

## Executive corporate officers' compensation

**Charenton-le-Pont, France (December 21, 2020 – 8:00am)** – As announced on December 17, 2020 the Board of Directors of EssilorLuxottica decided to adjust EssilorLuxottica's governance in full respect of the equal powers principle of the business combination agreement, in order to accommodate its Executive Vice-Chairman's desire to retire.

Mr. Sagnières left all his executive responsibilities at EssilorLuxottica and its subsidiaries and remains as non-executive Vice-Chairman of the Company.

In order to preserve the equal powers principle of the business combination agreement currently in place, Leonardo Del Vecchio decided to voluntarily step back from his executive responsibilities at EssilorLuxottica and remain non-executive Chairman of the Company.

The Board granted executive powers to Francesco Milleri and Paul du Saillant, who have been appointed as Chief Executive Officer (CEO) and Deputy Chief Executive Officer (Deputy CEO) of EssilorLuxottica, respectively, until the appointment of the new Board of Directors by the 2021 annual general meeting of shareholders. Mr. du Saillant became Chairman of Essilor International.

### Financial conditions of the termination of the executive positions of Hubert Sagnières and Leonardo Del Vecchio within EssilorLuxottica

Upon recommendation of the Nomination and Compensation Committee, the Board of Directors approved the financial conditions of the termination of Hubert Sagnières and Leonardo Del Vecchio's executive positions within EssilorLuxottica. These financial conditions are strictly compliant with the compensation policy approved by the shareholders.

Regarding Hubert Sagnières:

- Fixed compensation: Hubert Sagnières' fixed compensation for 2020, covering the period from January 1 to December 17, 2020, when his term of office as Deputy Chief Executive Officer terminated, will be Euro 962,366.
- Compensation for his position as Director: the compensation for his position as Director for the first half of 2020 was Euro 32,500, which was paid in July 2020. The compensation for his position as Director for the second half of 2020 will be set and paid in January 2021, as is the case for all the other Directors.
- Variable compensation for 2020: Hubert Sagnières' variable compensation for the period from January 1 to December 17, 2020 (inclusive) will be set by the Board of Directors on a *pro rata temporis* basis in the first quarter of 2021, when the information required to assess his performance will be available. Payment of the variable component is subject to the approval of the Annual Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2020.
- Outstanding performance share plans: pursuant to the plan regulations and in view of Hubert Sagnières' retirement, the presence condition provided for by the outstanding performance share plans is deemed satisfied. Shares granted under outstanding share plans are as follows:

- 28,530 shares, after assessing the performance conditions, out of the 50,000 performance shares granted pursuant to the Board of Directors' decision of October 3, 2017;
- 50,000 performance shares, granted pursuant to the Board of Directors' decision of November 29, 2018;
- 40,000 performance shares, granted pursuant to the Board of Directors' decision of October 3, 2019; and
- 20,000 performance shares, granted pursuant to the Board of Directors' decision of October 1, 2020.

Note that all other plan rules, including the collective and individual performance conditions, continue to apply<sup>1</sup>. In accordance with the plan regulations, the individual performance condition will be assessed over the financial years that are now closed during which Hubert Sagnières held the position of Deputy Chief Executive Officer.

- Supplementary defined benefit pension plan (Article 39): Hubert Sagnières will be eligible for the supplementary defined benefit pension plan under the same terms and conditions applicable to other plan beneficiaries. In 2009, Hubert Sagnières attained the maximum years of service defined in the plan. His supplementary pension will therefore be equal to 25% of his average compensation over the period from December 17, 2017 to December 17, 2020. The annual gross amount of his supplementary pension is estimated to be Euro 447,000. A provision has been set aside to cover the plan, which is financed by an insurance company.
- Termination benefits and non-compete payment: Hubert Sagnières will not receive any termination benefits or non-compete payment upon the termination of his position as Deputy Chief Executive Officer.
- Unemployment insurance: the contribution paid in February 2020 to the GSC unemployment fund for company officers amounted to €8,004 (annual lump sum payment).
- Employer contributions to group plans (health insurance, death/disability insurance, defined contribution pension plan): the Company paid contributions to these group plans for Hubert Sagnières for the period from January 1 to December 17, 2020.
- Employment contract: Hubert Sagnières' employment contract has terminated due to his retirement. He will not be required to work during his notice period and will receive a retirement benefit, as defined in the collective bargaining agreement applicable within Essilor International SAS. The amount of the retirement benefit will be equal to 4 months of his contractual compensation and is estimated to be Euro 400,000.

Regarding Leonardo Del Vecchio:

- Fixed compensation: Leonardo del Vecchio's fixed compensation for 2020, covering the period from January 1 to December 17, 2020, when his term of office as Chief Executive Officer terminated, will be Euro 837,365. Note that in the context of the COVID-19 crisis, Leonardo Del Vecchio asked for a 50% reduction in his fixed compensation for the period from April to June 2020 inclusive.

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<sup>1</sup> A description of performance shares plans and related conditions is set forth in Chapters 2.3 and 5.4 of the 2019 Universal Registration Document.

- Compensation for his position as Director: the compensation for his position as Director for the first half of 2020 was Euro 25,000, which was paid in July 2020. The compensation for his position as Director for the second half of 2020 will be set and paid in January 2021, as is the case for all the other Directors.
- Variable compensation for 2020: Leonardo Del Vecchio's variable compensation for the period from January 1 to December 17, 2020 (inclusive) will be set by the Board of Directors on a *pro rata temporis* basis in the first quarter of 2021, when the information required to assess his performance will be available. Payment of the variable component is subject to the approval of the Annual Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2020.
- Outstanding performance share plans: shares granted under outstanding share plans are as follows:
  - 50,000 performance shares, granted pursuant to the Board of Directors' decision of November 29, 2018;
  - 40,000 performance shares, granted pursuant to the Board of Directors' decision of October 3, 2019; and
  - 20,000 performance shares, granted pursuant to the Board of Directors' decision of October 1, 2020.

Note that all other plan rules, including the collective and individual performance conditions, continue to apply<sup>1</sup>. In accordance with the plan regulations, the individual performance condition will be assessed over the financial years that are now closed during which Leonardo Del Vecchio held the position of Chief Executive Officer.

Leonardo Del Vecchio, who will continue to perform his duties as director and Chairman of the Board of Directors of the Company and as Executive Chairman of Luxottica, will continue to satisfy the presence condition provided for by the outstanding performance share plans.

- Supplementary defined benefit pension plan (Article 39): Leonardo Del Vecchio is not eligible for the Company's defined benefit pension plan.
- Termination benefits and non-compete payment: Leonardo Del Vecchio will not receive any termination benefits or non-compete payment on the termination of his position as Chief Executive Officer.
- Employer contributions to group plans (health insurance, death/disability insurance, defined contributions pension plan): the Company paid contributions to these group plans for Leonardo Del Vecchio for the period from January 1 to December 17, 2020.

#### Compensation from December 18, 2020 onwards

The Board of Directors also decided, upon recommendation of the Nomination and Compensation Committee, that:

- For the period from December 18 through December 31, 2020, Leonardo Del Vecchio, Hubert Sagnières, Francesco Milleri and Paul du Saillant will not receive any compensation for the performance of their services as Chairman of the Board of Directors, Vice-Chairman of the Board of Directors, Chief Executive Officer and Deputy Chief Executive Officer, respectively.

- The compensation of Leonardo Del Vecchio, Hubert Sagnières, Francesco Milleri and Paul du Saillant for the performance of such services from January 1, 2021 will be set at the beginning of the next financial year as part of the 2021 compensation policy, which is currently being prepared.

*EssilorLuxottica is a global leader in the design, manufacture and distribution of ophthalmic lenses, frames and sunglasses. Formed in 2018, its mission is to help people around the world to see more, be more and live life to its fullest by addressing their evolving vision needs and personal style aspirations. The Company brings together the complementary expertise of two industry pioneers, one in advanced lens technology and the other in the craftsmanship of iconic eyewear, to set new industry standards for vision care and the consumer experience around it. Influential eyewear brands including Ray-Ban and Oakley, lens technology brands including Varilux® and Transitions®, and world-class retail brands including Sunglass Hut and LensCrafters are part of the EssilorLuxottica family.*

*In 2019, EssilorLuxottica had over 150,000 employees and consolidated revenues of Euro 17.4 billion.*

*The EssilorLuxottica share trades on the Euronext Paris market and is included in the Euro Stoxx 50 and CAC 40 indices. Codes and symbols: ISIN: FR0000121667; Reuters: ESLX.PA; Bloomberg: EL:FP.*

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