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L'ORÉAL

4-18
June
2018

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 shareholder through its "L'Oréal Employee Share Plan" Employee Shareholding Fund (Fonds Commun de Placement d'Entreprise, or FCPE).

The "L'Oréal Employee Share Plan" FCPE is a shareholding fund restricted to Group employees wishing to invest in L'Oréal shares.

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

A matching contribution of up to **4 shares delivered for free by L'Oréal**, depending on your personal investment

The option of paying by 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, which will be reinvested in the Employee Shareholding Fund. 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.

As a result, it involves some risk of capital loss.

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

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

Your investment is locked up for 5 years

Your investment is locked up until 24 July 2023 except in the event of early releases.

* 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.

MATCHING CONTRIBUTION RULE

In the context of the Employee Share Ownership Plan, the matching contribution will be paid as shown in the following table:

If you purchase this number of shares in 2018: +	In 2023 L'Oréal will make a matching contribution consisting of the following number of free shares: =	Total amount of your investment in 2023:
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

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 see an increased value of **€468***

* Excluding taxes and any dividends.

WHO CAN SUBSCRIBE?

Any employee who has been working for the L'Oréal Group for 24 consecutive months and is still employed on 18 June 2018.

INVESTING THROUGH THE "L'ORÉAL EMPLOYEE SHARE PLAN" FCPE

Your shares in the fund are locked up for five years, meaning that you cannot sell them before the end of the lock-up period except in the event of authorised early releases, as stated in the "Local Supplement" document.

The free shares you are given as the matching contribution will only be delivered on 24 July 2023, at the end of the lock-up period, subject to you being a L'Oréal Group employee on that date with the exception of the cases specified in the "Local Supplement".

L'Oréal pays the account management fees.



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