



THE SUBSCRIPTION PROCESS

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- 2 - Click** the "Subscribe" button
- 3 - Login** using your ID and password
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Only one subscription is permitted per employee.

Minimum subscription: one L'Oréal share.
Maximum subscription: 25% of your 2018 gross annual salary.

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L'ORÉAL

From
June
4 to 18,
2018

Employee **SHARE OWNERSHIP** Plan

THE OFFER IN BRIEF



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L'ORÉAL

UNDERSTANDING THE EMPLOYEE SHARE OWNERSHIP PLAN

L'Oréal is offering you a new way to become involved in the Group's growth – by becoming a shareholder.

By participating in the Group's first Employee Share Ownership Plan, you can buy L'Oréal shares on preferential terms.

A **20% discount** off the share's reference price

L'Oréal gives you up to 4 bonus shares, depending on your investment


The option of paying by bank transfer and/or by deduction from my salary in August 2018

BEFORE YOU INVEST


 **By participating in the Plan, you will be a L'Oréal shareholder**

As a result, you will receive any annual dividends paid. These dividends will be increased by 10% after you have held your shares for two calendar years – in other words, in 2021.

Like any shareholder, your investment will follow the L'Oréal share price up and down. This means that you may make a capital loss.

 **The value of your investment will vary depending upon exchange rate fluctuations**

As the L'Oréal shares are listed in euros on the Paris Stock Exchange, the value of your investment will vary as the exchange rate between the euro and your currency fluctuates over the term of your investment.

 **Your investment will be locked in for 5 years**

Your investment will be locked in until July 24, 2023 except in the specified early release situations.

* The reference price is the average opening listed price of the L'Oréal shares between May 4 and 31, 2018 and will be fixed on June 1, 2018.

BONUS SHARE RULE

In the Employee Share Ownership Plan, bonus shares will be distributed as shown in the following table:

If you purchase this number of shares:	+	L'Oréal will give you the following number of bonus shares:	=	Total amount of your investment:
1		1		2 shares
2		1		3 shares
3		2		5 shares
4		2		6 shares
5		2		7 shares
6		2		8 shares
7		3		10 shares
8		3		11 shares
9		3		12 shares
10 shares or more		4		14 shares or more

If you purchase more than 10 shares, the bonus is restricted to the maximum of 4 shares.

EXAMPLE

You wish to purchase 3 shares.

Let us assume that the **reference price of the L'Oréal shares is €180**. For you, the purchase price of a share would be **€144** (i.e., €180 minus the 20% discount).

 In 2018, you pay for 3 shares at the discounted price, i.e., **€432** (€144 x 3)

 In 2023, L'Oréal gives you 2 bonus shares. Let us assume that value of the L'Oréal shares is **€180** in 2023.

 The value of your investment in 2023 is **€900** (€180 x 5)

In this example, you would make a capital gain of

€468*

* Excluding taxes and any dividends.

WHO CAN SUBSCRIBE?

Anyone who has worked for a L'Oréal Group company for 24 months and is still a Group employee on June 18, 2018.

WHAT HAPPENS AFTER YOU SUBSCRIBE?

Your shares are locked in for five years, meaning that you cannot sell them before the end of the lock-in period except in the early release situations mentioned in the "Local Supplement" document.

You will receive the bonus shares at the end of the lock-in period, i.e., on July 24, 2023. You will be given the bonus shares if you are still a L'Oréal Group employee on that date (except in the special cases mentioned in the "Bonus Share Allocation Plan (PAGA) rules" document).

L'Oréal pays the **account management fees**.



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