L'ORÉAL

Convening notice

Ordinary and extraordinary General Meeting
On Thursday 21 April 2022 at 10.00 a.m.
Palais des Congrès
2 Place de la Porte Maillot, 75017 Paris

Warning

Given the exceptional context related to the Coronavirus (Covid-19) epidemic, L'Oréal may be required to modify the current specific procedures for holding the Annual General Meeting of 21 April 2022. Shareholders are invited to regularly consult the section dedicated to the General Meeting on **loreal-finance.com**, in order to have access to all the up-to-date information regarding the General Meeting and if so, to the final specific procedures regarding the General Meeting.

Shareholders may vote without physically attend the General Meeting either by correspondence, or via the Internet, or by giving proxy to the Chairman of the General Meeting or to any other natural or legal person. Shareholders of the company who wish to physically attend the General Meeting would have to comply with the health measures in force at the time of the General Meeting.

Shareholders have the possibility to send written questions provided they are sent no later than **Friday 15 April 2022** at midnight by registered letter with acknowledgment of receipt, including proof of shareholder status, and via the email address: **info-ag@loreal-finance.com**. In addition to the legal framework of written questions, shareholders will also have the opportunity to ask questions, which will not be considered as written questions within the meaning of regulation, from **Saturday 16 April 2022**, on the digital platform provided for the retransmission of the Annual General Meeting, available on **loreal-finance.com**. These questions will be organized in groups by main themes that have attracted the attention of the shareholders and will be answered, to the extent possible, during the General Meeting, within the time allotted. Please note that priority in the answers will be given to questions asked by shareholders physically present at the General Meeting.

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

Contents

Ordinary and extraordinary General Meeting of Thursday 21 April 2022

AGENDA

ORDINARY PART

1. Approval of the 2021 parent company financial statements
2. Approval of the 2021 consolidated financial statements
3. Allocation of the Company's net profit for 2021 and setting of the dividend
4. Renewal of the term of office of Mr Jean-Paul Agon as Director
5. Renewal of the term of office of Mr Patrice Caine as Director
6. Renewal of the term of office of Ms Belén Garijo as Director
7. Renewal of the appointment of Deloitte & Associés as Statutory Auditor
8. Appointment of Ernst & Young as Statutory Auditor
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 financial year 2021 or allocated for that year to Mr Jean-Paul Agon, in his capacity as Chairman and Chief Executive Officer (from 1 January 2021 to 30 April 2021)
11. Approval of the fixed and variable components of the total remuneration and benefits of any kind paid during financial year 2021 or allocated for that year to Mr Jean-Paul Agon, in his capacity as Chairman of the Board of Directors (from 1 May 2021 to 31 December 2021)
12. Approval of the fixed and variable components of the total remuneration and benefits of any kind paid during financial year 2021 or allocated for that year to Mr Nicolas Hieronimus, in his capacity as Chief Executive Officer (from 1 May 2021 to 31 December 2021)
13. Approval of the remuneration policy for Directors
14. Approval of the remuneration policy for the Chairman of the Board of Directors
15. Approval of the remuneration policy for the Chief Executive Officer
16. Approval of the repurchase agreement for L'Oréal's acquisition from Nestlé of 22,260,000 L'Oréal shares, representing 4% of the capital, as part of the procedure for related-party agreements
17. Authorisation for the Company to buy back its own shares

EXTRAORDINARY PART

18. Authorisation given to the Board of Directors to reduce the share capital by cancelling the shares acquired by the Company under article L. 22-10-62 of the French Commercial Code
19. Authorisation granted to the Board of Directors to carry out free grants of existing shares and/or shares to be issued with cancellation of shareholders' preferential subscription right to employees and executive officers
20. Delegation of authority to the Board of Directors for the purpose of carrying out a capital increase reserved for employees with cancellation of the shareholders' preferential subscription rights
21. Delegation of authority granted to the Board of Directors for the purpose of carrying out a capital increase reserved for categories of beneficiaries consisting of employees of foreign subsidiaries, with cancellation of preferential subscription rights, within the framework of an employee share ownership plan
22. Amendment of Article 9 of the Company's Articles of Association in order to change the age limit for holding the office of Chairman of the Board of Directors
23. Amendment of Article 11 of the Company's Articles of Association in order to specify the age limit for holding the position of Chief Executive Officer
24. Amendment of Articles 2 and 7 of the Company's Articles of Association in the context of legislative or regulatory changes (Order no. 2000-1223 of 14 December 2000 and Law no. 2019-486 of 22 May 2019)
25. Amendment of Article 8 of the Company's Articles of Association in order to remove the requirement for Directors to own five shares in the Company
26. 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.*

“I have immense confidence in L’Oréal’s future”

JEAN-PAUL AGON
Chairman of the Board of Directors of L’Oréal

Dear Shareholder,

I am pleased to invite you to the L’Oréal Annual General Meeting, to be held in Paris on Thursday 21 April 2022 at 10 a.m. in the Palais des Congrès. The event will be a unique opportunity for L’Oréal to exchange and to share information with you, dear Shareholder.

After the online meetings of the past two years, we will be delighted to see you again in person, should you choose to attend the event at the Palais des Congrès. This year’s AGM will of course be held in accordance with any public health protocols in effect on the day. As in 2021, L’Oréal will also broadcast a live video feed of the meeting on loreal-finance.com. Practical details are available in the “Annual General Meeting” section of the website. This year, for the first time, you will have an opportunity to submit your questions both before and during the event on the same site.

During the meeting, I will look back at the highlights of 2021, which was a milestone year for L’Oréal. The Group came through the crisis remarkably well and continued on its virtuous path. The exceptional financial performance achieved in 2021 enables us to pursue our dynamic shareholder return policy. L’Oréal has again made huge progress in sustainable development, gender equality and inclusion. This dual excellence – financial performance and environmental, social and societal exemplarity – forms the backbone of our strategy.

2021 was also a year of change with regards to governance and shareholder structure. In May, Nicolas Hieronimus became the 6th CEO in L’Oréal’s 112-year history. Another strategic milestone was the reinforcement of shareholder stability around the Bettencourt Meyers founding family and Nestlé. The agreement, approved by the Board, for the repurchase by L’Oréal of 4% of its capital held by Nestlé, is in the interest of L’Oréal and all its shareholders.

I have immense confidence in L’Oréal’s future. Driven by the vision, talent and commitment of Nicolas Hieronimus and all our teams, a new phase of the L’Oréal Adventure is beginning. And it promises to be remarkable.

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

On behalf of the Board of Directors, thank you for your support. I look forward to seeing you on Thursday 21 April.

With warmest regards,

JEAN-PAUL AGON
Chairman of the Board of Directors

1. BRIEF PRESENTATION OF THE L'ORÉAL GROUP IN 2021 AND KEY FIGURES

KEY FIGURES 2021

2021 SALES

€32.28 billion

(**+15.3%** based on reported figures, **+16.1%** like-for-like[1])

OPERATING PROFIT

€6.16 billion

(**19.1%** of the sales)

NET EARNINGS PER SHARE[2]

€8.82

(on increase **+20.9%**)

OPERATING CASH-FLOW[3]

€5.65 billion

(on increase **+3.1%**)

DIVIDEND PER SHARE[4]

€4.80

(on increase **+20%**)

85,412
employees

Recognised for the 12th time as one of the world's most ethical companies by the **Ethisphere Institute**

Recognised for the 5th time by the **Bloomberg Gender-Equality Index** acknowledging the most advanced companies in the area of gender parity

985,089
people benefited from the brands' social commitment programmes.

€232.5 billion
Market capitalisation at 31/12/2021

€1,029 million
Research and innovation budget

517
patents

No.1 in beauty

150+ countries
International presence

113 years
Created in 1909

100
Group sites achieved carbon neutrality

-35%*
CO_2 emissions (plants and distribution centres)

-5%*
Water consumption (plants and distribution centres)

96%
of the Group's products are eco-designed

(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 21 April 2022.
** Versus 2019, see Chapter 4 of the 2021 Universal Registration Document.*

NORTH AMERICA

€8,155.9 M
SALES

25.3% share of Group sales

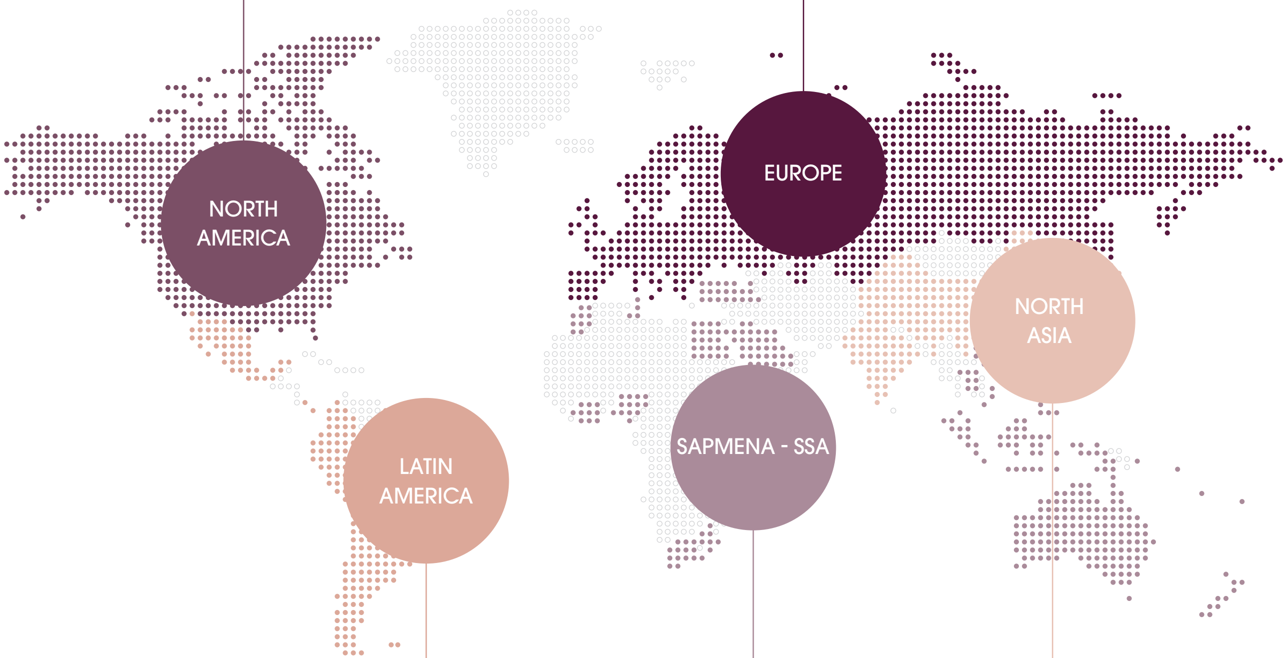
+22.2% sales growth in 2021(1)

EUROPE

€10,184.8 M
SALES

31.5% share of Group sales

+10.1% sales growth in 2021(1)



LATIN AMERICA

€1,771.5 M
SALES

5.5% share of Group sales

+20.6% sales growth in 2021(1)

SAPMENA - SSA

€2,312.0 M
SALES

7.2% share of Group sales

+13.9% sales growth in 2021(1)

NORTH ASIA

€9,863.3 M
SALES

30.5% share of Group sales

+17.6% sales growth in 2021(1)

€32.28 billion
TOTAL SALES

+16.1% sales growth in 2021(1)

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

COMMENTS

"2021 was a historic year for L'Oréal. Thanks to the expertise, passion and commitment of our 85,400 L'Oréalians around the world, the Group achieved record growth of +16.1%[1], twice that of the worldwide beauty market. L'Oréal gained market share in all Zones, Divisions and categories. Over two years, the Group achieved growth of +11.3% like-for-like, spectacularly outperforming a market that had returned almost to 2019 levels.

In 2021, all stars aligned for this historic performance.

In terms of Zones, North America made a strong comeback and joined North Asia as the primary growth contributor. In Europe, boosted by the Zone's reorganisation, L'Oréal achieved significant market share gains and saw a return to 2019 levels. With an extremely volatile public health situation in SAPMENA-SSA[2] and Latin America,L'Oréal demonstrated agility and delivered solid performance.

L'Oréal Luxe became the Group's largest Division, with remarkable success in fragrances, while the Consumer Products Division, the largest Division by volume, strengthened its position, with noteworthy performance in makeup. The fast-growing Professional Products Division continued its far-reaching transformation and became truly omnichannel. With a portfolio of brands that perfectly matches consumers' health aspirations, Active Cosmetics also achieved spectacular growth, doubling in four years.

In 2021, we again extended our digital lead: e-commerce[3] grew by +25.7%[1], accounting for 28.9% of sales. We have been able to seize the opportunities offered by new digital channels. At the same time, we are continuing to digitalise points of sale aspart of an integrated omnichannel strategy.

We are also pursuing our Beauty Tech transformation by investing in data and artificial intelligence, and by establishing strategic partnerships such as our alliance with Verily, to better understand and characterise skin and hair aging mechanisms.

L'Oréal's exceptional growth, driven by superior innovations, as well as rigorous cost control, has enabled us to invest extensively in our brands and increase their appeal, while at the same time delivering record operating profit and an operating margin up 50 basis points.

We are also proud of our social and environmental performance, which reflects our ambition to grow responsibly and share value with all our stakeholders. First of all, with our employees, whom we associate with these exceptional results through a record redistribution of profit-sharing schemes. Furthermore, to promote youth employment, last year we offered more than 18,300 job opportunities to young people under 30 as part of our new global "L'Oréal For Youth" programme, which has an ambitious target of 25,000 opportunities per year from 2022 to 2025. Our efforts to support gender parity were also recognised by the Bloomberg Gender-Equality Index. In addition, L'Oréal USA, our largest subsidiary, achieved carbon neutrality for all its sites in 2021, some four years ahead of our L'Oréal for the Future commitments. L'Oréal is the only company in the world to have been awarded an AAA score by CDP six years in a row, for environmental leadership in tackling climate change, protecting forests and ensuring water security.

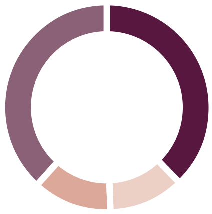
The end of the year was marked by the strategic transaction consisting of the buyback by L'Oréal of 4% of its own shares held by Nestlé, which strengthens our shareholder structure, a key asset in the Group's long- term success.

In a global context that remains volatile at the beginning of the year, we are confident in our ability to outperform the market in 2022 and achieve another year of growth in both sales and profits."

(1) *Like-for-like: based on a comparable structure and identical exchange rates.*
(2) *SAPMENA – SSA: South Asia Pacific, Middle East, North Africa, Sub-Saharan Africa.*
(3) *Sales achieved on our brands' own websites and with e-commerce pure players + estimated sales achieved by our brands corresponding to sales through our retailers' websites (non-audited data). Like-for-like.*

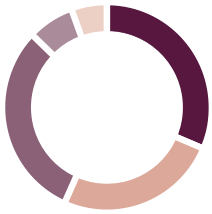
2021 SALES

By operational division



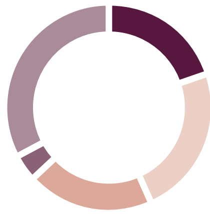
Consumer Products **37.9%**
Professional Products **11.7%**
L'Oréal Luxe **38.2%**
Active Cosmetics **12.2%**

By geographic zone



Europe **31.5%**
SAPMENA - SSA **7.2%**
North America **25.3%**
Latin America **5.5%**
North Asia **30.5%**

By currency



Euro **19.6%**
Dollar **23.4%**
Chinese yuan **19.6%**
Pound **4.2%**
Other currencies **33.2%**
Of which:
Canadian dollar **2.4%**
Russian rouble **2.0%**
Brazilian real **1.8%**
Japanese yen **1.4%**
Mexican peso **1.3%**
Other **24.3%**

2021 SALES

Like-for-like, *i.e.* based on a comparable structure and identical exchange rates, the sales growth of the L'Oréal group was +16.1%.

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

Growth at constant exchange rates came out at 16.9%.

At the end of 2021,**currency fluctuations** had a negative impact of -1.6%.

Based on reported figures, the Group's sales, at 31 December 2021, amounted to 32.28 billion euros, an increase of +15.3%.

SALES BY OPERATIONAL DIVISION AND BY GEOGRAPHIC ZONE

€ millions	2019	2020	2021	% 2021 sales	2020/2021 progression Like-for-like	2020/2021 progression Reported figures
By Division						
Professional Products	3,441.9	3,097.3	3,783.9	11.7%	+24.8%	+22.2%
Consumer Products	12,748.2	11,703.8	12,233.5	37.9%	+5.6%	+4.5%
L'Oréal Luxe	11,019.8	10,179.9	12,346.2	38.2%	+20.9%	+21.3%
Active Cosmetics	2,663.7	3,011.1	3,924.0	12.2%	+31.8%	+30.3%
Group total	**29,873.6**	**27,992.1**	**32,287.6**	**100%**	**+16.1%**	**+15.3%**
By geographic Zone						
Europe	10,186.8	9,199.3	10,184.8	31.5%	+10.1%	+10.7%
North America	7,567.0	6,903.4	8,155.9	25.3%	+22.2%	+18.1%
North Asia	7,908.2	8,318.1	9,863.3	30.5%	+17.6%	+18.6%
SAPMENA – SSA(1)	2,438.5	2,101.9	2,312.0	7.2%	+13.9%	+10.0%
Latin America	1,773.1	1,469.3	1,771.5	5.5%	+20.6%	+20.6%
GROUP TOTAL	**29,873.6**	**27,992.1**	**32,287.6**	**100%**	**+16.1%**	**+15.3%**

(1) SAPMENA – SSA: South Asia Pacific, Middle East, North Africa, Sub-Saharan Africa.

Summary by Division

Professional products

The Professional Products Division ended the year with strong growth: +24.8% like-for-like and +22.2% based on reported figures.

Consumer products

The Consumer Products Division grew by +5.6% like-for-like and +4.5% reported, with +6.5% like-for-like growth in the fourth quarter.

L'Oréal Luxe

L'Oréal Luxe recorded strong growth at +20.9% like-for-like and +21.3% reported, in a global luxury beauty market that confirmed its recovery and saw a return close to pre-Covid levels.

Active cosmetics

The Active Cosmetics Division ended the year with exceptional growth at +31.8% like-for-like and +30.3% reported

Summary by geographic Zone

Europe

The Zone ended the year up +10.1% like-for-like and +10.7% reported, and is almost back to its 2019 level like-for-like.

North America

The Zone ended the year at +22.2% like-for-like and +18.1% based on reported figures.

North Asia

The Zone ended the year at +17.6% like-for-like and +18.6% reported.

SAPMENA – SSA[1]

The Zone grew by +13.9% like-for-like and +10.0% based on reported figures.

Latin America

In 2021, the Zone posted strong growth: +20.6% like-for-like and +20.6% reported.

2021 RESULTS

Operating profitability and consolidated income statement

	2019		2020		2021	
	€ millions	% 2019 sales	€ millions	% 2020 sales	€ millions	% 2021 sales
Sales	**29,873.6**	**100.0%**	**27,992.1**	**100%**	**32,287.6**	**100.0%**
Cost of sales	-8,064.7	27.0%	-7,532.3	26.9%	-8,433.3	26.1%
Gross profit	**21,808.9**	**73.0%**	**20,459.8**	**73.1%**	**23,854.3**	**73.9%**
R&I expenses	-985.3	3.3%	-964.4	3.4%	-1,028.7	3.2%
Advertising and promotion expenses	-9,207.8	30.8%	-8,647.9	30.9%	-10,591.0	32.8%
Selling, general and administrative expenses	-6,068.3	20.3%	-5,638.5	20.1%	-6,074.2	18.8%
OPERATING PROFIT	**5,547.5**	**18.6%**	**5,209.0**	**18.6%**	**6,160.3**	**19.1%**

Gross profit, at 23,854 million euros, came out at 73.9% of sales, compared with 73.1% in 2020, an improvement of 80 basis points.

Research & Innovation expenses, at 3.2% of sales, exceed one billion euros.

Advertising and promotion expenses increased by 190 basis points, at 32.8% of sales.

Selling, general and administrative expenses, at 18.8% of sales, decreased by 130 basis points.

Overall, **operating profit** increased by 18.3% to 6,160 million euros, and amounted to 19.1% of sales, an improvement of 50 basis points.

(1) SAPMENA – SSA : South Asia Pacific, Middle East, North Africa, Sub-Saharan Africa.

Operating profit, by Operational Division

	2019		2020		2021	
	€ millions	% 2019 sales	€ millions	% 2020 sales	€ millions	% 2021 sales
Professional Products	691	20.1%	582	18.8%	807	21.3%
Consumer Products	2,575	20.2%	2,388	20.4%	2,466	20.2%
L'Oréal Luxe	2,494	22.6%	2,276	22.4%	2,816	22.8%
Active Cosmetics	621	23.3%	766	25.4%	991	25.2%
DIVISIONS TOTAL	**6,381**	**21.4%**	**6,012**	**21.5%**	**7,080**	**21.9%**
Non-allocated[1]	833	-2.8%	-803	-2.9%	-920	-2.8%
GROUP	**5,548**	**18.6%**	**5,209**	**18.6%**	**6,160**	**19.1%**

(1) Non-allocated = CentralGroup expenses, fundamental research expenses, free grant of shares expensesand miscellaneous items.

The profitability of the **Professional Products Division** came out at 21.3% in 2021, an improvement of 250 basis points.

The profitability of the **Consumer Products Division,** at 20.2%, decreased by 20 basis points. The profitability of **L'Oréal Luxe** improved by 40 basis points, at 22.8%.

The profitability of the **Active Cosmetics Division** came out at 25.2%, a decrease of 20 basis points.

Non-allocated expenses amounted to 919.4 million euros.

Net profit

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

€ millions	2019	2020	2021	Evolution
Operating profit	**5,547.5**	**5,209.0**	**6,160.3**	**+18.3%**
Financial revenues and expenses excluding Sanofi dividends	-62.7	-95.9	-59.6	
Sanofi dividends	363.0	372.4	378.3	
Profit before tax excluding non-recurring items	**5,847.9**	**5,485.5**	**6,478.9**	**+18.1%**
Income tax excluding non-recurring items	-1,486.7	-1,383.1	-1,535.6	
Net profit excluding non-recurring items of equity consolidated companies	+1.0	+0.9	+0.6	
Non-controlling interests	5.4	-4.2	-5.5	
Net profit excluding non-recurring items after non-controlling interests	**4,356.9**	**4,099.0**	**4,938.5**	**+20.5%**
EPS[1] *(€)*	7.74	7.30	**8.82**	+20.9%
NET PROFIT AFTER NON-CONTROLLING INTERESTS	**3,750.0**	**3,563.4**	**4,597.1**	**+29.0%**
Diluted EPS after non-controlling interests *(€)*	6.66	6.34	8.21	
Diluted average number of shares	562,813,129	561,635,963	**559,791,545**	

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

Net finance costs amounted to 59 million euros.

Sanofi dividends amounted to 378 million euros.

Income tax excluding non-recurrent items amounted to 1,535 million euros, representing a tax rate of 23.7%.

Net profit excluding non-recurring items after non-controlling interests amounted to 4,938 million euros.

Earnings per share[1], at 8.82 euros, increased by 20.9%.

Non-recurring items after non-controlling interests[2] amounted to 341.4 million euros net of tax.

Net profit after non-controlling interests came out at 4,597 million euros, increasing by 29.0%.

(1) Diluted earnings per share, based on net profit, excluding non-recurring items, after non-controlling interests.
(2) Non-recurring items include impairment of assets, net profit of discontinued operations, restructuring costs and tax effects of non- recurring items.

Cash flow statement, Balance sheet and Cash position

Gross cash flow amounted to 6,640 million euros, an increase of 16%.

The **working capital requirement** decreased by 88 million euros.

At 1,075 million euros, **investments** represented 3.3% of sales.

Net cash flow[1] at 5,653 million euros, increased by 3.1%.

The **balance sheet** remains solid, with shareholders' equity amounting to 23.6 billion euros. On 7 December 2021, L'Oréal repurchased from Nestlé 22,260,000 of its own shares. At the end of December 2021, the net debt of the Group amounted to 3,586 million euros, including 1,670 million euros of finance lease liabilities.

Proposed dividend at the Annual General Meeting of 21 April 2022

The Board of Directors has decided to propose to the shareholders' Annual General Meeting of 21 April 2022 a dividend of 4.80 euros per share, an increase of +20.0% compared with the dividend paid in 2021. The dividend will be paid on 29 April 2022 (ex-dividend date 27 April at 0:00 a.m., Paris time).

Share capital

At 31 December 2021, the capital of the company was formed by 557,672,360 shares. As of 10 February 2022, the capital is formed by 535,412,372 shares, each with one voting right.

(1) Net cash flow = Gross cash flow + changes in working capital - capital expenditure.

2. SIGNIFICANT EVENTS THAT HAVE OCCURRED SINCE THE BEGINNING OF FINANCIAL YEAR 2022

- On 3 January 2022, at CES 2022, L'Oréal unveiled its latest Beauty Tech innovations to reinvent the entire hair-colouring category. Colorsonic and Coloright are user-design breakthroughs set to transform the at-home and in-salon experience for consumers and professionals.
- On 20 January 2022, L'Oréal and Verily, an Alphabet precision health company, announced an exclusive beauty partnership to advance skin health. The first-of-its kind partnership in the beauty industry is expected to entail two programmes aimed at better understanding and characterising skin and hair aging mechanisms. It will also inform L'Oréal's precision Beauty Tech strategy and product development.
- On 26 January 2022, L'Oréal was recognised by Bloomberg Gender-Equality Index 2022 for the 5th consecutive year, for having successfully created an inclusive and equal work environment. This reference index measures gender equality across five pillars: female leadership & talent pipeline, equal pay & gender pay parity, inclusive culture, anti-sexual harassment policies, as well as pro-women brand.
- On 9 February 2022, the Board of Directors of L'Oréal cancelled the 22,260,000 L'Oréal shares repurchased from Nestlé, in accordance with the Board's decisions on 7 December 2021, effective as of 10 February 2022. As of 10 February 2022, L'Oréal's capital is formed by 535,412,372 shares with equivalent voting rights.
- On 9 March 2022, the Group strongly condemned the invasion of Ukraine by Russia and announced its decision to temporarily close all its own stores and directly operated counters in department stores, its own brand e-commerce sites, and to suspend all industrial and national media investments in Russia. The Group's presence in these two countries is limited. In 2021, the Group's sales in Ukraine and Russia amounted to 0.4% and 2% of Group sales respectively. In addition, the net book value of our industrial assets is less than €40 million as of 31 December 2021.
- On 11 March 2022, L'Oréal has received a Long-Term Issuer Credit ratings of AA from Standard and Poor's and an Issuer Rating of Aa1 from Moody's. The outlooks assigned to the ratings by both agencies are "Stable".

2022 Outlook

In a global context that remains volatile at the beginning of the year, we are confident in our ability to outperform the market in 2022 and achieve another year of growth in both sales and profits.

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 2021, with the Chairman and the Chief Executive Officer, there are therefore five Directors from L'Oréal's major shareholders, seven 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.

Mr Jean-Paul Agon

Mr Nicolas Hieronimus

Ms Françoise Bettencourt Meyers

Mr Paul Bulcke

Ms Ana Sofia Amaral

Ms Sophie Bellon

Mr Patrice Caine

Ms Fabienne Dulac

Ms Belén Garijo

Ms Béatrice Guillaume-Grabisch

Ms Ilham Kadri

Mr Georges Liarokapis

Mr Jean-Victor Meyers

Mr Nicolas Meyers

Ms Virginie Morgon

Mr Alexandre Ricard

COMPOSITION OF THE BOARD AT 31 DECEMBER 2021

	At 31 December 2021		Age	Female/Male	Nationality	No. of offices in listed companies*	Independence	Initial date of appointment	Expiry date of term of office (AGM)	Years of service on the Board	Board Committees: Strategy and Sustainability	Board Committees: Audit	Board Committees: HR and Remuneration	Board Committees: Nominations and Governance
Chairman	Mr Jean-Paul Agon		65	M	French	1		25/04/2006	2022	15	C			
Chief Executive Officer	Mr Nicolas Hieronimus		57	M	French			20/04/2021	2025	< 1				
Françoise Bettencourt Meyers and her family	Ms Françoise Bettencourt Meyers Vice-Chairwoman		68	F	French			12/06/1997	2025	24	●		●	●
	Mr Jean-Victor Meyers		35	M	French			13/02/2012	2024	9	●			
	Mr Nicolas Meyers		33	M	French			30/06/2020	2024	1		●		
Directors linked to Nestlé	Mr Paul Bulcke** Vice-Chairman		67	M	Belgian Swiss	2		20/04/2017	2025	4	●		●	●
	Ms Béatrice Guillaume-Grabisch		57	F	French			20/04/2016	2024	5		●		
Independent directors	Ms Sophie Bellon		60	F	French	1	♦	22/04/2015	2023	6		●	C	C
	Mr Patrice Caine		51	M	French	1	♦	17/04/2018	2022	3	●			●
	Ms Fabienne Dulac		54	F	French	1	♦	18/04/2019	2023	2		●	●	
	Ms Belén Garijo		61	F	Spanish	2	♦	17/04/2014	2022	7			●	
	Ms Ilham Kadri		53	F	French Moroccan	2	♦	30/06/2020	2024	1				
	Ms Virginie Morgon		52	F	French	2	♦	26/04/2013	2025	8		C		
	Mr Alexandre Ricard		49	M	French	1	♦	20/04/2021	2025	< 1				
Director representing employees	Ms Ana Sofia Amaral		56	F	Portuguese			15/07/2014	2022	7			●	
	Mr Georges Liarokapis		59	M	French Greek			15/07/2014	2022	7		●		

55.3
average age of directors

50%
independent directors***

50%
female directors***

50%
male directors***

♦ *Independence within the meaning of the criteria of the AFEP-MEDEF Code as assessed by the Board of Directors*
● *Member of the Committee* **C** *Chairman of the Committee*

* *Number of offices (excluding L'Oréal) held in listed companies, including foreign companies, in accordance with the provisions of Article 19 of the AFEP-MEDEF Code (i.e. excluding offices in subsidiaries and shareholdings, held alone or in concert, by an executive officer of companies whose main activity is to acquire and manage such holdings).*

** *Paul Bulcke was a Director of L'Oréal from 2012 to June 2014 and then again since 2017.*

*** *Excluding directors representing employees.*

ACTIVITIES OF THE BOARD AND ITS COMMITTEES IN 2021

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 2021, 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 2021 Universal Registration Document).

BOARD OF DIRECTORS

8 meetings in 2021

95% attendance rate

MAIN WORK IN 2021

- **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;
  - 2021 Annual General Meeting: monitoring the requirements for holding the meeting behind closed doors;
  - New governance structure from 1 May 2021: separation of the offices of Chairman and Chief Executive Officer;
  - Evaluation of the modus operandi of the Board; and executive sessions.
- **Strategic transaction approved by the Board of Directors:** buyback by L'Oréal of 4% of its own shares held by Nestlé.
- **Remuneration policy for executive corporate officers and Human Resources**: definition of the remuneration policy applicable to the Chairman of the Board and the Chief Executive Officer; determination of the annual variable remuneration of Mr Jean-Paul Agon for 2020; 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 third 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.
- **Strategic issues in 2021**: presentation of L'Oréal's CSR policy for 2030; presentation of the Ethics policy and update on its roll-out within the Group; analysis of digital transformation and strategic challenges for L'Oréal; update on acquisitions conducted over the last 10 years; presentation on the activities of the Values Committee.
- **Strategic seminar held in June 2021**: "e-visit" to three countries (China, India, United States) and the Sub-Saharan Africa zone. Continued reflection on beauty in 2030 and post-Covid beauty.

STRATEGY AND SUSTAINABILITY COMMITTEE	AUDIT COMMITTEE	NOMINATIONS AND GOVERNANCE COMMITTEE	HUMAN RESOURCES AND REMUNERATION COMMITTEE
5 meetings – 100% attendance rate	*4 meetings – 93% attendance rate*	*4 meetings – 100% attendance rate*	*4 meetings – 96% attendance rate*
2021 MAIN ACTIVITIES	**2021 MAIN ACTIVITIES**	**2021 MAIN ACTIVITIES**	**2021 MAIN ACTIVITIES**
• Analysis of sales, update on business activities, regular report on the consequences of the Covid-19 health crisis; • 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 the latest sustainable development initiatives; • Review of the main acquisition projects, and review of recent acquisitions; • Review of the proposed credit line subject to ESG criteria; • Update on the brands.	• 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 transition plan following the expiry of the Statutory Auditors' terms of office at the 2022 Annual General Meeting; • Data privacy: assessment of measures deployed; • Taxation: impact of the new international taxation system.	• Monitoring of implementation of General Management procedures from 1 May 2021: separation of the offices of Chairman and Chief Executive Officer; • Reflection on the composition of the Board and its Committees; • Review of succession and emergency plans; • Diversity policy applied to the Board of Directors: objectives and 2021 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; • Implementation of the procedure for regular evaluation of current agreements concluded under normal terms. • Review of the Committees' CSR obligations; • Presentation on the Values Committee.	• Analysis of the performance of the Chairman and Chief Executive Officer in 2020; • Recommendations on the 2021 remuneration policies, proposals concerning the variable remuneration structure and setting of objectives for 2021; • Recommendations on the 2022 remuneration policies for the Chairman of the Board and the 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 2017 Plan, preparation of the 2021 Plan, review of the draft resolution on performance shares for 2022); • Diversity: policy developed and results obtained; • Distribution of directors' remuneration; • Review of the Group's remuneration policy; • Project to launch the third global employee shareholding plan.

4. DRAFT RESOLUTIONS AND REPORT OF THE BOARD OF DIRECTORS

AGENDA

Ordinary part

1. Approval of the 2021 parent company financial statements
2. Approval of the 2021 consolidated financial statements
3. Allocation of the Company's net profit for 2021 and setting of the dividend
4. Renewal of the term of office of Mr Jean-Paul Agon as Director
5. Renewal of the term of office of Mr Patrice Caine as Director
6. Renewal of the term of office of Ms Belén Garijo as Director
7. Renewal of the appointment of Deloitte & Associés as Statutory Auditor
8. Appointment of Ernst & Young as Statutory Auditor
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 financial year 2021 or allocated for that year to Mr Jean-Paul Agon, in his capacity as Chairman and Chief Executive Officer (from 1 January 2021 to 30 April 2021)
11. Approval of the fixed and variable components of the total remuneration and benefits of any kind paid during financial year 2021 or allocated for that year to Mr Jean-Paul Agon, in his capacity as Chairman of the Board of Directors (from 1 May 2021 to 31 December 2021)
12. Approval of the fixed and variable components of the total remuneration and benefits of any kind paid during financial year 2021 or allocated for that year to Mr Nicolas Hieronimus, in his capacity as Chief Executive Officer (from 1 May 2021 to 31 December 2021)
13. Approval of the remuneration policy for Directors
14. Approval of the remuneration policy for the Chairman of the Board of Directors
15. Approval of the remuneration policy for the Chief Executive Officer
16. Approval of the repurchase agreement for L'Oréal's acquisition from Nestlé of 22,260,000 L'Oréal shares, representing 4% of the capital, as part of the procedure for related-party agreements
17. Authorisation for the Company to buy back its own shares

Extraordinary part

18. Authorisation given to the Board of Directors to reduce the share capital by cancelling the shares acquired by the Company under article L. 22-10-62 of the French Commercial Code
19. Authorisation granted to the Board of Directors to carry out free grants of existing shares and/or shares to be issued with cancellation of shareholders' preferential subscription right to employees and executive officers
20. Delegation of authority to the Board of Directors for the purpose of carrying out a capital increase reserved for employees with cancellation of the shareholders' preferential subscription rights
21. Delegation of authority granted to the Board of Directors for the purpose of carrying out a capital increase reserved for categories of beneficiaries consisting of employees of foreign subsidiaries, with cancellation of preferential subscription rights, within the framework of an employee share ownership plan
22. Amendment of Article 9 of the Company's Articles of Association in order to change the age limit for holding the office of Chairman of the Board of Directors
23. Amendment of Article 11 of the Company's Articles of Association in order to specify the age limit for holding the position of Chief Executive Officer
24. Amendment of Articles 2 and 7 of the Company's Articles of Association in the context of legislative or regulatory changes (Order no. 2000-1223 of 14 December 2000 and Law no. 2019-486 of 22 May 2019)
25. Amendment of Article 8 of the Company's Articles of Association in order to remove the requirement for Directors to own five shares in the Company
26. Powers for formalities

Ordinary part

RESOLUTIONS 1, 2 AND 3: APPROVAL OF THE ANNUAL (PARENT COMPANY AND CONSOLIDATED) FINANCIAL STATEMENTS FOR 2021, 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 2021, with an income statement showing net income of €3,860,498,991.57 compared with €4,158,826,992.71 for 2020; and
- the 2021 consolidated financial statements.

  The details of these financial statements are set out in the 2021 Annual Financial Report and the main data included in the package containing the convening notice to the Annual General Meeting.

The Board of Directors proposes to the Annual General Meeting:

- an ordinary dividend of €4.80 per share, representing an increase of 20% 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 54.4% in 2021. Over the last five financial years, this rate was:

Year	2016	2017	2018	2019	2020
Rate of distribution	51.1%	53.4%	54.4%	49.7%	54.8%

- a preferential dividend per share of €5.28, corresponding to a 10% increase over the ordinary dividend.

  The preferential dividend will be granted to the shares held in registered form since 31 December 2019 at the latest, and which have continuously remained in registered form until the dividend payment date in 2022. 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 2022 at midnight, Paris time, and they will be paid on 29 April 2022.

The amount of the ordinary dividend and the preferential dividend is eligible for the tax deduction provided for in Article 158, 3.2° of the French General Tax Code, which is applicable in the event that an individual beneficiary opts to tax his or her income from movable assets on the progressive scale of income tax.

First resolution: approval of the 2021 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 2021 parent company financial statements, as presented, and the transactions reported in these financial statements and summarised in these Reports, showing net income of €3,860,498,991.57, versus €4,158,826,992.71 for 2020.

Second resolution: approval of the 2021 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 2021 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 2021 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 2021 financial year, amounting to €3,860,498,991.57 as follows:

No allocation to the legal reserve which already represents over one-tenth of the share capital	-
Amount allocated to shareholders as dividend* (including preferential dividend)	**€2,596,707,105.60**
Balance that will be allocated to the "Other reserves" item	**€1,263,791,885.97**

* *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 10 February 2022 and will be adjusted to reflect:

- the number of shares issued between 10 February 2022 and the date of payment of this dividend following the full vesting of new free shares granted and giving rights to said dividend; and
- the final number of shares eligible for the preferential dividend, taking into account sales or transfers to a bearer account between 10 February 2022 and the date of payment of the dividend.

The Annual General Meeting therefore sets the ordinary dividend at €4.80 per share and the preferential dividend at €5.28 per share. The preferential dividend will be granted to the shares held in registered form since 31 December 2019 at the latest, and which have continuously remained 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 2022 at midnight (Paris time) and they will be paid on 29 April 2022.

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:

	2018	2019	2020
Ordinary dividend per share	€3.85	€3.85	€4
Preferential dividend per share	€0.38	€0.38	€0.40

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RESOLUTIONS 4, 5 AND 6: OFFICES OF DIRECTORS

EXPLANATORY STATEMENT

1. Composition of L'Oréal's Board of Directors at 31 December 2021

The Directors of L'Oréal come from different backgrounds. They complement one another due to their different professional experience, skills and 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 of Directors' deliberations in the context of the decisions it is called on to make.

The Directors are attentive and vigilant and carry out their duties with complete freedom of judgement. This freedom of judgement enables them in particular to participate, in complete independence, in the decisions or work of the Board of Directors and its Committees.

Jean-Paul Agon, 65, 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. Since 1 May 2021, Jean-Paul Agon has been the Chairman of the Board of Directors without assuming the functions of Chief Executive Officer. 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.

Nicolas Hieronimus, 57, joined the L'Oréal Group in 1987. Nicolas Hieronimus was appointed Marketing Director for Laboratoires Garnier in 1993. After an international career as Director of the Garnier Maybelline Division in the United Kingdom, General Manager in France, then International General Manager of L'Oréal Paris and General Manager of L'Oréal Mexico, Nicolas Hieronimus was appointed as the General Manager 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 became the General Manager of Selective Divisions (Luxury, Active Cosmetics, Professional Products). He was appointed Deputy CEO in charge of Divisions in May 2017. Nicolas Hieronimus was appointed Chief Executive Officer of L'Oréal on 1 May 2021. He has been a Director of L'Oréal since April 2021.

Françoise Bettencourt Meyers, 68, 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, 67, of Belgian and Swiss nationality, after pursuing an international career at the highest level within the Nestlé group, holding various positions in Europe and Latin America, was in 2004 appointed Executive Vice President and Zone Director for zone Americas of Nestlé S.A., before becoming Chief Executive Officer of Nestlé S.A. from 2008 to 2016. Paul Bulcke has served as the Chairman of the Board of Directors of Nestlé since 2017. 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 Ltd (Switzerland).

Ana Sofia Amaral, 56, 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 tenure was renewed for a period of four years in 2018. She is a member of the Human Resources and Remuneration Committee.

Sophie Bellon, 60, is Chairwoman of the Board of Directors and Chief Executive Officer of Sodexo. After a career in finance in the United States, she joined Sodexo in 1994, where she held various positions, including Chief Executive Officer of the Corporate Services business unit of Sodexo France and as Research, Development and Innovation strategy Manager of Sodexo. Sophie Bellon has been a Director of L'Oréal since 2015. She is the Chairwoman of the Nominations and Governance Committee and of the Human Resources and Remuneration Committee, and a member of the Audit Committee.

Patrice Caine, 51, 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, Communication, 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 2018 and is a member of the Strategy and Sustainability Committee and the Nominations and Governance Committee.

Fabienne Dulac, 54, 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, communication and digital. She joined the Executive Committee of the Orange group in 2015 as Chief Executive Officer of Orange France. She is also a Director of 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, 61, of Spanish nationality, has served as Chairwoman of the Management Board and Chief Executive Officer of the Merck group since 1 May 2021. Belén Garijo previously served as Chairwoman and Chief Executive Officer of Merck Healthcare, an entity encompassing all the pharmaceutical activities of the Merck group. 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, 57, has been Executive Vice President and Global Head of Human Resources & Business Services of the Nestlé group, which she joined in 2013. She was formerly Chief Executive Officer of Nestlé Germany after a career in various consumer goods groups (Colgate-Palmolive, Beiersdorf, Johnson & Johnson, L'Oréal, Coca-Cola). Béatrice Guillaume-Grabisch has been a Director of L'Oréal since 2016 and is a member of the Audit Committee.

Ilham Kadri, 53, of French and Moroccan nationality, has served as Chairwoman of the Executive Committee and CEO of Solvay, which she joined in March 2019. She was CEO and Chairwoman of the American company Diversey since 2013. Ilham Kadri has international experience acquired in leading industrial companies (Shell, UCB, Dow, Sealed Air, etc.) where she performed roles in research & development, sales, marketing, strategy, business management and digital technology. She is also a Director of A.O. Smith Corporation. Ilham Kadri has been a Director of L'Oréal since June 2020.

Georges Liarokapis, 59, of French and Greek nationality, is Coordinator of Corporate Sustainable Responsibility for L'Oréal Europe. Georges Liarokapis was appointed by the CFE-CGC union as a Director representing the employees in 2014, his term of office was then renewed for a period of four years in 2018. He is a member of the Audit Committee.

Jean-Victor Meyers, 35, has been a member of the Supervisory Board of the family holding company Téthys since January 2011 and is a member of the Supervisory Board of the investment subsidiary Téthys Invest. Jean-Victor Meyers has been a Director of L'Oréal since 2012 and is a member of the Strategy and Sustainability Committee.

Nicolas Meyers, 33, has been a member of the Supervisory Board of the family holding company Téthys since 2011 and a member of the Supervisory Board of the investment subsidiary 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 and Member of the Audit Committee.

Virginie Morgon, 52, is Chairwoman of the Management Board of Eurazeo, which she joined in 2008 after working for sixteen years at Lazard, as well as Chairwoman of Eurazeo North America Inc. (USA). She is also Co-Chair of the Paris Committee of the Human Rights Watch and Chairwoman of the Board of Directors of the Eurazeo endowment fund. Virginie Morgon has been a Director of L'Oréal since 2013 and is the Chairwoman of the Audit Committee.

Alexandre Ricard, 49, has served as Chairman and Chief Executive Officer of Pernod Ricard since February 2015. He joined Pernod Ricard in 2003 after seven years as a strategy consultant at Accenture and as an M&A consultant at Morgan Stanley. In 2004, he was appointed Director of Finance and Administration of Irish Distillers, and then appointed Chief Executive Officer of Pernod Ricard Asia Duty Free in 2006. In 2008, 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. Alexandre Ricard has been a Director of L'Oréal since April 2021.

2. Resolutions submitted for approval to the Annual General Meeting of 21 April 2022

The renewal of the term of office of three Directors is subject to the vote of the Annual General Meeting: Mr Jean-Paul Agon, Mr Patrice Caine and Ms Belén Garijo.

Renewal of the term of office of Mr Jean-Paul Agon as Director

As the term of office of Mr Jean-Paul Agon as Director expires in 2022, the renewal of his term for four years is submitted to the Annual General Meeting.

Mr Jean-Paul Agon joined the Group in 1978 and has been a Director since 2006. He was Chairman and Chief Executive Officer of L'Oréal from 2011 until the end of April 2021. The Board of Directors appointed Mr Jean-Paul Agon as Chairman of the Board of Directors as from 1 May 2021.

Mr Jean-Paul Agon is also Chairman of the L'Oréal Foundation.

The Board of Directors will be able to count on his commitment, experience and skills, as well as his expertise in matters of governance, to meet the growing expectations of stakeholders.

Mr Jean-Paul Agon has been committed to the success and reputation of the Company for over 43 years. His in-depth knowledge of the Company, its environment and the beauty market represent a major asset for the Board of Directors in their discussions and decisions relating to the definition of L'Oréal's strategy and the monitoring of its implementation.

Mr Jean-Paul Agon is also deeply committed to the values of L'Oréal and the embedding of its culture.

Over the four years of his tenure as Director, Mr Jean-Paul Agon's attendance rate at meetings of the Board of Directors has been 100%; at the Strategy and Sustainability Committee, which he chairs, it has also been 100%.

Renewal of the term of office of Mr Patrice Caine as Director

As the term of office of Mr Patrice Caine as Director is set to expire, the renewal of his term of office for four years is submitted to the Annual General Meeting.

Mr Patrice Caine has been Chairman and Chief Executive Officer of the Thales group since 2014.

Mr Patrice Caine is an independent Director who is deeply involved in the work of the Committees and discussions of the Board of Directors. Of particular note was his active participation in the succession planning for General Management in 2020 and 2021, as a member of the Nominations and Governance Committee.

The Board of Directors benefits from Mr Caine's expertise in the area of governance, his experience as an executive in a leading international company, his strategic vision, his industrial expertise, as well as his in-depth knowledge of new technologies and cyber security.

Over the four years of his directorship, his attendance rate was 90% for meetings of the Board of Directors (100% over the last three years) and 92% for meetings of the Nominations and Governance Committee (100% over the last three years). Mr Caine joined the Strategy and Sustainability Committee in June 2020. Since that date, he has participated in all meetings except one in 2020 (100% attendance in 2021).

Renewal of the term of office of Ms Belén Garijo as Director

As the term of office of Ms Belén Garijo as Director is set to expire, the renewal of her term of office for four years is submitted to the Annual General Meeting.

Ms Belén Garijo, of Spanish nationality, has been Chairwoman of the Management Board and Chief Executive Officer of Merck, the German science and technology group, since 1 May 2021. She previously served as Chief Executive Officer of Merck Healthcare, an entity pooling all the pharmaceuticals activities held by the Merck group.

Belén Garijo assumes her term of office as independent director with great commitment and great freedom of judgement. The Board of Directors benefits from her experience as a Director of a large international group. Her scientific skills and expertise in research and innovation acquired during a career in the pharmaceutical industry represent valuable assets for the Board of Directors.

Over the four years of her term of office as Director, her attendance rate has been 97% for meetings of the Board of Directors and 86% for meetings of the Human Resources and Remuneration Committee.

3. Composition of the Board of Directors after the Annual General Meeting of 21 April 2022

If the Annual General Meeting approves the renewals submitted to it in 2022, the expiry dates of the terms of office of the 16 Directors of L'Oréal would be as follows.

Please note that the terms of office of Ms Ana Sofia Amaral and Mr Georges Liarokapis expire at the end of the Annual General Meeting of 21 April 2022.

The relevant bodies have appointed two new directors representing employees:

Mr Thierry Hamel has been appointed by the CFE-CGC union. He is a Sales Regional Manager for the Professional Products Division in France.

Mr Benny de Vlieger has been appointed by the *Instance Européenne de Dialogue Social*/European Works Council (IEDS/EWC). He is a Sales Representative for the Consumer Products Division in Belgium.

COMPOSITION OF THE BOARD (post-AGM 2022)		Age	W/M	Nationality	Expiry of term of office	Board Committees S&S	Audit	Gov.	Rem.
Executive corporate officers	**Mr Jean-Paul Agon** – Chairman of the Board	65	M	French	2026	C			
	Mr Nicolas Hieronimus – Chief Executive Officer	58	M	French	2025				
F. Bettencourt Meyers and her family	**Ms F. Bettencourt Meyers** - Vice-Chairwoman	68	W	French	2025	●		●	●
	Mr Jean-Victor Meyers	35	M	French	2024	●			
	Mr Nicolas Meyers	33	M	French	2024		●		
Directors linked to Nestlé	**Mr Paul Bulcke** – Vice-Chairman	67	M	Belgian-Swiss	2025	●		●	●
	Ms Béatrice Guillaume-Grabisch	57	W	French	2024		●		
Independent Directors ■	**Ms Sophie Bellon**	60	W	French	2023			C	C
	Mr Patrice Caine	52	M	French	2026	●		●	
	Ms Fabienne Dulac	54	W	French	2023		●		●
	Ms Belén Garijo	61	W	Spanish	2026				●
	Ms Ilham Kadri	53	W	French-Moroccan	2024		●		
	Ms Virginie Morgon	52	W	French	2025		C		
	Mr Alexandre Ricard	49	M	French	2025	●			
Directors representing employees	**Mr Benny de Vlieger**	57	M	Belgian	2026				
	Mr Thierry Hamel	67	M	French	2026				

■ *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 pursuant to the AFEP-MEDEF Code).

3.2. Balanced gender representation in the Board of Directors

If the Annual General Meeting approves the appointments and renewals submitted to it, the number of women in 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 250 L'Oréal shares: at least 125 shares on the date of their appointment by the Annual General Meeting, and the balance no later than 24 months after their appointment. The complete list of the duties of the Directors is provided in section 2.2.2. of the 2021 Universal Registration Document.

Fourth resolution: renewal of the term of office of Mr Jean-Paul Agon 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 Jean-Paul Agon'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 2026 and called to approve the financial statements for the previous financial year.

Fifth resolution: renewal of the term of office of Mr Patrice Caine 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 Patrice Caine'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 2026 and called to approve the financial statements for the previous financial year.

Sixth resolution: renewal of the term of office of Ms Belén Garijo 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 Belén Garijo for a term of four years.

Her term of office will expire at the end of the Annual General Meeting to be held in 2026 and called to approve the financial statements for the previous financial year.

RESOLUTIONS 7 AND 8: APPOINTMENTS OF STATUTORY AUDITORS

EXPLANATORY STATEMENT

The terms of office of Deloitte & Associés and PricewaterhouseCoopers Audit, Statutory Auditors of the Company, are due to expire at the close of this Annual General Meeting.

It should be noted that, since the reform of the statutory audit, the maximum term of office for Statutory Auditors is twenty-four consecutive years.

In view of the term limit that would be reached for the two Statutory Auditors at the end of the certification of the financial statements for the 2027 financial year, the Audit Committee examined the situation, particularly with the objective of ensuring continuity of the audit and robust quality control mechanisms.

As a result, the Audit Committee recommended to the Board of Directors the early appointment in 2022 of a new Statutory Auditor that will work alongside one of the Statutory Auditors that has been engaged in this work since 2004, thus facilitating the transition.

The Audit Committee conducted a tender procedure during financial year 2020 to comply with the one-year period prior to the appointment of a new Statutory Auditor during which it may not perform certain services. An internal validation committee, set up by the General Management, reviewed the written applications, interviewed the various candidates, and carried out additional checks in consultation with the Audit Committee. This transparent and equitably organised selection procedure enabled the Audit Committee, after examining several proposals, to make a recommendation to the Board of Directors at its meetings on 14 October and 3 December 2020.

The Audit Committee thus recommended to the Board of Directors that it renew the tenure of Deloitte & Associés as Statutory Auditor. It also recommended the appointment of Ernst & Young, particularly in view of its practical approach based on specific examples that demonstrate a solid understanding of the Group's activities, its centralised and digital approach, and the expertise of its teams. The term of offices would be for a period of six (6) financial years expiring at the close of the Annual General Meeting called to approve the financial statements for the 2027 financial year.

It is also noted that, since the entry into force of Law no. 2016-1691 of 9 December 2016 on transparency, fight against corruption and modernisation of economic life (the "Sapin 2" law), the appointment of a substitute Statutory Auditor is required only if the Statutory Auditor is a natural person or a sole proprietorship (Article L. 823-1, I of the French Commercial Code).

As a result, the Annual General Meeting is asked to note that the terms of office of the Beas company and of Mr Jean-Christophe Georghiou, the substitute Statutory Auditors of the Company, have expired and, in view of the proposed renewal of the term of office of Deloitte & Associés and the appointment of Ernst & Young, to decide not to renew the terms of the substitute Statutory Auditors or replace them.

Seventh resolution: renewal of the term of office of Deloitte & Associés as Statutory Auditor

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 having noted the expiration of the term of Deloitte & Associés as Statutory Auditor at the end of this General Meeting, renews its term for a period of six years. Its term will expire at the end of the Annual Ordinary General Meeting called to approve the financial statements for the financial year ending on 31 December 2027.

The Annual General Meeting notes that the term of the Beas company as substitute Statutory Auditor has expired, and votes not to renew or replace the substitute Statutory Auditor.

Eighth resolution: appointment of Ernst & Young as Statutory Auditor

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, approves the appointment of Ernst & Young as Statutory Auditor for a period of six financial years to replace PricewaterhouseCoopers Audit whose term expires at the end of this Annual General Meeting. Its term will expire at the end of the Annual Ordinary General Meeting called to approve the financial statements for the financial year ending on 31 December 2027.

The Annual General Meeting notes that the term of Mr Jean-Christophe Georghiou as substitute Statutory Auditor has expired, and votes not to renew or replace the substitute Statutory Auditor.

RESOLUTIONS 9, 10, 11, 12, 13, 14 AND 15: REMUNERATION OF DIRECTORS AND CORPORATE OFFICERS OF THE COMPANY

EXPLANATORY STATEMENT

The Annual General Meeting is called to approve the remunerations of L'Oréal's directors and corporate officers for 2021 (***ex post*** vote).

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

This "***ex-post***" vote covers two series of resolutions: one concerning all directors and corporate officers, *i.e.* for L'Oréal, the Directors, the Chairman and Chief Executive Officer up to 30 April 2021 then, from 1 May 2021 onwards, the Chairman of the Board of Directors and the Chief Executive Officer; and the other concerning only the corporate officers of the Company, *i.e.* for L'Oréal, the Chairman and Chief Executive Officer up to 30 April 2021 then, from 1 May 2021 onwards, Mr Jean-Paul Agon, Chairman of the Board of Directors, and Mr Nicolas Hieronimus, 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 directors and corporate officers of L'Oréal for 2021 as required by Article L. 22-10-9, I of the French Commercial Code. This information is provided in section 2.4.2. of the 2021 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 2021 or allocated for that year to Mr Jean-Paul Agon, Chairman and Chief Executive Officer of L'Oréal, for the period from 1 January 2021 to 30 April 2021, pursuant to Article L. 22-10-34, II of the French Commercial Code. This information is provided in section 2.4.2.2. of the 2021 Universal Registration Document and is summarised in the following table ("Summary table of the components of remuneration paid in 2021 or allocated for that year to Mr Jean-Paul Agon, Chairman and Chief Executive Officer, for the period from 1 January 2021 to 30 April 2021").

By the vote on the **eleventh resolution**, they are called to approve the fixed and variable components of the total remuneration and benefits of any kind paid during 2021 or allocated for that year to Mr Jean-Paul Agon, Chairman of the Board of Directors of L'Oréal, for the period from 1 May 2021 to 31 December 2021, pursuant to Article L. 22-10-34, II of the French Commercial Code. This information is provided in section 2.4.2.4. of the 2021 Universal Registration Document and is summarised in the following table ("Summary table of the components of remuneration paid in 2021 or allocated for that year to Mr Jean-Paul Agon, Chairman, as from 1 May 2021").

By the vote on the **twelfth resolution**, they are called to approve the fixed and variable components of the total remuneration and benefits of any kind paid in 2021 or allocated for that year to Mr Nicolas Hieronimus, Chief Executive Officer of L'Oréal, for the period from 1 May 2021 to 31 December 2021, pursuant to Article L. 22-10-34, II of the French Commercial Code. This information is provided in section 2.4.2.3. of the 2021 Universal Registration Document and is summarised in the following table ("Summary table of the components of remuneration paid in 2021 or allocated for that year to Mr Nicolas Hieronimus, Chief Executive Officer as from 1 May 2021").

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

In the **thirteenth to fifteenth resolutions**, the Annual General Meeting is asked to approve, pursuant to the provisions of Article L. 22-10-8, II of the French Commercial Code, the remuneration policies for the directors and corporate officers of L'Oréal. These policies shall apply as from financial year 2022 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 2021 Universal Registration Document. Shareholders are called to approve separately:

- by the vote on the **thirteenth resolution**, the remuneration policy for the Directors of L'Oréal established by the Board of Directors as provided in section 2.4.1.1. of the 2021 Universal Registration Document;
- 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 2021 Universal Registration Document;
- by the vote on the **fifteenth resolution**, the remuneration policy for the Chief Executive Officer provided in section 2.4.1.2.1. of the 2021 Universal Registration Document.

SUMMARY TABLE OF THE COMPONENTS OF REMUNERATION PAID IN 2021 OR ALLOCATED FOR THAT YEAR TO MR JEAN-PAUL AGON, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, FOR THE PERIOD FROM 1 JANUARY 2021 TO 30 APRIL 2021

Remuneration components submitted for a vote	Amounts allocated for the 2021 financial year or accounting valuation	Amounts paid in 2021 or accounting valuation	Description
Fixed remuneration	**€733,333** Prorated portion of the annual €2,200,000, over the period from 01/01/2021 to 30/04/2021		At its meeting of 11 February 2021, on the recommendation of the Human Resources and Remuneration Committee, the Board of Directors decided to maintain the amount of Mr Jean-Paul Agon's fixed remuneration at the gross amount of €2,200,000 on an annual basis. This amount has not changed since 2014. A prorated portion of €733,333 (gross) for the period from 1 January 2021 to 30 April 2021 was paid.
Annual variable remuneration	**€730,400** *i.e.* 99.6% out of €733,333 (€733,333 is the prorated portion of the €2,200,000 maximum annual variable remuneration over the period from 01/01/2021 to 30/04/2021)		The annual variable remuneration is designed to align the executive corporate officer's remuneration with the Group's annual performance and to promote the implementation of its strategy year after year. The Board of Directors strives to encourage the executive corporate officer both to maximise performance for each financial year and to ensure that it is repeated and regular year-on-year. Annual variable remuneration can amount to a maximum of 100% of the fixed remuneration. A prorated portion for the period from 1 January 2021 to 30 April 2021 will be paid. **CRITERIA FOR ASSESSMENT OF PERFORMANCE FOR 2021** ● **Financial criteria** **60%** • Evolution in like-for-like sales as compared to the budget 15% • Evolution in market share as compared to the main competitors 15% • Evolution in operating profit as compared to the budget 10% • Evolution in net earnings per share as compared to the budget 10% • Evolution in cash flow as compared to the budget 10% ● **Non-financial and qualitative criteria** **40%** • Quantifiable criteria: 25% - L'Oréal for the Future: sustainable development commitments for 2030 10% - Human Resources: gender parity, development of talented employees, access to training 7.5% - Digital development 7.5% • Individual qualitative performance: 15% - Management 7.5% - Image, company reputation, dialogue with stakeholders 7.5% The assessment is carried out on a criterion-by-criterion basis without offsetting among the criteria. A summary of the achievements for 2021 is available in section 2.4.2.2. of Chapter 2 of the 2021 Universal Registration Document. **ASSESSMENT FOR 2021 BY THE BOARD OF DIRECTORS' MEETING OF 9 FEBRUARY 2022** 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 €730,400 for 2021, or 99.6% of the maximum target, given the level of achievement of the financial criteria and the qualitative and non-financial criteria of 100% and 99%, respectively. The assessment elements are detailed in section 2.4.2.2. of Chapter 2 of the 2021 Universal Registration Document.
		€859,831 97.71% out of a maximum target of 40% of the fixed remuneration, *i.e.* €880,000	As a reminder, following the approval by the Annual General Meeting of 20 April 2021 of the tenth resolution, an annual variable remuneration was paid for the 2020 financial year amounting to a total of €859,831, since the Board of Directors decided on 11 February 2021, as proposed by the Human Resources and Remuneration Committee, that 97.71% of the maximum objective had been achieved. It should be noted that Mr Jean-Paul Agon had informed the Board of Directors, which accepted it, that he would waive all remuneration for 2020 relating to the financial targets for his annual variable remuneration, which could have reached up to 40% of the fixed remuneration if non-financial and qualitative targets were achieved (instead of a maximum of 100% for which he was eligible under the remuneration policy detailed in section 2.4.1. of Chapter 2 of the 2020 Universal Registration Document).

Remuneration components submitted for a vote	Amounts allocated for the 2021 financial year or accounting valuation	Amounts paid in 2021 or accounting valuation	Description
Performance shares	N/A		The Board of Directors decided not to grant any performance shares to Mr Jean-Paul Agon for the period from 1 January to 30 April 2021, insofar as his position as Chairman and Chief Executive Officer ended at the end of this period.
Remuneration of Directors		€0	Mr Jean-Paul Agon does not receive any remuneration as Director.
Benefits in addition to remuneration		€0 €3,517	• **Benefits in kind** Mr Jean-Paul Agon benefited from the material resources needed for the performance of his office such as, for example, the provision of a car with a driver. These arrangements, which are strictly limited to professional use, to the exclusion of all private use, are not benefits in kind. • **Additional social protection schemes: defined contribution pension, employee benefit and healthcare schemes** Mr Jean-Paul Agon continued to be treated in the same way as a senior manager during the term of his corporate office, which allowed him to continue to benefit from the additional social protection schemes and, in particular, the defined contribution pension, employee benefit and healthcare schemes applicable to the Company's employees. The amount of the pension resulting from the employer's contributions for the defined contribution pension scheme will be deducted from the pension due in respect of the defined benefit pension in accordance with the provisions of this collective scheme. The continuation of this treatment was approved by the Annual General Meeting on 27 April 2010. The amount of the employer's contributions to the employee benefit and healthcare schemes for the period from 1 January to 30 April 2021 amounted to €1,392 (gross), and the amount of the employer's contribution to the defined contribution pension scheme amounted to €2,125 (gross).

SUMMARY TABLE OF THE COMPONENTS OF REMUNERATION PAID IN 2021 OR ALLOCATED FOR THAT YEAR TO MR JEAN-PAUL AGON, CHAIRMAN, AS FROM 1 MAY 2021

Remuneration components submitted for a vote	Amounts allocated for the 2021 financial year or accounting valuation	Amounts paid in 2021 or accounting valuation	Description
Fixed remuneration		**€1,066,666** Prorated portion of the annual €1,600,000, over the period from 01/05/2021 to 31/12/2021	At its meeting of 11 February 2021, on the recommendation of the Human Resources and Remuneration Committee, the Board of Directors set the amount of Mr Jean-Paul Agon's fixed remuneration at the gross amount of €1,600,000 on an annual basis. A prorated portion for the period from 1 May to 31 December 2021 was paid, *i.e.* a gross amount €1,066,666.
Benefits in addition to remuneration		€0 €2,289	• **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. • **Employee benefit scheme** Mr Jeant-Paul Agon benefits from the same employee benefit scheme as the senior managers of the Company.

SUMMARY TABLE OF THE COMPONENTS OF REMUNERATION PAID IN 2021 OR ALLOCATED FOR THAT YEAR TO MR NICOLAS HIERONIMUS, CHIEF EXECUTIVE OFFICER, AS FROM 1 MAY 2021

Remuneration components submitted for a vote	Amounts allocated for the 2021 financial year or accounting valuation	Amounts paid in 2021 or accounting valuation	Description
Fixed remuneration	**€1,333,333** Prorated portion of the annual €2,000,000, over the period from 01/05/2021 to 31/12/2021		At its meeting of 11 February 2021, on the recommendation of the Human Resources and Remuneration Committee, the Board of Directors set the amount of the fixed remuneration of Mr Nicolas Hieronimus at the gross amount of €2,000,000 on an annual basis. A prorated portion for the period from 1 May to 31 December 2021 was paid, i.e. a gross amount of €1,333,333.
Annual variable remuneration	**€1,552,667** *i.e.* 116.45% out of €1,333,333 (€1,333,333 is the prorated portion of the €2,000,000 target annual variable remuneration over the period from 01/05/2021 to 31/12/2021)		The annual variable remuneration is designed to align the executive corporate officer's remuneration with the Group's annual performance and to promote the implementation of its strategy year after year. The Board of Directors strives to encourage the executive corporate officer both to maximise performance for each financial year and to ensure that it is repeated and regular year-on-year. The target is set at 100% of the fixed remuneration (or €2,000,000 gross); the annual variable remuneration may reach up to 120% of the fixed remuneration (€2,400,000 gross) if there is outperformance on the objectives. A prorated portion for the period from 1 May 2021 to 31 December 2021 will be paid. **CRITERIA FOR ASSESSMENT OF PERFORMANCE FOR 2021** ● **Financial criteria** **60%** • Evolution in like-for-like sales as compared to the budget 15% • Evolution in market share as compared to the main competitors 15% • Evolution in operating profit as compared to the budget 10% • Evolution in net earnings per share as compared to the budget 10% • Evolution in cash flow as compared to the budget 10% ● **Non-financial and qualitative criteria** **40%** • Quantifiable criteria: 25% - L'Oréal for the Future: sustainable development commitments for 2030 10% - Human Resources: gender parity, development of talented employees, access to training 7.5% - Digital development 7.5% • Individual qualitative performance: 15% - Management 7.5% - Image, company reputation, dialogue with stakeholders 7.5% The assessment is carried out on a criterion-by-criterion basis without offsetting among the criteria. A summary of the achievements for 2021 is available in section 2.4.2.3. of Chapter 2 of the 2021 Universal registration Document. **ASSESSMENT FOR 2021 BY THE BOARD OF DIRECTORS' MEETING OF 9 FEBRUARY 2022** 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 €1,552,667 for 2021, or 116.45% of the maximum target, given the level of achievement of the financial criteria and the qualitative and non-financial criteria of 119.3% and 112.1%, respectively. The assessment elements are detailed in section 2.4.2.3. of Chapter 2 of the 2021 Universal Registration Document.

Remuneration components submitted for a vote	Amounts allocated for the 2021 financial year or accounting valuation	Amounts paid in 2021 or accounting valuation	Description
Performance shares	17,000 performance shares valued at €5,768,780 (estimated fair value according to the IFRS applied for the preparation of the consolidated financial statements)	N/A	Pursuant to the authorisation of the Extraordinary General Meeting of 30 June 2020 (thirteenth resolution), the Board of Directors decided on 7 October 2021, on the recommendation of the Human Resources and Remuneration Committee, to conditionally grant 17,000 shares (ACAs) to Mr Nicolas Hieronimus. This grant is in accordance with the 2021 remuneration policy defined by the Board of Directors on 11 February 2021 and approved by the Annual General Meeting of 20 April 2021. The fair value of one ACA in the Plan of 7 October 2021, measured according to the IFRS applied for the preparation of the consolidated financial statements, is €339.34, representing, for the 17,000 ACAs granted in 2021 to Mr Nicolas Hieronimus, a fair value of €5,768,780. Final vesting of these shares is subject to achievement of performance conditions which will be recorded at the end of a four-year vesting period as from the grant date. Half of the number of fully vested shares will depend on the growth in comparable cosmetics sales compared to the growth of a panel of L'Oréal's competitors, which consists of Unilever, Procter & Gamble, Estée Lauder, Shiseido, Beiersdorf, Johnson & Johnson, Henkel, LVMH, Kao, and Coty; the other half will depend on the growth in L'Oréal Group's consolidated operating profit. The calculation will be based on the arithmetical average for the three full financial years of the vesting period. The first full year taken into account for assessment of the performance conditions relating to this grant is 2022. Tracking the performance conditions year after year is detailed in section 7.4.3.6. of Chapter 7 of the 2021 Universal Registration Document. Concerning the sales criterion, in order for all the performance shares granted to be finally vested by the beneficiaries at the end of the vesting period, L'Oréal must outperform the average growth in sales of the panel of competitors. Below this level, the grant decreases. If L'Oréal's comparable growth in net sales is less than the average growth in sales of the panel of competitors, no share will be allocated for this criterion. Concerning the criterion related to operating profit, a level of growth, defined by the Board of Directors, but not made public for confidentiality reasons, must be met or exceeded in order for all the performance shares granted to finally vest for the beneficiaries at the end of the vesting period. Below this level, the grant decreases. If the operating profit does not increase in absolute value over the period, no share will finally vest pursuant to this criterion. The grant of shares to Mr Nicolas Hieronimus in 2021 represents 0.003% of the total number of ACAs granted to the 2,408 beneficiaries of this same Plan. In accordance with the authorisation of the Annual General Meeting of 30 June 2020, this grant of shares does not represent more than 0.6% of the share capital, it being understood that the maximum amount granted to executive corporate officers may not represent more than 10% of the total amount of free shares that may be granted. No share subscription or purchase options or other long-term incentives have been granted to Mr Nicolas Hieronimus in 2021.
Remuneration of Directors (formerly known as "attendance fees")	**€0**		Mr Nicolas Hieronimus does not receive any remuneration as Director.
Benefits in addition to remuneration	**€0** **€7,047**		● **Benefits in kind** Mr Nicolas Hieronimus benefits from the material resources needed for the performance of his office such as, for example, the provision of a car with a driver. These arrangements, which are strictly limited to professional use, to the exclusion of all private use, are not benefits in kind. ● **Additional social protection schemes: defined contribution pension, employee benefit and healthcare schemes** Mr Nicolas Hieronimus continues to be treated in the same way as a senior manager during the term of his 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. The amount of the pension resulting from the employer's contributions for the defined contribution pension scheme will be deducted from the pension due in respect of the defined benefit pension in accordance with the provisions of this collective scheme. The amount of the employer's contributions to the employee benefit and healthcare schemes for the period from 1 May to 31 December 2021 amounted to €2,796 (gross), and the amount of the employer's contribution to the defined contribution pension scheme amounted to €4,251 (gross). The continuation of this treatment was approved by the Annual General Meeting on 20 April 2021.

Ninth resolution: approval of the information on the remuneration of each of the directors and corporate officers required by Article L. 22-10-9, I of the French Commercial Code

Pursuant to Article L. 22-10-34 of the French Commercial Code, the Annual General Meeting, voting with the quorum and majority required for Ordinary General Meetings, approves the information described in section I of Article L. 22-10-9 of the French Commercial Code as presented in section 2.4.2. of the 2021 Universal Registration Document.

Tenth resolution: approval of the fixed and variable components of the total remuneration and benefits of any kind paid during financial year 2021 or allocated for that year to Mr Jean-Paul Agon, in his capacity as Chairman and Chief Executive Officer (from 1 January 2021 to 30 April 2021)

Pursuant to Article L. 22-10-34, 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 fixed and variable components of the total remuneration and benefits of any kind paid during financial year 2021 or allocated for that year to the Chairman and Chief Executive Officer, Mr Jean-Paul Agon, for the period from 1 January 2021 to 30 April 2021, as presented in section 2.4.2.2. of the 2021 Universal Registration Document.

Eleventh resolution: approval of the fixed and variable components of the total remuneration and benefits of any kind paid during financial year 2021 or allocated for that year to Mr Jean-Paul Agon, in his capacity as Chairman of the Board of Directors (from 1 May 2021 to 31 December 2021)

Pursuant to Article L. 22-10-34, 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 fixed and variable components of the total remuneration and benefits of any kind paid during financial year 2021 or allocated for that year to the Chairman of the Board of Directors, Mr Jean-Paul Agon, for the period from 1 May 2021 to 31 December 2021, as presented in section 2.4.2.4. of the 2021 Universal Registration Document.

Twelfth resolution: approval of the fixed and variable components of the total remuneration and benefits of any kind paid during financial year 2021 or allocated for that year to Mr Nicolas Hieronimus, in his capacity as Chief Executive Officer (from 1 May 2021 to 3 December 2021)

Pursuant to Article L. 22-10-34, 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 fixed and variable components of the total remuneration and benefits of any kind paid during financial year 2021 or allocated for that year to the Chief Executive Officer, Mr Nicolas Hieronimus, for the period from 1 May 2021 to 31 December 2021, as presented in section 2.4.2.3. of the 2021 Universal Registration Document.

Thirteenth 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 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 2021 Universal Registration Document.

Fourteenth resolution: approval of the remuneration policy for the Chairman of the Board of 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 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 2021 Universal Registration Document.

Fifteenth resolution: approval of the remuneration policy for the Chief Executive Officer

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 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 2021 Universal Registration Document.

RESOLUTION 16: APPROVAL OF THE REPURCHASE AGREEMENT FOR L'ORÉAL'S ACQUISITION OF 22,260,000 L'ORÉAL SHARES REPRESENTING 4% OF THE CAPITAL AS PART OF THE PROCEDURE FOR RELATED-PARTY AGREEMENTS

EXPLANATORY STATEMENT

The Annual General Meeting is asked to vote on an agreement falling within the scope of Articles L. 225-38 *et seq.* of the French Commercial Code concerning the Company's acquisition of L'Oréal shares from Nestlé.

This agreement was signed on 7 December 2021 following the authorisation of the Board of Directors, and concerns the buyback from Nestlé of 22,260,000 L'Oréal shares, representing 4% of its capital and voting rights as at 30 November 2021. The unit price per L'Oréal share bought back is €400, for a total price of €8,904,000,000.

This agreement was entered into in the following context.

On 5 November 2021, the Board of Directors of L'Oréal decided, on the recommendation of a *ad hoc* committee, with a majority composed of independent Directors, to voluntarily designate the Ledouble firm represented by Ms Agnès Piniot as an independent expert.

The independent expert concluded that from a financial standpoint, the buyback price was fair for the Company and its shareholders, that the transaction would not affect the financial balance and the investment capacity of the Company and that the transaction, carried in the Company's interest, would be accretive for its shareholders and treated as a related-party transaction. The *ad hoc* committee reported the expert's work to the Board of Directors and presented its recommendations to the Board.

At its meeting of 7 December 2021 and pursuant to the provisions of Article L. 225-38 of the French Commercial Code, the Board of Directors, after reviewing the findings of the independent expert's report, authorised the conclusion of a share repurchase agreement between L'Oréal and Nestlé; the Directors having an interest did not participate in the deliberations or in the vote[(1)].

Nestlé, which holds a proportion of L'Oréal voting rights greater than 10% and which signed the repurchase agreement with L'Oréal, is considered to be an interested party within the meaning of the applicable regulation.

Mr Paul Bulcke did not participate in the deliberations and vote of the Board of Directors given that he is a Director of both L'Oréal and Nestlé and is, therefore, considered to be an interested party. Ms Béatrice Guillaume-Grabisch, a Nestlé employee, did not participate in the deliberations and vote because of a potential conflict of interest within the meaning of the AFEP-MEDEF Code and the Internal Rules of the Board of Directors.

The share repurchase transaction was carried out, pursuant to the sixteenth resolution approved by the Annual General Meeting of 20 April 2021, *via* the acquisition of an off-market block. The shares bought back were cancelled on 10 February 2022 by decision of the Board of Directors on 9 February 2022.

The buyback was funded using €4.5 billion in available cash from L'Oréal and through bank financing for the balance.

This transaction with Nestlé constitutes a further strategic step in strengthening L'Oréal's shareholder stability, in the interests of the Company and of all its shareholders.

The transaction helps optimise L'Oréal's balance sheet benefitting from excellent financing conditions, while retaining a significant financial flexibility to ensure the Group's future development. The transaction will also have an accretive effect on L'Oréal's earnings per share of more than 4% in a full year.

Inasmuch as this agreement falls within the scope of Article L. 225-38 of the French Commercial Code, it is subject to the approval of the Annual General Meeting.

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Sixteenth resolution: approval of the repurchase agreement for L'Oréal's acquisition from Nestlé of 22,260,000 L'Oréal shares representing 4% of the capital as part of the procedure for related party agreements

The Annual General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Special Report of the Statutory Auditors on the agreements covered by Articles L. 225-38 *et seq.* of the French Commercial Code, approves the agreement mentioned therein regarding the Company's repurchase of a block of 22,260,000 L'Oréal shares held by Nestlé.

(1) *Moreover, Ms Françoise Bettencourt Meyers, Mr Jean-Victor Meyers and Mr Nicolas Meyers did not attend the meetings of the Board of Directors and, as a result, did not participate in discussions or votes on any deliberation concerning this share repurchase transaction followed by cancellation of the shares.*

RESOLUTION 17: AUTHORISATION FOR THE COMPANY TO BUY BACK ITS OWN SHARES

EXPLANATORY STATEMENT

As the existing authorisation is due to expire in October 2022, it is proposed that the Annual General Meeting give the Board of Directors 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, directors and corporate officers of the Group;
- market-making under a liquidity agreement entered into with an investment services provider in accordance with the ethics charter recognised by the French Financial Markets Authority (AMF); and
- retaining the shares and subsequently using them as payment in connection with external growth, merger, demerger or contribution.

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.

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

The purchase price per share may not exceed €600 (excluding expenses). The authorisation would cover a maximum of 10% of the capital – a maximum of 5% of the capital for the shares acquired to be retained and subsequently remitted (for payment, exchange, or other purposes) in the context of transactions for external growth, merger, demerger or contribution – which is, as an indication at 31 December 2021, 55,767,236 shares for a maximum of €33,460,341,600, it being understood that the Company may not, at any time, hold more than 10% of its own capital.

Seventeenth resolution: Authorisation for the Company to repurchase its own shares

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, authorises the Board of Directors, with the option to delegate to the 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 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, directors 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); and
- retaining the shares and subsequently using them (as payment, in an exchange or otherwise) in connection with external growth, merger, demerger or contribution.

The purchase price per share may not exceed €600 (excluding expenses).

The number of shares that the Company may acquire may not exceed:

- for shares acquired to be retained and subsequently remitted (for payment, exchange, or other purposes) in connection with transactions for external growth, merger, demerger, or contribution: 5% of the number of shares making up the Company's capital on the date of completion of these buybacks, *i.e.* as an indication at 31 December 2021, 27,883,618 shares for a maximum amount of €16,730,170,800;
- for shares acquired for another purpose: 10% of the number of shares making up the Company's share capital on the date of completion of these repurchases, *i.e.* as an indication at 31 December 2021, 55,767,236 shares for a maximum amount of €33,460,341,600; and
- it being understood that the Company may not, at any time, hold more than 10% of its own capital.

The purchase, sale, exchange or transfer of these shares may be carried out by any means on one or more occasions, 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.

4.1.1. Extraordinary part

RESOLUTION 18: AUTHORISATION GIVEN TO THE BOARD OF DIRECTORS TO REDUCE THE SHARE CAPITAL BY CANCELLING THE SHARES ACQUIRED BY THE COMPANY UNDER ARTICLE L. 22-10-62 OF THE FRENCH COMMERCIAL CODE

EXPLANATORY STATEMENT

The authorisation granted to the Board of Directors in 2020 to cancel shares purchased by the Company within the scope of Article L. 22-10-62 of the French Commercial Code is due to expire.

It is proposed that the Annual General Meeting give the Board a new authorisation allowing it to cancel shares, subject to the statutory limits, namely 10% of the existing share capital on the date of the cancellation, per twenty-four month period.

This authorisation would be granted for a duration of twenty-six months from the date of this Annual General Meeting and would render ineffective, as from this date, for the unused portion, any prior authorisation for the same purpose.

Eighteenth resolution: authorisation given to the Board of Directors to reduce the share capital by cancelling the shares acquired by the Company under Article L. 22-10-62 of the French Commercial Code

The Annual General Meeting, voting in accordance with the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Reports of the Board of Directors and the Statutory Auditors, authorises the Board of Directors, in accordance with Article L. 22-10-62 of the French Commercial Code, to cancel, on one or more occasions, all or some of the shares held by the Company under Article L. 22-10-62 of the French Commercial Code, subject to a limit of 10% of the share capital existing on the date of cancellation per twenty-four month periods.

Full powers are granted to the Board of Directors, with the ability to delegate, to:

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

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 twenty-six 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.

RESOLUTION 19: AUTHORISATION GRANTED TO THE BOARD OF DIRECTORS TO CARRY OUT FREE GRANTS OF EXISTING SHARES AND/OR SHARES TO BE ISSUED WITH CANCELLATION OF SHAREHOLDERS' PREFERENTIAL SUBSCRIPTION RIGHT TO EMPLOYEES AND CORPORATE OFFICERS

EXPLANATORY STATEMENT

It is proposed that the Annual General Meeting renew its authorisation to carry out free grants of shares to Group employees and certain corporate officers which will expire in August 2022.

Under the scope of this authorisation, the number of free shares that may be granted may not exceed 0.6% of the share capital on the date of the Board of Directors' decision.

The total number of free shares granted to the executive officers during a financial year may not represent more than 10% of the total number of free shares granted during this same financial year.

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

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

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

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

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

The Board of Directors, at its meeting of 9 February 2022 and on the recommendation of the Human Resources and Remuneration Committee, has now decided to introduce criteria for non-financial performance in addition to financial performance within the long-term remuneration plan, in order to correlate them with L'Oréal's strategy in which economic performance and environmental and social performance go hand-in-hand.

These performance conditions will take into account:

- in part, **financial performance criteria** on the basis of:
  - growth in comparable cosmetics sales of L'Oréal as compared to a panel of L'Oréal's major direct competitors; and
  - growth in L'Oréal's consolidated operating profit;
- in part, **non-financial performance criteria** on the basis of:
  - fulfilment of environmental and social responsibility commitments made by the Group as part of the L'Oréal for the Future programme (% of sites that are "carbon neutral"; % of ingredients of biobased formulas that are traceable and come from sustainable source; % of plastic packaging that is recycled or biobased; number of people benefitting from our brands' social engagement programmes), hereinafter "L'Oréal for the Future Committements"; and
  - gender balance within management bodies (strategic positions including the Executive Committee, hereinafter the Management Bodies).

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

The Board of Directors considers that both of these types of criteria, assessed over a long period of three full financial years, are complementary, in line with the Group's objectives and its specificities, and should make it possible to promote balanced, continuing and sustainable growth over the long term. They are demanding but remain a source of motivation for the beneficiaries.

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

Pursuant to the criterion related to operating profit, a level of growth, defined by the Board, but not made public for confidentiality reasons, must be met or exceeded in order for all free shares granted to be finally vested by the beneficiaries at the end of the vesting period. Below this level, the number of finally vested shares is in decline. If the operating profit does not increase in absolute value over the period, no share will finally vest pursuant to this criterion.

Pursuant to the criterion related to the fulfilment of made as L'Oréal for the Future Commitments, in order for all the free shares granted to be finally vested by the beneficiaries at the end of the vesting period, a certain average level of achievement of the L'Oréal for the Future Committements, defined by the Board and made public, must be reached over the period. Below this level, the grant decreases. No shares will vest if the average of the results for the L'Oréal for the Future Committements falls below the minimum level defined by the Board and made public.

Pursuant to the criterion relating to gender balance within Management Bodies, in order for all the free shares granted to be finally vested by the beneficiaries at the end of the vesting period, the average representation of one of the sexes must account for at least 40% of employees on the Management Bodies. Below this level, the grant decreases. No shares will vest in relation to this criterion if the average representation of one of the sexes is less than 35% over the vesting period.

These performance conditions will apply, for all individual grants greater than 100 free shares per plan, to all shares above the hundredth share, with the exception of grants to the directors and corporate officers and members of the Executive Committee, for which they will apply in total.

The free grant of shares may be carried out for all Group staff without performance conditions, or for shares allocated on the basis of cash subscriptions carried out as part of an increase in share capital reserved for Group employees pursuant to the twentieth and twenty-first resolutions.

Any allocations of shares to the directors and corporate officers will be decided by the Board of Directors on the basis of the proposals of the Human Resources and Remuneration Committee after assessment of their performance.

The executive corporate officers of L'Oréal will be required to hold 50% of their fully vested shares in registered form until they cease to hold office.

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

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

1. authorises the Board of Directors to carry out, on one or several occasions, free grants of existing L'Oréal shares or L'Oréal shares to be issued in L'Oréal to employees and executive officers of the Company and of its French or foreign affiliates under the conditions of Article L. 225-197-2 of the French Commercial Code, or to certain categories of such affiliates;
2. sets the validity period of this authorisation, which may be used on one or several occasions, at twenty-six months from the date of the Annual General Meeting, and notes that this authorisation renders ineffective the unused portion of any prior authorisation for the same purpose;
3. decides that the number of free shares granted may not represent more than 0.6% of the share capital recorded on the date of the Board of Directors' decision, it being specified that this maximum number of shares, existing or to be issued, does not include the number of additional shares that may be allocated as the result of an adjustment in the number of shares initially granted following a transaction on the Company's share capital;
4. decides that the 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 the Annual General Meeting of 20 April 2021 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;
5. decides that the number of free shares granted to the Company's executive officers during a financial year under this resolution may not represent more than 10% of the total number of free shares granted during the same financial year;

6. decides that the Board of Directors shall determine the identity of the beneficiaries of the allocations and the number of free shares granted to each one as well as the conditions to be met in order for the allocation to become binding, and notably the performance conditions, it being stated that the free grant of shares may be carried out without performance conditions as part of an allocation made (i) for the benefit of all employees and corporate officers of L'Oréal and, if applicable, of its French and foreign affiliates, or (ii) for the benefit of employees and corporate officers of foreign companies subscribing to a capital increase carried out pursuant to the twentieth and twenty-first resolutions put before this Annual General Meeting or taking part in an employee shareholder transaction through the disposal of existing shares, or (iii) for the benefit of employees that are not members of the Executive Committee for a maximum of 100 free shares allocated as part of each of the plans decided by the Board of Directors;
7. decides (i) that the grant of such shares to their beneficiaries, for all or part of the shares granted, will become final and binding subject to satisfying the other conditions set at the time of the grant, at the end of a minimum vesting period of four years, and (ii) that the Board of Directors may set, and if applicable decide the duration of, a holding period for the vested shares;
8. decides that the grant of these shares to their beneficiaries will become final and binding prior to the expiry of the above-mentioned vesting periods in the event of disability of the beneficiary corresponding to a classification in the second or third categories provided for in Article L. 341-4 of the French Social Security Code (*Code de la sécurité sociale*) and that such shares will be freely transferable in the event of disability of the beneficiary corresponding to a classification in the abovementioned categories under the French Social Security Code;
9. authorises the Board of Directors to carry out, where applicable, during the vesting period, adjustments to the number of shares associated with any possible transactions on the Company's share capital under the meaning of Article L. 225-181 of the French Commercial Code, so as to preserve the rights of the beneficiaries;
10. duly notes that this authorisation automatically entails, for the benefit of the beneficiaries of the free shares, the waiver by shareholders of their preferential subscription rights and of the portion of the reserves, profits or share premiums which, where applicable, are necessary for the issue of new shares; and
11. delegates full powers to the Board of Directors, with the ability to delegate within the legal limits, to implement this authorisation.

RESOLUTIONS 20 AND 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 delegation, granted for a period of twenty-six months, would enable the employees of Group companies to subscribe to L'Oréal shares, in France, by registering for the Employee Savings Schemes.

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 remove the discount.

In order for the Board of Directors 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 decide a share capital increase in favour of Group employees or categories of Group employees outside France.

This delegation, granted for a period of eighteen 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.

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 that would be 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 decide 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 2021 through the issue of 5,576,723 new shares; this ceiling being applicable jointly to the twentieth and twenty-first resolutions.

Twentieth resolution: delegation of authority granted 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 decide 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, directors and 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 subscribers of an Employee Savings Scheme;
2. decides to cancel, in favour of the employees, directors, 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 subscribers 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 twenty-six 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 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 2021, an increase in the share capital by a nominal amount of €1,115,344.60 by issuing 5,576,723 new shares); it being specified that the cumulative amount of the share capital increases 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 share capital increases that may be carried out pursuant to this resolution will be charged against the total ceiling stipulated in the seventeenth resolution of the Annual General Meeting of 20 April 2021 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; and
8. decides that the Board of Directors will have full powers with the ability 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 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 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 agreement 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, directors 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 eighteen 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 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 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 could thus be carried out (namely, for information purposes, as at 31 December 2021, an increase in the share capital by a nominal amount of €1,115,344.60 by issuing 5,576,723 new shares); it being specified that the cumulative 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 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 share capital increases that may be carried out pursuant to this resolution will be charged against the total ceiling stipulated in the seventeenth resolution of the Annual General Meeting of 20 April 2021 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; and
7. decides that the Board of Directors will have full powers, to delegate further under the conditions provided for by law, with the ability to delegate authority on one or more occasions, in particular in order to:
   - set a 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 a share capital increase 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 agreement 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.

RESOLUTIONS 22, 23, 24 AND 25: AMENDMENT OF ARTICLES 9, 11, 2, 7 AND 8 OF THE COMPANY'S ARTICLES OF ASSOCIATION

EXPLANATORY STATEMENT

The Annual General Meeting is being asked to amend:

- Article 9 of the Company's Articles of Association ("Deliberations of the Board of Directors) in order to raise the age limit for serving as Chairman of the Board of Directors until the end of the Ordinary Annual General Meeting following the 73rd birthday (instead of the 71st birthday). The proposed amendment is aimed at instituting an age limit for serving as Chairman of the Board of Directors identical to the limit applied in principle to Directors under the Board of Director's Internal Rules;
- Article 11 of the Company's Articles of Association ("General Management") to provide that the Chief Executive Officer shall cease to hold office at the end of the Ordinary Annual General Meeting that follows his 65th birthday. Pursuant to the French Commercial Code, in the absence of a relevant provision in the current Articles of Association, the age limit applicable to the Chief Executive Officer is 65 years and is assessed on the basis of the birthday of the person concerned. The proposed amendment is intended to specify that the Chief Executive Officer who reaches the age limit may continue to serve until the Ordinary Annual General Meeting following his 65th birthday;
- Article 2 of the Company's Articles of Association ("Corporate purpose") to remove the reference to the Banking Law of 1966 which has been codified in the French Monetary and Financial Code since Order no. 2000-1223 of 14 December 2000;
- Article 7 of the Company's Articles of Association ("Shares") in order to remove the provisions that have heretofore allowed identification of shareholders. Since French Law no. 2019-486 of 22 May 2019 on the growth and transformation of companies (the "Pacte Law"), these provisions are automatic and no longer require express stipulation in the Articles of Association (Article L. 228-2 of the French Commercial Code); and
- Article 8 of the Company's Articles of Association ("Board of Directors") to remove mention of the requirement for directors to own 5 shares in the Company. In fact, the Internal Rules of the Board of Directors provide that each Director named by the Annual General Meeting must own at least 250 shares in the Company: at least 125 shares on the date of their election by the Annual General Meeting, and the balance no later than 24 months after their election.

4

Twenty-second resolution: amendment of Article 9 of the Company's Articles of Association to change the age limit for serving as Chairman of the Board of Directors

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, approves the amendment of § 1 of Article 9 of the Company's Articles of Association to change the age limit for serving as Chairman of the Board of Directors. The rest of the provisions of Article 9 of the Company's Articles of Association remain unchanged.

Current version of § 1 of Article 9 of the Articles of Association	New version of § 1 of Article 9 of the Articles of Association
Article 9 – Deliberations of the Board of Directors	Article 9 – Deliberations of the Board of Directors
§ 1 – The Board of Directors appoints from amongst its members a Chairman, who is a natural person, who may be elected for the whole period of his tenure as director, and who may be re-elected indefinitely, subject to the application of the cases of tenure termination stipulated by the French Commercial code and the application of the age limit set below.	§ 1 – The Board of Directors appoints from amongst its members a Chairman, who is a natural person, who may be elected for the whole period of his tenure as director, and who may be re-elected indefinitely, subject to the application of the cases of tenure termination stipulated by the French Commercial code and the application of the age limit set below.
The Chairman must be no more than 65 years old. He must cease to carry out his duties at the end of the Ordinary General Meeting to be held to review the financial statements of the year in which he reaches his 65th birthday.	The Chairman **~~must be no more than 65 years old. He~~** must cease to carry out his duties **at the latest** at the end of the Ordinary General Meeting **~~to be held to review the financial statements of the year in which he reaches~~** **that follows** his **~~65th~~73rd** birthday.
However, the Board may renew or extend his tenure for one or two periods of a maximum of three years each, with the final date for cessation of duties being in all cases the end of the Ordinary General Meeting to be held to review the financial statements of the year in which he reaches his 71st birthday.	**~~However, the Board may renew or extend his tenure for one or two periods of a maximum of three years each, with the final date for cessation of duties being in all cases the end of the Ordinary General Meeting to be held to review the financial statements of the year in which he reaches his 71st birthday.~~**
(…)	(…)

Twenty-third resolution: amendment of Article 11 of the Company's Articles of Association in order to specify the age limit for serving as Chief Executive Officer

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, resolves to amend § 1 of Article 11 of the Company's Articles of Association to change the age limit for serving as Chief Executive Officer. The rest of the provisions of Article 11 of the Company's Articles of Association remain unchanged.

Current version of § 1 of Article 11 of the Articles of Association	New version of § 1 of Article 11 of the Articles of Association
Article 11 – General Management	Article 11 – General Management
§ 1 – In accordance with legal provisions, the General Management of the Company is assumed, under its responsibility, either by the Chairman of the Board of Directors, or by another natural person appointed by the Board of Directors and bearing the title of Chief Executive Officer.	§ 1 – In accordance with legal provisions, the General Management of the Company is assumed, under its responsibility, either by the Chairman of the Board of Directors, or by another natural person appointed by the Board of Directors and bearing the title of Chief Executive Officer..
(…)	(…)
Changing the mode of exercise of the General Management does not involve a modification of the Articles of Association.	Changing the mode of exercise of the General Management does not involve a modification of the Articles of Association.
	The Chief Executive Officer must leave office no later than the end of the Ordinary Annual General Meeting that follows his 65th birthday.

Twenty-fourth resolution: amendment of Articles 2 and 7 of the Company's Articles of Association in the context of legislative or regulatory changes (Order no. 2000-1223 of 14 December 2000 and Law no. 2019-486 of 22 May 2019)

The Annual General Meeting, voting in accordance with the quorum and majority conditions required for Extraordinary Annual General Meetings, having reviewed the Report of the Board of Directors, decides to amend Articles 2 and 7 of the Company's Articles of Association in order to take into account certain legislative or regulatory changes. The rest of the provisions of Articles 2 and 7 of the Company's Articles of Association remain unchanged.

Amendment of Article 2 of the Articles of Association: removal of the reference to the Banking Law since codified in the French Monetary and Financial Code:

Current version of Article 2 of the Articles of Association	Proposed new version of Article 2 of the Articles of Association
Article 2 – Corporate purpose	Article 2 – Corporate purpose
The Company's corporate purpose, both in France and/or at any other location anywhere throughout the entire world, without any territorial restrictions whatsoever on its business activity, shall be as follows:	The Company's corporate purpose, both in France and/or at any other location anywhere throughout the entire world, without any territorial restrictions whatsoever on its business activity, shall be as follows:
(…)	(…)
● the participation, pursuant to group policy, in cash management operations in accordance with Article 12-3 of the loi bancaire (Banking Law of 1984) whether as chef de file (manager) or not, either under the form of centralised cash management, centralised management of exchange rate risk, payments clearing within the group (netting), or by any other means authorised by applicable laws;	● the participation~~, pursuant to group policy, in cash management operations in accordance with Article 12-3 of the loi bancaire (Banking Law of 1984) whether as chef de file (manager) or not, either under the form of centralised cash management, centralised management of exchange rate risk, payments clearing within the group (netting), or by any other means authorised by applicable laws~~ **in all financing and treasury transactions with companies of the Group**;
● and the Company's direct or indirect involvement in all transactions such as those listed above, by means of the creation of companies, the contribution to pre-existing companies, the merger or the alliance with such companies, the conveyance or the lease to companies and/or to any and all other persons, of all or part of its assets and rights (involving either movable property or real property), the subscription, the purchase or the sale of corporate securities and rights, interests in limited partnerships, advances, loans or otherwise.	● and the Company's direct or indirect involvement in all transactions such as those listed above, by means of the creation of companies, the contribution to pre-existing companies, the merger or the alliance with such companies, the conveyance or the lease to companies and/or to any and all other persons, of all or part of its assets and rights (involving either movable property or real property), the subscription, the purchase or the sale of corporate securities and rights, interests in limited partnerships, advances, loans or otherwise.

Amendment of Article 7 of the Articles of Association: identification of shareholders:

Current version of Article 7 of the Articles of Association	Proposed new version of Article 7 of the Articles of Association
Article 7 – Shares	Article 7 – Shares
The Company is entitled, subject to the legal and statutory requirements in force, to ask at any time, in exchange for remuneration at its expense, the organisation in charge of clearing the securities to indicate, as the case may be, the name or company name, the nationality, the year of birth or year of incorporation and the address of holders of shares which immediately or ultimately confer on them a voting right in its own Shareholders' Meetings, and the type of securities held by them, and if applicable the restrictions which may apply to the securities.	~~The Company is entitled, subject to the legal and statutory requirements in force, to ask at any time, in exchange for remuneration at its expense, the organisation in charge of clearing the securities to indicate, as the case may be, the name or company name, the nationality, the year of birth or year of incorporation and the address of holders of shares which immediately or ultimately confer on them a voting right in its own Shareholders' Meetings, and the type of securities held by them, and if applicable the restrictions which may apply to the securities.~~
(…)	(…)

Twenty-fifth resolution: amendment of Article 8 of the Company's Articles of Association in order to remove the requirement for Directors to own five shares in the Company

The Annual General Meeting, voting with the quorum and majority required for Extraordinary General Meetings, having reviewed the Report of the Board of Directors, hereby amends Article 8 of the Company's Articles of Association to eliminate mention of the requirement for Directors to own five shares in the Company. The rest of the provisions of Article 8 of the Company's Articles of Association remain unchanged.

Current version of Article 8 of the Articles of Association	Proposed new version of Article 8 of the Articles of Association
Article 8 – Board of Directors	Article 8 – Board of Directors
The Company is administered by a Board of Directors. The Board of Directors consists of at most eighteen members appointed by the Annual General Meeting.	The Company is administered by a Board of Directors. The Board of Directors consists of at most eighteen members appointed by the Annual General Meeting.
(…)	(…)
Each director appointed by the Annual General Meeting must own five shares in the Company.	~~Each director appointed by the Annual General Meeting must own five shares in the Company.~~

RESOLUTION 26: 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-sixth 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 21 April 2022		
	Date of the Annual General Meeting (resolution number)	Duration (date of expiry)	Maximum authorised amount	Use of the authorisation in 2021	Resolution No.	Length	Maximum calling
Share capital increases							
Capital increase through the issue of shares with maintenance of preferential subscription rights	20 April 2021 (17)	26 months (19 June 2023)	Increase the share capital to €156,764,042.40(1)	None			
Capital increase via the capitalisation of premiums, reserves, profits or other amounts	20 April 2021 (18)	26 months (19 June 2023)	Increase the share capital to €156,764,042.40(1)	None			
Capital increase reserved for L'Oréal employees participating in the Company Savings Plan (PEE)	20 April 2021 (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)	None	20	26 months (20 June 2024)	1% of the share capital on the date of the Annual General Meeting (i.e. as an indication, 5,576,723 shares at 31 December 2021)(2)
Capital increase reserved for employees of foreign subsidiaries	20 April 2021 (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)	5,327 (3)	21	18 months (20 October 2023)	1% of the share capital on the date of the Annual General Meeting (i.e. as an indication, 5,576,723 shares at 31 December 2021)(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.	20 April 2021 (19)	26 months (19 June 2023)	2% of the share capital on the date of the decision to increase the capital (i.e. as an indication, 11,197,430 shares at 31 December 2020)(2)	None			
Buyback by the Company of its own shares							
Buyback by the Company of its own shares	20 April 2021 (16)	18 months (19 October 2022)	10% of the share capital on the date of the buybacks (i.e. as in indication, 55,987,158 shares at 31 December 2020)	25,260,000 (4)	17	18 months (20 October 2023)	10% of the share capital on the date of the buybacks (i.e. as an indication, 55,767,236 shares at 31 December 2021)
Reduction in the share capital via cancellation of shares							
Cancellation of shares purchased by the Company under Article L.22-10-62 of the French Commercial Code	30 June 2020 (12)	26 months (29 August 2022)	10% of the share capital on the date of cancellation per 24-month period (i.e. as an indication, 55,811,720 shares at 31 December 2019)	3,000,000	18	26 months (20 June 2024)	10% of the share capital on the date of the buybacks (i.e. as an indication, 55,767,236 shares at 31 December 2021)
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. as an indication, 3,348,703 shares at 31 December 2019)	588,750	19	26 months (20 June 2024)	0.6% of the share capital on the grant decision date (i.e. as an indication, 3,346,034 shares at 31 December 2021)

(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 22nd and 23rd resolutions submitted for a vote of the Annual General Meeting on 21 April 2022 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 20th and 21st resolutions adopted by the Annual General Meeting of 20 April 2021.

(3) These new shares resulted in a capital increase of €1,065.40 and the recognition of an issue premium of €1,472,489.34.

(4) Repurchase of 3,000,000 L'Oréal shares between 3 May 2021 and 18 June 2021, and repurchase of 22,260,000 shares from Nestlé (press release of 7 December 2021; see also section 7.3.5. "Shareholders' agreements relating to shares in the Company's share capital" of the 2021 Universal Registration Document).

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

RENEWALS PROPOSED TO THE ANNUAL GENERAL MEETING

Jean-Paul Agon

-

CHAIRMAN OF THE BOARD OF DIRECTORS

-

Age: 65

French

Expiry date of term of office: 2022

Chairman of the Strategy and Sustainability Committee

Jean-Paul Agon 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. Since 1 May 2021, Jean-Paul Agon has been the Chairman of the Board of Directors without assuming the functions of Chief Executive Officer. Jean-Paul Agon has been a Director of L'Oréal since 2006. Jean-Paul Agon is the Chairman of the L'Oréal Corporate Foundation and Director of Air Liquide.

- Professional address: L'Oréal – 41, rue Martre – 92117 Clichy Cedex – France
- Holds 1,268,000 L'Oréal shares

OTHER CORPORATE OFFICES AND DIRECTORSHIPS HELD	
French company	
Air Liquide S.A. *	Director
Others	
L'Oréal Corporate Foundation	Chairman of the Board of Directors
Raisesherpas	Director
French Association of Private Enterprises (AFEP)	Director
French Institute of International Relations (IFRI)	Director
HEC Foundation	Director
Société des Amis du Musée d'Art Moderne de Paris	Chairman

CORPORATE OFFICES AND DIRECTORSHIPS HELD OVER THE LAST FIVE YEARS AND EXPIRED		EXPIRY DATE OF TERM OF OFFICE
French company		
L'Oréal	Chairman and Chief Executive Officer	2021
Other		
L'Oréal Fund for Women	Chairman of the Board of Directors	2021

* *Listed company.*

Patrice Caine

-

Age: 51

French

Expiry date of term of office: 2022

Committee Member:

- Strategy and Sustainability
- Nominations and Governance

Chairman and Chief Executive Officer of the Thales group since December 2014, after holding management positions in various operating units (Aviation and Naval, Communication, 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 2018.

- Professional address: Thales – Tour Carpe Diem – 31, place des Corolles – 92098 Paris La Défense Cedex – France
- Holds 1,000 L'Oréal shares

MAIN CORPORATE OFFICE HELD OUTSIDE L'ORÉAL	
Thales*	Chairman and Chief Executive Officer

OTHER CORPORATE OFFICES AND DIRECTORSHIPS HELD	
French company	
Naval Group (ex-DCNS)	Director
Others	
National Association for Research and Technology (ANRT)	Chairman
France Industrie (*Cercle de l'Industrie* and Industrial Federations Group)	Vice-Chairman and Director
French Aerospace Industries Association (GIFAS)	Vice-Chairman

CORPORATE OFFICES AND DIRECTORSHIPS HELD OVER THE LAST FIVE YEARS AND EXPIRED
None

* *Listed company.*

Belén Garijo

-

Age: 61

Spanish

Expiry date of term of office: 2022

Member of the Human Resources and Remuneration Committee

Chairwoman of the Management Board and Chief Executive Officer of the Merck group since 1 May 2021, Belén Garijo previously served as Chair and Chief Executive Officer of Merck Healthcare, an entity encompassing all the pharmaceutical activities of the Merck group.

Belén Garijo has been a Director of L'Oréal since 2014. She is also a Director of BBVA (Spain).

- Professional address: Merck KGAA – Frankfurter STR 250 Postcode A1/601 – 64293 Darmstadt – Germany
- Holds 1,000 L'Oréal shares

MAIN CORPORATE OFFICE HELD OUTSIDE L'ORÉAL	
Merck * (Germany)	Chairwoman of the Management Board and Chief Executive Officer of the group

OTHER CORPORATE OFFICES AND DIRECTORSHIPS HELD	
Foreign company	
BBVA* (Spain)	Director

CORPORATE OFFICES AND DIRECTORSHIPS HELD OVER THE LAST FIVE YEARS AND EXPIRED		EXPIRY DATE OF TERM OF OFFICE
Foreign company		
Merck Healthcare (Germany)	Chairwoman and Chief Executive Officer	2021

* *Listed companies*

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6. STATUTORY AUDITORS' REPORTS

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Statutory Auditors' reporton the financial statements

(For the year ended 31 December 2021)

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 2021.

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 2021 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 "Statutory Auditors' Responsibilities for 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 2021 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 state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the 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 in forming our opinion thereon, and 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 Notes 1.5 - Intangible assets and 1.7.1 - 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 2021, the net carrying amount of investments and intangible assets (excluding software and intangible assets in progress) recognised in the balance sheet amounted to €10.3 billion and €4.2 billion, respectively, representing 55% of total assets. Investments and intangible assets are 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: 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 Accounting principles Note 1.11 – Provisions for liabilities and charges, Note 18 – Provisions for liabilities and charges (excluding subsidiaries and holdings) and Note 24.3 – Contingent liabilities, to the parent company financial statements	
L'Oréal is subject to legal proceedings and tax, customs and administrative audits arising in the ordinary course of its business. 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 €878 million at 31 December 2021. 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;	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 interviewed 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 liablilities, 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 Accounting principles Note 1.1 –– 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 and/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.441-6 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 paid or awarded 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 the Company from controlled companies within its scope of consolidation. 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

Format of presentation of the financial statements to be included in the annual financial report

In accordance with professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the European single electronic reporting format, we have verified that 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) and prepared under the Chief Executive Officer's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018.

On the basis of our work, we conclude that the presentation of the financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

It is not our responsibility to ensure that the financial statements to be included by the Company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

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 2021, PricewaterhouseCoopers Audit and Deloitte & Associés were in the eighteenth 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.

Statutory Auditors' Responsibilities for 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, 18 February 2022

The Statutory Auditors

PricewaterhouseCoopers Audit
Anne-Claire FERRIÉ

Deloitte & Associés
David DUPONT-NOEL

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(For the year ended 31 December 2021)

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 2021.

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 2021 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 "Statutory Auditors' Responsibilities for 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 2021 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 state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the 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 in forming our opinion thereon, and 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 2021, the net carrying amount of goodwill and other intangible assets recognised in the consolidated financial statements totalled €14,537 million, representing 34% 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 future 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 led to the recognition of an impairment loss of €338 million in 2021, including €255 million on the goodwill of IT Cosmetics. 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 sales and margin rate projections with the Group's past performance and the economic and financial context in which the Group operates; ● the corroboration of the growth rates used with analyses of the performance of the global cosmetics market, taking into account specific features of the local markets and distribution channels in which the Group operates; ● the discount rates applied to future cash flows, by comparing their inputs with external references, with the guidance of our valuation experts; ● the analyses of the sensitivity of the recoverable amount to the key main assumptions used, as described by Management in Note 7.3 to the consolidated financial statements, and to our own analyses. 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 cost 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 €524 million and €202 million, respectively. Provisions for liabilities and charges (excluding provisions for product returns) amounted to €881 million, and non-current tax liabilities to €345 million at 31 December 2021. 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 interviewed 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 and/or in the appropriate reporting period.	We assessed the appropriateness of the accounting policies applied by the Group with respect to the recognition of product returns, sales incentives, discounts and other incentives granted to customers, with respect to IFRS. We familiarized ourselves with the internal control systems implemented by the Group's commercial entities, with a view to measuring and accounting for items deducted from sales, especially at the end of the reporting period, and we tested, on a sample basis, the main controls of those systems. We also carried out substantive tests on representative samples in order to ascertain whether product returns, 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 information pertaining to the Group presented in the management report includes the consolidated non-financial performance statement required under Article L.225-102-1 of the French Commercial Code. However, in accordance with Article L.823-10 of the French Commercial Code, we have not verified the fair presentation and consistency with the consolidated financial statements of the information given in that statement, which will be the subject of a report by an independent third party.

Other verifications and information pursuant to legal and regulatory requirements

Format of presentation of the consolidated financial statements to be included in the annual financial report

In accordance with professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the European single electronic reporting format, we have verified that 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*) and prepared under the Chief Executive Officer's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018. As it relates to the consolidated financial statements, our work included verifying that the tagging in the financial statements complies with the format defined by the aforementioned Regulation.

On the basis of our work, we conclude that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

It is not our responsibility to ensure that the consolidated financial statements to be included by the Company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

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 2021, PricewaterhouseCoopers Audit and Deloitte & Associés were in the eighteenth 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.

Statutory Auditors' Responsibilities for 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, 18 February 2022

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Anne-Claire FERRIÉ	David DUPONT-NOEL

STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

(Annual General Meeting held to approve the financial statements for the year ended 31 December 2021)

This is a translation into English of the statutory auditors' report on regulated agreements issued in French and it is provided solely for the convenience of English speaking users. 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 for 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

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

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying other such 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.

Our role is also to provide you with the information stipulated in Article R.225-31 of the French Commercial Code relating to the implementation during the past year of agreements previously approved by the Annual General Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreements submitted to the approval of the Annual General Meeting

Agreements authorized and entered into during the year

Pursuant to Article L.225-40 of the French Commercial Code, the following agreement entered into during the year and previously authorized by the Board of Directors, has been brought to our attention.

Agreement relating to the buyback by L'Oréal of its own shares from Nestlé

Persons concerned:

- Nestlé S.A., a shareholder of your company with over 10% voting rights;
- Paul Bulcke, director of your Company and Chairman of the Nestlé S.A. Board of Directors

Furthermore, Béatrice Guillaume-Grabisch, director of your Company and employee of Nestlé, did not take part in the deliberations and the vote due to a potential conflict of interest within the meaning of the AFEP/MEDEF code and the Board of Directors' internal regulations.

Nature and purpose

On 5 November 2021, your Board of Directors decided, at the recommendation of a special committee mostly comprising independent directors, to voluntarily appoint Cabinet Ledouble as independent expert in connection with the planned buyback of its own shares held by Nestlé.

The independent expert concluded that, from a financial perspective, the buyback price was fair for your Company and its shareholders, the transaction would not affect L'Oréal's financial balances and investment capacity and the transaction conducted in your Company's interest would be accretive for its shareholders and accounted for as a regulated agreement. The special committee reported on the expert's work and submitted its recommendations to the Board.

On 7 December 2021, your Board of Directors, having familiarized itself with the conclusions of the independent expert's report and the special committee's recommendations, unanimously authorized the conclusion, between your Company and Nestlé, of a L'Oréal share buyback agreement. The directors concerned did not take part in either the deliberations or the vote(1).

(1) *Furthermore, Françoise Bettencourt Meyers, Jean-Victor Meyers and Nicolas Meyers did not attend the Board of Directors' meetings and therefore did not take part in the discussions and voting of any deliberations on this buyback of shares and their subsequent cancellation.*

Terms and conditions

This agreement, concluded at the close of the Board of Directors' meeting of 7 December 2021, involved the buyback from Nestlé of 22,260,000 L'Oréal shares representing 4% of its share capital and voting rights as of 30 November 2021. The unit price of each repurchased L'Oréal share was €400, representing a total price paid of €8,904,000,000.

The share buyback transaction was performed under the 16th resolution voted by the Combined Annual General Meeting of 20 April 2021, via an off-market block purchase, financed by L'Oréal's available cash in the amount of €4.5 billion and bank loans for the remainder.

On 15 December 2021, the repurchased shares were earmarked for cancellation. On 9 February 2022, your Board of Directors canceled, with effect as of 10 February 2022, the 22,260,000 L'Oréal shares pursuant to the Board of Directors' decisions of 7 December 2021.

Reasons justifying the agreement is in the Company's interest:

Your Board of Directors considered that this transaction with Nestlé represented a new strategic phase in boosting the stability of L'Oréal's shareholding structure, in the interest of your Company and all its shareholders, since it will help optimize your Company's balance sheet by benefiting from excellent financing conditions and maintaining substantial financial leeway to secure the Group's future development. Furthermore, your Board of Directors deemed that the transaction will also have a full-year accretive impact of over 4% on L'Oréal net earnings per share.

Agreements previously approved by the Annual General Meeting

Previously approved agreements that remained in force during the year

Pursuant to Article R.225-30 of the French Commercial Code, we have been informed that the following agreement, previously approved by Annual General Meetings of prior years, has remained in force during the year.

Agreement concerning Jean-Paul Agon, Chairman and Chief Executive Officer until 30 April 2021 and Chairman of the Board of Directors as of 1 May 2021

Nature and purpose

- Suspension of Jean-Paul Agon's employment contract during the term of his corporate office (i.e. until 30 April 2021)
- 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 should also continue benefiting from the defined-benefit pension scheme currently applicable to the Group's senior managers, as described in chapter 2 of the management report.

- 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 scheme applicable to the Company's employees, as set out in chapter 2 of the management report.

Terms and conditions

On 30 April 2021, Jean-Paul Agon informed the Company of the termination of his employment contract as of such date in order to collect his pension as of 1 May 2021 following his 42 year career in the Company.

Pursuant to the agreement approved by the Annual General Meeting of 27 April 2010, the provisions relating to the retirement of Jean-Paul Agon were applied:

Payment of a retirement benefit as provided by the French collective bargaining agreement for the chemicals industry

A retirement benefit, attached solely to termination of the employment contract, was paid to Jean-Paul Agon in May 2021 in strict accordance with the public policy rules of French labor law, the French collective bargaining agreement for the chemicals industry and the company-level agreements applicable to all L'Oréal managers. This benefit was determined based on the remuneration at the contract suspension date in 2006 after 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, this revalued remuneration comprised a fixed portion of €1,731,000 and a variable portion of €1,442,500. The gross retirement benefit totaled €2.12 million, i.e. 8 months of the aforementioned revalued remuneration.

No non-compete compensation was paid to Jean-Paul Agon as the non-compete clause was not applicable in the event of retirement.

- Liquidation without payment of pension under the "Garantie de Retraite des Membres du Comité de Conjoncture" (Pension Cover for Members of the Comité de Conjoncture) scheme

The gross amount of the pension paid to Jean-Paul Agon, under L'Oréal's "Garantie de Retraite des Membres du Comité de Conjoncture" scheme, represents €1.59 million, i.e. around 36% of the target fixed and variable remuneration he received as corporate officer.

The Board of Directors agreed to Jean-Paul Agon's wish to waive this supplementary pension so as not to combine it with the remuneration of €1,600,000 proposed by the Board of Directors on 11 February 2021 and approved by the Combined Annual General Meeting of 20 April 2021.

Agreements approved during the year

We have been informed that the following agreement, previously approved by the Combined Annual General Meeting of 20 April 2021, based on the Statutory Auditors' special report of 17 February 2021, remained in force during the year.

Agreement concerning the position of Nicolas Hieronimus whose employment contract was suspended upon his appointment as Chief Executive Officer on 1 May 2021

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, former Deputy Chief Executive Officer and employee of your company, who became the Company's Chief Executive Officer as of 1 May 2021, following the decision of the Board of Directors' meeting held at the close of the Annual General Meeting of 20 April 2021.

This agreement was entered into following the Board of Directors' meeting and became effective as of 1 May 2021.

Terms and conditions

- Suspension of Nicolas Hieronimus' employment contract 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 (Code la sécurité sociale). The main features of this scheme are described in Note 4.3.2.5 to the 2020 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). As of 1 January 2022 it comprised a fixed portion of €1,769,250 and a variable portion of €1,870,350.
  - The length of service applied will cover his entire career within the Group, including his years as corporate 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 21 April 2022.

Neuilly-sur-Seine and Paris-La Défense, 18 February 2022
The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Anne-Claire FERRIE	David DUPONT-NOEL

STATUTORY AUDITOR'S REPORT ON THE SHARE CAPITAL REDUCTION

(Ordinary and Extraordinary Annual General Meeting of April 21, 2022 – Eighteenth 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

To the Shareholders,

L'ORÉAL

14, rue Royale

75008 Paris

In our capacity as Statutory Auditors of your Company and in accordance with article L.22-10-62 of the French Commercial Code (Code de commerce), which applies in the event of a share capital reduction by cancellation of shares purchased by a company, we hereby report to you on our assessment of the reasons for and terms and conditions of the planned share capital reduction.

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

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

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

Neuilly-sur-Seine and Paris-La Défense, February 18, 2022

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Anne-Claire FERRIÉ	David DUPONT-NOEL

STATUTORY AUDITOR'S REPORT ON THE AUTHORISATION OF FREE GRANTS OF EXISTING SHARES AND/OR SHARES TO BE ISSUED

(Ordinary and Extraordinary Annual General Meeting of April 21, 2022 – Nineteenth 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.

To the Shareholders

L'ORÉAL

14, rue Royale

75008 Paris

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

The total number of shares likely to be granted under this authorization may not represent more than 0.6% of the Company's share capital as of the date of the Board of Directors' decision, it being specified that the aggregate amount of any share capital increases that may be carried out under this resolution will count towards the maximum limit for share capital increases set in the seventeenth resolution approved by the Annual General Meeting of April 20, 2021.

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

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

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

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

Neuilly-sur-Seine and Paris-La Défense, February 18, 2022

The Statutory Auditors

PricewaterhouseCoopers Audit
Anne-Claire FERRIÉ

Deloitte & Associés
David DUPONT-NOEL

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 April 21, 2022 - 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.

To the Shareholders

L'ORÉAL

14, rue Royale

75008 Paris

In our capacity as the Statutory Auditors of your Company and in accordance with articles L.228-92 and L.225-135 et seq. of the French Commercial Code (Code de commerce), we hereby report to you on the proposed delegation of authority to the Board of Directors to issue shares or securities granting access to the Company's share capital, with cancelation of preferential subscription rights, reserved for employees, corporate officers and eligible former employees of your Company and of French and non-French entities related to your Company within the meaning of article L.225-180 of the French Commercial Code and article L.3344-1 of the French Labour Code (Code du travail), who are members of a Company employee savings scheme, a matter submitted for your approval.

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

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

- the aggregate amount of the share capital increases that may be carried out under this resolution and the twenty first resolution may not exceed the maximum amount of 1% of the share capital as at the date of this Annual General Meeting, and
- the amount of any share capital increases that may be carried out, either immediately or in the future, under this resolution, will count towards the maximum limit for share capital increases set in the seventeenth resolution approved by the Annual General Meeting of April 20, 2021.

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 to the methods used to set the issue price of the securities to be issued as set out in the Board of Directors' report.

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

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

Neuilly-sur-Seine and Paris-La Défense, February 18, 2022

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Anne-Claire FERRIÉ	David DUPONT-NOEL

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 April 21, 2022 – 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.

To the Shareholders

L'ORÉAL

14, rue Royale

75008 Paris

In our capacity as the Statutory Auditors of your Company and in accordance with articles L.228-92 and L.225-135 et seq. of the French Commercial Code (Code de commerce), we hereby report to you on the proposed delegation of authority to the Board of Directors to issue shares or securities granting access to the Company's share capital, with cancelation of preferential subscription rights, reserved for one or more categories of beneficiaries meeting the following characteristics: (i) employees and corporate officers of entities related to the Company within the meaning of article L.225-180 of the French Commercial Code and article L.3341-1 of the French Labour Code (Code du travail), which have their registered office outside France and/or (ii) UCITS or other entities governed by French or non-French law, whether or not they have legal personality, established for the purposes of employee share ownership programs invested in shares of the Company whose unitholders or shareholders will consist of the persons defined in (i) or enabling the persons defined in (i) to benefit, either directly or indirectly, from an employee share ownership or Company employee share savings program, a matter submitted for your approval.

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

- the aggregate amount of the share capital increases that may be carried out under this resolution and the 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, either immediately or in the future, under this resolution, will count towards the maximum limit for share capital increases set in the seventeenth resolution approved by the Annual General Meeting of April 20, 2021.

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

It is the role of the Board of Directors to prepare a report in accordance with articles R.225-113 et seq. of the French Commercial Code. It is our responsibility to express an opinion on the fairness of the information taken from the financial statements, on the proposed cancelation of preferential subscription rights and on certain other information relating to the issue, presented in this report.

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

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

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

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

Neuilly-sur-Seine and Paris-La Défense, February 18, 2022

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Anne-Claire FERRIÉ	David DUPONT-NOEL

7. REQUEST FOR PROVISION OF STATUTORY DOCUMENTS[1] AND INFORMATION

ANNUAL GENERAL MEETING OF 21 APRIL 2022

Documents may be viewed or downloaded on the Company's Internet website:
www.loreal-finance.com/fr

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 21 April 2022, be sent to me at the above address.

Signed in ...., on 2022

(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
2021 Universal Registration Document

visit www.loreal-finance.com
or the L'Oréal Finance app

L'ORÉAL

Incorporated in France as a
"Société Anonyme" with registered
capital of €107,082,474.40
632 012 100 R.C.S. Paris

Headquarters:
41, rue Martre
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Tel.: +33 (0)1 47 56 70 00

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Design and production: **côtécorp.** Tel.: +33 (0)1 55 32 29 74 **Photograph credits:** Thomas Laisné, Stéphane de Bourgies, Thomas Gogny, L'Oréal, Harald Schnauder, Emmanuel Crooy.
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Mid-section booklet

L'ORÉAL

Convening notice

ORDINARY AND EXTRAORDINARY GENERAL MEETING

On Thursday 21 April 2022 at 10.00 a.m. (Paris local time)

Palais des Congrès - 75017 Paris

Ordinary part

1. Approval of the 2021 parent company financial statements
2. Approval of the 2021 consolidated financial statements
3. Allocation of the Company's net profit for 2021 and setting of the dividend
4. Renewal of the term of office of Mr Jean-Paul Agon as Director
5. Renewal of the term of office of Mr Patrice Caine as Director
6. Renewal of the term of office of Ms Belén Garijo as Director
7. Renewal of the appointment of Deloitte & Associés as Statutory Auditor
8. Appointment of Ernst & Young as Statutory Auditor
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 financial year 2021 or allocated for that year to Mr Jean-Paul Agon, in his capacity as Chairman and Chief Executive Officer (from 1 January 2021 to 30 April 2021)
11. Approval of the fixed and variable components of the total remuneration and benefits of any kind paid during financial year 2021 or allocated for that year to Mr Jean-Paul Agon, in his capacity as Chairman of the Board of Directors (from 1 May 2021 to 31 December 2021)
12. Approval of the fixed and variable components of the total remuneration and benefits of any kind paid during financial year 2021 or allocated for that year to Mr Nicolas Hieronimus, in his capacity as Chief Executive Officer (from 1 May 2021 to 31 December 2021)
13. Approval of the remuneration policy for Directors
14. Approval of the remuneration policy for the Chairman of the Board of Directors
15. Approval of the remuneration policy for the Chief Executive Officer
16. Approval of the repurchase agreement for L'Oréal's acquisition from Nestlé of 22,260,000 L'Oréal shares, representing 4% of the capital, as part of the procedure for related-party agreements
17. Authorisation for the Company to buy back its own shares

Extraordinary part

18. Authorisation given to the Board of Directors to reduce the share capital by cancelling the shares acquired by the Company under article L. 22-10-62 of the French Commercial Code
19. Authorisation granted to the Board of Directors to carry out free grants of existing shares and/or shares to be issued with cancellation of shareholders' preferential subscription right to employees and executive officers
20. Delegation of authority to the Board of Directors for the purpose of carrying out a capital increase reserved for employees with cancellation of the shareholders' preferential subscription rights
21. Delegation of authority granted to the Board of Directors for the purpose of carrying out a capital increase reserved for categories of beneficiaries consisting of employees of foreign subsidiaries, with cancellation of preferential subscription rights, within the framework of an employee share ownership plan
22. Amendment of Article 9 of the Company's Articles of Association in order to change the age limit for holding the office of Chairman of the Board of Directors
23. Amendment of Article 11 of the Company's Articles of Association in order to specify the age limit for holding the position of Chief Executive Officer
24. Amendment of Articles 2 and 7 of the Company's Articles of Association in the context of legislative or regulatory changes (Order no. 2000-1223 of 14 December 2000 and Law no. 2019-486 of 22 May 2019)
25. Amendment of Article 8 of the Company's Articles of Association in order to remove the requirement for Directors to own five shares in the Company
26. Powers for formalities

HOW TO TAKE PART IN THE ANNUAL GENERAL MEETING?

Any shareholder, regardless of the number of shares he owns and the manner in which they are held (registered or bearer), may participate in the General Meeting. This right is subject to the registration of the securities in the shareholder's name on the second business day preceding the General Meeting, **Tuesday 19 April 2022 at zero time** (Paris time). The General Meeting will be broadcast live on **loreal-finance.com**.

All L'Oréal shares are convened to the Annual General Meeting on April 21 2022 namely the following ISIN codes: FR0000120321, FR0011149590, FR0014000RC4 and FR0014007103.

Participate in the General Meeting

You therefore have several 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)];
- personally attend the General Meeting with your admission card.

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 not choose another mode of participation.

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 **Tuesday 19 April 2022 at zero hour** (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 30 March 2022** until **Wednesday 20 April 2022, 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 (See (B4)) of the voting form in III of this Mid-section booklet).

This identifier will enable you to access the Planetshares website: https://planetshares.bnpparibas.com, open from **Wednesday 30 March 2022** until **Wednesday 20 April 2022, 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 bearer shareholder

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 30 March 2022** until the day before the Meeting, namely until **Wednesday 20 April 2022 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.

Whatever your mode of detention, you may choose to:

- vote by internet;
- give a proxy to the Chairman of the Meeting or to a proxy;
- download your e-admission card or ask to receive your admission card by post to attend the General Meeting.

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 voting 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 USING THE VOTING FORM

You personally attend the General Meeting

For holders of registered shares

- Tick the **box A** of the voting form(1). Date and sign in the "Date and Signature" box. Return the form using the enclosed "T" envelope;
- You will receive your admission card by post(2).

For holders of bearer shares

- Contact your account-keeping institution, indicating that you wish to attend the General Meeting and request proof of your shareholder status at the date of application;
- The account-keeping institution will be responsible for transmitting it to BNP Paribas Securities Services;
- You will receive your admission card by post(2).

You will not personally attend the General Meeting

For holders of registered or bearer shares

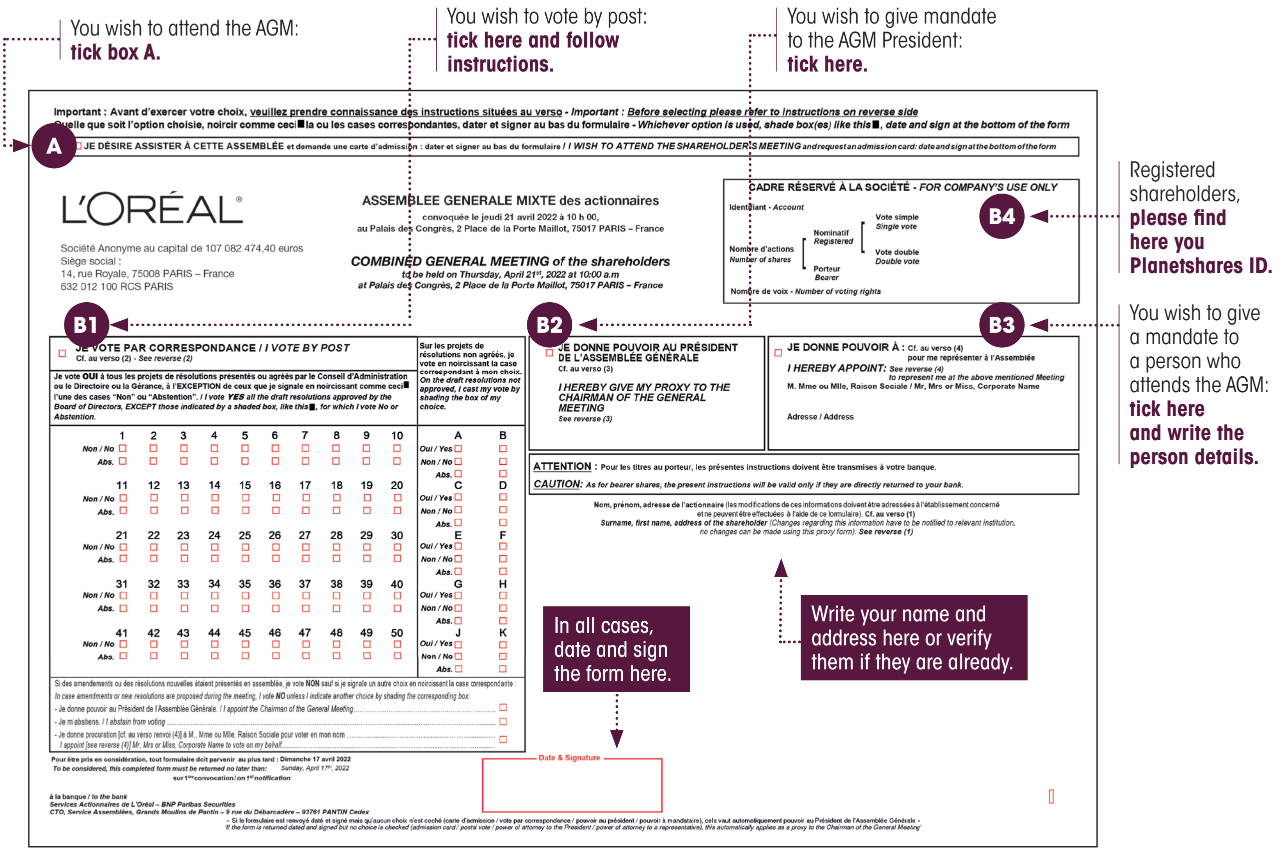
If you do not personally attend the General Meeting, you can choose one of the three following possibilities; tick the **box B** of the voting form(1):

- 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 will be issued(3);
- 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(3).

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 **Sunday 17 April 2022 at midnight** (Paris local time).



(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) If you have not received your admission card on the second business day preceding the General Assembly, Tuesday, April 19, 2022, at zero time, you will need to request a certificate of participation at your accounting keeping institution for bearer shareholders, or you may present yourself directly at the General Meeting for registered shareholders.

(3) 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.

APPOINTMENT AND REVOCATION OF A PROXY FOR THE ANNUAL GENERAL MEETING

Article R. 22-10-24 of the French Commercial Code makes it possible to revoke a proxy who has previously been appointed. The proxy given for an Annual General Meeting can be revoked in the same forms as are required to appoint the proxy.

Designations or revocations of office expressed by post or by email must reach the Company up to the third day preceding the date of the general meeting, *i.e.* no later than **Sunday 17 April 2022 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 3 calendar days prior to the date of the Annual General Meeting, namely at the latest **Sunday 17 April 2022 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.

Bearer shareholder

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

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 account and/or processed.

In order for the appointments or revocations of proxies sent by email to be validly taken into account, confirmations must be received no later than the day before the General Meeting, on **Wednesday 20 April 2022**, at 3 p.m. (Paris time).

Important

In accordance with Article R. 225-84 of the French Commercial Code, any shareholder who wishes to submit **written question** may do so in the following manner up until **Friday 15 April 2022 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 or registered shares, this question must be accompanied by a certificate confirming that the shares are recorded in a shareholder's account in the holder's name, dated no earlier than the day on which the question is sent.

Shareholders will also have the opportunity to ask questions, which will not be considered as written questions to the Company, from **Sunday 16 April 2022** on the General's Meeting platform available on **www.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 within the time allotted. It is specified that priority will be given to answering the questions asked by the shareholders physically present at the General Meeting.

FOR ANY FURTHER INFORMATION, PLEASE DO NOT HESITATE TO:

CHECK OUR WEBSITE WWW.LOREAL-FINANCE.COM

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

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