



THE SUBSCRIPTION PROCESS

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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 pay.

This brochure is for informational purposes only and should not be relied upon in making a decision to participate in the L'Oréal Employee Share Plan 2018. Please consult the description of the terms of the offering in the "Local Supplement" for your country and the information in L'Oréal's Registration Document for 2017 (both of which are available at www.invest2018-loreal.com) before making a decision to participate in the program. The "Local Supplement" also contains information concerning the tax consequences of your investment. If there are inconsistencies between the "Local Supplement" for your country and this brochure, the "Local Supplement" will control. Nothing in this brochure or the "Local Supplement" (or any other communications regarding the Employee Share Plan 2018) should be construed as tax, investment or legal advice. You should seek advice from your own tax, legal and financial advisors before deciding whether to participate in the program.

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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 Plan, you can buy L'Oréal shares on preferential terms.

A **20% discount** off the shares' reference price*

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


The option of paying by payroll deductions and/or check

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 the U.S. dollar 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 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 see an increased value of €468*

* Excluding taxes and any dividends.

WHO CAN SUBSCRIBE?

L'Oréal USA employees who have worked for a participating L'Oréal Group company for 24 months and are still employed 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 "Local Supplement" document).

L'Oréal pays the **account management fees for maintaining your account**.

Note

you are responsible for any sale or transfer fees you may incur as a result of future transactions.



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