

Executive corporate officers' compensation

Compensation of the Chairman and Chief Executive Officer and the President & Chief Operating Officer

In line with the Executive Officers and Compensation Committee's recommendations and pursuant to the executive corporate officers' compensation policy approved by the May 11, 2017 Shareholders' Meeting, the Board of Directors confirmed at its meeting on October 3, 2017 that the cash compensation (fixed compensation + target bonus + maximum bonus) of Hubert Sagnières, Chairman and Chief Executive Officer, would only be increased after the completion of the combination with Luxottica to reflect his new scope of responsibilities. The Board of Directors also decided to maintain the cash compensation of Laurent Vacherot, President & Chief Operating Officer, at the same level until the completion of the combination with Luxottica.

	Hubert Sagnières Chairman and Chief Executive Officer		Laurent Vacherot President & Chief Operating Officer	
	2016	2017 until the closing date*	2016**	2017 until the closing date*
Fixed remuneration	€800,000	€800,000	€650,000	€650,000
Target bonus for the year	€800,000	€800,000	€650,000	€650,000
<i>Maximum bonus for the year</i>	€1,600,000	€1,600,000	€1,300,000	€1,300,000

* Date of the completion of the contribution of Luxottica shares to Essilor.

** Laurent Vacherot was appointed President & Chief Operating Officer on December 6, 2016. The amounts indicated correspond to the compensation that would have been payable for full-year 2016.

Long-term compensation/2017 grant

The Board of Directors decided, pursuant to the 14th, 15th and 16th resolutions approved by the May 5, 2015 Shareholders' Meeting, to grant performance shares and capped performance stock options to 12,898 employees. Up to 1,613,235 shares may be awarded under these plans, of which 1,481,219 under the performance share plan and 132,016 under the capped performance stock option plan.

In this regard, and in line with the Executive Officers and Compensation Committee's recommendations, the Board of Directors decided to grant:

- 50,000 performance shares to Hubert Sagnières, Chairman and Chief Executive Officer, of which 15,000 subject to the contribution of Luxottica shares to Essilor being completed. This grant corresponds to 3.1% of the total authorized award and 0.023% of the Company's issued capital at September 30, 2017.

- 32,000 performance shares to Laurent Vacherot, President & Chief Operating Officer, representing 2.0% of the total authorized award and 0.015% of the Company's issued capital at September 30, 2017.

The shares will only vest if the grantee is still employed by the Company on the vesting date, and are subject to the performance conditions described below.

For all grantees (employees, executives and executive corporate officers), the number of shares that vest will be determined at the end of the performance measurement period (from 3 to 6 years) on the basis of the annualized growth in the Essilor share price over said period.

Additionally:

- For Management Committee members, the number of shares that vest will also depend on the average rate of achievement of the Company financial performance component of their annual bonus targets, calculated over the performance measurement period (from 3 to 6 years).
- For executive corporate officers, the number of shares that vest will also depend on the average rate of achievement of their annual bonus targets, calculated over the performance measurement period (from 3 to 6 years).

Because these average achievement rates are capped at 1, the application of this vesting condition can only lead to a reduction in the number of shares that vest for Management Committee members and executive corporate officers.

The vesting period is set at a minimum of three years for French tax residents, followed by a two-year lock-up period, and at a minimum of four years for non-French tax residents, with no lock-up period.

In addition to the lock-up period applicable to all performance shares, executive corporate officers are required to retain one-third of the vested shares for their entire term of office. This requirement no longer applies when the cumulative value of the shares they permanently hold through the vesting of performance shares or the exercise of stock options represents the equivalent of two years' total cash at target (fixed compensation + target bonus).

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 approximately 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 (as of December 31, 2016). For more information, please visit <https://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

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