

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

*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 2, 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 Thai Baht will be converted by your employer using the exchange rate, applicable by or around the beginning of June 2022, which 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 Thai Baht. As a result, if the value of the euro strengthens relative to the Thai Baht, 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 Thai Baht, the value of the Shares expressed in Thai Baht 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; or
- Wire transfer to the employer bank account

Employer Bank Account Details:

Account Name: L'Oréal (Thailand) Ltd.

Bank: Bangkok Bank, Sathorn branch

Current Account No.: 142-308-3565

***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***

In Thailand, foreign exchange is regulated by the Bank of Thailand ("BOT") and the Notice of the Exchange Control Officer. Normally, it is not necessary for L'Oréal's subsidiaries to obtain an approval from the BOT prior to the purchase of foreign currency for payment of the shares abroad if the value of the shares subscribed by the employees of the local subsidiaries does not exceed USD 1,000,000 per person. The authorized bank itself is permitted to grant such approval by obtaining certain documents.

However, under recent issuance of BOT relaxation rules, which are effective as of November,8, 2019, the relaxation rules were issued to allow more freely outward remittance of foreign currency by prescribing a negative list of specific transactions which require prior approval from the BOT. The investment of shares abroad is not listed as an activity requiring prior approval from the BOT in the negative list, thus, the Thai local subsidiaries, on behalf of its employees, are able to participate in the share plan without having to request for a prior approval from the BOT.

Sale proceeds in a foreign currency must be deposited in a foreign currency account at a commercial bank operating in Thailand within 360 days of receipt. For the outward remittance of money below USD 200,000 (or equivalent), the authorized juristic person is not required to request for supporting documents from the remitter. The threshold is increased from less than USD 50,000 to be less than USD 200,000 (or equivalent).

### ***Securities Notices***

Any foreign company wishing to offer securities for sale to either directors or employees of its affiliate in Thailand is already deemed to have been approved by Thai securities authorities (Securities and Exchange Commission or "SEC") under Clause 2 the Notice of Capital Market Supervisory Board No. TorChor. 31/2551 and the Notice of Capital Market Supervisory Board No. TorChor. 30/2555 as it is amended.

### ***Labor Law Disclaimer***

This Offering is provided to you by the French company L'Oréal S.A., not by your local employer. The decision to include a beneficiary in this or any future offering is taken by L'Oréal S.A. 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 Offering 2022 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-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 for any reason, including by reason of dismissal or retirement.

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); and
- 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 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 Thailand**

*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 Thailand for the purposes of the tax laws of Thailand and of the tax treaty concluded between France and Thailand 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 Thailand 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 (i.e the discount)**

Yes. The discount (the difference between the reference price and the subscription price) is treated as an assessable income of employees. Therefore, such assessable income is subject to personal income tax at progressive rates from 5% to 35% (please see the relevant taxation table below) payable in the year following the subscription.

##### **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 Thailand**

No.

### **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 Thailand

Yes.

The taxation such as capital gains will be occurred only when the units are redeemed for cash, by sale of shares or any reasons as stipulated in the customary exceptions, and repatriating such amount to Thailand. The taxable amount will be calculated at progressive rate according to the Act Amending the Revenue Code (No.44) B.E. 2560 (2017). It is each employee's own responsibility to report and pay the taxes at their progressive tax rate (ranging from 5% to 35%) as scheduled below:

Annual Net Assessable Income (Thai Baht)	Existing Marginal Tax Rates
150,001 – 300,000	5%
300,001 – 500,000	10%
500,001 – 750,000	15%
750,001 – 1,000,000	20%
1,000,001 – 2,000,000	25%
2,000,001 – 5,000,000	30%
Over 5,000,000	35%

**NOTE:** The personal income tax rates, were formerly 10% - 37%, has been decreased to 5% - 35% for the taxation year 2016 according to the Royal Decree issued under the provisions of the Revenue Code re Reduction of Rates of Taxes and Duties (no. 600) B.E. 2559 (2016). In addition, the range of Annual Net Assessable Income has been revised under Act Amending the Revenue Code (No.44) B.E. 2560 (2017) to be as provided in the abovementioned table. Since the Revenue Department has not yet issued any law or regulation changing the tax rates and the range of Annual Net Assessable Income for the year 2022, the rates for such Annual Net Assessable Income continue applying to the taxation year 2022.

***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**

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

No.

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

Yes.

Taxation will occur upon the delivery of the shares. Tax will generally be assessed on the market value of the shares at delivery. It is each employee's own responsibility to report and pay the taxes at their progressive rate (ranging from 5% to 35%) according to the Act Amending the Revenue Code (No.44) B.E. 2560 (2017) as the following scheduled:

Annual Net Assessable Income (Thai Baht)	Existing Marginal Tax Rates
150,001 – 300,000	5%
300,001 – 500,000	10%
500,001 – 750,000	15%
750,001 – 1,000,000	20%
1,000,001 – 2,000,000	25%
2,000,001 – 5,000,000	30%
Over 5,000,000	35%

**NOTE:** The personal income tax rates, were formerly 10% - 37%, has been decreased to 5% - 35% for the taxation year 2016 according to the Royal Decree issued under the provisions of the Revenue Code re Reduction of Rates of Taxes and Duties (no. 600) B.E. 2559 (2016). In addition, the range of Annual Net Assessable Income has been revised under Act Amending the Revenue Code (No.44) B.E. 2560 (2017) to be as provided in the abovementioned table. Since the Revenue Department has not yet issued any law or regulation changing the tax rates and the range of Annual Net Assessable Income for the year 2022, the rates for such Annual Net Assessable Income continue applying to the taxation year 2022.

**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 ?**

The taxation such as capital gains will be occurred only when the units representing the Free Shares are redeemed for cash, by sale of shares or any reasons as stipulated in the customary exceptions, and repatriating such amount to Thailand. The taxable amount will be calculated at progressive rate according to the Act Amending the Revenue Code (No.44) B.E. 2560 (2017). It is each employee's own responsibility to report and pay the taxes at their progressive tax rate (ranging from 5% to 35%) as scheduled below:

Annual Net Assessable Income (Thai Baht)	Existing Marginal Tax Rates
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150,001 – 300,000	5%
300,001 – 500,000	10%
500,001 – 750,000	15%
750,001 – 1,000,000	20%
1,000,001 – 2,000,000	25%
2,000,001 – 5,000,000	30%
Over 5,000,000	35%

**NOTE:** The personal income tax rates, were formerly 10% - 37%, has been decreased to 5% - 35% for the taxation year 2016 according to the Royal Decree issued under the provisions of the Revenue Code re Reduction of Rates of Taxes and Duties (no. 600) B.E. 2559 (2016). In addition, the range of Annual Net Assessable Income has been revised under Act Amending the Revenue Code (No.44) B.E. 2560 (2017) to be as provided in the abovementioned table. Since the Revenue Department has not yet issued any law or regulation changing the tax rates and the range of Annual Net Assessable Income for the year 2022, the rates for such Annual Net Assessable Income continue applying to the taxation year 2022.

**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?***

The employee is required to report the amount of the discount as well as the capital gains received and pay taxes on the capital gains, as part of his or her annual income tax filing, at the progressive rates indicated above. The return must be filed and the taxes must be paid by March 31 of the calendar year following the calendar year in which the income was received.