2018

# Provisional quorum

| | Shareholders | Shares |
|---|---|---|
| Postal ballot | 000,000 | 000,000 |
| Present and represented | 000,000 | 000,000 |
| **TOTAL** | **000,000** | **000,000** |

- Required quorum
  - 20% of the capital for OGM
  - Participation rate: 00%

# AGENDA
# FOR THE ORDINARY MEETING

1. Approval of the 2017 parent Company financial statements

2. Approval of the 2017 consolidated financial statements

3. Allocation of earnings and setting of the dividend

# AGENDA
# FOR THE ORDINARY MEETING

4. Renewal of the Director's term of office of **Mr. Antoine BERNARD DE SAINT-AFFRIQUE**

5. Renewal of the Director's term of office of **Ms. Louise FRÉCHETTE**

6. Renewal of the Director's term of office of **Mr. Bernard HOURS**

7. Renewal of the Director's term of office of **Mr. Marc ONETTO**

8. Renewal of the Director's term of office of **Mr. Olivier PÉCOUX**

9. Renewal of the Director's term office of **Ms. Jeanette WONG**

# AGENDA
# FOR THE ORDINARY MEETING

10. Appointment of **Ms. Jeanette WONG** as Director of the Company in replacement of Ms. Henrietta FORE
*(as from the completion date of the combination with Luxottica)*

11. Approval of the undertakings referred to in article L. 225-42-1 of the French Commercial Code relating to the severance payment granted to Mr. Laurent VACHEROT, President and Chief Operating Officer, in the event that his employment contract is terminated under certain conditions

# AGENDA
# FOR THE ORDINARY MEETING

12. Approval of the fixed, variable and exceptional compensation components comprising the total compensation and benefits in kind paid or awarded in respect of the 2017 fiscal year to Mr. Hubert SAGNIÈRES, Chairman and Chief Executive Officer

13. Approval of the fixed, variable and exceptional compensation components comprising the total compensation and benefits in kind paid or awarded in respect of the 2017 fiscal year to Mr. Laurent VACHEROT, President and Chief Operating Officer

14. Approval of the compensation policy applicable to the Executive Board Officers

15. Powers to carry out formalities

2018

# **SOUND GROWTH**, SOUND FUNDAMENTALS

Laurent Vacherot

# 2017: another year of earnings growth

| | 2016 | Croissance | 2017 |
|---|---|---|---|
| **Revenue** | **€7,115m** | +5.3% | **€7,490m** |
| **Adjusted Contribution from operations(1)(2)** | **€1,321m** | +3.5% | **€1,367m** |
| *As a percentage of revenue* | *18.6%* | | *18.3%* |
| **Adjusted Earnings per share(2)** | **€3.79** | +1.6% | **€3.85** |
| **Adjusted Free Cash Flow(3)** | **€963m** | +4.0% | **€1,002m** |
| **Dividend per share(4)** | **€1.50** | | **€1.53** |

*(1) Contribution from operations corresponds to revenue less cost of sales and operating expenses (research and development costs, selling and distribution costs and other operating expenses)*

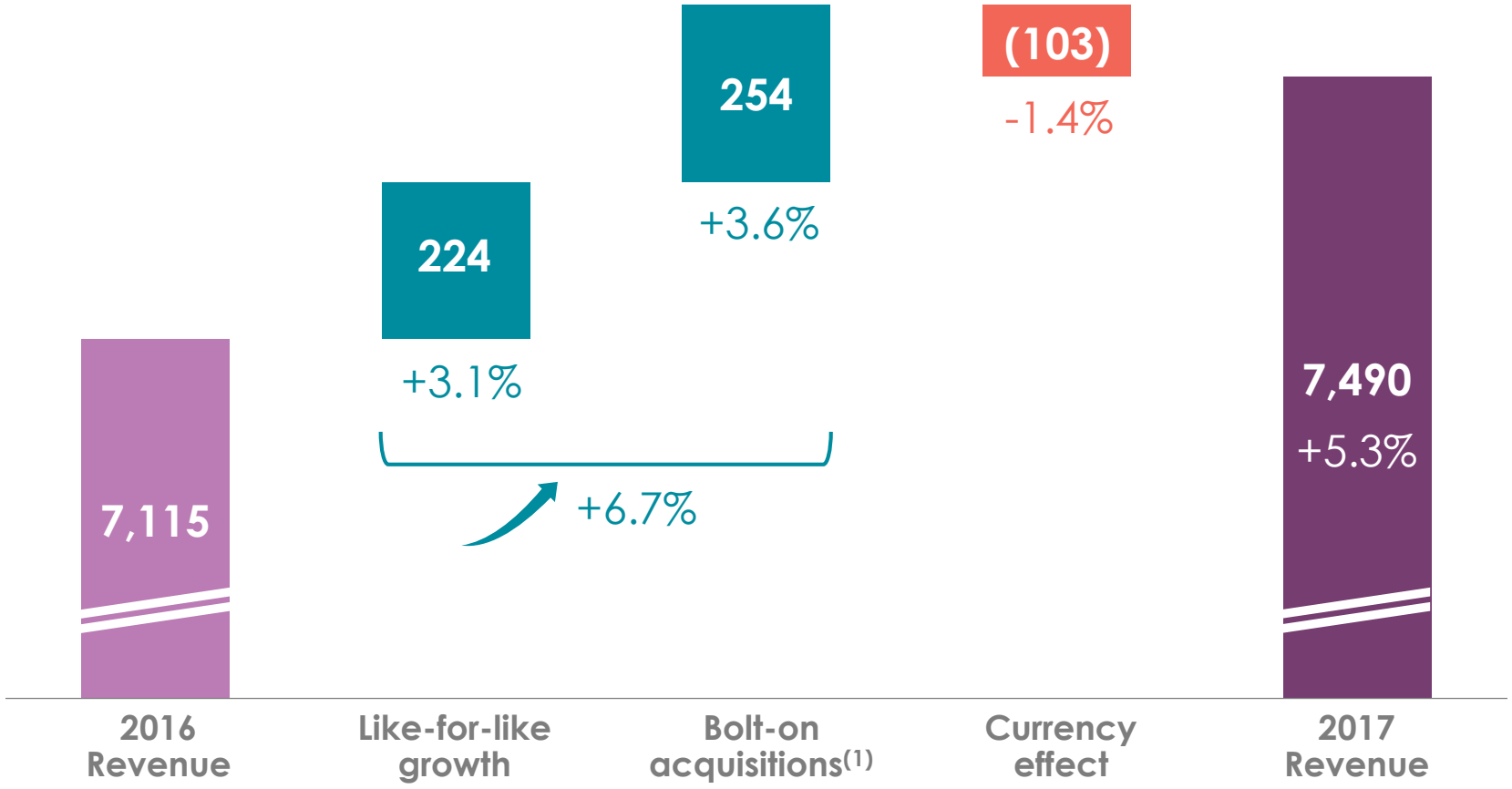
*(2) The 2017 accounts are adjusted for non-recurring items related, on one hand, to expenses associated with the proposed combination with Luxottica and, on the other hand, to the positive effects of tax changes in the United States and France. 2016 results are not adjusted*

*(3) Net cash from operating activities less change in WCR and capital expenditure. Adjusted for non-recurring items related to the German competition authority (BKA) in 2016 and to 2017 items including costs linked to the proposed transaction with Luxottica along with the settlement of litigation*

*(4) To be submitted for shareholder approval at the April 24, 2018 Annual General Meeting*

# 2017: a balanced revenue increase between like-for-like growth and bolt-on acquisitions

*€ millions*

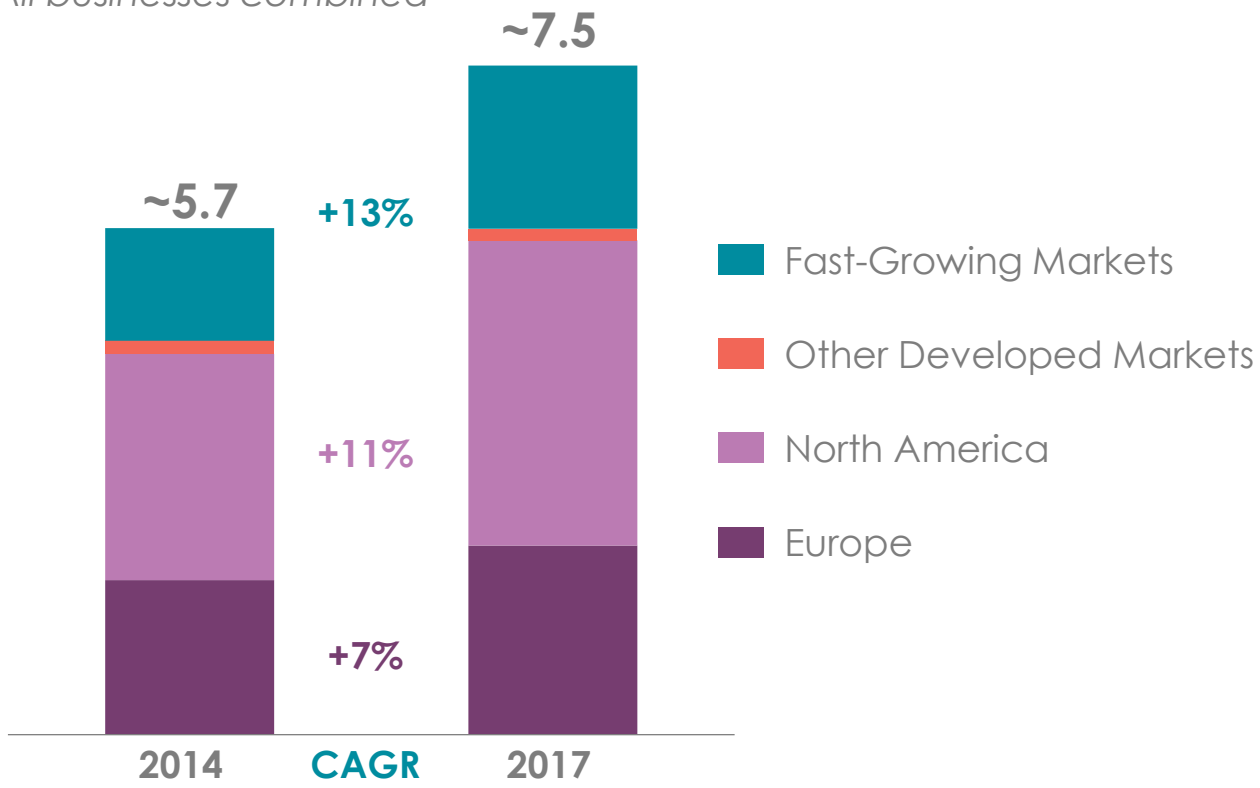



*(1) Local acquisitions or partnerships*

# Sustained revenue growth across geographies

## BY GEOGRAPHY

*Revenue in €Bn*
*All businesses combined*




## 2017 HIGHLIGHTS

- Lenses: solid momentum driven by new products and e-commerce
- Continued progression in Sunglasses & Readers
- Equipment and Instruments performed well
- Fast-Growing Countries[1]: 24% of total sales

*(1) Fast-growing countries include China, India, ASEAN, South Korea, Hong Kong, Taiwan, Africa, the Middle East, Russia and Latin America*

# Important Factors for Consideration in 2017

Hive-down completed as of November, 1st 2017

**ESSILOR INTERNATIONAL**
(Compagnie Générale d'Optique)
French joint-stock company (S.A.)
Registered with the Trade and Companies Registry (Registre du Commerce et des Sociétés) of Créteil under number 712 049 618

**Holding company (listed company)**
Chairman and Chief Executive Officer: Hubert Sagnières
President and Chief Operating Officer: Laurent Vacherot

↓ 100%

**ESSILOR INTERNATIONAL**
French simplified joint-stock company (S.A.S.)
Registered with the Trade and Companies Registry (Registre du Commerce et des Sociétés) of Créteil under number 439 769 654

**Operating company**
Chief Executive Officer: Hubert Sagnières
Deputy Chief Executive Officer: Laurent Vacherot
Management Committee

↓

**Equity holdings of the Essilor Group(2)**

2017 accounts are adjusted for non-recurring items

- Transaction costs related to the proposed combination with Luxottica: €109 million
- Costs related to employee shareholding plans(1): €45 million
- A gain from a tax reimbursement in France, redistributed to eradicate poor vision: €19 million
- A gain from the tax reform in the USA: €73 million

*(1) Lifting of the performance conditions of 2 employee shareholding plans and "Boost 2017" program*
*(2) Excluding the following subsidiaries: Essilor India Private Limited (EIPL), Essilor Manufacturing India Private Limited (EMIL), Essilor Korea Co, Ltd., Onbitt Co., Ltd., for which ESSILOR INTERNATIONAL (Compagnie Générale d'Optique) is shareholder*

# Adjusted[1] Net Profit Up 4.8%

*€ millions*

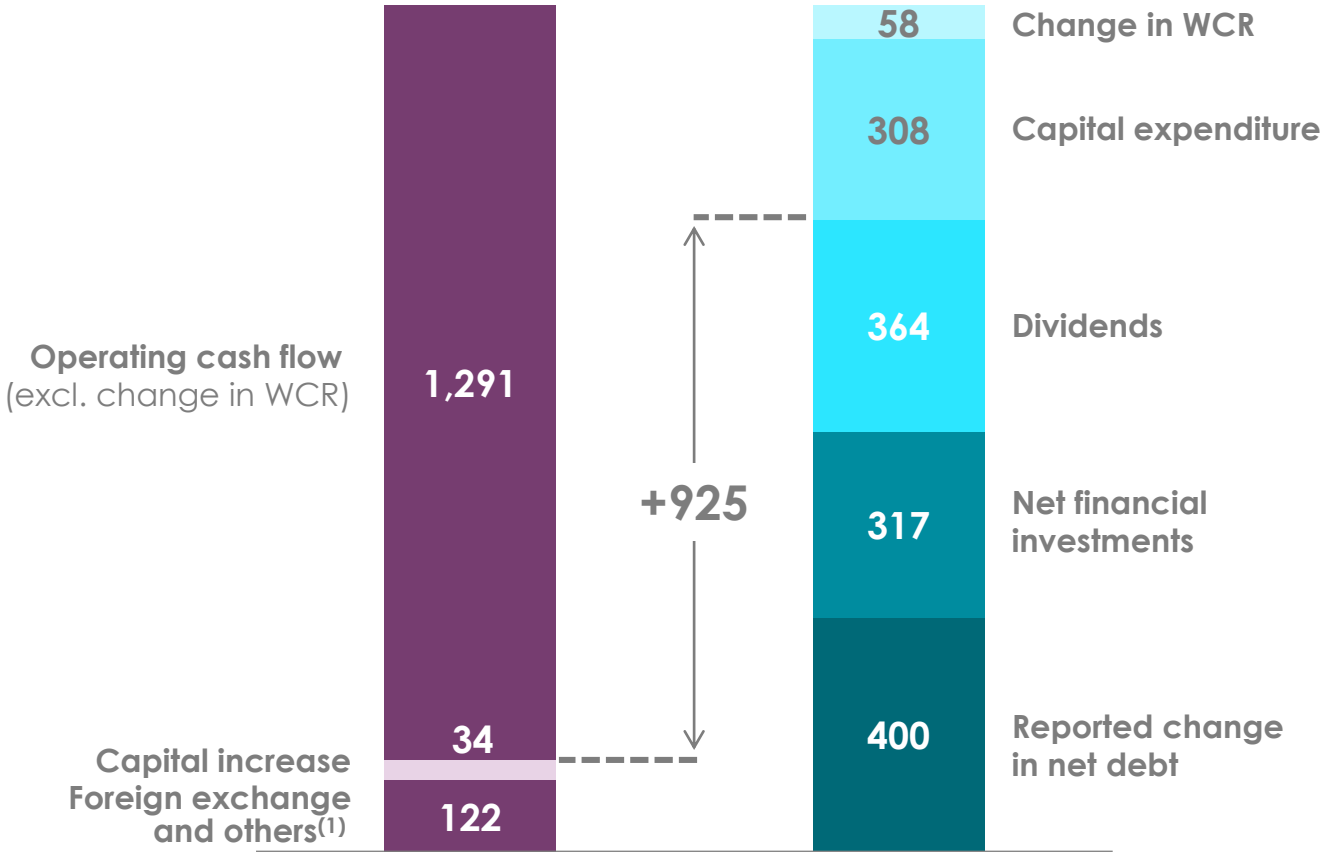
| | 2017 Adjusted[1] | 2016 Reported | Change |
|---|---|---|---|
| **Revenue** | **7,490** | **7,115** | +5.3% |
| **Contribution from operations[2]** | **1,367** | **1,321** | +3.5% |
| **Operating profit** | **1,248** | **1,230** | +1.5% |
| **Net profit** | **922** | **880** | +4.8% |
| **Profit attribuable to equity holders** | **833** | **813** | +2.5% |
| **Earnings per share (in €)** | **3.85** | **3.79** | +1.6% |

*(1) The 2017 accounts are adjusted for non-recurring items related, on one hand, to expenses associated with the proposed combination with Luxottica and, on the other hand, to the positive effects of tax changes in the United States and France*

*(2) Contribution from operations corresponds to revenue less cost of sales and operating expenses (research and development costs, selling and distribution costs and other operating expenses)*

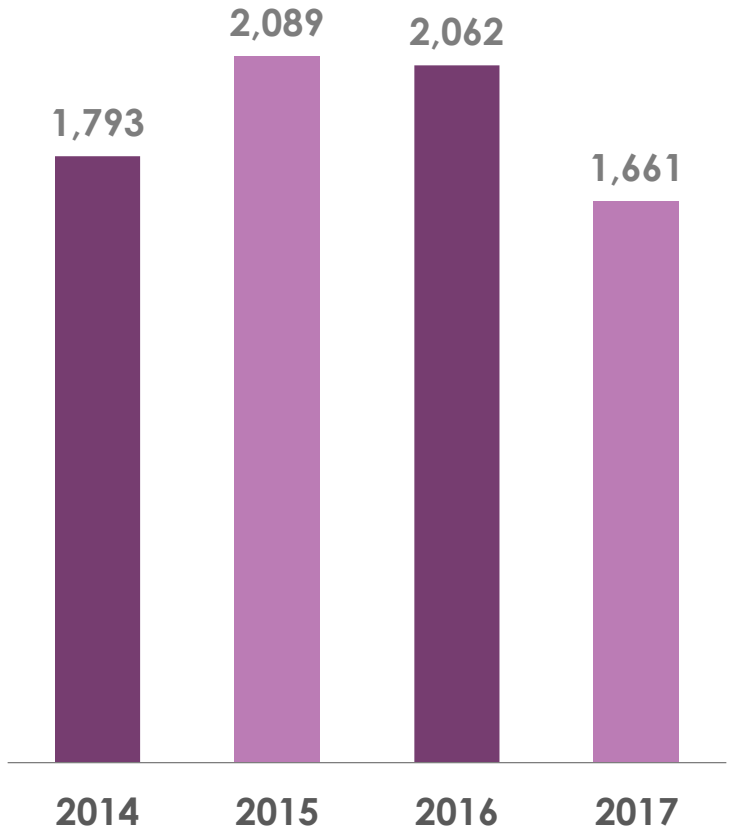
# A Sound Financial Situation

*€ millions*



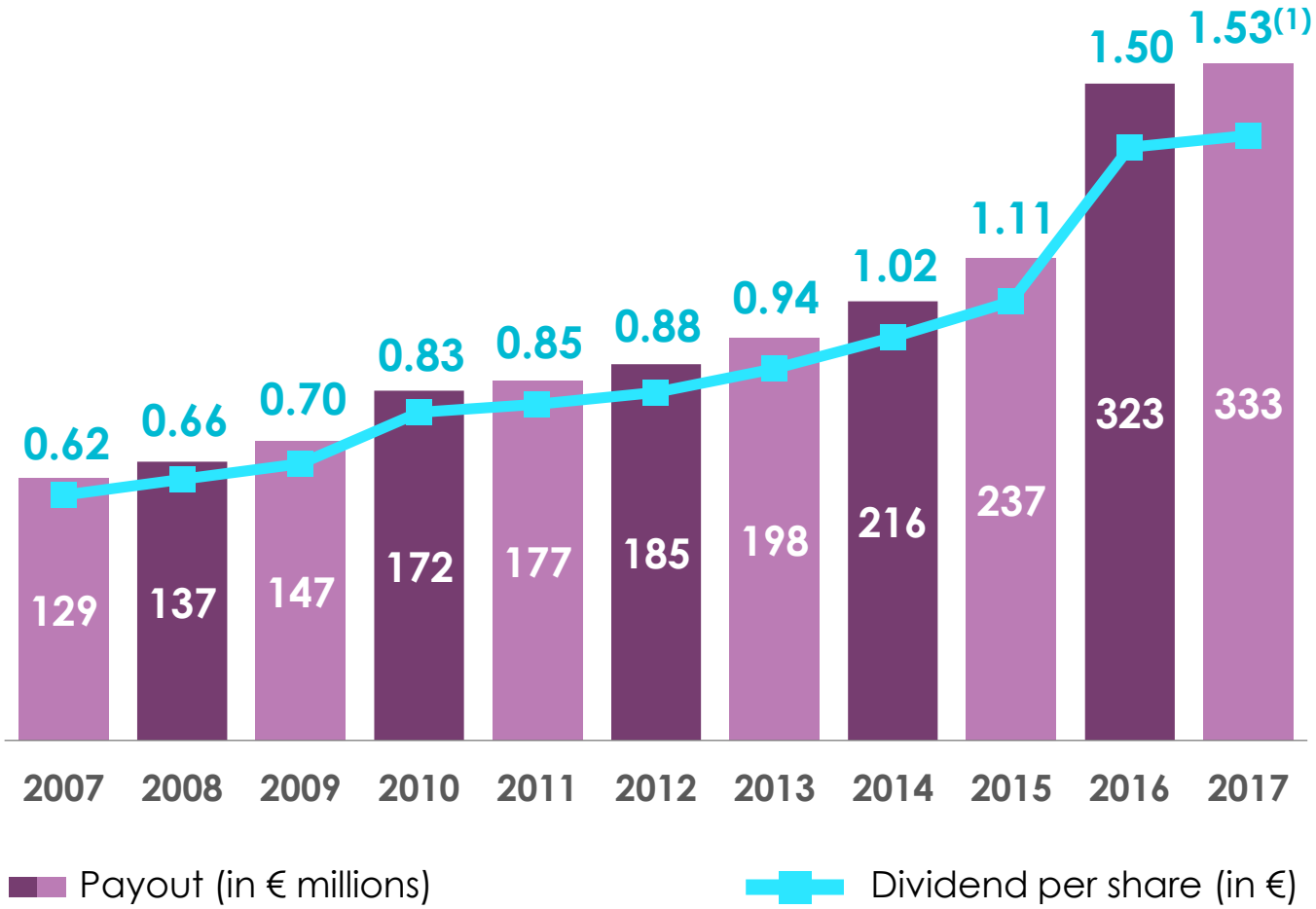

## FAST DE-LEVERAGING

*Net debt in € millions*



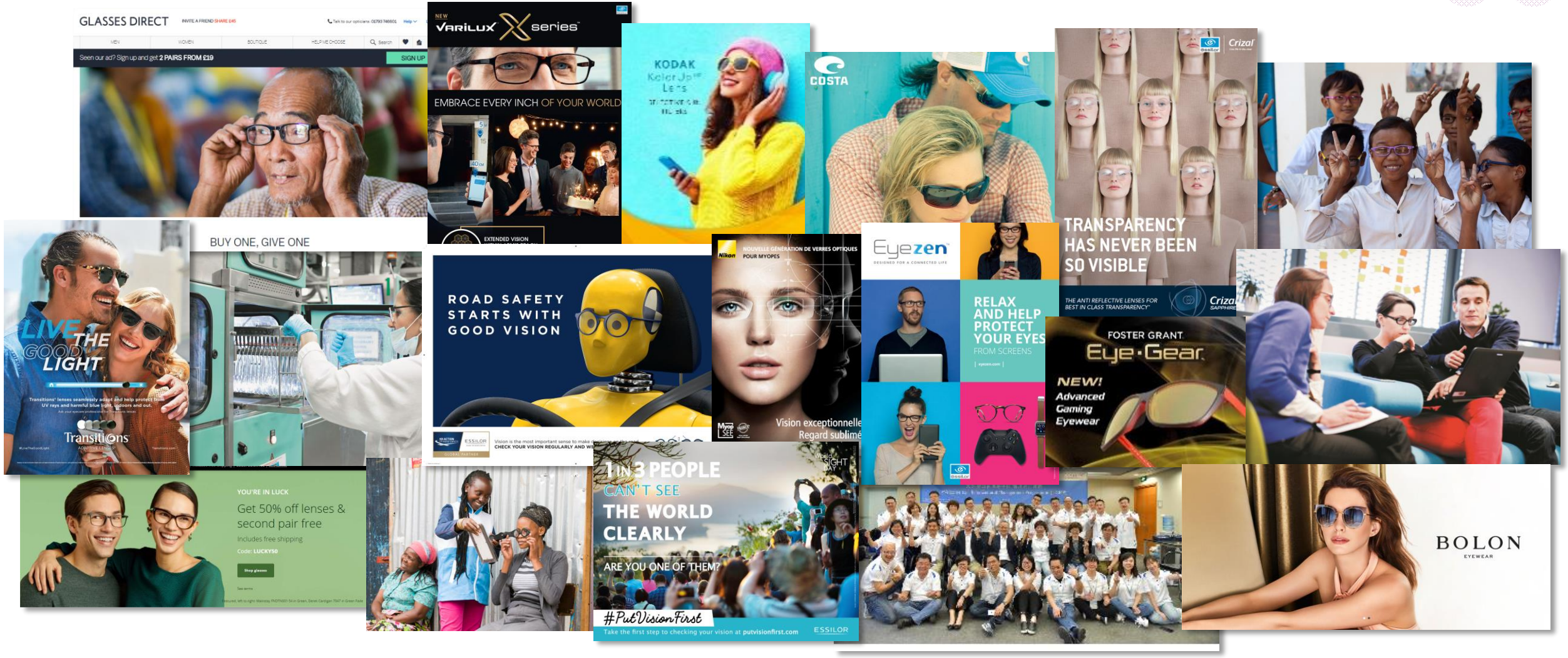

*(1) Including €96m of foreign exchange impact*

# Dividend per share




*(1) To be submitted for shareholder approval at the April 24, 2018 Annual General Meeting*

# Strengthening our foundations for future growth



# Successful rollout of new products

## NORTH AMERICA

**2017**

Varilux X design

Crizal SAPPHIRE 360°

Eyezen START

**2018**

Transitions Signature VII
STYLE COLOURS COLLECTION

BLUE CAPTURE

Vision-R™ 800

## LATIN AMERICA

**2017**

eyeprotect SYSTEM

**2018**

Varilux X design

Crizal SAPPHIRE 360°

BLUE CAPTURE

## EUROPE

**2017**

Varilux X design

Transitions Signature VII
STYLE COLOURS COLLECTION

**2018**

Crizal SAPPHIRE 360°

BLUE CAPTURE

2.5 new VISION generation

## ASIA-PACIFIC
## AFRICA / MIDDLE EAST

**2017**

Eyezen START

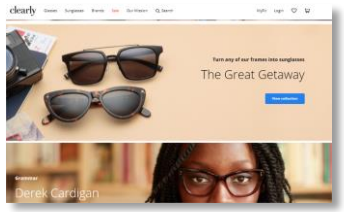
**2018**

Varilux X design

Crizal SAPPHIRE 360°

# Continued growth in developed markets

## NORTH AMERICA +4.7%(1)




- Ultimate Lens Package
- Key account partnerships
- Initiatives with "Alliances & Business solutions"
- Online acceleration

## EUROPE +6.5%(1)

VARILUX® X design

- New product deployment
- Multi-network strategy including Online
- Personalized premium products success

*(1) 2017 Combined revenue growth (like-for-like and bolt-on acquisitions), across all business divisions*

# China: a consumer-driven organization to develop the world's biggest market

## A VAST MARKET WITH GROWING NEEDS

- 1.3 bn people
- 45% are myopes
- ~500 million have uncorrected poor vision

## 18% REVENUE GROWTH OVER 3 YEARS(1)

*(1) Compound Annual Growth Rate*

# Continuing to invest in Fast-Growing[1] Markets

## AFRICA-MIDDLE EAST

### Ethiopia

NEW




## ASIA-PACIFIC

### Vietnam



### Indonesia

MITRAmata

## LATIN AMERICA

### Guatemala

NEW



**4 countries representing 500 Million people**

*(1) Fast-growing countries include China, India, ASEAN, South Korea, Hong Kong, Taiwan, Africa, the Middle East, Russia and Latin America*

# Increased focus on employee engagement

## CREATING AN INCLUSIVE AND STIMULATING ENVIRONMENT

- Learning Culture

ESSILOR U

10 New languages

comet Young Talent Accelerator

New development program

- DIVERSITY AND INCLUSION: LET'S AIM HIGHER

- Safety and well-being

## RAPID EXPANSION OF EMPLOYEE SHAREHOLDING

**35,866** active employee shareholders

**57** countries

**55%** of employees are shareholders

# Accelerating our fight against poor vision

## AWARENESS

VISION IMPACT INSTITUTE

#PutVisionFirst

ALL ABOUT VISION.com
VIRTUALLY EVERYTHING IN SIGHT

LA BONNE VUE

## INCLUSIVE BUSINESS

eyeMITRA™

Vision Ambassador

- 6,000 primary vision care providers
- Product distribution in 45 countries

## STRATEGIC GIVING

Vision For Life™
ESSILOR

**Essilor Social Impact Fund**

- More than 3,000 Essilor employees volunteered globally
- Global contribution of €49M

# On track to reach our 2020 sustainability targets

## CREATING WEARERS

- Improve the lives of 50 million individuals at the "base of the pyramid"(1)
- Create 25,000 primary vision care providers
- Invest €30 million in philanthropic visual health programs

## REDUCING ENVIRONMENTAL FOOTPRINT

- Reduce water intensity by 20%(2)
- Lower energy intensity by 15%(2)

## CARING FOR OUR PEOPLE

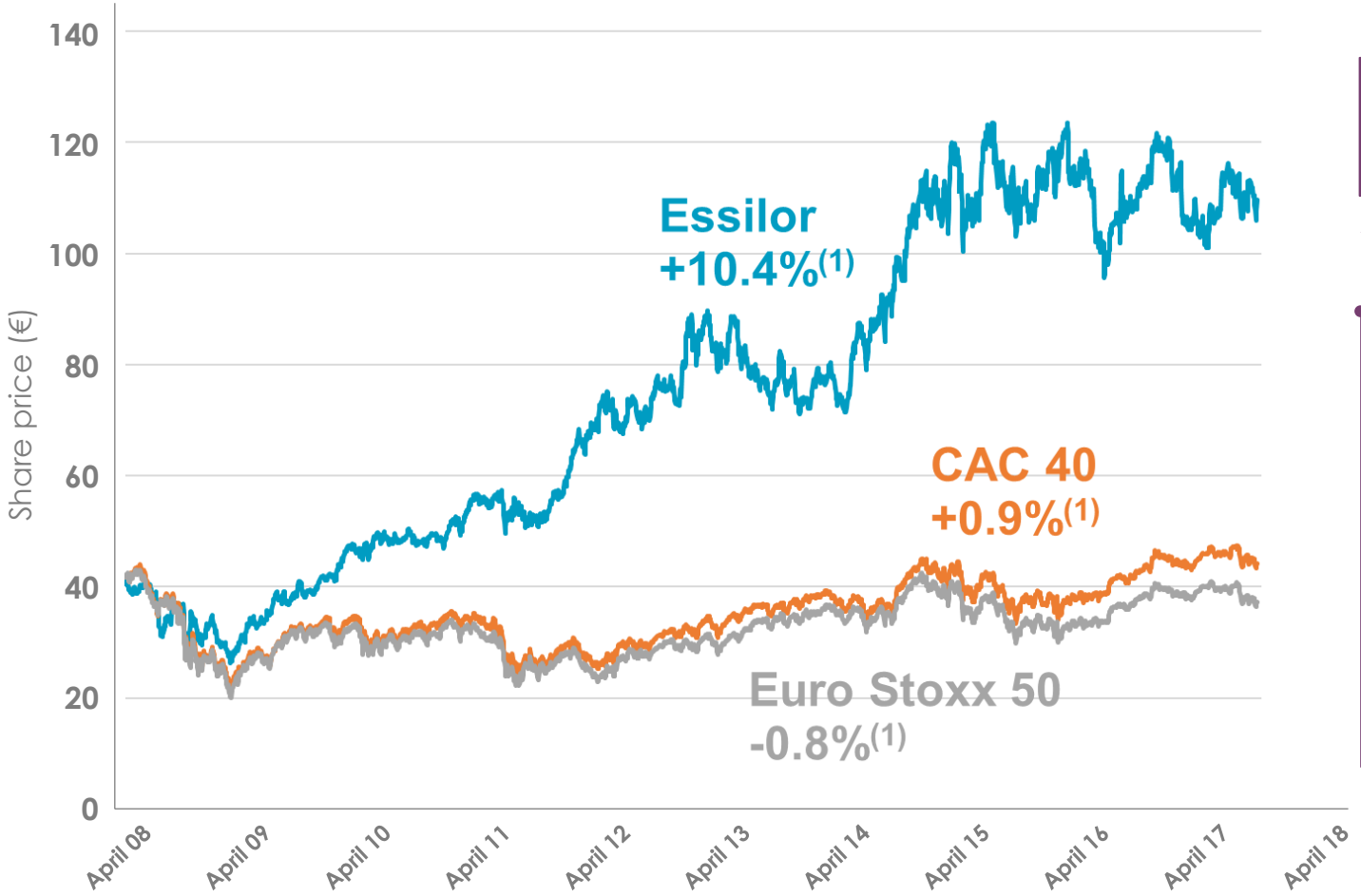
- Decrease by 30% work-related injury frequency rate(3)
- Give 100% of employees access to Essilor University online training platform
- 35% of employees as shareholders, with a longer-term ambition of 50%

## WORKING WITH SOCIETY

- 100% of strategic suppliers receive external CSR audit
- 100% of preferred suppliers acknowledge Essilor's Supplier Charter

*(1) "Base of the pyramid" refers to underprivileged and high-risk populations characterized by high rates of poverty, living on less than $2.50 a day*
*(2) Targets measured per "good" lens produced across a defined scope of manufacturing facilities with Group's most significant environmental footprint*
*(3) Baseline for work-related injury frequency rate: 2015 with a a zero-accident goal*

# Sound fundamentals driving long term value creation




## A GROUP RECOGNISED FOR INNOVATION AND SUSTAINABLE DEVELOPMENT

Forbes 2017 THE WORLD'S MOST INNOVATIVE COMPANIES POWERED BY THE INNOVATORS DNA

EURONEXT vigeo eiris

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

CDP A LIST 2017 WATER

FTSE4Good

*(1) Compound Annual Growth Rate*

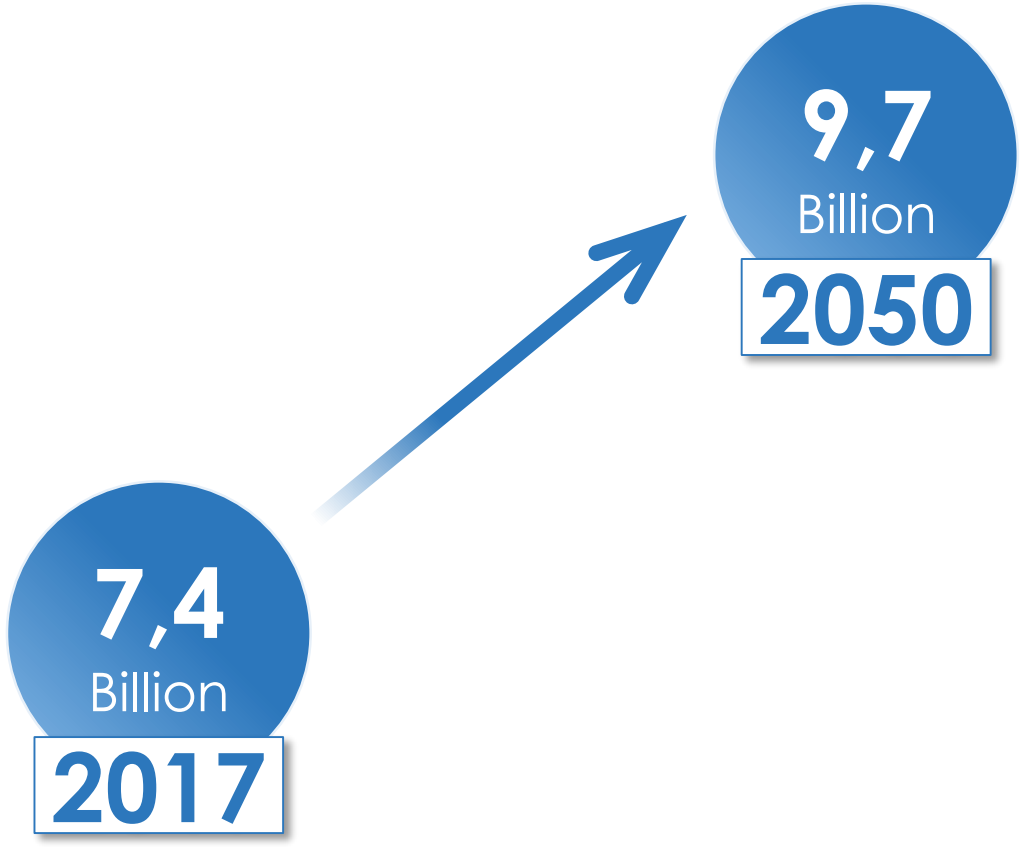
2018

# READY TO ACCELERATE IN A GROWING MARKET

Paul du Saillant

# Bringing good vision to everyone, everwhere by 2050

*Worldwide population*




*Source: United Nations*

## CORRECTION

- Primary objective of Essilor lenses

## PROTECTION

- UV rays

## PREVENTION

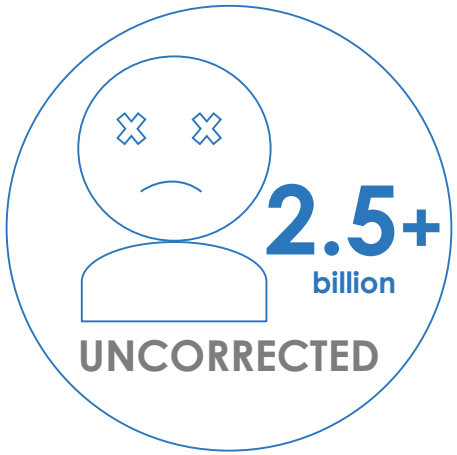
- Harmful blue light
- High myopia

# Poor vision, the world's largest disability

## **7,4 BILLION** PEOPLE WORLDWIDE

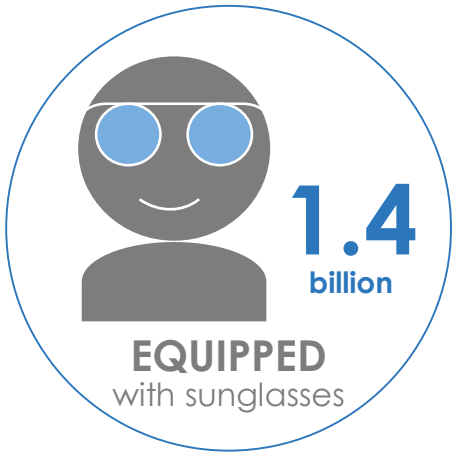
### VISION CORRECTION

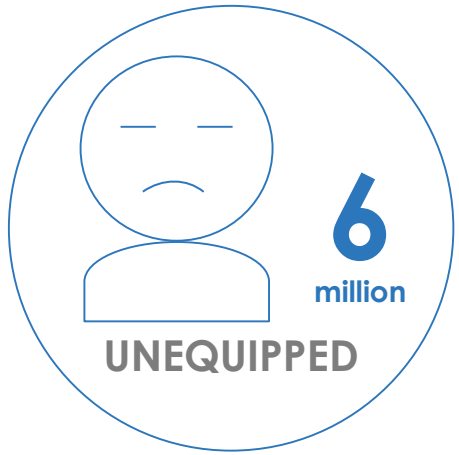
- **4.6 billion** people require vision correction




### VISION PROTECTION & PREVENTION

- **100%** should protect their eyes (sun, UV, blue light)

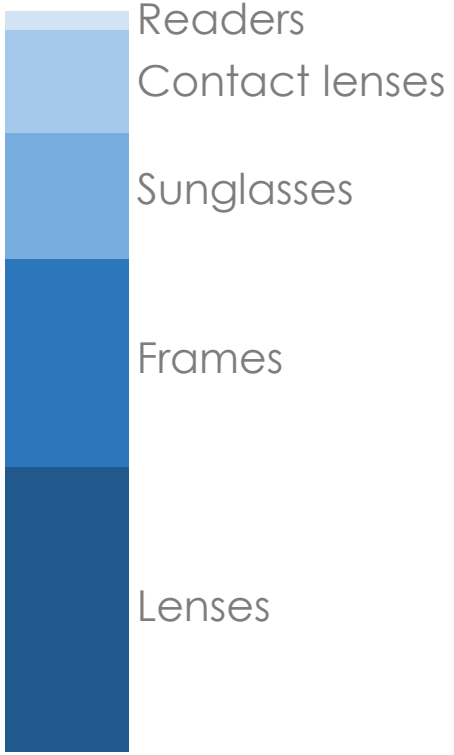



*Source : Essilor - 2016 estimates*

# An underdeveloped optical market: ~€15 spent per inhabitant per year

## A €100 BN MARKET…




## …HIGHLY FRAGMENTED…

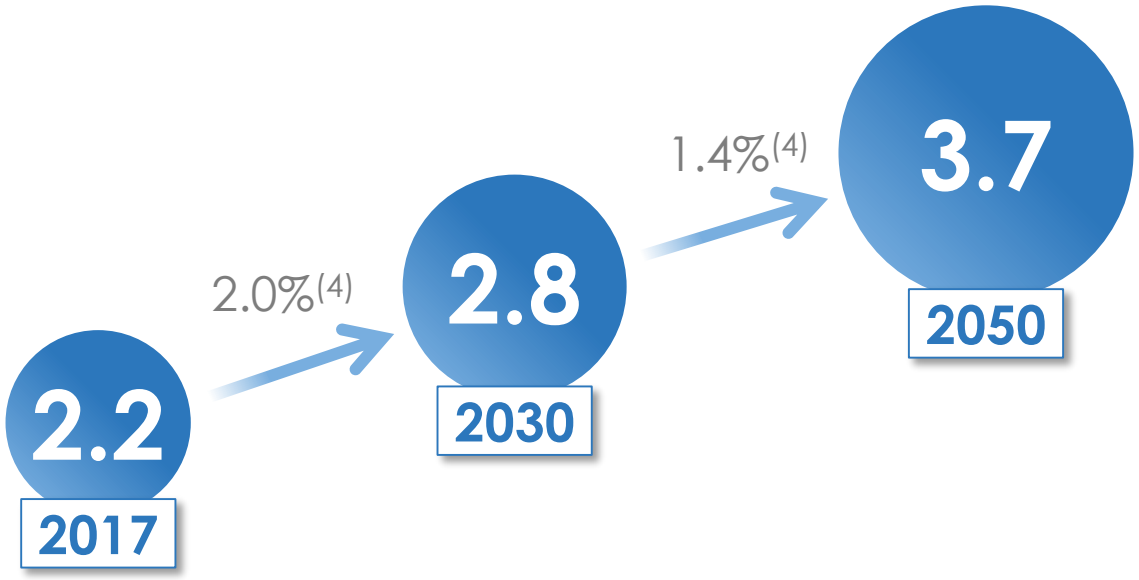
- > 2,000 laboratories
- > 1,000 Brands
- Traditional and emerging business models (Retail, Online)

## …GROWING VISION HEALTH NEEDS

- Presbyopia
- Myopia
- Harmful rays exposure

# In 2030, more than 2.8 billion people will have Presbyopia

*Billion people[1]*




## TRENDS

- Ageing population
- In mature markets, Seniors are more equipped than mid lifers
- In fast growing markets: large mid lifers active population

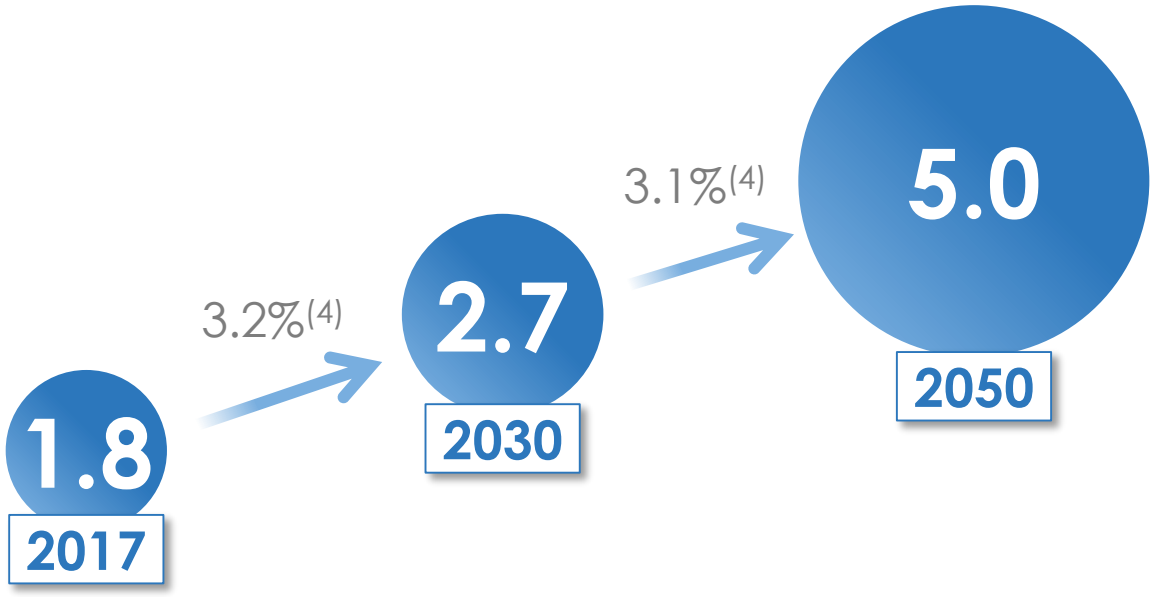
## CONSUMER CHALLENGES

- Reduce stigma around ageing
- Solutions for all budgets
- Access to the solutions

*(1) Source: Essilor estimates, Brien Holden Vision Institute*
*(2) Morgan IG1, Ohno-Matsui K, Saw SM. Myopia. Lancet. 5 May 2012*
*(3) Verkicharla, Ohno-Matsui, Saw. Current and predicted demographics of high myopia and an update of its associated pathological changes, Ophtalmologic & Physiological Optics. 2015*
*(4) Compound Annual Growth Rate*

# In 2030, more than 2.7 billion people will have Myopia

*Billion people*[1]




## TRENDS

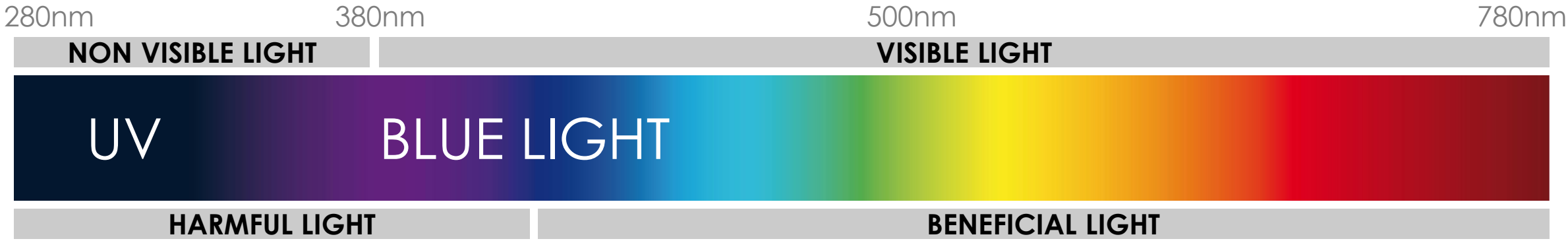
- Changing lifestyles leading to Myopia pandemic: Urban & Connected

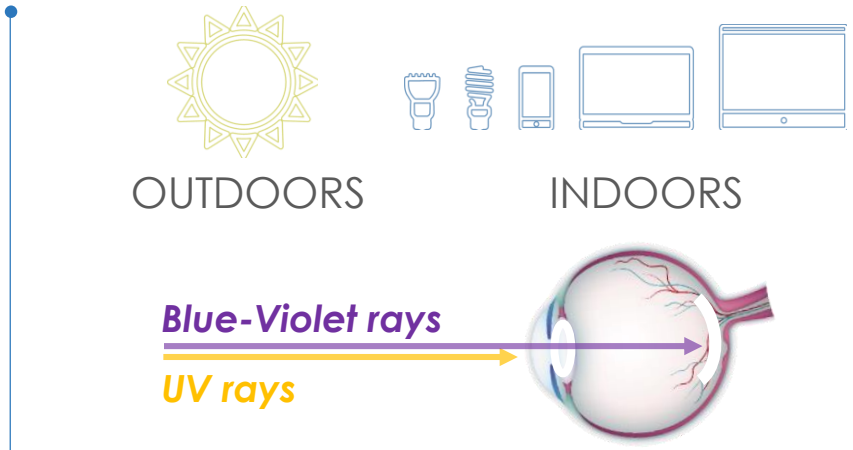
## CONSUMER CHALLENGES

- Poor aesthetics and physical comfort
- Growing prevalence of myopia in children[2]
- Risk of eye disease in high myopias[3]

*(1) Source: Essilor estimates, Brien Holden Vision Institute*
*(2) Morgan IG1, Ohno-Matsui K, Saw SM. Myopia. Lancet. 5 May 2012*
*(3) Verkicharla, Ohno-Matsui, Saw. Current and predicted demographics of high myopia and an update of its associated pathological changes, Ophtalmologic & Physiological Optics. 2015*
*(4) Compound Annual Growth Rate*

# Everyday exposure to harmful light is a major vision health risk for each person on the planet



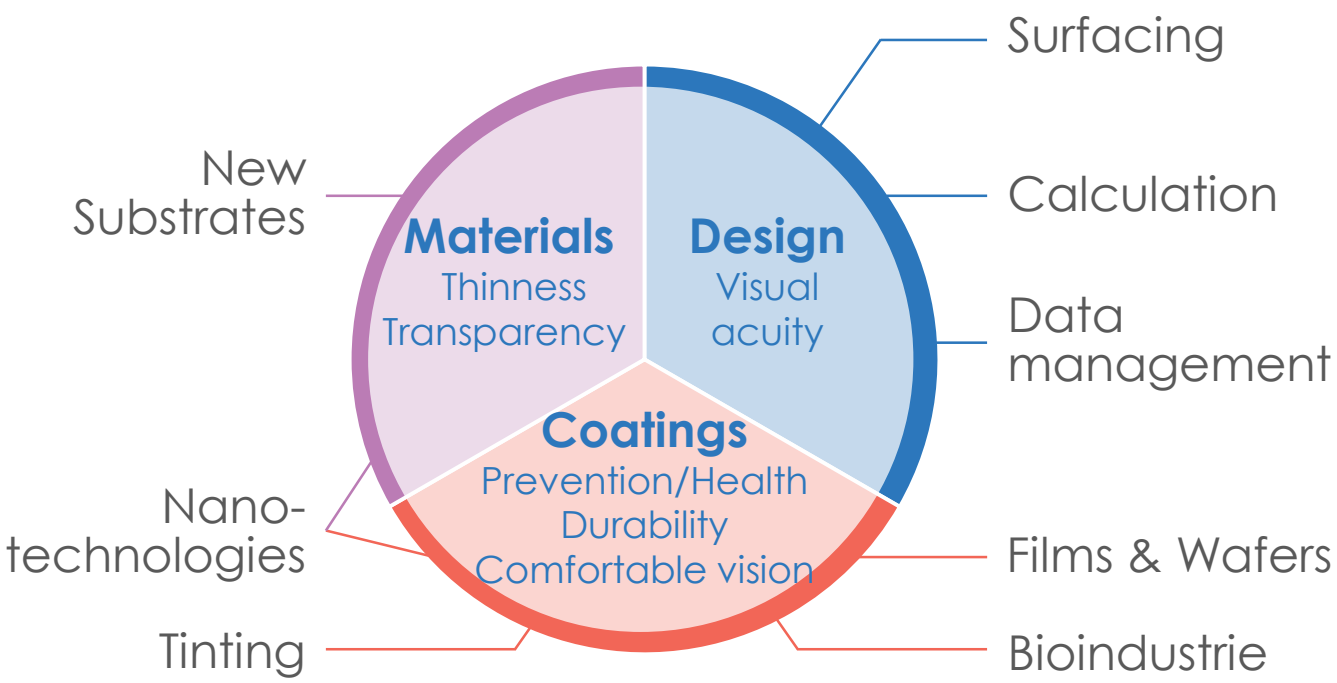




- **UV:** Only 20% of equipped people
- **Blue Light:** People still not fully aware

**Massive under-penetration** with high potential for prescription lenses

# Innovative solutions for all vision needs exist

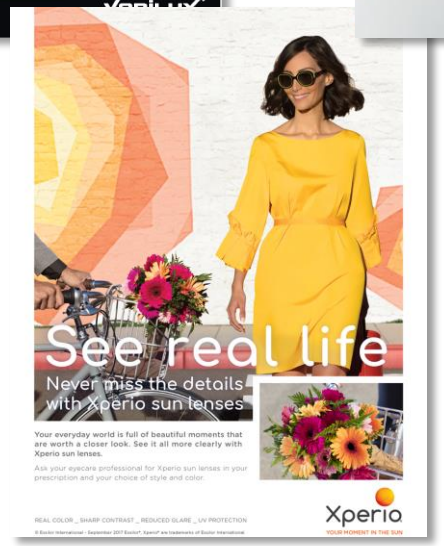
## LENS TECHNOLOGIES




## GLOBAL SUPPLY CHAIN

- A Worldwide organization:
  - 34 Plants
  - 14 Distribution centers
  - 481 Proximity laboratories
- Specific solutions to address the needs of each local market

# Consumer brands: combining vision and self expression



# Improving accessibility through strong multi-channel distribution

## RETAIL

### Independent practice

- Personalized Consumer Experience
- Very developed in mature markets

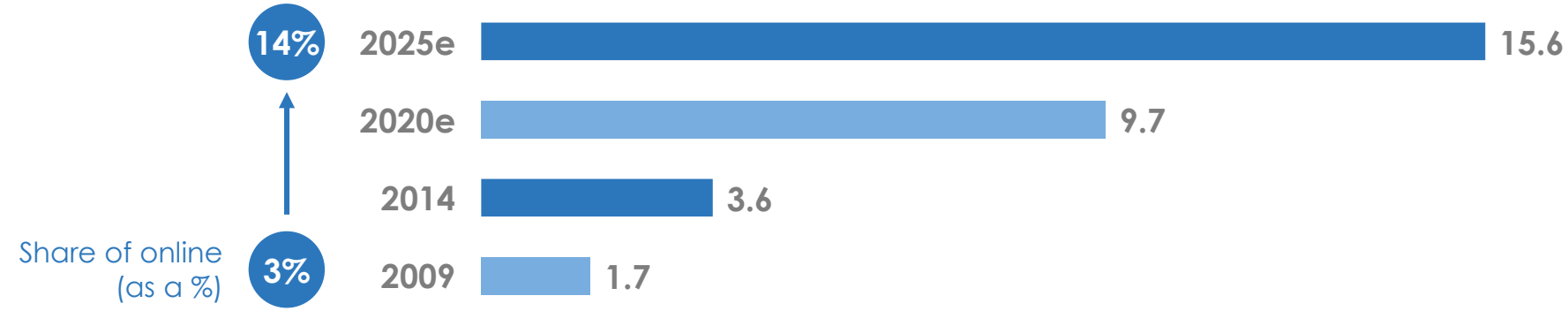
### Retail

- Mono-brand & Franchise model
- Growing fast in emerging markets

### Micro-entrepreneurs

- New inclusive business models

## ONLINE




*Global online optical retail (in € billions) World 2009 - 2025*

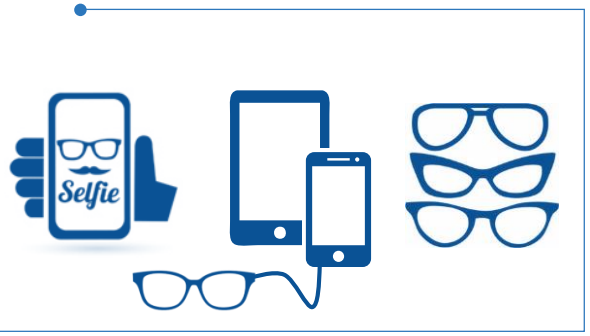
# A market potential of €300bn

- Innovation
- Industry solutions
- Consumer Brands
- Awareness
- Accessibility
- Affordability
- Etc.

**€100 bn**(1)

**c.€300 bn**(2)

… AND MORE WITH NEW LIFESTYLES




*(1) Sell-out value for contact lenses, spectacle lenses, readers, sunglasses and frames in 2016*
*(2) Assuming 100% of vision correction and protection needs addressed and fast-growing markets product mix in line with more advanced developing countries*
*Source: Essilor estimates*

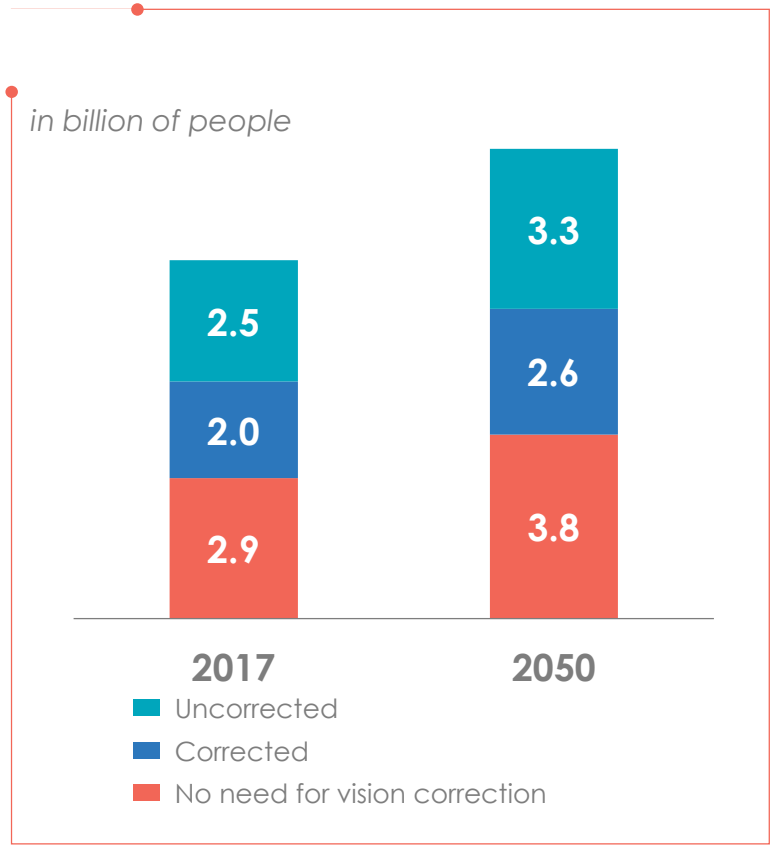
2018

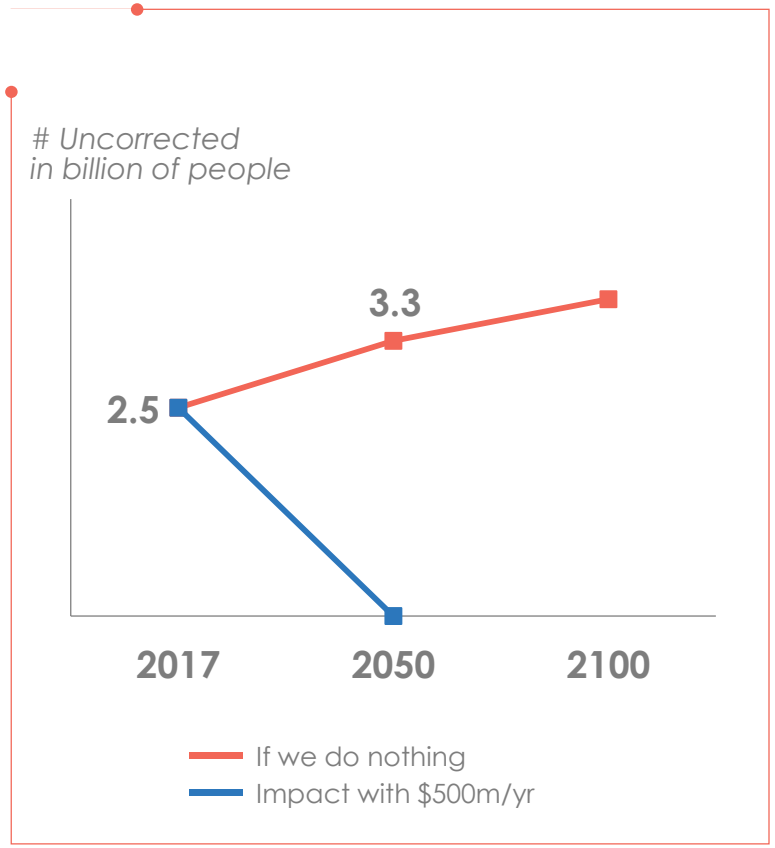
# A POWERFUL MISSION CREATING VALUE FOR ALL

Jayanth Bhuvaraghan

IMPROVING LIVES BY IMPROVING SIGHT
Good vision for everyone, everywhere

# Our ambition to eradicate uncorrected poor vision by 2050




**$5**
to improve the sight of one person(1)

**$500m**/yr
to eradicate poor vision in 30+ years

*(1) Low-income populations and people living below the international poverty line*

# Another major step towards the fight against poor vision

THE QUEEN ELIZABETH
DIAMOND JUBILEE TRUST

- **53** Commonwealth Governments
- **2.4 billion** people
- **900 million** with uncorrected poor vision

**$1bn**
Vision Catalyst Fund

# Working with governments and the public sector to make our ambition a reality

Providing glasses for government screening of 35m people in 2018

Creating equitable access to vision care for all Liberians

Designing social finance based model to serve school children

Supporting expansion of Eye Mitra program in Bangladesh

Committed to making Danyang city, URE free by 2019

Training medical staff to screen school children

# Our three main areas of action to reach the 2.5 billion

## Inclusive Business

For-profit sustainable models to empower local communities

## Strategic Giving

Funding and driving outreach programs

## Awareness & Advocacy

Making good vision a global priority

BUILDING ACCESS AND AWARENESS

IMPROVING LIVES BY IMPROVING SIGHT
Good vision for everyone, everywhere

2018

# GOVERNANCE

Hubert Sagnières

# Key steps to closing

Main conditions to closing of the Delfin stake contribution

| | |
|---|---|
| **Works Council consultations** | ◥ Essilor Works Councils' consultation/information process ✓ |
| **Other regulatory approval** | ◥ AMF waiver of potential mandatory tender offer by Delfin for the shares of Essilor ✓ |
| **Essilor shareholders approval** | ◥ Essilor AGM approval of transaction elements<br>◥ Essilor special meeting approval of cancellation of double voting rights ✓ |
| **Hive down** | ◥ Contribution of the activities and equity holdings of Essilor International to its subsidiary "Essilor International" ✓ |
| **Anti-trust** | ◥ Regulatory proceedings in all relevant geographies ON-GOING |
| **Exchange offer** | ◥ Completion of the contribution of the Luxottica's shares by Delfin to Essilor<br>◥ Post-Contribution, launch of mandatory exchange offer by Essilor for the remainder of Luxottica's shares, same economic terms as for Delfin contribution |

**Transaction expected to close in first part of 2018**

# Essilor's board of directors

**Hubert Sagnières**[1]
Chairman and Chief Executive Officer

**Philippe Alfroid**
Director

**Antoine Bernard de Saint-Affrique**
Independent Director

**Maureen Cavanagh**
Director representing employees shareholders

**Juliette Favre**[1]
Valoptec Association President
Director representing employees shareholders

**Louise Fréchette**
Independent Director

**Bernard Hours** [1]
Independent Director

**Annette Messemer**[1]
Independent Director

**Marc Onetto**
Independent Director

**Olivier Pécoux**[1]
Director

**Laurent Vacherot**
President and Chief Operating Officer

**Jeanette Wong**[1]
Independent Director

**Delphine Zablocki**[1]
Director representing employees

**Leonel Ascencao Pereira**[1]
Director representing employees

*(1) Board members of EssilorLuxottica*

*To be submitted for shareholder approval at the April 24, 2018 Annual General Meeting*

# Committees composition

| | |
|---|---|
| Audit and risks committee | Annette Messemer (President)<br>Philippe Alfroid<br>Juliette Favre<br>Jeanette Wong |
| CSR committee | Louise Fréchette (President)<br>Antoine Bernard de Saint-Affrique<br>Hubert Sagnières<br>Juliette Favre |
| Nominations and compensation committee<br>*(merge february 28th, 2018)* | Bernard Hours (President)<br>Olivier Pécoux<br>Marc Onetto<br>Hubert Sagnières & Juliette Favre *(consultatives voices on non-compensations questions)* |
| Strategic committee | All Directors |

2018

# CSR COMMITTEE

Louise Fréchette

# CSR Committe – 5 Years of work

- **Members:** Louise Fréchette (Chair), Antoine Bernard de Saint-Affrique, Juliette Favre, Hubert Sagnières
- **Goal:** ensure that the Group effectively deploys Essilor's mission in a sustainable and responsible manner
- A mission closely tied to the Group's Social, Societal and Environmental issues (materiality matrix) periodically reviewed by the CSR Committee and the Board of Directors:
  - assessment of the Company's **sustainable development** strategy and **2020 targets**
  - Review of the Company's policies on **compliance and ethics**
- A transversal management with the other committees
- A transversal meeting in 2017 with the Audit and Risk Committee meeting (chaired by Annette Messemer) for reviewing some cross-cutting topics (suppliers relationships, prevention of corruption, personal data protection, etc.)

# CSR Committee – Recents topics

- **Sustainable development**:
  - Follow-up mission activities
  - "Responsible purchasing" policy
  - "Climate change" program including EHS initiative "ReBoost Water & Energy"
  - Vision Impact Institute actions
- **Ethics and Compliance**:
  - Code of Ethics rolled out early 2018
  - Essilor Group's human rights policy – Risk mapping
  - Policy to prevent sexual harassment
- Non financial reporting & associated performance

2018

# CORPORATE OFFICERS' COMPENSATION

Bernard Hours

# Resolution n°12:
# 2017 compensation of the Chairman and CEO

| Target compensation | 2015 | 2016 | 2017 | Variation 2016 / 2015 | Variation 2017 / 2016 |
|---|---|---|---|---|---|
| Fixed | €800k | €800k | €800k | 0.0% | 0.0% |
| Target variable | €800k | €800k | €800k | 0.0% | 0.0% |
| Fixed + Target variable | €1,600k | €1,600k | €1,600 k | 0.0% | 0.0% |

| Performance-based compensation | 2015 | 2016 | 2017 | Variation 2016 / 2015 | Variation 2017 / 2016 |
|---|---|---|---|---|---|
| % Achievement variable | 169% | 120% | 152% | -49 pts | +32 pts |
| % Variable at maximum | 200% | 200% | 200% | +0 pt | +0 pt |
| Fixed + variable of the year | €2,150k | €1,760k | €2,014k | -18.2% | +14.5% |
| Performance shares | 35 000 | 35,000 | 50,000(1) | | |

*(1) Including 15,000 shares subject to the contribution of Luxottica shares to Essilor being completed*

# Resolution n°12:
# 2017 annual variable of the Chairman and CEO

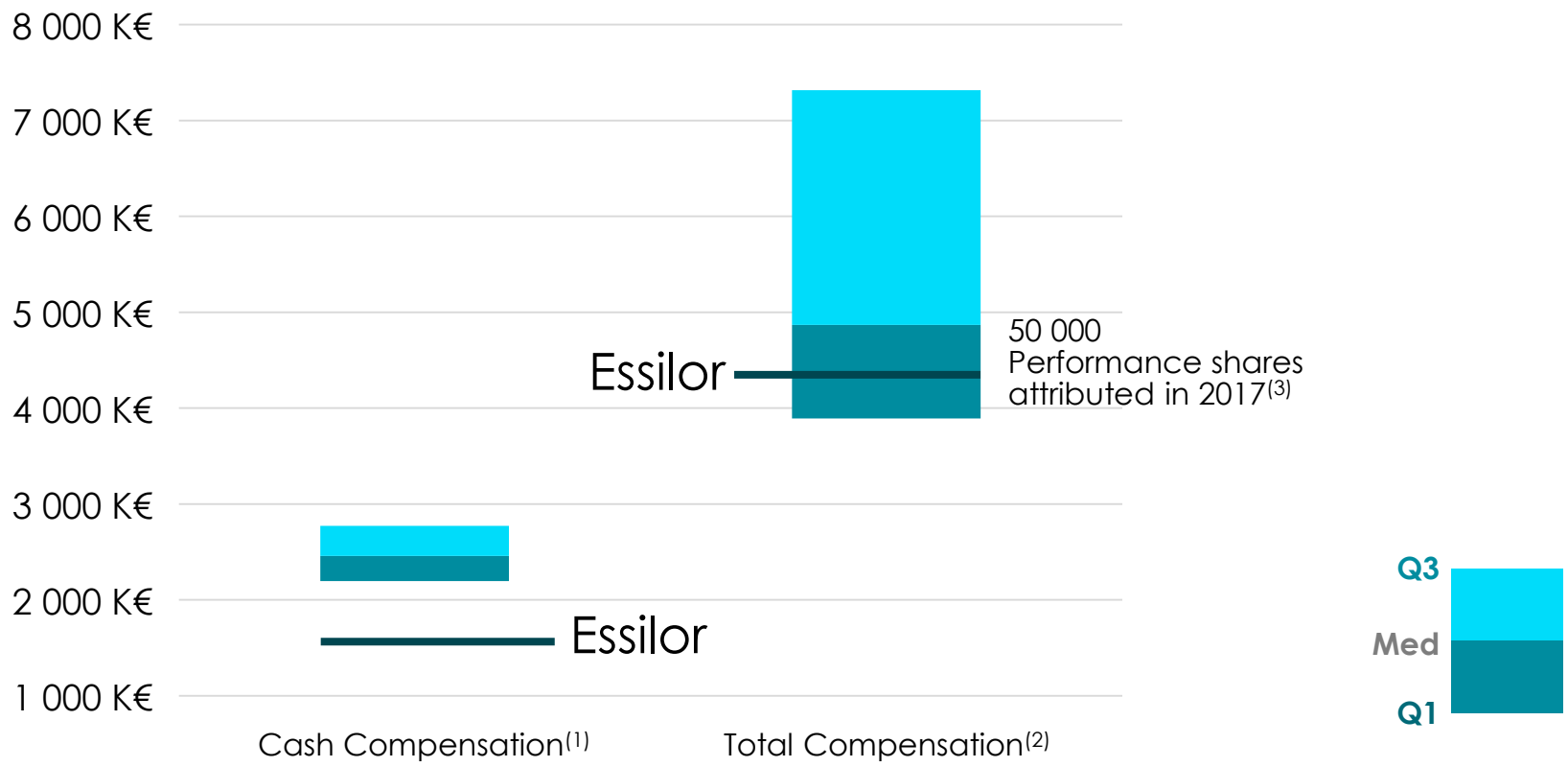
| wEIGHT (A) | Objective | % Achievement (B) | % Achievement weighted (A) x (B) | Amount |
|---|---|---|---|---|
| 25% | Organic growth | 120% | 30% | €240,000 |
| 25% | Restated NET EPS | 187% | 47% | €374,400 |
| 50% | Specific objectives | 150% | 75% | €600,000 |
| **100%** | | | **152%** | **€1,214,400** |

# Resolutions n°12 and n°13: Specific objectives

| Specific objectives in the 2017 annual variable component | PDG | DGD |
|---|---|---|
| **Ensuring the successful completion of the combination with Luxottica**<br>Strong support from the Valoptec Association<br>Ratification of the planned combination by the shareholders in 2017<br>Approval of the anti-trust authorities in the main countries concerned | YES | YES |
| **The sustainability of Essilor's culture (Mission, Principles & Values and Employee Shareholding)**<br>Outstanding success of the "Boost" employee shareholding plan<br>Employee shareholding rate of 54%, outperforming the 2020 target of 35%<br>Two-fold increase of EyeMitras (from 2,000 to 4,000) and increased contribution to the fund for the Mission's activities | YES | YES |
| **Development of long-term growth plans**<br>Definition and implementation of the new organization and governance structure in China<br>Structuring of the Sun & Readers and Online divisions<br>Presentation and implementation of the innovation plan | YES | YES |
| **Support for the new President and COO in the Group's new organization**<br>Successful implementation of the new organization and governance of the top management | YES | |
| **Adapting and strengthening internal control procedures to accompany the Group's growth**<br>Increased headcount in internal Audit, allowing the department to perform 30% more audits than in 2016<br>Establishment of a network of Finance correspondents in the main countries and regions with the main purpose of monitoring the internal Control mechanism<br>Halving of the number of open cases following an audit | | YES |

# External benchmark

## International Panel – 20 companies (CEO)




*(1) fixed + variable at target*
*(2) fixed + variable at target + performance shares valued according to the IFRS standards*
*(3)* 35,000 performance shares and an additional 15,000 shares subject to the contribution of Luxottica shares to Essilor being completed

# Resolution n°13:
# 2017 compensation of the President and COO

| Target compensation | 2016[(1)] | 2017 | Variation 2017 / 2016 |
|---|---|---|---|
| Fixed | 46 k€ | 650 k€ | N/A |
| Target variable | 46 k€ | 650 k€ | N/A |
| Fixed + Target variable | 92 k€ | 1 300 k€ | N/A |

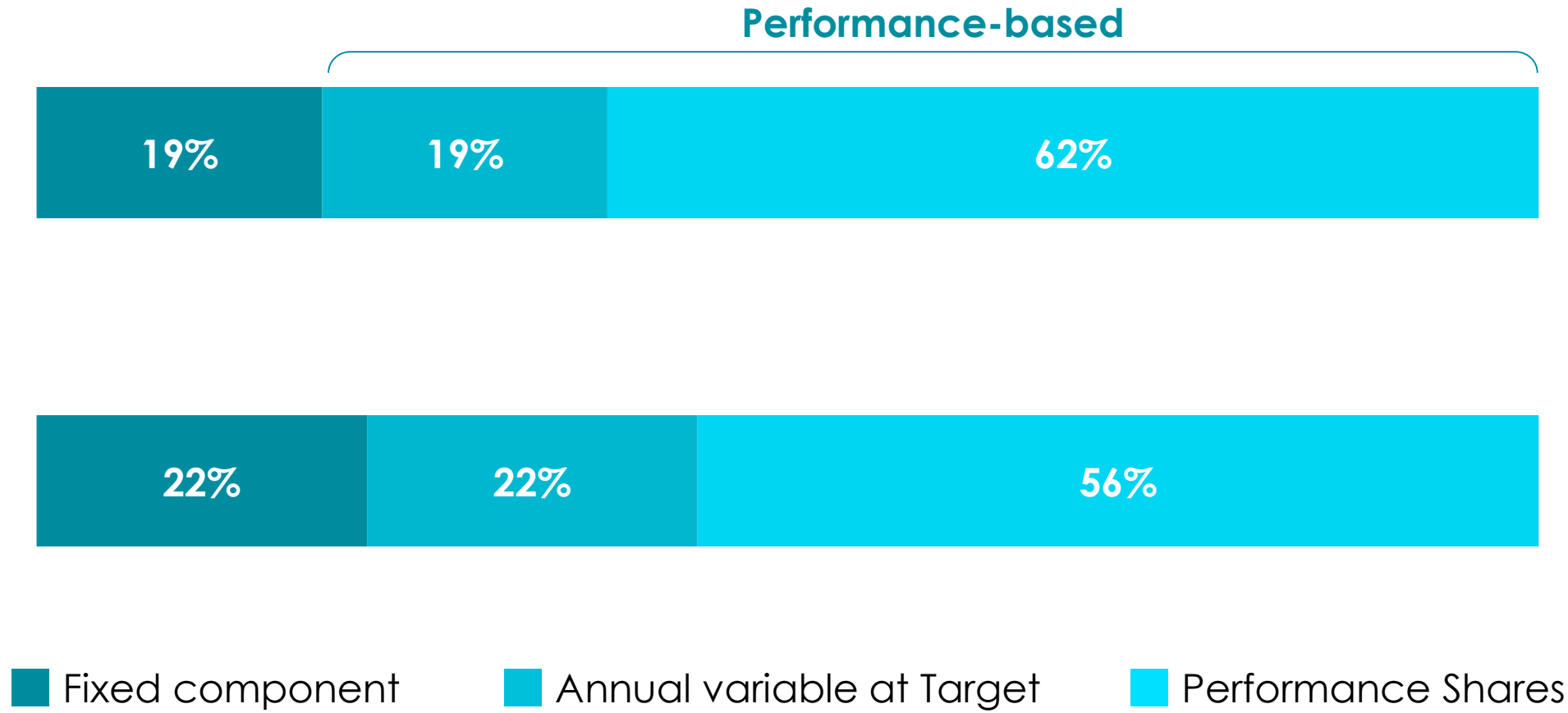
| Performance-based compensation | 2016[(1)] | 2017 | Variation 2017 / 2016 |
|---|---|---|---|
| % Achievement variable | 120% | 152% | +32 pts |
| % Variable at maximum | 200% | 200% | +0 pt |
| Fixed + variable of the year | 102 k€ | 1 639 k€ | N/A |
| Performance shares | 32 005 | 32 045 | |

*(1) The sums outline for fiscal year 2016 correspond to compensation due for the period of the corporate office, i.e from December 6, 2016.*

# Resolution n°13:
# 2017 annual variable of the President and COO

| Weight (A) | Objective | % Achievement (B) | % Achievement weighted (A) x (B) | Amount |
|---|---|---|---|---|
| 30% | Organic growth | 120% | 36% | €234,000 |
| 30% | Restated NET EPS | 187% | 56% | €364,650 |
| 40% | Specific objectives | 150% | 60% | €390,00 |
| **100%** | | | **152%** | **€988,650** |

# 2017 compensation structure



# Resolution n°14:
# 2018 compensation policy

2018 annual target variable component

| | Hubert Sagnières<br>Chairman and CEO | Laurent Vacherot<br>President and COO |
|---|---|---|
| Organic growth | 25% | 30% |
| Restated NET EPS | 25% | 30% |
| Specific objectives | 50% | 40% |

2018

# STATUTORY AUDITORS' REPORT

Olivier Lotz
PricewaterhouseCoopers

# Statutory Auditors' reports
# Ordinary Meeting

## Statutory Auditors' report on the financial statements of the parent company

- First resolution: Approval of the 2017 Essilor International company financial statements
- Pages 222 to 225 of the 2017 Registration Document
- "In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2017 and of the results of its operations for the year then ended in accordance with French accounting principles"

## Statutory Auditors' report on the consolidated financial statements

- Second resolution: Approval of the 2017 consolidated financial statements
- Pages 187 to 190 of the 2017 Registration Document
- "In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2017 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union"

# Statutory Auditors' reports
# Ordinary Meeting

## Statutory Auditors' Report on related-party agreements and commitments

- Pages 126 and 127 of the 2017 Registration Document
- No new agreements / commitments authorized during the year and requiring the approval of the Shareholders' Meeting.
- Agreements and commitments previously approved by the Shareholders' Meeting had no effect during the year ended December 31, 2017.

## Statutory Auditor's Report on the consolidated human resources, environmental and social information included in the Management Report

- Pages 279 and 280 of the 2017 Registration Document
- We have no matters to report in connection with this report.

2018

# QUESTIONS
/ ANSWERS

2018

# VOTE DES RÉSOLUTIONS

# First resolution

- Approval of the 2017 parent Company financial statement

# Second resolution

- Approval of the 2017 consolidated financial statements

# Third resolution

- Allocation of earnings and setting of the dividend
  - Dividend per share: €1.53

# Fourth resolution

- Renewal of the Director's term of office of Mr. Antoine BERNARD DE SAINT-AFFRIQUE

  *(until the completion date of the Contribution of Luxottica shares by Delfin to Essilor or, if the contribution is not completed for a period of three years)*

# Fifth resolution

- Renewal of the Director's term of office of Ms. Louise FRÉCHETTE

  *(until the completion date of the Contribution of Luxottica shares by Delfin to Essilor or, if the contribution is not completed for a period of three years)*

# Sixth resolution

- Renewal of the Director's term of office of Mr. Bernard HOURS

  *(until the completion date of the Contribution of Luxottica shares by Delfin to Essilor or, if the contribution is not completed for a period of three years)*

# Seventh resolution

- Renewal of the Director's term of office of Mr. Marc ONETTO

  *(until the completion date of the Contribution of Luxottica shares by Delfin to Essilor or, if the contribution is not completed for a period of three years)*

# Eighth resolution

- Renewal of the Director's term of office of Mr. Olivier PÉCOUX

  *(until the completion date of the Contribution of Luxottica shares by Delfin to Essilor or, if the contribution is not completed for a period of three years)*

# Ninth resolution

- Renewal of the Director's term of office of Ms. Jeanette WONG

  *(until the completion date of the Contribution of Luxottica shares by Delfin to Essilor or, if the contribution is not completed for a period of three years)*

# Tenth resolution

- Appointment of Ms. Jeanette WONG as a new Director of the Company in replacement of Ms. Henrietta FORE (as from the completion date of the combination with Luxottica)

# Eleventh resolution

- Approval of the undertakings referred to in article L. 225-42-1 of the French Commercial Code relating to the severance payment granted to Mr. Laurent VACHEROT, President and Chief Operating Officer, in the event that his employment contract is terminated under certain conditions

# Twelfth resolution

- Approval of the fixed, variable and exceptional compensation components comprising the total compensation and benefits in kind paid or awarded in respect of the 2017 fiscal year to Mr. Hubert SAGNIÈRES, Chairman and Chief Executive Officer

# Thirteenth resolution

- Approval of the fixed, variable and exceptional compensation components comprising the total compensation and benefits in kind paid or awarded in respect of the 2017 fiscal year to Mr. Laurent VACHEROT, President and Chief Operating Officer

# Fourteenth résolution

- Approval of the compensation policy applicable to the Executive Board Officers

# Fifteenth resolution

- Powers to carry out legal formalities

ESSILOR