will be 27 April 2021 at midnight (Paris time) and they will be paid on 29 April 2021.

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, at the shareholder's option, at a progressive rate. 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 below shows the amount 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:

	2017	2018	2019
Ordinary dividend per share	€3.55	€3.85	€3.85
Preferential dividend per share	€0.35	€0.38	€0.38

RESOLUTIONS 4, 5, 6, 7, 8: OFFICES OF DIRECTORS

EXPLANATORY STATEMENT

1. Composition of L'Oréal's Board of Directors at 31 December 2020

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 that contribute to the quality of the Board's deliberations in the context of the decisions it is called on to make.

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

Jean-Paul Agon, 64, 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 Sustainability Committee. Jean-Paul Agon is also the Chairman of the L'Oréal Corporate Foundation and Director of Air Liquide. By decision of the Board of Directors following the 2021 Annual General Meeting, Jean-Paul Agon will hold the office of Chairman of the Board of Directors without assuming the office of Chief Executive Officer as from 1 May 2021.

Françoise Bettencourt Meyers, 67, 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. Vice-Chairwoman of the Board of Directors since 2020, Françoise Bettencourt Meyers is also a member of the Strategy and Sustainability Committee, the Nominations and Governance Committee and the Human Resources and Remuneration Committee.

Paul Bulcke, 66, of Belgian and Swiss nationality, is the Chairman of the Board of Directors of Nestlé. Paul Bulcke was a Director of L'Oréal from 2012 to June 2014 and then again since 2017. Paul Bulcke is the Vice-Chairman of the Board of Directors, and is a member of the Strategy and Sustainability Committee, the Nominations and Governance Committee, and the Human Resources and Remuneration Committee. He is also a Director of Roche Holding (Switzerland).

Ana Sofia Amaral, 55, of Portuguese nationality, is the 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, 59, 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 Country 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 Nominations and Governance Committee, the Human Resources and Remuneration Committee, and a member of the Audit Committee.

Patrice Caine, 50, 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 Strategy and Sustainability Committee and the Nominations and Governance Committee.

Fabienne Dulac, 53, 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). Fabienne Dulac has been a Director of L'Oréal since 2019 and is a member of the Audit Committee and the Human Resources and Remuneration Committee.

Belén Garijo, 60, of Spanish nationality, is Chairwoman and Chief Executive Officer of Merck Healthcare, an entity holding all the pharmaceutical operations of the German group Merck and a member of the Executive Committee of this Group; she will hold the office of Chairwoman of the Management Board and Chief Executive Officer of the Merck Group as from 1 May 2021. 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, 56, has been Executive Vice-President and Global Head of Human Resources and Business Services of the Nestlé Group since 2019, 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.

Ilham Kadri, 52, of French and Moroccan nationality, has been Chairwoman of the Executive Committee and CEO of Solvay since March 2019. Prior to that date, she served as Chairwoman and Chief Executive Officer of the American company Diversey since 2013 after having held responsibilities in research and development, sales, marketing, strategy, business management and digital in leading industrial companies (Shell, UCB, Dow, Sealed Air, etc.). She is also a director of A.O. Smith Corporation. Ilham Kadri has been a Director of L'Oréal since 2020.

Georges Liarokapis, 58, of French and Greek nationality, is Coordinator of Sustainability for L'Oréal Western Europe. Georges 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, 34, 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 Exemplaire and Constantine Capital SAS. Jean-Victor Meyers has been a Director of L'Oréal since 2012, and is a member of the Strategy and Sustainability Committee and the Audit Committee.

Nicolas Meyers, 32, has been a member of the Supervisory Board 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. Nicolas Meyers has been a Director of L'Oréal since 2020.

Virginie Morgon, 51, 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 the Human Rights Watch. Virginie Morgon has been a Director of L'Oréal since 2013 and is the Chairwoman of the Audit Committee.

2. Resolutions submitted for approval to the Annual General Meeting of 20 April 2021

2.1. Appointment of two new Directors: Mr Nicolas Hieronimus and Mr Alexandre Ricard

Appointment of Mr Nicolas Hieronimus as Director

On the recommendation of the Nominations and Governance Committee, the Board of Directors submitted the appointment of Mr Nicolas Hieronimus, as Director, for a term of four years, to voting by the Annual General Meeting.

In effect, the Board of Directors believes that the participation of the Chief Executive Officer as a Director in the Board's discussions is essential.

Mr Nicolas Hieronimus, 57, joined L'Oréal 34 years ago and has spent his entire career within the Group, in many countries and divisions.

A graduate from ESSEC, in 1985, Nicolas Hieronimus joined L'Oréal in 1987 as Product Manager. He became Marketing Director for the Laboratoires Garnier in 1993. In 1998, he became General Manager of the Garnier Maybelline Division in the UK. In 2000, he was named General Manager, L'Oréal Paris France, and then International General Manager for L'Oréal Paris. In 2005, he became CEO of L'Oréal Mexico. In 2008, Jean-Paul Agon appointed him as President of the L'Oréal Professional Products Division and welcomed him to the Group's Executive Committee. In January 2011, he was appointed President L'Oréal Luxe, a role that he held until the end of 2018. In 2013, he took up the position of President Selective Divisions (Luxury, Active Cosmetics, Professional Products). He was named Deputy CEO of L'Oréal in charge of Divisions in May 2017.

4

Appointment of Mr Alexandre Ricard as Director

On the recommendation of the Nominations and Governance Committee, the Board of Directors submitted the appointment of Mr Alexandre Ricard, as Director, for a term of four years, to voting by the Annual General Meeting.

Mr Alexandre Ricard, 48, is a graduate of ESCP, the Wharton Business School and the University of Pennsylvania. After working for seven years as a strategy consultant at Accenture and a M&A consultant at Morgan Stanley, Mr Alexandre Ricard joined the Pernod Ricard Group in 2003 in the Corporate Audit and Development Department. At the end of 2004, he was appointed Director of Finance and Administration of Irish Distillers Group, and then appointed Chief Executive Officer of Pernod Ricard Asia Duty Free in September 2006. In 2008, Mr Alexandre Ricard was appointed Chairman and Chief Executive Officer of Irish Distillers and joined the Executive Committee of Pernod Ricard. In 2011, he joined the General Management of Pernod Ricard as Deputy Chief Executive Officer in charge of the distribution network. He has served as Chairman and Chief Executive Officer of the Pernod-Ricard Group since February 2015.

Mr Alexandre Ricard will bring to the Board of Directors of L'Oréal his experience as an executive for a major international company, his strategic vision and his entrepreneurial spirit. The Board will benefit from his knowledge of consumers and his marketing and digital expertise in the luxury, travel retail and mass-market retail channels, particularly in the Asian and American markets. He will also bring his deep understanding of financial, governance issues and his sense of ethics to the Board.

2.2. Renewal of the terms of office of three Directors: Ms Françoise Bettencourt Meyers, Mr Paul Bulcke and Ms Virginie Morgon

Renewal of the term of office of Ms Françoise Bettencourt Meyers as Director

As the term of office of Ms Françoise Bettencourt Meyers as Director expires in 2021, her term for a term of four years is submitted to the Annual General Meeting.

A Director of L'Oréal since 1997, Ms Françoise Bettencourt Meyers is also Vice-Chairwoman of the Board of Directors, member of the Strategy and Sustainability Committee since 2012, and member of the Nominations and Governance Committee and the Human Resources and Remuneration Committee since 2020.

Ms Françoise Bettencourt Meyers, 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.

Ms Bettencourt Meyers brings to the Board her strategic visions of the future development of L'Oréal by taking into consideration the long-term interest of the Company and of its shareholders. Her in-depth knowledge of the Company and the L'Oréal model that fashioned the Group's success over the years are precious assets. She pays close attention so that social and environmental issues are at the heart of L'Oréal's commitments and also ensures that its culture and values are ongoing and are specifically reflected in both the policy and the practices of the Company.

Over the four years of her term as Director, Ms Françoise Bettencourt Meyers' attendance rate has been 96.5% at Board meetings and 100% at the three Committees' meetings.

Renewal of the term of office of Mr Paul Bulcke as Director

As the term of office of Mr Paul Bulcke as Director expires in 2021, the renewal of his term for four years is submitted to the Annual General Meeting.

A member of the L'Oréal Board of Directors from 2012 to 2014, and since 2017, Paul Bulcke is the Vice-Chairman of the Board of Directors, a member of the Strategy and Sustainability Committee, the Nominations and Governance Committee, and the Human Resources and Remuneration Committee.

Mr Paul Bulcke, who is of Belgian and Swiss nationality, pursued a high-level international career with the Nestlé group. After holding different positions in Europe and Latin America, he was named Zone Director of Nestlé S.A. in 2004 for the Americas Zone, before becoming Chief Executive Officer of Nestlé S.A. from 2008 to 2016. He has served as Chairman of the Board of Directors of Nestlé since 2017. He is also a Director of Roche Holding (Switzerland).

Mr Bulcke brings to the Board his strategic vision, his multicultural approach, his detailed knowledge of consumers on all continents, and his taste for innovation, which are vital assets for developing L'Oréal's universalisation strategy. His analyses enhance Board discussions and allow the Board to adopt solid orientations in a number of areas.

Over the four years of his term of office as Director, Mr Bulcke's attendance at meetings of the Board of Directors and the three Committees on which he serves has been 100%.

Renewal of the term of office of Ms Virginie Morgon as Director

As the term of office of Ms Virginie Morgon as Director expires in 2021, her renewal for a term of four years is submitted to the Annual General Meeting.

A Director of L'Oréal since 2013, Ms Morgon has also chaired the Audit Committee since 2016.

Ms Virginie Morgon is Chairwoman of the Executive Board of Eurazeo, which she joined in 2008 after working for 16 years at Lazard, and Chairwoman of Eurazeo North America Inc. (USA). She is also Co-Chair of the Paris Committee of the Human Rights Watch.

Ms Virginie Morgon brings to the Board her recognised financial expertise combined with her dynamic and entrepreneurial vision of business. The Board will benefit from her serious interest in innovation and the ongoing attention she brings to new consumer trends. She actively contributes, particularly in her capacity as Chairwoman of the Audit Committee, to the development of a sustainable business model, based both on economic excellence and corporate social responsibility excellence.

Over the four years of her term as Director, Ms Virginie Morgon's attendance rate has been 96.5% at meetings of the Board of Directors and 100% at meetings of the Audit Committee which she chairs.

3. Composition of the Board of Directors after the Annual General Meeting of 20 April 2021

If the Annual General Meeting approves the appointments and renewals submitted to it in 2021, the expiry dates of the terms of office of the 16 Directors of L'Oréal would be as follows:

			Board Committees			
	Independence	Expiry date of current term of office	Strategy and Sustainability	Audit	HR and Remuneration	Nonimations and Governance
Mr Jean-Paul Agon		2022	C			
Mr Nicolas Hieronimus		2025				
Ms Françoise Bettencourt Meyers		2025	•		•	•
Mr Paul Bulcke		2025	•		•	•
Ms Ana Sofia Amaral	Director representing employees	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	Director representing employees	2022		•		
Mr Jean-Victor Meyers		2024	•	•		
Mr Nicolas Meyers		2024				
Ms Virginie Morgon	◆	2025		C		
Mr Alexandre Ricard	◆	2025				

◆ *Independence within the meaning of the criteria of the AFEP-MEDEF Code as assessed by the Board of Directors.*
C *Chairman/Chairwoman of the Committee.*
• *Committee Member.*

3.1. Independence of Directors

Every year the Nominations and Governance Committee proposes to the Board of Directors that the situation of each of the Directors with regard to their independence be reviewed on a case-by-case basis 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 appointments and renewals that are proposed by the Board of Directors, the number of Independent Directors would be 7 out of 14, *i.e.* an independence rate of 50% (the two Directors representing the employees are not taken into account under the AFEP-MEDEF Code).

3.2. Balanced gender representation on the Board of Directors

If the Annual General Meeting approves the appointments and renewals submitted to it, the number of women on the Board of Directors would be 7 out of the 14 Directors appointed by the Annual General Meeting, *i.e.* a percentage representation of women of 50% (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 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 election by the Annual General Meeting, and the balance no later than 24 months after this appointment. The complete list of the duties of the Directors is provided in section 2.2.2 of the Universal Registration Document.

Fourth resolution: appointment of Mr Nicolas Hieronimus as Director

The Annual General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Report of the Board of Directors, appoints Mr Nicolas Hieronimus 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 2025 and called to approve the financial statements for the previous financial year.

Fifth resolution: appointment of Mr Alexandre Ricard as Director

The Annual General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Report of the Board of Directors, appoints Mr Alexandre Ricard 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 2025 and called to approve the financial statements for the previous financial year.

Sixth resolution: renewal of the term of office of Ms Françoise Bettencourt Meyers as Director

The Annual General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Report of the Board of Directors, renews the term of office as a Director of Ms Françoise Bettencourt Meyers for a term of four years.

Her term of office will expire at the end of the Annual General Meeting to be held in 2025 and called to approve the financial statements for the previous financial year.

Seventh resolution: renewal of the term of office of Mr Paul Bulcke as Director

The Annual General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Report of the Board of Directors, renews Mr Paul Bulcke's 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 2025 and called to approve the financial statements for the previous financial year.

Eighth resolution: renewal of the term of office of Ms Virginie Morgon as Director

The Annual General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Report of the Board of Directors, renews the term of office as Director of Ms Virginie Morgon for a term of four years.

Her term of office will expire at the end of the Annual General Meeting to be held in 2025 and called to approve the financial statements for the previous financial year.

RESOLUTIONS 9, 10, 11, 12, 13, AND 14: REMUNERATION OF CORPORATE OFFICERS OF THE COMPANY

EXPLANATORY STATEMENT

The Annual General Meeting is called to approve the remunerations of L'Oréal's corporate officers for 2020 (*ex post* vote).

The Annual General Meeting must vote every year on the remuneration granted or paid during the financial year ended to corporate officers of the Company.

This "ex-post" vote covers two series of resolutions: one concerning all corporate officers, *i.e.* for L'Oréal, the Directors and the Chairman and Chief Executive Officer; and the other concerning only the executive corporate officers of the Company, *i.e.* for L'Oréal, Mr Jean-Paul Agon, Chairman and Chief Executive Officer.

Therefore, the shareholders are called, by the vote on the ninth resolution, to approve the information on the remuneration of each of the aforementioned corporate officers of L'Oréal for 2020 as required by Article L. 22-10-9, I (formerly L. 225-37-3, I) of the French Commercial Code. This information is provided in section 2.4.2. of the Universal Registration Document.

They are also called, by the vote on the tenth resolution, to approve the fixed and variable components of the total remuneration and benefits of any kind paid during 2020 or allocated for that year to Mr Jean-Paul Agon, Chairman and Chief Executive Officer of L'Oréal, pursuant to Article L. 22-10-34, II (formerly L. 225-100, III) of the French Commercial Code. This information is provided in section 2.4.2.2. of the Universal Registration Document and is summarised in the following table (*"Summary table of the components of remuneration paid during the 2020 financial year or allocated for that year to Mr Jean-Paul Agon, Chairman and Chief Executive Officer"*).

The Annual General Meeting is called to approve the remuneration policy for L'Oréal's corporate officers (*ex ante* vote).

In the eleventh to fourteenth resolutions, the Annual General Meeting is called to approve, pursuant to the provisions of Article L. 22-10-8, II (formerly L. 225-37-2, II) of the French Commercial Code, the remuneration policies for the corporate officers of L'Oréal.

These policies shall apply as from financial year 2021 until the Annual General Meeting approves a new remuneration policy.

The provisions of these remuneration policies established by the Board of Directors are set out in section 2.4.1 of the Universal Registration Document.

Shareholders are called to approve separately:

- by the vote on the **eleventh** resolution, the remuneration policy for the Directors of L'Oréal established by the Board of Directors and provided in section 2.4.1. of the Universal Registration Document;
- by the vote on the **twelfth** resolution, the remuneration policy for the Chairman and Chief Executive Officer provided in section 2.4.1.2.1. of the Universal Registration Document. This policy would apply to Mr Jean-Paul Agon for the period from 1 January to 30 April 2021, the end date of his office as Chairman and Chief Executive Officer. A projection of this application in 2021 appears at the end of section 2.4.1.2.1. of the Universal Registration Document.
- by the vote on the **thirteenth** resolution, the remuneration policy for the Chief Executive Officer presented in the Report of the Board of Directors as set out in section 2.4.1.2.1. of the Universal Registration Document. This policy would apply to Mr Nicolas Hieronimus as from 1 May 2021, the date he will assume the position of Chief Executive Officer of L'Oréal. A projection of this application in 2021 appears at the end of section 2.4.1.2.1. of the Universal Registration Document; and
- by the vote on the **fourteenth** resolution, the remuneration policy for the Chairman of the Board of Directors presented in the Report of the Board of Directors as set out in section 2.4.1.2.2. of the Universal Registration Document. This policy would apply to Mr Jean-Paul Agon as from 1 May 2021, the date he will assume the office of Chairman of the Board of Directors without filling the position of Chief Executive Officer of L'Oréal. A projection of this application in 2021 appears at the end of section 2.4.1.2.2. of the Universal Registration Document.

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SUMMARY TABLE OF THE COMPONENTS OF REMUNERATION PAID IN 2020 OR ALLOCATED FOR THAT YEAR TO MR JEAN-PAUL AGON, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Remuneration components submitted for a vote	Amounts allocated for the 2020 financial year or accounting valuation	Amounts paid in 2020 or accounting valuation	Description
Fixed remuneration 2020/2019 changes	**€2,200,000** 0%		At its meeting on 6 February 2020, 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. This amount has not changed since 2014.
Annual variable remuneration	**€859,831** 97.71% out of a maximum target of 40% of the fixed remuneration, *i.e.* €880,000		Mr Jean-Paul Agon informed the Board, which accepted it, that he would renounce all remuneration for 2020 relating to the financial targets of his annual variable remuneration, which could reach a maximum of 40% of the fixed remuneration if non-financial and qualitative targets are reached (instead of a maximum of 100% for which he is eligible under the remuneration policy detailed in section 2.4.1. of chapter 2 of the 2019 Universal Registration Document). **CRITERIA FOR ASSESSMENT OF PERFORMANCE FOR 2020** • **Quantifiable non-financial criteria** (allocated equally among the following criteria) **62.50%** • CSR (*Sharing Beauty with All* programme): Innovating Sustainably, Producing Sustainably, Living Sustainably and Developing Sustainably • Human Resources: Gender Balance, Development of talented employees, Access to training • Digital development • **Individual qualitative performance:** Management, image, Company reputation, dialogue with stakeholders. **37.50%** The assessment is carried out on a criterion-by-criterion basis without offsetting among the criteria. A summary of achievements in 2020 is available in section 2.4.2.2. of the Universal Registration Document.

Remuneration components submitted for a vote	Amounts allocated for the 2020 financial year or accounting valuation	Amounts paid in 2020 or accounting valuation	Description
			ASSESSMENT FOR 2020 BY THE BOARD OF DIRECTORS' MEETING OF 11 FEBRUARY 2021
			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 €859,831 for 2020, which is 97.71% of the maximum target. For confidentiality reasons, L'Oréal does not communicate the details of the amounts paid by criterion; the assessment elements are detailed in section 2.4.2.2. of the Universal Registration Document. Pursuant to Article L. 22-10-34, II (formerly L. 225-100, III) of the French Commercial Code, the payment of this annual variable remuneration is subject to the approval of this tenth resolution.
		€2,168,831 98.6% out of a maximum target of 100% of the fixed remuneration	As a reminder, following the approval by the Annual General Meeting of 30 June 2020 of the ninth resolution, an annual variable remuneration was paid for the 2019 financial year amounting to a total of €2,168,831, since the Board of Directors decided on 6 February 2020, as proposed by the Human Resources and Remuneration Committee, that 98.6% of the maximum objective had been achieved.
Performance shares	**0**		Mr Jean-Paul Agon had informed the Board that he was renouncing any grant of performance shares if a plan were to be decided in 2020, a plan for which he was eligible in accordance with the remuneration policy detailed in section 2.4.1. of the 2019 Universal Registration Document.
Remuneration of Directors (formerly known as "attendance fees")	**€0**		The Board of Directors recorded the wish expressed by Mr Jean-Paul Agon, in 2014, to forego directors' fees in his capacity as Chairman and Chief Executive Officer.
Benefits in addition to remuneration	**€0** **€10,554**		• **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:** 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 €10,554 in 2020, including €6,376 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 termination indemnities, (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 Jean-Paul Agon may be entitled under his suspended employment contract, can be found in section 2.4.3. 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 information on the remuneration of each of the corporate officers required by Article L. 22-10-9, I of the French Commercial Code

Pursuant to Article L. 22-10-34, I (formerly L. 225-100, II) of the French Commercial Code, the Annual General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings, approves the information described in section I of Article L. 22-10-9 (formerly L. 225-37-3, I) of the French Commercial Code as presented in section 2.4.2. of the Universal Registration Document.

Tenth resolution: approval of the fixed and variable components of the total remuneration and benefits of any kind paid during the 2020 financial year or allocated for that year to the Chairman and Chief Executive Officer, Mr Jean-Paul Agon

Pursuant to Article L. 22-10-34, II (formerly L. 225-100 III) of the French Commercial Code, the Annual General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings, approves the fixed and variable components of the total remuneration and benefits of any kind paid in the 2020 financial year or allocated for that year to the Chairman and Chief Executive Officer, Mr Jean-Paul Agon, as presented in section 2.4.2.2. of the Universal Registration Document.

Eleventh resolution: approval of the remuneration policy for Directors

The Annual General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Report of the Board of Directors prepared in accordance with Article L. 22-10-8 (formerly L. 225-37-2) of the French Commercial Code, approves the remuneration policy for Directors as presented in the aforementioned report and restated in section 2.4.1.1. of the Universal Registration Document.

Twelfth resolution: approval of the remuneration policy for the Chairman and Chief Executive Officer (Mr Jean-Paul Agon from 1 January to 30 April 2021)

The Annual General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Report of the Board of Directors prepared in accordance with Article L. 22-10-8 (formerly L. 225-37-2) of the French Commercial Code, approves the remuneration policy for the Chairman and Chief Executive Officer as presented in the aforementioned report and restated in section 2.4.1.2.1. of the Universal Registration Document.

Thirteenth resolution: approval of the remuneration policy for the Chief Executive Officer (Mr Nicolas Hieronimus as from 1 May 2021)

The Annual General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Report of the Board of Directors prepared in accordance with Article L. 22-10-8 (formerly L. 225-37-2) of the French Commercial Code, approves the remuneration policy for the Chief Executive Officer as presented in the aforementioned report and restated in section 2.4.1.2.1. of the Universal Registration Document.

Fourteenth resolution: approval of the remuneration policy for the Chairman of the Board of Directors (Mr Jean-Paul Agon as from 1 May 2021)

The Annual General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Report of the Board of Directors prepared in accordance with Article L. 22-10-8 (formerly L. 225-37-2) of the French Commercial Code, approves the remuneration policy for the Chairman of the Board of Directors as presented in the aforementioned report and restated in section 2.4.1.2.2. of the Universal Registration Document.

RESOLUTION 15: APPROVAL OF THE AGREEMENT ON THE STATUS OF MR NICOLAS HIERONIMUS WHOSE EMPLOYMENT CONTRACT WILL BE SUSPENDED AS FROM HIS APPOINTMENT AS CHIEF EXECUTIVE OFFICER

EXPLANATORY STATEMENT

On the recommendation of the Nominations and Governance Committee, the L'Oréal Board of Directors, on 14 October 2020, announced its intention to dissociate the functions of Chairman and Chief Executive Officer, to appoint Mr Jean-Paul Agon as Chairman of the Board, and to appoint Mr Nicolas Hieronimus, the current Deputy Chief Executive Officer and employee of L'Oréal, as Chief Executive Officer.

This new governance will take effect on 1 May 2021, by decision of the Board of Directors at the meeting held following the Annual General Meeting of L'Oréal shareholders on 20 April 2021, which is also called to appoint Mr Nicolas Hieronimus as Director.

The Code of Corporate Governance for listed companies established jointly by the AFEP and MEDEF to which L'Oréal refers, recommends, but does not require, that companies should put an end to combining an employment contract with a corporate office (§ 22.1). L'Oréal's Board of Directors shares the objectives of this recommendation which aims at avoiding the possibility of concurrently obtaining benefits both from the employment contract and the corporate office and at prohibiting any interference with the possibility of removing corporate officers *ad nutum*.

The Board of Directors notes that if, in accordance with the AFEP-MEDEF recommendation, his employment contract with L'Oréal were to be terminated, Mr Nicolas Hieronimus would lose the status he acquired as a result of the 34 years he spent working for the Group as an employee.

The Board of Directors does not wish for Mr Nicolas Hieronimus, having accepted the office of Chief Executive Officer after a 34-year career with L'Oréal, to be deprived of the benefits to which he would have continued to be entitled had he remained an employee.

The Board of Directors believes that the objective pursued by the AFEP-MEDEF recommendation can be fully achieved by maintaining the suspension of the employment contract and clearly separating the benefits related to the corporate office from those relating to the employment contract.

Mr Nicolas Hieronimus will receive a fixed remuneration, a variable remuneration and performance shares for his corporate office.

The Board of Directors decided not to allocate any indemnity in the event of termination of the corporate office.

In the event of termination of his suspended employment contract during the term of corporate office, and depending on the reasons for such termination, Mr Nicolas Hieronimus would only be paid termination indemnities, except in the event of gross misconduct or gross negligence, or retirement indemnities in the event of voluntary retirement or at the Company's request pursuant to the suspended employment contract. These indemnities, which are attached solely to termination of the employment contract and in strict application of the French National Collective Bargaining Agreement for Chemical Industries and the Company-level agreements applicable to all L'Oréal's managers, are due in any event pursuant to the public policy rules of French labour law. They are not subject to any condition other than those provided for by the French National Collective Bargaining Agreement for Chemical Industries or the above-mentioned Company-level agreements. The same applies to the non-compete clause and the related financial consideration.

Mr Nicolas Hieronimus will continue to benefit, under his suspended employment contract, from the "Garantie de Ressources des Retraites Anciens Cadres Dirigeants" (Retirement Income Guarantee for Former Senior Managers) scheme closed to new members effective from 31 December 2015. The Income Guarantee is calculated on the basis of the number of years of professional service in the Company up to 31 December 2019, up to a limit of 25 years. Generally, after 31 December 2019, no new rights will be granted under this scheme pursuant to Order no. 2019-697 of 3 July 2019 concerning supplementary professional retirement schemes, which stipulated the closure of all defined benefit schemes governed by Article L. 137-11 of the French Social Security Code. The main features of this scheme are described in section 4.3.2.5. of the Board of Directors' L'Oréal's Universal Registration Document. In this specific case, Mr Nicolas Hieronimus has reached since 2012 the 25-year cap for professional activity in the Group stipulated by the scheme and therefore has not benefited from any new rights to additional annuity since this date.

In respect of 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 indemnity due in consideration of the non-compete clause would be payable monthly for two years on the basis of two-thirds of the monthly fixed remuneration attached to the suspended employment contract unless Mr Nicolas Hieronimus were to be released from application of the clause. This clause does not apply in the event of voluntary retirement or compulsory retirement on the Company's initiative: no consideration for non-competition would be paid in such a situation.

Remuneration in respect of the corporate office will in no event be taken into consideration in the calculation of all benefits that may be due under the employment contract described above.

The reference remuneration to be taken into account for all rights attached to the employment contract and, in particular, for the calculation of the aforementioned pension scheme, will be based on the amount of remuneration at the date of suspension of the employment contract in 2021. This reference remuneration is €1,750,000 of fixed remuneration and €1,850,000 of variable remuneration. This remuneration will be 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*).

The seniority applied will cover his entire career within the Group, including the years spent as an executive officer.

Mr Nicolas Hieronimus is also treated in the same way as a senior manager during the term of his corporate office, which will allow him to continue to benefit from the additional social protection schemes and, in particular, the defined contribution pension scheme, and the employee benefit and healthcare schemes applicable to the Company's employees. These elements are set out in the remuneration policy submitted for the approval of the Annual General Meeting of L'Oréal shareholders on 20 April 2021.

These provisions are set forth in an agreement on the status of Mr Nicolas Hieronimus whose employment contract will be suspended as from 1 May 2021. This agreement entered into by L'Oréal and its future Chief Executive Officer, Mr Nicolas Hieronimus, is governed by the procedure on related-party agreements. Pursuant to Article L. 22-10-13 of the French Commercial Code, information about this agreement was published on the L'Oréal website no later than the date it was signed.

This agreement is being submitted for the approval of this Annual General Meeting of 20 April 2021 ruling on the Statutory Auditors' Special Report in anticipating the appointment of Mr Nicolas Hieronimus as Chief Executive Officer, as from 1 May 2021, by the Board of Directors at the meeting held after this General Meeting.

Fifteenth resolution: Approval of the agreement on the status of Mr Nicolas Hieronimus whose employment contract will be suspended as from his appointment as Chief Executive Officer

The Annual General Meeting, having reviewed the Special Report of the Statutory Auditors presented pursuant to Article L. 225-40 of the French Commercial Code concerning the agreements cited in Article L. 225-38 of said Code, approves the agreement on the status of Mr Nicolas Hieronimus whose employment contract will be suspended as from 1 May, as set out in the explanatory statement for this resolution prepared by the Board of Directors and in the above report of the Statutory Auditors.

This resolution is adopted subject to the condition precedent of the appointment of Mr Nicolas Hieronimus as Chief Executive Officer of L'Oréal, as from 1 May 2021, by the Board of Directors at the meeting to be held at the end of this Annual General Meeting.

RESOLUTION 16: AUTHORISATION FOR THE COMPANY TO BUY BACK ITS OWN SHARES

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EXPLANATORY STATEMENT

As the existing authorisation is due to expire in October 2021, 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:

- cancelling them by a reduction in its capital;
- selling them within the scope of employee share ownership programmes and their allocation to free grants of shares for the benefit of employees and corporate 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 (*Autorité des Marchés Financiers*); and
- 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 decides 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 €400 (excluding expenses). The authorisation would be for a maximum of 10% of the share capital, namely, for information purposes, at 31 December 2020, 55,987,158 shares for a maximum amount of €22,394,863,200, it being specified that the Company may not at any time hold more than 10% of its own share capital.

Sixteenth resolution: Authorisation for the Company to buy back its own shares

The Annual General Meeting, voting with the quorum and majority conditions 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. 225-210 *et seq.* and L. 22-10-62 *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 €400 (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 2020, 55,987,158 shares for a maximum amount of €22,394,863,200, it being specified 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:

- cancelling them by a reduction in its capital;
- allocating or selling them 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 decides 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 17: DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL THROUGH THE ISSUANCE OF ORDINARY SHARES, WITH MAINTENANCE OF SHAREHOLDERS' PREFERENTIAL SUBSCRIPTION RIGHTS

EXPLANATORY STATEMENT

It is proposed to the Annual General Meeting to delegate to the Board of Directors its authority to increase the share capital through the issuance of ordinary shares with maintenance of shareholders' preferential subscription rights.

The total amount of increases in share capital that could be executed may not have the effect of raising the share capital, which was €111,974,316 at 31 December 2020, to an amount greater than €156,764,042.40.

The increases that may be carried out under the thirteenth resolution approved at the Annual General Meeting of 30 June 2020 and the eighteenth, nineteenth, twentieth, and twenty-first resolutions submitted to the vote of this General Meeting shall also be charged against this ceiling. This corresponds to a maximum increase of 40% of the share capital.

No overallotment option is provided.

The period of validity of this delegation would be 26 months from the date of this Annual General Meeting, 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.

Seventeenth resolution: delegation of authority granted to the Board of Directors to increase the share capital through the issuance of ordinary shares, with maintenance of shareholders' preferential subscription rights

The Annual General Meeting, voting in accordance with the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Report of the Board of Directors, and acting in accordance with Articles L. 225-129 *et seq.* of the French Commercial Code, including Article L. 225-129-2 of said Code, and Article L. 22-10-49 (formerly L. 225-129-4) of the same Code:

1. delegates authority to the Board of Directors to decide on one or more capital increases through the issuance of ordinary shares of the Company. The delegation thus granted to the Board of Directors is valid for a period of 26 months from the date of this Annual General Meeting;
2. decides that the total amount of the capital increases that could be executed may not have the effect of raising the share capital, which was €111,974,316 at 31 December 2020, to an amount greater than €156,764,042.40. The increases that may be carried out under the thirteenth resolution approved at the Annual General Meeting of 30 June 2020 and the eighteenth, nineteenth, twentieth, and twenty-first resolutions submitted to the vote of this General Meeting shall also be charged against this ceiling; it is specified that this total nominal amount does not take into account adjustments that may be made pursuant to applicable laws and regulations and, if applicable, contractual provisions that provide for other cases of adjustment in order to protect the rights of the holders of free shares, subscription options or purchase options. This corresponds to a maximum increase of 40% of the share capital;
3. decides that, if this delegation is used by the Board of Directors, shareholders shall have a preferential right to subscribe to the shares issued under this resolution in proportion to the amount of their shares. If subscriptions to shares by right and, if applicable, to additional shares, have not absorbed the total issue of shares, the Board of Directors may offer all or a portion of the unsubscribed shares to the public, or limit the capital increase to the amount of the subscriptions, provided that this amount totals at least three-quarters of the increase decided;
4. decides that capital increase transactions may be carried out at any time, in accordance with the regulations in force at the time of the transactions concerned. However, in the event that a third party files a public offer for the Company's shares, the Board of Directors will not be able, during the offer period, to decide to implement this delegation of authority without the prior authorisation of the Annual General Meeting;
5. 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 within the limits and subject to the conditions specified above in order to set the terms and conditions of the capital increases and, in particular, to generally 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; and
6. notes that this delegation renders ineffective any prior delegation having the same purpose.

4

RESOLUTION 18: DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL THROUGH THE CAPITALISATION OF PREMIUMS, RESERVES, PROFITS OR OTHER AMOUNTS

EXPLANATORY STATEMENT

It is proposed to the Annual General Meeting to delegate to the Board of Directors its authority to increase the share capital through the capitalisation of premiums, reserves, profits or other amounts.

The maximum nominal amount of the capital increases that may be executed shall be equal to the total amount of the sums that may be capitalised and shall be charged against the amount of the total ceiling stipulated in the seventeenth resolution of this General Meeting.

In the event of a free grant of shares, fractional grant rights shall be neither negotiable nor assignable. The corresponding shares shall be sold and the sums from the sale shall be allocated to the holders of these rights.

The period of validity of this delegation would be 26 months from the date of the Annual General Meeting, 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 shall not be able to use this authorisation during the public offer period without the prior authorisation of the General Meeting.

Eighteenth resolution: delegation of authority to the Board of Directors to increase the share capital through the capitalisation of premiums, reserves, profits or other amounts

The Annual General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Report of the Board of Directors, and acting in accordance with Articles L. 225-129 *et seq.* of the French Commercial Code, and Articles L. 22-10-49 (formerly L. 225-129-4) and L. 22-10-50 (formerly L. 225-130, sub-section 1) of the same Code:

1. delegates its authority to the Board of Directors, with the possibility to delegate further, to decide on one or more capital increases through capitalisation of premiums, reserves, profits or other sums for which capitalisation is allowed, in the form of allotments of free shares or an increase in the par value of the existing shares or through the combined use of these two processes. The delegation thus granted to the Board of Directors is valid for a period of 26 months from the date of this Annual General Meeting;
2. decides that the maximum nominal amount of the capital increases that may be executed shall be equal to the total amount of the sums that may be capitalised and shall be charged against the amount of the total ceiling stipulated in the seventeenth resolution of this General Meeting. This total nominal amount does not take into account adjustments that may be made pursuant to applicable laws and regulations and, if applicable, contractual provisions that provide for other cases of adjustment in order to protect the rights of the holders of free shares, subscription options or purchase options;
3. if the Board of Directors uses this delegation, decides, if applicable, and pursuant to the provisions of Article L. 22-10-50 (formerly L. 225-130, sub-section 1) of the French Commercial Code, that fractional rights shall not be negotiable or assignable and that the corresponding shares shall be sold: the sums from the sale shall be allocated to the holders of the rights under the conditions and within the terms stipulated by the applicable regulations;
4. decides that capital increase transactions may be carried out at any time, in accordance with the regulations in force at the time of the transactions concerned. However, if a public offer is filed by a third party for 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;
5. 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 within the limits and subject to the conditions specified above in order to set the terms and conditions of the capital increases and in particular, to generally 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; and
6. notes that this delegation renders ineffective any prior delegation having the same purpose.

RESOLUTION 19: DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL IN ORDER TO REMUNERATE THE CONTRIBUTIONS IN KIND OF EQUITY SECURITIES OR SECURITIES GIVING ACCESS TO THE SHARE CAPITAL OF THIRD PARTY COMPANIES GRANTED TO THE COMPANY

EXPLANATORY STATEMENT

It is proposed to the Annual General Meeting to delegate to the Board of Directors its authority to increase the share capital of the Company in order to remunerate contributions in kind made to the Company consisting of equity securities or securities giving access to the share capital of third party companies, outside a public exchange offer, to proceed to external growth transactions if any.

The Board shall decide on the Report of the Contribution Auditor(s) concerning the value of the contributions if this report is necessary.

The amount of the capital increase(s) that may be carried out would be limited to 2% of the share capital on the date of the capital increase decision and would be charged against the total ceiling on capital increases stipulated in the seventeenth resolution of this General Meeting.

The period of validity of this delegation would be 26 months from the date of the Annual General Meeting, 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 shall not be able to use this authorisation during the public offer period without the prior authorisation of the General Meeting.

This authorisation would carry by law the cancellation of shareholders’ preferential subscription rights.

Nineteenth resolution: delegation of authority to the Board of Directors to increase the share capital in order to remunerate the contributions in kind of equity securities or securities giving access to the share capital of third party companies made to the Company

The Annual General Meeting, having reviewed the Report of the Board of Directors and the Special Report of the Statutory Auditors, voting in accordance with the quorum and majority conditions required for Extraordinary General Meetings and acting in accordance with the provisions of Articles L. 225-129 *et seq.* of the French Commercial Code, particularly Article L. 225-147 of said Code, and Articles L. 22-10-49 (formerly L. 225-129-4) and L. 22-10-53 (formerly Article L. 225-147, sub-section 6) of the same Code:

1. delegates to the Board of Directors, under the conditions provided for by law, the option to carry out a capital increase, on one or more occasions, up to a maximum of 2% of the share capital on the date of the capital increase decision, on the Report of the Contribution Auditor(s) cited in sections 1 and 2 of the aforementioned Article L. 225-147 if it is necessary, in order to remunerate contributions in kind made to the Company consisting of equity securities or securities giving access to the share capital, through the issuance, on one or more occasions, of ordinary shares of the Company, when the provisions of Article L. 22-10-54 (formerly L. 225-148) of the French Commercial Code are not applicable;
2. decides that the amount of the capital increase(s) that may be carried out under this resolution will be charged against the total ceiling for share capital increases stipulated in the seventeenth resolution of this General Meeting;
3. decides that, if a third party files a public offer for 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. notes that, in accordance with the law, the shareholders will not have a preferential subscription right to the shares issued under this delegation;
5. 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 resolution in order to:
   - decide on the capital increase that remunerates the contributions,
   - establish the list of equity securities or securities contributed, approve, on the basis of the Report of the Contribution Auditor(s) cited in sections 1 and 2 of the aforementioned Article L. 225-147, if it is necessary, the valuation of the contributions, set the conditions of the issuance of the shares that remunerate the contributions and, if applicable, the amount of the cash balance to be paid, approve the grant of specific advantages and their value, and reduce, if the contributors so agree, the valuation of the contributions or the remuneration for the specific advantages,
   - note the completion of each capital increase and amend the articles of association accordingly,
   - deduct any costs of the capital increase(s) against the contribution premium and take from this amount the sums necessary to fund the legal reserve,
   - in general, take all measures and perform all formalities useful for the issuance, listing, and the financial service of the shares issued under this delegation;
6. sets the validity period of this authorisation at 26 months from the date of this Annual General Meeting; and
7. notes that this delegation renders ineffective any prior delegation having the same purpose.

4

RESOLUTIONS 20, 21: DELEGATIONS OF AUTHORITY 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 twentieth resolution, to delegate the Board of Directors with the authority to decide on a capital increase 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 employee savings schemes.

In order for the Board to be able to implement, where applicable, a global employee share ownership programme under the best possible conditions, it is also proposed to the Annual General Meeting in the twenty-first resolution to delegate to the Board of Directors the authority to increase the share 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, by adapting the conditions of the offering to local specificities.

Under the twentieth 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 twenty-first resolution, the issue price would be determined under terms and conditions similar to those set for the twentieth 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, under the twentieth and twenty-first resolutions, to delegate to the Board of Directors the authority to increase the share capital of the Company, on one or more occasions, within the limit of 1% of the share capital, which is, for information purposes at 31 December 2020 through the issue of 5,598,715 new shares; this ceiling being applicable jointly to the twentieth and twenty-first resolutions. The amount of the capital increases that may be carried out on the basis of the twentieth and twenty-first resolutions would be charged against the total ceiling of 40% of the capital stipulated in the seventeenth resolution approved by this Annual General Meeting.

Twentieth resolution: 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

The Annual General Meeting, having reviewed the Report of the Board of Directors and the Special Report of the Statutory Auditors, voting in accordance with the quorum and majority conditions required 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 issuance of ordinary 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, 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, the shareholders' preferential subscription rights to 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 (*Autorité des Marchés Financiers*), 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 notes 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. decides to set at 1% of the share capital existing at the date of this Annual General Meeting, the capital increase that could thus be carried out (namely, for information purposes, as at 31 December 2020, an increase in the share capital by a nominal amount of €1,119,743 by issuing 5,598,715 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 twenty-first 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 twentieth and twenty-first resolutions;
5. decides 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 the seventeenth resolution of this Annual General Meeting or, as applicable, against the ceiling stipulated by a similar resolution that may potentially succeed this seventeenth resolution during the valid period of this delegation;
6. decides that the subscription price may include a discount to the average of the trading prices on the Euronext Paris market for the 20 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 respect of the discount, provided that, after taking into account their equivalent monetary value, valued at the subscription price, this does not have the effect of exceeding the limits provided for in Articles L. 3332-11 and L. 3332-19 of the French Labour Code;

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 employer contribution and/or discount, to deduct, where applicable, the sums necessary for paying up such shares from the reserves, profits or share premiums of its choice; and
   - 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.

Twenty-first 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 conditions 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 shareholders' preferential subscription rights in favour of the beneficiaries defined below;
2. decides to cancel shareholders' preferential subscription rights to the shares and securities giving access to the Company's capital issued 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 headquarters 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 unitholders 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 notes 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 20 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 twentieth 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. decides 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 2020, an increase in the share capital by a maximum nominal amount of €1,119,743 through the issue of 5,598,715 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 twentieth 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 twentieth and twenty-first resolutions;
6. decides that the amount of the capital increase(s) in capital that may be carried out under this resolution will be charged against the total ceiling stipulated in the seventeenth resolution of this Annual General Meeting;

7. decides 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 capital increase 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, and
   - 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 22: AMENDMENT TO ARTICLE 9 OF THE ARTICLES OF ASSOCIATION TO PROVIDE FOR WRITTEN CONSULTATION OF THE DIRECTORS UNDER THE CONDITIONS DEFINED BY THE REGULATIONS

EXPLANATORY STATEMENT

The Annual General Meeting is asked, pursuant to Article L. 225-37 of the French Commercial Code, as amended by law No. 2019-744 of 19 July 2019, to provide for the possibility for the members of the Board of Directors to take certain decisions by written consultation, meaning without holding a Board meeting.

Article 9 "Deliberations of the Board of Directors" of the Company's Articles of Association would be amended as a result.

This new option is intended to increase the Board's reactivity by offering this additional flexibility in decision-making process falling within powers specific to the Board of Directors, which are limited to those listed by the regulations.

To date, decisions covered by the regulations are provisional appointments of Directors in the event of death or resignation, co-optations when the number of directors is lower than the statutory minimum or when the composition of the Board no longer complies with the proportion of each gender required by law, the authorisations of pledges, endorsements and securities, the calling of the Annual General Meeting, the use of any delegation granted by the General Meeting to bring the Articles of Association in line with laws and regulations, and the transfer of the headquarters within the same department.

Twenty-second resolution: Amendment to Article 9 of the Articles of Association to provide for written consultation of the Directors under the conditions defined by the regulations

The Annual General Meeting, voting with the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Report of the Board of Directors, decides to amend § 2 of Article 9 of the Company's Articles of Association to provide for written consultation of directors under the conditions defined by the regulations. The rest of Article 9 of the Company's Articles of Association remains unchanged.

Current version of § 2 of Article 9 of the Articles of Association	New version of § 2 of Article 9 of the Articles of Association
§ 2 – The Board of Directors meets when convened by its Chairman as often as this is deemed necessary in the interest of the Company.	§ 2 – The Board of Directors meets when convened by its Chairman as often as this is deemed necessary in the interest of the Company.
Board meetings are held either at the registered office or at any other place indicated by the author(s) of the notice to attend.	Board meetings are held either at the registered office or at any other place indicated by the author(s) of the notice to attend.
Notices to attend meetings may be issued by any means and may even be issued verbally.	Notices to attend meetings may be issued by any means and may even be issued verbally.
In accordance with legal and statutory provisions and subject to the limitations stipulated by these provisions, directors participating in Board meetings by means of videoconference or telecommunication facilities are deemed to be present for the purpose of quorum and majority calculations.	In accordance with legal and statutory provisions and subject to the limitations stipulated by these provisions, directors participating in Board meetings by means of videoconference or telecommunication facilities are deemed to be present for the purpose of quorum and majority calculations.
	The Board of Directors may also take the decisions listed by the regulations by written consultation of the Directors.
Sessions are held under the chairmanship of the Chairman of the Board of Directors.	Sessions are held under the chairmanship of the Chairman of the Board of Directors.
If the Chairman is absent, the session is directed by the director specially elected for this purpose by the Board members present at the meeting; if the votes are equal for this election, the session is chaired by the oldest of the candidates.	If the Chairman is absent, the session is directed by the director specially elected for this purpose by the Board members present at the meeting; if the votes are equal for this election, the session is chaired by the oldest of the candidates.

RESOLUTION 23: POWERS FOR FORMALITIES

EXPLANATORY STATEMENT

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

Twenty-third 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.

APPENDIX

	Authorisations in force				Authorisations proposed to the Annual General Meeting of 20 April 2021		
	Date of the Annual General Meeting (resolution number)	Duration (date of expiry)	Maximum authorised amount	Use of the authorisation in 2020	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	17	26 months (19 June 2023)	Bring the share capital to €156,764,042.40 (1)
Capital increase *via* the capitalisation of 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	18	26 months (19 June 2023)	Bring the share capital to €156,764,042.40 (1)
Capital increase reserved for L'Oréal employees participating in the Company Savings Plan (PEE)	30 June 2020 (14)	26 months (29 August 2022)	1% of the share capital on the date of the Annual General Meeting (*i.e.* as an indication 5,581,172 shares at 31 December 2019) (2)	246,652 shares (3)	20	26 months (19 June 2023)	1% of the share capital on the date of the Annual General Meeting (*i.e.* as an indication 5,598,715 shares at 31 December 2020) (2)
Capital increase reserved for employees of foreign subsidiaries	30 June 2020 (15)	18 months (29 December 2021)	1% of the share capital on the date of the Annual General Meeting (*i.e.* as an indication 5,581,172 shares at 31 December 2019) (2)	206,315 shares (4)	21	18 months (19 October 2022)	1% of the share capital on the date of the Annual General Meeting (*i.e.* as an indication 5,598,715 shares at 31 December 2020) (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 2019) (2)	None	19	26 months (19 June 2023)	2% of the share capital on the capital increase decision date (*i.e.* as an indication 11,197,430 shares at 31 December 2020)
Buyback by the Company of its own shares							
Buyback by the Company of its own shares	30 June 2020 (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)	None	16	18 months (19 October 2022)	10% of the share capital on the date of the buybacks (*i.e.* as an indication, 55,987,158 shares at 31 December 2020)
Reduction in the share capital *via* cancellation of shares							
Cancellation of shares purchased by the Company under Article L. 22-10-60 (formerly L. 225-209) of the French Commercial Code	30 June 2020 (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)	None			
Free grants of shares							
Grant of existing free shares or shares to be issued to the employees	30 June 2020 (13)	26 months (29 August 2022)	0.6% of the share capital on the grant decision date (*i.e.* tentatively 3,348,703 shares at 31 December 2019)	713,660 shares			

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

(2) *The cumulative amount of increases in share capital that may be carried out pursuant to the 20th and 21st resolutions submitted for a vote of the Annual General Meeting on 20 April 2021 may not exceed the total amount of 1% of the share capital, which constitutes a ceiling that applies jointly to these two resolutions, a ceiling that was also common to the 14th and 15th resolutions adopted by the Annual General Meeting of 30 June 2020.*

(3) *These new shares resulted in a capital increase of €49,330.40 and the recognition of an issue premium of €47,208,532.50. The capital increase corresponding to the free shares issued was achieved by withdrawal from the "Other Reserves" item in the amount of €7,000.40.*

(4) *These new shares resulted in a capital increase of €41,263.00 and the recognition of an issue premium of €46,018,560.75.*

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

APPOINTMENTS PROPOSED TO THE ANNUAL GENERAL MEETING

NICOLAS HIERONIMUS

French

Age: 57

Deputy Chief Executive Officer of L'Oréal in charge of Divisions since May 2017.

Within the L'Oréal Group since 1987, Nicolas Hieronimus became Marketing Director of the Laboratoires Garnier in 1993. After an international career as General Manager of the Garnier Maybelline Division in the UK, General Manager France then International General Manager of L'Oréal Paris, CEO of L'Oréal Mexico, Nicolas Hieronimus was appointed President of the L'Oréal Professional Products Division and joined the Executive Committee in 2008. In 2011, he was appointed President of L'Oréal Luxe, a role that he held until the end of 2018. In 2013, Nicolas Hieronimus took up the position of President Selective Divisions (Luxury, Active Cosmetics, Professional Products).

- Professional address: L'Oréal - 41, rue Martre - 92117 Clichy Cedex - France
- Holds 182,520 L'Oréal shares

OTHER CORPORATE OFFICES AND POSITIONS HELD
None

CORPORATE OFFICES AND DIRECTORSHIPS HELD OVER THE LAST FIVE YEARS AND EXPIRED		EXPIRY DATE OF TERM OF OFFICE
French company		
L'Oréal Produits de Luxe International	Managing Director	2019

ALEXANDRE RICARD

French

Age: 48

Chairman and Chief Executive Officer of Pernod Ricard since February 2015.

A graduate of ESCP, the Wharton Business School and the University of Pennsylvania, Alexandre Ricard joined Pernod Ricard in 2003, after seven years as a strategy consultant at Accenture and a M&A consultant at Morgan Stanley. In 2004, he was appointed Director of Finance and Administration of Irish Distillers, and then in 2006, Chief Executive Officer of Pernod Ricard Asia Duty Free. In 2008, he was appointed Chairman and Chief Executive Officer of Irish Distillers and joined the Executive Committee of Pernod Ricard. In 2011, he joined the General Management of Pernod Ricard as Deputy Chief Executive Officer in charge of the distribution network.

- Professional address: Pernod Ricard, 5, cours Paul-Ricard - 75008 Paris - France
- Holds 250 L'Oréal shares

MAIN CORPORATE OFFICE HELD OUTSIDE L'OREAL	
Pernod Ricard*	Chairman and Chief Executive Officer

OTHER CURRENT OFFICES AND POSITIONS	
French companies	
Pernod Ricard Europe, Middle East and Africa [PR]	Member of the Supervisory Board, permanent representative of Pernod Ricard
Martell & Co SA [PR]	Director
Société Paul Ricard	Member of the Management Board
Le Delos Invest I	Director
Le Delos Invest II	Director
Foreign companies	
Suntory Allied Limited (Japan) [PR]	Chairman
Geo G. Sandeman Sons & Co. Ltd (United Kingdom) [PR]	Director
Havana Club International SA (Cuba) [PR]	Member of the Board of Directors "*Junta de Directores*"
Bendor SA (Luxembourg)	Director

CORPORATE OFFICES AND DIRECTORSHIP OVER THE LAST FIVE YEARS THAT HAVE EXPIRED		EXPIRY DATE OF TERM OF OFFICE
French companies		
Pernod SAS [PR]	Director, permanent representative of Pernod Ricard	2016
Ricard SAS [PR]	Director, permanent representative of Pernod Ricard	2016
Foreign companies		
Havana Club Know-How SARL (Luxembourg) [PR]	Managing Director	2018
Havana Club Holding SA (Luxembourg) [PR]	Director	2018

** Listed company.*
[PR] Pernod Ricard Group company.

RENEWALS PROPOSED TO THE ANNUAL GENERAL MEETING

FRANÇOISE BETTENCOURT MEYERS

Vice-Chairwoman

French

Age: 67

Daughter of Liliane Bettencourt and granddaughter of the founder of L'Oréal, Eugène Schueller, Françoise Bettencourt Meyers 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 Chairwoman of the Pour l'Audition Foundation. A Director of L'Oréal since 1997, Vice-Chairwoman of the Board of Directors since 2020, Françoise Bettencourt Meyers is also a member of the Strategy and Sustainability Committee, the Nominations and Governance Committee and the Human Resources and Remuneration Committee.

EXPIRY DATE OF TERM OF OFFICE: 2021

- Professional address: Téthys – 27-29, rue des Poissonniers – 92200 Neuilly-sur-Seine – France
- Holds 33,182,455 L'Oréal shares

OTHER CORPORATE OFFICES AND DIRECTORSHIPS HELD

French companies	
Téthys SAS	Chairwoman
	Chairwoman of the Supervisory Board
Téthys Invest SAS	Chairwoman of the Supervisory Board
Financière l'Arcouest SAS	Chairwoman
Other	
Bettencourt Schueller Foundation	Chairwoman of the Board of Directors
Pour l'Audition Foundation	Honorary Chairwoman and member of the Board of Directors

CORPORATE OFFICES AND DIRECTORSHIPS HELD OVER THE LAST FIVE YEARS AND EXPIRED		EXPIRY DATE OF TERM OF OFFICE
Société Immobilière Sebor SAS	Chairwoman	2020

PAUL BULCKE

Vice-Chairman

Belgian and Swiss

Age: 66

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 Vice-Chairman of the Board of Directors, and is a member of the Strategy and Sustainability Committee, the Nominations and Governance Committee, and the Human Resources and Remuneration Committee. He is also a Director of Roche Holding (Switzerland).

EXPIRY DATE OF TERM OF OFFICE: 2021

- Professional address: Nestlé – Avenue Nestlé, 55 – CH 1800 Vevey – Switzerland
- Holds 3,000 L'Oréal shares

MAIN CORPORATE OFFICE HELD OUTSIDE L'ORÉAL

Nestlé S.A. (Switzerland)*	Chairman of the Board

OTHER CORPORATE OFFICES AND DIRECTORSHIPS HELD

Foreign companies	
Roche Holding Ltd (Switzerland)*	Member of the Board of Directors
Other	
2030 Water Resources Group (WRG)	Co-Chairman
JP Morgan International Council	Member
Avenir Suisse Foundation (Switzerland)	Member of the Board
World Economic Forum (WEF)	Member of the Community of Chairpersons
European Round Table for Industry (Belgium)	Member

CORPORATE OFFICES AND DIRECTORSHIPS HELD OVER THE LAST FIVE YEARS AND EXPIRED		EXPIRY DATE OF TERM OF OFFICE
Foreign companies		
Nestlé Health Science S.A. in Lutry (Switzerland)	Member of the Strategic Advisory Board	2017
Nestlé Skin Health S.A. (Switzerland)	Member of the Strategic Advisory Board	2017
Cereal Partners Worldwide (Switzerland)	Co-Chairman of the Supervisory Board	2016
Nestlé S.A. (Switzerland)	Deputy Director	2016
Others		
Consumer Goods Forum	Member of the Board of Directors and member of the Governance Committee	2017

* *Listed company.*

VIRGINIE MORGON

French

Age: 51

Chairwoman of the Management Board of Eurazeo, which she joined in 2008 after working for 16 years at Lazard, as well as Chairwoman of Eurazeo North America Inc. (USA). She is also Co-Chair of the Paris Committee of Human Rights Watch and Chairwoman of the Board of the Eurazeo endowment fund. Virginie Morgon has been a Director of L'Oréal since 2013 and is the Chairwoman of the Audit Committee.

EXPIRY DATE OF TERM OF OFFICE: 2021

- Professional address: 1, rue Georges-Berger – 75017 Paris – France
- Holds 1,745 L'Oréal shares

MAIN CORPORATE OFFICE HELD OUTSIDE L'ORÉAL	
Eurazeo*	Chairwoman of the Management Board

OTHER CORPORATE OFFICES AND DIRECTORSHIPS HELD	
French companies	
Idinvest Partners[E]	Chairwoman of the Supervisory Board
Foreign companies	
Alpine Newco Inc. (US)[E]	Chairwoman
Eurazeo North America Inc. (US)[E]	Chairwoman
Moncler SpA (Italy)*	Member of the Board of Directors
Other	
Human Rights Watch	Co-Chair of the Paris Committee
Eurazeo endowment fund[E]	Chairwoman of the Board of Directors

CORPORATE OFFICES AND DIRECTORSHIPS HELD OVER THE LAST FIVE YEARS AND EXPIRED		EXPIRY DATE OF TERM OF OFFICE
French companies		
Eurazeo	Chief Operations Officer	2018
Asmodee Holding	Chairwoman of the Supervisory Board	2018
Eurazeo PME	Chairwoman of the Supervisory Board	2018
Grandir (Les Petits Chaperons Rouges investment)	Member of the Supervisory Board	2018
CPK	Vice-Chairwoman of the Supervisory Committee	2018
Vivendi	Member of the Supervisory Board	2018
Legendre Holding 43 (People Doc investment)	Chairwoman	2017
Legendre Holding 44 (Fintrax investment)	Chairwoman	2017
Legendre Holding 47 (Les Petits Chaperons Rouges investment)	Chairwoman	2017
AccorHotels	Director	2016
Elis	Member of the Supervisory Board	2016
LH APCOA	Chief Operations Officer	2016
Legendre Holding 45	Chairwoman	2016
Legendre Holding 46	Chairwoman	2016
Foreign companies		
Moncler SpA (Italy)	Vice-Chairwoman of the Board of Directors	2019
Abasic SL (Spain)	Director	2018
Open Road Parent LLC (US)	Member of the Board of Directors	2018
Trader Interactive LLC (US)	Member of the Board of Directors	2018
APCOA Group GmbH (Germany)	Managing Director	2016

* *Listed company.*
E *Subsidiary or investment of Eurazeo (whether alone or in concert).*

6. STATUTORY AUDITORS' REPORTS

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

(For the year ended 31 December 2020)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

L'ORÉAL

14 rue Royale

75008 Paris, France

To the Shareholders,

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 31 December 2020.

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 31 December 2020 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 provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors, for the period from 1 January 2020 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.

Justification of assessments – Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and financing, and have led to greater uncertainties as to their future prospects. Some of those measures, such as travel restrictions and remote working, have also had an impact on their internal organisation and the performance of audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code 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 judgement, 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 and intangible assets (excluding software and intangible assets in progress) *See Accounting principles, Note 1.5 - Intangible assets, Note 1.7 - Investments, Note 11 – Intangible assets, Note 14 – Financial assets and Note 30 – Table of subsidiaries and holdings, to the parent company financial statements*	
At 31 December 2020, the net carrying amount of investments and intangible assets (excluding software and intangible assets in progress) recognised in the balance sheet amounted to €10.5 billion and €3.9 billion respectively, representing 70% of total assets. Investments and intangible assets are initially recognised at purchase cost. An impairment loss is recognised if the value in use of a given item falls below its net carrying amount. As described in Notes 1.5 and 1.7 to the financial statements, the value of these items is assessed annually by reference to their value in use, which is based on: • for investments: the current and forecast profitability of the subsidiary concerned and the share of equity owned. • for intangible assets, excluding software and intangible assets in progress: discounted future cash flows. In order to estimate the value in use of these items, Management must use judgement to project future cash flows and determine the main assumptions to be used. Given the materiality of investments and intangible assets 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 these items 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 and intangible assets (excluding software and intangible assets in progress). 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 in assessing the quality of these estimates by taking into consideration the data, assumptions and calculations used. We primarily focused our audit work on the investments and intangible assets with a value in use close to their net carrying amount. We assessed the reasonableness of the main estimates and, more specifically: • the consistency of projected sales and margin rates with past performance and the economic and financial context; • 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.
Measurement of provisions for liabilities and charges and contingent liabilities *See Note 1.11 on accounting policies, Note 18 – Provisions for liabilities and charges (excluding subsidiaries and holdings) and Note 24.3 – Contingent liabilities*	
L'Oréal is subject to legal proceedings and tax, customs and administrative audits arising in the ordinary course of business. These provisions are recorded so that L'Oréal can meet its likely payment obligations to third parties with no corresponding consideration for the Company in return. They mainly relate to business and financial risks and disputes, as well as risks with authorities and staff-related risks. These provisions are estimated by taking into account the most likely assumptions or by using statistical methods based on their nature. Material provisions mainly concern the dispute with the antitrust authority and the risks with the authorities mentioned in Note 18. Provisions for liabilities and charges amounted to €791 million at 31 December 2020. We deemed the determination and measurement of these items to be a key audit matter given: • the high degree of judgement required from Management to determine which risks should be provisioned and measure with sufficient reliability the amounts of these provisions; • the potentially material impact of these provisions on the Company's profit.	In order to identify and gain an understanding of all of the existing disputes and liabilities as well as the corresponding judgements made, we made inquiries with General Management and the Legal and Tax Departments. We corroborated the list of identified disputes with the Group's risk mapping, as presented by the Legal Department to the Audit Committee, and the information provided by the principal law firms acting for L'Oréal SA, which we questioned on the matters. Regarding the most significant disputes for which a provision was recorded, we assessed the quality of Management's estimates by taking into consideration the data, assumptions and calculations used. We carried out a retrospective review by comparing the amounts paid out with the provisions recorded in recent years. 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 assessed the merits of the decision not to record a provision.

Description of risk	How our audit addressed this risk
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 familiarised ourselves with the internal control systems implemented within the Company, with a view to measuring and accounting for items deducted from sales, and we tested the proper application of the main controls of this system. We also carried out substantive tests on representative samples in order to ascertain whether product returns, sales incentives, discounts and other incentives granted to customers were 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.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code relating to remuneration and benefits received by or granted to corporate officers and any other commitments made in their favour, 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.22-10-11 of the French Commercial Code relating to those items the 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.

Other verifications and information pursuant to legal and regulatory requirements

Presentation of the financial statements to be included in the annual financial report

Pursuant to paragraph III of Article 222-3 of the AMF's General Regulations, the Company's Management informed us of its decision to postpone the application of the single electronic reporting format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018, to reporting periods beginning on or after 1 January 2021. Accordingly, this report does not contain a conclusion on the compliance of the presentation of the financial statements to be included in the annual financial report referred to in paragraph I of Article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) with this format.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of L'Oréal by the Annual General Meeting of 29 April 2004.

At 31 December 2020, PricewaterhouseCoopers Audit and Deloitte & Associés were in the seventeenth 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 judgement 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 programme 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 judgement, 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, 17 February 2021

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Anne-Claire Ferrie	Frédéric Moulin

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(For the year ended 31 December 2020)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

L'ORÉAL

14 rue Royale

75008 Paris, France

To the Shareholders,

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 31 December 2020.

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 31 December 2020 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 provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors, for the period from 1 January 2020 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.

Justification of assessments – Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and financing, and have led to greater uncertainties as to their future prospects. Some of those measures, such as travel restrictions and remote working, have also had an impact on their internal organisation and the performance of audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code 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 judgement, 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 31 December 2020, the net carrying amount of goodwill and other intangible assets recognised in the consolidated financial statements totalled €13,870 million, representing 32% of assets. These assets consist primarily of goodwill and non-amortised brands with indefinite useful lives, recognised following business combinations. Whenever there is an indication of impairment, 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 the 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 did not lead to the recognition of any impairment losses in 2020. 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 judgement 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 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 projected sales and margin rates with the Group's past performance and the economic and financial context in which the Group operates, including the impacts of the Covid-19 health crisis; • 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. We verified the appropriateness of the disclosures provided in the notes to the consolidated financial statements.
Measurement of provisions for liabilities and charges (excluding provisions for product returns), non-current tax liabilities and contingent liabilities *See Note 6 – Income tax and Note 12 – Provisions for liabilities and charges – 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 business, 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. 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, for which the tax authorities are claiming €505 million and €162 million, respectively. Provisions for liabilities and charges (excluding provisions for product returns) amounted to €929 million, and non-current tax liabilities to €398 million at 31 December 2020. We deemed the determination and measurement of these items to be a key audit matter given: • the high degree of judgement required from Management to determine which risks should be provisioned and 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 judgements made, we made inquiries with General Management and the Legal and Tax Departments at all levels of the organisation, 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, and the information provided by the principal law firms acting for the Group, which we questioned on the matters. Regarding the most significant disputes for which a provision was recorded, we assessed the quality of Management's estimates by taking into consideration the data, assumptions and calculations used. We carried out a retrospective review by comparing the amounts paid out with the provisions recorded in recent years. 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.

Description of risk	How our audit addressed this risk
Recognition of sales – estimation of items to be deducted from sales *See Note 3 – Accounting principles – 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 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 familiarised 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, sales incentives, discounts and other 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 performance 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.

Other verifications and information pursuant to legal and regulatory requirements

Presentation of the consolidated financial statements to be included in the annual financial report

Pursuant to paragraph III of Article 222-3 of the AMF's General Regulations, the Company's Management informed us of its decision to postpone the application of the single electronic reporting format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018, to reporting periods beginning on or after 1 January 2021. Accordingly, this report does not contain a conclusion on the compliance of the presentation of the consolidated financial statements to be included in the annual financial report referred to in paragraph I of Article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) with this format.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of L'Oréal by the Annual General Meeting of 29 April 2004.

At 31 December 2020, PricewaterhouseCoopers Audit and Deloitte & Associés were in the seventeenth 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 judgement 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 judgement, 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, 17 February 2021

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Anne-Claire Ferrie	Frédéric Moulin

STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS

(Annual General Meeting held to approve the financial statements for the year ended 31 December 2020)

This is a free translation into English of the statutory auditors' special report on related-party agreements issued in the French language and is provided solely for the convenience of English speaking readers.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.
It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related-party transactions described in IAS 24 or other equivalent accounting standards.

L'ORÉAL

14, rue Royale

75008 Paris

To the L'Oréal Annual General Meeting,

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

The terms of our engagement require us to communicate to you, based on the information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered in the course of our audit, as well as the reasons justifying that such agreements are in the Company's interest, without having to express an opinion on their usefulness and appropriateness or identify such other agreements, if any. It is your responsibility, pursuant to Article R.225-31 of the French Commercial Code (*Code de commerce*), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

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 authorized and entered into 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 authorized and entered into since the year-end

We were informed that the following agreement, authorized and entered into since the year-end, was previously authorized by your Board of Directors.

Agreement concerning the position of Nicolas Hieronimus whose employment contract will be suspended upon his appointment as Chief Executive Officer

Nature and purpose

On 11 February 2021, your Board of Directors authorized an agreement to suspend the employment contract between your company and Nicolas Hieronimus, current Deputy Chief Executive Officer and employee of your company, who will become the Company's Chief Executive Officer as of 1 May 2021, following the decision of the Board of Directors' meeting to be held after the Annual General Meeting of 20 April 2021.

This agreement will be entered into following the Board of Directors' meeting. It will become effective as of 1 May 2021, subject to the effective appointment of Nicolas Hieronimus as Chief Executive Officer by the Board of Directors' meeting to be held after the Annual General Meeting of 20 April 2021.

Reasons justifying the interest for your Company

Your Board of Directors recalled that L'Oréal's constant practice has been to appoint as executive officers employees who have fully succeeded in the various stages of their career in the Group. The remuneration policy applicable to executive officers is the logical result of this choice. Your Board also considered that this policy should attract the most talented employees of L'Oréal to the highest positions in General Management, without them being deprived, after a long career in the Group, of the benefits to which they would have continued to be entitled had they remained employees.

To achieve this objective, the Board of Directors decided to maintain the employment contract of executive officers who, when appointed, have at least 15 years of service in the Group and ensured that the benefits under the suspended employment contract are not combined with those in respect of the corporate office.

Pursuant to this policy, the Board of Directors did not wish that Nicolas Hieronimus, who has accepted the position of Chief Executive Officer after 34 years of career at L'Oréal, be deprived, as of 1 May 2021, of the benefits that he would have continued to obtain had he remained an employee and that he will not receive as executive officer.

Terms and conditions

- Suspension of Nicolas Hieronimus' employment contract on the start date of his corporate office, and during the term of his corporate office

  In the event of termination of his suspended employment contract during the term of office, and depending on the reasons for such termination, Nicolas Hieronimus will only receive the severance pay (save for gross misconduct or gross negligence) or retirement indemnities in the event of voluntary retirement or retirement at the Company's request payable under 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 labor 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-compete clause and the related financial consideration.

  Nicolas Hieronimus will continue to benefit, under his employment contract suspended for the term of his corporate office, from the "*Garantie de Ressources des Retraités Anciens Cadres Dirigeants*" (Retirement Income Guarantee for former senior managers) scheme, closed to new entrants as from 31 December 2015. Indemnities are calculated according to the number of years of professional activity within the company as of 31 December 2019, up to a maximum of 25 years. In general, subsequent to 31 December 2019, no new entitlement is granted under this scheme pursuant to Order 2019-697 of 3 July 2019 on supplementary pension schemes, which provides for the closure of all defined-benefit schemes governed by Article L. 137-11 of the French Social Security Code. The main features of this scheme are described in Note 4.3.2.5 to the 2019 L'Oréal Universal Registration Document. In this specific case, Nicolas Hieronimus reached the limit of 25 years' professional activity in the Group provided under the scheme in 2012 and therefore has not benefited from any new entitlement to supplementary annuities since such date.

  Under his employment contract and in accordance with the French collective bargaining agreement for the chemicals industry, in the event of termination of the employment contract, the compensation under the non-compete clause would be payable monthly over two years based on two-thirds of the monthly fixed remuneration provided for in the suspended employment contract, unless Nicolas Hieronimus was released from the application of this clause. This clause is not applicable in the event of voluntary retirement or retirement at the Company's request and no non-compete compensation would be paid in this situation.

  Under no circumstances shall the remuneration received for the corporate office be taken into consideration in calculating benefits likely to be payable under the above-mentioned employment contract.

- Terms and conditions relating to the suspension of Nicolas Hieronimus' employment contract
  - The reference remuneration to be taken into account for all entitlements attached to the employment contract will be based on the amount of remuneration at the date of suspension of the employment contract, namely, fixed remuneration of €1,750,000 and variable remuneration of €1,850,000. This reference remuneration will be 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*).
  - The length of service applied will cover his entire career within the Group, including his years as executive officer.
  - Nicolas Hieronimus 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 defined-contribution pension scheme and employee benefit and healthcare schemes applicable to the Company's employees. This information is contained in the remuneration policy submitted for approval to the Annual General Meeting of 20 April 2021.

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 27 April 2010 and described in the statutory auditors' special report of 19 February 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

  In the event of termination of his employment contract during the term of office, and depending on the reasons for such termination, Jean-Paul Agon will only receive the severance pay (save for gross misconduct or gross negligence) or retirement indemnities in the event of voluntary retirement or retirement at the Company's request payable under 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 labor 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-compete clause and the related financial consideration.

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 entitlements 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 1 January 2021, the fixed remuneration amounted to €1,731,000 and the variable remuneration to €1,442,500.
  - The length of service applied will cover his entire career, including his years as Chief Executive Officer and Chairman and Chief Executive Officer. For information purposes, Jean-Paul Agon reached the limit of 40 years of service required under the scheme, namely, on 1 September 2018.
- 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 defined-contribution pension scheme and employee benefit and healthcare schemes applicable to the Company's employees. This information is contained in the remuneration policy submitted for approval to the Annual General Meeting of 20 April 2021.

In Neuilly-sur-Seine and Paris-La Défense, 17 February 2021

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Anne-Claire FERRIE	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 of 20 April 2021 - Twentieth resolution)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

L'ORÉAL

14, rue Royale

75008 Paris

To the Shareholders

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 ordinary 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, either immediately or in the future, 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 twentieth 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, under this resolution, will count towards the maximum limit for share capital increases set in paragraph two of the seventeenth resolution of this Annual General Meeting.

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, 17 February 2021

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Anne-Claire Ferrie	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 of 20 April 2021 – Twenty-first resolution)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

L'ORÉAL

14, rue Royale

75008 Paris

To the Shareholders

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 ordinary 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, either immediately or in the future, 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 twentieth 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, under this resolution, will count towards the maximum limit for share capital increases set in paragraph two of the seventeenth resolution of this Annual General Meeting.

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, 17 February 2021

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Anne-Claire Ferrie	Frédéric Moulin

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

ANNUAL GENERAL MEETING OF APRIL 20th, 2021

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 April 20th, 2021, be sent to me at the above address.

Signed in ...., on 2021

(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 2020 Annual Report

visit lorealannualreport2020.com
or the L'Oréal Finance app

L'ORÉAL

Incorporated in France as a
"Société Anonyme" with
registered capital of €111,974,316.00
632 012 100 R.C.S. Paris

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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 April 20, 2021 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, the Ordinary and Extraordinary General Meeting of the Company will be held on April 20, 2021 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 provided they are received no later than **Friday April 16, 2021 at midnight** 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, from Saturday April 17, 2021, until the eve of the General Meeting, on April 19 at 3 p.m., 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. Shareholders will also be able to ask their questions live over the phone during the General Meeting on Tuesday April 20, 2021 (see page IV of this Mid-section booklet). It will be answered within the time allotted.

The General Meeting will be broadcast live on **loreal-finance.com**, provided of course that the conditions for this retransmission can be met.

Ordinary part

1. Approval of the 2020 parent company financial statements
2. Approval of the 2020 consolidated financial statements
3. Allocation of the Company's net profit for 2020 and setting of the dividend
4. Appointment of Mr Nicolas Hieronimus as a Director
5. Appointment of Mr Alexandre Ricard as a Director
6. Renewal of the term of office of Ms Françoise Bettencourt Meyers as Director
7. Renewal of the term of office of Mr Paul Bulcke as Director
8. Renewal of the term of office of Ms Virginie Morgon as Director
9. Approval of the information on the remuneration of each of the corporate officers required by Article L. 22-10-9, I of the French Commercial Code
10. Approval of the fixed and variable components of the total remuneration and benefits of any kind paid during the 2020 financial year or allocated for that year to the Chairman and Chief Executive Officer, Mr Jean-Paul Agon
11. Approval of the remuneration policy for Directors
12. Approval of the remuneration policy for the Chairman and Chief Executive Officer (Mr Jean-Paul Agon from 1 January to 30 April 2021)
13. Approval of the remuneration policy for the Chief Executive Officer (Mr Nicolas Hieronimus as from 1 May 2021)
14. Approval of the remuneration policy for the Chairman of the Board of Directors (Mr Jean-Paul Agon as from 1 May 2021)
15. Approval of the agreement on the status of Mr Nicolas Hieronimus whose employment contract will be suspended as from his appointment as Chief Executive Officer
16. Authorisation for the Company to buy back its own shares

Extraordinary part

17. Delegation of authority to the Board of Directors to increase the share capital through the issuance of ordinary shares, with maintenance of shareholders' preferential subscription rights
18. Delegation of authority to the Board of Directors to increase the share capital through the capitalisation of premiums, reserves, profits or other amounts
19. Delegation of authority to the Board of Directors to increase the share capital in order to remunerate the contributions in kind of equity securities or securities giving access to the share capital of third party companies granted to the Company
20. 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
21. Delegation of authority 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
22. Amendment to Article 9 of the Articles of Association to provide for written consultation of the Directors under the conditions defined by the regulations
23. 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 **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 April 20th, 2021 namely the following ISIN codes: FR0000120321, FR0011149590, FR0013374436, FR0013459336 and FR0014000RC4.

Participate in the Annual General Meeting

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

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

Shareholders will be able to obtain, upon request, confirmation that their vote has been recorded and taken into account by the Company, unless this information is already available to them. Any request from a shareholder to do so must be addressed within three months of the date of the General Meeting (with proof of the shareholder's status). The Company will respond within 15 days after receipt of the request for confirmation or the date of the General Meeting.

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, April 16th, 2021 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, April 16th, 2021 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, March 31st, 2021 until Monday, April 19th, 2021, 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, March 31st, 2021, until Monday, April 19th, 2021, 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, March 31st, 2021 until the day before the Annual General Meeting, namely until **Monday, April 19th, 2021 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, by reference to article R. 22-10-24 of the same 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:

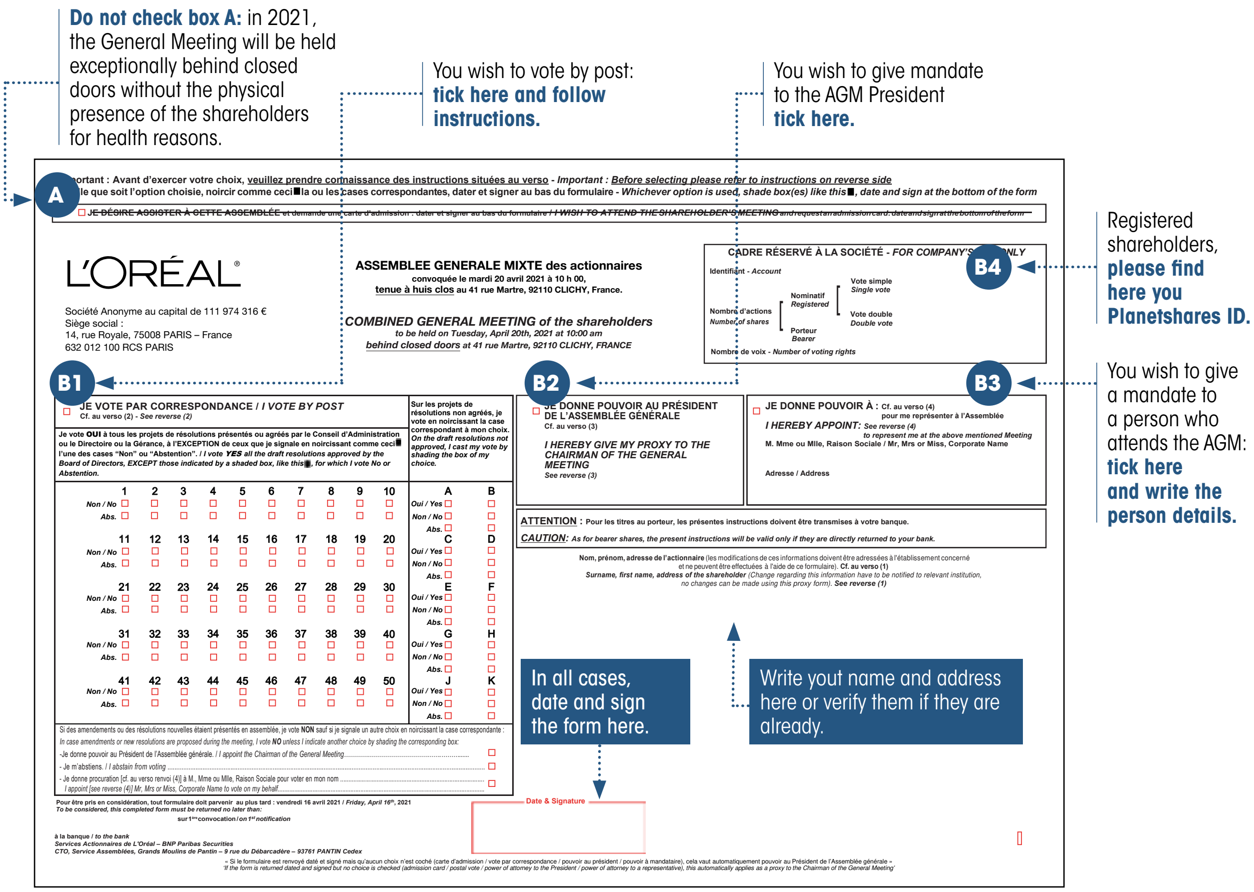
Your request must be addressed to your account-keeping institution, which is responsible for transmitting the participation form accompanied by a certificate of participation to BNP Paribas Securities Services.

Any request for a participation form must, to be honored, be received no later than **Tuesday April 13th, 2021 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 April 16th, 2021 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; and
- 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, April 16th, 2021 at midnight (Paris local time)**.



Important : Avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso - *Important : Before selecting please refer to instructions on reverse side*
Quelle que soit l'option choisie, noircir comme ceci ■ la ou les cases correspondantes, dater et signer au bas du formulaire - *Whichever option is used, shade box(es) like this ■, date and sign at the bottom of the form*

~~JE DÉSIRE ASSISTER À CETTE ASSEMBLÉE et demande une carte d'admission : dater et signer au bas du formulaire / I WISH TO ATTEND THE SHAREHOLDER'S MEETING and request an admission card: date and sign at the bottom of the form~~

L'ORÉAL

Société Anonyme au capital de 111 974 316 €
Siège social :
14, rue Royale, 75008 PARIS – France
632 012 100 RCS PARIS

ASSEMBLEE GENERALE MIXTE des actionnaires
convoquée le mardi 20 avril 2021 à 10 h 00,
tenue à huis clos au 41 rue Martre, 92110 CLICHY, France.

COMBINED GENERAL MEETING of the shareholders
to be held on Tuesday, April 20th, 2021 at 10:00 am
behind closed doors at 41 rue Martre, 92110 CLICHY, FRANCE

CADRE RÉSERVÉ À LA SOCIÉTÉ - *FOR COMPANY'S USE ONLY*
Identifiant - *Account*
Nombre d'actions - *Number of shares*: Nominatif - *Registered* (Vote simple - *Single vote*; Vote double - *Double vote*); Porteur - *Bearer*
Nombre de voix - *Number of voting rights*

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

Je vote **OUI** à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directoire ou la Gérance, à l'EXCEPTION de ceux que je signale en noircissant comme ceci ■ l'une des cases "Non" ou "Abstention". / *I vote **YES** all the draft resolutions approved by the Board of Directors, EXCEPT those indicated by a shaded box, like this ■, for which I vote No or Abstention.*

	1	2	3	4	5	6	7	8	9	10
Non / No	□	□	□	□	□	□	□	□	□	□
Abs.	□	□	□	□	□	□	□	□	□	□
	11	12	13	14	15	16	17	18	19	20
Non / No	□	□	□	□	□	□	□	□	□	□
Abs.	□	□	□	□	□	□	□	□	□	□
	21	22	23	24	25	26	27	28	29	30
Non / No	□	□	□	□	□	□	□	□	□	□
Abs.	□	□	□	□	□	□	□	□	□	□
	31	32	33	34	35	36	37	38	39	40
Non / No	□	□	□	□	□	□	□	□	□	□
Abs.	□	□	□	□	□	□	□	□	□	□
	41	42	43	44	45	46	47	48	49	50
Non / No	□	□	□	□	□	□	□	□	□	□
Abs.	□	□	□	□	□	□	□	□	□	□

Sur les projets de résolutions non agréés, je vote en noircissant la case correspondant à mon choix. *On the draft resolutions not approved, I cast my vote by shading the box of my choice.*

	A	B
Oui / Yes	□	□
Non / No	□	□
Abs.	□	□
	C	D
Oui / Yes	□	□
Non / No	□	□
Abs.	□	□
	E	F
Oui / Yes	□	□
Non / No	□	□
Abs.	□	□
	G	H
Oui / Yes	□	□
Non / No	□	□
Abs.	□	□
	J	K
Oui / Yes	□	□
Non / No	□	□
Abs.	□	□

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée, je vote **NON** sauf si je signale un autre choix en noircissant la case correspondante :
*In case amendments or new resolutions are proposed during the meeting, I vote **NO** unless I indicate another choice by shading the corresponding box:*
-Je donne pouvoir au Président de l'Assemblée générale. / *I appoint the Chairman of the General Meeting* □
- Je m'abstiens. / *I abstain from voting* □
- Je donne procuration [cf. au verso renvoi (4)] à M., Mme ou Mlle, Raison Sociale pour voter en mon nom / *I appoint [see reverse (4)] Mr, Mrs or Miss, Corporate Name to vote on my behalf* □

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

JE DONNE POUVOIR À : Cf. au verso (4) pour me représenter à l'Assemblée
I HEREBY APPOINT: *See reverse (4) to represent me at the above mentioned Meeting*
M. Mme ou Mlle, Raison Sociale / Mr, Mrs or Miss, Corporate Name
Adresse / Address

ATTENTION : Pour les titres au porteur, les présentes instructions doivent être transmises à votre banque.
***CAUTION**: As for bearer shares, the present instructions will be valid only if they are directly returned to your bank.*

Nom, prénom, adresse de l'actionnaire (les modifications de ces informations doivent être adressées à l'établissement concerné et ne peuvent être effectuées à l'aide de ce formulaire). **Cf. au verso (1)**
Surname, first name, address of the shareholder** (Change regarding this information have to be notified to relevant institution, no changes can be made using this proxy form). **See reverse (1)

Pour être pris en considération, tout formulaire doit parvenir au plus tard : vendredi 16 avril 2021 / *Friday, April 16th, 2021*
To be considered, this completed form must be returned no later than:
sur 1ère convocation / *on 1st notification*

à la banque / *to the bank*
Services Actionnaires de L'Oréal – BNP Paribas Securities
CTO, Service Assemblées, Grands Moulins de Pantin – 9 rue du Débarcadère – 93761 PANTIN Cedex

Date & Signature

« Si le formulaire est renvoyé daté et signé mais qu'aucun choix n'est coché (carte d'admission / vote par correspondance / pouvoir au président / pouvoir à mandataire), cela vaut automatiquement pouvoir au Président de l'Assemblée générale »
'If the form is returned dated and signed but no choice is checked (admission card / postal vote / power of attorney to the President / power of attorney to a representative), this automatically applies as a proxy to the Chairman of the General Meeting'

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.

(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, by reference to article R. 22-10-24 of the same 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.*

Article R. 225-79 of the French Commercial Code, by reference to article R. 22-10-24 of the same 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, April 16th, 2021 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, April 16th, 2021 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 April 16th, 2021 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, April 16th, 2021 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 **Friday, April 16th, 2021 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, in order **to promote shareholder dialogue**, shareholders will also have the opportunity to ask questions which are not assimilated to written questions, between **Friday April 16th, 2021 and Monday April 19th, 2021** at 3 p.m., 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.

Shareholders will also be able to ask their questions by telephone on 20 April 2021 during the Shareholders' General Meeting via a conference call number (non-taxable call):

- From France + 33 1 72 72 74 47
- From the UK + 44 203 00 92 480

It will be answered within the time allotted.

FOR ANY FURTHER INFORMATION, PLEASE DO NOT HESITATE TO:

CHECK OUR WEBSITE 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

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