

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

You have been invited to invest in shares of L'Oréal S.A. ("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>. A 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 the Internet. Please contact your local Human Resources Department to receive a subscription form.

Unless you subscribe through the Internet, please return your duly completed subscription form together with the requisite enclosures before June 22, 2022 to your local Human Resources Department. The subscription form should be addressed to Samantha Bar at the following address:

L'Oréal Malaysia Sdn. Bhd.
Crown Penthouse, 1 Powerhouse,
No. 1, Persiaran Bandar Utama, Bandar Utama,
47800 Petaling Jaya,
Selangor,
Malaysia.

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 Ringgit Malaysia ("RM") will be converted by your employer using the exchange rate to be determined by L'Oréal prior to the subscription period (on or around June 3, 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 RM. As a result, if the value of the euro strengthens relative to the RM, the value of the Shares expressed in RM will increase. On the other hand, if the value of the euro weakens relative to the RM, the value of the Shares expressed in RM will decrease.

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

The following payment methods are available:

- (a) immediate payment of the total subscription price, by way of bank transfer to the following account between July 12 and July 19, 2022:

Bank Name and Address	Citibank Berhad Level 42, Menara Citibank 165 Jalan Ampang 50450 KL Malaysia
Account Name	L’Oreal Malaysia Sdn Bhd
Account Number	0112836012 (MYR)
SWIFT Code	CITIMYKL

or

- (b) payments by way of 12 monthly salary deductions starting in August 2022, where the amount to be deducted each month is 1/12 of the total subscription price.

If you have opted to pay for the subscription in accordance with (b) above, should your employment contract with your local employer be terminated for whatever reason prior to the repayment in full of the total amount of the advance granted by your local employer, you hereby expressly and irrevocably authorise your local employer to:

- (a) subject to all applicable laws, deduct the unpaid amount from your payroll / salary or any other sums which may be owed to you;
- (b) instruct the account holder of the FCPE “L’Oréal Employee Share Plan” to redeem your units in the FCPE, in compliance with the applicable regulations, and to allocate the necessary portion of the proceeds to pay the unpaid amount (in addition to any reasonable administrative expenses); and/or
- (c) take any other actions / measures it deems fit to recover the unpaid amount.

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 for which you will have subscribed and those representing the employer matching contribution delivered to you at the end of the Lock-up Period subject to the conditions described below.

As long as your 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

Payments by a resident (such as yourself or your local employer) to a non-resident (such as L'Oréal) for the acquisition of foreign currency assets (such as the Shares), must be made in foreign currency.

Your local employer will therefore be required to convert the share purchase price paid in RM into the relevant foreign currency (i.e. euro) before remitting it to L'Oréal.

Labour law disclaimer

Please note that this offering is provided to you by the French company L'Oréal, not by your 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 your employment agreement and does not amend or supplement such agreement. Participation in the L'Oréal employee share plan 2022 offering does not entitle you to future benefits or payments of a similar nature or value, and does not entitle you to any compensation in the event that you lose your rights under the offering as a result of the termination of your employment. Benefits or payments that you 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 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 plan 2022, your investment must be held for a period of five years ("**Lock-up Period**"), ending on July 26, 2027 (inclusive), during which you will not be able to redeem your investment.

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;
2. birth or adoption of a third child (or more);
3. divorce (if custody of at least one child is retained);
4. domestic violence committed against the employee by his/her spouse or his/her former spouse;
5. disability of the employee or his/her spouse or child;
6. death of the employee or his/her spouse;
7. use of the proceeds for creation by the employee, his/her child or spouse of certain businesses;

8. use of the proceeds for the acquisition or enlargement of the employee's principal residence;
9. the employee's over-indebtedness; and
10. termination of employment of the employee.

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 for free ("**Free Shares**"). You would be entitled to Free Shares proportionally to your subscription in the ratio described in the Information Brochure. The Free 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 local Human Resources Department. 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 for Shares under 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); and
- the payment for the Shares subscribed for pursuant to the L'Oréal employee share plan 2022 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 ("**Delivery Date**").

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 the applicable 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 L'Oréal or its subsidiaries (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, the heir(s) of the deceased beneficiary 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 during the Acquisition Period, as defined in Article L. 225-197-1 of the French Commercial Code, the Free Shares granted shall be delivered to the beneficiary 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 the beneficiary's 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: On the Delivery Date, 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 Free 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 Free Shares and withhold from the proceeds the relevant amounts, as provided for in Article 10 of the Free Share Plan Rules.

Privacy Notice

It is obligatory for you to provide all the information requested in the subscription form or any additional information which we request from you. The information provided by you to L'Oréal and/or your local employer in such subscription form will be collected, used and processed by L'Oréal, your local employer and any party outside the L'Oréal Group, whether within or outside Malaysia, who are expressly authorised to receive and maintain such information, for purposes of the management of the L'Oréal employee share plan 2022 and the relevant FCPEs, for account administration and the electronic storage of such information and for any other related purpose as authorised by L'Oréal from time to time.

In the event that you elect not to provide any personal data requested, this may adversely affect your ability to enjoy and/or participate in the full benefits of the offering.

You will have a right to access, modify, limit and correct any of your personal data by means of written notification to your L'Oréal contact which undertakes to duly transmit this information to L'Oréal and any party besides L'Oréal which is expressly authorized to receive and maintain this information.

Anda diwajibkan untuk memberikan semua maklumat yang diminta di dalam borang langganan atau sebarang maklumat tambahan yang kami minta daripada anda. Maklumat yang anda beri kepada L'Oréal dan/atau majikan tempatan anda di dalam borang langganan tersebut akan dikumpul, diguna dan diproses oleh L'Oréal, majikan tempatan anda dan mana-mana pihak lain (yang bukan ahli L'Oréal Group), sama ada di dalam atau di luar Malaysia, yang telah diberi kuasa secara nyata untuk menerima dan menyimpan maklumat berkenaan, bagi tujuan pengurusan Pelan Saham Pekerja L'Oréal 2022 dan FCPE yang berkenaan, untuk pentadbiran akaun dan penyimpanan maklumat berkenaan secara elektronik dan untuk sebarang tujuan lain yang berkenaan sepertimana diberi kuasa oleh L'Oréal dari semasa ke semasa.

Sekiranya anda memilih untuk tidak memberi data peribadi yang diminta, ini mungkin akan menjejaskan keupayaan anda untuk menikmati dan/atau menyertai sepenuhnya manfaat dan hak berkaitan dengan penawaran tersebut.

Anda berhak untuk meminta akses, ubah suai, mengehadikan dan/atau membetulkan sebarang data peribadi anda dengan memberi notifikasi bertulis kepada pihak L'Oréal yang seterusnya akan menghantar maklumat ini kepada L'Oréal dan mana-mana pihak lain yang telah diberi kuasa secara nyata untuk menerima dan menyimpan maklumat berkenaan.

Tax Information for Employees Resident in Malaysia

*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 Malaysia for the purposes of the tax laws of Malaysia and of the tax treaty concluded between France and Malaysia 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 Malaysian 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

Yes. The discount on the market value of the Shares (i.e., the difference between the subscription price and the market value of the Shares at the commencement of the subscription period or the date of purchase of the Shares, whichever is lower), if any, would be considered as a taxable benefit and subject to income tax. The "market value" of the Shares would be the average of the highest trading price and the lowest trading price of the Shares on the relevant date.

Assuming that the subscription of Shares in Malaysia and the payment for the Shares is effective on the last day of the subscription period (regardless of when the subscription orders are submitted and when the payment for the Shares is made), the date of purchase of the Shares shall be the last day of the subscription period i.e. June 22, 2022.

The rate of tax levied on tax residents of Malaysia is assessed on a graduating scale ranging from 0% to a maximum of 30% based on your chargeable income for the year of assessment. Non-resident individuals pay tax at a flat rate of 30% on Malaysian-sourced income. In this regard, there are no social security implications or contributions payable on the subscription.

Your employer has the obligation to withhold the income tax payable from your salary in the month in which the taxable event occurs in accordance with the Income Tax (Deduction from Remuneration) Rules 1994, unless you elect in writing, at the time of subscription, to pay the income tax by yourself.

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

If the advance payment to you is obtained from your employer’s internal funds, you will not be subject to tax. However, if your employer borrows funds from a third party to grant you the advance payment, you will be taxed on the difference between the interest rate applicable on your employer and the interest rate applicable to you. The rate of tax shall be as stated above on such balance.

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 Malaysia

No. In Malaysia, dividends are presently exempted from tax if they are derived from outside Malaysia.

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

There is presently no wealth tax in Malaysia.

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 Malaysia

No, you will not be subject to income tax or social security charges unless you are in the business of buying and selling securities.

There is no capital gains tax in Malaysia (except for real property gains tax which is imposed on the gains arising from the disposal of real property and shares in real property companies).

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.

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

Yes, the Free Shares will be taxed at the point the Free Shares become receivable. As you are not required to pay any consideration for the Free Shares, the taxable amount is the full market value of the Free Shares multiplied by the number of the Free Shares.

The rate of tax levied on tax residents of Malaysia and non-resident individuals are as described in item I.1 above.

There are no social security implications or contributions payable on 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?

No, you will not be subject to income tax or social security charges unless you are in the business of buying and selling securities.

There is no capital gains tax in Malaysia (except for real property gains tax which is imposed on the gains arising from the disposal of real property and shares in real property companies).

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?

Under the self-assessment system in Malaysia, all taxpayers are entrusted with responsibilities of assessing and paying the taxes due to the Inland Revenue Board of Malaysia ("IRB"). You must ensure that any taxable benefit which you receive under the offering is accurately reported in your income tax return to be submitted annually to the IRB (*i.e.*, Form BE for resident individuals who do not carry on business, Form B for resident individuals who carry on business and Form M for non-resident individuals).

IX. Does my employer have reporting obligations?

Unless you have made a written election to your employer to pay the tax arising from the taxable benefit by yourself, any taxes in relation to the taxable benefit you receive will be deducted by your employer from your salary in the month in which the taxable event occurs in accordance with the Income Tax (Deduction from Remuneration) Rules 1994.

The employer is also required to submit the following to the IRB:

- (a) a Form BT/MSSP/2012, which is Appendix A to the Public Ruling No. 11/2012 issued by the IRB to notify the IRB of the plan; and
- (b) the names of the employees who have exercised their rights under the plan by submitting the completed Appendix C to the Public Ruling No. 11/2012 on or before the last day of February of the next calendar year.

The employer is also required to report the taxable benefit arising from the plan in the employees' annual return of remuneration (the EA Form) for the year of assessment in which the options are exercised.