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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt about this circular or as to the action to be taken, you should consult a stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in L'Occitane International S.A., you should at once hand this circular and the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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**L'OCCITANE**  
E N P R O V E N C E

**L'OCCITANE INTERNATIONAL S.A.**

*49, Boulevard Prince Henri L-1724 Luxembourg*

*R.C.S. Luxembourg: B80359*

*(Incorporated under the laws of Luxembourg with limited liability)*

*(Stock code: 973)*

**NOTICE OF ANNUAL GENERAL MEETING  
AND  
INFORMATION ON THE PROPOSALS FOR:  
GENERAL MANDATE TO ISSUE SHARES OR TRANSFER  
SHARES OUT OF TREASURY,  
REPURCHASE MANDATE TO REPURCHASE SHARES,  
RE-ELECTION OF DIRECTORS,  
ADOPTION OF SHARE OPTION PLAN 2016 AND FREE SHARE PLAN 2016  
PROPOSED RENEWAL OF THE AUTHORISATION GIVEN TO THE  
BOARD TO INCREASE THE SHARE CAPITAL**

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A notice convening an Annual General Meeting of L'Occitane International S.A. (the "**Company**") to be held at the registered office of the Company at 49, Boulevard Prince Henri L-1724 Luxembourg, Grand Duchy of Luxembourg and by tele-conference at 38/F, Tower Two, Times Square, 1 Matheson Road, Causeway Bay, Hong Kong on Wednesday, 28 September 2016 at 10:00 a.m. (CET)/4:00 p.m. (Hong Kong time) is set out on pages 34 to 40 of this circular.

A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([group.loccitane.com](http://group.loccitane.com)).

Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the meeting or any adjournment thereof if they so wish in which case any proxy provided in advance shall be deemed to be withdrawn.

29 July 2016

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Annual General Meeting”	the annual general meeting of the Company to be held at the registered office of the Company at 49, Boulevard Prince Henri L-1724 Luxembourg, Grand Duchy of Luxembourg and by tele-conference at 38/F, Tower Two, Times Square, 1 Matheson Road, Causeway Bay, Hong Kong on Wednesday, 28 September 2016 at 10:00 a.m. (CET)/4:00 p.m. (Hong Kong time) or any adjournment thereof and notice of which is set out on pages 34 to 40 of this circular
“Articles of Association”	the articles of association of the Company currently in force
“Board”	the board of Directors of the Company
“Company”	L’Occitane International S.A., a <i>société anonyme</i> incorporated on 22 December 2000 under the laws of the Grand-Duchy of Luxembourg having its registered office at 49, Boulevard Prince Henri L-1724 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg trade and companies register under registration number B80359 with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Person(s)”	Employees, Directors and Shareholders selected to participate in the Share Option Plan 2016
“Employee(s)”	employees of the Group
“Free Share(s)”	Share(s) to be issued pursuant to the Free Share Plan 2016
“Free Share Plan 2010”	the Company’s free share plan adopted on 30 September 2010 and expired on 29 September 2013
“Free Share Plan 2013”	the Company’s existing free share plan adopted on 25 September 2013, as amended from time to time, and which will expire on 24 September 2016
“Free Share Plan 2016”	the proposed 2016 free share plan to be adopted by the Company

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## DEFINITIONS

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“General Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to allot or issue (or in the case of Treasury Shares, transfer or sell), securities in the Company to new or existing shareholders provided that otherwise than in particular circumstances the aggregate nominal amount of the issued Shares allotted or transferred, shall not exceed 20% of the nominal amount of the issued Shares as at the date of passing of the relevant resolution, excluding for these purposes the nominal amount of any Treasury Shares held in treasury at such date, plus such number of securities purchased and cancelled by the Company within the Repurchase Mandate
“Grantee”	any Participant who accepts an offer in accordance with the terms of the Share Option Plan 2016 or Free Share Plan 2016, as applicable, or (where the context so permits) any person who is entitled to any Option or Free Share, as applicable, in consequence of the death of the original Grantee
“Group”	the Company and its subsidiaries
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	26 July 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Luxembourg Companies Law”	the Luxembourg law of 10 August 1915 on commercial companies, as amended from time to time
“Option(s)”	options to subscribe for the shares pursuant to the Share Option Plan 2016
“Participant”	(i) any eligible Director, Employee or Shareholder in the case of the Share Option Plan 2016 or (ii) any eligible Employee in the case of the Free Share Plan 2016, who the Board considers, in its sole discretion, have contributed or will contribute to the business growth and value of the Group

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## DEFINITIONS

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“Plan Period”	the validity of the authorization of the Share Option Plan 2016 or Free Share Plan 2016, as applicable, representing the time period in which the Board could grant the Options or Free Shares, as applicable, being three years
“Prospectus”	the prospectus of the Company dated 26 April 2010
“Remuneration Committee”	the remuneration committee of the Board
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase, and either cancel or hold in treasury, Shares not exceeding 10% of the aggregate nominal amount of the issued Shares as at the date of passing of the relevant resolution granting such repurchase mandate (excluding the nominal value of any Treasury Shares as at such date), provided that to comply with the Luxembourg Companies Law all such repurchases are made within a price range of between HKD10 and HKD30
“Securities and Futures Ordinance”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time
“Share(s)”	ordinary share(s) of nominal value of EUR 0.03 each in the capital of the Company
“Share Option Plan 2010”	the Company’s share option scheme adopted on 30 September 2010 and expired on 29 September 2013
“Share Option Plan 2013”	the Company’s existing share option scheme adopted on 25 September 2013, as amended from time to time, and which will expire on 24 September 2016
“Share Option Plan 2016”	the proposed 2016 share option plan to be adopted by the Company, the principal terms of which are set out in Appendix IV of this circular
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission in Hong Kong, as amended from time to time
“Treasury Shares”	Shares that have been repurchased by the Company and are held in treasury, as authorized by the Luxembourg Companies Laws

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## DEFINITIONS

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“Treasury Shares Waiver”	the conditional waiver granted to the Company on 4 October 2013 by the Stock Exchange from Rule 10.06(5) of the Listing Rules to (among other things) allow it to hold repurchased Shares in treasury
“€” or EUR”	Euros, the single currency of participating members of the European Union

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LETTER FROM THE BOARD

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L'OCCITANE  
EN PROVENCE

**L'OCCITANE INTERNATIONAL S.A.**

49, Boulevard Prince Henri L-1724 Luxembourg

R.C.S. Luxembourg: B80359

(Incorporated under the laws of Luxembourg with limited liability)

(Stock code: 973)

*Executive Directors:*

Reinold Geiger (*Chairman and Chief Executive Officer*)

André Joseph Hoffmann

Thomas Levilion

Domenico Trizio

Karl Guénard

*Non-executive Director:*

Martial Thierry Lopez

*Independent Non-executive Directors:*

Valérie Irène Amélie Monique Bernis

Charles Mark Broadley

Pierre Maurice Georges Milet

Jackson Chik Sum Ng

*Registered office:*

49, Boulevard Prince Henri

L-1724 Luxembourg

*Principal place of business*

*in Hong Kong:*

38/F, Tower Two

Times Square

1 Matheson Street

Causeway Bay

Hong Kong

29 July 2016

*To the Shareholders*

Dear Sir or Madam

The purpose of this circular is to give you notice of the Annual General Meeting and to provide the Shareholders with information on certain of the resolutions to be put forward at the Annual General Meeting.

We therefore inform you that the following resolutions will be tabled at the Annual General Meeting.

**ORDINARY RESOLUTIONS**

**(1) Adoption of the statutory accounts and audited consolidated financial statements for the year ended 31 March 2016**

An ordinary resolution will be proposed to the Shareholders at the Annual General Meeting to approve the statutory accounts and audited consolidated financial statements of the Company for the year ended 31 March 2016.

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## LETTER FROM THE BOARD

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### **(2) Allocation of the profits**

An ordinary resolution will be proposed to the Shareholders at the Annual General Meeting regarding the allocation of profits for the year ended 31 March 2016.

### **(3) Re-election of retiring Directors**

In accordance with code provision A.4.2 of the Corporate Governance Code contained in Appendix 14 to the Listing Rules, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. In addition, in accordance with Article 10.1 of the Articles of Association, the Directors shall be elected by the Shareholders at a general meeting, which shall determine their number and term of office. The term of the office of a Director shall be not more than three years, upon the expiry of which each shall be eligible for re-election.

Accordingly, Mrs. Valérie Irène Amélie Monique Bernis and Mr. Pierre Maurice Georges Milet shall retire by rotation, and being eligible, offer themselves for re-election at the Annual General Meeting for a proposed term of three years. The re-election of each of these Directors will be voted on by the Shareholders in separate resolutions.

Details of the above-named Directors are set out in Appendix I to this circular in accordance with the relevant requirements of the Listing Rules.

### **(4) General Mandates granted to the Board**

#### **4.1 *General Mandate to issue Shares or transfer Treasury Shares out of treasury***

In order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to issue any Shares or transfer Treasury Shares out of treasury, approval is to be sought from the Shareholders, pursuant to the Listing Rules, for the General Mandate. At the Annual General Meeting, an ordinary resolution no. 4(A) will be proposed to grant the General Mandate to the Directors.

The General Mandate will end on (i) the conclusion of the next annual general meeting of the Company following the passing of the General Mandate; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Articles of Association to be held; or (iii) the revocation or variation of the General Mandate by ordinary resolution of Shareholders in general meeting, whichever is the earliest.

As at the Latest Practicable Date, the number of Shares in issue is 1,476,964,891 Shares, of which 8,348,170 Shares were held in treasury (See Appendix II). There are 1,468,616,721 Shares in issue excluding those Shares that are held in treasury with a total nominal amount of EUR44,058,501.63. Subject to the passing of ordinary resolution no. 4(A) and on the basis that no further Shares are issued or repurchased (whether held in treasury or cancelled) after the Latest Practicable Date and up to the Annual General Meeting, the Company will be allowed to issue Shares with a maximum nominal amount of EUR 8,811,700.32 (equivalent to 293,723,344 Shares, being 20% of the total nominal amount of capital excluding the nominal amount of capital of those Shares

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## LETTER FROM THE BOARD

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that are held in treasury). In addition, subject to a separate approval of the ordinary resolution no. 4(C), the nominal amount of the number of Shares repurchased by the Company under ordinary resolution no. 4(B) (whether held in treasury or cancelled) will also be added to the maximum nominal amount for the General Mandate provided that such aggregated amount shall not exceed 10% of the aggregate nominal amount of the Shares in issue as at the date of passing the General Mandate and Repurchase Mandate (excluding for these purposes the nominal amount of issued Shares of the shares held in treasury).

The Directors wish to state that they have no immediate plans to issue any new Shares pursuant to the General Mandate.

### *4.2 Repurchase Mandate to repurchase and cancel Shares*

In addition, an ordinary resolution will be proposed to approve the granting of the Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase, and either cancel or hold in treasury, Shares representing up to 10% of the aggregate nominal amount of the issued Shares as at the date of passing the resolution in relation to the Repurchase Mandate (excluding for these purposes the nominal amount of Treasury Shares as at such date). Under Luxembourg law the Shareholders are required to approve a price range for any Shares purchased under the Repurchase Mandate. To provide itself with maximum flexibility the Board proposes to approve repurchases at a price range of between HKD10 and HKD30 provided that, pursuant to the Listing Rules, the Company will not repurchase Shares on the Stock Exchange if the purchase price is higher by 5% or more than the average closing market price for the five preceding trading days on which its Shares were traded on the Stock Exchange. This range should not be taken to provide any indication of the Directors' views of the future price of the Shares. The Repurchase Mandate will end on (i) the conclusion of the next annual general meeting of the Company following the passing of the Repurchase Mandate; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Articles of Association to be held; or (iii) the revocation or variation of the Repurchase Mandate by ordinary resolution of Shareholders in general meeting, whichever is the earliest.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed Repurchase Mandate is set out in Appendix II to this circular. This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting.

### *4.3 Confirmation for the compliance with the conditions of the Treasury Shares Waiver*

The Luxembourg Companies Law permits the Company to elect to hold in treasury any Shares it repurchases, rather than cancelling those Shares. The Company is currently holding 8,348,170 Shares as Treasury Shares. The Company was being granted a conditional waiver from the Stock Exchange of Rule 10.06(5) of the Listing Rules to allow it to hold repurchased Shares in treasury on 4 October 2013. As a consequence of the Treasury Shares Waiver, the Stock Exchange had agreed certain consequential modifications to other Listing Rules applicable to the Company. Shares held in

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## LETTER FROM THE BOARD

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treasury may subsequently be sold for cash, transferred pursuant to an employees' share scheme or cancelled. The Treasury Shares Waiver is subject to certain conditions including compliance with the modified Listing Rules and Luxembourg law on treasury shares. The Company confirmed they have complied with the conditions of the Treasury Shares Waiver.

Details of the Treasury Shares Waiver were disclosed in the announcement of the Company dated 4 November 2013.

The Directors wish to state that they have no immediate plans to repurchase any Shares pursuant to the Repurchase Mandate.

**(5) Renewal of the mandate granted to PricewaterhouseCoopers to act as approved statutory auditor (*réviseur d'entreprises agréé*) of the Company for the year ending 31 March 2017**

It is proposed that the Shareholders renew the mandate of PricewaterhouseCoopers to act as approved statutory auditor (*réviseur d'entreprises agréé*) of the Company under Luxembourg Companies Law for the year ending 31 March 2017.

**(6) Re-appointment of PricewaterhouseCoopers as external auditor of the Company**

In accordance with Rule 13.88 of the Listing Rules, it is proposed that the Shareholders re-appoint PricewaterhouseCoopers as the external auditor of the Company to hold office from the conclusion of the Annual General Meeting until the next annual general meeting.

**(7) Adoption of Share Option Plan 2016**

The Share Option Plan 2013 was adopted on 25 September 2013 and will expire on 24 September 2016. In view of the expiration of the Share Option Plan 2013, the Board proposes to adopt the Share Option Plan 2016 so that the Company can continue to provide incentives to and/or to reward Eligible Person(s), by way of granting options, after the expiration of the Share Option Plan 2013. An ordinary resolution will be proposed at the Annual General Meeting to seek Shareholders' approval for the adoption of the Share Option Plan 2016.

As at the Latest Practicable Date, 7,287,968 options granted under the Share Option Plan 2010 and 18,320,350 options granted under the Share Option Plan 2013 remained outstanding. The Directors wish to state that they have no intention to grant any further options under the Share Option Plan 2013 before the Annual General Meeting and the termination of the Share Option Plan 2013.

**(i) Purpose of the Share Option Plan 2016**

The Share Option Plan 2016 will provide Eligible Person(s) with an opportunity to have a personal stake in the Company through an offer of grant of Options. The Shares subject to the Share Option Plan 2016 are identical in nature with the other Shares of the Company.

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## LETTER FROM THE BOARD

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The purpose of the Share Option Plan 2016 is to achieve the following objectives:

- to motivate the Eligible Person(s) to optimize their performance, effectiveness and efficiency for the benefit of the Group; and
- to attract and retain or otherwise maintain an ongoing business relationship with the Eligible Person(s) whose contributions are or will be beneficial to the long-term growth of the Group.

(ii) *Key Features of the Share Option Plan 2016*

The Remuneration Committee, limited to its two independent non-executive Directors, is responsible for determining each year whether any grant of Options to executive Directors will be awarded and the performance targets to be used and will make recommendations to the Board for approval. No Options may be granted to executive Directors in the absence of the recommendation by the independent non-executive Directors of the Remuneration Committee and as no Director or any of his/her associates shall be involved in deciding his own remuneration, no executive Director will be reviewing and/or approving his own remuneration in the Remuneration Committee and or/on the Board even if the executive Director was a member of the Remuneration Committee.

In addition, the Share Option Plan 2016 states that any grant of Options, as applicable, proposed to be made to an Eligible Person who is a Director, chief executive or substantial Shareholder, or any of their respective associates must first be approved by all independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of such Options). No Option shall be granted to any Eligible Person where the Eligible Person is a Director, within the period prescribed in the Listing Rules during which a Director is prohibited from dealing in the securities of the Company.

No offer for the grant of Options shall be made after inside information has come to the knowledge of the Company until such inside information has been announced in accordance with the manner prescribed by the Listing Rules from time to time. Any grant of Options proposed to be made to an Eligible Person who is a substantial Shareholder or an independent non-executive Director, or any of their respective associates, must first be approved by the Shareholders in general meeting if the Shares issued (or transferred out of treasury) upon the exercise of such Options proposed to be granted to such person in the 12-month period up to and including the date of such grant (a) represent in aggregate over 0.1% of the number of Shares then in issue (excluding for these purposes Treasury Shares); and (b) have an aggregate value, based on the closing price of Shares at the date of each grant, in excess of HKD5 million.

Under the rules of the Share Option Plan 2016, the Board may during the Plan Period and at its discretion make an offer to grant an Option made in accordance with the Share Option Plan 2016 to an Eligible Person subject to such conditions as it may think fit. Under the rules of the Share Option Plan 2016, the Board may at its discretion, determine the period of time during which the right to exercise the Option in respect of all or some of the Shares to which the Option relates, will vest subject

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## LETTER FROM THE BOARD

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to and in accordance with the terms and conditions of the grant of the Option. The Board takes the view that the option period shall commence on the fourth anniversary from the date of grant to retain ongoing business relationship with the Eligible Persons and to provide a longer period for performance measurement.

There are no amounts payable to the Company by an Eligible Person upon the grant or acceptance of an Option.

(iii) *Compliance with the Listing Rules*

The provisions of the Share Option Plan 2016 will comply with the requirements of Chapter 17 of the Listing Rules. With respect to the operation of the Share Option Plan 2016, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules.

None of the Directors is a trustee of the Share Option Plan 2016 or has any direct or indirect interest in such trustee, if any.

(iv) *Plan Mandate Limit*

Save for the Share Option Plans 2010 and 2013, as at the Latest Practicable Date, there was not in existence any other share option scheme of the Company involving the issue of Shares (or transfer of Shares out of treasury).

The total number of Options subject to the Share Option Plan 2016 is 2.0% of the issued Shares as at the date of adoption of the Share Option Plan 2016 (excluding for these purposes the Treasury Shares).

(v) *Maximum number of Shares*

Based on the 1,476,964,891 Shares in issue as at the Latest Practicable Date, of which 8,348,170 Shares were held in treasury and assuming that there is no change in the issued Shares before the Annual General Meeting, the maximum number of Shares to be issued upon the exercise of Options that may be granted under the Share Option Plan 2016 are 29,372,334 Shares, being approximately 2.0% of the issued Shares (excluding for these purposes the Treasury Shares) as set out in the above (iv) Plan Mandate Limit.

(vi) *Value of Share Options*

The Board considers that it is not appropriate to state the value of all Options that can be granted pursuant to the Share Option Plan 2016 as at the Latest Practicable Date as a number of variables which are crucial for the calculation of the Option value have not been determined. Such variables

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## LETTER FROM THE BOARD

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include but are not limited to the exercise price, vesting period, exercise period and the conditions that an Option is subject to. The Board believes that any calculation of the value of the Options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

*(vii) Conditions for the adoption of the Share Option Plan 2016*

The adoption of the Share Option Plan 2016 is conditional upon:

- (a) the passing of an ordinary resolution to adopt the Share Option Plan 2016 by the Shareholders; and
- (b) the Listing Committee of the Stock Exchange granting the approval for listing of, and permission to deal in, any Shares which may fall to be issued by the Company (or transferred out of treasury by the Company) pursuant to the exercise of Options in accordance with the terms of the Share Option Plan 2016.

A summary of the principal terms of the Share Option Plan 2016 is set out in Appendix IV of this circular.

**(8) Adoption of Free Share Plan 2016**

The Free Share Plan 2013 was adopted on 25 September 2013 and will expire on 24 September 2016. In view of the expiration of the Free Share Plan 2013, the Board proposes to adopt the Free Share Plan 2016 so that the Company can continue to provide incentives to and/or to reward Employee(s), by way of granting Free Shares, after the expiration of the Free Share Plan 2013. As the Free Share Plan 2016 is not a scheme covered under Chapter 17 of the Listing Rules and accordingly the provisions of the Free Share Plan 2016 will not be required to comply with the requirements of Chapter 17 of the Listing Rules. However, under applicable Luxembourg law, the Free Share Plan 2016 will require Shareholders' approval. An ordinary resolution will be proposed at the Annual General Meeting to seek Shareholders' approval for the adoption of the Free Share Plan 2016.

As at the Latest Practicable Date, there are (i) 769,500 free shares granted but not vested under the Free Share Plan 2010, and (ii) 2,328,300 free shares granted but not vested and no free shares granted and vested under Free Share Plan 2013.

As at the Latest Practicable Date, each of the Share Option Plan 2010 and the Free Share Plan 2010 has expired and no further options may be granted thereunder. Furthermore, each of the Share Option Plan 2013 and Free Share Plan 2013 will expire on 24 September 2016 and, as at the Latest Practicable Date, the Company has no intention to grant options or free shares under the Share Option Plan 2013 and Free Share Plan 2013, respectively, prior to its expiration.

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## LETTER FROM THE BOARD

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The principal terms of the Free Share Plan 2016 are set out below.

(i) *Purpose of the Free Share Plan 2016*

The Free Share Plan 2016 will provide Employees with an opportunity to have a personal stake in the Company through an offer of grant of Free Shares. The purpose of the Free Share Plan 2016 is to achieve the following objectives:

- to motivate Employees to optimise their performance, effectiveness and efficiency for the benefit of the Group; and
- to attract and retain or otherwise maintain an ongoing business relationship with Employees whose contributions are or will be beneficial to the long-term growth of the Group.

(ii) *Participants*

The Participants of the Free Share Plan 2016 are Employees only. Free Shares will not be granted to connected persons (as defined in the Listing Rules) of the Company. In determining the basis of eligibility of each Participant, the Board will take into account such factors as it may at its discretion consider appropriate, including but not limited to whether the Participant has contributed or will contribute to the business growth and value of the Group.

(iii) *Grant of Free Shares*

Under the rules of the Free Share Plan 2016, the Board may during the Plan Period at its discretion grant Free Shares in accordance with the Free Share Plan 2016 to an Employee subject to such conditions as the Board may think fit and in each case subject to a vesting period of four years or such other period as determined by the Board (i.e. the Shares will be issued to the relevant Employee four years after the date of the grant).

(iv) *Number of shares subject to the Free Share Plan 2016*

The maximum number of Free Shares subject to the Free Share Plan 2016 is 0.4% of the issued Shares (excluding for these purposes the Treasury Shares) as at the date of adoption of the Free Share Plan 2016. The maximum number of Free Shares subject to the Free Share Plan 2016 was determined by the Company after considering a number of factors, including the number of Employees who will be eligible for Free Shares under the Free Share Plan 2016, the number of Shares in issue and to minimize the effect of any such issue of Free Shares against the potential dilution of the existing Shareholders' interests in the Company. Having considered the above factors, the Directors are of the opinion that the number of Free Shares subject to the Free Share Plan 2016 is appropriate and reflects the number of free shares granted under the previous free share plans. Assuming that there is no change in the number of Shares in issue from the Latest Practicable Date to the date of adoption of the Free Share Plan 2016, the total number of Free Shares which may be issued pursuant to the Free Share Plan 2016 is 5,874,466 Shares.

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## LETTER FROM THE BOARD

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(v) *Duration and performance target*

The validity of the authorization of the plan representing the time period in which the Board could grant the Free Shares is three years from the date on which the Free Share Plan 2016 is adopted. The vesting period in respect of each grant of Free Shares is set at four years from the date the Free Shares are granted or such other vesting period as the Board may specify at the time of the grant. Free Shares will be issued and allotted to a Grantee at the end of the relevant vesting period. No Free Shares will be issued and allotted until the end of the relevant vesting period. Subject to exceptions, Grantees leaving the employment of the Company before their Free Shares have vested would in principle forfeit their right to be issued the relevant Free Shares when they have vested.

The Grantee may be required to achieve performance targets as the Board may specify in the grant before any Free Shares can be issued.

(vi) *Termination*

The Company by ordinary resolution of the Shareholders, or the Board, may at any time terminate the operation of the Free Share Plan 2016, and in such event, no further Free Shares will be offered or granted, but in all other respects the Free Share Plan 2016 shall remain in full force and effect. Any granted but unallocated Free Shares shall continue to be exercisable in accordance with their terms of issue after the termination of the Free Share Plan 2016.

(vii) *Transferability of Free Shares*

Free Shares shall be personal to the Grantee and shall not be assignable or transferable. No Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interests in favour of any third party over or in relation to any Free Share.

### SPECIAL RESOLUTIONS

**(9) Approval of the remuneration to be granted to Directors**

Under Article 15.2 of the Articles of Association, the Shareholders shall approve by special resolution the remuneration to be granted to certain of the Directors which shall be as set out below:

<b>Director</b>	<b>Director's Fees</b>
Mr. Reinold Geiger	EUR100,000
Mr. André Joseph Hoffmann	—
Mr. Thomas Levilion	—
Mr. Domenico Trizio	—
Mr. Karl Guénard	—
Mr. Martial Thierry Lopez	EUR20,000
Mrs. Valérie Irène Amélie Monique Bernis	EUR30,000
Mr. Charles Mark Broadley	HKD400,000
Mr. Pierre Maurice Georges Milet	EUR30,000
Mr. Jackson Chik Sum Ng	HKD350,000

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## LETTER FROM THE BOARD

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### **(10) Approval of the discharge granted to the Directors and PricewaterhouseCoopers for the exercise of their respective mandates during the year ended 31 March 2016**

As required under Article 15.2 of the Articles of Association and Article 74 of the Luxembourg Companies Law, it is proposed that the Shareholders approve by special resolution the discharge to be granted to the Directors and the approved statutory auditor (*réviseur d'entreprises agréé*) of the Company for the exercise of their respective mandates during the year ended 31 March 2016.

### **(11) Approval of the remuneration to be granted to PricewaterhouseCoopers**

Under Article 15.2 of the Articles of Association, the Shareholders shall approve by special resolution the remuneration to be granted to the approved statutory auditor (*réviseur d'entreprises agréé*) of the Company. It is proposed that the Shareholders approve the remuneration to be granted to PricewaterhouseCoopers, as approved statutory auditor (*réviseur d'entreprises agréé*) of the Company, in an amount up to EUR970,000 for the year ended 31 March 2016 and in an amount up to EUR1,030,000 for the year ending 31 March 2017.

## **PAYMENT OF LUXEMBOURG WITHHOLDING TAX ON DIVIDEND AND REFUND PROCEDURES**

This circular contains information provided by the Board in relation to the Luxembourg withholding tax deducted from the final dividends to be paid by the Company (subject to the approval of the Shareholders at the Annual General Meeting) and the refund procedures in connection with the deduction of such withholding tax. The Board has set out in Appendix III to this circular information on which Shareholders may be eligible to benefit from the reduced Luxembourg withholding tax rate and details of the relevant refund procedures.

### **(12) Proposed renewal of the authorisation given to the Board to increase the share capital of the Company**

#### *(i) Requirements under the Luxembourg Companies Law*

Under the Luxembourg Companies Law, any increase in the share capital of the company must be approved by general meeting of the shareholders of the company held in front of a Luxembourg notary.

Shareholders of a public limited liability company (*société anonyme*) may grant authorisation to the board of directors of the company to increase the share capital of the company, subject to any conditions set out in the articles of association of the company, and such authorisation is valid only for a period of up to five years from the date of the publication of the creation or amendment of the authorised share capital by general meeting and may be renewed for a further period of up to five years by the approval of the shareholders of the company.

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## LETTER FROM THE BOARD

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### (ii) *Share Capital Authorisation*

Article 4.2 of the Articles of Association provides that subject to compliance with the Listing Rules, during the period of five years from the date of the publication of the creation or amendment of the authorised share capital by general meeting, the Board is authorised to issue Shares, to grant options to subscribe for Shares and to issue any other securities or instruments convertible into Shares, to such persons and on such terms as it shall see fit and specifically to proceed to such issue without reserving for the existing Shareholders a preferential right to subscribe for the issued Shares (the “**Share Capital Authorisation**”)

The authorised share capital of the Company was last set at 1.5 billion on 15 April 2010 and the five-year period referred to in Article 4.2 of the Articles of Association ended on 16 June 2015. The Share Capital Authorisation expired on 16 June 2015, upon the end of such five-year period from the date of the publication of the amendment of the authorised share capital by general meeting on 16 June 2010.

Shareholders should note that the Share Capital Authorisation is not a general authorisation from the Shareholders to the Board to allot, issue or deal with Shares but is simply an authorisation required in accordance with the requirements of the Luxembourg Companies Law. Any issue of Shares, grant of options to subscribe for Shares or issue of any other securities or instruments convertible into Shares pursuant to the Share Capital Authorisation is, and pursuant to the Renewed Share Capital Authorisation (as such term is defined below) will still be, subject to the restrictions set out in the Articles of Association, the Luxembourg Companies Law and the Listing Rules (as further described below).

### (iii) *Proposed renewal of the Share Capital Authorisation of the Company*

As the existing Share Capital Authorisation has expired on 16 June 2015, the Board proposes to seek the approval of the Shareholders to renew the Share Capital Authorisation for an additional five years with effect on and from the date of the publication of the minutes of the Annual General Meeting (such renewal, the “**Renewed Share Capital Authorisation**”). The Renewed Share Capital Authorisation simply extends, for an additional five years, the existing Share Capital Authorisation.

The Company is proposing to renew the Share Capital Authorisation in order to provide the Board with the flexibility to issue Shares for fund raising or other purposes pursuant to the General Mandate and the purpose of any share option plan and free share plan of the Company. During the period from 16 June 2015 to the Latest Practicable Date, the Company has not issued any new Shares, granted options or issued any other securities or instruments convertible into Shares which will require the issue of any new Shares. As confirmed by the Company’s Luxembourg legal adviser, Arendt & Medernach S.A., considering that no increase of the share capital of the Company nor issuance of instruments convertible into Shares have been made since 16 June 2015, there is no breach to the Luxembourg Companies Law.

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## LETTER FROM THE BOARD

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### *Shareholders' Protections in relation to the Share Capital Authorisation*

The Listing Rules and the Articles of Association contain provisions which restrict the ability of the Company to increase its issued share capital pursuant to the Share Capital Authorisation without the approval of the Shareholders. The purpose of these provisions is to protect the Shareholders against a potential dilution of their shareholding interest in the Company. These Shareholders' protections are summarised below.

Under the Articles of Association, the Share Capital Authorisation is expressly subject to compliance with the Listing Rules.

Under the Luxembourg Companies Law and the Articles of Association, the Share Capital Authorisation is valid for a maximum period of five years from the date of the publication of the creation or amendment of the authorised share capital by general meeting and the approval of the Shareholders is required for its renewal at the end of the five-year period.

Under the Listing Rules (except under certain circumstances specified therein) and the Articles of Association, the Board may not issue Shares, grant options to subscribe for Shares or issue any other securities or instruments convertible into Shares under the Share Capital Authorisation without the approval of Shareholders.

### *Consequences of the Share Capital Authorisation not being renewed*

If the proposed Renewed Share Capital Authorisation is not approved at the Annual General Meeting, after 16 June 2015 the Board will not be permitted under the Luxembourg Companies Law to (a) issue Shares pursuant to the exercise of share options that are then outstanding pursuant to the Share option plan of the Company in effect; (b) issue Shares pursuant to free shares that are then outstanding pursuant to the free share plan of the Company in effect; and (c) issue Shares, grant options to subscribe for Shares and issue any other securities or instruments convertible into Shares pursuant to the General Mandate or any future approval that may be granted by the Shareholders to the Board in general meeting. The Board considers that this would, in particular, restrict the Company's flexibility to issue Shares for fund raising or other purposes pursuant to the General Mandate, undermine the purpose of any share option plan and free share plan of the Company and eliminate the long-term incentive for executives and management under such share awards, and would therefore be detrimental to the Company and the Shareholders.

## **RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement in this circular misleading.

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## LETTER FROM THE BOARD

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### NOTICE OF ANNUAL GENERAL MEETING

Set out on pages 34 to 40 of this circular is the notice of Annual General Meeting at which, inter alia, ordinary resolutions will be proposed to Shareholders to consider and if though fit approve (i) the granting to the Board of the General Mandate to issue Shares or transfer Shares out of treasury; (ii) the granting to the Board of the Repurchase Mandate to repurchase Shares; and (iii) the re-election of retiring Directors; and (iv) adoption of Share Option Plan 2016 and Free Share Plan 2016.

### FORM OF PROXY

A form of proxy is enclosed for use at the Annual General Meeting. Such form of proxy is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([group.loccitane.com](http://group.loccitane.com)). Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the meeting or any adjournment thereof if they so wish in which case any proxy provided in advance shall be deemed to be withdrawn.

### VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules and Article 15.5 of the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll. No Shareholders are required to abstain from voting at the Annual General Meeting.

On a poll, every Shareholder present in person or by proxy or (being a corporation) by its duly authorized representative shall have one vote for each Share registered in his/her name in the register of Shareholders. A Shareholder entitled to more than one vote need not use all his/her votes or cast all the votes he/she uses in the same manner.

An announcement on the poll vote results will be published by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### RECOMMENDATION

The Directors consider that all of the proposed resolutions described above are in the best interests of the Company and the Shareholders. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

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## LETTER FROM THE BOARD

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### DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the rules of the Share Option Plan 2016 and the Free Shares Plan 2016 will be available for inspection at the registered office at 49, Boulevard Prince Henri L-1724 Luxembourg, Grand Duchy of Luxembourg and the principal place of business in Hong Kong at 38/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong during normal business hours on any business day (other than Saturdays) from 1 September 2016 to and including the date of the Annual General Meeting.

Yours faithfully  
By order of the Board  
**L'Occitane International S.A.**  
**Mr. Reinold Geiger**  
*Chairman*

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## APPENDIX I    DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

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*The following are the particulars of the Directors (as required by the Listing Rules) proposed to be re-elected at the Annual General Meeting.*

### **Independent Non-executive Directors**

**Mrs. Valérie Irène Amélie Monique Bernis** (“Mrs. Bernis”), aged 57, was appointed as an independent non-executive Director with effect from 28 November 2012. She was responsible for Public Relations and Press for French Prime Minister Edouard Balladur (1993-95) (after being a member of his team when he was Minister of the Economy, Finance and Privatization (1986-88)). In 1988, she became Executive Vice President — Communications of Cerus, part of the De Benedetti Group. In 1996 she joined Compagnie de SUEZ as Executive Vice President — Communications, then in 1999, she became Executive Vice-President Financial and Corporate Communications and Sustainable Development. During the same period, she served for 5 years as Chairman and CEO of Paris Première, an iconic French TV channel. From 2001 until May 2016, Mrs. Bernis was an Executive Vice-President of GDF SUEZ (recently renamed as Engie), in charge of Marketing and Communications. She was also the Vice-President of the Engie’s Foundation. She is a Member of the boards of Euro Disney (since 2006), Suez Environnement Company (since 2008), L’Arop (since 2013), Palais de Tokyo (since 2014) and Atos (since 2015). She is Officier de l’Ordre National de la Légion d’Honneur (2011), Officier de l’Ordre National du Mérite (2008) and Chevalier des Palmes académiques et des Arts et Lettres. Mrs. Bernis graduated from Paris Institut Supérieur de Gestion (ISG) in 1982.

The Company has entered into a service contract with Mrs. Bernis for a term of three years commencing from 28 November 2012, and will continue thereafter for successive terms of three years until terminated by not less than three months’ notice in writing served by either party on the other. Her emoluments for the year ended 31 March 2016 were EUR30,000. This amount was determined by reference to her duties and responsibilities and the prevailing market conditions, and was based on the same parameters as received by all other independent non-executive Directors on the Board. Her remuneration will be subject to review by the Remuneration Committee from time to time.

Save as disclosed above, Mrs. Bernis does not hold any position with the Company or any other member of the Company’s group, nor has any directorship in other listed public companies in the last three years and other major appointments and professional qualifications. Mrs. Bernis does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mrs. Bernis held no options nor shares of the Company. Mrs. Bernis had no interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance nor any entitlement for share options.

In addition, there are no other matters concerning with Mrs. Bernis that need to be brought to the attention of the Shareholders nor is/was Mrs. Bernis involved in any of the matters that are required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

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## APPENDIX I    DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

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**Mr. Pierre Maurice Georges Milet** (“Mr. Milet”), aged 74, has been appointed as an independent non-executive Director with effect from 29 January 2013. Mr. Milet was a member of the executive board and managing director of Clarins from 1988 until 10 March 2010. On 8 February 2010, Mr. Milet was appointed deputy managing director of Financière FC, the holding company of Clarins and as the representative of Financière FC, in its capacity as a member of the supervisory board of Clarins. Clarins is a French cosmetics company that was listed on the Paris Stock Exchange from 1984 to 2008, and is now a privately owned company controlled by the Courtin-Clarins family and is no longer listed on any stock exchange. He also served as company secretary of Clarins from 1983 to 1988 when he was appointed corporate chief financial officer of Clarins. In these capacities, Mr. Milet oversaw all accounting and financial aspects of the Clarins Group’s business, as well as negotiated acquisitions and joint ventures. Mr. Milet also has substantial experience in the cosmetics industry gained partly from experience at Max Factor, serving successively as chief financial officer and president of their French subsidiary from 1975 to 1982. Mr. Milet has a masters degree in business administration from Ecole des Hautes Etudes Commerciales (France) where he majored in finance.

Mr. Milet was a non-executive Director from 25 January 2010 until 27 November 2012, when he resigned to create a casual vacancy which enabled the Board to appoint Mrs. Bernis as an independent non-executive Director. Mr. Pierre Milet was initially appointed as a non-executive Director because of his extensive experience in the cosmetic sector. At the time of his initial appointment to the Board, he was designated a non-executive and not an independent non-executive Director due to his connections with Clarins and their substantial shareholding in the Company. From August 2011, Clarins ceased to be a Shareholder and also ceased all commercial relationships with the Company. Mr. Milet has also ceased acting in the majority of his roles in connection with the Clarins Group. For this reason he has been appointed as an independent non-executive Director and both the Board and the nomination committee of the Company have confirmed that they believe he is independent of the Company. Other than in relation to his past role on the Board, Mr. Milet fulfils all of the indicative criteria of independence set out in Rule 3.13 of the Listing Rules.

The Company has entered into a service contract with Mr. Milet for a term of three years commencing from 29 January 2013, and will continue thereafter for successive terms of three year until terminated by not less than three months’ notice in writing served by either party on the other. His emoluments for the year ended 31 March 2016 were EUR 30,000. This amount was determined by reference to his duties and responsibilities and the prevailing market conditions, and was based on the same parameters as received by all other independent non-executive Directors on the Board. His remuneration will be subject to review by the Remuneration Committee from time to time.

As at the Latest Practicable Date, Mr. Milet had an interest in 50,000 Shares. Save as disclosed, Mr. Milet did not have any other interests in the Shares or underlying Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. Milet does not hold any position with the Company or any other member of the Company’s group, nor has any directorship in any other listed public companies in the last three years and other major appointments and professional qualifications. Mr. Milet does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

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## **APPENDIX I    DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION**

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During 1986 to 1996, Mr. Milet had the title of chairman and chief executive officer (président directeur general) of Paracom S.A., a company which procured printing services on behalf of and for the City of Paris. In 1996, the new mayor of Paris alleged that the use of Paracom S.A. by the City of Paris and its designated company for the procurement of printing services and that amounts in invoices rendered by Paracom S.A. were not properly authorized. In March 2002, an investigating magistrate commenced investigative proceedings against Mr. Milet, in his capacity as chairman and chief executive officer of Paracom S.A., and other parties. Such proceedings could result in civil and/or penal sanctions against Mr. Milet. Mr. Milet has advised us that he received written notice in May 2009 from the investigating magistrate that the investigation process in relation to this case is completed and that findings from the investigation process have been passed on to the public prosecutor, who will recommend (among other things) the type of charge(s) (if any) that may be made against Mr. Milet. Mr. Milet confirmed that he is not aware of whether or not, and if so when, relevant authorities will further pursue, make charges, further investigate such allegations and findings from the investigation process or conclude that there are no grounds for prosecution. Paracom S.A. is not a connected person of our Company.

Save as disclosed above, there are no other matters concerning with Mr. Milet that need to be brought to the attention of the Shareholders nor is/was Mr. Milet involved in any of the matters that are required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

*The following is an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the proposed Repurchase Mandate.*

## **ISSUED SHARES**

As at the Latest Practicable Date, the number of issued Shares is 1,476,964,891 with nominal value of EUR0.03 each, of which 8,348,170 Shares were held in treasury. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase, during the period in which the Repurchase Mandate remains in force, an aggregate nominal amount of Shares up to EUR 4,405,850.16 (equivalent to 146,861,672 Shares), representing 10% of the aggregate nominal amount of the issued Shares (excluding for these purposes the nominal amount of Shares that are held in treasury) as at the date of passing the resolution in relation to the Repurchase Mandate.

Under Luxembourg Law the Shareholders are required to approve a price range for any Shares purchased under the Repurchase Mandate. To provide itself with maximum flexibility the Board proposes to approve repurchases at a price range of between HKD10 and HKD30. This range should not be taken to indicate the Directors' views of the price of the Shares.

## **REASONS AND FUNDING OF REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

Repurchases of Shares will be financed out of funds legally available for the purpose and in accordance with the Articles of Association, the Listing Rules and the Luxembourg Companies Law. The Luxembourg Companies Law provides that the amount of capital repaid in connection with a share repurchase may be paid out of the profits of the Company or the proceeds of a fresh issue of Shares made for the purposes of the repurchase or out of capital subject to and in accordance with the Luxembourg Companies Law. The amount of premium payable on repurchase may only be paid out of either the profits of the Company or out of the share premium account before or at the time the Company's Shares are repurchased in the manner provided for in the Luxembourg Companies Law.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interest of the Company. The Directors consider that if the Repurchase Mandate was to be exercised in full at the current prevailing market value, it may/ may not have a material adverse impact on the working capital and/or the gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at 31 March 2016, being the date to which the latest published audited consolidated financial statements of the Company were

made up. The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

### **GENERAL**

To the best of their knowledge, having made all reasonable enquiries, none of the Directors or any of their close associates, as defined in the Listing Rules, currently intends to sell any Shares to the Company or its subsidiaries, if the Repurchase Mandate is approved by the Shareholders. The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Luxembourg. No core connected person, as defined in the Listing Rules, has notified the Company that he has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the proposed Repurchase Mandate is approved by the Shareholders.

### **TAKEOVERS CODE**

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated (through application of Rule 32 of the Takeovers Code) as an acquisition for the purposes of Rule 26 of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchase of Shares pursuant to the Repurchase Mandate.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Mr. Reinold Geiger was interested in (for the purposes of the Takeovers Code) 1,031,707,022 Shares, representing approximately 70.25% of the voting rights in the Company, excluding for these purposes the Treasury Shares. If the Directors exercise in full the Repurchase Mandate, Mr. Reinold Geiger's interests in the Company will be increased to approximately 78.06% of the voting rights in the Company. To the best of the knowledge and belief of the Directors, such increase would not give rise to an obligation to make a mandatory offer under the Takeovers Code.

### **PUBLIC FLOAT REQUIREMENTS**

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued Shares would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

## SHARE REPURCHASES MADE BY THE COMPANY

During the six months prior to the Latest Practicable Date, the Company repurchased its own Shares as follows:

Date of Repurchase	No. of Shares repurchased by the Company	Price per Share		Aggregate consideration paid
		Highest <i>HKD</i>	Lowest <i>HKD</i>	
27 January 2016	1,300,000	12.72	12.61	HKD16,514,940
28 January 2016	1,085,250	13.04	12.68	HKD14,053,651
29 January 2016	22,750	13.30	13.30	HKD302,575
4 February 2016	17,250	13.9968	13.9968	HKD241,445
5 February 2016	10,500	14.50	14.44	HKD152,065
15 February 2016	7,250	14.56	14.56	HKD105,560
16 February 2016	23,500	14.90	14.70	HKD349,304
17 February 2016	66,250	14.94	14.94	HKD989,775
9 March 2016	56,000	14.30	14.26	HKD800,531
24 March 2016	8,750	13.60	13.60	HKD119,000
29 March 2016	28,500	13.80	13.74	HKD393,049
7 June 2016	4,000	13.50	13.50	HKD54,000
14 June 2016	149,250	15.60	15.54	HKD2,327,837
15 June 2016	1,000,000	15.78	15.12	HKD15,415,400
16 June 2016	232,250	15.60	15.34	HKD3,619,686
17 June 2016	522,000	15.80	15.38	HKD8,185,273
20 July 2016	1,500,000	16.50	15.24	HKD23,197,950
21 July 2016	650,000	16.42	15.64	HKD10,472,735

On 31 March 2016, the above 2,626,000 Shares repurchased were transferred to treasury. As at the Latest Practicable Date, the Company held 8,348,170 Shares as Treasury Shares and the total number of ordinary Shares in issue (excluding Shares held as Treasury Shares) was 1,468,616,721. The Company also held 4,057,500 shares repurchased in June and July 2016 and not yet cancelled or transferred to treasury as at the Latest Practical Date.

No Treasury Shares will be transferred or sold out of treasury other than in accordance with the terms and conditions of the Treasury Shares Waiver.

**SHARE PRICES**

During the 12 calendar months preceding the Latest Practicable Date, the highest and lowest traded prices for Shares recorded on the Stock Exchange were as follows:

<b>Month</b>	<b>Highest traded prices <i>HKD</i></b>	<b>Lowest traded prices <i>HKD</i></b>
<b>2015</b>		
July	22.52	18.47
August	19.91	15.71
September	17.78	15.36
October	18.40	14.92
November	16.02	14.70
December	16.24	14.76
<b>2016</b>		
January	15.50	12.30
February	15.98	13.22
March	15.84	13.44
April	15.40	12.70
May	15.10	12.90
June	16.94	12.76
July (up to Latest Practicable Date)	17.08	15.14

**DIVIDEND**

On 6 June 2016, the Board recommended the distribution of a final dividend of €0.0291 per Share for a total amount of €42,736,747 or 38.7% of the net profit attributable to the equity owners of the Company.

The amount of the proposed dividend is based on 1,468,616,721 Shares in issue excluding the 8,348,170 Shares held in treasury as per the Latest Practicable Date, and is subject to approval by the Shareholders at the forthcoming Annual General Meeting.

Such a recommended dividend is in accordance with the dividend policy set out in the section headed “Dividend Policy” in the Prospectus. The Company currently intends to pay a dividend once a year. The payment shall be made in Euros, except that payment to Shareholders whose names appear on the register of members in Hong Kong shall be paid in Hong Kong dollars. The dividends will be paid after retention of Luxembourg withholding tax as described below. All dividend payments will be rounded to the nearest full cent of Euro or Hong Kong dollar (as applicable).

The following are the details of the payment of Luxembourg withholding tax on dividend and refund procedures required to be disclosed/announced at the time the Company declares any dividend payment.

**WITHHOLDING TAX**

Dividends paid by the Company to the Shareholders are as a rule subject to a withholding tax of up to 15% in Luxembourg, depending on specific circumstances. However, subject to the provisions of an applicable double tax treaty, the rate of withholding tax may be reduced. For instance, based on the provisions of the double tax treaty between Luxembourg and Hong Kong dated 2 November 2007 as amended on 11 November 2010, dividends paid by the Company to Hong Kong resident Shareholders may, under certain conditions, be exempt from Luxembourg withholding tax (i.e. if the beneficial owner is a company (other than a partnership) which holds directly at least 10% of the capital of the Company or a participation with an acquisition cost of at least €1.2 million in the Company). In all other cases, the Luxembourg withholding tax levied on dividends paid by the Company to Hong Kong resident Shareholders will be 10% of the gross amount of the dividends.

In the Prospectus, the Company set out detailed information about the anticipated procedures for reclaiming all or part of the withholding tax in accordance with the provisions of the double tax treaty between Luxembourg and Hong Kong. It is currently envisaged that individual Shareholders with Shares registered in their own names, who have a Hong Kong address and are entitled to receive less than €1,000 in dividends per year (before the deduction of any withholding tax) will receive dividends with the withholding tax at a reduced rate of 10%. All other Shareholders who believe that they are entitled to any treaty exemption or reduced rates on dividend payments made by the Company will need to apply to the Luxembourg tax authorities directly on their own behalf to establish their eligibility to the satisfaction of, and obtain a refund from, the Luxembourg tax authorities. For such

Shareholders, in order to benefit from any treaty exemption or reduced rates on dividend payments made by the Company, it is recommended that the Shareholders obtain the relevant tax Form 901 bis from the Luxembourg Direct Tax Administration at [www.impotsdirects.public.lu](http://www.impotsdirects.public.lu) under the folder “Formulaire”. Shareholders should then proceed to point 4 labelled “Retenues d’impôt a la source” and click on “Dividendes”. The Form 901 bis should be completed and forwarded to the Hong Kong Inland Revenue Department (the “IRD”) who will provide the confirmation that the applicant is a tax resident of Hong Kong. Once the IRD has confirmed the applicant as being a tax resident of Hong Kong by endorsing the completed Form 901 bis, the endorsed form would be returned to the applicant who should then forward the form to the relevant address in Luxembourg for reimbursement.

Shareholders should however be aware that the above recommendations do not prevail over any applicable Luxembourg Law or tax treaty between Luxembourg and Hong Kong and Shareholders remain subject to tax in Luxembourg on dividends distributed by the Company in accordance with Luxembourg Laws and any applicable tax treaty.

**Shareholders should seek independent professional advice in relation to the procedures and timing involved in obtaining a reduced rate of withholding tax.**

**1. Purpose**

The Share Option Plan 2016 will provide Eligible Person(s) with an opportunity to have a personal stake in the Company through an offer of grant of Options.

The purpose of this Share Option Plan 2016 is to achieve the following objectives:

- to motivate the Eligible Person(s) to optimize their performance, effectiveness and efficiency for the benefit of the Group; and
- to attract and retain or otherwise maintain an ongoing business relationship with the Eligible Person(s) whose contributions are or will be beneficial to the long-term growth of the Group.

**2. Participants**

The Participants of the Share Option Plan 2016 include employees of the Group, all its Directors including non-executive Directors and Shareholders selected to participate in the Share Option Plan 2016. In determining the basis of eligibility of each Participant, the Board will take into account such factors as it may at its discretion consider appropriate, including but not limited to whether the Participant has contributed or will contribute to the business growth and value of the Group.

**3. Grant of Options**

Under the rules of the Share Option Plan 2016, the Board may during the Plan Period at its discretion grant Options in accordance with the Share Option Plan 2016 to an Eligible Person subject to such conditions as the Board may think fit. The Board may at its discretion, determine the period of time during which the Options can be exercised in respect of all or some of the Shares to which the grant of Options relate will vest subject to and in accordance with the terms and conditions of the grant of Options.

**4. Number of shares subject to the Share Option Plan 2016**

The total number of Options subject to the Share Option Plan 2016 is 2.0% of the issued Shares (excluding Treasury Shares) as at the date of adoption of the Share Option Plan 2016.

Under the Listing Rules, the total number of Shares which may be issued upon exercise of Options to be granted under the Share Option Plan 2016 or any other Share option plans adopted by the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) shall not exceed 10% of the aggregate of the Shares in issue (excluding Treasury Shares). Options which have lapsed shall not be counted in calculating the 10% limit.

The Company may refresh the limit set for the Share Option Plan 2016 to 2% with Shareholders' approval provided that each such limit (as refreshed) may not exceed 10% of the Shares in issue as at the date of the Shareholders' approval. Options previously granted under the Share Option Plan 2016 and any other Share option plans adopted by the Company (and to which the provisions of

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## **APPENDIX IV THE PRINCIPAL TERMS OF THE SHARE OPTION PLAN 2016**

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Chapter 17 of the Listing Rules are applicable) (including those outstanding, cancelled or lapsed in accordance with the relevant plan or exercised options) will not be counted for the purpose of calculating the limit to be refreshed. In such case, the Company shall send a circular to its Shareholders containing the information required under the Listing Rules.

The Company may seek separate approval by Shareholders in general meeting for granting Options beyond the 10% limit set out above provided that the Options in excess of the limit are granted only to Participants specially identified by the Company before such approval is sought. In such case, the Company shall send a circular to its Shareholders containing the information required under the Listing Rules.

Notwithstanding anything in the above paragraphs, the total number of Shares which may be issued upon exercise of all Options granted and yet to be exercised under the Share Option Plan 2016 or any other share option plans adopted by the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) must not exceed 30% of the Shares in issue from time to time (excluding Treasury Shares). No Options may be granted under the Share Option Plan 2016 and any other share option plan of the Company if this will result in such limit being exceeded.

### **5. Maximum entitlement of each Participant under the Share Option Plan 2016**

Subject to the following paragraphs, the total number of Shares issued and to be issued upon exercise of the Options granted to each Participant (including both exercised, cancelled and outstanding Options) under the Share Option Plan 2016 or any other share option plan adopted by the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) in any 12-month period must not exceed 1% of the Shares in issue (excluding Treasury Shares).

Any further grant of Options which would result in the number of Shares issued as aforesaid exceeding the said 1% limit must be subject to prior Shareholders' approval with the relevant Participant and his associates (as defined under the Listing Rules) abstaining from voting. The Company shall send a circular to its Shareholders containing the information required under the Listing Rules. The number and terms of the Options to be granted to such Participant shall be fixed before the Shareholders' approval of the grant of such Options and the date of Board meeting for proposing such further grant should be taken as the offer date for the purpose of calculating the exercise price.

In addition, each grant of Options to any Director, chief executive or substantial Shareholder (or any of their respective associates) shall be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is a proposed Grantee of the Option).

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## APPENDIX IV THE PRINCIPAL TERMS OF THE SHARE OPTION PLAN 2016

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Where any grant of Options to a substantial Shareholder or an independent non-executive Director, or any of their respective associates (as defined under the Listing Rules), would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the Shares in issue (excluding Treasury Shares); and
- (b) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of such grant, in excess of HKD5 million (or such other higher amount as may from time to time be specified by the Stock Exchange),

such grant of Options shall be subject to prior approval by the Shareholders (voting by way of poll). The Company shall send a circular to its Shareholders containing the information required under the Listing Rules.

### 6. Duration

The validity of the authorization of the plan representing the time period in which the Board could grant the Options is three years. Options generally vest and become exercisable from the date (the “**Vesting Date**”) falling four years (the “**Vesting Period**”) after the date of grant. The Vesting Period will be notified to the grantees on the grant of the Options. Subject to exceptions, Grantees leaving the employment of the Company within four years of receiving a grant of Options would in principle forfeit the respective options. Options vest at one point in time and not in stages.

The exercise period is set at four years from the Vesting Date.

### 7. Performance target

The Grantee may be required to achieve performance targets as the Board may specify in the grant before any Option can be exercised.

### 8. Exercise Price

The Exercise Price shall be at a price determined by the Board at its absolute discretion and notified to the Participant and shall be no less than the higher of:

- (i) the closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange on the offer date;

- (ii) the average closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the offer date (provided that the new issue price shall be used as the closing price for any business day falling within the period before listing of the Shares where the Company has been listed for less than five business days or at the offer date); and
- (iii) the nominal value of a Share on the date of grant.

For the avoidance of doubt, no amount is payable to the Company by an Eligible Person upon the grant or acceptance of an Option.

### **9. Lapse of Options**

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (i) the expiry of the exercise period of the Option;
- (ii) the occurrence of certain circumstances resulting in the lapse of the Option as specified in the Share Option Plan 2016, including in the event a Grantee ceases to be an Employee or Director, dies, becomes disabled, retires or a general offer by way of a voluntary offer takeover or otherwise is made, or in the event of a compromise or arrangement other than a scheme of arrangement being proposed in connection with a scheme for reconstruction or amalgamation of the Company;
- (iii) subject to the scheme of arrangement becoming effective, the expiry of the period for exercising the Option;
- (iv) subject to a notice to convening a Shareholders' meeting to approve a resolution to voluntarily wind-up the Company, the date of commencement of the winding up of the Company;
- (v) the date on which the Grantee commits a breach of paragraph 13 below;
- (vi) the date on which the Grantee (being an Employee or a director of any member of the Group) ceases to be an Employee or a director by reason of the termination of his or her employment, appointment or directorship on the grounds that he or she has been guilty of serious misconduct or has been convicted of any criminal offence involving his or her integrity or honesty or on any other ground on which an employer would be entitled to terminate his or her employment summarily, provided that whether any one or more of the events specified in the above occur in relation to a Grantee shall in the reasonable opinion of the Board be solely and conclusively determined by the Board;
- (vii) where the Grantee is an Employee, director of a member of the Group (other than the Company), the date on which such member ceases to be a member of the Group;

(viii) unless the Board otherwise determines, the date the Grantee ceases to be a Participant (as determined by a Board resolution) for any reason; and

(ix) the date on which the Option is cancelled by the Board.

An Option granted but not yet vested with the Grantee shall also lapse automatically in the event that the Grantee being an Employee or director ceases to be an Employee or director, as the case may be, for whatever reason.

#### **10. Reorganisation of capital structure**

In the event of any capitalization issue, rights issue, sub-division or consolidation of shares or reduction of share capital of the Company, but excluding, for the avoidance of doubt, any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party, the Board shall determine what adjustment is required to be made to the subscription price and/or the number of shares to be issued (or transferred out of treasury) on exercise of the Options, and the auditors or financial advisors engaged by the Company for such purpose shall certify in writing to the Board that such adjustments satisfy the requirements set out in Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to share option schemes (the “Supplemental Guidance”). The capacity of the auditors or financial advisor in this paragraph is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the auditors or financial advisor shall be borne by the Company.

Any such adjustments shall give the Participant the same proportion of the equity capital of the Company (as interpreted in accordance with the Supplemental Guidance) and any adjustments to the advantage of the Participants to the exercise price or to the number of Shares subject to the Options must be approved by the Shareholders in general meeting, and no adjustment may be made to the extent that Shares would be issued at less than their nominal value. In addition, any adjustment to be made will comply with the Listing Rules, the Supplemental Guidance and any future guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time.

#### **11. Cancellation of Options**

The Board may at any time cancel Options previously granted to, but not yet exercised by a Grantee. Where the Company cancels Options and offers Options to the same Grantee, the offer of such new Options may only be made with available Options to the extent not yet granted (excluding the cancelled Options) within the limit approved by the Shareholders as mentioned in paragraph 4 above.

#### **12. Termination**

The Company by ordinary resolution of the Shareholders, or the Board, may at any time terminate the operation of the Share Option Plan 2016, and in such event, no further Options will be offered or granted, but in all other respects the Share Option Plan 2016 shall remain in full force and effect. Any granted but unexercised Options shall continue to be exercisable in accordance with their terms of issue after the termination of the Share Option Plan 2016.

**13. Transferability of Options**

An Option shall be personal to the Grantee and shall not be assignable or transferable. No Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interests in favour of any third party over or in relation to any Option.

**14. Voting and Dividend Rights**

No voting rights shall be exercisable and no dividends or other distributions shall be payable in relation to Options that have not been exercised. The Shares to be allotted upon the exercise of an Option granted under the Share Option Plan 2016 will be subject to all the provisions of the Articles of Association and will rank *pari passu* with the other fully paid Shares in issue on the date of allotment and accordingly will entitle an Option holder, to the extent the Options have been duly exercised and the Shares are accordingly duly issued (or transferred out of treasury) to the Option holder, to participate in all dividends or other distributions paid or made on or after the date of allotment, including those arising on a liquidation of the Company, other than any dividend or other distributions previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date of allotment.

**15. Amendments**

Subject to the terms set out in the paragraph below, the Board may amend in writing any of the provisions of the Share Option Plan 2016 (including without limitation amendments in order to comply with changes in legal or regulatory requirements and amendments in order to waive any restrictions, imposed by the provisions of the Share Option Plan 2016, which are not found in Chapter 17 of the Listing Rules) at any time (but not so as to affect adversely any rights which have accrued to any Grantee at that date). Those specific provisions of the Share Option Plan 2016 which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of Participants, and no changes to the authority of the directors or administrator of the Share Option Plan 2016 in relation to any alteration of the terms herein shall be made, without the prior approval of Shareholders in general meeting.

Any alterations to the terms and conditions of the Share Option Plan 2016 which are of a material nature, or any change to the terms of Options granted, must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Plan 2016. The Share Option Plan 2016 so altered must comply with Chapter 17 of the Listing Rules.

Any change to the authority of the Board or administrators of the Share Option Plan 2016 in relation to any alteration to the terms of the Share Option Plan 2016 must be approved by Shareholders in general meeting.

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## NOTICE OF ANNUAL GENERAL MEETING

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# L'OCCITANE

EN PROVENCE

## L'OCCITANE INTERNATIONAL S.A.

*49, Boulevard Prince Henri L-1724 Luxembourg*

*R.C.S. Luxembourg: B80359*

*(Incorporated under the laws of Luxembourg with limited liability)*

*(Stock code: 973)*

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting of L'Occitane International S.A. (the "Company") will be held at the registered office of the Company at 49, Boulevard Prince Henri L-1724 Luxembourg, Grand Duchy of Luxembourg and by tele-conference at 38/F, Tower Two, Times Square, 1 Matheson Road, Causeway Bay, Hong Kong on Wednesday, 28 September 2016 at 10:00 a.m. CET/4:00 p.m. (Hong Kong time) for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolutions. Unless indicated otherwise, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 29 July 2016.

#### Ordinary Resolutions

To consider and, if thought fit, to pass, with or without modification, the following resolutions as ordinary resolutions:

1. To receive and adopt the statutory accounts and the audited consolidated financial statements of the Company for the year ended 31 March 2016 and to acknowledge the content of the reports of the Board and the auditor of the Company.
2. To declare a final dividend of a total amount of €42,736,747 for the year ended 31 March 2016.
3. To re-elect the following retiring directors of the Company for a term of three years:
  - (i) Mrs. Valérie Irène Amélie Monique Bernis as independent non-executive Director; and
  - (ii) Mr. Pierre Maurice Georges Milet as independent non-executive Director
4. (A) **"That:**
  - (i) for the purpose of this resolution:
    - (a) any reference to the issue or allotment of shares shall include the sale or transfer of Treasury Shares out of treasury;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) Treasury Shares means shares in the capital of the Company that have been repurchased by the Company and are held in treasury, as authorized by the Luxembourg Companies Laws;
  - (c) “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
    - (1) the conclusion of the next annual general meeting of the Company;
    - (2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Articles of Association to be held; and
    - (3) the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting; and
  - (d) “Rights Issue” means an offer of shares in the capital of the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares in the capital of the Company or any class thereof whose names appear on the register of shareholders on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or, having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company);
- (ii) subject to paragraph (iv) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot or issue (or in the case of Treasury Shares, transfer or sell) such securities or to grant any offers, agreements and/or options which would or might require securities to be issued, allotted or disposed of (or in the case of Treasury Shares, subject to the Treasury Shares Waiver being obtained, transferred or sold) be and is hereby generally and unconditionally approved;
  - (iii) the approval in paragraph (ii) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period (as defined above) to make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (iv) the aggregate nominal amount of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) (or in the case of Treasury Shares (subject to the Treasury Shares Waiver being obtained, transferred or sold,) by the Directors during the Relevant Period pursuant to paragraph (ii) above, otherwise than pursuant to:
- (1) a Rights Issue (as defined above); or
  - (2) exercise of any option under the option scheme of the Company or any other option, scheme or similar arrangements for the time being adopted for the grant or issue to the directors, officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or
  - (3) any scrip dividend or similar arrangements providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time; or
  - (4) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into shares of the Company;

shall not exceed the aggregate of 20% of the aggregate nominal amount of the shares of the Company in issue as at the date of passing this resolution (excluding for these purposes the nominal amount of all Treasury Shares).”

**(B) “That**

- (i) for the purpose of this resolution:
- (a) “Treasury Shares” means shares in the capital of the Company that have been repurchased by the Company and are held in treasury, as authorized by the Luxembourg Companies Laws;
  - (b) “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
    - (1) the conclusion of the next annual general meeting of the Company;
    - (2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (3) the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting; and
    - (ii) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as defined above) of all the powers of the Company to repurchase (and either cancel or hold in treasury) shares of the Company on the Stock Exchange or on any other stock exchange on which the shares of the Company may be listed and recognised for this purpose by the Securities and Futures Commission and the Stock Exchange under the Code on Share Repurchases and, subject to and in accordance with all applicable laws and the Listing Rules, be and is hereby generally and unconditionally approved;
    - (iii) the aggregate nominal amount of the shares of the Company, which may be repurchased pursuant to the approval in paragraph (ii) above shall not exceed 10% of the aggregate nominal amount of the issued shares of the Company as at the date of passing of this resolution (excluding the nominal value of any Treasury Shares as at such date) and provided that to comply with the Luxembourg Companies Law all such repurchase are made within a price range between HKD10 and HKD30, and the said approval shall be limited accordingly; and
    - (iv) subject to the passing of each of the paragraphs (ii) and (iii) of this resolution, any prior approvals of the kind referred to in paragraphs (ii) and (iii) of this resolution which had been granted to the Directors and which are still in effect be and are hereby revoked.”
  - (C) “**That** conditional upon the resolutions numbered 4(A) and 4(B) set out in the notice convening of this meeting being passed, the general mandate granted to the Directors pursuant to the ordinary resolution numbered 4(A) set out in the notice convening this meeting be and is hereby extended by the addition to the aggregate nominal amount of the issued shares of the Company which may be allotted by the Directors pursuant to such general mandate an amount representing the aggregate nominal amount of the issued shares of the Company repurchased and cancelled by the Company under the authority granted pursuant to ordinary resolution numbered 4(B) set out in the notice convening this meeting, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued shares of the Company in issue at the date of passing of the resolutions (excluding the nominal amount of any shares held in treasury as at such date).”
5. To renew the mandate granted to PricewaterhouseCoopers to act as approved statutory auditor (*réviseur d'entreprises agréé*) of the Company for the financial year ending 31 March 2017.
6. To re-appoint PricewaterhouseCoopers as the external auditor of the Company to hold the office from the conclusion of the Annual General Meeting until the next annual general meeting of the Company.

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## NOTICE OF ANNUAL GENERAL MEETING

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7. (A) **“That** conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting approval of the listing of, and permission to deal in, any Shares which may fall to be issued or transferred out of treasury pursuant to the exercise of Options to be granted under the Share Option Plan 2016 of the Company, a copy of which has been produced to this Meeting marked “A” and signed by the chairman of this meeting for the purpose of identification (the “Share Option Plan 2016”), the Share Option Plan 2016 be and is hereby approved and adopted; and the Directors be and are hereby authorised to grant Options to the Eligible Persons under the Share Option Plan 2016 and to allot and issue Shares or, transfer Treasury Shares out of treasury, representing up to 2.0% of the Company’s issued shares as at the date of this resolution (excluding Treasury Shares) upon the exercise of any Options granted thereunder and pursuant to the terms and conditions thereof, and to do all such acts, matters and things as they may in their discretion consider necessary, expedient or desirable to give effect to and implement the Share Option Plan 2016.”
- (B) **“That** conditional upon the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares which may fall to be issued or transferred out of treasury pursuant to the allocation of Free Shares to be granted under the Free Share Plan 2016 of the Company, a copy of which has been produced to this Meeting marked “B” and signed by the chairman of this meeting for the purpose of identification (the “Free Share Plan 2016”), the Free Share Plan 2016 be and is hereby approved and adopted; and the Directors be and are hereby authorised to grant Free Shares to the Eligible Persons under the Free Share Plan 2016 and to allot and issue Shares or, transfer Treasury Shares out of treasury, representing up to 0.4% of the Company’s issued shares as at the date of this resolution (excluding Treasury Shares), or transfer such number of Shares out of treasury upon the allocation of any Free Shares granted thereunder and pursuant to the terms and conditions thereof, and to do all such acts, matters and things as they may in their discretion consider necessary, expedient or desirable to give effect to and implement the Free Share Plan 2016.”

### Special Resolutions

8. To approve the remuneration to be granted to certain Directors and to authorize the Board to implement any subsequent actions which may be required, including, for the avoidance of doubt, the payment modalities.
9. To grant discharge to the Directors for the exercise of their mandate during the financial year ended 31 March 2016.

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## NOTICE OF ANNUAL GENERAL MEETING

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10. To grant discharge to the statutory auditors, PricewaterhouseCoopers for the exercise of their mandate during the financial year ended 31 March 2016.
11. To approve the remuneration to be granted to PricewaterhouseCoopers as the approved statutory auditor (réviseur d'entreprises agréé) of the Company.
12. To renew the authorisation granted to the board of directors of the Company until 16 June 2015, for an additional period of five years, to issue Shares, to grant options to subscribe for Shares and to issue any other securities or instruments convertible into Shares, within the limits of the authorised share capital of the Company and under the terms and conditions provided for in Article 4.2 of the Articles of Association, subject always to compliance with applicable provisions of the Luxembourg Companies law of 10 August 1915 on commercial companies, as amended from time to time, and the Listing Rules, and with the authority for the Board to limit or withdraw the preferential subscription rights of the shareholders when issuing the Company's new shares, in accordance with Article 32-3 (5) of the Luxembourg Companies law of 10 August 1915 on commercial companies, as amended from time to time.

By order of the Board of Directors  
**L'Occitane International S.A.**  
**Mr. Reinold Geiger**  
*Chairman*

Luxembourg, 29 July 2016

*Registered office:*  
49, Boulevard Prince Henri  
L-1724 Luxembourg

*Principal place of business  
in Hong Kong:*  
38/F, Tower Two  
Times Square  
1 Matheson Street  
Causeway Bay  
Hong Kong

**Notes:**

- (i) Ordinary resolution numbered 4(C) will be proposed to the Shareholders for approval provided that ordinary resolutions numbered 4(A) and 4(B) are first passed by the Shareholders.
- (ii) A Shareholder entitled to attend and vote at the above meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her; a proxy need not be a Shareholder.
- (iii) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the persons so present whose name stands first on the register of Shareholders in respect of such share shall alone be entitled to vote in respect thereof.

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## NOTICE OF ANNUAL GENERAL MEETING

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- (iv) In order to be valid, a form of proxy must be deposited at the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting or any adjournment thereof. The completion and return of the form of proxy shall not preclude Shareholders from attending and voting in person at the meeting or any adjournment thereof if they so wish, provided that the proxy shall in that case be withdrawn and shall not be taken into account for the voting.
- (v) The transfer books and register of Shareholders will be closed from Thursday, 22 September 2016 to Wednesday, 28 September 2016, both days inclusive, during which period no share transfers can be registered, for determining the right to attend and vote at the Annual General Meeting. All transfers accompanied by the relevant share certificate(s) must be lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 21 September 2016.
- (vi) In respect of the ordinary resolution numbered 4(A) above, the Directors wish to state that they have no immediate plans to issue any new Shares or transfer any Shares out of treasury. Approval is being sought from the Shareholders as a general mandate for the purposes of the Listing Rules. The Directors further confirm that they have no present intention to transfer any Treasury Shares out of treasury.
- (vii) In respect of ordinary resolution numbered 4(B) above, the Directors wish to state that they will exercise the powers conferred by the general mandate to repurchase Shares in circumstances which they deem appropriate for the benefits of Shareholders. The Explanatory Statement containing the information necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own Shares, as required by the Listing Rules, is set out in Appendix II to the accompanied circular dated 29 July 2016.
- (viii) If a tropical cyclone warning signal No. 8 or above is expected to be hoisted or a black rainstorm warning signal is expected to be in force at any time between 8:00 a.m. and 5:00 p.m. on the date of the Annual General Meeting, the Annual General Meeting will be postponed and Shareholders will be informed of the date, time and venue of the postponed Annual General Meeting by a supplemental notice posted on the respective websites of the Company and Hong Kong Exchanges and Clearing Limited.

If a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is lowered or cancelled at or before 8:00 a.m. on the date of the Annual General Meeting and where conditions permit, the Annual General Meeting will be held as scheduled.

The Annual General Meeting will be held as scheduled when an amber or red rainstorm warning signal is in force. After considering their own situations, Shareholders should decide on their own whether or not they would attend the Annual General Meeting under any bad weather condition and if they do so, they are advised to exercise care and caution.