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ANNUAL GENERAL MEETING

This chapter sets out the Board of Directors Report on the draft resolutions and the full text of resolutions wich will be submitted to L'Oréal's General Meeting.

This meeting will be held on April 22nd at the Palais des Congrès,in Paris.

8.1. DRAFT RESOLUTIONS AND REPORT OF THE BOARD OF DIRECTORS TO THE ANNUAL GENERAL MEETING TO BE HELD ON APRIL 22 ND, 2015 (AS OF FEBRUARY 12 TH, 2015)

ORDINARY PART

1. Approval of the 2014 parent company financial statements
2. Approval of the 2014 consolidated financial statements
3. Allocation of the Company's net income for 2014 and declaration of the dividend
4. Appointment of Mrs. Sophie Bellon as Director
5. Renewal of the tenure as Director of Mr. Charles-Henri Filippi
6. Advisory vote by the shareholders on the components of remuneration due or allocated to the Chairman and Chief Executive Officer in respect of the 2014 financial year
7. Authorisation for the Company to buy back its own shares

EXTRAORDINARY PART

8. 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
9. Authorisation to the Board of Directors to make free grants to employees and executive officers of existing shares and/or of shares to be issued entailing waiver by the shareholders of their preferential subscription right
10. Delegation of authority to the Board for the purpose of carrying out a capital increase reserved for employees with cancellation of the shareholders' preferential subscription right
11. Amendment of Article 12 of the Articles of Association related to the introduction of double voting rights by French Law No. 2014-384 of March 29th, 2014 in order to continue to apply simple voting rights
12. Removal from the Articles of Association of the reference to the time periods to be taken into account to participate in the Annual General Meeting
13. Powers for formalities

8.1.1. Ordinary part

RESOLUTIONS 1, 2 AND 3: APPROVAL OF THE ANNUAL PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS, ALLOCATION OF THE COMPANY'S NET INCOME FOR 2014 AND DECLARATION OF THE DIVIDEND

/ STATEMENT OF REASONS

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, with an income statement which shows net income of €4,937,957,395.33 for 2014, compared with €2,366,052,070.73 in 2013;
- The 2014 consolidated financial statements.

The details of these financial statements are set out in the 2014 Annual Financial Report and the main data included in the file for calling this Annual General Meeting.

The Board of Directors proposes to the Annual General Meeting:

- An ordinary dividend of €2.70 per share, representing an increase of 8% compared with the dividend for the previous year.

The rate of distribution of the ordinary dividend (ordinary dividend paid/net income from continuing operations excluding non-recurrent items, diluted, Group share, per share) would be 50.6% and would thus continue to rise:

Year	2009	2010	2011	2012	2013
Rate of distribution	43.9%	44.9%	46.3%	46.8%	48.7%

- A preferential dividend of €2.97 per share.

The preferential dividend will be granted to the shares held in registered form since December 31st, 2012 at the latest, and which continuously remain in registered form until the dividend payment date in 2015. The number of shares giving entitlement to such preferential dividend cannot exceed 0.5% of share capital for any one shareholder.

If the Annual General Meeting approves this proposal, the ex-dividend date for the dividends (both ordinary and preferential) will be May 5th, 2015 at zero hour (Paris time) and they will be paid on May 7th, 2015.

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 Tax Code.

/ FIRST RESOLUTION: APPROVAL OF THE 2014 PARENT COMPANY FINANCIAL STATEMENTS

The Annual General Meeting, deliberating in accordance with the quorum and majority requirements 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 2014, parent company financial statements, as presented and the transactions included in these financial statements and summarised in these reports, showing net income of €4,937,957,395.33, compared with €2,366,052,070.73 for 2013.

/ SECOND RESOLUTION: APPROVAL OF THE 2014 CONSOLIDATED FINANCIAL STATEMENTS

The Annual General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, having reviewed the Reports of the Board of Directors and the Statutory Auditors, approves the 2014 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 2014 AND DECLARATION OF THE DIVIDEND

The Annual General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, on the proposal of the Board of Directors, decides to allocate the net income for the 2014 financial year amounting to €4,937,957,395.33 as follows:

No allocation to the legal reserve which already represents over one-tenth of the share capital	-
Amount allocated to the shareholders as a dividend * (including preferential dividend)	€1,524,207,527.28
Balance that will be allocated to the "Other reserves" item	**€3,413,749,868.05**

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

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This amount is calculated on the basis of the number of shares forming the capital at December 31st, 2014 and will be adjusted to reflect:

- the number of shares issued between January 1st, 2015 and the date of payment of this dividend following the exercise of stock options or the final vesting of new free shares granted and giving entitlement to such dividend;
- the final number of shares eligible for the preferential dividend, taking into account sales or transfer to a bearer account between January 1st, 2015 and the date of payment of the dividend.

The Annual General Meeting therefore declares an ordinary dividend to be paid of €2.70 per share, the preferential dividend entitling eligible holders to a total of €2.97 per share. The preferential dividend will be granted to the shares held in registered form since December 31st, 2012 at the latest, and which continuously remain in registered form until the dividend payment date, it being specified that the number of shares giving entitlement to such 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 May 5th, 2015 at zero hour and they will be paid on May 7th, 2015.

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. It is specified 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.

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:

	2011	2012	2013
Ordinary dividend per share	€2.00	€2.30	€2.50
Preferential dividend per share	€0.20	€0.23	€0.25

RESOLUTIONS 4 AND 5: TENURES OF DIRECTORS

/ STATEMENT OF REASONS

The appointment of a new Director is put to the vote of the Annual General Meeting as well as the renewal of one Director whose tenure expires at the close of this Annual General Meeting.

1. L'Oréal's Board of Directors at December 31st, 2014

COMPOSITION

The Directors of L'Oréal come from different backgrounds. They complement one another due to their different professional experience, their skills and their nationalities. They have good knowledge of the Company. The Directors are present, active and closely involved. These are all assets which contribute to the quality of the Board's deliberations in the context of the decisions that it is called on to make.

The Directors have a duty of acting with due care and exercise complete freedom of judgment. This freedom of judgment enables them in particular to participate, in complete independence, in the decisions or work of the Board and its Committees whose remits have been added to since 2011.

Jean-Paul Agon, age: 58, 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, Executive Vice-President of the Asia Zone, President and CEO 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 CEO in 2011. A Director of L'Oréal since 2006, he is also Chairman of the L'Oréal Corporate Foundation and Chairman of the Strategy and Sustainable Development Committee. Jean-Paul Agon is also a Director of Air Liquide.

Françoise Bettencourt Meyers, age: 61, the daughter of Mrs. Liliane Bettencourt, herself the daughter of the founder of L'Oréal, Eugène Schueller, has been the Chairwoman of the family-owned holding company Téthys since January 31st, 2012 and is the Chairwoman of the Bettencourt Schueller Foundation. Françoise Bettencourt Meyers has been a Director of L'Oréal since 1997 and a member of the Strategy and Sustainable Development Committee since April 2012.

Peter Brabeck-Letmathe, age: 70, of Austrian nationality, holds the main position outside L'Oréal of Chairman of the Board of Directors of Nestlé. Peter Brabeck-Letmathe has been a Director of L'Oréal and Vice-Chairman of the Board of Directors since 1997. He has been a member of the Strategy and Sustainable Development Committee since 2005, and is a member of the Appointments and Governance Committee and the Human Resources and Remuneration Committee.

Jean-Pierre Meyers, age: 66, has been a Director of L'Oréal since 1987, Vice-Chairman of the Board of Directors since 1994, and is a member of the Strategy and Sustainable Development Committee, the Appointments and Governance Committee and the Human Resources and Remuneration Committee. He is Vice-Chairman of the Supervisory Board and Chief Executive Officer of the family-owned holding company Téthys and Vice-Chairman of the Bettencourt Schueller Foundation.

Ana Sofia Amaral, age: 49, of Portuguese nationality, 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 Director representing the employees in 2014.

Charles-Henri Filippi, age: 62, spent his career within the HSBC group, in which he was notably Chairman and Chief Executive Officer of HSBC France from 2004 to 2007 and Chairman of the Board of Directors in 2007 and 2008. Charles-Henri Filippi has been a Director of L'Oréal since 2007 and is a member of the Audit Committee and the Human Resources and Remuneration Committee and of the Appointments and Governance Committee since 2014. He is a Director of Orange and Chairman of Citigroup for France.

Xavier Fontanet, age: 66, former Chairman and Chief Executive Officer (1996-2009) and former Chairman of the Board of Directors of Essilor (2010-2012) and member of the Supervisory Board of Schneider Electric. He has been a Director of L'Oréal since 2002 and is the Chairman of the Appointments and Governance Committee.

Belén Garijo, age: 54, of Spanish nationality, is Chief Executive Officer of Merck Healthcare, a company bringing together the pharmaceutical business of German group Merck. She is also a member of the company's Executive Commitee. Belén Garijo has been a Director of L'Oréal since April 2014. She is also a Director of BBVA (Spain).

Bernard Kasriel, age: 68, a former Chief Executive Officer of Lafarge, has been a Director of L'Oréal since 2004, Chairman of the Human Resources and Remuneration Committee since 2007 and is a member of the Strategy and Sustainable Development Committee. He is also a Board member of Arkema and Nucor (United States).

Christiane Kuehne, age: 59, of Swiss nationality, is the Head of the Food Strategic Business Unit at Nestlé which she joined in 1977. Christiane Kuehne has been a member of L'Oréal's Board of Directors and a member of the Audit Committee since 2012.

Georges Liarokapis, age: 52, of French and Greek nationality, Coordinator of Sustainability for L'Oréal Western Europe, Georges Liarokapis was appointed in 2014 by the CFE-CGC as a Director representing the employees in 2014.

Jean-Victor Meyers, age: 28, has been a member of the Supervisory Board of the family holding company Téthys since January 2011. He has been a Director of L'Oréal since February 2012 and a member of its Audit Committee since April 2014.

Virginie Morgon, age: 45, is the Chief Executive Officer of Eurazeo which she joined in 2008 after working for 16 years at Lazard. She has been a Director of L'Oréal since, 2013 and is a member of the Audit Committee. She is also a Board member of Accor and Vivendi.

Annette Roux, age: 72, Chairperson and Managing Director of Bénéteau from 1976 to 2005, then Vice-Chairperson of the Supervisory Board, Annette Roux has been a member of L'Oréal's Board of Directors since 2007. She is also Chairperson of the Bénéteau Corporate Foundation.

Louis Schweitzer, age: 72, Chairman and Chief Executive Officer of Renault from 1992 to 2005, Chairman of the Board of Directors until 2009. Louis Schweitzer has been a Director of L'Oréal since 2005, is a member of the Audit Committee and Chairman of that committee since February 2013, and a member of the Strategy and Sustainable Development Committee. He is also General Commissioner for Investment.

Within the scope of the buyback of 48,500,000 L'Oréal shares held by Nestlé and the sale of L'Oréal's holding in Galderma to Nestlé, which were finalised on July 8th, 2014, the number of representatives of Nestlé on the Board of Directors of L'Oréal was reduced from 3 to 2 following the resignation by Mr. Paul Bulcke as of that date.

Percentage of independence

As the two Directors representing the employees are not taken into account pursuant to the AFEP-MEDEF Code, the number of independent Directors is 7 out of 13, representing a percentage of independent Directors of 54%.

Balanced representation of men and women on the Board of Directors

As the two Directors representing the employees are not taken into account pursuant to the AFEP-MEDEF Code, the number of women on the Board of Directors is 5 out of 13 Directors appointed by the Annual General Meeting, namely a percentage representation of women of 38.5%.

It is pointed out that, pursuant to French law, the proportion of Directors of each gender may not be lower than 40% at the end of the first Annual General Meeting after January 1st, 2017. The AFEP-MEDEF Code provides that, with regard to the representation of men and women, the objective is for each Board to reach, and maintain, a percentage of at least 40% of women within a period of six years, as from the Annual General Meeting in 2010, namely by April 27th, 2016 at the latest.

Length of tenure and minimum number of shares held

The length of the terms of office of the Directors appointed by L'Oréal's Annual General Meeting is set at four years in the Articles of Association, or a shorter period in order to provide for staggered renewal of the Directors' terms of office. The term of office of a Director who is not appointed by the Annual General Meeting is four years. The Directors appointed by the Annual General Meeting each hold a minimum of 1,000 L'Oréal shares. The full list of the offices and directorships held by the Directors is set out on page 40 *et seq.* of the Company's Registration Document for the 2014 financial year.

2. Review of the independence of the Directors

The Appointments and Governance Committee proposes to the Board of Directors every year to review on a case-by-case basis the situation of each of the Directors with regard to their independence according to the criteria set out in the AFEP-MEDEF Code.

The Board of Directors of L'Oréal is well-balanced. It comprises 15 members at December 31st, 2014: Jean-Paul Agon, Chairman and Chief Executive Officer, five Directors appointed by the largest shareholders, three from the Bettencourt Meyers family and two appointed by Nestlé (the two Vice-Chairmen of the Board being chosen from among these members), seven independent Directors (Annette Roux, Virginie Morgon, Belén Garijo, Charles-Henri Filippi, Xavier Fontanet, Bernard Kasriel, and Louis Schweitzer) and two Directors representing the employees, (Ana Sofia Amaral and Georges Liarokapis).

The review of the independence of these Directors was carried out by the Appointments and Governance Committee at the end of 2014 on the basis, in particular, of a study of the relations existing between the Company and the companies in which the Directors hold offices. The Directors have no conflicts of interest. The other corporate offices and directorships held, their availability, their personal contributions and their participation in the work and discussions of the Board and its Committees in 2014 were taken into consideration by the Appointments and Governance Committee to evaluate the composition and *modus operandi* of the Board.

3. Appointment of a new Director in 2015

The Appointments and Governance Committee reviewed the candidacy of a new Director that was approved by the Board of Directors. The proposed appointment of Mrs. Sophie Bellon is submitted to the Annual General Meeting.

Mrs. Sophie Bellon, 53 years of age, who is French, is a graduate of the French graduate business school EDHEC and began her career in 1985 in the United States, in finance, as a Mergers and Acquisitions Advisor, then in the fashion industry as an agent for major international fashion brands. After this experience working in the United States for nearly 10 years, Mrs. Sophie Bellon returned to France and joined Sodexo in 1994 where, for over 20 years, she has taken part, through each of the positions she has held, in the major stages of growth of the Sodexo group: first of all in the Finance Department where she participated in important acquisition projects; she continued her career in the Sales and Marketing Department and in 2008 she became the Managing Director for Sodexo's Corporate segment in France.

Sodexo is an international group, the world leader in quality of life services, with 420,000 employees in 80 countries.

Since January 2013, Mrs. Sophie Bellon has been responsible for Research, Development and Innovation Strategy at Sodexo.

In November 2013, the Board of Directors of Sodexo appointed Mrs. Sophie Bellon as Vice-Chairman of the Board of Directors, so that she succeeds Mr. Pierre Bellon, Chairman and Founder of Sodexo, as Chairman of the Board of Directors in January 2016.

Strongly committed to diversity and gender mix, Mrs. Sophie Bellon is also Co-Chair of SWIFT (Sodexo Women's International Forum for Talent), a programme aimed at increasing the representation of women in Sodexo's decision-making bodies.

Mrs. Sophie Bellon will bring to the Board her multi-disciplinary knowledge of companies at the highest level and her strategic vision, her human values and strong convictions with regard to societal responsibility, one of the L'Oréal Group's priorities for development within the scope of the *Sharing Beauty With All* programme.

4. Renewal of the tenure of a Director in 2015

Ms. Annette Roux, an independent Director, did not want her tenure to be renewed.

The representation of women and the number of independent directors would remain unchanged compared December 31st 2013 in the event that the Annual General Meeting approved the appointment of Mrs. Sophie Bellon as Director.

As the tenure of Mr. Charles-Henri Filippi as Director is due to expire in 2015, the renewal of such tenure for a term of four years is submitted to the Annual General Meeting.

In 2014, Mr. Charles-Henri Filippi attended all the meetings of the Board of Directors and all the meetings of the three Committees of the Board of Directors of which he is a member (Audit Committee, Human Resources and Remuneration Committee and Appointments and Governance Committee), except for one meeting of the Appointments and Governance Committee.

A member of the Audit Committee since 2008, he smoothly and efficiently rounds out the Board's competencies in the financial field. Also a member of the Human Resources and Remuneration Committee and the Appointments and Governance Committee, Mr. Charles-Henri Filippi thus has cross-functional expertise which is useful for the work of each of these Committees.

Mr. Charles-Henri Filippi is an independent Director, with no conflicts of interest, available and competent.

The business relations between L'Oréal and Citigroup France, of which he is the Chairman, are analysed in detail every year in relation with the assessment of the independence of the Directors. The Board noted that they were not significant either with regard to their nature or in terms of their volume, as they mainly involve foreign exchange commissions. The possibility for L'Oréal to use a panel of banks, in a competitive context, moreover rules out all relationship of dependence.

Furthermore, Mr. Charles-Henri Filippi is aware that he is under the obligation of notifying the L'Oréal Board of Directors of all situations constituting a conflict of interest, even if such conflict is only potential, and that he must refrain from participating in the corresponding decisions. Furthermore, at Citigroup, he will not take part in the work that is liable to concern L'Oréal.

For information purposes, if the Annual General Meeting votes in favour of the appointment and renewal proposed to it in 2015, the expiry dates of the terms of office of the 15 Directors of L'Oréal would be as follows:

	Expiry dates of terms of office			
Directors	2016	2017	2018	2019
Jean-Paul Agon			X	
Françoise Bettencourt Meyers		X		
Peter Brabeck-Letmathe		X		
Jean-Pierre Meyers	X			
Ana Sofia Amaral			X	
Sophie Bellon				X
Charles-Henri Filippi				X
Xavier Fontanet			X	
Belén Garijo			X	
Bernard Kasriel	X			
Christiane Kuehne	X			
Georges Liarokapis			X	
Jean-Victor Meyers	X			
Virginie Morgon		X		
Louis Schweitzer		X		
Number of renewals per year	4	4	5	2

/ FOURTH RESOLUTION: APPOINTMENT OF MRS. SOPHIE BELLON AS DIRECTOR

The Annual General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, having reviewed the Report of the Board of Directors, appoints Mrs. Sophie Bellon as Director for a period of four years.

Her tenure will expire at the end of the Annual General Meeting to be held in 2019 to review the financial statements for the previous financial year.

/ FIFTH RESOLUTION: RENEWAL OF THE TENURE AS DIRECTOR OF MR. CHARLES-HENRI FILIPPI

The Annual General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, having reviewed the Report of the Board of Directors, renews the tenure of Mr. Charles-Henri Filippi as Director for a period of four years.

His tenure will expire at the end of the Annual General Meeting to be held in 2019 to review the financial statements for the previous financial year.

RESOLUTION 6: ADVISORY VOTE BY THE SHAREHOLDERS ON THE COMPONENTS OF THE REMUNERATION DUE OR ALLOCATED TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER IN RESPECT OF THE 2014 FINANCIAL YEAR

/ STATEMENT OF REASONS

In accordance with the AFEP-MEDEF Code revised in June 2013 to which L'Oréal refers, the components of the remuneration due or allocated by the Board of Directors on the proposal of the Human Resources and Remuneration Committee to the Chairman and Chief Executive Officer, Mr. Jean-Paul Agon, with respect to the 2014 financial year are presented to the Annual General Meeting for an advisory vote.

/ SUMMARY TABLES OF THE COMPONENTS OF THE REMUNERATION

Components of the remuneration due or allocated in respect of 2014	Amounts or value put to the vote	Description
Fixed remuneration	€2,200,000	At its meeting on February 10th, 2014, the Board of Directors decided, on the proposal of the Human Resources and Remuneration Committee, to increase the fixed gross annual remuneration of Mr. Jean-Paul Agon, in the context of renewal of his term of office, from €2,100,000, which had been unchanged since 2008, to €2,200,000, representing an increase of 4.8%.
Annual variable remuneration	€1,760,000	The annual variable remuneration is designed to align the remuneration allocated to the Chairman and Chief Executive Officer with the Group's annual performance and to promote the implementation of its strategy year after year. It is expressed as a percentage of fixed remuneration and this percentage cmay reach a maximum of 100% of fixed remuneration. **The evaluation criteria for 2014 are as follows:** ◆ **Financial objectives** (**60%** of the annual variable remuneration): ◆ comparable sales as compared to the budget; ◆ market share as compared to the main competitors; ◆ operating profit as compared to 2013; ◆ net earnings per share as compared to 2013; ◆ cash flow as compared to 2013. The assessment is carried out on a criterion-by-criterion basis without offsetting among the criteria. A summary of the results for 2014 on which the assessment of the objectives is based is available on page 81 of the Registration Document. ◆ **Extra-financial objectives** (**40%** of the annual variable remuneration) : ▶ CSR criteria: "Sharing Beauty With All" programme, which defines 4 priority areas for development: ◆ Innovating sustainably ◆ Producing sustainably ◆ Living sustainably ◆ Developing sustainably ▶ Human Resources criteria: ◆ Gender balance ◆ Talent development ◆ Access to training ▶ Qualitative criteria: ◆ Company's image/Reputation/Dialogue with stakeholders ◆ Handling of the priorities for the year The assessment is carried out on a criterion-by-criterion basis without offsetting among the criteria. A summary of achievements in 2014 is available on page 81 of the Registration Document. **Assessment for 2014 by the Board of Directors on February 12th, 2015:** On the basis of the above-mentioned assessment criteria, the Board of Directors decided, on the proposal of the Human Resources and Remuneration Committee, to award gross variable remuneration of €1,760,000,000 for 2014, namely 80% of the maximum objective. For reasons of confidentiality, L'Oréal does not give details of the amounts paid per criterion; the elements of assessment are set out in detail on pages 80 and 81 of the Registration Document.

Components of the remuneration due or allocated in respect of 2014	Amounts or value put to the vote	Description
Multi-annual variable remuneration	€0	Not applicable inasmuch as the Board of Directors has not allocated any multi-annual variable remuneration.
Exceptional remuneration	€0	Not applicable inasmuch as the Board of Directors has not allocated any exceptional remuneration.
Attendance fees	€0	At its meeting on November 28th, 2014, the Board of Directors took due note of the wish expressed by Mr. Jean-Paul Agon to no longer receive attendance fees in his capacity as Chairman and Chief Executive Officer.
Stock options, performance shares (and any other component of long-term remuneration)	40,000 performance shares valued at €4,183,200 (the estimated fair value according to the IFRS applied to prepare the consolidated financial statements)	Within the scope of the authorisation of the Ordinary and Extraordinary General Meeting of April 26th, 2013 (resolution No. 10), the Board of Directors decided on April 17th, 2014, on the proposal of the Human Resources and Remuneration Committee, to make a conditional grant of 40,000 shares ("ACAs") to Mr. Jean-Paul Agon. The estimated fair value according to the IFRS applied for the preparation of the consolidated financial statements of one performance share (ACAs) under the April 17th, 2014 plan is €104.58 for French tax and/or social security residents, which is the case for Mr. Jean-Paul Agon. This fair value was €112.37 on April 26th, 2013. The estimated fair value according to the IFRS of the 40,000 performance shares granted to Mr. Jean-Paul Agon in 2014 is therefore €4,183,200. Final vesting of these shares is subject to achievement of performance conditions which will be recorded at the end of a 4-year vesting period as from the date of grant. Half of the number of shares that finally vests will depend on growth in comparable cosmetics sales as compared to those of a panel of competitors, such panel consisting of Procter & Gamble, Unilever, Estée Lauder, Shiseido, Beiersdorf, Johnson & Johnson, Henkel, LVMH, Kao, Revlon and Elizabeth Arden; the other half will depend on the growth in L'Oréal's consolidated operating profit. The calculation will be based on the arithmetic average for the three full financial years of the vesting period. The first full year taken into account for evaluation of the performance conditions relating to this grant is 2015. Monitoring of the performance conditions year after year is described in detail on page 282 of the Registration Document. With respect to the criterion relating to sales, in order for all the free shares granted to finally vest for the beneficiaries at the end the vesting period, the performance of l'Oréal must be at least as good as the average performance of the competitor's panel. Below this level, attribution is digressive. The Board defines a threshold, which remains undisclosed for confidentiality reasons, below which no share is permanently vested pursuant to this criterion. Concerning the criterion related to operating profit, a level of growth defined by the Board, but not made public for reasons of confidentiality, must be met or exceeded in order for all the free shares granted to finally vest for the beneficiaries at the end of the vesting period. Below that 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 from which Mr. Jean-Paul Agon benefited in 2014 represents: ◆ 3.74% of the total number of ACAs granted to the 1,978 beneficiaries of this same plan ◆ 3.65% of their estimated fair value according to the IFRS. In accordance with the authorization granted by the Annual General Meeting on April 26th, 2013, the amount of shares granted does not exceed 0.6% of the share capital, it being understood that the maximum amount granted to executive officers cannot exceed 10% of the maximum number of free shares that may be granted. No purchase option or any other long-terme incentive instrument was granted to Mr. Jean-Paul Agon in 2014.
Benefits in kind	€0	Mr. Jean-Paul Agon benefits from the necessary material resources for performance of his term of office such as, for example, the provision of a car with a chauffeur. These arrangements, which are strictly limited to professional use, to the exclusion of all private use, cannot be considered as benefits in kind.
Indemnity for entry into office	€0	Not applicable in as much as Mr. Jean-Paul Agon has been Chief Executive Officer since 2006 and Chairman and Chief Executive Officer since 2011.

Components of remuneration due or allocated in respect of 2014 which have previously been voted by the Annual General Meeting under the regulated agreements and commitments procedure	Amount put to the vote	Description
Termination indemnity and non-competition indemnity	Not applicable	No indemnity is due in respect of termination of the corporate office. Payment of the indemnities due under the suspended employment contract was approved by the Annual General Meeting on April 27th, 2010. Remuneration under the employment contract, to be used to calculate all the rights attached thereto, is established on the basis of the remuneration at the date of suspension of the contract in 2006, namely fixed remuneration of €1,500,000 and variable remuneration of €1,250,000. This remuneration is reviewed every year by applying the revaluation coefficient in respect of salaries and pension contributions published by the French State pension fund. As of January 1st, 2015 the fixed remuneration amounts to €1,671,000 and variable remuneration to €1,392,500. In the event of departure, and depending on the reasons, Mr. Jean-Paul Agon would only be paid the dismissal indemnities, except in the event of gross misconduct or gross negligence, or the retirement indemnities in the event of voluntary retirement or retirement at the Company's request due pursuant to 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 National Collective Bargaining Agreement for the Chemical Industries and the Company-level agreements applicable to all L'Oréal executives, are due in any event pursuant to the public policy rules of French labour law. They are not subject to any condition other than those provided for by the National Collective Bargaining Agreement for the Chemical Industries or the above-mentioned Company-level agreements. The same applies to the non-competition clause and the related financial consideration. Pursuant to the schedule of indemnities under the National Collective Bargaining Agreement for the Chemical Industries, in the event of dismissal, except in the event of gross misconduct or gross negligence, the indemnity would be capped, in light of Mr. Jean-Paul Agon's length of service, at 20 months' remuneration under the suspended employment contract. In respect of the employment contract, pursuant to the provisions of the National Collective Bargaining Agreement for the Chemical Industries, in the event of termination of the employment contract, the indemnity due in consideration of the non-competition clause would be payable every month for two years on the basis of two-thirds of the monthly fixed remuneration attached to the suspended employment contract unless Mr. Jean-Paul Agon were to be released from application of the clause. For information purposes, the cumulative amount of the indemnity provided for under the collective bargaining agreement and the indemnity in consideration of the non-competition clause which would have been due to Mr. Jean-Paul Agon had his employment contract been terminated on December 31st, 2014 through dismissal, except in the event of gross misconduct or gross negligence, would have represented an amount of less than 24 months of the fixed and variable remuneration which he received in 2014 as a corporate officer.
Supplementary pension scheme	Not applicable	Mr. Jean-Paul Agon benefits, under his suspended employment contract, from the *Garantie de Retraite des Membres du Comité de Conjoncture* (Pension Cover of the Members of the *Comité de Conjoncture*) scheme closed on December 31st, 2000. The main features of this scheme, which falls under Article L. 137-11 of the French Social Security Code, are as follows: ◆ around 120 senior managers (active or retired) are concerned; ◆ the minimum length of service requirement was 10 years at the time of closure of the scheme on December 31st, 2000; ◆ the Pension Cover may not exceed 40% of the calculation basis, plus 0.5% per year for the first twenty years, then 1% per year for the following twenty years, nor exceed the average of the fixed part of the remuneration for the three years used for the calculation basis out of the seven calendar years prior to the end of the beneficiary's career in the Company. For information purposes, the estimated amount of the pension that would be paid to Mr. Jean-Paul Agon, under L'Oréal's *Garantie de Retraite des Membres du Comité de Conjoncture* scheme, had he been able to apply for a full-rate pension from the French social security scheme on December 31st, 2014, after more than 35 years' length of service at L'Oréal, would represent around 40% of the fixed and variable remuneration he received as an executive officer in 2014. This information is given as an indication after estimating the main pension entitlements accrued by Mr. Jean-Paul Agon, at 65 years of age, as a result of his professional activities, according to the rules regarding the application for payment of such pensions in force at December 31st, 2014 and which may be subject to change. The amount of the pension paid to Mr. Jean-Paul Agon, under L'Oréal's *Garantie de Retraite des Membres du Comité de Conjoncture* scheme will in fact only be calculated on the date when he applies for all his pensions. As a reminder, the rights to the defined benefit pension are uncertain and conditional on the beneficiary ending his career in the Company. The funding of this scheme by L'Oréal cannot be broken down individually by employee. Benefit from this scheme pursuant to the suspended employment contract was approved by the Annual General Meeting on April 27th, 2010.
Valuation of benefits of any kind	Not applicable	Mr. Jean-Paul Agon continues to be treated in the same way as a senior manager during the term of his corporate office entitling him to continue to benefit from the additional social protection schemes and in particular the employee benefit and healthcare scheme applicable to the Company's employees. For information purposes, the amount of the employer's contributions to these schemes totals €5,892 in 2014. The continued possibility to benefit from this treatment was approved by the Annual General Meeting on April 27th, 2010.

/ SIXTH RESOLUTION: ADVISORY VOTE BY THE SHAREHOLDERS ON THE COMPONENTS OF THE REMUNERATION DUE OR ALLOCATED TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER IN RESPECT OF THE 2014 FINANCIAL YEAR

The Annual General Meeting, consulted pursuant to the recommendation in § 24.3 of the AFEP-MEDEF Code of June 2013 which is the Company's Reference Code pursuant to Article L. 225-37 of the French Commercial Code, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, casts a favourable advisory vote on the components of remuneration due or allocated to Mr. Jean-Paul Agon in his capacity as Chairman and Chief Executive Officer in respect of the 2014 financial year as set out in particular on the statement of reasons of this resolution.

RESOLUTION 7: AUTHORISATION FOR THE COMPANY TO BUY BACK ITS OWN SHARES

/ STATEMENT OF REASONS

As the existing authorisation is due to expire in October 2015, it is proposed that the Annual General Meeting give the Board a new authorisation, it being specified that in the event of filing of a public offer by a third party with regard to the shares of the Company, the Board of Directors will not be able to use this authorisation during the public offer period without the prior authorisation of the Annual General Meeting.

The Company would be able to buy back its own shares for the purpose of:

- their cancellation by a reduction in capital;
- Their sale within the scope of employee ownership programs and their allocation to free grants of shares in favor of employees and executive officers of the L'Oréal Group;
- liquidity provision through a liquidity agreement entered into with an investment services provider in accordance with the Code of Ethics recognised by the *Autorité des Marchés Financiers*;
- retaining them and subsequently using them as payment in connection with external growth transaction.

The purchase, sale, exchange or transfer of these shares may be carried out by any means on one or more occasions, in particular on or off the stock market, including in whole or in part, through the acquisition, sale, exchange or transfer of blocks of shares. These means include, where applicable, the use of all financial instruments and derivatives.

The period of validity of this authorisation would be 18 months as from the date of this Annual General Meeting. The purchase price per share may not exceed €230 (excluding expenses). The authorisation would concern 10% of the capital at most, namely, for information purposes, at December 31st, 2014, 56,123,038 shares for a maximum amount of €12,908,298,740, it being stipulated that the Company may at no time hold over 10% of its own share capital.

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

The Annual General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, having reviewed the Report of the Board of Directors, authorises the Board of Directors, with the possibility for it to delegate to the Chairman and 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 €230 (excluding expenses);
- 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, at December 31st, 2014, 56,123,038 shares for a maximum amount of €12,908,298,740, it being stipulated that the Company may at no time hold over 10% of its own share capital.

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

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

- their cancellation by a reduction in 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, 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;
- liquidity provision through a liquidity agreement entered into with an investment services provider in accordance with the Code of Ethics recognised by the *Autorité des Marchés Financiers*;
- retaining them and subsequently using them as payment in connection with external growth transactions.

The purchase, sale, exchange or transfer of these shares may be carried out by any means, on one or more occasions, in particular on or off the stock market, including in whole or in part, through the acquisition, sale, exchange or transfer of blocks of shares. These means include, where applicable, the use of all financial instruments and derivatives.

These transactions may be carried out at any time, in accordance with the regulations in force at the time of the transactions concerned, it being specified that in the event of filing of a public offer by a third party with regard to the shares of the Company, the Board of Directors will not be able to use this authorisation during the public offer period without the prior authorisation of the Annual General Meeting.

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 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 possibility for it to delegate, for the implementation of this resolution and more generally do anything that may be necessary.

8.1.2. Extraordinary part

RESOLUTION 8: 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

/ STATEMENT OF REASONS

It is proposed that the Annual General Meeting delegate to the Board of Directors its authority to increase the share capital either through the issue of ordinary shares with maintenance of preferential subscription rights, 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 delegation of authority during the public offer period without the prior authorisation of the Annual General Meeting, or via the capitalisation of share premiums, reserves, profits or other amounts.

The total amount of the capital increases that may thus be carried out may not lead to the share capital, which amounts to €112,246,077.80, as of December 31st, 2014, being increased to over €157,144,508. The increases that may be carried out pursuant to Resolutions 9 and 10 will also be deducted from this ceiling, it being specified that this total nominal amount does not take into account adjustments that may be made in accordance with the applicable provisions of the laws and regulations, and where applicable, the contractual provisions providing for other cases of adjustment, to preserve the rights of holders of free shares, stock options for the subscription and purchase of shares and other rights giving access to the share capital. It corresponds to a maximum increase of 40% of the capital.

In the event of a free share allotment, the allotment rights forming fractional shares will not be negotiable or transferable. The corresponding shares will be sold and the amounts resulting from the sale will be allocated to the holders of these rights.

No overallocation option is provided for.

This delegation of authority would be valid for a period of 26 months as from the date of the Annual General Meeting.

/ EIGHTH RESOLUTION: 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, deliberating in accordance with the quorum and majority requirements for Extraordinary General Meetings, having reviewed the Report of the Board of Directors and in accordance with Articles L. 225-109 *et seq.* of the French Commercial Code, and 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, and/or

b) via the capitalisation of share premiums, reserves, profits or other amounts of which the capitalisation is admissible in the form of the allotment of free shares or an increase in the par value of existing shares or by the combined use of these two processes.

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 Annual General 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 €112,246,077.80 as of December 31st, 2014, being increased to over €157,144,508. The increases that may be carried out pursuant to Resolutions 9 and 10 will also be deducted from this ceiling, it being specified that this total nominal amount does not take into account adjustments that may be made in accordance with the applicable provisions of the laws and regulations, and where applicable, the contractual provisions providing for other cases of adjustment, to preserve the rights of holders of free shares, stock options for the subscription and purchase of shares and other rights giving access to the share capital. It corresponds to a maximum increase of 40% of the capital.

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, have not covered the full number of shares issued, the Board of Directors will be able to use, under the conditions set by law and in the order it determines, one and/or both of the possibilities set out below:

- limit the issue to the amount of the subscriptions on condition that it reaches at least three-quarters of the share issue decided;
- offer to the public all or some of the shares not subscribed on the French or foreign market;

Transactions involving an increase in the share capital may be carried out any time, in compliance with the regulations in force on the date of the transactions in question. However, 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 delegation of authority during the public offer period without the prior authorisation of the Annual General Meeting.

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 under the conditions and within the time periods provided for by the applicable regulations;

5) records that this delegation of authority renders ineffective any prior delegation for the same purpose.

RESOLUTION 9: AUTHORISATION TO THE BOARD OF DIRECTORS TO MAKE FREE GRANTS OF SHARES TO EMPLOYEES AND EXECUTIVE OFFICERS ENTAILING WAIVER BY THE SHAREHOLDERS OF THEIR PREFERENTIAL SUBSCRIPTION RIGHT

/ STATEMENT OF REASONS

The authorisation granted by the Annual General Meeting on April 26th, 2013 to the Board of Directors to make free grants of shares to the Group's employees and to certain of its corporate officers is due to expire in 2015.

Within the scope of the authorisation requested in this ninth resolution, the number of free shares that may be granted may not represent more than 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 that same financial year.

The free grant of shares to beneficiaries would only become final and binding, subject to satisfaction of the other conditions set at the time of grant, including in particular the condition of presence in the Company, 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 final award thereof.

The Board of Directors will have the possibility, in any case, to set vesting or holding periods which are longer than the minimum periods set.

If the Annual General Meeting votes in favour of this ninth resolution, any free grants of shares will be decided by the Board of Directors on the basis of the proposals of the General Management examined by the Human Resources and Remuneration Committee.

The Board of Directors will determine the identity of the beneficiaries of the free grants of shares, the number of shares granted to each of them and the performance conditions to be met for the final vesting of all or part of the shares.

These performance conditions would take into account:

- partly, the growth in L'Oréal's comparable cosmetics sales as compared to those of a panel of L'Oréal's biggest direct competitors;
- partly, the growth in L'Oréal's consolidated operating profit.

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

The Board of Directors would once again apply the performance conditions that it uses in application of the authorisation in force which was voted on by the Annual General Meeting of April 26th, 2013.

The Board of Directors considers that these two criteria, assessed over a long period of 3 financial years and applied to several plans, are complementary, in line with the Group's objectives and specificities and should make it possible to promote balanced, continuing growth over the long term. They are exacting but remain a source of motivation for beneficiaries.

In order for all the free shares granted to finally vest for the beneficiaries at the end of the vesting period pursuant to the criterion related to sales, L'Oréal's growth must be at least as good as average growth in sales of the panel of competitors. This panel consists of Unilever, Procter & Gamble, Estée Lauder, Shiseido, Beiersdorf, Johnson & Johnson, Kao, LVMH, Coty, Henkel. Below that level, the grant decreases. The Board defines a threshold, which is not made public for reasons of confidentiality, below which no share will finally vest pursuant to this criterion.

In order for all the free shares granted to finally vest for the beneficiaries at the end of the vesting period pursuant to the criterion related to operating profit, a level of growth defined by the Board, but not made public for reasons of confidentiality, must be met or exceeded. Below that 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.

These performance conditions will apply to all the individual grants of more than 200 free shares per plan, with the exception of those for the executive officers and the Executive Committee members, to which they will apply in full.

The free grant of shares may be carried out without any performance condition within the scope of grants that are made to all the employees of the Group, or for shares granted in respect of cash subscriptions made within the scope of an increase in capital reserved for the Group's employees pursuant to the tenth resolution.

Any grants of shares to the executive 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.

L'Oréal's executive officers will be required to retain 50% of the free shares that will be definitively allocated to them at the end of the vesting period in registered form until the termination of their duties.

An executive officer may not be granted free shares at the time of termination of his duties.

The authorisation requested from the Annual General Meeting would be granted for a period limited to 26 months as from the decision by the Annual General Meeting.

/ NINTH RESOLUTION: AUTHORISATION TO THE BOARD OF DIRECTORS TO MAKE FREE GRANTS TO EMPLOYEES AND EXECUTIVE OFFICERS OF EXISTING SHARES AND/OR OF SHARES TO BE ISSUED ENTAILING WAIVER BY THE SHAREHOLDERS OF THEIR PREFERENTIAL SUBSCRIPTION RIGHT

The Annual General Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary General Meetings, 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 executive 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 executive officers, free grants of existing shares or shares to be issued of L'Oréal;
- sets at 26 months as from the date of this Annual General 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 determined 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 maximum nominal amount of the increases in share capital carried out on the basis of this authorisation will be deducted from the amount of the overall ceiling provided for in paragraph 2) of the eighth resolution.
- decides that the number of free shares granted to executive officers of the Company during a financial year pursuant to this resolution may not represent more than 10% of the total number of free shares granted during a financial year pursuant to this resolution;
- decides that the Board of Directors will determine the identity of the beneficiaries of the grants, and the number of free shares granted to each of them as well as the conditions to be met for the grant to finally vest, and in particular the performance conditions, it being stipulated 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 executive 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 executive officers of foreign companies subscribing to an increase in capital carried out pursuant to the tenth 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 free shares that are granted to them within the scope of each of the plans decided by the Board of Directors;
- decides that the grant of such shares to 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 final award 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 share 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 free shares granted, the waiver by the shareholders of their preferential subscription right 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 vesting and holding periods which are longer than the minimum periods set above.

RESOLUTION 10: 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 RIGHT

/ STATEMENT OF REASONS

The delegation of authority granted to the Board of Directors to decide to increase the share capital, and the authorisations to make free grants of shares to be issued, give rise to a corresponding obligation to submit to the Annual General Meeting a draft resolution enabling a potential capital increase to be carried out reserved for employees who are members of an employee savings scheme.

In accordance with the French Labour Code, the issue price may not be higher than the average of the trading prices 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. It also may not be over 20% lower than 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 of 20%, in particular to take into account legal and tax regimes applicable in the countries of residence of certain beneficiaries of the capital increase.

The Annual General Meeting is therefore asked to delegate to the Board of Directors the authority to decide to carry out the increase in capital of the Company on one or more occasions, for a period of 26 months and within the limit of 1% of the share capital, namely for information purposes at December 31st, 2014 through the issue of 5,612,388 new shares. The amount of the increase or increases in capital that may be carried out in this respect would be deducted from the overall ceiling for increases in capital provided for in the eighth resolution.

/ TENTH RESOLUTION: 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 RIGHT

The Annual General Meeting, deliberating in accordance with the quorum and majority requirements 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, L. 225129-6 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 alone, 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, executive officers and eligible former employees, of the Company and of its French and foreign affiliates as defined by Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labour Code, who are members of a company savings scheme;
- decides to cancel, in favour of the employees, executive officers and eligible former employees, of the Company and of its French and foreign affiliates as defined by Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labour Code, who are members of a company savings scheme, 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 out through any employee investment fund, and in particular a "structured" employee investment fund within the meaning of the regulations of the *Autorité des Marchés Financiers,* or any other collective body authorised by the regulations;

- sets the period of validity of this delegation at 26 months as from the date of this Annual 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 Annual General Meeting, the capital increase that could thus be carried out (namely, for information purposes at December 31st, 2014, an increase in the share capital by a maximum nominal amount of €1,122,477 through the issue of 5,612,388 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 overall ceiling for increases in capital provided for in the eighth resolution offered to this Annual General Meeting for approval;
- decides that the subscription price may include a discount as compared with the average of the trading prices 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. 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, after taking into account their equivalent monetary value, assessed on the basis of the subscription price, this 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 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 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 or capital increases made pursuant to this delegation of authority and amend the Articles of Association accordingly.

RESOLUTION 11: AMENDMENT OF ARTICLE 12 OF THE ARTICLES OF ASSOCIATION RELATING TO THE INTRODUCTION OF DOUBLE VOTING RIGHTS BY FRENCH LAW NO. 2014-384 OF MARCH 29TH, 2014 IN ORDER TO CONTINUE TO APPLY SIMPLE VOTING RIGHTS

/ STATEMENT OF REASONS

French Law No. 2014-384 of March 29th, 2014 "*aimed at reconquering the real economy*" known as the "*Florange law*" introduced the principle of double voting rights in companies whose shares are admitted for trading on a regulated market, unless there is a clause in the Articles of Association providing to the contrary adopted after promulgation of the law.

Article L. 225-123 of the French Commercial Code, as amended by such law, provides in fact in its third and last paragraph that:

> "*In companies whose shares are admitted for trading on a regulated market, the double voting rights provided for in the first paragraph are automatic, unless there is a clause in the Articles of Association providing to the contrary adopted after promulgation of Law No. 2014-384 of March 29th, 2014 aimed at reconquering the real economy, for all the fully paid-up shares for which proof is provided that they have been registered in the name of the same shareholder for two years. The same applies for the double voting right granted immediately upon their issue to the registered shares granted free of charge pursuant to the second paragraph*".

At the time of the Annual General Meeting of April 29th, 2004, on the proposal of the Board of Directors, the shareholders of L'Oréal amended the Articles of Association in order to remove the double voting right.

The Board of Directors repeats its attachment to the principle whereby each share gives a right to one vote by proposing to the Annual General Meeting to amend the Articles of Association in order to continue to apply simple voting rights.

/ ELEVENTH RESOLUTION: AMENDMENT OF ARTICLE 12 OF THE ARTICLES OF ASSOCIATION RELATING TO THE INTRODUCTION OF DOUBLE VOTING RIGHTS BY FRENCH LAW NO. 2014-384 OF MARCH 29TH, 2014 IN ORDER TO CONTINUE TO APPLY SIMPLE VOTING RIGHTS

The Annual General Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary General Meetings, having reviewed the Report of the Board of Directors, decides to amend the penultimate paragraph of Article 12 of the Articles of Association as follows:

Current version:	Proposed new version:
"Each member of the Meeting has as many votes as the number of shares he owns or represents without limitation. The proxy of a shareholder can cast the votes of the shareholder he represents in the same conditions."	***"Applying the provisions of French Law No. 2014-384 of March 29th, 2014, the General Meeting of April 22nd, 2015 confirmed that each shares entitles the holder to only one vote at Annual General Meetings.*** The proxy of a shareholder can cast the votes of the shareholder he represents in the same conditions."

RESOLUTION 12: REMOVAL FROM THE ARTICLES OF ASSOCIATION OF THE REFERENCE TO THE TIME PERIODS TO BE TAKEN INTO ACCOUNT TO PARTICIPATE IN THE ANNUAL GENERAL MEETING

/ STATEMENT OF REASONS

The new wording of Article R. 225-85 of the French Commercial Code, introduced by the French Decree of December 8th, 2014 changes the date of preparation of the list of persons duly empowered to participate in the Annual General Meeting.

Pursuant to this article, the list of persons duly empowered to participate in the Annual General Meeting is prepared on the second working day prior to the Annual General Meeting at zero hour, Paris time (instead of the third working day provided for previously by law and mentioned in the Articles of Association of L'Oréal).

These new provisions, like the previous provisions, are public policy provisions and are effective even in the absence of provisions in the Articles of Association.

It is proposed to remove all reference concerning the time periods to be taken into account. This modification would make it possible to have a communication by the Company in line with the latest progress in the regulations with regard to participation in Annual General Meetings and to avoid all contradiction between the Articles of Association that can only be amended at an Annual General Meeting and the Company's other communication materials that can be updated immediately.

/ TWELFTH RESOLUTION: REMOVAL FROM THE ARTICLES OF ASSOCIATION OF THE REFERENCE TO THE TIME PERIODS TO BE TAKEN INTO ACCOUNT TO PARTICIPATE IN THE ANNUAL GENERAL MEETING

The Annual General Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary General Meetings, having reviewed the Report of the Board of Directors, decides to amend Article 12 of the Articles of Association in order to remove the reference relating to the legal period to prepare the list of persons duly empowered to participate in the General Meeting of shareholders, in particular within the scope of exercise of voting rights by electronic means:

Current version:	Proposed new version:
Article 12	**Article 12**
[…]	*[…]*
"If the Board of Directors so decides when the meeting is called, the shareholders may use a form of admission request, of proxy or of vote by correspondence in electronic form; the used electronic signature must result from a reliable identification process which ensures its link with the vote form to which it is related; it may consist, in particular, of an identification code and a password, or any other way provided or authorized by the legislation currently in force. *As a result, the vote expressed before the General Shareholders' Meeting by this electronic method, and the acknowledgement of receipt given, shall be considered as irrevocable written evidence that is enforceable with regard to all the parties involved, **it being specified that in the event of a sale of shares that takes place before the third working day prior to the Meeting at zero hour (Paris time), the Company shall invalidate or amend the proxy form or vote cast prior to such date and time accordingly, where applicable."***	"If the Board of Directors so decides when the meeting is called, the shareholders may use a form of admission request, of proxy or of vote by correspondence in electronic form; the used electronic signature must result from a reliable identification process which ensures its link with the vote form to which it is related; it may consist, in particular, of an identification code and a password, or any other way provided or authorized by the legislation currently in force. *As a result, the vote expressed before the General Shareholders' Meeting by this electronic method, and the acknowledgement of receipt given, shall be considered as irrevocable written evidence that is enforceable with regard to all the parties involved. "*
[…]	[…]

RESOLUTION 13: POWERS FOR FORMALITIES

/ STATEMENT OF REASONS

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

/ THIRTEENTH 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.

8.2. STATUTORY AUDITORS' SPECIAL REPORT ON THE AUTHORIZATION FOR THE FREE GRANTING OF EXISTING SHARES AND/OR SHARES TO BE ISSUED TO EMPLOYEES AND CORPORATE OFFICERS OF THE COMPANY

(Annual General Meeting of April 22, 2015 – Ninth resolution)

This is a free translation into English of the Statutory Auditors' Special 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,

In our capacity as Statutory Auditors of your Company and in accordance with Article L. 225-197-1 of the French Commercial Code *(Code de commerce),* we have prepared this report on the proposed free granting of existing shares and/or shares to be issued to employees and corporate officers of L'Oréal and affiliated companies within the meaning of Article L. 225-197-2 of the French Commercial Code, or to certain categories of employees and corporate officers, a transaction on which you are asked to vote.

On the basis of its report, the Board of Directors asks you to authorize, for a period of twenty-six months commencing the day of this Annual General Meeting, the free granting on one or more occasions of existing shares and/or shares to be issued. The total number of shares likely to be granted could not exceed 0,6% of the Company's share capital existing as of the date of decision of the Board of Directors, it being specified that the total share capital increases likely to be carried out under this resolution shall be allocated to the overall limit stipulated in the eight resolution.

It is the role of the Board of Directors to prepare a report on the transaction which it wishes to conduct. It is our role, where necessary, to comment on the information which is communicated to you on the proposed transaction.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France. These procedures consisted in verifying that the proposed terms and conditions presented in the Board of Directors' Report comply with the provisions provided for by law.

We have no comments to make on the information given in the Board of Directors' Report relating to the proposed free granting of shares.

Neuilly-sur-Seine, February 17th, 2015

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Gérard Morin	David Dupont-Noel

8.3. STATUTORY AUDITORS' SPECIAL REPORT ON THE SHARE CAPITAL INCREASE RESERVED FOR EMPLOYEES OF THE COMPANY

(Annual General Meeting of April 22, 2015 – Tenth resolution)

This is a free translation into English of the Statutory Auditors' Special 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,

In our capacity as 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 present you with our report on the proposal to delegate to the Board of Directors the authority to carry out, on one or more occasions, the issue of shares or securities giving access to the Company's share capital with cancellation of preferential subscription rights, such increase being reserved for employees, corporate officers and eligible former employees of your Company and French or foreign affiliated companies, within the meaning of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code *(Code du travail)*, who are members of a L'Oréal Group corporate savings scheme, a transaction on which you are asked to vote.

This proposed share capital increase is submitted to you for approval pursuant to Articles L. 225-129-6 of the French Commercial Code and Article L. 3332-18 *et seq.* of the French Labor Code.

The total number of shares likely to be issued, on one or more occasions, pursuant to this delegation, cannot exceed 1% of the Company's share capital existing as of the date of this Annual General Meeting, it being specified that the total share capital increases likely to be carried out under this resolution shall be allocated to the overall limit stipulated in the eight resolution.

On the basis of its report, the Board of Directors asks you to delegate, for a period of twenty-six months commencing the day of this Annual General Meeting, the authority to decide one or several share capital increases and to cancel your preferential share subscription rights to the shares to be issued. Where appropriate, the Board of Directors shall set the final terms and conditions of the share capital increases.

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 role to comment on the fair presentation of financial data taken from the accounts, on the proposed cancellation of your preferential subscription rights and on certain other information concerning the issue, presented in this report.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France. These procedures consisted in verifying the content of the Board of Directors' Report in respect of this transaction and the terms and conditions for determining the share issue price.

Subject to the subsequent review of the terms and conditions of each share capital increase that the Board of Directors may decide, we have no comment to make on the terms and conditions for determining the share issue price as set forth in the Board of Directors' Report.

As the final terms and conditions governing the share capital increase(s) have not been set, we do not express an opinion thereon and consequently on the proposed cancellation of preferential share subscription rights.

In accordance with Article R. 225-116 of the French Commercial Code, we shall prepare an additional report for each share capital increase that your Board of Directors may decide to perform.

Neuilly-sur-Seine, February 17th, 2015

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Gérard Morin	David Dupont-Noel