

**“L’OREAL EMPLOYEE SHARE PLAN RELAIS 2022”  
EMPLOYEE SHAREHOLDING FUND RULES**

**Subscribing to units in a shareholding fund implies acceptance of its rules.**

Pursuant to articles L.214-24-35 and L.214-165 of the French Monetary and Financial Code, the following rules are drawn up on the initiative of the following Management Company:

**AMUNDI ASSET MANAGEMENT**

A public limited company (“*Société Anonyme*”) with a capital of 1,143,615,555 euros  
Registered with the Paris Trade and Companies Register under the number 437 574 452  
Head office: 91-93, Boulevard Pasteur - 75015 PARIS - France

Hereinafter referred to as the “**Management Company**”,

an individualised group shareholding fund, hereinafter referred to as the “Fund” or “FCPE”, in application of the International Employee Share Ownership Plan (hereinafter referred to as the “PIAS”) of the L’Oréal Group, drawn up by L’Oréal (hereinafter referred to as the “Company”) on [●].

Group: L’Oréal

Head office: 14, rue Royale – 75008 PARIS – France

Activity sector: Cosmetics Industry

The member companies are hereinafter referred to collectively as the “Group” and individually as the “Company”.

Company issuing the securities: L’Oréal

Head office: 14, rue Royale – 75008 PARIS – France

Registered with the Paris Trade and Companies Register under the number 632 012 100,

Hereinafter referred to as “**L’Oréal**”

Only eligible employees and corporate officers of L’Oréal or a company related to it under the meaning of paragraph 2 of article L.3344-1 of the French Labour Code may subscribe to this Fund.

The units of this Fund may not be directly or indirectly given or sold in the United States of America (including in its territories and possessions), for the benefit of a “U.S. Person”<sup>1</sup> as defined by the American regulations.

Those wishing to subscribe to this Fund’s units shall certify that they are not U.S. Persons when they subscribe. Unitholders shall inform the Management Company immediately if they become a U.S. Person.

The Management Company may impose restrictions (i) on the holding of units by a U.S. Person and notably, forcibly redeem the units held, or (ii) on the transfer of units to a U.S. Person.

This right also extends to any person (a) who appears to directly or indirectly breach the laws and regulations of any country or governmental authority, or (b) who might, in the opinion of the Management Company, cause the Fund harm that it might not have endured or suffered otherwise.

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<sup>1</sup>The definition of a “U.S. Person” is available on the Management Company website: [www.amundi.com](http://www.amundi.com).

### Warning

These rules are governed by French law. The Fund is an employee share plan ("*Fonds Commun de Placement d'Entreprise*", or FCPE) governed by French law.

The assets of the Fund are deposited with a credit institution governed by French law (CACEIS Bank) and managed by a Management Company governed by French law (Amundi Asset Management).

Depending upon your tax regime, any capital gains and income relating to the holding of Fund units may be taxable.

### **Presentation of the 2022 Operation**

This Fund is a relay fund (i.e. temporary fund) and is being created for a capital increase reserved for L'Oréal Group employees, executed as part of the PIAS and authorised by the Company's Annual General Meeting on [April 20, 2021] or any other authorisation with the same purpose that is in force at the time of the capital increase.

The capital increase, scheduled for [July 26, 2022], will be based on the subscriptions collected from [June 8, 2022] to [June 22, 2022], inclusive. Subscriptions are irrevocable.

The price of subscribing a L'Oréal Company share as part of the Fund is fixed at [x] euros. This price is equal to the average L'Oréal share listed opening price on Euronext Paris from [May 6, 2022] to [June 2, 2022] inclusive, less a [20%] discount.

The subscription price will be announced on [June 3, 2022].

The provisions relating specifically to subscriptions made as part of these operations and the procedure for reducing the number of shares allocated if they are oversubscribed appear in article 13 of these rules: "SUBSCRIPTION". In such a case, if the total demand for L'Oréal shares (including the matching contribution) exceeds the number of shares offered, the largest demands (including the matching contribution) shall be reduced so that the total actual demand matches the number of shares offered.

## **TITLE I IDENTIFICATION**

### **ARTICLE 1 - NAME**

The name of the Fund is the “L’Oréal Employee Share Plan Relais 2022”.

### **ARTICLE 2 - PURPOSE**

The purpose of this Fund is to constitute a financial instrument portfolio in compliance with the purpose defined in article 3 below. The Fund may solely receive sums paid in the context of the PIAS.

For this purpose, the “L’Oréal Employee Share Plan Relais 2022” may solely receive payments:

- that are voluntary and part of the PIAS executed on the occasion of the employee shareholding operations.

The payments may be made via L’Oréal share contributions corresponding to the Company’s matching contribution assessed in accordance with the rules applicable to the calculation of the asset value.

### **ARTICLE 3 - MANAGEMENT PURPOSE**

The Fund shall be invested in L’Oréal Company shares listed on Euronext Paris and issued pursuant to the L’Oréal capital increase achieved through the subscriptions of PIAS subscribers during the subscription period from [June 8, 2022] to [June 22, 2022] inclusive.

Until the capital increase subscription date, the Fund shall obey the rules applicable to the composition of the assets of funds governed by article L.214-164 of the French Monetary and Financial Code.

Following the capital increase, the Fund shall be classified as “Invested in the securities of the company” and obey the rules applicable to the composition of the assets of funds governed by article L.214-165 of the French Monetary and Financial Code, after being declared in writing to the French Financial Markets Authority (AMF). The Fund will be solely invested in the securities of the company, with the exception of cash and cash equivalents.

After the Fund subscribes to the new shares, it shall be merged with the “L’Oréal Employee Share Plan” fund, subject to Supervisory Board and French Financial Markets Authority (AMF) approval.

The inclusion of sustainability factors (environmental, social and employee matters; respect for human rights; anti-corruption and anti-bribery matters) into the investment process is not deemed relevant because the Fund will invest conservatively for a short period before investing in the securities of the company.

The Management Company will not consider the adverse impacts of investment decisions on sustainability factors due to the investment policy of the Fund, which is categorised as “Invested in the securities of the company”.

The Fund does not include any consideration of environmentally sustainable economic activities as defined under the EU Taxonomy Regulation; therefore, it does not take into account the EU criteria for environmentally sustainable economic activities.

#### **A. Until the capital increase date**

##### **Management objective and investment strategy**

The Fund is governed by the provisions of article L 214-164 of the French Monetary and Financial Code.

During the subscription collection phase and before the funds received are invested in Group shares, they shall be invested adopting a conservative approach.

### **Risk profile**

- **Rate risk:** the risk of the rate instrument value falling as a result of interest rate fluctuations. It is measured through its sensitivity, which is between 0 and 0.5. During periods with high interest rates, the asset value may fall significantly.
- **Risk of capital loss:** Investors are hereby warned that their capital is not guaranteed and so may not be returned.
- **Credit risk:** the risk of the value of the securities issued by a private issuer falling or the private issuer defaulting. Depending on the direction of Fund operations, the fall (in the case of purchases) or rise (in the case of sales) in the value of its debt security transaction exposure may result in the asset value falling.
- **Sustainability risk:** this relates to an environmental, social and governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

### **Fund composition**

The Fund shall be invested in money market instruments through UCITS and/or general investment funds (*Fonds d'Investissement à Vocation Générale*, or FIVG).

The Fund may invest up to 100% of these UCI units or shares.

### **B. Following the capital increase**

#### **Warning**

**As the assets of this Fund will be concentrated in the securities of a single company, subscribers are advised to assess whether they should diversify their financial investments to lower their overall risk.**

The Fund is classified as “Invested in the securities of the company”. It shall obey the rules applicable to the composition of the assets of funds governed by article L.214-165 of the French Monetary and Financial Code.

The Fund is subject to a sustainability risk in relation to the listed securities of Company in which it invests, as defined in the risk profile.

### **Management objective and investment strategy**

The management objective of the Fund shall consist in investing in L'Oréal shares. The Fund's performance will therefore follow the L'Oréal share's performance up and down.

### **Fund composition**

The Fund will invest:

- at least 95% of its net assets in the listed securities of L'Oréal.
- and the remainder in units or shares of money market UCITS and/or FIVG and/or in cash and cash equivalents.

### **Risk profile**

- **Risk of capital loss:** Investors are hereby warned that their capital is not guaranteed and so may not be returned.
- **Specific equity risk:** as almost all of the portfolio consists of L'Oréal shares, if the L'Oréal share price falls, the Fund asset value will fall accordingly.
- **Liquidity risk:** should there happen to be very few operations on the financial markets, any buy or sell operations on them may result in large market fluctuations.

- **Rate risk:** the risk of the rate instrument value falling as a result of interest rate fluctuations. It is measured through the portfolio's overall sensitivity, which is between 0 and 0.5. During periods with high interest rates, the asset value may fall significantly.
- **Sustainability risk:** this relates to an environmental, social and governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

### **Instruments used**

The following instruments may be used:

- L'Oréal Company shares listed for trading on a regulated market: Euronext Paris;
- UCITS and/or "money market" general investment fund (FIVG) units or shares.

The Management Company may, on behalf of the Fund, borrow liquidities representing a maximum of 10% of the Fund assets for the sole purpose of the Fund's management. The Fund portfolio shall not be pledged as collateral for this borrowing.

Pursuant to article 318-14 of the General Regulation of the French Financial Markets Authority (AMF), subscribers are hereby informed that the Fund may invest in UCIs managed by the Management Company or by a company related to it.

### **Method of calculating global exposure:**

The Management Company shall use the commitment approach to calculate global exposure.

### **Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "Disclosure Regulation"):**

As a financial market participant, the Management Company is subject to the Disclosure Regulation. The Disclosure Regulation lays down harmonised rules for financial market participants on transparency with regard to the integration of sustainability risks (Article 6), the consideration of adverse sustainability impacts, the promotion of environmental or social characteristics in investment processes (Article 8) and sustainable investment objectives (Article 9).

Sustainability risk is defined as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential negative material impact on the value of the investment.

A sustainable investment means (i) an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, (ii) an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or (iii) an investment in human capital or economically or socially disadvantaged communities. Such investments must not significantly harm any of those objectives and the investee companies must follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

### **Regulation (EU) 2020/852 (the "Taxonomy Regulation") on the establishment of a framework to facilitate sustainable investment and amending the Disclosure Regulation.**

Environmentally sustainable investments are investments in one or more economic activities that qualify as environmentally sustainable under the Taxonomy Regulation. To establish the extent to which an investment is environmentally sustainable, an economic activity qualifies as environmentally sustainable where it (i) contributes substantially to one or more of the environmental objectives set out in the Regulation, (ii) does not significantly harm any of the environmental objectives set out in the Regulation, (iii) is carried out in compliance with the minimum safeguards laid down in the Regulation, and (iv) complies with technical screening criteria that has been established by the European Commission in accordance with the Regulation.

**Information on Environmental, Social and Governance (ESG) criteria:**

Additional information on how the Management Company takes the ESG criteria into account is available on the Management Company website ([www.amundi.com](http://www.amundi.com)) as well as in the Fund's annual report.

**ARTICLE 4 - PERIOD OF THE FUND**

The Fund is created for an indefinite period.

This Fund will merge with the employee shareholding fund known as [L'Oréal Employee Share Plan] following the approval of the Supervisory Board and the agreement of the French Financial Markets Authority.

## **TITLE II FUND STAKEHOLDERS**

### **ARTICLE 5 - MANAGEMENT COMPANY**

The Fund shall be managed by the Management Company in accordance with the purpose defined for the Fund.

Subject to the powers vested in the Supervisory Board, the Management Company shall act in the sole interest of the unitholders and represent them with regard to third parties in all documents concerning the Fund.

The Management Company is authorised by the French Financial Markets Authority under authorisation no. GP04000036 and authorised to act as a financial manager by Directive 2011/61/EU. The Management Company has, in addition to regulatory capital requirements, its own capital funds to cover any risks arising from liability for professional negligence while managing the Fund. Moreover, Amundi and its subsidiaries, including Amundi Asset Management, are under a worldwide insurance policy covering their professional liability in relation to their banking, financial and incidental activities, which has been taken out by Crédit Agricole SA, acting on its behalf and on behalf of its French and foreign subsidiaries.

The Management Company has delegated the accounts management to CACEIS FUND ADMINISTRATION (1-3, place Valhubert, 75013 Paris, France). The main business, in France and elsewhere, of the delegated accounts manager is the provision of assistance to the management of financial assets, including the valuation, administration and book-keeping of financial portfolios. The Management Company has not identified any conflict of interests likely to arise from such delegations.

### **ARTICLE 6 - DEPOSITARY**

The Depositary is the CACEIS BANK.

The Depositary shall perform the tasks incumbent upon it pursuant to the laws and regulations in force as well as those contractually entrusted to it by the Management Company. It shall notably ensure the legality of all Management Company decisions. It shall, when applicable, take all precautionary measures it judges useful. In the event of a dispute with the Management Company, it shall duly inform the Financial Markets Authority.

It shall perform the custody account-keeping of the Fund, in accordance with the delegation by the Management Company.

### **ARTICLE 7 - CUSTODY ACCOUNT-KEEPER OF FUND UNITS**

The Custody Account-Keeper shall be responsible for the custody account-keeping of the Fund units held by the unitholder.

It shall be approved by the French Prudential Supervisory Authority ("*Autorité de contrôle prudentiel et de résolution*", or ACPR) after obtaining the opinion of the Financial Markets Authority.

It shall receive the unit subscription and redemption instructions, process them and initiate the corresponding payments and settlements.

### **ARTICLE 8 - SUPERVISORY BOARD**

#### **1 - Composition**

The Fund shall have the same Supervisory Board as the "L'Oréal Employee Share Plan" FCPE.

The unitholder representatives in the Fund Supervisory Board and the "L'Oréal Employee Share Plan" FCPE Supervisory Board will therefore be the same people. In order to be a unitholder representative of both funds, each member shall hold units in both funds.

The Supervisory Board, formed pursuant to article L.214-165 of the French Monetary and Financial Code under the conditions provided for in paragraph 2 of its article L.214-164, shall be composed of seven (7) members:

- Four (4) members, each an employee unitholder representing the employee and former employee unitholders of the Company, elected from among all employee unitholders and based on the number of units held by each unitholder;
- Three (3) members representing the Company, appointed by the L'Oréal management.

Each member may be replaced by a proxy elected under the same conditions.

In any case, the number of Company representatives shall not exceed the number of unitholder representatives.

The mandate period shall be fixed at three (3) financial years. Each mandate shall actually expire after the meeting at which the Supervisory Board votes on the accounts for the last financial year of the mandate period.

Any newly-vacant position shall be renewed under the appointment conditions described above. This shall be done without delay on the initiative of the Supervisory Board or, if not, of the Company and, in any case, before the next Supervisory Board meeting.

Any Supervisory Board member who ceases to be a Group employee shall automatically cease to be a Supervisory Board member.

## **2) Tasks**

The Supervisory Board shall meet at least once a year to examine the Fund's management report and annual accounts, examine the financial, administrative and accounting management and approve its annual report. This meeting shall be held by any means, notably by video conference or teletransmission. Supervisory Board members who attend the board meetings by means of a video conference or telecommunication shall be deemed present when the quorum and majority are calculated.

The Supervisory Board shall exercise the voting rights attached to the securities forming the Fund's capital and decide on the contribution of shares and, for this purpose, appoint one or more officers representing the Fund at the General Meetings of the issuing companies.

To exercise voting rights attached to the securities issued by the company, votes must be cast in the absence of company representatives even though discussions are to be held with those representatives present.

It may, when applicable, present resolutions at General Meetings under the conditions laid down in article L.225-105 of the French Commercial Code.

It may ask to hear the Management Company, Depositary and Auditors of the Fund which shall be obliged to attend when summoned. It shall decide on Fund mergers, splits and liquidation. Without prejudice to the competences of the Management Company and those of the liquidator, the Supervisory Board may act in law to defend or prosecute the rights or interests of the holders.

The information given to the Social and Economic Committee as provided for in articles L. 2312-17, L. 2312-18, L. 2312-22, L. 2312-23, L. 2312-24, L. 2312-25, L. 2312-26, L. 2312-57, L. 2312-69 and L. 2315-78 to L.2315-96 of the French Labour Code, a copy of the report of the auditor appointed pursuant to articles L.2315-78 to L.2315-95 of the same Code, shall be sent to the Supervisory Board.

All regulation amendments shall require the prior approval of the Supervisory Board with the exception of those required by a revision of the applicable laws or regulations [and] shall be made at the request of the Management Company. The Supervisory Board shall be informed of these amendments.

## **3) Quorum**

In a first convocation [meeting], Supervisory Board deliberations shall only be valid if at least one half of the Board members are present or represented.

If the quorum is not reached, a second convocation shall be sent by registered letter or e-mail with acknowledgement of receipt. Supervisory Board deliberations shall be valid with the members present or represented.

If the Supervisory Board still cannot meet after a second convocation, the Management Company shall draw up a report of default. A new Supervisory Board may then be formed on the initiative of L'Oréal, at least one unitholder or the Management Company, under the conditions laid down in these rules.

If these provisions cannot be applied, the Management Company, in agreement with the Depositary, reserves the right to transfer the Fund assets to a "multi-company" fund.

#### **4) Decisions:**

During the first meeting, which the Supervisory Board shall convene by any means, the Supervisory Board shall appoint a Chairperson and Secretary from the unitholders representing the unitholder employees, for a period of a year. They shall be renewed automatically.

The Supervisory Board may be convened to meet at any time of the year, by its Chairperson, at the request of at least two-thirds of its members, or on the initiative of the Management Company or Depositary.

Decisions shall be made through a majority vote by the members present or represented. In case of a tie, the meeting Chairperson shall have the casting vote.

Whenever possible, a Management Company representative shall attend all Supervisory Board meetings. The Depositary may, if it judges fit, also attend all Supervisory Board meetings.

An attendance register shall be signed by all members present. All Supervisory Board decisions shall be recorded in the minutes signed by the Chairperson and by at least one member present at the meeting. These minutes shall state the composition of the Board, the quorum and majority rules, the members present, represented or absent and, for each resolution, the number of votes for and against, as well as the name and position of the signatories of the minutes. They shall be kept by the Chairman of the Supervisory Board and by L'Oréal, and a copy shall be sent to the Management Company.

If the Chairperson is unable to attend, he or she shall be replaced by one of the members present at the meeting and appointed by a majority vote of the members present. The Chairperson may only be replaced by a unitholder representative.

If any Supervisory Board member is unable to attend the meeting, he or she may, in the absence of any representative, be represented by the Supervisory Board Chairperson or any other Supervisory Board member, provided that said person is a unitholder. The representation mandates shall be attached to the attendance sheet and mentioned in the meeting minutes. Mandates may only be granted for a single meeting.

#### **ARTICLE 9 - AUDITORS**

The Auditors are [Deloitte & Associés]. They shall be appointed by the Board of Directors of the Management Company for six (6) financial years, following the approval of the French Financial Markets Authority (AMF).

The Auditors shall certify that the accounts are fair and truthful, and their mandate may be renewed.

The Auditors shall be obliged to immediately inform the Financial Markets Authority of any fact or decision concerning the collective investment fund that they become aware of when performing their work and which is liable to:

- 1° Breach the legal or regulatory provisions applicable to this body and significantly affect the financial position, income or assets;
- 2° Harm the conditions or continuity of its operation;
- 3° Result in the Auditors expressing reservations or refusing to certify the accounts.

The assets shall be evaluated and foreign exchange parities determined under the supervision of the Auditors in the event of conversions, mergers or splits.

The Auditors shall appraise any contribution under their responsibility.

They shall check that the composition of the assets and other elements is accurate prior to [its] publication.

The fees of the Auditors shall be fixed in a joint agreement between them and the Board of Directors of the Management Company on the basis of a work schedule specifying the work estimated to be necessary.

The Auditors shall certify the statements used to calculate interim dividend distributions.



### **TITLE III FUND OPERATION AND FEES**

#### **ARTICLE 10 - UNITS**

The Shareholding Fund is defined as a collective shareholding vehicle. The rights of the co-owners are expressed in units; each unit corresponds to the same fraction of the Fund assets and may be divided into tenths, hundredths, thousandths, etc. Each holder shall have a right of co-ownership to the Fund assets in proportion to the number of units owned.

The initial unit value when the Fund is/was set at the subscription price, i.e., [x] euros.

#### **ARTICLE 11 - ASSET VALUE**

The asset value is the value of each unit. This asset value shall be calculated by dividing the net asset value of the Fund by the number of units issued.

The asset value shall be calculated daily, on each Euronext Paris trading day excluding statutory holidays in France.

It shall be sent to the Financial Markets Authority (AMF) on the day it is determined. It shall be available to the Supervisory Board starting from the next business day after it is determined. The Supervisory Board may request and obtain the latest calculated asset values.

The securities and financial instruments shown in article 3 of these rules and recorded in the Fund's assets shall be evaluated as follows:

- **UCITS and general investment fund (FIVG) units or shares** shall be evaluated at the latest asset value known on the day of evaluation.
- **L'Oréal shares** traded on a French regulated market shall be evaluated at the market price. The reference market price value shall be evaluated in accordance with the procedure fixed by the Management Company (opening price). These application details shall also be laid down in the annex to the annual accounts.

However, any securities whose price could not be found on the day of evaluation or whose price has been revised shall be evaluated at their probable trading value, under the responsibility of the Management Company. The Auditors shall be provided with these evaluations and justification when they perform their audits.

#### **ARTICLE 12 - AMOUNTS AVAILABLE FOR DISTRIBUTION**

All net income and net capital gains generated through the assets included in the Fund shall mandatorily be reinvested and not result in the issue of new units.

#### **ARTICLE 13 - SUBSCRIPTION**

Subscription orders made as part of the [July 26, 2022] capital increase are receivable from June 8, 2022 and June 22, 2022, inclusive. No subscriptions will be receivable after that date.

The unit Custody Account-Keeper or, when applicable, the entity that keeps the Fund's issuer account shall create the number of units that each payment permits by dividing the value of the payment by the unit issue price. The unit Custody Account-Keeper shall inform the Company or its delegate Registrar of the number of units due to each unitholder on the basis of a distribution statement drawn up by it. The Company or its delegate Registrar shall inform each unitholder of this allocation.

If the total demand for L'Oréal shares (including the matching contribution) exceeds the number of shares offered, the largest demands (including the matching contribution) shall be reduced so that the total actual demand matches the number of shares offered.

These reductions shall firstly apply to bank account direct debits and then to salary advances, including the matching subscription.

Each reduction shall be calculated before the employee pays the amount attributed to him or her. As a result, the subscription payment shall take the reduction into account.

The Fund may partly or entirely cease to issue units for a temporary period or permanently, in accordance with article L. 214-24-41, paragraph 3 of the French Monetary and Financial Code. This cessation must be under objective circumstances requiring the close of subscriptions such as a maximum number of units issued, a maximum value of assets received or the expiration of a specific subscription period. Unitholders must be notified, by any means, of when this cessation is activated, how it is activated, as well as the threshold and objective circumstance that led to the decision to close the Fund partially or entirely to new subscriptions. Where the Fund is partially closed to new subscriptions, this notification must explicitly state the conditions under which existing unitholders can continue to subscribe units during the partial closure of the Fund. Unitholders must also be notified, by any means, of the Management Company's decision either to end the total or partial closure of the Fund to new subscriptions (where the threshold activating the closure is no longer reached) or not to end it (if there is a change of threshold or change in the objective circumstances that led to closure). A change to the objective circumstances relied on or the threshold activating the closure must always be done in the interests of the unitholders. This notification must state the exact reasons for these changes.

#### **ARTICLE 14 - REDEMPTION**

1. The unitholder beneficiaries or their rightful heirs may request the redemption of some or all of their units, as provided for in the PIAS.

Unitholders who have left the Company shall be informed by it that their units are available. If, one year after the date of availability of the rights they hold (i.e., the date on which they actually leave the Company), they cannot be contacted at the latest address they indicated, the units they hold may be transferred automatically to a money market fund.

2. Redemption requests, accompanied by documentary proof when applicable, shall be sent, possibly via the Company or its delegate Registrar, to the unit Custody Account-Keeper so that it receives them no later than the business day before the date on which the asset value is calculated:
  - before midday if sent by post;
  - before 11:59 p.m. if sent via the Internet (Paris France time).

Redemption requests shall be executed on the basis of this asset value as calculated according to the provisions of these rules. Any redemption requests received after the above cut-off times will be executed on the basis of the subsequent asset value.

Unitholders may submit their restricted-price redemption request as specified in their account statement "redemption request" booklet.

The units shall be deducted from the Fund's assets for redemption in cash. Under no circumstances may the payment pass through intermediary bank accounts, notably those of the Company or the Management Company, and the corresponding amounts shall be sent directly to the beneficiaries by the unit Custody Account-Keeper. However, in exceptional cases in which this is difficult or impractical and at the express request of the unitholder concerned, said unitholder's assets may be redeemed via his or her employer or by an institution authorised to do so by the local regulations and able to deduct the social and tax contributions required under the applicable regulations.

This operation shall be carried out no later than one month after the asset value is established after receiving the redemption request.

Units may also be redeemed at the express request of the unitholder in the form of Company securities, in proportions that reflect the composition of the portfolio. The Depositary shall send the securities directly to the beneficiary; this operation shall be carried out no later than one month after the asset value is established after receiving the redemption request.

3. The Management Company shall ensure potential risks are avoided and perform a special monitoring of funds invested in the securities of the company as a result of the funds' specific managerial and supervisory restrictions. The objective is to ensure that the payment of redeemed units to unitholders is carried out in compliance with the Management Company's regulatory obligations, without any impact to the Fund's management and the remaining unitholders.

#### **ARTICLE 15 - ISSUE PRICE AND REDEMPTION PRICE**

The unit issue price shall be equal to the asset value calculated as laid down in article 11 of these rules.

The unit redemption price shall be equal to the asset value calculated as laid down in article 11 of these rules.  
No subscription or redemption fees will be applicable to the units of the Fund.

## **ARTICLE 16 - OPERATING EXPENSES AND FEES**

	<b>Fees charged to the Fund</b>	<b>Base</b>	<b>Rate scale</b>	<b>Handled by Fund/Company?</b>
P1	Financial management fees	Net assets after deduction of assets invested in employee share plan units and/or SICAV shares	Maximum 0.10% p.a. (incl. taxes) of net assets for the net assets	Fund
P2	Administrative fees outside the Management Company		Capped at 20,000 euros	
	Auditors' fees		Net assets	
P3	Indirect costs & fees			
	Subscription fee	Net assets	None	Fund
	Redemption fee	Net assets	None	Fund
	Management fees	Net assets	Immaterial*	Fund
P4	Transaction fees	Direct debit on each transaction	None	N/A
P5	Overperformance fee	Net assets	None	N/A

\* Investment in UCI units and/or shares is limited to 10% of the Fund's assets.

**TITLE IV**  
**ACCOUNTING ITEMS AND INFORMATION DOCUMENTS**

**ARTICLE 17 - FINANCIAL YEAR**

The financial year shall begin on the day after the last Euronext Paris trading day in December and end on the last Euronext Paris trading day in the same month of the next year, or the previous day if said day is a statutory holiday in France.

In exceptional cases, the first financial year following the Fund's creation date shall begin on that creation date and end on the date the assets of the Fund are merged with or absorbed into the "L'Oréal Employee Share Plan" fund.

**ARTICLE 18 - HALF-YEARLY DOCUMENT**

No later than six (6) weeks after each financial half-year, the Management Company shall draw up an inventory of the Fund assets under the supervision of the Depositary.

No later than eight weeks after each financial half-year, the Management Company shall publish the composition of the Fund's assets, after this has been certified by the Auditors of the Fund. Accordingly, the Management Company shall provide this information to the Supervisory Board and to the Company, both of which shall provide said information to holders upon request.

**ARTICLE 19 - ANNUAL REPORT**

Each year, no later than six (6) months after the end of the financial year, the Management Company shall send L'Oréal the asset inventory duly certified by the Depositary, the balance sheet, the P&L account, the Annex and the management report drawn up in accordance with the provisions of the present chart of accounts, duly certified by the Auditors.

The Management Company shall make available to each unitholder a copy of the annual report, which may, with the agreement of the Supervisory Board, be replaced by a simplified report stating that the [full] annual report is available to any unitholder who requests it from the Company, Supervisory Board or the company's Social and Economic Committee. The annual report shall state, in particular, the amount of the Auditors' fees and the indirect fees borne by the FCPEs.

**TITLE V**  
**AMENDMENTS, LIQUIDATION AND DISPUTES**

**ARTICLE 20 - RULE AMENDMENTS**

Amendments to these rules shall require the prior approval of the Supervisory Board and appear in article 8. Each amendment shall come into effect no earlier than three (3) business days after the unitholders are informed accordingly by the Management Company and/or Company, at a minimum in accordance with the instructions of the Financial Markets Authority, i.e., depending on the case, displayed on the Company's premises, inserted into an information document, sent to each unitholder, or by any other means.

**ARTICLE 21 - CHANGE OF MANAGEMENT COMPANY AND/OR DEPOSITARY**

The Supervisory Board may decide to change the Management Company and/or Depositary, notably if the Management Company and/or Depositary decides to no longer, or is no longer able to, perform its duties.

Any change of Management Company and/or Depositary shall be subject to prior approval by the Fund's Supervisory Board and the approval of the Financial Markets Authority.

Once the new Management Company and/or the new Depositary have/has been appointed, the transfer shall be made no later than three (3) months after it is approved by the Financial Markets Authority.

During this period, the former Management Company shall draw up an interim management report covering the period of the financial year during which it managed the Fund and draws up the inventory of the Fund's assets. These documents shall be sent to the new Management Company on a date jointly agreed between the former and new Management Companies and/or the former and new Depositaries after informing the Supervisory Board of this date, or, if not, at the end of the aforementioned three-month period.

If the Depositary changes, the former Depositary shall transfer the securities and other asset items to the new Depositary in accordance with the procedure decided between them and, when applicable, the Management Company or Management Companies concerned.

**ARTICLE 22 - MERGERS/SPLITS**

These operations shall be decided upon by the Supervisory Board. If the Supervisory Board cannot meet, the Management Company may, in agreement with the Depositary, transfer this Fund's assets to a "multi-company" fund.

The approval of the Supervisory Board of the fund receiving the assets shall be mandatory. If, however, the rules of the fund receiving the assets provide for contributions from other funds, this approval shall not be required.

These operations may only occur once they have been authorised by the Financial Markets Authority and the unitholders of the contributing Fund informed as laid down in article 20 of these rules. They shall be carried out under the supervision of the Auditors.

If the Supervisory Board can no longer meet, the assets may only be transferred once the information letter has been sent to the unitholders by the Management Company or, if not, by the Company.

The new rights of the unitholders shall be calculated on the basis of the asset value of the units or funds as determined on the day of operation execution. The unit Custody Account-Keeper shall send to the unitholders of the absorbed or split Fund a statement specifying the number of units of the new fund(s) of which they have become holders. The Company shall provide the unitholders with the Key Investor Information Document(s) for the new Fund(s) and make available to them the text of the rules of these new Fund(s) once it has been harmonised, if necessary, with the texts currently in force.

**ARTICLE 23 - INDIVIDUAL INVESTMENT OPTION CHANGES AND PARTIAL COLLECTIVE TRANSFERS**

Not applicable.

## **ARTICLE 24 LIQUIDATION/DISSOLUTION**

The Fund may not be liquidated while any unavailable units remain.

1. When all units are available, the Management Company, the Depositary and the Supervisory Board may jointly decide to dissolve the Fund either because all of the units have been redeemed or at the end of the period laid down in article 4 of these rules; in this case, the Management Company shall have full powers to liquidate the assets, and the Depositary shall have full powers to distribute the result of this liquidation to the unitholders on one or more occasions.

If not, the liquidator shall be appointed by the courts at the request of any unitholder.

The Auditor and the Depositary shall continue to perform their duties until the end of the liquidation operations.

2. While any unitholders who cannot be contacted at the latest address specified by them remain, the Fund may only be liquidated at the end of the first year following the last units created being available.

Should all units held belong to unitholders who could not be contacted at the latest address specified by them, the Management Company may:

- either extend the Fund beyond the maturity date provided for in the rules;
- or, in agreement with the Depositary, transfer these units, one year after all of the unitholder rights become available, to a “multi-company” money-market fund whose management it performs and dissolve the Fund.

## **ARTICLE 25 - DISPUTES AND COMPETENCE**

Any disputes relating to the Fund that may arise during its operation or liquidation, between the unitholders and the Management Company or the Depositary, shall be subject to the jurisdiction of the competent French courts.

FCPE rules: L'OREAL EMPLOYEE SHARE PLAN RELAIS 2022 Approved by the French Financial Markets Authority (AMF) on February 4, 2022
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