
INFORMATION STATEMENT FOR ISRAEL

L'OREAL SA

EMPLOYEE SHARE OFFERING 2022

Republic of France
(State or other jurisdiction of
incorporation or organization)

14 rue Royale
75008 Paris
France
(Address of principal executive offices)

L'OREAL SA

(the “Company”)

For the offer of securities to the Company's employees

Of

Up to 500,000 shares of the Company (the “Shares”), which will be offered to employees of the Company and its subsidiaries (the “Offerees” as described below), according to the conditions of the International Employee Shareholding Plan (the “Plan” as defined below).

PART I – Description of the Plan

PART II – Available information

Part I

DESCRIPTION OF THE PLAN

In the L'Oréal Employee Share Plan, employees can purchase L'Oréal shares via the “L'Oréal Employee Share Plan Relais 2022” employee shareholding fund: employees thus can benefit from a 20% discount and a matching contribution. Please refer to the L'Oréal Group International Employee Shareholding Plan (the “Plan”) and the Free Shares Plan rules available online at <https://invest.loreal.com>.

SUBSCRIPTION PERIOD

The subscription period starts on June 8, 2022 and lasts until June 22, 2022 (inclusive).

During the subscription period, employees may subscribe online at <https://invest.loreal.com>. Username and password will be provided to employees by email or mail. Employees may also subscribe with a paper subscription form should they not have access to internet. They can contact their Human Resources department to receive a subscription form.

Unless employees subscribe through Internet, they shall return their duly completed subscription form together with the requisite enclosures before June 22, 2022 to the head of the Salary Unit at the company's Human Resources Department.

SUBSCRIPTION PRICE

The subscription price will be set on June 3, 2022 as the average opening price of the Shares over the 20 preceding trading days, as traded in the Euronext stock exchange, minus a 20% discount.

It is to be noted that the subscription is in euro. Consequently, for purposes of the subscription, the amount of employees' payment in New Israeli Shekels (NIS) will be converted by their employer using the exchange rate, applicable on June 2, 2022, that will be communicated to them on <https://invest.loreal.com>.

During the life of their investment, the value of the Shares subscribed through the FCPE will be affected by fluctuations in the currency exchange rate between the euro and NIS. As a result, if the value of the euro strengthens relative to the NIS, the value of the Shares expressed in local currency will increase. On the other hand, if the value of the euro weakens relative to the NIS, the value of the Shares expressed in NIS will decrease.

CORPORATE APPROVALS & AUTHORITY OF THE BOARD OF DIRECTORS

The Offer is conducted on the basis of following key corporate decisions of the Issuer:

- (i) the resolution of the Issuer's Shareholders' Meeting of April 21, 2022, which authorized the Issuer's Board of Directors to effect an increase(s) of the Company's share capital through the issuance of new shares;
- (ii) the resolution of the Board of Directors of April 21, 2022 deciding of the principle of the Offer;
- (iii) on June 3, 2022, the CEO (upon delegation by the Board of Directors) will set formally the subscription price of the Shares and the dates of the subscription period.

SHARE CAPITAL AND OFFERED SECURITIES

The share capital of L'Oréal currently amounts to EUR 107,256,121.80 which equals to 536,280,609 issued shares with a nominal value of EUR 0.20 per share.

Shares offered in the Offer are ordinary bearer Shares, with a nominal value 0.2 euro each. Shares are expected to be issued and delivered on or around July 26, 2022.

The total maximum number of Shares offered in the Offer for all participating countries is 500,000. Such maximum number of Shares represents 0.09% of the Issuer's share capital as of May 2022. The Shares will be newly issued shares and will be subject to a request for admission to trading on the Compartment A of the Euronext Paris stock exchange, as soon as possible after their issuance, under ISIN code number FR0000120321, together with the other outstanding shares of L'Oréal SA.

The Issuer is a French company and, therefore, rights attached to Shares will be governed by French law. Shares will have no preference over the outstanding shares of the Issuer. As long as shares are held through FCPE, rights from Shares are exercised through FCPE. The Shares are subject to a lock-up period.

METHOD OF PAYMENT

The following payment methods are available:

- Salary deduction from after tax salary over 12 month starting from August 2022 (that is paid in September 2022). If chosen, the employee needs to expressly permit such deduction in writing by completing the salary deduction consent form available on <https://invest.loreal.com>; or
- Payment by Check to be paid between July 12 and July 19, 2022.

Please Note: Any salary withholding or withdrawals from salary require(s) employees' written consent. To participate in this Offering via deduction from their monthly salary, they shall sign and return the prescribed authorization form the head of the Salary Unit at the Human Resource Department to enable their employer to process the deduction(s) from their salary. It should be noted that if employees chooses to participate in this Offering via deduction from their monthly salary, their order will not be processed if they have not submitted their written authorization form before June 22, 2022.

OFFEREES

All employees employed on a basis of an employment contract (or members of corporate bodies), with seniority in companies participating in L'Oréal International Employee Shareholding Plan of at least 24 months as of June 22, 2022 and who remain employed in such company as of June 22, 2022 can participate in the Offer.

MAXIMUM SUBSCRIPTION AMOUNT

Under the Israeli Wage Protection Law, 1958-5718, an employer may not deduct more than 25% of the salary for repayment of a debt. The law does not impose limitations on deductions made from bonus payments.

LABOR LAW DISCLAIMER

This Offering is provided to employees by the French company L'Oréal, not by the local employer. The decision to include a beneficiary in this or any future offering is taken by L'Oréal in its sole discretion. The Offering does not form part of the employees' employment agreement and does not amend or supplement such agreement. Participation in the Offering does not entitle employees to future benefits or payments of a similar nature or value and does not entitle employees to any compensation in the event that they lose their rights under the offering as a result of the termination of their employment. Benefits or payments that they may receive or be eligible for under the offering will not be taken into consideration in determining the amount of any future benefits, payments or other entitlements that may be due to them (including in cases of termination of employment) and will not be considered as salary for the purpose of calculating compensation, severance pay or other contractual arrangement. Participation in the Offering does not modify the terms of employment, or affect the rights and obligations arising from it, or changes employees' situation within the L'Oréal group. Participation in the Offering will not interfere with or restrict the employees right or the right of the employees employer to terminate the employees' employment at any time and for any reason.

CUSTODY OF SHARES, VOTING RIGHTS, DIVIDENDS

The shares will be subscribed and held on the employees' behalf by a collective shareholding vehicle, known as a Fonds Commun de Placement d'Entreprise, or an FCPE, which is commonly used in France for the conservation of shares held by employee-investors. Employees will be issued units in the FCPE corresponding to the shares they will have subscribed and those representing the employer matching contribution once delivered to them at the end of the lock-up period subject to the conditions described below.

As long as the employees' L'Oréal shares are held by the FCPE « L'OREAL EMPLOYEE SHARE PLAN», the voting rights pertaining to such shares will be exercised by the supervisory board of the FCPE on behalf of the employees.

Any dividends paid by L'Oréal will be automatically reinvested in this FCPE and will increase the value of the units held therein.

CURRENCY EXCHANGE CONTROL

Under the Israeli Prohibition on Laundering Order (The Banking Corporations' Requirement regarding Identification, Reporting and Record-Keeping for the prevention of Money Laundering and the Financing of Terrorism 5774 2014), any Israeli resident, person and/or entity transferring and/or receiving funds, exchanging currencies, transferring securities and carrying out other similar transaction in large amounts of money (beginning with a threshold of NIS 50,000 (±14,000 Euro)) must report such a transaction to the Bank of Israel. The responsibility for this reporting is the employees, neither L'Oréal nor the local employer will be responsible for such reporting. However, such

notification is usually made through local banks and financial corporations. Accordingly, insofar as employees transfer funds and / or securities with a value of more than NIS 50,000, employees will be required to report as aforesaid.

SECURITIES NOTICE

An offer or sale of securities to 35 persons or more in any 12-month period requires the publication of a prospectus. However, Section 15D of the Israeli Securities Law, 5728-1968 enables the Securities Authority to grant an exemption from the requirement to publish a prospectus, subject to certain preconditions relating to the safeguarding of employees being satisfied.

L'Oréal has obtained from the Israeli Securities Authority (ISA) an exemption from the requirement to publish a prospectus in connection with the Plan. The exemption is attached herein. The L'Oréal finance reports are available for review on the L'Oréal website on <http://www.loreal-finance.com>

INSIDER TRADING

Employees are restricted from making any transactions with respect to L'Oréal Shares whilst in the possession of inside information, in breach of the Israeli Securities Law 5728 – 1968.

LOCK UP PERIOD AND EARLY EXIT EVENTS

Under the L'Oréal employee share plan 2022, the employees' investment must be held for a period of five-year, ending on July 26, 2027. Following such term, the shares are free from any restrictions, except for such restrictions prescribed by the L'Oréal's incorporation documents and/or applicable law.

Nevertheless, employees may be able to request early release and exit from the plan before the end of the lock-up period in the case of early exit events as described below:

1. marriage or civil union;
2. birth or adoption of a third child (or higher);
3. divorce (if custody of at least one child is retained);
4. domestic violence committed against the employee by his/her spouse, partner, civil partner, or his/her former spouse, partner or civil partner;
5. disability of the employee or spouse or child;
6. death of the employee or his/her spouse;
7. use of proceeds for creation by the employee, child or spouse of certain businesses;
8. use of the proceeds for the acquisition or enlargement of the principal residence;
9. over-indebtedness; and
10. termination of employment.

These early exit events are defined by French law and must be interpreted and applied in a manner consistent with French law. Employees should not conclude that an early exit event is available unless employees have described the specific case to their employer and the employer has confirmed that it applies to the employees' situation, upon the employee providing the requisite supporting documentation.

DATA PROTECTION

The introduction of the Offering, the administration and the related bookkeeping as well as compliance with associated tax, social security and other relevant legislation by L'Oréal or third parties involved in this context (such as financial institutions or service providers) require the collection, processing and use of personal data related to employees, as described in the Offering. To this end, if employees wish to participate in the Offering their individual consent is necessary in Israel pursuant to applicable legislation (in particular on data protection). Without their individual consent, their participation in the Offering is not possible.

FREE SHARES

The employees' investment will be matched by grant of rights to additional shares of L'Oréal S.A. for free ("Free Shares"). Employees would be entitled to Free Shares proportionally to their subscription for the ratio described in the Information Brochure. These Free Shares will be delivered to them at the end of the vesting period, in July 2027, subject to the terms and conditions provided for in the Free Share Plan Rules.

Employees will find below a summary of certain conditions applicable to the grant, vesting and delivery of the Free Shares. For the full description, please refer to the Free Share Plan Rules made available at <https://invest.loreal.com> (in French and English) and upon request from the HR correspondent. Subscription to the L'Oréal employee share plan 2022 implies acceptance of the Free Share Plan Rules.

Eligibility to the grant of Free Shares: in order to qualify for a grant of Free Shares within the framework of the L'Oréal employee share plan 2022, you must satisfy the following conditions:

- you must have validly subscribed in the context of the L'Oréal employee share plan 2022 and must satisfy all the conditions for participating therein;
- your participation in or your subscription or payment for the L'Oréal employee share plan 2022 must not have been rejected or cancelled on (or prior to) the Grant Date (defined below) ;
- the payment of the subscription must have been fully settled at the Delivery Date (defined below).

Grant Date: The date of the grant shall occur on the date on which the shares subscribed for pursuant to the L'Oréal employee share plan 2022 are issued, i.e on July 26, 2022, or shortly thereafter. Within weeks of the Grant Date, each beneficiary shall receive a letter or statement electronically confirming that he or she is a beneficiary of the grant of Free Shares and stipulating the number of Free Shares granted to him or her, subject to the conditions of the Free Share Plan Rules (as summarized hereafter).

Delivery Date: Subject to the satisfaction of the conditions stipulated below, the Free Shares will be delivered to you on or around July 26, 2027.

Conditions to be satisfied to receive the Free Shares at the end of the lock-up period (you may refer to article 6 of the Free Share Plan Rules for a detailed and full description of that conditions; stipulations below are only a summary of the applicable conditions and do not supersede provisions of the Free Share Plan Rules) :

In order to receive the Free Shares, you must remain an employee or corporate officer of the L'Oréal Group from the last day of the subscription period pursuant to the L'Oréal employee share plan 2022 until the 20th calendar day preceding the Delivery Date (the "**Continued Employment Condition**").

The period between the last day of the subscription period pursuant to the L'Oréal employee share plan 2022 and the 20th day calendar day preceding the Delivery Date shall be referred to hereinafter as the "**Acquisition Period**".

Nevertheless, you will be deemed to have satisfied the above Continued Employment Condition if, at any time during the Acquisition Period, you lose the status of employee or corporate officer of the L'Oréal Group for one of the following reasons (the "**Exceptions to the Continued Employment condition**"):

Death: In the event of death, your heir(s) may request, the delivery of the Free Shares within six months of the death. In such a case, any Free Share granted shall be delivered to the assigns shortly after the submission of their request and the Acquisition Period shall not apply. In the absence of such a request, the Free Shares granted to the deceased beneficiary shall be delivered to the heirs on the Delivery Date.

Disability: In the event of disability, as defined in Article L. 225-197-1 of the French Commercial Code, during the Acquisition Period, the Free Shares granted shall be delivered shortly after the occurrence of the relevant disability event.

Retirement: In the event of retirement at the minimum retirement age stipulated by the law of the relevant country or in the event of retirement pursuant to any retirement scheme, the Free Shares shall be delivered to the beneficiary on the Delivery Date.

Dismissal for a reason other than gross misconduct or serious misconduct: In the event of a dismissal for a reason other than gross misconduct or serious misconduct, the Free Shares granted shall be delivered to the Beneficiary

on the Delivery Date. For the purposes of the plan, dismissal for gross misconduct or serious misconduct entailing the forfeiture of the right to receive the Free Shares shall be assessed having regard to the regulations of the relevant country applicable to the dismissal of the beneficiary.

Termination of the employment contract pursuant to the mutual agreement of the employee and the employer: In the event of the termination of the employment contract of the beneficiary pursuant to a mutual agreement, the Free Shares shall be delivered to the beneficiary on the Delivery Date.

Change of control of your company/employer: In the event of a change of control over your company/employer, those beneficiaries who are employees or corporate officers of the relevant company shall receive their Free Shares on the Delivery Date.

Ownership of the Free Shares: At the Date of Delivery, any Free Shares delivered will become your full property. Your Free Shares will be delivered and held through the FCPE « L'OREAL EMPLOYEE SHARE PLAN» and you shall receive units of the FCPE representing those shares. In the event that a L'Oréal company is required to pay taxes, social charges or any other governmental charges on behalf of any beneficiary of the Free Shares as a result of the grant or delivery of the Free Shares, L'Oréal reserves the right to delay the transfer of the Free Shares to such person until such person has paid all such amounts, or made arrangements for payment that are satisfactory to L'Oréal, or to cause the sale of the shares and withhold from the proceeds the relevant amounts, as provided for in the article 10 of the Free Share Plan Rules.

Should your employment contract be terminated for whatever reason prior to the repayment in full of the total amount of the advance on your salary granted by your employer, you expressly and irrevocably authorise your employer to deduct the amount of any salary deductions which remain outstanding pursuant to your subscription from your final salary or any other sums which may be owed to you. Should you continue to owe any sums to your employer pursuant to your subscription, unless you pay such balance, you irrevocably instruct your employer or the account holder of the FCPE "L'Oréal Employee Share Plan" to redeem, without any advance notice or reminder to pay, your units in the FCPE, in compliance with the applicable regulations, and to allocate the necessary portion of the proceeds of redemption of your FCPE units to pay the sums which continue to be owed to your employer.

If the total amount of the advance on your salary granted by your employer is not repaid within the period of twelve months stipulated on the reverse hereof for any reason whatsoever, you undertake to pay the balance of the outstanding amount of the advance owed to your employer at the end of the twelfth month following your subscription.

Should you request the redemption of all or any of your units in the FCPE after the occurrence of an early release event before having repaid in full the advance on your salary granted by your employer, you hereby expressly authorise the custodian of the FCPE to deduct for L'Oréal SA or your employer the balance of the staggered payment which remains outstanding from the proceeds of the redemption of your units.

You acknowledge that you may be responsible for the taxes and/or employee social security charges that your employer is obliged to withhold or pay as a result of your participation in this Offer and you hereby irrevocably authorize your employer to deduct any such taxes and social security charges from your salary including all accrued entitlements, and from any proceeds to which you may be entitled under this Offer, or to sell, or have sold, without any prior notice whatsoever all or part of your L'Oréal shares and deduct the amount due from the proceeds.

In case you chose a cheque payment method and a default of your payment to be made by cheque occurred, your subscription may be cancelled for the corresponding unpaid amount. The subscription form you submit constitutes an irrevocable instruction to your employer or the account holder of the FCPE "L'Oréal Employee Share Plan", to redeem, without any advance notice or reminder to pay, your units in the FCPE, in compliance with the applicable regulations, and to allocate the necessary portion of the proceeds of such redemption of your units to pay the sums which continue to be owed pursuant to your subscription.

TAXATION

Please refer to the local supplement prepared for Israel on the website <https://invest.loreal.com>.

Part II

Incorporation of Documents by Reference.

This Information Statement hereby incorporates by reference the contents of the following reports:

- (a) The 2021 Universal Registration Document;
- (b) The news release of the pricing of L'Oréal's inaugural public bond offering for an aggregate nominal amount of €3.0 billion published on March 22, 2022, available at <http://www.loreal-finance.com>
- (c) The first quarter 2022 sales published on April 19, 2022, available at <http://www.loreal-finance.com>
- (d) The description of the resolutions and decisions adopted respectively at the Annual General Meeting and Board of Directors' Meeting of April 21, 2022 published on April 21, 2022, available at <http://www.loreal-finance.com>
- (c) The description of L'Oréal ordinary shares, nominal value €0.2 per share, set forth under the captions Article 6 in the Articles of Association (last updated on April 21, 2022) available at <http://www.loreal-finance.com>

Indemnification of Directors and Officers.

The French Commercial Code prohibits provisions of corporate articles of associations that limit the liability of directors. However, if a director is sued by a third party and ultimately prevails in the litigation on all counts, but is nevertheless required to bear attorneys' fees and costs, the Director may be reimbursed for those fees and costs pursuant to an indemnification arrangement.

Under French law a company may purchase directors and officers insurance for all or part of the members of its management. A French corporation is responsible to third parties for the consequences of the decisions of its board of directors. However, if those decisions qualify as mismanagement, the relevant member of the board of directors may have to fully or partly indemnify the company. L'Oréal has purchased insurance for all of its directors and officers.

Exemption from Registration Claimed.

Article 1.4(i) of the EU Prospectus Regulation 1129/2017 provides for an exemption from prospectus requirements in the European Union.



Christophe Babule
Chief Financial Officer of L'Oréal SA
Date : 25 May 2022

EXHIBIT A

THE ISA EXEMPTION



ל"א אייר תשפ"ב
12 מאי 2022

לכבוד,
ענבל פרלשטיין - מנדלבאום, עו"ד
פרל כהן צדק לצר ברץ, עורכי דין, עורכי פטנטים ונטרונים
באמצעות דואר אלקטרוני

שלום רב,

הנדון: בקשת הפטור של חברת L'Oréal S.A
סימוכין: מכתבכם מיום 3 במאי 2022

1. הרינו לאשר את קבלת מכתבכם שבסמך בוגע לבקשת חברת L'Oréal S.A (להלן: "החברה") לקבלת פטור לפי סעיף 15 לחוק ניירות ערך, התשכ"ח-1968 (להלן: "החוק").
2. בהתאם לבקשה, החברה מתכוונת להציע לעובדי חברות בשליטתה בישראל (להלן: "הניצעים") ניירות ערך של החברה במסגרת תוכנית תגמול לעובדים (להלן ובהתאמה: "ההצעה" ו-"התוכנית"). החברה מבקשת פטור בקשר עם כוונתה להציע לניצעים ניירות ערך בהתאם לתוכנית.
3. הרינו להודיעכם כי רשות ניירות ערך החליטה, מתוקף סמכותה לפי סעיף 15 לחוק, לפטור את החברה מהוראות החוק בקשר להצעות על פי התוכנית, וזאת בשל העובדות וההתחייבויות המפורטות במכתבכם.
4. הפטור מותנה בתנאים הבאים:
 - א. החברה תדאג שפרטי הגילוי הנדרשים בהתאם לתקנות ניירות ערך (פרטי מתאר הצעות ניירות ערך לעובדים), התש"ס-2000 (להלן: "המתאר") יכללו במסגרת דיווחיה השוטפים של החברה.
 - ב. לפני ביצוע ההצעה, החברה תעמיד את התוכנית והמתאר לעיון בכל אחד ממקומות העבודה בהם עובדים הניצעים, בכמות מספקת אשר תאפשר לכל ניצע המעוניין בכך לעיין בהם, וכן החברה תספק את התוכנית והמתאר לכל ניצע שיהיה מעוניין בכך.



מחלקת תאגידים

- ג. החברה תדאג שהתוכניות והמתאר יתורגמו לעברית, על פי דרישה.
- ד. קבלת הפטור תובא לידיעת הניצעים בעת שיימסרו להם התוכנית והמתאר.

בכבוד רב,

אביחו אהרוני, עו"ד
מחלקת תאגידים
רשות ניירות ערך