

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE**

UNIVERSITY OF MASSACHUSETTS  
MEDICAL SCHOOL and CARMEL  
LABORATORIES, LLC, ,

C.A. No. 17-868-JFB-SRF

Plaintiffs,

v.

L'ORÉAL S.A. and L'ORÉAL USA, INC.,

Defendants.

**DECLARATION OF ROY RABINOWITZ IN SUPPORT OF  
L'ORÉAL S.A.'S MOTION TO DISMISS FIRST AMENDED COMPLAINT**

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Dated: October 16, 2017

**DECLARATION OF ROY RABINOWITZ**

I, Roy Rabinowitz, declare and state as follows:

1. I am Senior Vice President of Finance for L'Oréal USA, Inc. ("L'Oréal USA"). I have been in that position since January 1, 2007. I have worked at L'Oréal USA since June 2001. I make this declaration in support of L'Oréal S.A.'s Motion to Dismiss the First Amended Complaint. I have personal knowledge of the facts set forth herein and, if called upon to testify under oath, I could and would competently testify thereto.

2. In my capacity as Senior Vice President of Finance for L'Oréal USA, I am familiar with L'Oréal USA's corporate organization, the nature of its business and finances, and the nature of its relationship with its corporate parent, L'Oréal S.A. As explained below, L'Oréal USA makes stringent efforts to observe standard corporate formalities and it employs business strategies for L'Oréal USA that are separate and distinct from those of L'Oréal S.A.

3. L'Oréal S.A. is incorporated in France as a *Société Anonyme* with its registered office in Paris and its corporate headquarters and principal offices in Clichy, France. L'Oréal S.A. is a leading producer and marketer of personal care products, including fragrances, cosmetics, hair care, skin care, and related items, with thousands of well-known brands in its portfolio that are distributed worldwide under various brand names. L'Oréal S.A. is the parent company of several subsidiaries, which manufacture and distribute beauty, cosmetic, and personal hygiene products throughout the world. These subsidiaries operate as separate legal entities from L'Oréal S.A. and do not act as L'Oréal S.A.'s agents.

4. One of L'Oréal S.A.'s subsidiaries is L'Oréal USA. L'Oréal USA was incorporated in Delaware in 1953, and its corporate headquarters are located in New York City. L'Oréal USA maintains separate licensing and distribution contracts, manufactures and

distributes its own products, has its own board of directors, issues separate financial statements, files separate tax returns, and maintains its own workforce from L'Oréal S.A. L'Oréal USA also maintains its own departments in areas such as finance, human resources, legal, corporate communications, customer relations, Research and Innovation, and marketing and advertising. Each of these departments is separate from L'Oréal S.A. As a practical matter, this structure means that while L'Oréal USA keeps L'Oréal S.A. informed about major issues and receives overall strategic guidance from L'Oréal S.A., it operates independently from its parent.

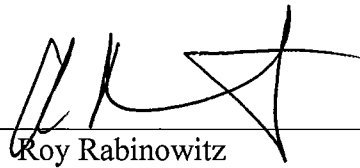
5. L'Oréal USA maintains five manufacturing facilities in the United States: North Little Rock, Arkansas; Florence, Kentucky; Franklin, New Jersey; Piscataway, New Jersey; and Redmond, Washington. L'Oréal USA's facility in Kentucky is one of the largest consumer products manufacturing plants in the United States. L'Oréal USA also has Research & Innovation facilities in Clark New Jersey and Redmond, Washington. L'Oréal USA employs more than 10,000 individuals across the U.S.

6. While L'Oréal USA is incorporated in Delaware, L'Oréal S.A. has no physical presence in that state. It does not own, rent, or lease real estate, or maintain any offices, manufacturing plants, or other facilities in Delaware. L'Oréal S.A. does not conduct business in Delaware and is not registered to do business in Delaware. L'Oréal S.A. does not directly develop, sell, market, or advertise to consumers in Delaware any of the products at issue in this action. Nor does it maintain any inventory in Delaware. L'Oréal S.A. does not have a designated agent for service of process in Delaware. From time to time L'Oréal S.A. and L'Oréal USA engage in the sale of goods or services between the two companies. Such transactions are governed by written intracompany agreements and are priced at arm's length, as confirmed by studies done by L'Oréal USA and reviewed periodically by the United States

Internal Revenue Service to confirm the bona fide nature of the arms' length pricing.

7. L'Oréal S.A. does not maintain any bank accounts in Delaware. Shares of L'Oréal S.A. are only traded on the Paris Stock Exchange; they are not publicly traded in the United States or on any United States exchange.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct and that this declaration is being executed this 16 day of October, 2017, in Berkeley Heights, New Jersey.

  
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Roy Rabinowitz