



THE SUBSCRIPTION PROCESS

- 1 - Visit** the www.invest2018-loreal.com website
- 2 - Click on** "Subscribe"
- 3 - Login** using your ID and password
- 4 - Fill in** the online subscription form
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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



Employee **SHARE OWNERSHIP** Plan 2018

OFFER AT A GLANCE



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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: becoming a L'Oréal shareholder.


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

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

Up to **4 shares delivered for free by L'Oréal**, depending on your personal investment

The option of paying by SEPA direct debit bank transfer and/or by 12 monthly salary deductions

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 2021.

Like for any shareholder, your investment will follow the L'Oréal share price up and down. Therefore it involves some risk of capital loss.

 **Your investment is locked in for 5 years**

Your investment will be locked in until 24 July 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

FREE SHARE RULE

In the Employee Share Ownership Plan, free 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 free 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 or more		4		14 shares or more

If you subscribe to more than 10 shares, the matching contribution is restricted to the maximum of 4 shares.

EXAMPLE

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).

You wish to purchase 3 shares.



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



L'Oréal gives you 2 free shares, i.e., **€288** (2 x €144)



Your investment in the Plan is **€720** (5 x €144, discounted price)



The value of your investment is **€900** (5 x €180), reference price)

In this example, you would see an increased value of €468

WHO CAN SUBSCRIBE?

Any employee who has been working for the L'Oréal Group for 3 months (consecutive or non-consecutive) between 1 January 2017 and 18 June 2018 and is still employed on 18 June 2018.

INVESTING THROUGH THE "ACTIONS L'ORÉAL" FCPE

The "Actions L'Oréal" fund is an employee share fund restricted to Group employees wishing to invest in L'Oréal shares.

Note: L'Oréal pays the account management fees.

TAX ADVANTAGES

Your subscription is part of the L'Oréal Plan d'Épargne Entreprise (PEE). As a result, you benefit from tax advantages.

When you subscribe:

- You will not pay any tax or social charges on the discount.
- You will not pay any tax on the free shares, except from the CSG/CRDS.

During the 5-year locking period: the potential dividends will be reinvested in the "Actions L'Oréal" FCPE. They are exempted from tax revenue.

When you opt out from the Plan: your potential capital gains are exempted from tax revenue and only submitted to social costs.



VISIT

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