

**L'ORÉAL EMPLOYEE SHARE PLAN 2022  
LOCAL SUPPLEMENT FOR SINGAPORE**

*You have been invited to invest in shares of L'Oréal ("**Shares**") in the L'Oréal 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.

***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 Singapore Dollars will be converted by L'Oreal Singapore Pte. Ltd. ("**L'Oréal Singapore**") using the exchange rate, applicable by or around the beginning of June 2022. 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 Singapore Dollar. As a result, if the value of the euro strengthens relative to the Singapore Dollar, 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 Singapore Dollar, the value of the Shares expressed in Singapore Dollars will decrease.

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

The following payment methods are available:

- Salary Deduction over 12 months ("**Salary Deduction**") starting in August 2022;
- Wire transfer to the bank account of L'Oréal Singapore (details of which are set out below ("**Wire Transfer**")); or
- Salary Deduction and Wire Transfer, in which case the amount payable by Wire Transfer shall comprise 20 per cent. of the total subscription price payable.

Bank Name and Address	Citibank N.A. Singapore Branch 8 Marina View #21-00 Asia Square Tower 1 Singapore 018960
Account Name	L'Oreal Singapore Pte Ltd
Account Number	0-814161-005 (SGD)

SWIFT Code	CITISGSG
Bank Code / Branch Code (for SGD GIRO payment only)	7214 / 001

You can withdraw your consent to the Salary Deduction at any time before a deduction is made. If you withdraw your consent to the Salary Deduction, you will need to make payment of the outstanding subscription price payable for the Shares you have subscribed by Wire Transfer.

### ***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.

### ***Securities Notices***

You acknowledge that this Local Supplement has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Local Supplement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the units in the FCPE or the Shares may not be circulated or distributed, nor may the units in the FCPE and the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, an exemption under any provision of Subdivision (4) of Division 1 or Subdivision (4) of Division 2 (as the case may be) of Part 13 of the Securities and Futures Act 2001.

The units in the FCPE and the Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)

### ***Lock-up period and Early Exit Event - In which case 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;
8. use of proceeds for creation by the employee, child or spouse of certain businesses;
9. use of the proceeds for the acquisition or enlargement of the principal residence; 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 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 20<sup>th</sup> 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 20<sup>th</sup> 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 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 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 Singapore**

*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 Singapore for the purposes of the tax laws of Singapore. The tax consequences listed below are described in accordance with Singapore 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**

The share price discount is not subject to taxation or CPF contributions at the time of subscription. Please also refer to the section “Upon Redemption” in relation to when you would be subject to tax on the shares.

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

Generally, the amount of an interest-free or reduced interest loan provided by a Singapore employer to an employee would be regarded as employment benefit subject to income tax. However, pursuant to an administrative concession announced by the Inland Revenue Authority of Singapore (“**IRAS**”) and given the similar terms and the broad-based nature of the above financing and offering extended to the L’Oréal group employees in Singapore, any benefits from the grant of such interest-free loans to you should be exempt from tax, on the basis that you do not have substantial shareholdings in or control or influence over L’Oréal Singapore by virtue of your shareholdings or otherwise.

### **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 Singapore**

Foreign-sourced income (including foreign dividends) received in Singapore by a Singapore resident individual, other than through a partnership in Singapore, is exempt from Singapore tax. It also follows that no income tax is payable in Singapore in respect of dividends received from newly issued units in the FCPE, which are accepted by you in consideration of re-invested dividends.

### **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 Singapore

You will be subject to tax when (i) the 5-year holding period ends (even if you do not ask for the redemption of your units at this time); or (ii) you exercise your right of early exit following an early exit event, whichever is earlier (the “**Restriction Period**”), even if you are not employed by L’Oréal Singapore at that time. Tax is payable on an amount equal to the fair market value of the shares represented by your units at the end of the Restriction Period, minus the subscription price of the shares (the “**Gain**”). The Gain would be considered as income derived in the course of employment, and will be taxable at the personal tax rates applicable to you (these range from 0 to 22% currently, and from 0 to 24% from the year of assessment 2024).

If you are neither a Singapore citizen nor a Singapore Permanent Resident, or you are a Singapore Permanent Resident leaving Singapore permanently, you may become subject to tax on the Gain in respect of the units earlier than would normally be the case if you should cease employment with L’Oréal Singapore for which you are exercising employment when the rights to subscribe the units were granted to you. Please contact your human resource department for further information.

CPF contributions will not be payable by you or L’Oréal Singapore in respect of the Gain.

***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.***

You will not ordinarily be taxed again if you decide to keep your investment in the FCPE after the end of the 5-year holding period and choose to redeem your units subsequently (assuming you are holding such units for investment and not trading purposes).

### **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 subject to tax or required to make CPF contributions at the time of grant of the right to acquire Free Shares, on the basis that such shares are subject to vesting requirements. However, please refer to the section below in relation to the tax treatment when the Free Shares vest.

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

You will be **subject to tax** at the time of vesting of the Free Shares (i.e. after the end of the five-year lock-up period when the conditions to be satisfied to receive the Free Shares at such time are met) or at the time vesting is accelerated, whichever is earlier. As you are not required to pay for the Free Shares, **tax is payable on the fair market value of the shares at the time the Free Shares vest**. Such amount would be considered as income derived in the course of employment, and will be taxable at the personal tax rates applicable to you (these range from 0 to 22% currently, and from 0 to 24% from the year of assessment 2024).

If you are neither a Singapore citizen nor a Singapore Permanent Resident, or you are a Singapore Permanent Resident leaving Singapore permanently, you may become subject to tax on the gains in respect of the Free Shares earlier than would normally be the case if you should cease employment with the company for which you are exercising employment when the free shares were granted to you. Please contact your human resource department for further information.

CPF contributions will not be payable by you or L'Oréal Singapore in respect of the gains from the vesting of the Free Shares.

***VI. 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 ?***

Once you are taxed upon vesting of the Free Shares, you will not ordinarily be taxed again when the Free Shares are sold (assuming you are holding such shares for investment and not trading purposes).

***VII. 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?***

For income tax purposes, you have to declare the Gain and the gains from the Free Shares in your annual income tax return. Generally, you have to declare:

- (a) the Gain in your income tax return for the year of assessment in the basis period for which (i) the 5-year lock-up period ends; or (ii) you exercise your right of early exit following an early exit event, whichever is the earlier; and
- (b) the gains from the Free Shares in your income tax return for the year of assessment in the basis period for which the Free Shares vest (or at the time such vesting is accelerated, whichever is earlier).

The IRAS will then subsequently assess you on such income. L'Oréal Singapore will also include the Gain and the gains from the Free Shares in the Forms IR8A (Return of Employee's Remuneration) for the relevant years of assessment given to you or will arrange for such information to be transmitted directly to the IRAS electronically under the Auto-Inclusion Scheme for Employment Income.