

**DRAFT RESOLUTIONS
ORDINARY AND EXTRAORDINARY GENERAL MEETING
OF APRIL 22nd, 2011**

ORDINARY PART

1. Approval of the 2010 parent Company financial statements

The Annual General Meeting, having reviewed the reports of the Board of Directors and the Statutory Auditors, approves the report of the Board of Directors and the 2010 parent Company financial statements showing net income of €1,995,329,601.31 compared with €1,841,772,283.85 for 2009.

2. Approval of the 2010 consolidated financial statements

The Annual General Meeting, having reviewed the reports of the Board of Directors and the Statutory Auditors, approves the 2010 consolidated financial statements.

3. Allocation of the Company's net income for 2010 and declaration of the dividend

The Annual General Meeting, on the proposal of the Board of Directors, decides to allocate the net income for the 2010 financial year, amounting to €1,995,329,601.31 as follows:

No allocation to the legal reserve which already represents over one-tenth of the share capital	-
An amount of will be allocated to the shareholders as a dividend ¹	€1,082,479,023.00
The balance that is will be allocated to the « Other reserves» item	€912,850,578.31

¹ including an initial dividend equal to 5% of the amounts paid up on the shares, i.e. the total amount of the share capital.

This amount is calculated on the basis of the number of shares forming the capital at February 10th, 2011, and will be adjusted to reflect the number of shares issued between that date and the date of payment of this dividend following the exercise of stock options with 2010 dividend rights.

The Annual General Meeting therefore declares a dividend to be paid for the financial year of €1.80 per share.

The ex dividend date will be Friday April 29th, 2011 and the dividend will be paid to the shareholders on Wednesday May 4th, 2011.

The amount of distributable income corresponding to the dividends on treasury shares held by the Company will be allocated to the *Other reserves* item.

It is to be noted that, as the law currently stands, for natural persons who have their tax residence in France, the dividend is liable for personal income tax on the basis of the progressive scale of tax rates and is eligible for the tax deduction provided for in Article 158-3-2° of the French Tax Code, unless such natural person otherwise elects, at the time of receipt of the dividends or on income received during the same year, for the fixed levy in final discharge provided for in Article 117 *quater* of the French Tax Code.

The table set out below gives the amounts of the dividends distributed, that were fully eligible for the tax deduction provided for in Article 158-3-2° of the French Tax Code, for the last three financial years:

	2007	2008	2009
Dividend per share	€1.38	€1.44	€1.50

4. Renewal of the tenure as Director of Mrs. Liliane Bettencourt

The Annual General Meeting renews the tenure as Director of Mrs. Liliane Bettencourt for a period of four years.

Her tenure will expire at the end of the Annual General Meeting to be held in 2015 to review the financial statements for the previous financial year.

5. Renewal of the tenure as Director of Mrs. Annette Roux

The Annual General Meeting renews the tenure as Director of Mrs. Annette Roux for a period of four years.

Her tenure will expire at the end of the Annual General Meeting to be held in 2015 to review the financial statements for the previous financial year.

6. Renewal of the tenure as Director of Mr. Charles-Henri Filippi

The Annual General Meeting renews the tenure as Director of Mr. Charles-Henri Filippi for a period of four years.

His tenure will expire at the end of the Annual General Meeting to be held in 2015 to review the financial statements for the previous financial year.

7. Setting of the amount of attendance fees

The Annual General Meeting allocates a maximum total amount of €1,300,000 to the Board of Directors as annual attendance fees, until another decision is made by the Annual General Meeting.

8. Authorisation for the Company to buy back its own shares

The Annual General Meeting, having reviewed the report of the Board of Directors, authorises the Board of Directors, with the possibility for it to delegate to the Chief Executive Officer, to purchase shares of the Company, in accordance with Articles L. 225-209 *et seq* of the French Commercial Code, and subject to the following conditions:

- the purchase price per share may not be greater than €130;
- the number of shares that may be bought by the Company may not exceed 10% of the number of shares forming the capital of the Company at the time the shares are bought back, that is, for information purposes, as of February 10th, 2011, 60,137,723 shares for a maximum amount of €7.8 billion, it being stipulated that the Company may at no time hold over 10% of its own capital.

In the event of any transaction affecting the Company's capital, the amounts indicated above will be adjusted where applicable.

The Company may buy its own shares for the following purposes:

- their cancellation for purposes of optimising shareholders' equity and net earnings per share by a reduction in the capital,
- their allocation or sale to employees and corporate officers of the Company and affiliates, under the terms and conditions provided for by French or foreign law, and in particular within the scope of employee profit-sharing schemes, share purchase options, free grants of shares or employee share ownership programmes as well as carrying out any transaction to cover the above-mentioned employee share ownership programmes;
- stabilising the market through a liquidity agreement entered into with an investment services provider;
- retaining them and subsequently using them as payment in connection with external growth transactions.

The purchase of these shares may be carried out by any means, on one or more occasions, on or off the stock markets, including through the acquisition of blocks of shares.

These transactions may be carried out at any time, in accordance with the regulations in force at the time of the transactions concerned, except during periods of public offers with regard to the Company's capital.

The Annual General Meeting decides that this authorisation will expire at the end of a period of 18 months following this Annual General Meeting and renders ineffective as from the date hereof any prior authorisation for the same purpose.

The Board of Directors will have the possibility of allocating all the treasury shares currently held by the Company to any of these objectives under the conditions provided for in this share buyback programme. Full powers are granted to the Board of Directors, with the possibility for it to delegate, for the implementation of this resolution.

EXTRAORDINARY PART

9. Delegation of authority to the Board of Directors to increase the share capital either through the issue of ordinary shares with maintenance of preferential subscription rights, or via the capitalisation of share premiums, reserves, profits or other amounts

The Annual General Meeting, having reviewed the report of the Board of Directors and in accordance with Articles L. 225-129 *et seq.* of the French Commercial Code, in particular Article L. 225-129-2 of the French Commercial Code:

1. Delegates to the Board of Directors the authority to decide on one or more increases in the share capital:

- a- through the issue of ordinary shares of the Company,
- b- and/or via the capitalisation of share premiums, reserves, profits or other amounts in the form of allocations of bonus shares or an increase in the par value of existing shares.

The delegation of authority thus granted to the Board of Directors is valid for a period of 26 months as from the date of this meeting;

2. Decides that the total amount of the capital increases that may thus be carried out may not lead to the share capital, which amounts to €120,27,447 as of February 10th, 2011, being increased to over €180,000,000;

3. Decides, if the Board of Directors uses this delegation of authority within the scope of the share issues referred to in paragraph 1.a that:

- a- the shareholders will have a preferential subscription right to the shares issued pursuant to this resolution, in proportion to the amount of their shares,
- b- if subscriptions made by shareholders by way of right on the basis of the shares they hold and, where applicable, their subscriptions for excess shares, do not cover the full number of shares issued, the Board of Directors will be able to offer to the public all or part of the non-subscribed shares;

4. Decides that, if the Board of Directors uses this delegation of authority within the scope of capitalisations of share premiums, reserves, profits or other amounts referred to in paragraph 1.b, where applicable, in accordance with the provisions of Article L. 225-130 of the French Commercial Code, the fractional share rights will not be negotiable or transferable and the corresponding shares will be sold; the amounts derived from the sale will be allocated to the holders of the rights within thirty days at the latest after entry in their account of the whole number of shares allocated;

5. Records that this delegation renders ineffective any prior delegation for the same purpose.

10. Authorisation to the Board of Directors to grant stock options to purchase and/or subscribe for L'Oréal shares to employees and corporate officers

The Annual General Meeting, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors:

- authorises the Board of Directors to grant options to purchase existing shares and/or options to subscribe for new shares of L'Oréal, to employees or corporate officers of both L'Oréal or French or foreign companies or economic interest groupings that are directly or indirectly affiliated with it under the conditions of Article L. 225-180 of the French Commercial Code;
- sets at 26 months from the date of this General Meeting the period of validity of this authorisation which may be used on one or more occasions;
- decides that the total number of stock options thus granted may not give entitlement to subscribe for or purchase a total number of shares representing more than 0.6% of the share capital at the date of the decision made by the Board of Directors, it being specified that this maximum number of shares, either existing or to be issued, does not take into account the number of additional shares that may be issued due to an adjustment of the stock options under the conditions provided for by the French Commercial Code;
- decides that the value of the stock options granted to the corporate officers during a given financial year pursuant to this tenth resolution together with the value of the shares granted free of charge to corporate officers during such financial year pursuant to the eleventh resolution may not represent over 10% of the total value of all the stock options granted and the shares granted free of charge during such financial year pursuant to these two resolutions. The value of the options and the value of the shares shall be the estimated fair value for preparation of the Company's consolidated financial statements under IFRS;
- decides that the exercise of the options will be linked to performance conditions to be met, which will be set by the Board of Directors;
- decides that:
 - the purchase price of the shares by the beneficiaries will be set without a discount on the date when the stock options are granted; this price may not be lower than either the average of the closing trading prices on the NYSE-Euronext Paris market for the twenty trading days prior to the date when the options are granted, or the average purchase price of the shares held by the Company pursuant to Articles L.225-208 and L.225-209 of the French Commercial Code;
 - the subscription price of the shares by the beneficiaries would be set without a discount on the date when the stock options are granted; this price may not be lower than the average of the closing trading prices on the NYSE-Euronext Paris market for the twenty trading days prior to the date when the options are granted;
- decides that the options must be exercised within a maximum period of 10 years as from the date on which they are granted;
- decides that if the Company carries out financial transactions in particular affecting the capital after the allocation of the options, the Board of Directors will take the necessary steps to protect the interests of the beneficiaries of the options under the conditions provided for by the laws and regulations;
- records that this authorisation entails, in favour of the beneficiaries of options to subscribe for shares, express waiver by the shareholders of their preferential subscription rights to the shares that will be issued as and when the options are exercised;

- delegates full powers to the Board of Directors, with the possibility to further delegate to the Chief Executive Officer, to set the other terms and conditions for allocation of the options and their exercise, and notably to:
 - provide for the possibility to temporarily suspend the exercise of options, in the event that any financial or securities transactions are carried out,
 - deduct, if it deems it appropriate, the expenses incurred to increase the share capital from the amount of the share premiums related to these increases and deduct from this amount the sums required to raise the legal reserve to one-tenth of the new share capital after each capital increase;
- delegates full powers to the Board of Directors to implement this authorisation, with the possibility to further delegate in accordance with the conditions of the laws and regulations, and particularly to record the increases in the share capital resulting from the options which are exercised, to amend the Articles of Association accordingly, to carry out all actions and formalities or have them carried out, and more generally to do all that is necessary;
- records that this authorisation renders ineffective, as from the date hereof, any previous authorisation for the same purpose, to the extent of the unused part, if any.

11. Authorisation to the Board of Directors to make free grants of existing shares and/or shares to be issued to employees and corporate officers

The Annual General Meeting, having reviewed the Report of the Board of Directors and the special report of the Statutory Auditors, in accordance with Articles L. 225-197-1 *et seq.* of the French Commercial Code:

- authorises the Board of Directors to make, on one or more occasions, to employees and corporate officers of the Company and of French and foreign affiliates as defined by Article L. 225-197-2 of the French Commercial Code or certain categories of such employees or corporate officers, free grants of existing shares or shares to be issued of L'Oréal;
- sets at 26 months as from the date of this meeting, the period of validity of this authorisation which may be used on one or more occasions;
- decides that the number of free shares thus granted may not represent more than 0.6% of the share capital at the date of the decision made by the Board of Directors, it being specified that this maximum number of shares, either existing or to be issued, does not take into account the number of additional shares that may be allocated due to an adjustment in the number of shares granted initially as the result of a transaction affecting the Company's capital;
- decides that the value of the stock options granted to the corporate officers during a given financial year pursuant to the tenth resolution together with the value of the shares granted free-of-charge to corporate officers during such financial year pursuant to the eleventh resolution may not represent over 10% of the total value of all the stock options granted and the shares granted free-of-charge during such financial year pursuant to these two resolutions. The value of the options and the value of the shares shall be the estimated fair value for preparation of the Company's consolidated financial statements under IFRS;
- decides that the Board of Directors will determine the identity of the beneficiaries of the grants, and the number of shares granted free-of-charge to each of them as well as the conditions to be met for the grant to become definitive, and in particular the performance

conditions, it being specified that the free grant of shares may be carried out without any performance condition within the scope of a grant made (i) to all the employees and corporate officers of L'Oréal and, where applicable, of its affiliates, as defined by Article L.3332-14 of the French Labour Code or Article 217 *quinquies* of the French Tax Code, or (ii) to employees and corporate officers of foreign companies subscribing to an increase in capital carried out pursuant to the twelfth resolution of this Annual General Meeting or participating in an employee share ownership transaction through the sale of existing shares or (iii) to employees who are not members of the Executive Committee for at most 200 of the shares that are granted to them free-of-charge with the scope of each of the plans decided by the Board of Directors;

- decides that the grant of such shares to their beneficiaries will become final and binding, subject to satisfaction of the other conditions set at the time of grant, for all or part of the shares granted:
 - either at the end of a minimum vesting period of four years, in such case without any minimum holding period,
 - or at the end of a minimum vesting period of two years, it being specified that the beneficiaries will then be required to hold these shares for a minimum period of two years after the date of the final grant thereof;
- 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 classification in the second or third categories provided for in Article L. 341-1 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 classification in the above-mentioned categories under the French Social Security Code;
- authorises the Board of Directors to make, where applicable, during the vesting period, adjustments to the number of shares, related to any potential transactions with regard to the Company's capital within the meaning of Article L. 225-181 of the French Commercial Code, in order to preserve the rights of the beneficiaries;
- records that this authorisation automatically entails, in favour of the beneficiaries of shares granted free-of-charge, the waiver by the shareholders of their preferential subscription rights and the portion of the reserves which, where applicable, will be used in the event of the issue of new shares;
- delegates full powers to the Board, with the possibility to delegate within the legal limits, to implement this authorisation, it being specified that the Board of Directors will be able to provide for longer vesting and holding periods than the minimum periods provided for above.

12. Delegation of authority to the Board of Directors for the purpose of carrying out a capital increase reserved for employees

The Annual General Meeting, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, deciding under the quorum and majority requirements for extraordinary general meetings, and acting in accordance with the provisions of Articles L. 225-129-2, L. 225-129-6 and L. 225-138-1 of the French Commercial Code and Articles L. 3332-18 *et seq.* of the French Labour Code:

- delegates to the Board of Directors the authority to carry out, on one or more occasions, on its own decisions, in the proportions and at the times it may consider appropriate, the issue of shares or securities giving access to the Company's capital reserved for employees, and eligible former employees, of the Company and of its French and foreign affiliates as defined by Article L. 225-180 of the French Commercial Code and Article L.3344-1 of the French Labour Code, who are members of a company savings scheme;
- decides to cancel the preferential subscription right of shareholders for the shares or securities giving access to the Company's capital, it being specified that the subscription of the shares or securities giving access to the Company's capital issued in accordance with this resolution may be carried through any employee investment fund or other collective body authorised by the regulations;
- sets the period of validity of this delegation at 26 months as from the date of this General Meeting, and records that this delegation renders ineffective any prior delegation for the same purpose, for the unused part thereof;
- decides to set at 1% of the share capital existing at the date of this General Meeting, the capital increase that could thus be completed (that is, for information purposes as at February 10th, 2011, an increase in the share capital by a maximum nominal amount of €1,202,754 through the issue of 6,013,772 new shares);
- decides that the amount of the increases in capital that may be carried out pursuant to this resolution will be deducted from the total ceiling for increases in capital provided for in the ninth resolution presented to this Annual General Meeting;
- decides that the subscription price may include a discount as compared with the average of the trading prices on the NYSE-Euronext Paris market for the twenty trading days prior to the date of the decision setting the opening date of the subscription period. Such discount may not exceed 20% of this average, it being specified that the Board of Directors, or the person to whom it delegates, if it deems it appropriate, is expressly authorised to reduce or eliminate the discount, in particular to take into account legal and tax regimes applicable in the countries of residence of the beneficiaries of the capital increase;
- decides, pursuant to Article L.3332-21 of the French Labour Code, that the Board of Directors may provide for the free grant to the beneficiaries specified above, of shares that have already been issued or are to be issued, as an additional employer contribution that may be paid pursuant to the employee savings scheme regulations, and/or in respect of the discount, provided that taking into account their equivalent monetary value, assessed on the basis of the subscription price, it does not lead to the limits provided for in Articles L.3332-11 and L.3332-19 of the French Labour Code being exceeded;
- decides that the Board of Directors will have full powers, with the possibility to delegate further under the conditions provided for by law, to implement this delegation of authority within the limits and under the conditions specified above in particular in order to:

- set the conditions that must be met by the employees and eligible former employees to be able to subscribe, individually or through an employee investment fund, for the shares issued pursuant to this delegation,
- decide on the list of the companies whose employees may benefit from the share issue,
- decide on the amount to be issued, the features, where applicable, of the securities giving access to the Company's capital, the issue price, the dates of the subscription period and the terms and conditions of each share issue,
- set the time period allotted to the beneficiaries to pay up their shares or securities and the payment terms,
- set the date, even with retrospective effect, as of which the new shares will carry dividend rights,
- deduct, where applicable, the costs, taxes and fees of such issues from the amount of the share premiums and deduct, where applicable, from the amounts of the share premiums, the amounts required to increase the legal reserve to the level required by the French legislation and regulations in force,
- in general, carry out all acts and formalities, take all decisions and enter into any agreements that may be appropriate 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.

13. 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.