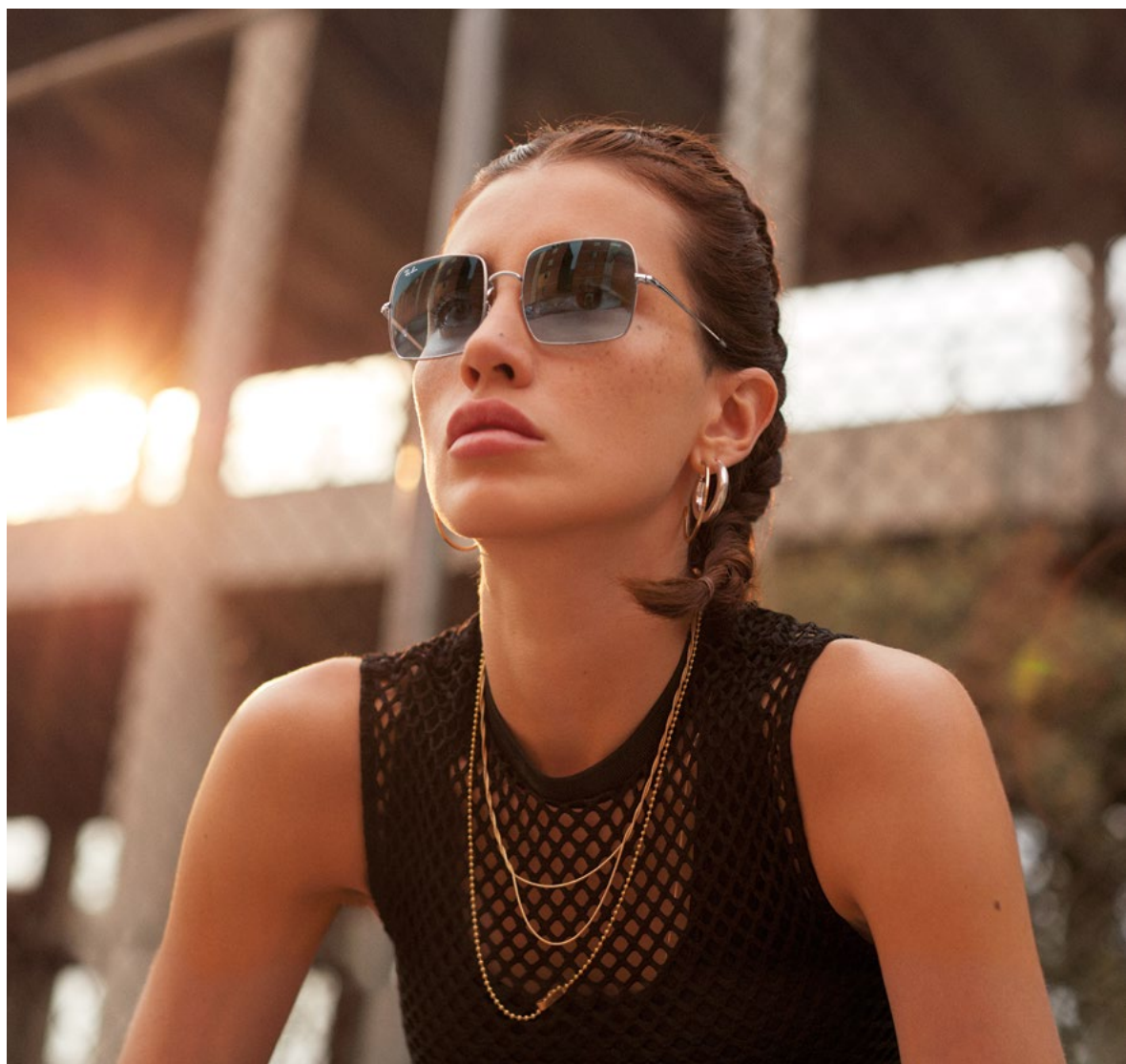


# NOTICE OF MEETING



## ORDINARY AND EXTRAORDINARY GENERAL MEETING

Thursday, May 16, 2019 at 10:30 am

Maison de la Mutualité  
24 rue Saint-Victor  
75005 Paris  
France





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## Useful contacts

### ***EssilorLuxottica:***

#### **Investor Relations and Financial Communications Department**

**Phone number:**

(Charenton-le-Pont) Tel: +33 (0)1 49 77 42 16

(Milan) Tel: +39 (02) 8633 4870

**E-mail address:**

IR@essilorluxottica.com

#### **Centralising bank of the Shareholders' Meeting: Société Générale**

**Postal address:**

Société Générale – Service des Assemblées –  
CS 30812 – 44308 Nantes Cedex 03 – France

**Phone number:**

0 825 315 315: Monday to Friday, from  
8:30 am to 6:00 pm\* (excluding public  
holidays) (premium-rate number – €0.15  
per minute)

## Deadlines to remember

**March 29**

Publication of the preliminary notice of meeting in the *Bulletin des annonces légales obligatoires* (BALO).

**April 26 – 9:00 am\***

Launch of the dedicated secure voting website available to the shareholders prior to the Meeting.

**May 13**

Deadline for Société Générale to receive the voting form by regular mail.

**May 14 – 12:00 am\***

Deadline for shareholders to be registered in the securities account to participate in the Shareholders' Meeting (*record date*).

**May 15 – 3:00 pm\***

Shutdown of the dedicated secure voting website available to the shareholders prior to the Meeting.

**May 16 – 10:30 am\***

Ordinary and Extraordinary General Meeting at the Maison de la Mutualité in Paris.

## To get to the Maison de la Mutualité in Paris

Please refer to the access map available on the last page of this document.

\* CEST.

# 1

## AGENDA

### For the Ordinary Meeting

1. Approval of the 2018 parent company financial statements
2. Approval of the 2018 consolidated financial statements
3. Allocation of earnings and setting of the dividend
4. Renewal of the term of office of PriceWaterhouseCoopers Audit as Statutory Auditor
5. Renewal of the term of office of Mazars as Statutory Auditor
6. Appointment of Mr. Patrice MOROT as Substitute Statutory Auditor of PriceWaterhouseCoopers Audit
7. Appointment of Mr. Gilles MAGNAN as Substitute Statutory Auditor of Mazars
8. Agreements falling within the scope of Article L.225-38 of the French Commercial Code
9. Approval of the undertakings referred to in Article L.225-42-1 of the French Commercial Code relating to the supplementary pension plan and the severance payment granted to Mr. Leonardo DEL VECCHIO, Executive Chairman, in the event of the termination of his term of office
10. Approval of the undertakings referred to in Article L.225-42-1 of the French Commercial Code relating to the supplementary pension plan and the severance payment granted to Mr. Hubert SAGNIÈRES, Executive Vice-Chairman, in the event that his employment contract is terminated under certain conditions
11. Approval of the fixed, variable and exceptional compensation components comprising the total compensation and benefits of any kind paid or awarded in respect of the 2018 fiscal year to Mr. Leonardo DEL VECCHIO, Executive Chairman since October 1, 2018
12. Approval of the fixed, variable and exceptional compensation components comprising the total compensation and benefits of any kind paid or awarded in respect of the 2018 fiscal year to Mr. Hubert SAGNIÈRES, Executive Vice-Chairman since October 1, 2018, and Chairman and Chief Executive Officer from January 1 to October 1, 2018
13. Approval of the fixed, variable and exceptional compensation components comprising the total compensation and benefits of any kind paid or awarded in respect of the 2018 fiscal year to Mr. Laurent VACHEROT, President and Chief Operating Officer until October 1, 2018
14. Approval of the compensation policy applicable to Executive Corporate Officers

## For the Extraordinary Meeting

15. Delegation of authority granted to the Board of Directors for the purposes of deciding a capital increase reserved for members of a Company Savings Plan (French *plans d'épargne d'entreprise* or "PEE"), without preferential subscription rights (ceiling of 0,5% of the share capital)
16. Delegation of authority to the Board of Directors to issue shares and securities entailing a capital increase, with preferential subscription rights (ceiling of 5% of the share capital)
17. Delegation of authority to the Board of Directors entailing a capital increase by capitalization of premiums, reserves, profits or other

## For the Ordinary Meeting

18. Powers to carry out formalities

# 2

## HOW TO PARTICIPATE IN THE SHAREHOLDERS' MEETING?

### 1. Formalities to be carried out before participating in the General Meeting

Shareholders wishing to attend the Meeting, to be represented via proxy, or to vote by post or online, in accordance with Article R.225-85 of the French Commercial Code, will have to provide evidence of ownership of their shares by 12:00 am CEST on the second business day prior to the Meeting (i.e. **12:00 am CEST, Tuesday, May 14, 2019**):

■ **For registered shareholders:**

Through the listing of their shares on the Company registers held by Société Générale.

■ **For bearer shareholders:**

Through the accounting entry for their shares (in their name or, for non-resident shareholders, in the name of the intermediary listed for their account) in the securities account held by the banking or financial intermediary that manages it.

This accounting entry for the shares must be reported in an attendance certificate issued by the authorised intermediary, and it is this which establishes proof of shareholder status. The attendance certificate issued by the authorised intermediary must be attached to the postal voting form, the proxy, or the admission card request and should be sent by the authorised intermediary to the following address:

**Société Générale**

**Service des Assemblées**

CS 30812

44308 Nantes Cedex 03

France

### 2. Ways of participating in the Meeting

Only shareholders registered in the securities account on the following date may participate<sup>(1)</sup> in the Meeting:

**Tuesday, May 14, 2019, 12.00 am (CEST), i.e., midnight on Monday, May 13, 2019.**

***To PARTICIPATE<sup>(1)</sup>, shareholders are requested to:***



**VOTE BY POST**

**Return the voting form by mail**

**The form must be received by**

**Monday, May 13, 2019**

See instructions on page 8

If you decide to vote online, you must not send your paper voting form back and vice versa. The website will open **on Friday, April 26, 2019 from 9:00 am CEST** and give you the same options as the paper voting form.



**VOTE ONLINE**

**Go online and select "voting instructions"**

**Deadline:**

**Wednesday, May 15, 2019, 3:00 pm CEST**

See instructions on page 6

You therefore have the options of:

- requesting and printing an admission card;
- giving a proxy to the Chairman of the Meeting or to any other person of your choice (designating and revoking a proxy);
- voting on the resolutions.

**Note:** If you own EssilorLuxottica shares in more than one form (registered, bearer, or through the dedicated employee share ownership fund i.e. "FCPE"), you will have to vote as many times as there are forms if you wish to cast all your voting rights.

<sup>(1)</sup> Participate: attend in person (request an admission card), vote remotely, give a proxy to the Chairman of the Meeting or any other person.

## 2.1. If you wish to attend the Meeting in person, you must request an admission card (by post or online)

### *If you are a registered shareholder*

If you have not chosen to receive the notice of meeting by e-mail (e-notice) and if you are registered for at least one month on the date of the notice of meeting, you will receive the notice of meeting accompanied by a specific form by regular mail. You may obtain your admission card by filling out, signing and returning the form to Société Générale, using the attached postage-paid return envelope. If you have not received your requested admission card by Tuesday, May 14, 2019, please contact Société Générale to track its status from Monday to Friday from 8:30 am to 6:00 pm CEST (excluding public holidays), at the phone number:

- 0 825 315 315 (premium-rate number – €0.15 per minute).

You can also request an admission card online. Connect to the website [www.sharinbox.societegenerale.com](http://www.sharinbox.societegenerale.com) using your user ID and the password that you should have received by post when you opened your registered share account at Société Générale. If you have lost your user ID or password, you can ask for them to be resent by clicking on "Get your codes" on the website's homepage.

### *If you are a bearer shareholder*

You must contact the authorised intermediary holding your securities account, stating that you would like to attend the

Meeting in person. The intermediary will send an attendance certificate to Société Générale, acting for EssilorLuxottica. If you have not received your admission card by Tuesday May 14, 2019, **you will need to ask** your intermediary to issue **an attendance certificate**, which will enable you to prove your status as a shareholder at this date to be admitted to the Meeting.

If the financial intermediary managing your shares offers the access to "Votaccess" (online voting platform), you can request an admission card online by connecting to your financial intermediary's portal using your usual login information. You will have to click on the icon displayed on the line corresponding to your EssilorLuxottica shares and follow the instructions displayed on the screen to access the "Votaccess" online voting platform and request the admission card.

### *If you hold shares through the dedicated employee share ownership fund i.e. "FCPE"*

If you hold shares through the dedicated employee share ownership fund i.e. "FCPE", with direct voting rights, you can request an admission card online. Connect to [www.esalia.com](http://www.esalia.com) (using your usual login information) to access the "Votaccess" online voting platform and print your admission card.

## 2.2. If you are not attending the Meeting in person, you can participate by appointing a proxy, or by voting by correspondence (post or online)

### *Appointing a proxy*

#### **Either a designated proxy holder**

If you have chosen to be represented by a proxy holder of your choice, you may give notice of the appointment<sup>(1)</sup>:

- **By regular mail**, either sent directly using the paper voting form for registered shareholders or sent by the authorised intermediary holding the securities account for bearer shareholders. The notice must be received by Société Générale by Monday, May 13, 2019 at the latest;
- **Electronically**, by connecting to the website [www.sharinbox.societegenerale.com](http://www.sharinbox.societegenerale.com) (if you are a registered shareholder) or to your financial intermediary's portal (if you are a bearer shareholder and if the financial intermediary managing your shares has joined the "Votaccess" system and offers this service for this General Meeting) or the website [www.esalia.com](http://www.esalia.com) (if you hold shares through the dedicated employee share ownership fund i.e. "FCPE"), according to the instructions described in the box on page 6, by 3:00 pm CEST, Wednesday, May 15, 2019 at the latest.

#### **Or without specifying any proxy holder (representative)**

You may notify us of your choice **by mail or electronic means, as described above**. The Chairman of the Meeting will vote in favour of the adoption of the proposed resolutions presented or agreed to by the Board of Directors and a vote against the adoption of any other proposed resolutions.

### *Voting by correspondence with your personal voting form or on the website*

#### **Voting by post with the voting form**

##### **▪ If you are a registered shareholder:**

You will receive your personal voting form by regular mail (unless you have chosen to receive the notice of meeting by e-mail). The duly completed and signed personal voting form will have to be sent to Société Générale using the attached postage-paid return envelope.

(1) Pursuant to Article R.225-79 of the French Commercial Code, a proxy can be revoked (by the same process used for appointing a proxy holder).



## 2 How to participate in the Shareholders' Meeting?

Ways of participating in the Meeting

### ■ If you are a bearer shareholder:

You must send your request for a postal voting form to your financial intermediary. When you have completed and signed the form, the intermediary will be responsible for transmitting it to Société Générale, accompanied by an attendance certificate.

Any request for the postal voting form will have to be received at least six days before the Shareholders' Meeting, i.e. no later than **Friday, May 10, 2019**.

In all cases, the duly completed and signed personal voting form, accompanied by the attendance certificate for bearer shareholders, will have to be received by Société Générale (at the address indicated previously) at least three calendar

days before the date of the Shareholders' Meeting, that is by **Monday, May 13, 2019**.

### Online voting on the resolutions

■ **If you are a registered shareholder:** by connecting to the website [www.sharinbox.societegenerale.com](http://www.sharinbox.societegenerale.com);

■ **If you are a bearer shareholder:** by connecting to your financial intermediary's portal (if the financial intermediary managing your shares has joined the "Votaccess" system and offers this service for this General Meeting).

■ **If you hold shares through the dedicated employee share ownership fund i.e. "FCPE":** by connecting to the website [www.esalia.com](http://www.esalia.com).

See the instructions described in the following box.

### How to connect and give voting instructions via the internet?

EssilorLuxottica makes a dedicated voting website available to its shareholders prior to the Meeting, in accordance with the provisions of Article R.225-61 of the French Commercial Code. This secure website offers the options to: request an admission card, give a proxy to the Chairman of the Meeting or to any other person of your choice, or vote on the resolutions.

The "Votaccess" online voting platform will be opened from Friday, April 26, 2019, 9:00 am, to Wednesday, May 15, 2019, 3:00 pm (CEST).

**In order to avoid any overload of the voting website, shareholders are advised not to wait until the last minute before connecting to the site.**

### ■ If you are a registered shareholder:

Connect to the Sharinbox website [www.sharinbox.societegenerale.com](http://www.sharinbox.societegenerale.com) using your user ID and the password that you should have received by post when you opened your registered share account at Société Générale. If you have lost your user ID or password, you can ask for them to be resent by clicking on "GET YOUR CODES" on the website's homepage.

Then click on the name of the Shareholders' Meeting under the heading "MY OPERATIONS", select the operation and follow the instructions before clicking on "VOTE" under the heading "YOUR VOTING RIGHTS".

### ■ If you are a bearer shareholder:

If the financial intermediary managing your shares has joined the "Votaccess" system and offers this service for this General Meeting, you will have to connect to your financial intermediary's portal, using your usual login information. Then click on the icon which is displayed on the line corresponding to your EssilorLuxottica shares and follow the instructions displayed on the screen to access the "Votaccess" online voting platform. The access to the "Votaccess" online voting platform may be subject to specific terms of use according to your financial intermediary. Please contact your financial intermediary for further information.

### ■ If you hold shares through the dedicated employee share ownership fund i.e. "FCPE", with direct voting rights:

Connect to [www.esalia.com](http://www.esalia.com) (using your usual login information) to access the "Votaccess" online voting platform.

## 2.3. Once you have cast your vote by correspondence or proxy or by requesting your admission card or an attendance certificate to attend the Meeting

■ **You may no longer select another way of participating in the Meeting** (Article R.225-85 of the French Commercial Code).

■ **But you can still sell all or some of your shares at any time.**

However, if the sale occurs before Tuesday, May 14, 2019, 12:00 am CEST, the Company will invalidate or modify any vote cast remotely, proxy, admission card, or attendance

certificate, as the case may be. In such cases, the authorised intermediary holding the account will inform the Company or its registrar of the sale and transmit the necessary information.

No sale or any other action taken or carried out after Tuesday, May 14, 2019, 12:00 am CEST, by whatever means used, will be recorded by the authorised intermediary or taken into consideration by the Company, notwithstanding any agreement to the contrary.



## 3. How to submit written questions and find information

### 3.1. Submitting written questions

In accordance with Article R.225-84 of the French Commercial Code, any shareholder may submit written questions following the publication of the preliminary notice of meeting in the *Bulletin des annonces légales obligatoires* (BALO)<sup>(1)</sup>. These questions must be sent to the Chairman of the Board of Directors, at the registered office of the Company either by registered letter with return receipt requested or by e-mail to the following address: [IR@essilorluxottica.com](mailto:IR@essilorluxottica.com), at the latest four business days prior to the date of the Shareholders' Meeting (Friday, May 10, 2019). They must be accompanied by an attendance certificate in the case of bearer shareholders.

### 3.2. Finding information

*Let us reduce CO<sub>2</sub> emissions by printing less!*

- Legal requirements give registered shareholders the option of receiving their notice of meeting and/or documents for

the Shareholders' Meeting by e-mail (e-notice). To select this option, they simply need to connect to the Sharinbox website, [www.sharinbox.societegenerale.com](http://www.sharinbox.societegenerale.com) (registered asset management website) and tick the box "e-notices for general meetings" in the menu "My e-Services" under "My Account".

- Registrations made until thursday April 11, 2019, included, are valid for this year Shareholder's meeting. As from friday April 12, 2019, they will be valid for future shareholder's meetings.
- All documents that must be made available to shareholders in connection with the shareholders' meetings will be available at the registered office of the Company, and, for the documents specified in Article R.225-73-1 of the French Commercial Code, on the Company's website at the following address: [www.essilorluxottica.com](http://www.essilorluxottica.com) not less than 21 days before the Meeting (that is, on Thursday, April 25, 2019).
- Shareholders who still wish to receive the documents for this Shareholders' Meeting by post, need to return the form "Request for documents and information", available on page 39.

## 4. Notice, prior to the Meeting, of participating linked to temporary ownership of shares (securities lending)

Under law, any legal entity or individual (with the exception of those described in paragraph 3-IV of Article L.233-7 of the French Commercial Code) holding alone or together a number of shares representing more than 0.5% of the Company's voting rights pursuant to one or several temporary transfers or similar arrangements as described by Article L.225-126 of the French Commercial Code is required to inform the Company and the French Financial Markets Authority (AMF) of the number of shares temporarily held by no later than midnight CEST on the second business day preceding the Shareholders' Meeting (on **Tuesday, May 14, 2019** at 12:00 am CEST).

Declarations can be e-mailed to the Company at: [IR@essilorluxottica.com](mailto:IR@essilorluxottica.com).

Failing such declaration, any shares bought under any of the above described temporary transfer arrangements will be deprived of their voting rights at the relevant Shareholders' Meeting and at any subsequent Shareholders' Meeting that may be held until the shares are transferred again or returned.

The e-mail must include the following information:

- name or company name and contact person (name, position, phone number, e-mail address);
- identity of the transferor (name or company name);
- nature of the arrangement;
- number of shares transferred under the arrangement;
- ISIN code of the shares listed on Euronext Paris;
- date and maturity date of the arrangement;
- voting agreement (if any).

The details received by the Company will be published on its website.

<sup>(1)</sup> Publication of the preliminary notice of meeting in the *Bulletin des annonces légales obligatoires* (BALO) on March 29, 2019 (available on the website [www.essilorluxottica.com](http://www.essilorluxottica.com)).

# 3

# HOW TO FILL IN THE VOTING FORM?

## Step 1

Request an admission card to attend the Meeting.

OR

Vote on the resolutions by correspondence.

OR

Give your proxy to the Chairman of the Meeting<sup>(1)</sup>.

OR

Give your proxy to an individual or entity of your choice by indicating their name and address.

**IMPORTANT : Avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso - Important : Before selecting please refer to instructions on reverse side**  
**Quelle que soit l'option choisie, noircir comme ceci [ ] la ou les cases correspondantes, dater et signer au bas du formulaire - Whatever option is used, shade box(es) like this [ ] date and sign at the bottom of the form.**  
**A. [ ] Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire. / I wish to attend the shareholder's meeting and request an admission card : date and sign at the bottom of the form.**  
**B. [ ] J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / I prefer to use the postal voting form or the proxy form as specified below.**

**ESSILORLUXOTTICA**  
 Direction Générale, 1-6 Rue Paul Cézanne - 75008 Paris  
 S.A au capital de 78 486 559,56 €  
 147, rue de Paris  
 94220 Charenton-le-Pont  
 712 049 618 RCS CRETEIL

**ASSEMBLÉE GÉNÉRALE MIXTE du 16 mai 2019 à 10h30**  
 à la Maison de la Mutualité - 24 rue Saint-Victor - 75005 Paris  
**COMBINED GENERAL MEETING convened on May 16, 2019 at 10:30 a.m.**  
 at Maison de la Mutualité - 24 rue Saint-Victor - 75005 Paris

**CADRE RÉSERVÉ À LA SOCIÉTÉ - FOR COMPANY'S USE ONLY**  
 Identifiant - Account  
 Nominatif Registered  
 Porteur Bearer  
 Vote simple Single vote  
 Vote double Double vote  
 Nombre d'actions Number of shares  
 Nombre de voix - Number of voting rights

**JE VOTE PAR CORRESPONDANCE // I VOTE BY POST**  
 Cf. au verso (2) - See reverse (2)  
 Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directoire ou la Gérance, à l'EXCEPTION de ceux que je signale en noircissant comme ceci [ ] la case correspondante et pour lesquels je vote NON ou je m'abstiens.  
 I vote YES all the draft resolutions approved by the Board of Directors, EXCEPT those indicated by a shaded box - like this [ ], for which I vote NO or I abstain.  
 Sur les projets de résolutions non agréés par le Conseil d'Administration ou le Directoire ou la Gérance, je vote en noircissant comme ceci [ ] la case correspondant à mon choix.  
 On the draft resolutions not approved by the Board of Directors, I cast my vote by shading the box of my choice - like this [ ].

**JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE**  
 Cf. au verso (3)  
**I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING**  
 See reverse (3)

**JE DONNE POUVOIR À : Cf. au verso (4)**  
**I HEREBY APPOINT: See reverse (4)**  
 M. Mme ou Mlle, Raison Sociale / Mr, Mrs or Miss, Corporate Name  
 Adresse / Address

**ATTENTION : s'il s'agit de titres au porteur, les présentes instructions ne seront valides que si elles sont directement retournées à votre banque.**  
**CAUTION : If it is about bearer securities, the present instructions will be valid only if they are directly returned to your bank.**  
 Nom, prénom, adresse de l'actionnaire (les modifications de ces informations doivent être adressées à l'établissement concerné et ne peuvent être effectuées à l'aide de ce formulaire). Cf au verso (1)  
 Surname, first name, address of the shareholder (change regarding this information have to be notified to relevant institution, no change can be made using this proxy form). See reverse (1)

1 2 3 4 5 6 7 8 9  
 10 11 12 13 14 15 16 17 18  
 19 20 21 22 23 24 25 26 27  
 28 29 30 31 32 33 34 35 36  
 37 38 39 40 41 42 43 44 45

Oui / Non/No  
 Yes Abst/Abst

A [ ] [ ] F [ ] [ ]  
 B [ ] [ ] G [ ] [ ]  
 C [ ] [ ] H [ ] [ ]  
 D [ ] [ ] J [ ] [ ]  
 E [ ] [ ] K [ ] [ ]

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée / In case amendments or new resolutions are proposed during the meeting  
 - Je donne pouvoir au Président de l'assemblée générale de voter en mon nom. / I appoint the Chairman of the general meeting to vote on my behalf.  
 - Je m'abstiens (l'abstention équivaut à un vote contre). / I abstain from voting (it is equivalent to vote NO).  
 - Je donne procuration [cf. au verso renvoi (4)] à M. Mme ou Mlle, Raison Sociale pour voter en mon nom.  
 I appoint [see reverse (4)] Mr, Mrs or Miss, Corporate Name to vote on my behalf.

Pour être prise en considération, toute formule doit parvenir au plus tard :  
 In order to be considered, this completed form must be returned at the latest:  
 à la banque / to the bank 13 mai 2019 / May 13rd, 2019

Date & Signature

## Step 2

Date and sign regardless of your choices.

## Step 3

Return your form duly filled in and signed:

- if you are a registered shareholder: to Société Générale **before Monday, May 13, 2019 (deadline for receipt)**, using the attached postage-paid return envelope;
- if you are a bearer shareholder: to the authorised intermediary holding your securities account, who will pass it on with an attendance certificate to Société Générale **before Monday, May 13, 2019 (deadline for receipt)**.

(1) The Chairman of the Meeting will vote in favour of the adoption of the proposed resolutions presented or agreed to by the Board of Directors and a vote against the adoption of any other proposed resolutions.

# 4

## PROPOSED RESOLUTIONS AND STATEMENT OF REASONS

### Ordinary resolutions

#### Resolutions 1 to 3:

##### *Approval of the financial statements and allocation of earnings and setting of the dividend*

**Resolutions 1 to 2** relate to the approval of:

- the corporate financial statements for the financial year ending on December 31, 2018;
- the consolidated financial statements for the financial year ending on December 31, 2018.

**Resolution 3** is relating to the allocation of earning and setting of the dividend. The Shareholders' Meeting is required to approve a dividend at €2.04 per share for the 2018 financial year. The dividend will be paid out on May 23, 2019 (ex-date on May 21, 2019).

#### First resolution

##### *Approval of the 2018 parent Company financial statements*

The General Meeting, acting under the conditions of quorum and majority required for ordinary Shareholders' Meeting and having reviewed the report of the Board of Directors and the Statutory Auditor's report on the Company's financial statements for the year ending December 31, 2018 showing a net result of €394,903,188.77, approves the 2018 Company's financial statements and the transactions reflected in these statements or summarised in the Board of Directors and the Statutory Auditors' reports.

It notes that the company financial statements for the fiscal year ended December 31, 2018, do not report any non-deductible expenses and charges as defined in Article 39-4 of the French Tax Code (*Code général des impôts*) and do not report any add-back expenses pursuant to Article 39-5 of said Code the fiscal year.

#### Second resolution

##### *Approval of the 2018 consolidated financial statements*

The General Meeting, acting under the conditions of quorum and majority required for ordinary Shareholders' Meeting and having reviewed the reports of the Board of Directors and the Statutory Auditors' report on the consolidated financial statements for the year ending December 31, 2018 showing

a net result of €1,155,755 thousand, €1,087,217 thousand of which are attributable to the Group, approves the 2018 consolidated financial statements and the transactions reflected in these statements or summarized in the Board of Directors' and the Statutory Auditors' reports.

## Third resolution

### Allocation of earnings and setting of the dividend

The General Meeting, having fulfilled the required conditions for quorum and majority voting for ordinary general meetings, allocates the net profit of the financial year, i.e., €394,903,188.77, as follows:

In €	
Net income of the year	394,903,188.77
Retained earnings from previous years	(15,344.37)
Allocation to the legal reserve	(3,737,732.02)
Other reserves	2,553,639,590.21
<b>TOTAL DISTRIBUTABLE INCOME</b>	<b>2,944,789,702.59</b>
Dividends	
• Statutory	4,697,327.00
• Complementary	882,575,550.40
<b>TOTAL DIVIDEND</b>	<b>887,272,877.40</b>
Other reserves	2,057,516,825.19
Retained earnings	0.00
<b>TOTAL</b>	<b>2,944,789,702.59</b>

The Meeting grants the Board of Directors the necessary powers to proceed with the payment of a dividend of **€2.04** per ordinary share, constituting the Company's capital and carrying dividend rights. This amount is calculated on the basis of the number of Company shares at March 5, 2019 (settlement date of the squeeze out procedure) and will be adjusted to reflect the number of shares issued between that date and the dividend payment date as a result of any share subscription options or performance shares which have been exercised or acquired and giving entitlement to such dividend.

The dividend will be paid out on May 23, 2019.

In the event that the Company is holding some of its own shares, the corresponding dividend amount not paid out will be allocated to the retained earnings, as stipulated in Article L.225-210 of the French Commercial Code.

As required by law, the amount of dividends distributed in respect of the last three financial years is as follows:

Financial years	2017	2016	2015
Dividend-bearing ordinary shares	217,791,041	216,456,440	213,646,352
Net dividend	€1.53	€1.50	€1.11 <sup>(a)</sup>

(a) The Shareholders' Meeting held on May 11, 2016 offered to each shareholder of the Company the option for the payment of the dividend either in cash or in shares.

## Resolutions 4 to 7:

### Appointment or renewal of the Statutory Auditors and the substitute Statutory Auditors

The term of offices of the Statutory Auditors and the substitute Statutory Auditors expiring at the end of the Shareholders' Meeting, the following resolutions are submitted for approval:

- the fourth and fifth resolutions propose the renewal of the Statutory Auditors: PricewaterhouseCoopers Audit and Mazars for a new legal six years period until the Shareholders' Meeting convened to approve the financial statement for the fiscal year ended December 31, 2024;
- the sixth and the seventh resolutions propose the appointment of new substitute Statutory Auditors to PriceWaterhouseCoopers Audit (Mr. Patrice MOROT) and Mazars (Mr. Gilles MAGNAN) pursuant to the Article 22 of the bylaws.

## Fourth resolution

### Renewal of the term of office of PRICEWATERHOUSECOOPERS AUDIT as Statutory Auditor

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the Board of Directors' report and having acknowledged the expiration of the term of office of PricewaterhouseCoopers Audit as Statutory Auditor, renews

its term of office for a new legal period of six years, i.e. until the end of the Ordinary Shareholders' Meeting convened to approve the financial statements for the fiscal year ended December 31, 2024.

## Fifth resolution

### *Renewal of the term of office of MAZARS as Statutory Auditor*

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the Board of Directors' report and having acknowledged the expiration of the term of office of

MAZARS as Statutory Auditor, renews its term of office for a new legal period of six years, *i.e.* until the end of the Ordinary Shareholders' Meeting convened to approve the financial statements for the fiscal year ended December 31, 2024.

## Sixth resolution

### *Appointment of Mr. Patrice MOROT as Substitute Statutory Auditor of PRICEWATERHOUSE*

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the Board of Directors' report and having acknowledged the expiration of the term of office of Mr. Étienne BORIS as Substitute Statutory Auditor,

appoints Mr. Patrice MOROT as Substitute Statutory Auditor of PriceWaterhouse Coopers Audit, for a legal period of six years, *i.e.* until the end of the Ordinary Shareholders' Meeting convened to approve the financial statements for the fiscal year ended December 31, 2024.

## Seventh resolution

### *Appointment of Mr. Gilles MAGNAN as Substitute Statutory Auditor of MAZARS*

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the Board of Directors' report and having acknowledged the expiration of the term of office of Jean-Louis SIMON as Substitute Statutory Auditor,

appoints Mr. Gilles MAGNAN as Substitute Statutory Auditor of Mazars, for a legal period of six years, *i.e.* until the end of the Ordinary Shareholders' Meeting convened to approve the financial statements for the fiscal year ended December 31, 2024.

## Resolutions 8 to 10:

### *Agreements falling within the scope of Articles L.225-38 and L.225-42-1 of the French Commercial Code*

**Under the 8<sup>th</sup> resolution**, and after you have reviewed the Statutory Auditors' special report referred to in Article L.225-38 of the French Commercial Code, the Board of Directors asks you to approve the regulated agreements and commitments approved during the 2018 fiscal year regarding the compensation components applied to the current Executive Corporate Officers, specifically:

- a supplementary defined benefit pension plan, which is also open to EssilorLuxottica senior executives classified as "IIC" or "HC" within the meaning of the French metallurgy industry collective bargaining agreement;
- a supplementary defined contribution plan applicable to all executives;
- a death/disability plan and health insurance plan for which the Executive Corporate Officers are eligible on the same basis as all executives;
- severance payment (in the event of forced departure);
- unemployment insurance for company managers and corporate officers (*Garantie sociale des chefs et dirigeants d'entreprise* – GSC).

**Under the 9<sup>th</sup> resolution**, the Board of Directors asks you to approve the commitments made to Leonardo DEL VECCHIO, Executive Chairman, relating to the defined benefit pension plan, the supplementary defined contribution plan and the severance payment in the event of forced departure.

With regard to Leonardo DEL VECCHIO's supplementary defined benefit pension plan, it is hereby specified that he did not begin to accrue performance-based benefits until January 1, 2019. Conditional accrued benefits are strictly proportional to the rates of achievement of the annual variable compensation up to a limit of 100% and may equal no more than 1.25% of his base compensation per year.

With regard to Leonard DEL VECCHIO's severance payment, this is set at two years' cash compensation (corresponding to the average of fixed and variable annual compensation received in the last three years prior to departure) and is subject to performance conditions related to the achievement of annual targets.

**Under the 10<sup>th</sup> resolution**, after reviewing the Statutory Auditors' special report and pursuant to Article L.225-42-1 of the French Commercial Code, you are asked to approve the deferred commitments made to Hubert SAGNIÈRES, Executive Vice-Chairman of the Company, as authorized by the Board of Directors at its meeting of November 29, 2018. As a reminder, Hubert SAGNIÈRES was an employee of the Group for 21 years before being appointed Chief Executive Officer of Essilor on January 1, 2010 and then Chairman and Chief Executive Officer until October 1, 2018. As part of his change in role effective October 1, 2018, the date on which Hubert SAGNIÈRES was appointed the Company's Executive Vice-Chairman, the Board of Directors decided to continue to grant the following deferred commitments to Hubert Sagnières under the same conditions as previously, in accordance with legal provisions applicable to regulated agreements:

- a supplementary defined benefit pension plan, as referred to above. As a reminder, since Hubert SAGNIÈRES had 20 years seniority in the EssilorLuxottica group at January 1, 2009, i.e. before his appointment as a corporate officer of the EssilorLuxottica group, he has not accrued any additional benefits since then. The pension and other post-employment benefit obligations that are applicable to him are therefore not subject to the procedure stipulated by Article L.225-42-1 of the French Commercial Code pursuant to the Macron law dated August 6, 2015. Consequently, no performance condition is required in this regard;
- a supplementary defined contribution plan, as referred to above;
- a severance payment not related to his corporate office but to his employment contract. Note that an amendment was signed in 2018 to align the basis for calculating the severance payment with the compensation policy applied to Executive Corporate Officers, approved by the shareholders at the Shareholders' Meeting on November 29, and adapted for the new EssilorLuxottica Group. Note, too, that the hive-down of Essilor's businesses led to the automatic transfer of Hubert SAGNIÈRES' suspended employment contract to the Essilor International (SAS) subsidiary, effective November 1, 2017. Under the employment contract, currently suspended and as amended by the addendum dated July 26, 2018, this benefit is capped at two years' cash compensation (corresponding to the average of annual fixed and variable compensation received in the last three years prior to departure); Thus, in the specific case of Hubert SAGNIÈRES, whose employment contract is suspended, a severance payment may be made if, following the termination of his corporate office, his employment contract is terminated at the Company's initiative within one year of its reactivation, except in the event of gross or serious misconduct.

These commitments approved by the Board of Directors at its meeting of November 29, 2018 pursuant to the regulated agreements referred to in Article L.225-38 of the French Commercial Code are described in the corporate governance report attached to the management report and in the Statutory Auditors' special report on the agreements referred to in Articles L.225-38, L.225-40 and L.225-42-1 of the French Commercial Code.

## Eighth resolution

### *Agreements falling within the scope of Article L.225-38 of the French Commercial Code*

The Shareholders, having fulfilled the quorum and majority requirements for voting at ordinary general meetings, and having read the management report and the Statutory Auditors' special report on related-party transactions and

agreements falling within the scope of Article L.225-38 of the French Commercial Code, approve said report and the agreements referred to therein, in accordance with said Article.

## Ninth resolution

### *Approval of the undertakings referred to in Article L.225-42-1 of the French Commercial Code relating to the supplementary pension plan and the severance payment granted to Mr. Leonardo DEL VECCHIO, Executive Chairman, in the event of the termination of his term of office*

The General Meeting, having fulfilled the quorum and majority requirements for voting at ordinary general meetings and having read the Board of Directors' report and the Statutory Auditors' special report on related-party agreements and commitments, in accordance with the provisions of Article

L.225-42-1 of the French Commercial Code, approve the commitments falling within the scope of said Article that may be payable to Mr. Leonardo DEL VECCHIO, Executive Chairman, in the event of the termination of his term of office.



## Tenth resolution

**Approval of the undertakings referred to in Article L.225-42-1 of the French Commercial Code relating to the supplementary pension plan and the severance payment granted to Mr. Hubert SAGNIÈRES, Executive Vice-Chairman, in the event that his suspended employment contract is terminated under certain conditions**

The General Meeting, having fulfilled the quorum and majority requirements for voting at ordinary general meetings and having read the Board of Directors' report and the Statutory Auditors' special report on related-party agreements and commitments, in accordance with the provisions of Article

L.225-42-1 of the French Commercial Code, approve the commitments falling within the scope of said Article that may be payable to Mr. Hubert SAGNIÈRES, Executive Vice-Chairman, in the event that his suspended employment contract is terminated under certain conditions.

## Resolutions 11 to 14:

### **Compensation of Executive Corporate Officers ("say on pay")**

The purpose of the **11<sup>th</sup> resolution** is to submit for shareholder approval the compensation components due or awarded to Leonardo DEL VECCHIO, Executive Chairman of the Company since October 1, 2018 (date of Essilor and Luxottica's combination).

The purpose of the **12<sup>th</sup> resolution** is to submit for shareholder approval the compensation components due or awarded to Hubert SAGNIÈRES, Executive Vice-Chairman of the Company since October 1, 2018 (date of Essilor and Luxottica's combination) and Chairman and Chief Executive Officer of the Company from January 1 to October 1, 2018 (prior to the date of Essilor and Luxottica's combination).

The purpose of the **13<sup>th</sup> resolution** is to submit for shareholder approval the compensation components due or awarded to Laurent VACHEROT, President and Chief Operating Officer of the Company until October 1, 2018 (date of Essilor and Luxottica's combination).

These votes are required in accordance with Article L.225-100 of the French Commercial Code as amended by Law N°2016-1691 of December 9, 2016 ("the Sapin II Law").

These components are presented in a table prepared in accordance with the recommendations contained in the AFEP-MEDEF Code Application Guide issued by the High Committee for Corporate Governance ("Haut Comité de Gouvernement d'Entreprise").

Pursuant to Article L.225-37-2 of the French Commercial Code as amended by the Sapin II Law, the purpose of the **14<sup>th</sup> resolution** is to submit for the approval of the Shareholders' Meeting the compensation policy that applies to the current Executive Corporate Officers, Leonardo DEL VECCHIO and Hubert SAGNIÈRES.

As such, it is hereby specified that the compensation policy for Executive Corporate Officers, which is subject to an annual vote, is set by the Board of Directors, acting on the recommendation of the Nomination and Compensation Committee, based on the following key principles:

- Compensation must be aligned with shareholder interests and foster the creation of long-term shareholder value;
- Compensation must be considered as a whole: all components of compensation (cash compensation, long-term incentives, social benefits and supplementary pension) and the balance of those components must be taken into account;
- Compensation must be competitive with regard to the practices of comparable European and international companies in similar markets;
- Compensation must be consistent with that of EssilorLuxottica's other senior executives and employees;
- The variable component must support EssilorLuxottica's strategy and must be closely linked to EssilorLuxottica's performance;
- Compensation must reflect EssilorLuxottica's culture and values;
- Compensation must be governed by simple, clear, transparent rules.



To take into account the concerns expressed by shareholders at the Combined Shareholders' Meeting of November 29, 2018, the compensation policy for Executive Corporate Officers, as described in the report on corporate governance, includes the following clarifications:

- publication of the composition of the panels used to benchmark market practices and the compensation levels of those panels;
- change in the structure of the annual variable component with a return to a predominant weighting of financial indicators in the annual variable component structure, and non-financial/CSR criteria incorporated into specific objectives;
- explanation of the long-term incentive philosophy and reduction in the annual cap on performance shares that can be awarded to Executive Corporate Officers;
- details on the performance conditions for the severance pay.

Details of all compensation can be found in the report on corporate governance in Chapter 2 (Section 2.3 "Compensation and benefits") of the 2018 Registration Document.

## Eleventh resolution

### ***Approval of the fixed, variable and exceptional compensation components comprising the total compensation and benefits of any kind paid or awarded in respect of the 2018 fiscal year to Leonardo DEL VECCHIO, Executive Chairman since October 1, 2018***

The Shareholders' Meeting, voting with the quorum and majority conditions required for ordinary shareholders' meetings, pursuant to Article L.225-100 of the French Commercial Code, approves the fixed, variable and exceptional components comprising the total compensation and benefits of any kind paid or awarded in respect of the 2018 fiscal year to Leonardo DEL VECCHIO, owing to the nature of his office of Executive Chairman since October 1, 2018, as shown in the 2018 Registration Document, and reproduced below.

Compensation components paid or awarded in respect of the 2018 fiscal year	Amount or accounting valuation submitted to the vote	Comments
Fixed compensation	€287,500	Gross fixed annual compensation of €1,150,000 with effect from October 1, 2018, approved by the Board of Directors on October 1, 2018 on the recommendation of the Nomination and Compensation Committee. The amount indicated corresponds to the gross fixed annual compensation prorated for the period from October 1 to December 31, 2018.
Variable compensation	€215,625	At its meeting of March 18, 2019, the Board of Directors, on the recommendation of the Nomination and Compensation Committee and after approval of the financial items by the Audit and Risk Committee, assessed the variable compensation payable to Mr. Leonardo DEL VECCHIO in respect of the 2018 fiscal year. In light of the financial and specific objectives approved by the Board at its meeting of November 29, 2018 and the achievements recorded as at December 31, 2018, the amount of the variable component was assessed as follows: <ul style="list-style-type: none"> <li>• in respect of financial objectives: <ul style="list-style-type: none"> <li>• Luxottica growth, 50% of target achieved;</li> <li>• Luxottica restated net EPS, 100% of target achieved.</li> </ul> </li> <li>• in respect of specific objectives: the Board deemed that Mr. Leonardo DEL VECCHIO had met 70% of the objectives set by the Board, i.e., the holding company organization, the preparation of the synergy plan to be implemented from 2019, the successful implementation of EssilorLuxottica's new governance structure thanks to effective cooperation between the companies' respective teams, the implementation of the principle of equal powers between the two Executive Corporate Officers and ability to solve problems effectively and the roll-out within the future group of EssilorLuxottica's Mission, employee shareholding.</li> </ul> Consequently, the amount of Mr. Leonardo DEL VECCHIO'S variable compensation for 2018 was approved at €215,625, i.e., 75% of his 2018 annual fixed compensation for the period from October 1 to December 31, 2018. Details of these criteria, their respective weighting and their assessment scales are provided in the 2018 Registration Document in Chapter 2, Section 2.3.3, "2018 compensation of Executive Corporate Officers."
Deferred variable compensation	N/A	Mr. Leonardo DEL VECCHIO does not benefit from any deferred variable compensation.

Compensation components paid or awarded in respect of the 2018 fiscal year	Amount or accounting valuation submitted to the vote	Comments
Multi-year variable compensation	N/A	Mr. Leonardo DEL VECCHIO does not benefit from any multi-year variable compensation.
Directors' fees	€25,000	Mr. Leonardo DEL VECCHIO received €25,000 in directors' fees in respect of his directorship at EssilorLuxottica.
Exceptional compensation	N/A	Mr. Leonardo DEL VECCHIO did not benefit from any exceptional compensation.
Award of stock subscription and share purchase options	N/A	Mr. Leonardo DEL VECCHIO does not benefit from stock options.
Award of performance shares	Number: 50,000 and accounting valuation: €2,282,500	At its November 29, 2018 meeting, the Board of Directors, in accordance with the authorization granted by the 7 <sup>th</sup> resolution of the Shareholders' Meeting of November 29, 2018, and acting on the recommendation of the Nomination and Compensation Committee, awarded a maximum number of 50,000 performance shares to Mr. Leonardo DEL VECCHIO, valued at €2,282,500 according to the method used for the consolidated financial statements, i.e., 2.8% of the total number of shares awarded (the sum of the performance shares and the performance options awarded) and 0.012% of share capital at December 31, 2018. The rules governing awards to Executive Corporate Officers and the vesting conditions for such shares are set out in the 2018 Registration Document in Chapter 2, Section 2.3.3, "2018 compensation of Executive Corporate Officers."
Sign-on premium	N/A	Mr. Leonardo DEL VECCHIO did not benefit from any sign-on premium.
Termination benefits	No payment	At its meeting of November 29, 2018, and acting on the recommendation of the Nomination and Compensation Committee, EssilorLuxottica's Board of Directors approved the commitments made by the Company to Mr. Leonardo DEL VECCHIO regarding severance pay. In accordance with the procedure regarding regulated agreements and commitments, this commitment is submitted to the vote of this Shareholders' Meeting (9 <sup>th</sup> resolution) due to his appointment as the Company's Executive Chairman by the Board of Directors on October 1, 2018. Mr. Leonardo DEL VECCHIO is entitled to severance pay in respect of his Executive Corporate Office, in the event of forced departure, in an amount of two years' cash compensation (corresponding to the average of annual fixed and variable compensation received in the last three years prior to departure). Severance pay is wholly subject to performance conditions. Details of the award criteria for this benefit are provided in the 2018 Registration Document in Chapter 2, Section 2.3.3, "2018 compensation of Executive Corporate Officers."
Non-compete payment	N/A	Mr. Leonardo Del Vecchio does not benefit from any non-compete payment.
Supplementary pension plan	No payment	At its meeting of November 29, 2018, and acting on the recommendation of the Nomination and Compensation Committee, EssilorLuxottica's Board of Directors approved the commitments made by the Company to Mr. Leonardo DEL VECCHIO regarding the supplementary defined benefit pension plan. Mr. Leonardo DEL VECCHIO is eligible for the supplementary defined benefit pension plan set up by the Company under the same terms and conditions as those applicable to the category of employees to which he belongs for the purpose of determining employee benefits and other ancillary items of his compensation. In accordance with the procedure regarding regulated agreements and commitments, this commitment is submitted to the vote of this Shareholders' Meeting (9 <sup>th</sup> resolution) due to his appointment as the Company's Executive Chairman by the Board of Directors on October 1, 2018. Mr. Leonardo DEL VECCHIO did not begin to accrue benefits until after January 1, 2019. These benefits are subject to performance conditions similar to those to which he is subject in respect of his annual variable compensation. Conditional accrued benefits will be strictly proportional to the rates of achievement of the annual variable compensation up to a limit of 100% and may equal no more than 1.25% of his reference base compensation per year.
Employee death/disability and health insurance plans and defined contribution pension plan		Mr. Leonardo DEL VECCHIO is eligible for the Group death/disability and health insurance plans and the defined contribution pension plan set up by the Company under the same terms and conditions as those applicable to the category of employees to which he belongs for the purpose of determining employee benefits and other ancillary items of his compensation.
Benefits in kind	No payment	Mr. Leonardo DEL VECCHIO did not benefit from any benefits in kind in 2018.

## Twelfth resolution

### **Approval of the fixed, variable and exceptional compensation components comprising the total compensation and benefits of any kind paid or awarded in respect of the 2018 fiscal year to Hubert SAGNIÈRES, Executive Vice-Chairman since October 1, 2018, and Chairman and Chief Executive Officer from January 1 to October 1, 2018**

The Shareholders' Meeting, voting with the quorum and majority conditions required for ordinary shareholders' meetings, pursuant to Article L.225-100 of the French Commercial Code, approves the fixed, variable and exceptional components comprising the total compensation and benefits of any kind paid or awarded in respect of the 2018 fiscal year to Hubert SAGNIÈRES, owing to the nature of his office of Executive Vice-Chairman since October 1, 2018 and Chairman and Chief Executive Officer from January 1 to October 1, 2018, as shown in the 2018 Registration Document, and reproduced below.

Compensation components paid or awarded in respect of the 2018 fiscal year	Amount or accounting valuation submitted to the vote	Comments
Fixed compensation	€887,500	<p>Gross fixed annual compensation of €800,000 with effect from January 2, 2012, approved by the Board of Directors on November 24, 2011 on the recommendation of the Executive Officers and Compensation Committee. Amount remained unchanged until October 1, 2018.</p> <p>Gross fixed annual compensation of €1,150,000 with effect from October 1, 2018, approved by the Board of Directors on October 1, 2018 on the recommendation of the Nomination and Compensation Committee.</p> <p>The amount indicated corresponds to gross fixed annual compensation of €800,000 prorated for the period from January 1 to October 1 2018, and gross fixed annual compensation of €1,150,000 prorated for the period from October 1 to December 31, 2018.</p>
Variable compensation	€1,184,625	<p>At its meeting of March 18, 2019, the Board of Directors, acting on the recommendation of the Nomination and Compensation Committee and after approval of the financial items by the Audit and Risk Committee, assessed the variable compensation payable to Mr. Hubert SAGNIÈRES in respect of the 2018 fiscal year.</p> <p>In light of the financial and specific objectives approved by the Essilor Board at its meeting of February 28, 2018 and by the EssilorLuxottica Board at its meeting of November 29, 2018, and the achievements recorded as at December 31, 2018, the amount of the variable component was assessed as follows:</p> <p>For the period from January 1 to October 1, 2018,</p> <ul style="list-style-type: none"> <li>in respect of financial objectives: <ul style="list-style-type: none"> <li>Essilor organic growth, 200% of target achieved;</li> <li>Essilor restated net EPS, 80% of target achieved.</li> </ul> </li> <li>in respect of specific objectives: the Board deemed that Mr. Hubert SAGNIÈRES had met 160% of the objectives set by the Board, i.e., the successful completion of the proposed combination with Luxottica, the sustainability of Essilor's culture (Mission, Principles &amp; Values, employee shareholding), the ongoing development of Essilor's long-term growth drivers (online sales, China, Bolon, MJS), and the strengthening of compliance and internal control to support growth.</li> </ul> <p>Consequently, the amount of Mr. Hubert SAGNIÈRES' variable compensation for the period from January 1 to October 1, 2018 was approved at €900,000, i.e., 150% of his 2018 annual fixed compensation for the period from January 1 to September 30, 2018.</p> <p>For the period from October 1 to December 31, 2018,</p> <ul style="list-style-type: none"> <li>in respect of financial objectives: <ul style="list-style-type: none"> <li>Essilor organic growth, 200% of target achieved;</li> <li>Essilor restated net EPS, 80% of target achieved.</li> </ul> </li> <li>in respect of specific objectives: the Board deemed that Mr. Hubert SAGNIÈRES had met 70% of the objectives set by the Board, i.e., the holding company organization, the preparation of the synergy plan to be implemented from 2019, the successful implementation of EssilorLuxottica's new governance structure thanks to effective cooperation between the companies' respective teams, the implementation of the principle of equal powers between the two Executive Corporate Officers and ability to solve problems effectively and the roll-out within the future group of EssilorLuxottica's Mission, employee shareholding.</li> </ul> <p>Consequently, the amount of Mr. Hubert SAGNIÈRES' variable compensation for the period from October 1 to December 31, 2018 was approved at €284,625, i.e., 99% of his 2018 annual fixed compensation for the period from October 1 to December 31, 2018.</p> <p>Consequently, the total amount of Mr. Hubert SAGNIÈRES' variable compensation for 2018 was approved at €1,184,625.</p>

Compensation components paid or awarded in respect of the 2018 fiscal year	Amount or accounting valuation submitted to the vote	Comments
		Details of these criteria, their respective weighting and their assessment scales are provided in the 2018 Registration Document in Chapter 2, Section 2.3.3, "2018 compensation of Executive Corporate Officers."
Deferred variable compensation	N/A	Mr. Hubert SAGNIÈRES does not benefit from any deferred variable compensation.
Multi-year variable compensation	N/A	Mr. Hubert SAGNIÈRES does not benefit from any multi-year variable compensation.
Directors' fees	€33,000	Mr. Hubert SAGNIÈRES received €33,000 in directors' fees in respect of his Company's directorship, and member of the Corporate Social Responsibility Committee and Strategy Committee.
Exceptional compensation	N/A	Mr. Hubert SAGNIÈRES did not benefit from any exceptional compensation.
Award of stock subscription and share purchase options	N/A	Mr. Hubert SAGNIÈRES does not benefit from stock options.
Award of performance shares	Number: 50,000 and accounting valuation: €2,282,500	At its November 29, 2018 meeting, the Board of Directors, in accordance with the authorization granted by the 7 <sup>th</sup> resolution of the Shareholders' Meeting of November 29, 2018, and acting on the recommendation of the Nomination and Compensation Committee, awarded a maximum number of 50,000 performance shares to Mr. Hubert SAGNIÈRES, valued at €2,282,500 according to the method used for the consolidated financial statements, i.e., 2.8% of the total number of shares awarded (the sum of the performance shares and the performance options awarded) and 0.012% of share capital at December 31, 2018. The rules governing awards to Executive Corporate Officers and the vesting conditions for such shares are set out in the 2018 Registration Document in Chapter 2, Section 2.3.3, "2018 compensation of Executive Corporate Officers."
Sign-on premium	N/A	Mr. Hubert SAGNIÈRES did not benefit from any sign-on premium.
Termination benefits	No payment	At its meeting of November 29, 2018, and acting on the recommendation of the Nomination and Compensation Committee, EssilorLuxottica's Board of Directors approved the commitments made by the Company to Mr. Hubert SAGNIÈRES regarding severance pay. In accordance with the procedure regarding regulated agreements and commitments, this benefit obligation was authorized by the Board on March 4, 2009, reiterated on March 3, 2010 and ratified at the shareholders' meetings of May 5, 2011 (4 <sup>th</sup> resolution) and will be submitted to this Shareholders' Meeting (10 <sup>th</sup> resolution) due to his appointment as the Company's Executive Vice-Chairman by the Board of Directors on October 1, 2018. Details of the award criteria for this benefit are provided in the 2018 Registration Document in Chapter 2, Section 2.3.3, "2018 compensation of Executive Corporate Officers."
Non-compete payment	N/A	Mr. Hubert SAGNIÈRES does not benefit from any non-compete payment.
Supplementary pension plan	No payment	At its meeting of November 29, 2018, and acting on the recommendation of the Nomination and Compensation Committee, EssilorLuxottica's Board of Directors approved the commitments made by the Company to Mr. Hubert SAGNIÈRES regarding the supplementary defined benefit pension plan. Mr. Hubert SAGNIÈRES is eligible for the supplementary defined benefit pension plan set up by the Company under the same terms and conditions as those applicable to the category of employees to which he belongs for the purpose of determining employee benefits and other ancillary items of his compensation. In accordance with the procedure regarding regulated agreements and commitments, this benefit obligation was authorized by the Board on November 26, 2009 and ratified at the shareholders' meetings of May 11, 2010 (5 <sup>th</sup> resolution) and May 11, 2017 (4 <sup>th</sup> resolution), and will be submitted to this Shareholders' Meeting (10 <sup>th</sup> resolution) due to his appointment as the Company's Executive Vice-Chairman by the Board of Directors on October 1, 2018. As an example, if the calculation were made on December 31, 2018, the annual pension provided by this plan would amount to 25% of the average total compensation (fixed + variable) actually paid to Mr. Hubert SAGNIÈRES during the 2016, 2017 and 2018 fiscal years (see 2018 Registration Document, Chapter 2, Section 2.3.3, "2018 compensation of Executive Corporate Officers").

Compensation components paid or awarded in respect of the 2018 fiscal year	Amount or accounting valuation submitted to the vote	Comments
Employee death/disability and health insurance plans and defined contribution pension plan		Mr. Hubert SAGNIÈRES is eligible for the employee death/disability and health insurance plans and the defined contribution pension plan set up by the Company under the same terms and conditions as those applicable to the category of employees to which he belongs for the purpose of determining employee benefits and other ancillary items of his compensation.
Benefits in kind	€7,731	Mr. Hubert SAGNIÈRES is covered by an unemployment insurance plan for which the Company paid a premium of €7,731 in 2018.

## Thirteenth resolution

### **Approval of the fixed, variable and exceptional compensation components comprising the total compensation and benefits of any kind paid or awarded in respect of the 2018 fiscal year to Laurent VACHEROT, President and Chief Operating Officer until October 1, 2018**

The Shareholders' Meeting, voting with the quorum and majority conditions required for ordinary shareholders' meetings, pursuant to Article L.225-100 of the French Commercial Code, approves the fixed, variable and exceptional components comprising the total compensation and benefits of any kind paid or awarded in respect of the 2018 fiscal year to Laurent VACHEROT, owing to the nature of his office of President and Chief Operating Officer until October 1, 2018, as shown in the 2018 Registration Document, and reproduced below.

Compensation components paid or awarded in respect of the 2018 fiscal year	Amount or accounting valuation submitted to the vote	Comments
Fixed compensation	€487,500	Gross fixed annual compensation of €650,000 with effect from December 6, 2016, approved by the Board of Directors on December 6, 2016 on the recommendation of the Executive Officers and Compensation Committee. Amount unchanged since 2016. The amount indicated corresponds to gross fixed annual compensation of €650,000 prorated for the period from January 1 to October 1, 2018.
Variable compensation	€741,000	<p>At its meeting of March 18, 2019, the Board of Directors, acting on the recommendation of the Nomination and Compensation Committee and after approval of the financial items by the Audit and Risk Committee, assessed the variable compensation payable to Mr. Laurent VACHEROT in respect of the period from January 1 to October 1, 2018. In light of the financial and specific objectives approved by the Essilor Board at its meeting of February 28, 2018 and the achievements recorded as at December 31, 2018, the amount of the variable component was assessed as follows:</p> <ul style="list-style-type: none"> <li>• in respect of financial objectives: <ul style="list-style-type: none"> <li>• Essilor organic growth, 200% of target achieved;</li> <li>• Essilor restated net EPS, 80% of target achieved;</li> </ul> </li> <li>• in respect of specific objectives: the Board deemed that Mr. Laurent VACHEROT had met 170% of the objectives set by the Board, i.e., the successful completion of the proposed combination with Luxottica, the sustainability of Essilor's culture (Mission, Principles &amp; Values, employee shareholding), the ongoing development of Essilor's long-term growth drivers (online sales, China, Bolon, MJS), and the strengthening of compliance and internal control to support growth.</li> </ul> <p>Consequently, the amount of Mr. Laurent VACHEROT'S variable compensation for the period from January 1 to October 1, 2018 was approved at €741,000, i.e., 152% of his 2018 annual fixed compensation for the period from January 1 to September 30, 2018. Details of these criteria, their respective weighting and their assessment scales are provided in the 2018 Registration Document in Chapter 2, Section 2.3.3, "2018 compensation of Executive Corporate Officers."</p>

Compensation components paid or awarded in respect of the 2018 fiscal year	Amount or accounting valuation submitted to the vote	Comments
Deferred variable compensation	N/A	Mr. Laurent VACHEROT does not benefit from any deferred variable compensation.
Multi-year variable compensation	N/A	Mr. Laurent VACHEROT does not benefit from any multi-year variable compensation.
Directors' fees	N/A	Mr. Laurent VACHEROT does not receive any directors' fees.
Exceptional compensation	N/A	Mr. Laurent VACHEROT did not benefit from any exceptional compensation.
Award of stock subscription and share purchase options	N/A	Mr. Laurent VACHEROT does not benefit from stock options.
Award of performance shares	Number: 35,000 and accounting valuation: €1,597,750	At its November 29, 2018 meeting, the Board of Directors, in accordance with the authorization granted by the 7 <sup>th</sup> resolution of the Shareholders' Meeting of November 29, 2018, and on the recommendation of the Nomination and Compensation Committee, awarded a maximum number of 35,000 performance shares to Mr. Laurent VACHEROT, valued at €1,597,750 according to the method used for the consolidated financial statements, i.e., 1.9% of the total number of shares awarded (the sum of the performance shares and the performance options awarded) and 0.008% of share capital at December 31, 2018. The rules governing awards to Executive Corporate Officers and the vesting conditions for such shares are set out in the 2018 Registration Document in Chapter 2, Section 2.3.3, "2018 compensation of Executive Corporate Officers."
Sign-on premium	N/A	Mr. Laurent VACHEROT did not benefit from any sign-on premium.
Termination benefits	No payment	Under a clause in his employment contract, suspended during his term of office as an Executive Corporate Officer, Mr. Laurent VACHEROT is entitled to a severance payment in a maximum amount of two years' contractual compensation. In accordance with the procedure regarding regulated agreements and commitments, this benefit obligation was authorized by the Board of Directors on December 6, 2016 and ratified at the shareholders' meetings of May 11, 2017, (12 <sup>th</sup> resolution) and April 24, 2018 (11 <sup>th</sup> resolution). Details of the award criteria for this benefit are provided in the 2018 Registration Document in Chapter 2, Section 2.3.3, "2018 compensation of Executive Corporate Officers."
Non-compete payment	N/A	Mr. Laurent VACHEROT does not benefit from any non-compete-payment.
Supplementary pension plan	No payment	Mr. Laurent VACHEROT is eligible for the defined benefit supplementary pension plan set up by the Company under the same terms and conditions as those applicable to the category of employees to which he belongs for the purpose of determining employee benefits and other ancillary items of his compensation. In accordance with the procedure regarding regulated agreements and commitments, this benefit obligation was authorized by the Board on December 6, 2016 and ratified at the Shareholders' Meeting of May 11, 2017 (4 <sup>th</sup> resolution). As an example, if the calculation were made on December 31, 2018, the annual pension provided by this plan would amount to 25% of the average total compensation (fixed + variable) actually paid to Mr. Laurent VACHEROT during the 2016, 2017 and 2018 fiscal years (see 2018 Registration Document Chapter 2 Section 2.3.3, "2018 compensation of Executive Corporate Officers").
Employee death/disability and health insurance plans and defined contribution pension plan		Mr. Laurent VACHEROT is eligible for the employee death/disability and health insurance plans and the defined contribution pension plan set up by the Company under the same terms and conditions as those applicable to the category of employees to which he belongs for the purpose of determining employee benefits and other ancillary items of his compensation.
Company car	€5,935	Mr. Laurent VACHEROT benefits from a company car valued as a benefit in kind at €5,935 annually.



### Resolution 14:

#### *Compensation policy for the Executive Corporate Officers*

Pursuant to Article L.225-37-2 of the French Commercial Code, the Board of Directors submits for approval of the Shareholders' Meeting the principles and criteria for the determination, distribution and award of the fixed, variable and exceptional components making up total compensation and benefits of any kind attributable to the Executive Corporate Officers for the performance of their duties for the 2019 fiscal year, representing the compensation policy applicable to them.

These principles and criteria approved by the Board of Directors on the recommendation of the Nomination and Compensation Committee are set out in the report under the above article and appear in Chapter 2, Section 2.3 of the 2018 Registration Document. Pursuant to Article L.225-100 of the French Commercial Code, the amounts resulting from the implementation of these principles and criteria will be submitted to the approval of shareholders at the meeting convened to approve the financial statements for fiscal year 2019.

### Fourteenth resolution

#### *Approval of the compensation policy applicable to Executive Corporate Officers*

The Shareholders' Meeting, voting with the quorum and majority conditions for ordinary shareholders' meetings, and having reviewed the report on corporate governance, approves the principles and criteria for the determination, distribution and award of the fixed, variable and exceptional components making up total compensation and benefits of any kind presented in the aforementioned report which may be awarded to Executive Corporate Officers by virtue of their terms of office in fiscal year 2019, as presented in the report on corporate governance that can be found in Chapter 2, Section 2.3 of the 2018 Registration Document.

## Extraordinary resolutions

### Fifteenth resolution

#### *Delegation of authority granted to the Board of Directors for the purpose of deciding capital increases reserved for members of a Company Savings Plan (French plans d'épargne d'entreprise or "PEE") without preferential subscription rights (ceiling of 0,5%<sup>(1)</sup> of the share capital)*

As part of this policy for the association of employees with the share capital of EssilorLuxottica, **Resolution 15** seeks to authorize capital increases reserved for members of a Company Savings Plan in the limit of 0.5% of the share capital. This resolution allows employees who are members of a Company Savings Plan to subscribe, in particular via monthly deductions from their pay, to a capital increase carried out at the end of the year.

The shares subscribed must be kept for a minimum period of five years or seven years pursuant to the plans (except in the cases of early release specified in the regulations).

The participation rate of employees in France in the Company Savings Plan reaches 90.14%. At December 31, 2018, active employees held 2.1% of the Company's share capital (out of a total of 4.4% for "internal" shareholders, which also includes retired employees and former employees of the Company).

(1) Same threshold as in the resolution approved by the Shareholders' Meeting on November 29, 2018.



The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for extraordinary general meetings, having considered the report of the Board of Directors and the report of the Statutory Auditors and deliberating in accordance with Articles L.225-129 and L.225-138-1 of the French Commercial Code and Articles L.3332-18 *et seq.* of the French Labor Code:

- delegates to the Board of Directors the authority to decide the capital increase of the Company, on one or more occasions, at its sole discretion, by issuing new shares to be paid up in cash and, if applicable, securities giving access to the share capital under the conditions set by law, reserved for employees, eligible corporate officers and former employees, who are members of a Company Savings Plan;
- decides to cancel the preferential subscription right of the shareholders for the benefit of the following beneficiaries;
- decides that the beneficiaries of the capital increases currently authorized will be employees, eligible corporate officers and former employees of EssilorLuxottica or French and foreign companies that are related to it within the meaning of Article L.225-180 of the French Commercial Code and L.3344-1 of the French Labor Code, who are members of a Company Savings Plan and who fulfill any conditions set, if any, by the Board of Directors;
- decides that the maximum number of shares of the Company that may be issued on the basis of this resolution may not exceed 0,5% of the Company's share capital, which limit is assessed at the time of the decision of the Board of Directors of the Company to proceed with a capital increase;
- decides that the subscription price for shares to be paid by the beneficiaries referred to above pursuant to this delegation cannot be more than 20% below the average of the first quoted prices of the share on the Euronext Paris market during the twenty trading sessions preceding the day of the decision fixing the opening date of the subscription, nor greater than this average;
- decides, pursuant to Article L.3332-21 of the French Labor Code, that the Board of Directors may provide for the allocation, to the above-mentioned beneficiaries, free of charge, of shares to be issued or already issued, in respect of the contribution that could be paid pursuant to the Company Savings Plan regulation(s), and/or the discount, provided that taking into account their equivalent pecuniary value, assessed at the subscription price, does not have the effect of exceeding the limits provided for in Articles L.3332-11 and L.3332-19 of the French Labor Code;
- decides that the Board of Directors shall have full powers, with powers to sub-delegate to the Chairman and Chief Executive Officer or, to the Vice-Chairman Deputy Chief Executive Officer, as the case may be, as permitted by Law and the Articles of Association, to implement this delegation, in particular:
  - determine the conditions to be fulfilled by the beneficiaries of the new shares resulting from the capital increases referred to in this resolution,
  - determine the terms of the issue,
  - decide the amount to be issued, the issue price, the dates and the terms and conditions of each issue, including whether the shares will be subscribed directly or *via a fonds commun de placement* (French Company Savings Plan) or through another entity in accordance with the legislation in force,
  - decide and set the terms and conditions for the allocation of free shares or other securities giving access to the capital, pursuant to the authorization granted by the General Meeting,
  - set the period allocated to subscribers for the release of their securities,
  - state the date, even retroactive, from which the new shares will bear right to dividends,
  - formally record or have others formally record the realization of the capital increase up to the amount of the shares that will actually be subscribed,
  - at its own initiative, charge the costs of the capital increases to the amount of the premiums relating to these increases and deduct from this amount the sums necessary to bring the legal reserve to one-tenth of the new capital after each increase and, in the event of the issuance of new shares granted free of charge in respect of the contribution and/or the discount, if appropriate, debit to the charge any amounts required to pay up said shares against reserves, profits, or share premium,
  - in general, to take all measures necessary for the completion of the capital increases, to carry out the formalities subsequent thereto and to amend the bylaws consequential to such capital increases;
- decides that this delegation shall replace the authorization given by the General Meeting of November 29, 2018 in its 6<sup>th</sup> resolution.

The delegation thus granted to the Board of Directors is valid for a period of twenty-six (26) months from the date of this General Meeting.

## Resolutions 16 and 17:

### *Financial authorizations for capital increase*

**Resolutions 16 and 17** are financial authorizations for capital increases; these resolutions are related to the partial renewal of the authorizations approved by the General Shareholders' Meeting on May 11, 2016 which expired in July 2018.

These resolutions are intended to give some powers to the Board of Directors to manage the financial affairs of the Company by way of capital increase while always allowing the existing shareholders to participate to any capital increase through a preferential subscription right.

**These authorizations will be suspended and thus not valid in the event of a public tender offer for EssilorLuxottica's shares.**

**Resolution 16** authorises the share capital increase with preferential subscription rights.

**Resolution 17**, which intends to authorise the Board of Directors to proceed with a capital increase by capitalization of premiums, reserves, profits or other, for a maximum nominal amount of €500 million which does not entail any dilutive impact.

These authorisations are subject to restrictions set by French law.

- Firstly, each authorisation would be granted **for a period generally limited to twenty-six months**, and hence would be regularly submitted for your approval.
- Besides, the Board of Directors would only be able to increase the share capital up to strictly defined ceilings, above which the Board of Directors could not increase the capital again without calling a new Extraordinary Shareholders' General Meeting. These ceiling are defined in each resolution such as for a capital increase with preferential subscription rights, the ceiling is up to 5% of the share capital. The Board of Directors will report to the shareholders on the use made of the authorisations granted in these resolutions, in accordance with Article L.225-129-5 of the French Commercial Code.

## Sixteenth resolution

### *Delegation of authority to the Board of Directors to issue shares and securities entailing a capital increase, with preferential subscription rights*

The General Meeting, having fulfilled the required conditions for quorum and majority voting for extraordinary general meetings and having heard the report of the Board of Directors and the special auditors' report, and in accordance with Art. L.225-129 and seq. and Article L.228-91 and seq. of the French Commercial Code and in particular Art. L.225-129-2 and L.228-92:

- delegates to the Board of Directors its authority to decide on one or more capital increase, in the proportions and at the time it sees fit, in France or abroad, either in euro, foreign currencies or any other currency unit established by reference to several currencies, through the issuance of (i) common shares or (ii) securities governed by Articles L.228-92 §1, L.228-93 §3 and L.228-94 §2 of the French Commercial Code (a) giving access immediately or later to share of the Company or another company by subscription, conversion, exchange, reimbursement, presentation of a bond, or in any other manner or (b) giving rights to the allotment of debt securities, it being specified that the subscription for such shares or securities may be in cash, or by offset of payable liquid debt, or in part by incorporation of reserves, profits or share premiums;
- resolves that the total nominal value of the capital increases that can be carried out immediately or later pursuant to this delegation must not exceed **5% of the Company's capital**, this limit having been verified at this General Shareholders' Meeting; to this ceilings shall be added, as the case may be, the additional number of shares to be issued in order to preserve, as required by law and, as the case may be, the contractual provisions for other adjustment conditions, the rights of the holders of securities giving access to a quota of the Company's capital;
- resolves furthermore that the nominal value of the debt securities that may be issued pursuant to this delegation must not exceed **1.5 billion euros** or the equivalent of this amount, if issued in another authorised currency;

- resolves that the shareholders have a preferential subscription right to shares and securities issued pursuant to this resolution in proportion to the number of shares that they hold. In addition, the Board of Directors may have the option to grant shareholders the right to subscribe for excess shares in addition to those for which they may subscribe as of right, in proportion to their subscription rights and within the limits of their requests;
- resolves that if the subscriptions as of right and, as the case may be, excess subscriptions, have not covered the entire issue of shares or securities, the Board of Directors may use, under the conditions provided by the Law and in the order it shall determine one or the other of the following options: freely allocate all or part of the non-subscribed shares and/or offer them to the public on the French market or abroad and more generally, limit the capital increase to the amount of subscriptions received, provided that such amount represents, after the use of the two options referred to above, if applicable, at least three-quarters of the approved issuance;
- acknowledges that, the above-mentioned delegation automatically entails, in favour of the holders of issued securities giving access to the capital of the Company, a waiver by the shareholders of the preferential subscription rights to which these securities will entitle them immediately or in the future;
- resolves that this delegation cancels any unused portion of any prior delegation having the same purpose.

The delegation hereby granted to the Board of Directors will be valid for **a period of twenty-six (26) months** from the date of this General Meeting.

The Board of directors may not use this delegation from the date on which a third party files a public tender offer for the Company's securities until the end of the period, unless the Shareholders' Meeting authorises such use.

The General Meeting therefore grants all powers to the Board of Directors with powers to sub-delegate to the Chairman and Chief Executive Officer or, to the Vice-Chairman Deputy Chief Executive Officer, as the case may be, as permitted by law and the Articles of Association, to implement this delegation and in particular to decide on the capital increase, establish its amount, the issuance price as well as the amount of the premium that may, if applicable, be requested at the issuance, determine the form and properties of the securities to be created, possibly suspend the exercise of the rights attached to such securities in accordance with legal and regulatory provisions, establish the terms of the allotment of equity securities to which these securities provide entitlement as well as the date of the allotment right may be exercised, set the date of enjoyment, even retroactively; determine the rules, as the case may be, for maintaining the rights of security holders giving access to the Company's capital, at its sole discretion and if they deem it appropriate, to impute the cost, rights and fees resulting from the issues on the corresponding premiums and make the necessary provisions to increase the legal reserves to one tenth of the new capital after each issue, proceed with the listing of the securities to be issued, and generally take any measures, conclude any agreements and complete all formalities to bring the planned issues to a successful conclusion, record the resulting increase in capital, and amend the Company's Articles accordingly.

## Seventeenth resolution

### *Delegation of authority to the Board of Directors entailing a capital increase by capitalization of premiums, reserves, profits or other*

The General Meeting, having fulfilled the required conditions for quorum and majority voting for ordinary general meetings and having heard the report of the Board of Directors and in accordance with Articles L.225-129-2 and L.225-130 of the French Commercial Code:

- delegates to the Board of Directors the power to decide on an increase of the Company's capital, in one or several stages, in the proportions and at the times it sees fit, by incorporation of reserves, benefits, premiums or other admissible forms of capitalisation;
- resolves that the nominal amount of the capital increase to be realised under this delegation of power must not exceed **€500 million**;
- resolves that the fractional rights will not be negotiable or transferable and that the corresponding shares will be sold, the amounts resulting from the sale being allotted to the holders of rights under the law and regulations;

- resolves that the Board of Directors will have all powers, with powers to sub-delegate to the Chairman and Chief Executive Officer or, to the Vice-Chairman Deputy Chief executive Officer, as the case may be, as permitted by Law and the Articles of Association, to implement this delegation, in particular, to:
  - finalise all the rules and conditions for the authorised transactions/operations and, in particular, fix the amount and the nature of the reserves and premiums to incorporate into the capital, set the number of new shares to be issued or the amount of existing shares the nominal amount of which composing the Company's capital will be increased, set the date, even retroactively, from which the new shares can be enjoyed or when the increase of the nominal amount will come into effect, whereby it is understood that all the new shares issued under this authorisation will give their holder the same rights as the old shares, subject to their benefit dates, and proceed, as the case may be, with any imputations on the issue premiums and, in particular, those of fees incurred in the implementation of the issues,
  - generally take any useful measures and conclude any agreements to bring the planned transactions to a successful conclusion, do whatever is necessary, complete all the useful formalities to effect the capital increase or increases which can be implemented under this delegation of powers, and proceed with amending the Company's Articles accordingly.

The delegation hereby granted to the Board of Directors will be valid for a period of twenty-six (26) months from the date of this General Meeting. The Board of Directors may not use this delegation from the date on which a third party files a public tender offer for the Company's securities until the end of the period, unless the Shareholders' Meeting authorises such use.

## Ordinary resolution

### Eighteenth resolution

#### *Power to carry out the formalities*

**Resolution 18** is a standard resolution covering the powers to carry out the legal formalities necessary after the Shareholders' Meeting.

Any bearer of a copy or an extract of the minutes of this Meeting shall be vested with the power to file documents and effect publications with regard to the above resolutions.

# 5

## PRESENTATION OF THE ESSILORLUXOTTICA GROUP

### EssilorLuxottica, a global leader in the eyecare and eyewear industry

Created by the combination of Essilor and Luxottica on October 1, 2018 EssilorLuxottica is a global leader in the design, manufacture and distribution of ophthalmic lenses, frames and sunglasses. The Company brings together the complementary expertise of two industry pioneers, one in advanced lens technologies and the other in the craftsmanship of iconic eyewear, to create a vertically-integrated business that is uniquely positioned to address the world's evolving vision needs and the global demand of a growing eyecare and eyewear industry.

#### A growing eyecare and eyewear industry

Across the world, 6 billion people<sup>(1)</sup> are in need of sunwear and 4.6 billion people<sup>(1)</sup> are in need of vision correction, among which 2.5 billion<sup>(1)</sup> suffer from uncorrected poor vision.

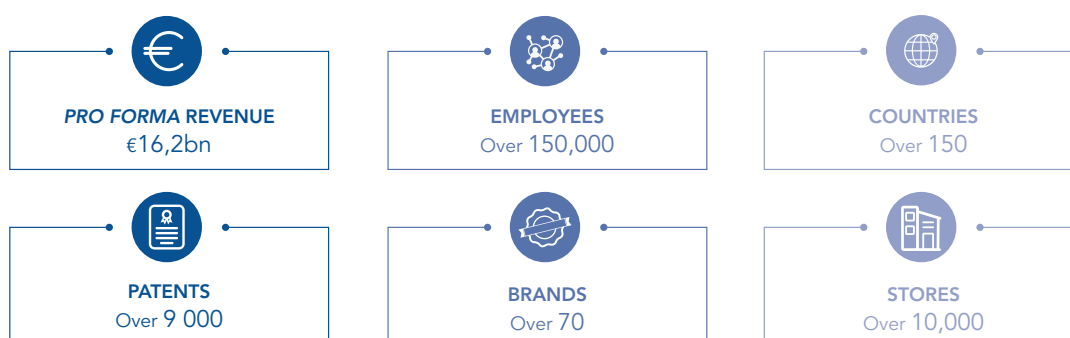
The global eyecare and eyewear industry represents a value estimated at around €105 billion<sup>(2)</sup> in sell-out/retail price terms, with long-term growth trend of around 4%<sup>(2)</sup> per annum. The industry is comprised of five segments: spectacle lenses, contact lenses, spectacle frames, sunglasses and readers. The growth patterns of each segment are relatively homogeneous, with the exception of the sun category which is projected to grow slightly faster than the rest.

#### A unique global footprint

With a worldwide presence across all stages of the value chain, EssilorLuxottica has approximately 150,000 employees committed to providing vision care and eyewear products that meet the individual needs and aspirations of each consumer. The unique business model and relentless pursuit of operational excellence ensures that consumers everywhere have access to products that have been rigorously tested to meet internationally recognized standards, from the simplest pair of glasses to the most sophisticated custom-made lenses and branded eyewear.

#### A deeply rooted commitment to vision and innovative eyewear

By investing heavily in R&D for cutting edge lens and frame technology, as well as reimagining the design, form and function of eyewear, EssilorLuxottica constantly sets new industry standards for vision care and eyewear and the consumer experience around it. Beyond the products EssilorLuxottica make, the Company and its people are deeply committed to elevating the importance of vision as both a basic human right and a key lever for global development.



(1) Source: EssilorLuxottica, Vision Impact Institute, Eyelliance: Eyeglasses for Global Development: Bridging the Visual Divide.

(2) Source: EssilorLuxottica.

## EssilorLuxottica 2018 key figures

### Consolidated *pro forma*<sup>(a)</sup> revenue by segment

€ millions	2018	2017	Change at constant rates <sup>(b)</sup>	Currency effect	Change (reported)
Lenses & Optical Instruments (Essilor)	6,283	6,257	+4.8%	-4.4%	+0.4%
Sunglasses & Readers (Essilor)	787	765	+7.6%	-4.7%	+2.9%
Equipments (Essilor)	210	199	+9.1%	-3.8%	+5.3%
Wholesale (Luxottica)	3,145	3,315	-1.0%	-4.1%	-5.1%
Retail (Luxottica)	5,735	5,813	+3.0%	-4.4%	-1.4%
<b>TOTAL</b>	<b>16,160</b>	<b>16,349</b>	<b>+3.2%</b>	<b>-4.4%</b>	<b>-1.2%</b>

### Consolidated *pro forma*<sup>(a)</sup> revenue by geographical area

€ millions	2018	2017	Change at constant rates <sup>(b)</sup>	Currency effect	Change (reported)
North America	8,400	8,556	+2.6%	-4.4%	-1.8%
Europe	4,040	4,063	+1.3%	-1.9%	-0.6%
Asia, Oceania and Africa	2,691	2,638	+6.6%	-4.6%	+2.0%
Latin America	1,028	1,092	+6.5%	-12.4%	-5.9%
<b>TOTAL</b>	<b>16,160</b>	<b>16,349</b>	<b>+3.2%</b>	<b>-4.4%</b>	<b>-1.2%</b>

The above figures correspond to the consolidated *pro forma*<sup>(a)</sup> EssilorLuxottica revenues, after elimination of intercompany transactions.

### Consolidated *pro forma*<sup>(a)</sup> adjusted<sup>(c)</sup> statement of profit or loss

€ millions	2018	2017	Change %
Revenue	16,160	16,349	-1.2%
<b>Adjusted<sup>(a)</sup> gross profit</b>	<b>10,172</b>	<b>10,314</b>	<b>-1.4%</b>
% of revenue	62.9%	63.1%	
<b>Adjusted<sup>(a)</sup> operating profit</b>	<b>2,572</b>	<b>2,703</b>	<b>-4.8%</b>
% of revenue	15.9%	16.5%	
<b>ADJUSTED<sup>(c)</sup> NET PROFIT</b>	<b>1,871</b>	<b>1,904</b>	<b>-1.7%</b>
% of revenue	11.6%	11.6%	

(a) *Pro forma* consolidated profit or loss statement on a twelve months basis for Essilor and Luxottica. The unaudited *pro forma* consolidated financial information has been prepared for illustrative purposes only and does not take into account the results of operations that EssilorLuxottica would have achieved if the contribution of Luxottica shares by its majority shareholder had actually been realized on January 1, 2018 or January 1, 2017. There can be no assurance that the assumptions used to prepare the unaudited *pro forma* consolidated financial information are accurate in all respects or that the trends disclosed in the unaudited *pro forma* consolidated financial information are indicative of the future performance of EssilorLuxottica. As a result, EssilorLuxottica's performance in the future may differ materially from that presented in the unaudited *pro forma* consolidated financial information.

(b) Figures at constant exchange rates have been calculated using the average exchange rates in effect for the corresponding period in the previous year.

(c) 2018 and 2017 profit or loss is presented on an adjusted basis in accordance with the unaudited *pro forma* consolidated financial information. The reported accounts and a reconciliation of the reported accounts to the adjusted accounts is included in the unaudited *pro forma* consolidated financial information. A description of the adjusting items is reported in the 2018 Registration Document in Section 3.1.1.

## Agreed governance principles

Pursuant to the Combination Agreement, as from the completion of the Contribution until the date of the Annual General Shareholders' Meeting called to approve the 2020 annual accounts of EssilorLuxottica (the "Initial Term"), the Board of Directors of EssilorLuxottica will be organised as follows.

### Equal powers between the Executive Chairman and the Executive Vice-Chairman

EssilorLuxottica's Executive Chairman has equal powers with EssilorLuxottica's Executive Vice-Chairman, as referred to in the rules of procedure of the Board of Directors of EssilorLuxottica, effective as from the Closing Date of the Contribution *i.e.* October 1, 2018 (and available on the website of the Company).

Both the Executive Chairman and the Executive Vice-Chairman are vested with the most extensive and equal powers to act in all circumstances in the name of the Company. They shall exercise those powers within the limits of the corporate purpose and subject to the powers expressly granted to the shareholders' meetings and to the Board of Directors by law as well as to the limitations set forth by the Articles of Association and by the Rules of Procedure of the Board of Directors.

With regard to third parties, the Executive Chairman and the Executive Vice-Chairman each represents the Company and the Company shall be bound by all the actions taken by the Executive Chairman and the Executive Vice-Chairman.

Decisions relating to the management of the Company shall be made jointly by, or with the approval of both, the Executive Chairman and the Executive Vice-Chairman, failing which, by the Board of Directors, except for the decisions or matters as mentioned in the Rules of Procedure of the Board of Directors (Article 2.2).

### Principles relating to the composition of the Board of Directors of EssilorLuxottica

The Board of Directors of EssilorLuxottica is composed as follows:

1. Luxottica's Executive Chairman, Mr. Leonardo DEL VECCHIO, is Executive Chairman of EssilorLuxottica (*Président-Directeur Général*) (the "**EssilorLuxottica Executive Chairman**");

2. Essilor's Chairman, Mr. Hubert SAGNIÈRES, is Executive Vice-Chairman of EssilorLuxottica (*Vice-Président-Directeur Général Délégué*) (the "**EssilorLuxottica Executive Vice-Chairman**");

3. the Board of Directors of EssilorLuxottica is composed of sixteen members:

- eight members proposed by Essilor comprising the EssilorLuxottica Executive Vice-Chairman, two employee representatives, one representative of Valoptec Association, four independent members from the Board of Directors of Essilor, and
- eight members proposed by Delfin comprising the EssilorLuxottica Executive Chairman, three representatives of Delfin and four independent members designated by Delfin after consultation with Essilor (unless these Directors are chosen from among the Luxottica Board members, in which case no consultation is required).

**Information regarding the composition of the Board of Directors are available on pages 28 et seq.**

### Principles relating to the composition of the committees of the Board of Directors of EssilorLuxottica

(i) a Nomination and Compensation Committee, (ii) an Audit and Risk Committee, (iii) a Corporate Social Responsibility Committee and (iv) a Strategy Committee have been established (the "Committees"). Each committee comprises four members (two from the Board of Directors of Essilor and two designated by Delfin) and is respectively chaired by (i) with respect to the Nomination and Compensation Committee, a member of the Board of Directors of Essilor designated by Essilor; (ii) with respect to the Audit and Risk Committee, a member proposed by Delfin; (iii) with respect to the Corporate Social Responsibility Committee, a member of the Board of Directors of Essilor designated by Essilor; and (iv) with respect to the Strategy Committee, a member designated by Delfin.

It is specified that, with respect to the Strategy Committee, unless otherwise determined by a joint decision of the EssilorLuxottica Executive Chairman and the EssilorLuxottica Executive Vice-Chairman, the Chairman of such committee shall invite all members of the EssilorLuxottica's Board of Directors to attend (but not to vote at) the meetings of such Strategy Committee, except for meetings convened to discuss sensitive and significant acquisition projects.

**Information regarding the composition of the committees are available on page 30.**



## Members of the Board of Directors as of March 18, 2019

### LEONARDO DEL VECCHIO



**Executive Chairman  
of EssilorLuxottica**

Age: 83

Italian national

- End of term: **2021**
- Other directorships and positions in listed companies: Executive Chairman of Luxottica Group S.p.A. (Italy), Deputy Chairman of the Board of Directors of Covivio, Director of Beni Stabili S.p.A. SIQ (Italy)
- Leonardo DEL VECCHIO brings to the Board his visionary business approach to the industry and his experience as a lifelong entrepreneur and innovator

### HUBERT SAGNIÈRES



**Executive Vice-Chairman  
of EssilorLuxottica**

Age: 63

French and Canadian national

- End of term: **2021**
- Other directorships and positions in listed companies: none
- Hubert SAGNIÈRES brings to the Board his experience as a top executive officer of a world leading company as well as his expertise of the ophthalmic industry acquired for 30 years

### ROMOLO BARDIN



**Director representing Delfin**

Age: 40

Italian national

- **Chief Executive Officer of Delfin SARL (Luxembourg)**
- End of term: **2021**
- Other directorships and positions in listed companies: Member of the Board of Directors of Covivio and Assicurazioni Generali S.p.a (Italy)
- Romolo BARDIN brings to the Board his high level expertise in terms of strategy, management and finance

### JULIETTE FAVRE



**Director representing Valoptec  
Association (employee shareholding)**

Age: 46

French national

- **Strategic projects Executive, Global Operation Support at Essilor International**
- End of term: **2021**
- Other directorships and positions in listed companies: none
- Juliette FAVRE contributes to the Board her deep familiarity with Essilor and its manufacturing and sales operations. She has been proposed as a candidate by Valoptec Association. Her membership of the Board of Directors is a strong signal of the importance Essilor attaches to employee share ownership

### GIOVANNI GIALLOMBARDO



**Director representing Delfin**

Age: 63

Italian and Luxembourgish national

- **Senior Vice-President-Managing Director of the Luxembourg branch of UniCredit bank AG**
- End of term: **2021**
- Other directorships and positions in listed companies: none
- Giovanni GIALLOMBARDO brings to the Board his high level expertise in terms of finance gained through his functions within international financial institutions

### BERNARD HOURS



**Independent Director**

Age: 62

French national

- **Former Chief Operating Officer of Danone (from January 2008 to September 2014)**
- End of term: **2021**
- Other directorships and positions in listed companies: none
- Bernard HOURS brings to the Board his experience as a senior manager of a major international group and his knowledge notably in the field of governance, corporate social responsibility, marketing and sales

## ANNETTE MESSEMER



### Independent Director

Age: 54

German national

- **Group Executive/Divisional Board Member, Corporate Clients, Commerzbank AG (Germany) until June 2018**
- End of term: **2021**
- Other directorships and positions in listed companies: none
- Annette MESSEMER brings to the Board her extensive experience in strategy, finance, accounting and risk management having worked for over 20 years with leading multinational corporations and financial institutions, including regulators

## FRANCESCO MILLERI



### Director representing Delfin

Age: 59

Italian national

- **Deputy Chairman and CEO of Luxottica Group S.p.A. (Italy)**
- End of term: **2021**
- Other directorships and positions in listed companies: none
- Francesco MILLERI brings to the Board his extensive expertise as a strategist for global companies and his proven ability to futurise business through digital technology and infrastructure

## GIANNI MION



### Independent Director

Age: 75

Italian national

- **Chairman of Fila Fabbrica Italiana Lapis ed Affini S.p.A. (Italy)**
- End of term: **2021**
- Other directorships and positions in listed companies: none
- Gianni MION brings to the Board his business leadership experiences as well his commitment to the development of successful international organisations

## LUCIA MORSELLI



### Independent Director

Age: 62

Italian national

- **Telecom Italia Board Director – Chairwoman of Related Parties Committee**
- End of term: **2021**
- Other directorships and positions in listed companies: Director of Snam S.p.A. (Italy)
- Lucia MORSELLI brings to the Board her extensive expertise in terms of management and business turnaround

## OLIVIER PÉCOUX



### Independent Director according to the Combination Agreement

Age: 60

French national

- **Chief Executive Officer – Managing Partner of the Rothschild & Co group and Rothschild et Cie Banque**
- End of term: **2021**
- Other directorships and positions in listed companies: none
- Olivier PÉCOUX brings to the Board his experience in financial and banking matters and his extensive knowledge of the optical industry and of Essilor that he has accompanied since 2001

## SABRINA PUCCI

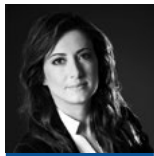


### Independent Director

Age: 51

Italian national

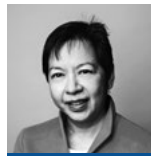
- **Professor of Accounting and Financial Reporting at Roma Tre University** and Member of the Insurance Accounting Working Group of EFRAG (European Financial Reporting Advisory Group)
- End of term: **2021**
- Other directorships and positions in listed companies: Member of the Boards of Directors of Assicurazioni Generali S.p.A. (Italy) and Luxottica Group S.p.A. (Italy)
- Sabrina PUCCI brings to the Board her accounting and financial expertise

**CRISTINA SCOCCHIA****Independent Director**

Age: 45

Italian national

- **Chief Executive Officer of Kiko S.p.A. (Italy)**
- End of term: **2021**
- Other directorships and positions in listed companies: Member of the Boards of Directors of Luxottica Group S.p.A. (Italy) and Pirelli S.p.A. (Italy)
- Cristina SCOCCHIA brings to the Board her extensive expertise in terms of strategy and management

**JEANETTE WONG****Independent Director**

Age: 58

Singaporean national

- **DBS Group (Singapore) Executive until March 2019**
- End of term: **2021**
- Other directorships and positions in listed companies: none
- Jeanette WONG brings to the Board her extensive expertise in terms of finance as well as her knowledge on corporate social responsibility, on global markets and primarily on Asian markets

**LEONEL PEREIRA ASCENCAO****Director representing employees**

Age: 46

French and Portuguese national

- **Workshop Manager for surfacing and lenses at Essilor International**
- End of term: **2021**
- Other directorships and positions in listed companies: none

**DELPHINE ZABLOCKI****Director representing employees**

Age: 43

French national

- **Skilled operator at Essilor International**
- End of term: **2021**
- Other directorships and positions in listed companies: none

**Committees of the Board of Directors as of March 18, 2019****Audit and Risk Committee**

- Lucia Morselli, Chairwoman
- Romolo Bardin
- Annette Messemer
- Olivier Pécoux

**Nomination and Compensation Committee**

- Olivier Pécoux, Chairman
- Romolo Bardin
- Bernard Hours
- Gianni Mion

**Corporate Social Responsibility Committee**

- Jeanette Wong, Chairwoman
- Giovanni Giallombardo
- Hubert Sagnières
- Cristina Scocchia

**Strategy Committee<sup>(1)</sup>**

- Francesco Milleri, Chairman
- Bernard Hours
- Gianni Mion
- Hubert Sagnières

(1) All members of the EssilorLuxottica's Board of Directors shall be invited to the Strategy Committee, see on page 27.

# 7

## REPORT ON THE COMPENSATION POLICY FOR EXECUTIVE CORPORATE OFFICERS

### **Principles and criteria for the determination, distribution and award of the fixed, variable and exceptional components comprising the total compensation and benefits of any kind attributable to the Executive Corporate Officers of EssilorLuxottica, owing to the nature of their office (presented pursuant to Article L.225-37-2 of the French Commercial Code)**

This report describes the principles and criteria for the determination, distribution and award of fixed, variable and exceptional components comprising the total compensation and benefits of any kind attributable, owing to the nature of their office, to the Executive Corporate Officers of EssilorLuxottica, currently the Executive Chairman and the Executive Vice-Chairman. These principles and criteria for the determination, distribution and award of compensation and benefits will be submitted to shareholders for approval at the Shareholders' Meeting on May 16, 2019, pursuant to Article L.225-37-2 of the French Commercial Code.

Without predicting the development of the governance of EssilorLuxottica, these principles and criteria will apply, where appropriate, to any successor to the Executive Chairman and Executive Vice-Chairman, until the next Shareholders' Meeting called to approve the compensation policy for Executive Corporate Officers. Similarly, these principles and criteria will apply, where appropriate, to any additional Executive Corporate Officers appointed during fiscal year 2019, until the next Shareholders' Meeting called to approve the compensation policy for Executive Corporate Officers. In addition, in the event that EssilorLuxottica has to appoint a Non-executive Corporate Officer, it will strictly comply with the recommendations set out in the AFEP-MEDEF Code.

It is specified that the payment of the variable remuneration components and exceptional components, if any, for fiscal year 2019 is subject to approval by the Shareholders' Meeting which will be called to approve the financial statements for fiscal year 2019.

When drafting the compensation policy for the Executive Corporate Officers, the Nomination and Compensation Committee considered any changes to be made to the policy in the spirit of ongoing improvement. The Committee relied in particular on the AFEP-MEDEF Code, the report of the High Committee for Corporate Governance ("Haut Comité de Gouvernement d'Entreprise"), the AMF report on corporate governance and executive compensation at listed companies, the expectations expressed by all stakeholders, the approval rates for resolutions on the Company's Executive Corporate Officers' compensation compared with those of other companies, and analysis of the market practices of comparable European and international companies. Accordingly, while this policy, like previous versions, is designed to encourage the creation of lasting value, the following changes have been made:

- publication of the composition of the panels used to benchmark market practices and the compensation levels of those panels;
- change in the structure of the annual variable component with a return to a predominant weighting of financial indicators in the annual variable component structure, and non-financial/CSR criteria incorporated into specific objectives;
- explanation of the long-term incentive philosophy and reduction in the annual cap on performance shares that can be awarded to Executive Corporate Officers;
- details of the performance conditions for the severance payment.

## General principles

The compensation of Executive Corporate Officers is set by the Board of Directors on the recommendation of the Nomination and Compensation Committee, on the basis of the following key principles:

- compensation must be aligned with shareholder interests and foster the creation of long-term shareholder value;
- compensation must be considered as a whole: all components (cash compensation, long-term compensation, social benefits and supplementary pension) and the balance of those components must be taken into account;
- compensation must be competitive with regard to the practices of comparable European and international companies in similar markets;
- compensation must be consistent with that of the other senior executives and employees of EssilorLuxottica;
- the variable compensation must support the strategy of EssilorLuxottica and must be closely linked to its performance;
- compensation must reflect the culture and values of EssilorLuxottica;
- compensation must be governed by simple, clear, transparent rules.

## Use of external consultants and market practices benchmark

The Nomination and Compensation Committee uses independent specialist firms to measure the competitiveness of the compensation for Executive Corporate Officers.

Compensation surveys cover European and international multinationals comparable to EssilorLuxottica in terms of revenue, number of employees, market capitalization, business sector, degree of internationalization, and performance profile.

These surveys provide the Nomination and Compensation Committee with external insight into the competitive positioning of the compensation paid to the Executive Corporate Officers and market trends. They are one of the elements used to determine the compensation of Executive Corporate Officers.

The composition and characteristics of the panels used in 2018 are described below:

### WTW panel – 21 companies: 14 European and 7 American

Adidas	Colgate Palmolive	Diageo	General Mills	Kering	Mondelez International	Sanofi
Associated British Foods	Costco	Estée Lauder	Heineken	L'Oréal	Novo Nordisk	Starbucks
Astrazeneca	Danone	Fresenius	Henkel	Merck	Pernod Ricard	The Kraft Heinz Company

### Mercer Panel – 16 companies: 12 European and 4 American

Colgate Palmolive	GSK	L'Oréal	Reckitt Benckiser
Continental	Henkel	LVMH	Richemont
Danone	Kering	Nike	Swatch Group
Estée Lauder	Kimberly Clark	Philips	Unilever

median	WTW panel	Mercer panel	EssilorLuxottica
Revenue (a)	€20 billion	€20 billion	€16.6 billion*
Market cap. (b)	€49.2 billion	€49.1 billion	€48.7 billion*
Ratio (b)/(a)	2.5	2.4	2.9
Number of employees	55,000	63,000	152,000*

\* Data as at December 31, 2017, proforma combined revenue.

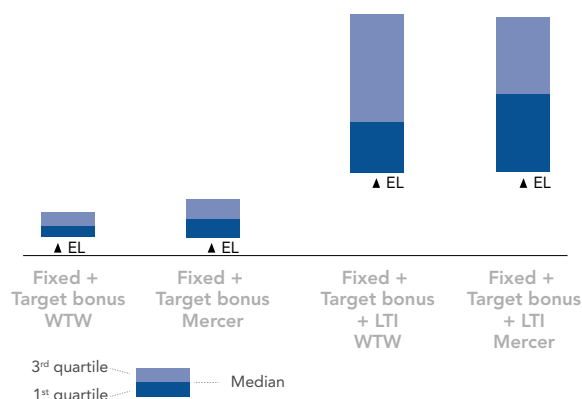
Each panel is mainly composed of European companies. Given the predominant weighting of the United States in the EssilorLuxottica Group's activities (around 50% of revenue and 35% of the number of employees), US companies were also included in the panels.

Six companies feature in both comparison panels.

The two comparison panels established for 2018 are likely to evolve in the future, notably to take into account key events likely to affect any of the companies in the panel or to include other companies with a comparable profile to EssilorLuxottica.

The compensation levels in the lower quartile and the median of each panel are shown below:

	Cash compensation		Total compensation	
	Lower quartile	Median	Lower quartile	Median
WTW Panel	€2,625,000	€2,985,000	€4,825,000	€6,505,000
Mercer Panel	€2,662,100	€3,285,000	€4,837,500	€7,415,100
EssilorLuxottica		€2,300,000		€4,582,500



The Board of Directors, on the recommendation of the Nomination and Compensation Committee, approved a target total compensation (fixed compensation + target annual variable component + performance shares valued under IFRS) around the lower quartile of the two comparison panels. This positioning is not prescriptive and is therefore likely to be reviewed.

## Executive corporate officers

### A) Sign-on premium for an Executive Corporate Officer (recruited externally)

A sign-on premium may be granted, in accordance with the principles established for these purposes by the AFEP-MEDEF Code to an Executive Corporate Officer recruited externally to compensate for the loss of benefits for which he/she was eligible in his/her previous position.

### B) Determination, structure and distribution of annual compensation (fixed and variable)

Annual compensation consists of fixed compensation, an annual variable component and a long-term incentive in the form of performance shares.

The compensation structure for Executive Corporate Officers must reward performance, predominantly with long-term compensation in the form of performance shares.

The total compensation is made up as follows:

- fixed compensation: around 25% of total compensation;
- annual variable component: around 25% of total compensation;
- long-term compensation in the form of performance shares: around 50% of total compensation.

Therefore, almost 75% of the compensation of Executive Corporate Officers is performance-related.

This compensation structure and the performance criteria adopted by the Board of Directors must contribute to the achievement, year after year, of a high level of performance by the Company and the creation of lasting value that benefits shareholders and, to a greater extent, all stakeholders.

On October 1, 2018, in light of the governance of EssilorLuxottica with an Executive Chairman and an Executive Vice-Chairman with equal powers, the Board of Directors approved the principle of strictly identical compensation for the Executive Chairman and the Executive Vice-Chairman, on the recommendation of the Nomination and Compensation Committee.

Executive Corporate Officers are eligible for directors' fees for their term of office as director.

### C) Fixed compensation

Fixed compensation must help attract talented individuals from within EssilorLuxottica, or from outside the Group if necessary, to the most senior management positions. It must also be sufficient to engage their commitment and loyalty to a long-term project.

It reflects the level of responsibility of the incumbent and must be consistent with market practices.

The matter of changes to fixed compensation is reviewed annually. The criteria taken into account when deciding on an increase are changes in the scope and level of responsibility, the incumbent's performance and development in the role, the positioning relative to the market for equivalent positions in multinational companies of comparable size, and the economic and social environment in the EssilorLuxottica Group's main countries.



On March 18, 2019, the Board of Directors, on the recommendation of the Nomination and Compensation Committee, decided to maintain the annual fixed compensation of the Executive Chairman and the Executive Vice-Chairman at €1,150,000.

#### **D) Annual performance compensation (annual variable component)**

The annual variable component rewards the achievement of the year's strategic financial and extra-financial targets.

The variable component is equal to 100% of the fixed compensation if targets are achieved in full. It may reach 200% (absolute cap) of the fixed compensation if the targets are very significantly exceeded.

Through its compensation philosophy, EssilorLuxottica wants to encourage incumbents to exceed targets and strive for outperformance, while limiting excessive risk-taking and focusing on sustainable performance.

The structure of the variable component and the nature of the targets are established at the start of each fiscal year, or in some exceptional cases during the year, for example if an Executive Corporate Officer is recruited during the year. The achievement of said targets is assessed at the start of the following fiscal year after the Audit and Risk Committee has approved the results.

The variable component must be based predominantly on quantifiable indicators, selected from those that allow the best possible implementation of the EssilorLuxottica strategy. The weighting of each indicator is reviewed annually according to the fiscal year's priorities.

For fiscal year 2019, 80% of the target variable component for Executive Corporate Officers is composed of financial objectives and 20% of specific objectives.

Financial targets regain a predominant weighting in the performance-based variable structure compared to the performance-based variables set for 2017 and 2018. With regard to specific targets, given the exceptional nature of fiscal 2017 and 2018, which were characterized by the announcement of the combination of Essilor and Luxottica, these accounted for 50% of the performance-based variable in fiscal years 2017 and 2018.

#### **Executive Chairman and Executive Vice-Chairman**

<b>Financial objectives</b>	<b>80%</b>
Restated net EPS*	50%
Growth*	30%
<b>Specific objectives</b>	<b>20%</b>

\* Mainly due to the currency effect.

#### **Financial objectives**

A target level (corresponding to 100% achievement of the target) is set for each objective. The target level is set such that it represents an ambitious yet achievable goal. A minimum and maximum level is set based on that target level. The minimum level is the threshold that triggers achievement of the target: below this minimum level, no variable compensation is paid. The maximum level corresponds to the cap on the target achievement rate.

The level of achievement required for these targets is designed to be precise, strict and challenging, and for confidentiality reasons cannot be disclosed publicly.

To assess the achievement of financial targets, indicators are calculated by neutralizing factors outside the Executive Corporate Officer's control (such as exchange rate fluctuations).

#### **E) Long-term compensation plan**

The long-term compensation plans are designed to encourage the creation of lasting value for shareholders and to align the interests of the Executive Corporate Officers with those of shareholders.

EssilorLuxottica's long-term compensation plans have primarily taken the form of performance share awards pursuant to Articles L.225-197-1 et seq. of the French Commercial Code and the authorizations approved by the Shareholders' Meeting.

Performance share awards are a key component of EssilorLuxottica's compensation policy and are part of the strong culture of employee shareholding that the Group wishes to pursue.

#### **Terms for performance share awards**

Performance shares awarded to Executive Corporate Officers must comply with the following ceilings:

- Valued in accordance with IFRS applied when preparing the consolidated financial statements, an award may not represent an amount greater than 75% of target total compensation (corresponding to the sum of annual fixed compensation, target annual variable component for the fiscal year and the long-term incentive valued in accordance with IFRS);
- In accordance with the commitment made at the Shareholders' Meeting of November 29, 2018, the Board of Directors decided to reduce the maximum annual award for each Executive Corporate Officer. Therefore, an Executive Corporate Officer may not receive an award exceeding 3.5% (compared with 7% previously) of the total awards (stock options + performance shares) granted each year.



These awards are made during the same calendar periods. In exceptional circumstances, the Board of Directors may, on the recommendation of the Nomination and Compensation Committee, revise the award schedule. In this case, these changes are made public after the Board Meeting that approved them and will be disclosed in the Registration Document, in the summary table of the AFEP-MEDEF recommendations not applied.

### Vesting conditions for performance shares

The vesting of performance shares is wholly subject to the achievement of performance conditions measured over a period of at least three years and an employment condition:

- The performance criteria selected are designed to ensure the creation of lasting value for shareholders and align the interests of all grantees (employees and Executive Corporate Officers) with those of the shareholders on the basis of the following principles:
  - **Correlation between the gains for shareholders and grantees:** the vesting of the shares is directly linked to the growth in share price. If the growth in share price is insufficient, the grantees will receive no shares. As EssilorLuxottica has a long-term growth strategy and a strong culture of employee shareholding, this criterion has been considered the most relevant and best for sharing value creation.
  - **Sustainable performance:** performance is measured over a period of three to six years. The number of shares received by grantees thus reflects the gains that would have been made over a medium-term period by a shareholder who invested at the award date. By extending the performance measurement period beyond three years if necessary, the scheme takes into account stock market volatility, seeks to promote sustainable performance by avoiding excessive and "short-term" risk-taking, and limits the dilution for the shareholder (compared to the dilution of stock options).
  - **Transparency and simplicity:** performance can be measured in real time (by calculating the annualized growth in share price between two periods).
  - **Additional requirements for Executive Corporate Officers:** additional performance conditions are imposed on Executive Corporate Officers. These are linked to the rate of achievement of the annual variable component of executives during the performance measurement period. Sustainable performance comes from achieving annual objectives year after year. If the average rate of achievement of annual objectives during the performance measurement period is less than 100%, a discount is applied to the number of shares received by the Executive Corporate Officers.

- A condition of employment for a minimum of three years is also stipulated to ensure grantees' long-term commitment to serve EssilorLuxottica. In cases of retirement, disability or death, this employment condition is lifted.

### Other obligations

To strengthen alignment with shareholders' interests, the Executive Corporate Officers are required to keep one-third of the performance shares vested throughout their term of office. This requirement to hold shares no longer applies when they hold a number of EssilorLuxottica shares representing an amount equivalent to two years' target cash compensation (fixed + target annual variable component). The target cash compensation used is that for the year during which an Executive Corporate Officer intends to sell performance shares.

In accordance with the AFEP-MEDEF Code, the Executive Corporate Officers have pledged not to use any hedging strategies, until the expiration of their term of office, to manage the risk related to the shares awarded under long-term incentive plans.

Pursuant to the Directors' Charter, the Executive Corporate Officers are required, *inter alia*, to refrain from trading in EssilorLuxottica securities during:

- the period prior to the publication of any inside information of which they are aware;
- the 30 calendar days preceding the publication of the annual consolidated financial statements, semi-annual consolidated financial statements and, where applicable, quarterly consolidated financial statements, and the 15 calendar days preceding the publication of quarterly financial information. The Executive Corporate Officers are permitted to trade in EssilorLuxottica securities only from the day after the publication of the information concerned, provided they do not use any inside information. The Executive Corporate Officers are given the dates of blackout periods at the start of each year.

### F) Exceptional compensation

Based on the recommendation of the Nomination and Compensation Committee, the Board of Directors may decide to award Executive Corporate Officers exceptional compensation under exceptional circumstances that must be disclosed in detail and justified. The payment of such compensation can only be made subject to the approval of shareholders pursuant to Article L.225-37-2 of the French Commercial Code.

This exceptional compensation may not exceed 100% of the fixed compensation of the Executive Corporate Officer.

### G) Supplementary pension

The supplementary pension plan is designed to reward the loyalty of executives who have spent a significant portion of their careers with the EssilorLuxottica Group by entitling them to a retirement pension in line with market practices.

The supplementary pension plan is built around the following principles:

- a minimum length of service condition of 10 years with the EssilorLuxottica Group must be met in order to benefit from the plan;
- the pension benefit is proportional to the length of service with the EssilorLuxottica Group;
- the reference compensation on which the calculation of the final pension is based is calculated according to the gross compensation (fixed + annual variable component) paid over the last three years;
- the potential annual entitlement is below the statutory maximum of 3% and is subject to performance conditions;
- the final pension benefit is capped.

EssilorLuxottica reserves the right to adjust the supplementary pension plan to take account of legislative developments and market practices.

### H) Death/disability and health insurance plans and defined contribution pension plan

The Executive Corporate Officers are eligible for the same death/disability, health insurance and defined contribution pension plans in force within EssilorLuxottica Group as managers and executives.

The defined contribution pension plan is based on a flat employer-contribution rate, currently set at 1% of gross compensation paid.

### I) Benefits in kind

Executive Corporate Officers are eligible for:

- a company car, in accordance with the internal rules of EssilorLuxottica;
- unemployment insurance.

### J) Suspension of the employment contract

Developing an effective long-term strategy means not only having a thorough knowledge of the market, customers, competitors and technologies, but also of the culture of EssilorLuxottica. For that reason, EssilorLuxottica prioritizes internal talent development as much as possible.

When an employee with at least 10 years' service with the EssilorLuxottica Group is promoted to an Executive Corporate Officer position, the EssilorLuxottica Group's policy provides for the possibility of suspending his or her employment contract. This avoids an employee's potential resignation or the initiation of a mutually agreed termination procedure for an employee who has been successful with the EssilorLuxottica Group.

### K) Severance payment for Executive Corporate Officers

EssilorLuxottica's policy is to adhere strictly to the law and the recommendations of the AFEP-MEDEF Code. Thus, in the case of an Executive Corporate Officer eligible for a severance payment:

- this payment must be capped at two years' cash compensation (corresponding to the average of annual fixed and variable compensation received in the last three years prior to departure);
- this may only be paid in the event of a forced departure and is fully subject to the achievement of performance conditions.

In the event that the Board of Directors decides to include a non-compete clause in the employment contract of an Executive Corporate Officer, the combined amount of the resulting non-compete payment and severance payment, if any, may not exceed the limit of two years' cash compensation stipulated above in accordance with the AFEP-MEDEF Code.

In the specific case of an Executive Corporate Officer with a suspended employment contract that includes a severance payment, it will comprise:

- a severance payment required under law or related to the collective bargaining agreement (not subject to performance conditions), and
- a supra-legal severance payment that is wholly subject to performance conditions.

In any event, the total of both payments may not exceed two years of the aforementioned planned cash compensation, in accordance with the AFEP-MEDEF Code.

This employment contract severance payment may only be made within one year of the termination of the corporate office, at EssilorLuxottica's initiative. In the event of gross negligence or serious misconduct, no payment shall be due.

Performance is measured using the average rate of target achievement for the annual variable component of Executive Corporate Officers over the three years prior to their departure. These annual targets are set by the Board of Directors for Executive Corporate Officers in respect of their role as corporate executive directors, and are used to calculate their annual variable component. For an average performance rate of at least 50%, the termination benefit is calculated on a strictly proportionate basis up to a maximum of 100% (for example, if the average performance rate reaches 90% of the target, 90% of the termination benefit will be paid). If the average performance rate is less than 50%, no termination benefit will be paid.

# 8

## SUMMARY TABLE OF CURRENTLY VALID DELEGATIONS

Issued and unissued authorized share capital<sup>(1)</sup>: the table below summarizes the current delegations granted by the Shareholders' Meetings of May 11, 2017 and November 29, 2018 to the Board

of Directors in respect of share capital and the use made of these delegations.

Type of delegation	Date of Shareholders' Meeting (resolution no.)	Duration (Date of expiration)	Maximum authorized amount	Use as of 12/31/2018
<b>INCREASE IN SHARE CAPITAL FOR THE BENEFIT OF EMPLOYEES AND EXECUTIVE CORPORATE OFFICERS</b>				
Increase in share capital reserved for employees (members of a Company savings plan) <sup>(1)</sup>	November 29, 2018 (6 <sup>th</sup> )	26 months (January 28, 2021)	0.5% of the share capital (at the date of issue)	0,07%
<b>AUTHORIZATIONS RELATED TO THE EMPLOYEE SHARE OWNERSHIP POLICY TO ALLOT EXISTING SHARES (USE OF VESTED SHARES UNDER THE SHARE BUYBACK PROGRAM – NO INCREASE IN SHARE CAPITAL)</b>				
Bonus share award (performance shares) for the benefit of employees and Executive Corporate Officers	November 29, 2018 (7 <sup>th</sup> )	38 months (January 28, 2022)	2.5% of the share capital (at the award date)	0,39%
Award of stock options for the benefit of employees	November 29, 2018 (8 <sup>th</sup> )	38 months (January 28, 2022)	0.5% of the share capital (at the award date)	0,03%
Authorization to award existing bonus shares to certain Luxottica employees, as a replacement for the cash retention plan granted by Luxottica	November 29, 2018 (9 <sup>th</sup> )	38 months (January 28, 2022)	(deductible from the authorized limit on bonus shares that may be awarded)	
<b>INCREASE IN THE SHARE CAPITAL ASSOCIATED WITH THE PROPOSED COMBINATION WITH LUXOTTICA</b>				
Capital increase by issuance of shares as consideration for the Contribution	May 11, 2017 (22 <sup>th</sup> )		October 1, 2018: Issuance in favor of Delfin, as consideration for the Contribution, of 139,703,301 new shares of the Company with a par value of €0.18 each	
Increase in the share capital by issue of shares in consideration for securities contributed as part of a public exchange offer initiated by the Company	May 11, 2017 (23 <sup>rd</sup> )	26 months (July 10, 2019)	Maximum amount: a total maximum par value amount of €20 million Used on December 3, 2018: a share capital increase of an aggregate par value amount of €11,939,318.64 by issuing 66,329,548 new ordinary shares with a par value of €0.18 each as consideration, the Luxottica shares tendered to the Exchange Offer	
<b>BUYBACK BY THE COMPANY OF ITS OWN SHARES</b>				
Purchase by the Company of its own shares	November 29, 2018 (4 <sup>th</sup> )	18 months (May 28, 2020)	10% of the share capital at the date of purchase	None
<b>REDUCTION IN THE SHARE CAPITAL BY CANCELLATION OF SHARES</b>				
Cancellation of shares acquired by the Company under Article L.225-209 of the French Commercial Code	November 29, 2018 (5 <sup>th</sup> )	26 months (January 28, 2021)	10% of the share capital at the date of cancellation by 24-month periods	None

(1) For the record, under the employee share ownership policy, employees based abroad are also entitled to an international "Boost" offer; this program, launched in 2018, did not result in an increase in share capital as existing treasury shares were used to deliver shares to employees.

(1) Article L.225-37-4 of the French Commercial Code.



# 9

## REQUEST FOR DOCUMENTS AND INFORMATION



### Ordinary and Extraordinary General Meeting of May 16, 2019

I, the undersigned:

First name and family name: .....

Address: .....

Owner of ..... shares in EssilorLuxottica in the form of:

- ..... registered shares,
- ..... bearer shares, held in an account with<sup>(1)</sup>: .....

request that the following be sent to me:

☐ in accordance with Article R.225-88 of the French Commercial Code, and in view of the General Meeting, the **documents and information** referred to in Article R.225-83 of the French Commercial Code.

In ....., on ..... 2019.

**If you wish to receive the documents and information, all requests must be sent to:**

#### Société Générale

##### Service des Assemblées

CS 30812  
44308 Nantes Cedex 03  
France

**NB:** Pursuant to Article R.225-88, paragraph 3 of the French Commercial Code, holders of registered shares may, with a single request, have the Company send them the documents referred to in Article R.225-83 of the French Commercial Code for each subsequent Shareholders' Meeting.

<sup>(1)</sup> State the bank, financial establishment and the broker responsible for the accounts.



# TO GET TO THE MAISON DE LA MUTUALITÉ IN PARIS

**Please note that:** For safety reasons, checks will be carried out at the entrance of the Maison de la Mutualité.



## Contacts and access

### Maison de la Mutualité

24 rue Saint-Victor  
75005 PARIS - France

Tel. + 33 (0)1 83 92 24 00  
Fax. + 33 (0)1 44 31 52 27

**GPS:**  
48.8486110 2.3504103

**Bus:** lines 47, 63, 67, 86, 87, 89

**Subway:** lines 7 and 10, stations: Maubert-Mutualité, Cardinal Lemoine and Jussieu

**RER:** line B, station: Saint-Michel Notre-Dame

#### Car parks:

- 37 boulevard Saint-Germain (Parking Maubert-Collège des Bernardins)
- 15 rue Lagrange (Parking Lagrange)

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