

**L'ORÉAL EMPLOYEE SHARE OFFERING 2026  
LOCAL SUPPLEMENT FOR ISRAEL**

*You have been invited to invest in shares of L'Oréal ("**Shares**") in the L'Oréal group employee share plan 2026 (the "**Offering**"). You will find below a brief summary of the local offering information and principal tax consequences relating to the Offering.*

**Local Offering Information**

***Subscription Period***

The subscription period starts on June 10, 2026 and lasts until June 24, 2026 (inclusive).

During the subscription period, you may subscribe online at <https://invest.loreal.com>. Username and password will be provided to you by email or mail. You may also subscribe with a paper subscription form should you not have access to internet. Please contact your Human Resources department to receive a subscription form.

Unless you subscribe through Internet, please return your duly completed subscription form together with the requisite enclosures before June 24, 2026 to the head of the Salary Unit at your company's Human Resources Department.

***Subscription Price***

The subscription price will be set on June 5, 2026 as the average opening price of the Shares over the 20 preceding trading days minus a 20% discount.

It is to be noted that your subscription is in euro. Consequently, for purposes of your subscription, the amount of your payment in New Israeli Shekels (NIS) will be converted by your employer using the exchange rate applicable by or around the beginning of June 2026, that will be communicated to you on demand.

During the life of your investment, the value of the Shares subscribed through the FCPE will be affected by fluctuations in the currency exchange rate between the euro and NIS. As a result, if the value of the euro strengthens relative to the NIS, the value of the Shares expressed in local currency will increase. On the other hand, if the value of the euro weakens relative to the NIS, the value of the Shares expressed in NIS will decrease.

***Method of Payment – What are the payment methods available for my subscription?***

The following payment methods are available:

- Salary deduction from your after tax salary over up to 10 months, at your choosing, starting from August 2026 (that is paid in September 2026); or
- Through a bank transfer from July 10 to July 21, 2026, directly to L'Oréal's bank account with the details of which are Beneficiary Bank: Citibank N.A. Bank No.: 22; Branch No.: 001; Account No.: 501021008; Swift Code: CITIILIT; IBAN No.: IL980220010000501021008; Account Name: LOREAL ISRAEL LTD.

**Please Note: Any salary withholding or withdrawals from salary require(s) your written consent. To participate in this Offering via deduction from your monthly salary, please sign and return the prescribed authorization form from the head of the Salary Unit at the Human Resource Department to enable your employer to process the deduction(s) from your salary. Please note that if you choose to participate in this Offering via deduction from your monthly salary your order will not be processed if you have not submitted your written authorization form before June 24, 2026.**

### ***Maximum Subscription Amount***

Under the Israeli Wage Protection Law, 1958-5718, an employer may not deduct more than 25% of the salary for repayment of a debt. The law does not impose limitations on deductions made from bonus payments.

### ***Labor Law Disclaimer***

Please note that this Offering is provided to you by the French company L'Oréal, not by your local employer. The decision to include a beneficiary in this or any future offering is taken by L'Oréal in its sole discretion. The Offering does not form part of your employment agreement and does not amend or supplement such agreement. Participation in the Offering does not entitle you to participate in any future offerings, future benefits or payments of a similar nature or value, and does not entitle you to any compensation in the event that you lose your rights under the Offering as a result of the termination of your employment. Benefits or payments that you may receive or be eligible for under the Offering will not be taken into consideration in determining the amount of any future benefits, payments or other entitlements that may be due to you (including in cases of termination of employment) and will not be considered as salary for the purpose of calculating compensation, severance pay or other contractual arrangement.

Participation in the Offering does not modify the terms of your employment, or affect the rights and obligations arising from it, or changes your situation within the L'Oréal group. Participation in the Offering will not interfere with or restrict your right or the right of your employer to terminate your employment at any time and for any reason.

### ***Custody of your shares, voting rights, dividends***

Your shares will be subscribed and held on your behalf by a collective shareholding vehicle, known as a *Fonds Commun de Placement d'Entreprise*, or an FCPE, which is commonly used in France for the conservation of shares held by employee-investors. You will be issued units in the FCPE corresponding to the Shares you will have subscribed and those representing the employer matching contribution once delivered to you at the end of the lock-up period subject to the conditions described below.

As long as your L'Oréal Shares are held by the FCPE « L'OREAL EMPLOYEE SHARE PLAN», the voting rights pertaining to such shares will be exercised by the supervisory board of the FCPE on behalf of the employees.

Any dividends paid by L'Oréal will be automatically reinvested in this FCPE. Such reinvestment will result in the issuance of additional units or fraction of units.

The units of FCPE cannot be listed on a stock exchange and cannot be sold or transferred to a third party; the units may only be redeemed for cash or shares, subject to provisions related to the lock-up period.

### ***Currency Exchange Control***

Under the Israeli Prohibition on Money Laundering Law 5760-2000 and the orders issued pursuant thereto, banking corporations and financial services providers must report to the Israel Money Laundering and Terror Financing Prohibition Authority under the Ministry of Justice and provide certain details with respect to any client transferring and/or receiving funds, exchanging currencies and carrying out other similar transaction in large amounts of money (beginning with a threshold of NIS 50,000 (±13,600 Euro)). The responsibility for this reporting lays with the banks and financial corporations.

### ***Securities Notices***

An offer or sale of securities to 35 persons or more in any 12-month period requires the publication of a prospectus. However, Section 15D of the Israeli Securities Law, 5728-1968 enables the Securities Authority to grant an exemption from the requirement to publish a prospectus, subject to certain preconditions relating to the safeguarding of employees being satisfied.

On April 8, 2025, L'Oréal has obtained from the Israeli Securities Authority (ISA) an exemption from the requirement to publish a prospectus in connection with its 2025 offering and any future offerings under the Plan (the "**Exemption**"). The Exemption is attached herein. The Offering is made in Israel in reliance upon the Exemption and subject to the terms thereof. The Information Document for Israel has been translated into Hebrew and is available for your review at the website <https://invest.loreal.com> dedicated to the Offer. The L'oreal finance reports and annual reports are available for your review on the L'oreal website on <http://www.loreal-finance.com>

### ***Insider Trading***

You are restricted from making any transactions with respect to L'Oréal Shares whilst in the possession of inside information, in breach of the Israeli Securities Law 5728 – 1968.

### ***Lock-up period and Early Exit Events - In which cases may I ask for an early redemption?***

**Under the L'Oréal employee share plan 2026**, your investment must be held for a period of five-year, ending on July 30, 2031 (inclusive).

Nevertheless, you may be able to request early release and exit from the plan before the end of the lock-up period in the case of early exit events as described below:

1. marriage or civil union;
2. birth or adoption of a third child (or higher);
3. divorce or other judicial recognition of separation or termination of a civil union agreement (if custody of at least one child is retained);
4. domestic violence committed against the employee by his/her spouse, partner, civil partner, or his/her former spouse, partner or civil partner;
5. disability of the employee or their spouse, civil union partner or child;
6. death of the employee or their spouse or civil union partner;
7. use of proceeds for creation by the employee, their child, spouse or civil union partner of certain

- businesses;
8. use of the proceeds for the acquisition or enlargement of the principal residence;
  9. over-indebtedness;
  10. termination of employment;
  11. use of proceeds for energy-efficiency renovation work on the principal residence; and
  12. use of proceeds for the purchase of an electric and/or hydrogen-powered vehicle.

These early exit events are defined by French law and must be interpreted and applied in a manner consistent with French law. You should not conclude that an early exit event is available unless you have described your specific case to your employer and your employer has confirmed that it applies to your situation, upon your providing the requisite supporting documentation.

### ***Data Protection***

The introduction of the Offering, the administration and the related bookkeeping as well as compliance with associated tax, social security and other relevant legislation by L'Oréal or third parties involved in this context (such as financial institutions or service providers) require the collection, processing and use of personal data related to you, as described in the Offering. To this end, **if you wish to participate in the Offering your individual consent is necessary** in Israel pursuant to applicable legislation (in particular on data protection). Without your individual consent, your participation in the Offering is not possible.

### ***Free Shares***

Your investment will be matched by grant of rights to additional shares of L'Oréal S.A. for free ("**Free Shares**"). You would be entitled to Free Shares proportionally to your subscription for Shares, in the ratio described in the Information Brochure (available to you online at <https://invest.loreal.com>). These Free Shares will be delivered to you at the end of the vesting period, in July 2031, subject to the terms and conditions provided for in the Free Share Plan Rules.

You will find below a summary of certain conditions applicable to the grant, vesting and delivery of the Free Shares. For the full description, please refer to the Free Share Plan Rules made available to you at <https://invest.loreal.com> (in French and English) and upon request from your HR correspondent. Subscription to the L'Oréal employee share plan 2026 implies acceptance of the Free Share Plan Rules.

**Eligibility to the grant of Free Shares:** in order to qualify for a grant of Free Shares within the framework of the L'Oréal employee share plan 2026, you must satisfy the following conditions:

- you must have validly subscribed in the context of the L'Oréal employee share plan 2026 and must satisfy all the conditions for participating therein;
- your participation in or your subscription or payment for the L'Oréal employee share plan 2026 must not have been rejected or cancelled on (or prior to) the Grant Date (defined below);
- the payment of the subscription must have been fully settled at the Delivery Date (defined below).

**Grant Date:** The date of the grant shall occur on the date on which the Shares subscribed for pursuant to the L'Oréal employee share plan 2026 are issued, i.e on July 30, 2026, or shortly thereafter. Within weeks

of the Grant Date, each beneficiary shall receive a letter or statement electronically confirming that he or she is a beneficiary of the grant of Free Shares and stipulating the number of Free Shares granted to him or her, subject to the conditions of the Free Share Plan Rules (as summarized hereafter).

**Delivery Date:** Subject to the satisfaction of the conditions stipulated below, the Free Shares will be delivered to you on or around July 31, 2031.

**Conditions to be satisfied to receive the Free Shares at the end of the lock-up period** (you may refer to article 6 of the Free Share Plan Rules for a detailed and full description of these conditions; stipulations below are only a summary of the applicable conditions and do not supersede provisions of the Free Share Plan Rules):

In order to receive the Free Shares, you must remain an employee or corporate officer of the L'Oréal Group from the last day of the subscription period pursuant to the L'Oréal employee share plan 2026 until the 20<sup>th</sup> calendar day preceding the Delivery Date (the "**Continued Employment Condition**").

The period between the last day of the subscription period pursuant to the L'Oréal employee share plan 2026 and the 20<sup>th</sup> day calendar day preceding the Delivery Date shall be referred to hereinafter as the "**Acquisition Period**".

Nevertheless, you will be deemed to have satisfied the above Continued Employment Condition if, at any time during the Acquisition Period, you lose the status of employee or corporate officer of the L'Oréal Group for one of the following reasons (the "**Exceptions to the Continued Employment condition**"):

**Death:** In the event of death, your heir(s) may request the delivery of the Free Shares within six months of the death. In such a case, any Free Share granted shall be delivered to the assigns shortly after the submission of their request and the Acquisition Period shall not apply. In the absence of such a request, the Free Shares granted to the deceased beneficiary shall be delivered to the heirs on the Delivery Date.

**Disability:** In the event of disability, as defined in Article L. 225-197-1 of the French Commercial Code, during the Acquisition Period, the Free Shares granted shall be delivered shortly after the occurrence of the relevant disability event.

**Retirement:** In the event of retirement at the minimum retirement age stipulated by the law of the relevant country or in the event of retirement pursuant to any retirement scheme, the Free Shares shall be delivered to the beneficiary on the Delivery Date.

**Dismissal for a reason other than gross misconduct or serious misconduct:** In the event of a dismissal for a reason other than gross misconduct or serious misconduct, the Free Shares granted shall be delivered to the Beneficiary on the Delivery Date. For the purposes of the L'Oréal employee share plan 2026, dismissal for gross misconduct or serious misconduct entailing the forfeiture of the right to receive the Free Shares shall be assessed having regard to the regulations of the relevant country applicable to the dismissal of the beneficiary.

**Termination of the employment contract pursuant to the mutual agreement of the employee and the employer:** In the event of the termination of the employment contract of the beneficiary pursuant to a mutual agreement, the Free Shares shall be delivered to the beneficiary on the Delivery Date.

**Change of control of your company/employer:** In the event of a change of control over your company/employer, those beneficiaries who are employees or corporate officers of the relevant company shall receive their Free Shares on the Delivery Date.

**Ownership of the Free Shares:** At the Date of Delivery, any Free Shares delivered will become your full property. Your Free Shares will be delivered and held through the FCPE « L'OREAL EMPLOYEE SHARE PLAN» and you shall receive units of the FCPE representing those shares. In the event that a L'Oréal company is required to pay taxes, social charges or any other governmental charges on behalf of any beneficiary of the Free Shares as a result of the grant or delivery of the Free Shares, L'Oréal reserves the right to delay the transfer of the Free Shares to such person until such person has paid all such amounts, or made arrangements for payment that are satisfactory to L'Oréal, or to cause the sale of the shares and withhold from the proceeds the relevant amounts, as provided for in the article 10 of the Free Share Plan Rules.

## **Tax Information for Employees Resident in Israel**

*This summary sets forth general principles in effect at the time of subscription of the Offering, that are expected to apply to employees (“**Participants**”) who are and who shall remain, until the disposal of their investment, resident in Israel for the purposes of the tax laws of Israel and of the tax treaty concluded between France and Israel for the avoidance of double taxation dated July 18, 1996 (the “**Treaty**”) and are entitled to the benefits of the Treaty. The tax consequences listed below are described in accordance with Israel tax law and certain French tax laws and practices, all of which are applicable at the time of the Offering. These principles and laws may change over time.*

*This summary is given for informational purposes only and should not be relied upon as being either complete or conclusive. For definitive advice, employees should consult their own tax advisors.*

*L'Oréal and your employer do not undertake or assume any liability or responsibility to the effect that any issuance of Shares shall qualify with any particular tax regime or rules applying to particular tax treatment or tax advantage of any type and L'Oréal, your employer and their affiliates shall bear no liability in connection with the manner in which any award is treated for tax purposes, regardless of whether the Shares were issued or intended to qualify under any particular tax regime or treatment.*

### **Upon subscription**

#### ***I. Will I be required to pay any tax or social security charges at the moment of subscription?***

##### ***I.1 Taxation on the difference between the subscription price and the market value of the L'Oréal share at the time of subscription***

You would be liable to pay income tax at the time of subscription on the value of the benefit, i.e., the difference between the fair market value of the Shares and the subscription price (the “**Benefit**”).

Such Benefit would be taxed as ordinary compensation income (i.e. added to your gross wages). The tax thereon is calculated according to the then applicable sliding tax rates (currently the highest tax bracket is 47%) plus a 3% wealth tax for individuals who have annual income from all sources of approx. NIS 721,560 or more (this amount is linked to the consumer price index and adjusted annually). In addition, the Benefit shall be subject to Social Security and Health Tax currently up to 12.17% (employee contribution) and 7.6% (employer contribution) up to an income ceiling of NIS 51,910 per month (as of 2026). Your employer will gross-up your income and withhold the tax from your salary.

##### ***I.2 Will the interest-free advance payment be taxable?***

While the advance is not taxable, the deemed interest component on a loan principal exceeding NIS 8,640 (in 2026) (that you are not required to pay) is subject to tax.

Tax on the benefit of interest free advance is required to be deducted by the company. Such benefit is considered a part of the Participant's ordinary income and is taxed as ordinary compensation income (i.e. added to your gross wages) at the rate applicable to your

compensation income, currently the highest tax bracket is 47% (plus 3% wealth tax, if applicable), as well as Social Security and Health Tax as described above.

The benefit of interest free advance is calculated on the basis of deemed interest at an annual rate as set out in the income tax regulations and updated each year. As of 2026 the deemed interest rate is 6.53%. Your employer will gross-up your income and withhold the tax from your salary.

### **During the life of the Plan**

#### **II. Will I be required to pay any tax or social security charges on dividends?**

Any dividends distributed by L'Oréal will be automatically reinvested by the FCPE «L'OREAL EMPLOYEE SHARE PLAN» in L'Oréal Shares (purchased on the market). Such reinvestment will result in the issuance of additional FCPE units or fraction of units.

##### **(i) Taxation in France**

In the absence of a distribution to Participants of the dividends received from L'Oréal, no withholding tax will be levied in France.

##### **(ii) Taxation in Israel**

Any dividends distributed to you are subject to tax upon distribution at the tax rates generally applicable to dividends (i.e. 25% plus 5% wealth tax, if applicable). Generally, dividend is not subject to social security and healthcare contributions.

#### **III. Will I be required to pay any wealth tax on the FCPE units I own?**

In Israel an additional tax applies to individuals who have annual gains from all sources of approx. NIS 721,560 or more (this amount is linked to the consumer price index and adjusted annually); any annual gains in excess of approx. NIS 721,560 are subject to additional taxation of 3% for active income (such as employment income) and 5% for any other income (such as dividend, interest etc.) and capital gains.

### **Upon redemption**

#### **IV. Will I be required to pay any tax or social security charges when, at the end of the lock-up period (or in the event of an authorized early exit event), I ask the FCPE to redeem my Units for cash (rather than for shares)?**

##### **(i) Taxation in France**

You will not be subject to income taxes in France on the gain, if any, realized on the redemption of your Units.

##### **(ii) Taxation in Israel**

Yes; The gains realized upon redemption of the Units (with respect to the purchased Shares) shall be taxed at a capital tax rate (currently 25% plus 5% wealth tax, if applicable). Such gains are calculated as the difference between the cash amount received and the fair market value of the

shares upon subscription as described above (the value that was used for calculation of the taxes upon subscription) or the value of the dividend shares, as the case may be.

**V. *Tax or social security charges that may be applicable, if I do not choose immediately to redeem my investment upon the expiration of the lock-up period.***

If you do not redeem your Units in the FCPE at the end of the Lock-Up Period, the tax described above will not apply until such time as you actually redeem your Units.

**FREE SHARES**

**VI. *Will I be required to pay any tax or social security charges at the Grant Date of the Free Shares?***

No.

**VII. *Will I be required to pay any tax or social security charges at the Delivery Date of the Free Shares?***

Yes. Taxes will be due upon issuance of the Free Shares. Upon issuance, the fair market value of the Free Shares will be taxed as ordinary compensation income (i.e. added to your gross wages), at the rate applicable to your compensation income, currently the highest tax bracket is 47% (plus 3% wealth tax, if applicable), as well as Social Security and Health Tax as described above. Your employer will gross-up your income and withhold the tax from your salary.

**VIII. *Will I be required to pay any tax or social security charges at the date of sale of the shares / redemption of the FCPE units representing the Free Shares?***

Yes; Upon sale of the Free Shares or redemption of the units representing the Free Shares into cash, you will be liable to pay capital gain tax on the gains realized from the sale of the Free Shares (currently 25% plus 5% wealth tax, if applicable). Such gains are calculated as the difference between the cash amount received and the fair market value of the shares upon issuance (the value that was used for calculation of the taxes upon issuance of the Free Shares) or the value of the dividend received, as the case may be.

**IX. *What are my reporting obligations with respect to the subscription, holding and redemption of the FCPE Units as well as the payment of dividends, as applicable?***

Upon subscription you will not have a reporting obligation, as the value of the benefit will be added to your salary and taxes will be withheld at source. You might be required to file a tax return for the subscription tax year and in each year that you will recognize interest income due to the advance payment as provided in I.2 above.

During the holding period, you might be required to file tax return to the extent dividend will be distributed to you.

Upon redemption you will be required to file a capital gain tax return (within 30 days from the redemption date). You might also be required to file a tax return in the redemption tax year.

There is a need to file an annual report with the ITA concerning your ownership of shares of a foreign entity. ***You are hereby advised to consult with a tax advisor with respect to the tax consequences and the filing and compliance obligations imposed on you with regard to the subscription.***



## רשות ניירות ערך ISRAEL SECURITIES AUTHORITY

מחלקת תאגידים  
רחוב כנפי נשרים 22, ירושלים 95464  
טל: 02-6556444 נפקס: 02-6513160  
[www.isa.gov.il](http://www.isa.gov.il)

י' ניסן תשפ"ה  
08 אפריל 2025

לכבוד

ענבל פרלשטיין-מנדלבאום, עו"ד

פרל כהן צדק לצר ברץ ושות'

### באמצעות דואר אלקטרוני

,ג.ג.נ.

### הנדון: **L'Oréal S.A.**

סימוכין: מכתבכם מיום 19 במרץ 2025 ומיום 6 באפריל 2025.

1. הריני לאשר את קבלת מכתבכם שבסמך בנוגע לבקשת חברת L'Oréal S.A. (להלן: "החברה") לקבלת פטור לפי סעיף 115 לחוק ניירות ערך, התשכ"ח-1968 (להלן: "החוק").
2. על פי הבקשה, מתכוונת החברה להציע לעובדיה ולעובדי חברות בשליטתה בישראל (להלן: "הניצעים") ניירות ערך של החברה במסגרת תוכנית תגמול לעובדים (להלן בהתאמה: "ההצעה" ו-"התוכנית"). על רקע זה, החברה הגישה בקשה לקבלת פטור מהוראות החוק לפי סעיף 115 לחוק שעניינו "הצעה או מכירה לעובדים של תאגיד שניירות הערך שלו רשומים למסחר מחוץ לישראל", בקשר עם כוונתה להציע לניצעים ניירות ערך בהתאם לתוכנית.
3. הריני להודיעכם כי רשות ניירות ערך החליטה ביום 6 באפריל 2025, בתוקף סמכותה לפי סעיף 115 לחוק, לפטור את החברה מהוראות החוק בקשר להצעה, בהווה ובעתיד, על פי התוכנית האמורה, וזאת בשל העובדות וההתחייבויות המפורטות במכתבכם.
4. הפטור דלעיל מותנה בתנאים המצטברים הבאים:
  - א. החברה תדאג שפרטי הגילוי הנדרשים בהתאם לתקנות ניירות ערך (פרטי מתאר הצעת ניירות ערך לעובדים) התש"ס-2000 (להלן: "המתאר") ייכללו במסגרת דיווחיה השוטפים של החברה.

- ב. החברה תמסור לכל אחד מהניצעים את התוכנית לפני ביצוע התצעה, או שלחלופין היא תעמיד את התוכנית לעיון בכל אחד ממקומות העבודה בהם עובדים הניצעים בכמות מספקת אשר תאפשר לכל ניצע המעוניין בכך לעיין בה.
- ג. החברה תמסור לכל אחד מהניצעים את מסמך הרישום הרלוונטי (להלן: "מסמך הרישום"). כמו כן, תמסור החברה לניצעים שיהיו מעוניינים בכך את כל המסמכים המצורפים למסמך הרישום, כולל כל מסמך אשר אוזכר בו על דרך של הפנייה במישרין או בעקיפין. לחילופין, החברה תעמיד את מסמך הרישום לעיון בכל אחד ממקומות העבודה בהם עובדים הניצעים בכמות מספקת אשר תאפשר לכל ניצע המעוניין בכך לעיין בו, וכן תספק החברה את יתר המסמכים המצורפים למסמך הרישום לכל ניצע שיהיה מעוניין בכך.
- ד. החברה תדאג שהתוכניות ומסמך הרישום יתורגמו לעברית, על פי דרישה.
- ה. קבלת הפטור תובא לידיעת הניצעים בעת שתימסר להם התוכנית הרלוונטית ומסמך הרישום.
5. עמדתנו זו מבוססת על עובדות ומצגים שהוצגו בפנייתכם, ועל הנחה כי פנייתכם כוללת את כל הפרטים והנתונים הדרושים לבחינת הבקשה שהעליתם בה. כל שינוי בעובדות או בנסיבות שהובאו בפנינו עשויה להביא למסקנה שונה לגבי בקשת הפטור שבפנינו.

בכבוד רב,  
חדוה קולפניצקי, עו"ד  
מחלקת תאגידי  
רשות ניירות ערך