

L'ORÉAL EMPLOYEE SHARE OFFERING 2022 LOCAL SUPPLEMENT FOR CROATIA

*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

Eligibility

All current employees of L'Oréal and of its participating direct and indirect majority-owned subsidiaries are eligible to participate in this offering, in each case subject to a minimum employment condition of two years measured on the last day of the subscription period (i.e., June 22, 2022).

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 together with the requisite enclosures before June 22, 2022 at your company's Human Resources Department, to Ms Ana Zorica Ahlin.

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.

For countries outside the Eurozone: It is to be noted that your subscription is in euro. Consequently, for purposes of your subscription, your employer will notify you of the exact amount of your payment in Croatian Kuna and that amount will be converted by your employer using the exchange rate, applicable by or around the beginning of June 2022, that will be communicated to you on demand. During the life of your investment, the value of the Shares will be affected by fluctuations in the currency exchange rate between the euro and Croatian kuna. As a result, if the value of the euro strengthens relative to the Croatian kuna, 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 Croatian kuna, the value of the Shares expressed in Croatian kuna will decrease.

Your investment is Capped

You will be able to subscribe up to 25% of your 2022 gross annual remuneration, up to the limit of the equivalent of 50 shares. Your gross annual remuneration includes your base salary, guaranteed allowances, bonus and superannuation.

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

The following payment methods are available:

- Wire transfer to the employer bank account: IBAN HR04 2484008 1500184623, held at Raiffeisen Bank d.d.

Custody of your shares, voting rights, dividends

Your shares will be held in your name in a securities account in a financial institution (BNP Paribas Securities Services). Information regarding custodianship of your shares will be provided to you following the subscription period.

You will be entitled to directly exercise the voting rights attached to your L'Oréal shares. Any dividends paid by L'Oréal will be directly paid to you.

You will receive annual account statements in relation to your shares from the financial institution holding your shares.

Currency Exchange Control

If the value of L'Oréal shares you purchase or sell during a single month exceeds HRK 100,000, you will be obliged to notify the Croatian National Bank ("CNB") (using "Form IU-IP") within 30 days as of the end of the month when such shares were purchased or sold.

If the dividend payments from your purchased shares exceed the amount of HRK 50,000 in a single month, you will be obliged to notify CNB (using "Form IU-DIV") within 15 days as of the end of the month when dividends were received.

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;
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. 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 securities account where the shares you subscribed for are registered. 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 Croatia

*This summary sets forth general principles in effect on May 1, 2022, that are expected to apply to employees (“**Participants**”) who are and who shall remain, until the disposal of their investment, resident in Croatia for the purposes of the tax laws of Croatia and of the tax treaty concluded between France and Croatia for the avoidance of double taxation (the “**Treaty**”) and are entitled to the benefits of the Treaty and do not carry out their professional activity in France. The tax consequences listed below are described in accordance with Croatian tax law and certain French tax laws and practices, all of which are applicable on May 1, 2022. 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, 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 or delivery?

Yes, you will be required to pay tax and social security charges (if at any time applicable) at the moment of delivery of shares to you or at such later date when you become registered as shareholder of the French issuer, L'Oréal.

1.1 Taxation on the difference between the subscription price and the market value of the L'Oréal share at the time of subscription

Tax obligation in Croatia will arise at the moment of delivery of shares to you or at such later date when you become registered as shareholder of the French issuer, L'Oréal. The discount on the share price will represent your taxable gain (in kind).

Since the shares at hand are not issued by your direct employer but by the French company L'Oréal, discounted shares will not form part of your receipts arising under employment (e.g. salary) and will be taxed differently than the employment-related receipts.

The difference between the price paid by you and the share market price (i.e. generally the share closing price on the day of delivery of the shares) shall, for taxation purposes, represent the net amount of gain.

As of 1 January 2019, the discount on the share price represents taxable value (in kind) and is taxed as “capital-based income”.

The difference between the price paid by you for discounted shares and the share market price will be taxed as “capital-based income”, and will represent a taxable basis to which 20% withholding tax rate will apply, together with surtax levied at the rate applicable at your place of residence within Croatia (ranging from 0% to 18%, latter being applicable if you reside in Zagreb area). You will be responsible for payment of taxes and reporting to the Tax Authority within 30 days from the delivery of the discounted share.

The advance on tax should be paid no later than 30 days following the delivery of the shares. Exceptionally, if the amount of tax advance would not exceed the total amount of HRK 100 (about EUR 13.5), the advance should be paid no later than the last day of the month following the month in which the delivery of shares occurred. You will be responsible for payment of the taxes.

In addition to the reporting obligations indicated under section “Currency Exchange Control” in the Country Supplement, you will be obliged to: (i) register with Registry of Tax Payers at Croatian Tax Authority competent for your place of residence, within 8 days upon delivery of discounted shares; (ii) report to competent Tax Authority the calculated advance of income tax and surtax liability using the „Form JOPPD“ within 30 days upon delivery of discounted shares. Exceptionally, if the amount of personal income tax advance would not exceed the total amount of HRK 100 (about EUR 13.5), the “Form JOPPD” should be delivered to competent Tax Authority no later than the last day of the month following the month in which delivery of shares occurred.

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 directly paid to you.

(i) Taxation in France

Under French domestic law, dividends paid by a French company to non-residents of France are generally subject to a 12,8% withholding tax in France, unless they are paid to a bank account opened in a Non-Cooperative State or Territory as defined under article 238-0 A 1, 2 and 2 bis-1° of the French Tax Code (NCST)¹ which would trigger a 75% withholding tax in France.

(ii) Taxation in Croatia

According to Croatian laws receipt of dividends is generally taxable by 10% withholding capital gain tax, plus surtax (ranging from 0% to 18% depending on place of recipient’s residence) applicable on the amount of income tax.

According to the tax treaty concluded between France and Croatia, if the tax payment obligation in France would be higher than the one in Croatia, once the 12,8% withholding tax has been applied to your dividend payment you shall not be required to pay dividend tax in Croatia. If the tax payment obligation in Croatia would be higher than the tax already withheld in France, you will be obliged to pay the difference between the amount of tax paid in France and the amount of tax to be paid in Croatia.

In order to establish whether you are to pay dividend tax under Croatian laws, you will have to: (i) deliver written statement to competent Tax Authority on the withholding dividend tax payment in France within 8 days from receipt of dividends, and (ii) submit annual tax return „Form INO-DOH“ to competent Tax Authority by the end of January following the year in which you received dividend payment, together with confirmation of payment of French dividend tax issued by the competent French tax authority.

Once you have delivered “Form INO-DOH” to competent Tax Authority, Tax Authority will issue a ruling on taking into account the tax advance paid in France and state the remaining amount of tax advance (if any) to be paid in Croatia within 15 days of delivery of ruling to you.

At the end of the lock-up period / upon sale of my shares

¹ The list of NCSTs can be modified each year. The states and territories qualifying as NCSTs are currently the following: Anguilla, British Virgin Islands, Panama, Seychelles and Vanuatu.

III. 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 to sell my shares ?

(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 shares.

(ii) Taxation in Croatia

Capital gain tax is levied in Croatia upon sale of shares at the rate of 10%, plus surtax (ranging from 0% to 18% depending on place of residence). However, the laws provide for exceptions to this rule where capital gains are not taxed. These refer to the following cases: (i) transfer of shares between spouses and immediate family members; (ii) transfer of shares directly related to divorce or inheritance of financial assets; and (iii) transfer of shares occurred upon expiry of two years from the acquisition of shares. Should you enjoy authorized early exit event and dispose of your shares within 2 years from their acquisition, you will be subject to the capital gain tax, unless payment of the capital gains tax is excluded due to the above mentioned exceptions.

The capital gain is calculated as the difference between the L'Oréal shares market price (i.e., generally the shares closing price on the day of delivery of the shares) and the price for which you sold the shares. The taxable amount on which 10% tax is to be levied is calculated as the difference between the capital gain and capital losses realized in the same calendar year as capital gain (if any).

The applicable rates for capital gain taxes and surtaxes are currently as follows: (i) personal income tax advance: 10% rate; and (ii) surtax levied at the rate applicable your place of residence within Croatia (ranging from 0% to 18%, latter being applicable if you reside in Zagreb area).

You will be responsible for calculation and payment of the capital gain tax for received income (capital gain realized from sale of shares). Specifically, you will be liable to pay personal income tax advance and surtax on this income by the end of February following the year in which the capital gain was realized.

In addition to the reporting obligations indicated under section "Currency Exchange Control" in the Country Supplement, you will be obliged to report to competent Tax Authority the calculated advance of income tax and surtax liability using the „Form JOPPD“ by the end of February following the year in which the capital gain was realized.

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

From the Croatian law perspective, no tax or security charge related to holding of shares is to be levied if you do not choose immediately to sell your shares upon expiration of the lock-up period, other than the taxes/charges specified above (with respect to taxation of dividend).

FREE SHARES

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

You will not be required to pay any tax or social security charges at the Grant Date of the Free Shares.

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

Yes, tax obligation in Croatia will arise at the moment of delivery of shares to you or at such later date when you become registered as shareholder of the French issuer, L'Oréal.

Since the shares at hand are not issued by your direct employer but by the French company L'Oréal, Free Shares will not form part of your receipts arising under employment (e.g. salary) and will be taxed differently than the employment-related receipts.

The difference between the price paid by you and the share market price (i.e. generally the share closing price on the day of delivery of the shares) shall, for taxation purposes, represent the net amount of gain. In case of Free Share, the net amount of gain would be equal to the share market price for the Free Share.

As of 1 January 2019, the market value of the Free Share represents taxable value (in kind) which is taxed as "capital-based income".

The share market price for the Free Share will be taxed as "capital-based income", and will represent a taxable basis to which 20% withholding tax rate will apply, together with surtax levied at the rate applicable at your place of residence within Croatia (ranging from 0% to 18%, latter being applicable if you reside in Zagreb area). You will be responsible for payment of taxes and reporting to the Tax Authority within 30 days from the delivery of the Free Shares.

Your tax obligation will arise at the moment of delivery of shares. Since the delivery of Free Shares will not occur prior to the end of the vesting period of five years, such early vesting of the right to receive free shares will not deem a taxable event.

The advance on tax should be paid no later than 30 days following the delivery of the shares. Exceptionally, if the amount of tax advance would not exceed the total amount of HRK 100 (about EUR 13.5), the advance should be paid no later than the last day of the month following the month in which the delivery of shares occurred. You will be responsible for payment of the taxes.

In addition to the reporting obligations indicated under section "Currency Exchange Control" in the Country Supplement, you will be obliged to: (i) register with Registry of Tax Payers at Croatian Tax Authority competent for your place of residence, within 8 days upon delivery of Free Shares; and (ii) report to competent Tax Authority the calculated advance of income tax and surtax liability using the „Form JOPPD“ within 30 days upon delivery of Free Shares. Exceptionally, if the amount of personal income tax advance would not exceed the total amount of HRK 100 (about EUR 13.5), the "Form JOPPD" should be delivered to competent Tax Authority no later than the last day of the month following the month in which delivery of shares occurred.

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

Should the Free Shares be delivered to you prior to the Delivery Date, you may be subject to the capital gain tax.

VII. What are my reporting obligations with respect to the subscription, holding and sale of my L'Oréal shares as well as the payment of dividends, as applicable?

In addition to the reporting obligations indicated under section "Currency Exchange Control" in the Country Supplement, you will be obliged to:

(i) register with Registry of Tax Payers at Croatian Tax Authority competent for your place of residence, within 8 days upon receipt of discounted shares/Free Shares;

(ii) report to competent Tax Authority the calculated advance for income tax and surtax liability using the "Form JOPPD":

- (a) within 30 days upon receipt of the discounted shares/Free Shares; and
- (b) by end of February following the year in which the capital gain was realized on the sale of L'Oréal shares;

(iii) submit to competent Tax Authority:

- (a) written statement on the payment of withholding tax on dividends in France within 8 days from receipt of dividends; and
- (b) submit annual tax return „Form INO-DOH“ by the end of January following the year in which you received dividend payment, together with confirmation of payment of French dividend tax issued by the competent French tax authority.