

February 2019

**Terms of Reference for the
Nomination Committee of
L'Occitane International S.A.**

Definitions

1. For the purposes of these terms of reference (the Terms):

Audit Committee means the audit committee established by resolution of the board in accordance with clause 2 of these Terms.

Board means the board of directors of the Company.

Chief Financial Officer means the senior officer of the Company responsible for financial management as appointed by the Board from time to time.

Company means L'Occitane International S.A., a limited liability company organized and existing under the laws of Luxembourg, having its registered office located at 49 Boulevard du Prince Henri, L-1724 Luxembourg, registered with the Chambre de Commerce et des Sociétés Luxembourg under the number B 80359.

Company Secretary means the company secretary of the Company.

Directors means the directors of the Board.

Executive Director means a director involve in the day-to-day operations of the businesses, a member of the Company's senior management.

Group means the Company and its subsidiaries and associated companies at the relevant time or, where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries and associated companies, the present subsidiaries and associated companies of the Company or the businesses operated by its present subsidiaries and associated companies or (as the case may be) its predecessor.

Independent Non-Executive Director means an independent director fulfilling the independence criteria under the Listing Rules.

Listing Rules means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time).

Nomination Committee means the nomination committee established by the resolution of the Board in accordance with clause 2 of these Terms.

Non-Executive Director: means a director who is not a part of the Company's management and is not considered independent.

Remuneration Committee means the remuneration committee established by the resolution of the Board in accordance with clause 3 of its terms of reference.

Senior Management means any nominated executive director of the Company or any other director or officer of the Group determined by the Board from time to time as senior management of the Company; and any other officer of the Company whose remuneration package is, or is proposed to be, more favourable than that of any officer appointed by the Board; and any other employees of the Company as determined by the Remuneration Committee.

Shareholders means the shareholders of the Company.

Stock Exchange means The Stock Exchange of Hong Kong Limited.

Constitution

2. The Nomination Committee was established by resolutions of the Board on 9 April 2010. The Nomination Committee is authorised to act in accordance with these terms of reference, the Company's articles of association, applicable laws, regulations and the Listing Rules will prevail.

Membership

3. The members of the Nomination Committee shall be appointed by the Board from time to time from amongst the Directors and shall consist of not less than three members, a majority of whom should be Independent Non-Executive Directors. A quorum shall be two members.

A.5.1

4. The chairman of the Nomination Committee shall either be appointed by the Board and shall be the chairman of the board or an Independent Non-Executive Director. A.5.1

Role:

5. The Nomination Committee's roles include recruitment of candidates for appointment to the Board. It evaluates and assess the optimal composition of the Board, taking into account the Company's agreed strategies and objectives.

Meetings

6. Meetings shall be held not less than once a year.
7. The Chairman should at least annually hold meeting with the Independent Non-Executive Directors without the presence of other directors. A.2.7
8. Generally, the Independent Non-Executive Directors and Non-Executive Directors should attend general meetings to gain and develop a balance of understanding of the views of shareholders. A.6.7
9. The Company Secretary shall be the secretary of the Nomination Committee. A meeting of the Nomination Committee may be convened by any of its members through the Company Secretary.

Annual General Meeting

10. The chairman of the Nomination Committee shall attend the annual general meeting and be prepared to respond to any Shareholders questions on the Nomination Committee s activities.

Authority

11. The Nomination Committee is authorized by the Board to investigate any activity within its terms of reference. It is authorized to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Nomination Committee.

12. The Nomination Committee is authorized by the Board to seek external independent professional advice, at the Company's expense, to perform its responsibilities and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. The Nomination Committee shall be provided with sufficient resources to discharge its duties. The Nomination Committee shall be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any external consultant who advises the Nomination Committee.

A.5.4

Duties

13. The responsibilities and authorities of the Nomination Committee shall include such responsibilities and authorities set out in the relevant code provisions of the Corporate Governance Code (the "CG Code") as contained in Appendix 14 of the Listing Rules. Without prejudice to any requirement under the CG Code, the duties of the Nomination Committee shall include:

- a) regularly reviewing, at least annually, the structure, size and composition (including the skills, knowledge, experience, and diversity) required of the Board and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- b) giving full consideration to succession planning for Directors in the course of its work, taking into account the challenges and opportunities facing the Company and what skills and expertise are therefore needed on the Board in the future;
- c) identifying individuals suitably qualified to become Directors and selecting or making recommendations to the Board on the selection of individuals nominated for directorship;
- d) assessing the independence of Independent Non-Executive Directors with reference to, among other things, the factors in Rule 3.13 of the Listing Rules as applied to the individual and his/her immediate family members (as defined in Rule 14A.12(1) (a) of the Listing Rules);

A.5.2(a)

A.5.2(c)

- e) before appointments are made by the Board, evaluating the balance of skills, knowledge and experience on the Board, and, in the light of this evaluation preparing a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Nomination Committee shall (where applicable and appropriate):
 - (i) use open advertising or the services of external advisers to facilitate the search;
 - (ii) consider candidates from a wide range of backgrounds; and
 - (iii) consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;
 - f) keeping under review the leadership needs of the organization, both executive and non- executive, with a view to ensuring the continued ability of the organization to compete effectively in the marketplace;
 - g) keeping up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
 - h) reviewing annually the time required from Non-Executive Directors. Performance evaluations should be used to assess whether the Non-Executive Directors are spending enough time in fulfilling their duties; and
 - i) ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings.
14. Regarding the election of an Independent Non-Executive Director, the duties of the Nomination Committee shall include:
- a) keep under review the individual is able to devote sufficient time to the Board, especially if the Independent Non-Executive Director will be holding their seventh (or more) listed issuer directorship.
 - b) considering the factors which can affect the individual's time commitment to the Company, such as:

- (i) Directorship at a listed issuer undergoing a period of particularly increased activity, such as an acquisition or takeover;
 - (ii) Chairing a listed issuer's board and/or board committees;
 - (iii) Being members of board committees;
 - (iv) Being a chief executive officer or full-time executive director at another listed issuer; and
 - (v) Being independent non-executive director for multiple boards and a number of significant commitments at government or non-profit making bodies.
- c) keep under review the factors which can affect the independence of the proposed Independent Non-Executive Director under paragraph 13 d) set out above, including consideration of:
- (i) whether the individual is or has been a director, partner, principal or employee of a professional adviser providing services to the Company, its holding company or any of their respective subsidiaries or core connected person (as defined in the Listing Rules) respects the cooling off period of 2 years;
 - (ii) whether the individual is or has been a controlling shareholder or was the chief executive or a director (other than an Independent Non-Executive Director) of the Company or any of their close associates (as defined in the Listing Rules) respects the cooling off period of 2 years;
 - (iii) whether the individual currently or within one year immediately prior to the date of proposed appointment, has or has had any material interest in any principal business activity with the Company, its holding company or their respective subsidiaries; or
 - (iv) is or has been involved in any material business dealings with the listed company, its holding company or their respective subsidiaries or any core connected persons of the listed company.

d) Where the Board proposes a resolution to elect an individual as an Independent Non-Executive Director at the general meeting, preparing an explanatory statement with the relevant following aspects of the election of the Independent Non-Executive Director accompanying the notice of the relevant general meeting:

(i) The process used for identifying the individual and why the Nomination Committee believes the individual should be elected and the reasons why it considers the individual to be independent;

(ii) If the individual will be holding their seventh (or more) listed company directorship, why the Nomination Committee believes the Individual would still be able to devote sufficient time to the Board;

(iii) The perspectives, skills and experience that the individual can bring to the Board; and

(iv) How the individual contributes to diversity to the Board.

A.5.5

15. Based on the nomination policy of Directors (ref Nomination policy of the Company), the Nomination Committee shall implement and use:

a) a procedure for selection, appointment and reappointment of directors containing the selection criteria. This should include, but not limited to, considering the potential contributions a candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity;

b) succession planning considerations and periodical reviews of the plan;

c) a formal process for monitoring and reviewing the nomination policy to ensure that it remains relevant to the Company's needs and reflects both current regulatory requirements and good corporate governance practice.

16. In relation to the Diversity Policy adopted by the Company, the Nomination Committee shall assist the Board in promoting and meeting the objectives of board diversity of the Company and set the Diversity Policy with due regard to, among other things:

- a) consideration of skills, experience and diversity of perspectives that the nominee is expected to bring to the Board and what are the nominee's potential contribution.
- b) consideration of gender during the nomination process of Directors, and transparency in relation with it.

17. The Committee shall also make recommendations to the Board concerning:

- a) formulating plans for succession for both Executive and Non-Executive Directors; A.5.2(d)
- b) suitable candidates for the role of Independent Non-Executive Directors;
- c) membership of the Company's Audit and Remuneration Committees, in consultation with the chairmen of those committees;
- d) the re-appointment of any Non-Executive Director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
- e) the continuation (or not) in service of any director who has reached the age of 70;
- f) the re-election by Shareholders of any Director under the retirement by rotation provisions in the Company's Articles of Association having due regard to their performance and ability to continue to contribute to the board in the light of the knowledge, skills and experience required;

- g) any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the company subject to the provisions of the law and their service contract; and
- h) the appointment of any Director to executive or other office, other than to the positions of chairman and chief executive officer, the recommendation for which would be considered at a meeting of the full board.

A.5.2(d)

Reporting procedures

- 18. Minutes of the Nomination Committee's meetings shall be kept by a duly appointed secretary of the meeting (who should normally be the Company Secretary or his appointed delegate), and shall be available for inspection at any reasonable time on reasonable notice by any Director.

A.1.4

Minutes of the Nomination Committee's meeting shall record in sufficient detail the matters considered by the Nomination Committee and decisions reached, including any concerns raised by Directors, members or dissenting views expressed. Draft and final versions of minutes of such meetings should be sent to all members of the Nomination Committee for their comments and records respectively, within reasonable time after such meetings.

A.1.5

- 19. Without prejudice to the generality of the duties of the Nomination Committee set out above, the Nomination Committee shall report back to the Board and keep the Board fully informed of its decisions and recommendations, unless there are legal or regulatory restrictions on its ability to do so.
- 20. The Nomination Committee shall make a statement in the annual report about its activities, the process used to make appointments and explain whether external advice and/or open advertising was used.

D.2.2

21. A summary of work performed by the Nomination Committee during a financial year to be disclosed under the corporate governance report of the annual report (since 2018 annual report) should disclose the policy for the nomination of directors, including the nomination procedures and the process and criteria to select and recommend candidates for directorships during the year.

Terms available

22. The Nomination Committee shall make available these Terms by inclusion on the Stock Exchanges's website and the Company's website, thereby explaining its role and the authority delegated to it by the Board. A.5.3