

# THE SUBSCRIPTION PROCESS

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CLICK THE "SUBSCRIBE" BUTTON

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LOGIN USING YOUR ID AND PASSWORD

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CHOOSE THE APPROPRIATE OPTIONS BY FILLING IN THE ONLINE SUBSCRIPTION FORM

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DO NOT FORGET TO CONFIRM YOUR SUBSCRIPTION

Only one subscription per employee



MINIMUM SUBSCRIPTION

1 L'ORÉAL SHARE



MAXIMUM SUBSCRIPTION

50 L'ORÉAL SHARES<sup>3</sup>

AMOUNTING TO UP TO 25% OF YOUR 2020 GROSS ANNUAL SALARY

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 2020. 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 2019 (both of which are available at [www.invest.loreal.com](http://www.invest.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 2020) 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.

## THE OFFER IN BRIEF

### EMPLOYEE SHARE PLAN 2020



FROM SEPTEMBER 17 TO OCTOBER 2, 2020

COUNT ME IN!



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<sup>3</sup> This number may be reduced if the shares are oversubscribed.

# L'ORÉAL

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## UNDERSTANDING THE EMPLOYEE SHARE PLAN

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

**By participating in this new Employee Share 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 free 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 full calendar years – in other words, in 2023.

Like any shareholder, your investment will follow the L'Oréal share price up and down. This means that you may incur 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 November 3, 2025 except in the specified early release situations.

\* The reference price is the average opening listed price of the L'Oréal shares between August 17 and September 11, 2020 and will be fixed on September 14, 2020.

## FREE SHARE RULE

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

If you purchase this number of shares in 2020	L'Oréal will give you the following number of free shares in 2025	Total amount of your investment in 2025
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 <sup>1</sup>	4	14 shares or more

*If you purchase more than 10 shares, you will receive the maximum of 4 free shares.*

### EXAMPLE

Let us assume that the reference price of the L'Oréal shares is €250. For you, the purchase price of a share would be €200 (i.e., €250 minus the 20% discount).

**You wish to purchase 3 shares**

In 2020, you pay for 3 shares at the discounted price, **i.e., €600** (€200 x 3)

+

**In 2025, L'Oréal gives you 2 free shares**

Let us assume that value of the L'Oréal shares is **€250** in 2025.



The value of your investment in 2025 is **€1,250** (€250 x 5)

In this example, you would see an increased value of

**€650<sup>2</sup>**

<sup>1</sup> You can buy a maximum of 50 shares (unless the shares are oversubscribed).

<sup>2</sup> Excluding taxes and any dividends.

## WHO CAN SUBSCRIBE?

Employees who work for an eligible L'Oréal Group company and have 24 months of service and are still Group employees on October 2, 2020.

## 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 free shares at the end of the lock-in period**, around November 3, 2025, 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.

### VISIT

[WWW.INVEST.LOREAL.COM](http://WWW.INVEST.LOREAL.COM)

- To learn more about the offer
- To perform investment simulations
- To subscribe from September 17 to October 2, 2020

