

THE SUBSCRIPTION PROCESS

1

VISIT THE WWW.INVEST.LOREAL.COM WEBSITE

2

CLICK THE "SUBSCRIBE" BUTTON

3

LOGIN USING YOUR ID AND PASSWORD

4

CHOOSE THE APPROPRIATE OPTIONS BY FILLING IN THE ONLINE SUBSCRIPTION FORM

5

DO NOT FORGET TO CONFIRM YOUR SUBSCRIPTION



MINIMUM SUBSCRIPTION

1 L'ORÉAL SHARE



MAXIMUM SUBSCRIPTION

50 L'ORÉAL SHARES³

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

³ This number may be reduced if the shares are oversubscribed.

L'ORÉAL

WWW.INVEST.LOREAL.COM

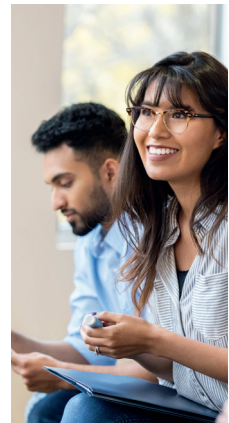
THE OFFER IN BRIEF

EMPLOYEE SHARE PLAN 2020



FROM SEPTEMBER 17 TO OCTOBER 2, 2020

I COUNT ME IN!



OEB_FCPE_HZE_CAN_EN20 - Photos Credits: Shutterstock - Getty Images

L'ORÉAL

WWW.INVEST.LOREAL.COM

UNDERSTANDING THE EMPLOYEE SHARE PLAN

L'Oréal is again offering you the opportunity 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 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

Payment facilities

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 and these will be reinvested in the FCPE. These dividends will be increased by 10% after you have held your shares for two calendar years – in other words, in 2023.

Like any shareholder, your investment will follow the L'Oréal share price up and/or 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 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 in 2020:	+	L'Oréal will give you as a free share in 2025:	=	Total 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 ¹		4		14 shares or more

If you purchase more than 10 shares, the free shares are restricted to the maximum of 4 shares.

EXAMPLE

Let us assume that the reference price of the L'Oréal shares is €250 and the exchange rate €/CAD\$ is 1.52. For you, the purchase price of a share would be \$304 (i.e., €250 minus the 20% discount x 1.52).

You wish to purchase 3 shares

In 2020, you pay for 3 shares at the discounted price, **i.e., \$912** (\$304 x 3)

+

Let us assume that in 2025 the value of the L'Oréal share is still €250 and the exchange rate €/CAD\$ 1.52. In 2025, you will be taxed on the free shares you will receive from L'Oréal at your marginal tax rate. Let us assume that your marginal tax rate is 35%.

In 2025, L'Oréal gives you 2 free shares

→ The value of your investment in 2025 is **\$1,900** (€250 x 5 x 1.52)

In 2025, you pay **\$266** taxes on your **2 free shares** (i.e., €250 x 2 x 1.52 x 35%).

In this example, you would make a capital gain of

\$722²

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

²i.e. \$1,900 - \$266 taxes - \$912 initial payment, excluding any dividends. Please note that increase or decrease in the L'Oréal share value will impact up or down the value of your investment.

WHO CAN SUBSCRIBE?

Anyone who has worked for a L'Oréal Group company for at least 24 months and is still a Group employee on October 2, 2020.

WHAT HAPPENS AFTER YOU SUBSCRIBE?

Your shares in the fund 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 be given the free shares at the end of the lock-in period, around November 3, 2025, provided that you are still a L'Oréal Group employee on that date (except in the special cases mentioned in the "Free Share Allocation Plan (PAGA) rules" document).

L'Oréal pays the account management fees.



VISIT
WWW.INVEST.LOREAL.COM

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