

**L'ORÉAL EMPLOYEE SHARE OWNERSHIP PLAN 2022
LOCAL SUPPLEMENT FOR INDONESIA**

You have been invited to invest in shares of L'Oréal (“Shares”) in the L'Oréal employee share ownership plan 2022. You will find below a brief summary of the local offering information and principal tax consequences relating to the plan 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 will subscribe online at <https://invest.loreal.com>. Username and password will be provided to you by email or mail.

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.

It is to be noted that your subscription is in euro. Consequently, for purposes of your subscription, the amount of your payment in Indonesian Rupiah 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 subscribed through the FCPE will be affected by fluctuations in the currency exchange rate between the euro and Indonesian Rupiah. As a result, if the value of the euro strengthens relative to the Indonesian Rupiah, 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 Indonesian Rupiah, the value of the Shares expressed in Indonesian Rupiah will decrease.

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

The following payment methods are available:

- Salary deduction over 12 month starting from August 2022*; or
- Wire transfer to the employer bank account as detailed below, between July 12 and July 19, 2022 :

Beneficiary Name	: PT LOREAL INDONESIA
Beneficiary Bank Name	: PT Bank HSBC Indonesia
Beneficiary Bank Account number	: 050 131622 068
Beneficiary Bank Address	: World Trade Center 3rd Floor, Jl. Jend. Sudirman Kav 29-31, Jakarta

* Please note that deductions from your salary are subject to limitations in accordance with law applicable in Indonesia. Deduction of the amount of your subscription from your salary cannot exceed 50% of your monthly salary. You should consider these limitations when you decide to opt for this payment method.

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

Certain foreign exchange transactions, particularly transactions conducted through Indonesian banks must comply with reporting requirements. Banks may require customers who wish to make a transfer or customers receiving money transfer from offshore of more than USD 10,000 (or its equivalent) to disclose certain information relating to the transaction. Any transfer of foreign exchange to offshore in an amount equal to or exceeding USD 100,000 also requires underlying transaction. Purchasing foreign currency exceeding USD 25,000 through Indonesian banks would also be subject to the reporting requirements and require an underlying transaction.

Labor Law Disclaimer

Please note that this offering is provided to you by the French company L'Oréal SA, and not by your local employer.

The offering does not form part of your employment agreement and does not amend or supplement such agreement.

Benefits or payments that you may receive or be eligible for under this offering will not be taken into consideration in determining the amount of any future benefits, payments or other entitlements that may be due to you (including in cases of termination of employment).

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

Under the L'Oréal employee share ownership 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.

The supporting documents needed for the above early exit events are among others as follows :

No	Early Exit Events	Supporting Documents Needed
1.	marriage or civil union;	Marriage Certificate/Marriage Book
2	birth or adoption of a third child (or higher);	Birth Certificate Court's Decision on Adoption and Birth Certificate with annotation on Adoption
3	divorce (if custody of at least one child is retained);	Court's Decision on Divorce and/or Excerpt of Divorce Deed from Civil Registry
4	disability of the employee or spouse or child;	Statement from Doctor/Hospital
5	death of the employee or his/her spouse;	Death Certificate
6	use of proceeds for creation by the employee, child or spouse of certain businesses;	NIB dan/atau Business License
7	use of the proceeds for the acquisition or enlargement of the principal residence;	-PPJB/AJB or other satisfactory evidence as evidence for the intention to acquire principal residence; -IMB (Building Construction Permit) or other permits required in accordance with the local regulation in order to carry out an enlargement of principal residence
8	utang yang berlebihan (<i>over-indebtedness</i>); dan	Court's Decision on Bankruptcy / BI Checking Statement
9	pemutusan hubungan kerja.	Termination Letter

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 Human Resources correspondent. Subscription to the L'Oréal employee share ownership 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 ownership 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 ownership 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 ownership 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 ownership 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 ownership 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 article 10 of the Free Share Plan Rules.

Tax Information for Employees Resident in Indonesia

*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 Indonesia for the purposes of the tax laws of Indonesia and of the tax treaty concluded between France and Indonesia 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 Indonesian 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, 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?

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

Tax may not be payable upon subscription.

When you subscribe at a discounted price under the offering, the discount is deemed income and therefore is subject to personal income tax, however, the income tax may be payable when the gain is realized, i.e. at the time you receive the cash proceeds from the redemption (see below section of “*Upon redemption*”).

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

An interest-free loan for the purchase of L’Oréal shares (through FCPE) may be deemed to be an employee benefit and subject to taxation and a corresponding obligation to withhold tax by the local employer. Different tax treatment, however, may apply depending on your personal as well as your employer situation.

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 Indonesia

There should be no tax payable for dividends received and reinvested by the FCPE and not paid out to you.

Upon redemption

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 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 Indonesia

If you choose to redeem your FCPE units for cash, the gain derived from the redemption will be subject to personal income tax at progressive rates ranging from 5% to 35%. The gain would be the difference between the (discounted) subscription price you actually paid (i.e. your personal contribution) and the cash you received at redemption.

You are responsible for declaring and paying your personal income tax directly to the tax authorities. Monthly tax payments should be made by the 15th of the following month and annual tax payments should be made before the submission of your annual personal income tax return by the 31st March of the following 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.

If you choose not to immediately redeem your investment, there should be no tax payable or social security charges applicable at that time.

FREE SHARES

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

Generally, no tax should be payable upon the grant date of the Free Shares.

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

Generally, no tax should be payable upon delivery of 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 ?

If you elect to sell your Free Shares, tax will be due on the sale proceeds of the units representing the Free Shares at progressive rates ranging from 5% to 35%.

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?

You are responsible for filing your annual personal income tax return to the Indonesian tax authorities. You will have to declare in your annual personal income tax return income tax arising from the redemption of your FCPE units for cash and the sale of your Shares under the offering. You will also have to report your investment in the Shares held in the FCPE as your assets in your annual personal income tax returns.

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