

**L'ORÉAL EMPLOYEE SHARE OFFERING 2022
LOCAL SUPPLEMENT FOR ESTONIA**

You have been invited to invest in shares of L'Oréal ("Shares") in the L'Oréal group employee share plan 2022. You will find below a brief summary of the local offering information and principal tax consequences relating to the offering.

Local Offering Information

Subscription Period

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

During the subscription period you may subscribe online at <https://invest.loreal.com>. Username and password will be provided to you by email or mail. You may also subscribe with a paper subscription form should you not have access to internet. Please contact your Human Resources department to receive a subscription form.

Unless you subscribe through Internet, please return your duly completed subscription form before June 22, 2022 at your 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 minus a 20% discount.

Payment will be requested in euros.

Method of Payment – What are the payment methods available for my subscription?

The following payment methods are available:

- Salary Deduction over 12 months starting from August 2022; or
- Wire transfer to the employer bank account LV97RIKO0000084458102 between July 12 and July 19, 2022.

Custody of your shares, voting rights, dividends

Your shares will be subscribed and held on your 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. You will be issued units in the FCPE corresponding to the shares you will have subscribed and those representing the employer matching contribution once delivered to you at the end of the lock-up period subject to the conditions described below.

As long as your 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

There are no currency exchange control legends or documentations that needs to be filled in.

Securities Notices

There are no notices required under the Estonian securities law.

Lock-up period and Early Exit Events - In which cases may I ask for an early redemption?

Under the L'Oréal employee share plan 2022, your investment must be held for a period of five-year, ending on July 26, 2027.

Nevertheless, you 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 agreement;
2. birth or adoption of a third child (or higher);
3. divorce or other judicial recognition of separation or termination of a civil union agreement (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 or civil union partner;
6. death of the employee or his/her spouse or civil union partner;
7. use of proceeds for creation by the employee, child or spouse or civil union partner 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 contract.

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

FREE SHARES

Your investment will be matched by grant of rights to additional shares of L'Oréal S.A. for free (“**Free Shares**”). You would be entitled to Free Shares proportionally to your subscription for the ratio described in the Information Brochure. These shares will be delivered to you at the end of the vesting period, in July 2027, subject to the terms and conditions provided for in the Free Share Plan Rules.

You 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 to you at <https://invest.loreal.com> (in French and English) and upon request from your RH 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.

Tax Information for Employees Resident in Estonia

*This summary sets forth general principles in effect at the time of subscription of the offering, that are expected to apply to employees (“**Participants**”) who are and who shall remain, until the disposal of their investment, resident in Estonia for the purposes of the tax laws of Estonia and of the tax treaty concluded between France and Estonia for the avoidance of double taxation (the “**Treaty**”) and are entitled to the benefits of the Treaty. The tax consequences listed below are described in accordance with Estonian tax law and certain French tax laws and practices, all of which are applicable at the time of the offering. These principles and laws may change over time.*

This summary is given for informational purposes only and should not be relied upon as being either complete or conclusive. For definitive advice, including in connection with possible changes in law or changes in the interpretations or practice of tax authority, employees should consult their own tax advisors.

Upon subscription

I. Will I be required to pay any tax or social security charges at the moment of subscription?

No, Estonian employees do not have to pay any taxes or social security charges upon subscription of shares and receipt of FCPE units.

I.1 Taxation on the difference between the subscription price and the market value of the L’Oréal share at the time of subscription

No.

I.2 Will the interest-free advance payment be taxable?

No.

During the life of the Plan

II. Will I be required to pay any tax or social security charges on dividends?

Any dividends distributed by L’Oréal will be automatically reinvested by the FCPE «L’OREAL EMPLOYEE SHARE PLAN» in L’Oréal shares (purchased on the market). The value of the units will increase to reflect this dividend reinvestment.

(i) Taxation in France

In the absence of a distribution to employees of the dividends received from L’Oréal, no withholding tax will be levied in France.

(ii) Taxation in Estonia

No.

In the absence of direct dividend payments to employees no income tax will be charged on employees in Estonia.

III. Will I be required to pay any wealth tax on the FCPE units I own?

No.

There is no wealth tax in Estonia.

Upon redemption

IV. Will I be required to pay any tax or social security charges when, at the end of the lock-up period (or in the event of an authorized early exit event), I ask the FCPE to redeem my units for cash?

(i) Taxation in France

You will not be subject to income taxes in France on the gain, if any, realized on the redemption of your units.

(ii) Taxation in Estonia

Yes.

You will be subject to Estonian income tax charged on capital gains when you redeem your units for cash (capital gain from sale of asset). The taxable amount will be calculated as the difference between the sale price (cash payment upon redemption) and the acquisition cost of the FCPE units. The applicable income tax rate is 20%.

Capital gains tax is a self-assessment tax (not a withholding tax), i.e. the taxable gain must be reported by the employee to the Estonian Tax and Customs Board in the employee's annual tax return. The annual tax return must be submitted by the 30th April and the tax amount must be paid by the 1st October of the year following the taxable year.

Tax or social security charges that may be applicable, if I do not choose immediately to redeem my investment upon the expiration of the lock-up period.

No.

FREE SHARES

V. Will I be required to pay any tax or social security charges at the Grant Date of the Free Shares?

No.

No tax or social security charges are payable by employees in Estonia upon the grant of the right to receive Free Shares.

VI. Will I be required to pay any tax or social security charges at Tax at the Delivery Date of the Free Shares?

No.

No tax or social security charges are payable by employees in Estonia upon the delivery of Free Shares or FCPE units representing the Free Shares.

VII. Will I be required to pay any tax or social security charges at the date of sale of the shares / redemption of the units representing the Free Shares?

Yes.

You will be subject to Estonian income tax charged on capital gains when you redeem your units for cash or sell the Free Shares (capital gain from sale of asset). The taxable amount will be calculated as the difference between the sale price / cash payment upon redemption, and the acquisition cost of the Free Shares / FCPE units. The applicable income tax rate is 20%.

Capital gains tax is a self-assessment tax (not a withholding tax), i.e. the taxable gain must be reported by the employee to the Estonian Tax and Customs Board in the employee's annual tax return. The annual tax return must be submitted by the 30th April and the tax amount must be paid by the 1st October of the year following the taxable year.

VIII. What are my reporting obligations with respect to the subscription, holding and redemption of the FCPE units as well as the payment of dividends, as applicable?

Reporting obligations apply upon redemption for cash / sale of the FCPE units / Free Shares. Please see Section IV and VII Above.

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