

# EssilorLuxottica

## Executive Corporate Officers' compensation

**Charenton-le-Pont, France (October 12, 2022)** – In accordance with the AFEP-MEDEF Corporate Governance Code, EssilorLuxottica discloses the decisions taken by the Board of Directors concerning the granting of long-term incentive instruments to Executive Corporate Officers.

Pursuant to the resolutions approved by the Extraordinary Shareholders' Meeting of May 21, 2021 (15<sup>th</sup> resolution), the Board of Directors of EssilorLuxottica decided on October 6, 2022 to grant performance shares corresponding to a maximum of 2,209,425 shares to approximately 15,000 beneficiaries.

### Shares granted to Executive Corporate Officers

Pursuant to the Executive Corporate Officers' compensation policy approved by the Combined Shareholders' Meeting of May 25, 2022 and presented in EssilorLuxottica's 2021 Universal Registration Document (pages 131-141), and on the recommendation of the Nominations and Compensation Committee, the Board of Directors decided to grant:

- 50,000 performance shares to Francesco Milleri, Chairman and Chief Executive Officer<sup>1</sup>,
- 35,000 performance shares to Paul du Saillant, Deputy Chief Executive Officer<sup>2</sup>.

The vesting of the shares is subject to the grantee's continued presence in the company, and to performance conditions designed to align the interests of the beneficiaries with those of EssilorLuxottica's shareholders, as described below.

The vesting period will be three years from the grant date. For all beneficiaries, in the event of retirement, disability or death during the vesting period of the performance shares, this employment condition will be deemed satisfied, in accordance with the plan's terms. In the event of non-renewal of a term of office for a reason other than misconduct during the vesting period of the performance shares, the Board of Directors may decide to remove the employment condition, and provide a valid reason for its decision. The Board of Directors' decision is announced at the time of departure.

The number of shares that vest will be determined on the basis of (i) the annualized growth in the EssilorLuxottica share price and (ii) trends in the EssilorLuxottica share price in relation to the Euro Stoxx 50 index over the three-year vesting period, as shown in the table below.

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<sup>1</sup> Corresponding to 2.3% of the total number of shares granted and 0.011% of the Company's share capital at September 30, 2022.

<sup>2</sup> Corresponding to 1.6% of the total number of shares granted and 0.008% of the Company's share capital at September 30, 2022.

Each of these awards is therefore lower than the limit set at 3.5% of the total awards for the year, as provided in the 2022 Compensation Policy.

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Annualized growth in the EssilorLuxottica share price*	Number of shares vesting, as a % of the initial grant	
	If the EssilorLuxottica share outperforms the Euro Stoxx 50 index	If the EssilorLuxottica share underperforms the Euro Stoxx 50 index
<2%	0%	0%
between 2% and 3%	50%	50%
between 3% and 4%	60%	
between 4% and 5%	70%	
between 5% and 6%	80%	
between 6% and 7%	90%	
>7%	100%	

\* Annualized growth in relation to the Initial Reference Share Price. The Initial Reference Share Price corresponds to the average of the 20 opening prices of the EssilorLuxottica share preceding the award date.

The Chairman and Chief Executive Officer and the Deputy Chief Executive Officer must hold the equivalent of at least 400% of their fixed annual compensation in EssilorLuxottica shares. Once they are appointed, they must acquire these shares within five years.

Moreover, they are required to keep, for the duration of their term of office, one-third of their vested performance shares. This requirement to hold shares no longer applies when they hold a number of EssilorLuxottica shares representing an amount equivalent to 400% of their annual fixed compensation. The annual fixed compensation used as a reference is that for the year during which the Executive Corporate Officer intends to sell performance shares.

In accordance with the AFEP-MEDEF Code, the Executive Corporate Officers have undertaken not to use any hedging strategies to manage the risk related to the shares granted until the expiration of their term of office.

## October 3, 2019 performance share plan

On October 3, 2019, the Board of Directors decided to implement a performance share plan.

The vesting of the shares under the plan was linked to a presence condition and the achievement of a performance condition applicable to all beneficiaries of the plan, as well as a specific performance condition applicable only to Executive Corporate Officers.

The performance condition applicable to all beneficiaries related to annualized growth in the share price, which had to be equal to or greater than 7% for all the shares initially granted to vest.

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As a reminder, the performance scale was as follows:

<b>Annualized growth in the EssilorLuxottica share price</b>	<b>Measurement period: Average price between July 3 and October 2, 2022 (inclusive)</b>	<b>Number of shares vested (as a % of initial grant)</b>
<2%	<€139.6	0%
Between 2% and 3%	€139.6 - €143.7	60%
Between 3% and 4%	€143.7 - €147.9	68%
Between 4% and 5%	€147.9 - €152.3	76%
Between 5% and 6%	€152.3 - €156.6	84%
Between 6% and 7%	€156.6 - €161.1	92%
>7%	>€161.1	100%

Measured on October 3, 2022, the performance condition had been met at 76% (see table below).

<b>Initial reference share price</b>	Average of the 20 opening prices prior to October 3, 2019	€131.52
<b>Average price at the end of the vesting period</b>	Average of the opening prices for the period from July 3 to October 2, 2022	€151.3
<b>Annualized growth in the share price</b>		+4.8%
<b>Achievement of the Performance Condition</b>		76%

Therefore, on October 3, 2022, a total of 1,411,000 shares were delivered to beneficiaries, including 26,600 to Francesco Milleri and 22,804 to Paul du Saillant. On the award date, Francesco Milleri and Paul du Saillant were not Executive Corporate Officers of the Company and were therefore not subject to the second specific performance condition applicable only to Executive Corporate Officers.

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## Clarification regarding the Chairman and Chief Executive Officer's compensation for 2022

On June 28, 2022, following the death of Leonardo Del Vecchio, the Board of Directors decided to appoint Francesco Milleri as Chairman of the Board of Directors of EssilorLuxottica for the remainder of his term of office, in addition to his role as Chief Executive Officer.

In accordance with the compensation policy approved on May 25, 2022, prior to the death of Leonardo Del Vecchio, Francesco Milleri will only receive compensation in 2022 for his duties as Chief Executive Officer and Director. For his duties as Chief Executive Officer, he will receive the following:

- fixed compensation of €1,500,000;
- target variable annual compensation equivalent to 100% of the fixed compensation, capped at 200% of the fixed compensation.

However, he will not receive the fixed compensation of €500,000 awarded to Leonardo Del Vecchio for his duties as Chairman of the Board.

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### About EssilorLuxottica

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 and be more 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, LensCrafters, Salmoiraghi & Viganò and GrandVision are part of the EssilorLuxottica family. EssilorLuxottica has approximately 180,000 employees. In 2021, the Company generated consolidated *pro forma* revenue of Euro 21.5 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. For more information, please visit [www.essilorluxottica.com](http://www.essilorluxottica.com).