

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

*You have been invited to invest in shares of L'Oréal ("**Shares**") in the L'Oréal group employee share plan 2026. 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 at your company's Human Resources Department:

- Care of Human Resource Director, L'Oreal Pakistan, Marine Drive- Tenancy 03, 3<sup>rd</sup> Floor, Corporate Office Block , Dolmen City HC-3, Block -4, Block 4 Clifton, Karachi, 75600

***Subscription Price***

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

It is to be noted that your subscription is in Euros. Consequently, for purposes of your subscription, the amount of your payment in Pakistani Rupee 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. 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 Pakistani Rupee. As a result, if the value of the Euro strengthens relative to the Pakistani Rupee, 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 Pakistani Rupee, the value of the Shares expressed in Pakistani Rupee will decrease.

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

The following payment method is available:

Salary Deduction over 10 months with respect to an advance payment made to me by my employer starting in July 2026.

### ***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 and will increase the value of the units held therein.

### ***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 (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 spouse or child;
6. death of the employee or his/her spouse;
7. use of proceeds for creation by the employee, child or spouse 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 main 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.

## **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 the ratio described in the Information Brochure. These 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 that 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 (6) 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 plan, 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 Pakistan**

*This summary sets forth general principles of tax law that are expected to apply to employees chargeable to salaries tax in Pakistan. The tax consequences summarised below are described in accordance with the tax laws and practice of Pakistan and certain French tax laws and practice in each case as in force and applicable at the time of the offering. Such laws and practice may change over time. In addition to the tax summary set out below, and depending on your circumstances, you may be subject to tax with respect to the Plan in any other jurisdiction(s) in which you are or become fiscally resident or otherwise taxable.*

*Please note that neither L'Oréal nor your employer will provide any legal advice or tax advice in relation to this offering. For legal or tax or professional advice, you should consult your own tax advisor.*

### **Upon subscription**

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

No

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

The subscription of the Shares at a discounted price by the participating employees of L'Oréal in Pakistan is not a taxable event. Accordingly, no tax is leviable at the time of subscription of the Shares.

#### ***1.2 Will the interest-free advance payment be taxable?***

The profit on interest free loan/advance provided by the employer, computed at the benchmark rate, shall be included in the salary of the participating employee and subject to tax at the rates specified in Division I, Part IA of the First Schedule to the Income Tax Ordinance, 2001 ("**Income Tax Ordinance**"). The employer shall deduct the subscription price in ten (10) equal monthly instalments out of the respective salary incomes of the participating employees.

The taxable income of the participating employees (i.e., the salary actually paid to the employee as well as the portion of the employees' salary deducted by the employer in order to pay the subscription price) shall be taxed at the rates specified in Division I, Part IA of the First Schedule to the Income Tax Ordinance.

L'Oréal Pakistan shall, at the time of withholding the instalment from the salary, to the participating employees deduct tax from the amount paid at the employee's average rate of tax computed at the rates specified in Division I, Part IA of the First Schedule to the Income Tax Ordinance.

### **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 units or fraction of units.

(i) Taxation in France

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

(ii) Taxation in Pakistan

Dividends being reinvested are not to be received by the employees in Pakistan and would, therefore, not be subject to tax in Pakistan.

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

No

**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?**

(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 Pakistan

The acquisition of the free right by the employees to transfer/dispose of the Shares on the expiry of the lock-up period would result in automatic taxation of the Shares.

The amount representing the fair market value of the Shares less the consideration, paid by the employees would become part of the salary income of the employee and would be subject to tax.

The redemption of the units/Shares on the expiry of the lock-up period or upon early exit of an employee is a taxable event and the amount representing the fair market value of the Shares, as reduced by the consideration paid by the employees, shall be included in the income chargeable to tax of that employee.

In case the Shares are disposed of subsequent to the expiry of the lock-up period, fair market value at the time of disposal of the Shares as reduced by the amount chargeable to tax at the expiry of the lock-up period would be added in the taxable income of the participating employee.

The taxable income of the participating employees shall be taxed at the rates specified in Division I, Part IA of the First Schedule to the Income Tax Ordinance as follows:

S. No.	Taxable income	Rate of tax
(1)	(2)	(3)
1.	Where taxable income does not exceed Rs. 600,000/-	0%
2.	Where taxable income exceeds Rs. 600,000 but does not exceed Rs. 1,200,000	1% of the amount exceeding Rs. 600,000
3.	Where taxable income exceeds Rs. 1,200,000 but does not exceed Rs. 2,200,000	Rs. 6,000 + 11% of the amount exceeding Rs. 1,200,000
4.	Where taxable income exceeds Rs. 2,200,000 but does not exceed Rs. 3,200,000	Rs. 116,000 + 23% of the amount exceeding Rs. 2,200,000
5.	Where taxable income exceeds Rs. 3,200,000 but does not exceed Rs. 4,100,000	Rs. 346,000 + 30% of the amount exceeding Rs. 3,200,000
6.	Where taxable income exceeds Rs. 4,100,000	Rs. 616,000 + 35% of the amount exceeding Rs. 4,100,000

***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.***

Yes. The acquisition of the free right by the employees to transfer/dispose of the Shares/Free Shares on the expiry of the lock-up period would result in automatic taxation of the Shares/Free Shares.

#### **FREE SHARES**

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

No.

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

No social security charges are payable. The amount representing the fair market value of the Free Shares would become part of the salary income of the employee and would be subject to tax at the rates specified in Division I, Part IA of the First Schedule to the Income Tax Ordinance at the Delivery Date of Free Shares (please see above).

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

No social security charges are payable. The sale and/or redemption of Free Shares/units are taxable events and the fair market value of the Free Shares/units at the time of sale/redemption shall be included in the income chargeable to tax of that employee and subjected to tax at the rates specified in Division I, Part IA of the First Schedule to the Income Tax Ordinance.

**VIII. *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?***

On acquiring the Shares, the employees will disclose their ownership thereof in their Wealth Statements to be filed with the regulator, the Federal Board of Revenue, along with their Income Tax Return for that year. L'Oréal Pakistan will not be liable for any adverse actions in the event of non-disclosure by the employee(s).