

# EssilorLuxottica

## Executive Corporate Officers' compensation

**Charenton-le-Pont, France (October 6, 2023)** – 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 fifteenth resolution approved by the Extraordinary Shareholders' Meeting of May 21, 2021, the Board of Directors of EssilorLuxottica decided on October 2, 2023, to grant performance shares corresponding to a maximum of 2,269,800 shares.

### Shares granted to Executive Corporate Officers

Pursuant to the Executive Corporate Officers' compensation policy approved by the Combined Shareholders' Meeting of May 17, 2023, and presented in EssilorLuxottica's 2022 Universal Registration Document (pages 125-137), and on the recommendation of the Nomination and Compensation Committee, the Board of Directors decided to grant:

- 70,000 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 these shares is subject to the grantee's continued presence in the company on the vesting date, 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.

The criteria and performance scales are unchanged from the 2022 compensation policy. In the interest of clarity, the mechanism and its rationale have been detailed as follows:

- If annualized growth in the EssilorLuxottica share price is less than 2% per year, i.e., 6.1% over three years, no performance shares will vest.
- If the minimum 2% growth per year threshold is exceeded and EssilorLuxottica outperforms the Euro Stoxx 50 index, the performance shares will vest as follows:

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<sup>1</sup>corresponding to 3.1% of the total number of shares granted and 0.015% of the Company's share capital at July 31, 2023.

<sup>2</sup>corresponding to 1.5% of the total number of shares granted and 0.008% of the Company's share capital at July 31, 2023.

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 2023 Compensation Policy.

# EssilorLuxottica

Annualized growth in the EssilorLuxottica share price*	Number of shares vesting (as a % of the initial grant)
• between 2% and 3% per year (i.e., between 6.1% and 9.3% after three years **)	50%
• between 3% and 4% per year (i.e., between 9.3% and 12.5% after three years)	60%
• between 4% and 5% per year (i.e., between 12.5% and 15.8% after three years)	70%
• between 5% and 6% per year (i.e., between 15.8% and 19.1% after three years)	80%
• between 6% and 7% per year (i.e., between 19.1% and 22.5% after three years)	90%
≥7% per year (i.e., ≥22.5% after three years)	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.	
** Growth as an absolute value (and not annualized) in relation to the Initial Reference Share Price.	

- If the minimum 2% growth per year threshold is exceeded but EssilorLuxottica underperforms the Euro Stoxx 50 index, the vesting of performance shares is capped at 50%.

To summarize, the performance conditions for long-term incentives for Executive Corporate Officers are as follows:

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.

# EssilorLuxottica

The Chairman and Chief Executive Officer and the Deputy Chief Executive Officer must hold, either directly or indirectly through an investment company in which they hold the capital and are legally responsible, 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 in registered form, either directly or indirectly through an investment company in which they hold the capital and are legally responsible, a number of EssilorLuxottica shares representing an amount equivalent to 400% of their fixed annual compensation. The fixed 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 corporate officers have pledged, until the expiration of their term of office, not to use any hedging strategies to manage the risk related to the shares awarded under long-term incentive plans.

## October 1, 2020, performance share plan

On October 1, 2020, the Board of Directors decided to implement a performance share plan.

The vesting of the shares under the plan was linked to a continued presence condition and the achievement of a performance condition.

The performance condition 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.

Measured on September 30, 2023, the performance condition had been met at 100% (see table below).

<b>Initial reference share price</b>	Average of the 20 opening prices prior to October 1, 2020	€110.79
<b>Average price at the end of the vesting period</b>	Average of the opening prices for the period from July 1 to September 30, 2023 (inclusive)	€173.83
<b>Annualized growth in the share price</b>		+16%
<b>Achievement of the Performance Condition</b>		100%

Therefore, on October 2, 2023, a total of 1,734,884 shares were delivered to beneficiaries, including 35,000 to Francesco Milleri and 35,045 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.

# EssilorLuxottica

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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 190,000 employees. In 2022, the Company generated consolidated revenue of Euro 24.5 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).