

Corporate officers' compensation

Variable component for 2016

At its meeting on February 16, 2017, in line with the Executive Officers and Compensation Committee's recommendations, the Board of Directors determined the 2016 bonus to be paid to Hubert Sagnières in his capacity as Chairman and Chief Executive Officer and to Laurent Vacherot, with effect from his appointment as President & Chief Operating Officer on December 6, 2016.

A) Hubert Sagnières' bonus for 2016

Hubert Sagnières' target bonus for 2016 was set at 100% of his fixed compensation, i.e., €800,000. Depending on the extent to which the objectives were met, his bonus could vary from 0% to 200% of his fixed compensation.

After a review of 2016 performance in relation to the objectives, it was determined that Hubert Sagnières' bonus would amount to 120.0% of the target amount, i.e., €960,000 as set out in the table below:

W		A		W x A	W x A x target in €
Weighting	Target	Performance measurement	% achievement	Weighted % achievement	Achievement in €
40 %	Organic growth	0 à 200 %	0 %	0.0 %	€0
30 %	Restated net EPS	0 à 220 %	220 %	66.0 %	€528,000
10 %	Bolt-on acquisition-led growth ¹	0 à 180 %	180 %	18.0 %	€144,000
80 %	Financial objectives			84.0 %	€672,000
20 %	Specific objectives	0 à 180 %	180 %	36.0 %	€288,000
100 %				120.0 %	€960,000

The specific objectives for 2016 related to:

- the organization of the Group's senior management;
- ensuring cohesion and sound governance of the Board of Directors following changes in composition in 2016;
- finalization of a strategic acquisition;
- strengthening of internal control to support the Group's growth.

¹ Acquisitions and local partnerships signed in 2016

In 2016, Essilor International achieved:

- reported (non-restated) net earnings per share of €3.79;
- organic growth of 3.6%; and
- 18 bolt-on acquisitions¹ equal to additional annual revenue of €304 million;

The level of performance required to achieve these objectives was established in a precise, exacting and rigorous manner, but cannot be made public for confidentiality reasons. As Essilor International is a listed company whose only business line (unlike its competitors) is ophthalmic optics, it considers that such disclosure would be detrimental to the proper execution of its strategy.

B) Laurent Vacherot's bonus for the period from December 6 to 31, 2016

Reminder:

- Laurent Vacherot was appointed as President & Chief Operating Officer with effect from December 6, 2016;
- Laurent Vacherot's target bonus for 2016 was set at 100% of his fixed compensation, i.e. €46,301 for the period from December 6 to 31, 2016. Depending on the extent to which the objectives were met, his bonus could vary from 0% to 200% of his fixed compensation.
- the structure of the objectives and the levels to be attained were those set for his duties as Chief Operating Officer for the period from January 1 to December 5, 2016.

After a review of 2016 performance in relation to the objectives, it was determined that Laurent Vacherot's bonus would amount to 120.0% of the target amount, i.e., €55,561 as set out in the table below:

W		A		W x A	W x A x target in €
Weighting	Target	Performance measurement	% achievement	Weighted % achievement	Achievement in €
40 %	Organic growth	0 à 200 %	0 %	0.0 %	€0
30 %	Restated net EPS	0 à 200 %	200 %	60.0 %	€27,781
10 %	Bolt-on acquisition-led growth ¹	0 à 200 %	200 %	20.0 %	€9,260
80 %	Financial objectives			80.0 %	€37,041
20 %	Specific objectives	0 à 200 %	200 %	40.0 %	€18,500
100 %				120.0 %	€55,561

For his duties as Chief Operating Officer for the period from January 1 to December 5, 2016, Laurent Vacherot will receive a bonus of €556,818.

¹Acquisitions and local partnerships signed in 2016

Variable component for 2017

At its February 16, 2017 meeting, in line with the Executive Compensation Committee's recommendations, the Board of Directors determined a bonus structure for each corporate officer in 2017, based on the three following objectives:

	Hubert Sagnières Chairman and Chief Executive Officer	Laurent Vacherot President & Chief Operating Officer
Organic growth	25%	30%
Restated net EPS	25%	30%
Specific objectives	50% (4 objectives)	40% (4 objectives)

About Essilor

The world's leading ophthalmic optics company, Essilor designs, manufactures and markets a wide range of lenses to improve and protect eyesight. Its mission is to improve lives by improving sight. To support this mission, Essilor allocates more than €200 million to research and innovation every year, in a commitment to continuously bring new, more effective products to market. Its flagship brands are Varilux®, Crizal®, Transitions®, Eyezen™, Xperio®, Foster Grant®, Bolon™ and Costa®. It also develops and markets equipment, instruments and services for eyecare professionals.

Essilor reported consolidated revenue of more than €7.1 billion in 2016 and employs 64,000 people worldwide. It markets its products in more than 100 countries and has 33 plants, 490 prescription laboratories and edging facilities, as well as 5 research and development centers around the world. For more information, please visit www.essilor.com.

The Essilor 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: ESSI.PA; Bloomberg: EI:FP.

Investor Relations and Financial Communication

Tel.: +33 (0)1 49 77 42 16