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ESSILORLUXOTTICA DIVIDEND PAYMENT AND OPTION TO RECEIVE DIVIDEND IN SHARES

The Board of Directors of EssilorLuxottica S.A. ("EssilorLuxottica") proposed to the Annual Shareholders' Meeting held on May 21st, 2021 the payment of a dividend of Euro 1.08 per share for the fiscal year 2020. As approved by the Shareholders' Meeting, shareholders of EssilorLuxottica (the "Shareholders") have the choice to receive:

- a cash dividend, of Euro 1.08 per share; or
- a dividend in the form of newly issued EssilorLuxottica ordinary shares.

QUESTIONS & ANSWERS

1. What is a share-based payment of dividends?

Dividend is usually paid in cash but can also be paid in new shares or even in kind if the General Shareholders' Meeting so decides. Shareholders are given the possibility to choose between a payment in cash or a payment in newly issued shares, subject to being eligible for the payment of the dividend in shares.

Once the option is exercised, it applies for the entire dividend to which the Shareholder is entitled. It is therefore impossible to ask for payment of the dividend partly in shares and partly in cash.

2. Why does EssilorLuxottica offer the option of payment of the dividend in shares?

Payment of dividend in shares is relatively common amongst large companies in Europe. It offers to the Shareholders the flexibility to choose new shares or cash. Shareholders can re-invest their dividend in EssilorLuxottica shares by electing to receive the dividend in the form of new EssilorLuxottica shares. This offers Shareholders an attractive opportunity to participate in the future growth potential of EssilorLuxottica. Finally, the terms of the payment in shares provide Shareholders with the opportunity to receive new EssilorLuxottica shares at a price below the reference market price.

TIMETABLE

3. What are the key dates?

23 April 2021 – 20 May 2021	Determination period to define the issue price of the new shares
21 May 2021	EssilorLuxottica Annual Shareholders' Meeting

	Fixing of the issue price of the new shares
28 May 2021	Ex-Date: EssilorLuxottica shares start to be traded without dividend rights
31 May 2021	Record Date: Shareholders' positions are determined for the purpose of calculating dividend amounts
1 June 2021 – 10 June 2021 (incl.)	Election Period during which <u>pure registered Shareholders</u> may opt for the dividend payment in shares
1 June 2021 – 14 June 2021 (incl.)	Election Period during which <u>non-pure registered Shareholders</u> may opt for the dividend payment in shares
17 June 2021	Final result and communication on total cash and share dividend amount payable to Shareholders
21 June 2021	Payment date: issuing and listing of the new shares and transfer of shares and cash balances to the Shareholders

KEY TERMS

4. *How the issue price of the new shares is determined?*

The issue price of the new shares will correspond to:

- The average of the market prices of EssilorLuxottica's shares during the 20 trading days prior to the Annual Shareholders' Meeting;
- Less the dividend of Euro 1.08;
- Less a discount of 10%;
- Rounded up to the nearest euro cent.

5. *How is calculated the number of the new shares to be paid?*

If the amount of the dividend for which the option is exercised does not correspond to an integer number of shares, Shareholders will receive the nearest lowest integer number of shares plus a cash compensation for the difference.

6. *Are there conditions to be met in order to opt for the dividend to be paid in shares?*

- The Shareholder must hold EssilorLuxottica shares (which are entitled to receive the dividend payment) on the Record Date.
- The total dividend amount to be received by the Shareholder on such shares must be sufficient to obtain at least one share.
- In addition, Shareholders may not be resident in a country where payments of dividend in shares would be authorized or may be resident in a country where the newly issued shares may have to be registered with the local securities regulator. Shareholders not resident in a member country of the European Union or in a country party to the Agreement on the European Economic Area (EEA) must inquire about of any relevant local restrictions or procedures and comply with such rules.

PROCESS

7. How will Shareholders be notified of the option to receive the dividend in cash or shares?

- Shareholders holding the EssilorLuxottica shares as pure registered shares will be notified by BNP Paribas Securities Services ("BP2S"), the registrar agent of EssilorLuxottica, either by email, if the email address has been provided, or by post-mail. Pure registered Shareholders will also receive all the information on the option through notifications on their dedicated area on the Planetshares website.
- Shareholders holding the EssilorLuxottica shares in an administered registered share account or as bearer shares will be notified by their Financial Intermediaries.

Shareholders not receiving the relevant notice as described above should contact their Financial Intermediaries to obtain the necessary information before the option period expires.

8. When do you have to be a shareholder to benefit from the dividend and the shares payment option?

The coupon's detaching date ("ex-date") is on May 28, 2021, and therefore one shareholder must own the shares on "record date" (May 31, 2021). May 27, 2021 is the last day one must acquire the shares on the market to benefit from the dividend.

9. When must Shareholders exercise the option to receive the dividend in shares?

The Election Period available to Shareholders to exercise their option to receive the dividend in shares runs from 1 June 2021 through 14 June 2021].

Please note that for pure registered Shareholders the period runs from 1 June 2021 through 10 June 2021 (instead of 14 June 2021).

Pure registered Shareholders will exercise their option on-line through the Planetshares website or by returning the election form to BP2S.

Administered registered Shareholders or bearer Shareholders are advised to check the deadline and how to exercise their option with their Financial Intermediaries.

Shareholders not exercising the option for the payment of the dividend in shares will receive the dividend in cash.

10. Is the choice that Shareholders are making this time also valid for future transactions?

No, the option to receive the dividend in shares only refers to the dividend payment related to the fiscal year 2020. If the option to receive the dividend payment in shares is offered again in the future, Shareholders will be asked again to indicate their preference.

11. Is it possible to opt for a different number of shares from that proposed?

No, Shareholders may only receive the number of shares indicated by their Financial Intermediaries, which is calculated on the basis of the whole amount of the dividend to which they are entitled.

12. How do Shareholders find out how many shares they can receive and how is this number calculated?

The form obtained by Shareholders from their Financial Intermediaries states the number of

shares they can receive.

The number of shares is calculated on the basis of the total dividend amount, net or gross of applicable taxes, depending on the choice of the Shareholder and the options offered by the relevant Financial Intermediary.

- For pure registered Shareholders, the number of shares is calculated on the basis of the total dividend amount, net or gross of applicable taxes, depending on the choice of the Shareholder.
 - Pure registered Shareholders choosing for the dividend to be paid on a gross basis will receive the rounded down number of shares corresponding to the gross dividend amount, plus a balancing cash compensation, if any, and must pay cash to BP2S for the amount of applicable taxes.
 - Pure registered Shareholders choosing for the dividend to be paid on a net basis will receive the rounded down number of shares corresponding to the dividend amount net of applicable taxes, plus a balancing cash compensation, if any.

13. *When do Shareholders become full owners of these new shares?*

The newly issued shares will be delivered on 21 June 2021 to the Financial Intermediaries, which will in turn credit the shares to the accounts of each relevant Shareholders. The new shares will be immediately available and will confer the same rights and restrictions as existing ordinary shares, as described in the EssilorLuxottica's Articles of Association available on EssilorLuxottica's website.

TAXATION

14. *What would be the taxation applicable to the dividend payment in shares?*

Regardless of where the Shareholders are resident for tax purposes, dividends received in shares are taxed the same way as cash dividends.

N.B: the following Taxation Q&As are meant to cover the most frequent cases: in general, Shareholders are advised to consult with their tax advisers and/or Financial Intermediaries for specific information relating to their situation (including the case of shares held under a Share Savings Plan - PEA).

15. *What would be the applicable tax treatment for Shareholders who are physical persons tax resident in France?*

For dividends paid to Shareholders who are physical persons tax resident of France the withholding tax, as well as any applicable social security contribution, are deducted directly from the amount of the dividend, under the same conditions as for a payment in cash.

Shareholders who are physical persons resident in France for tax purposes can receive the dividend in shares up to:

- 100% of the gross dividend, provided that such Shareholders pay in full the 17.2% social charges and the additional 12.8% income tax (in case they did not apply for any tax exemption) through their Financial Intermediaries; or
- 70% of the gross dividend, net of the 17.2% deduction for social charges and the 12.8% income tax.

Shareholders will then be able to opt for the progressive tax rates, with a 40% rebate on the gross dividend, instead of the flat tax of 12.8%, through the filing of their annual income tax returns. This option will apply on all their annual investment income. In such case, the 12.8% income tax deduction will be chargeable against the final tax calculated with progressive tax rate and any excess will be refunded by the French Tax Authorities.

16. *What would be the applicable tax treatment for Shareholders who are physical persons tax resident outside France?*

Subject to the timely provision of tax formalities, pure registered Shareholders who are physical persons not tax resident in France can receive the dividend in shares up to:

- 100% of the gross dividend, provided that such Shareholders pay in full all applicable withholding taxes through their Financial Intermediaries; or
- 87.2% of the gross dividend, net of the 12.8% withholding tax; or
- X% of the gross dividend after deducting withholding tax at the rate set out under the prevailing tax regime between France and the Shareholders' country of residence, upon presentation of a tax residency certificate (form No. 5000 attestation of residence, available online at www.impots.gouv.fr). This process will be applied in accordance with the simplified procedure, whereby Shareholders send to their Financial Intermediaries (including BP2S for pure registered Shareholders) the relevant tax residency certificate at least one month before the opening of the Election Period; or
- 25% of the gross dividend, net of the 75% withholding tax deduction, for Shareholders tax resident in a non-cooperative country or territory ("NCCT") or, regardless of the tax residence of the beneficiary, if the dividend is paid to an account opened in the books of a financial institution located in a NCCT.

COSTS

17. *Can Financial Intermediaries charge Shareholders a fee when they choose payment of the dividend in shares?*

Payment of dividends to Shareholders, whether in cash or in shares, are usually not subject to any fee payable to the relevant Financial Intermediary, unless such Financial Intermediary specifies in its terms and conditions that a fee is due by the Shareholder on cash payments or transfers of shares.

CONTACTS

18. *Who can Shareholders contact for questions?*

During the Election Period, Shareholders can ask their questions via email or telephone to:

- BNP Paribas Securities Services (for pure registered Shareholders only)
Website: www.planteshares.bnpparibas.com
Tel: +33 (0)1 40 14 46 68
- EssilorLuxottica Investor Relations:
Team Contacts: [IR contacts](#)
E-mail: ir@essilorluxottica.com