

Executive Corporate Officers' Compensation

2018 compensation policy for executive corporate officers

At its meeting on February 28, 2018, the Board of Directors of Essilor International (Compagnie Générale d'Optique) ("**Essilor**") approved the compensation policy for Essilor's executive corporate officers for 2018, in line with the Executive Officers and Compensation Committee's recommendations. Pursuant to Article L.225-37-2 of the French Commercial Code (*Code de commerce*), the policy will be submitted to the shareholders for approval at the Shareholders' Meeting on April 24, 2018.

The policy reiterates the importance of employee shareholding and the key role of long-term compensation plans, involving performance share awards that are designed to guarantee the creation of lasting value for shareholders and align the interests of the beneficiaries with those of the shareholders.

The principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of the total compensation and benefits awarded to Essilor's executive corporate officers for 2018 are set out in section 2.3, "Compensation and benefits" of Chapter 2, "Corporate governance" of the 2017 Registration Document, available on the Group's website as from April 4, 2018 (English version).

Regarding the variable component for 2018, in line with the Executive Officers and Compensation Committee's recommendations, the Board of Directors decided to maintain the same bonus structure for each executive corporate officer in 2018, based on the three following objectives:

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

The level of performance required to achieve these objectives has been established in a precise, demanding and rigorous manner but cannot be disclosed for confidentiality reasons. As Essilor 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.

After the completion of the combination with Luxottica S.p.A ("**Luxottica**"), the Board of Directors of the new EssilorLuxottica Group will have the possibility to amend:

- the performance criteria underlying the 2018 bonus of the executive corporate officers of EssilorLuxottica;
- the compensation policy for the executive corporate officers of the new EssilorLuxottica Group.

Following the completion of the combination with Luxottica, the compensation policy for the executive corporate officers of the new EssilorLuxottica Group will be submitted to the shareholders for approval at a Shareholders' Meeting to be held subsequent to the completion of said combination, pursuant to Article L.225-37-2 of the French Commercial Code.

Annual variable component for 2017

At its meeting on February 28, 2018, in line with the Executive Officers and Compensation Committee's recommendations, the Board of Directors determined the 2017 bonus to be paid to Hubert Sagnières in his capacity as Chairman and Chief Executive Officer and Laurent Vacherot in his capacity as President and Chief Operating Officer, subject to the approval of the Shareholders' Meeting on April 24, 2018.

A) Hubert Sagnières' bonus for 2017

Hubert Sagnières' target bonus for 2017 was set at 100% of his fixed compensation, i.e., €800,000. Depending on the extent to which the objectives were met, his annual bonus could vary from 0% to 200% of his fixed compensation.

After a review of 2017 performance in relation to his objectives, it was determined that Hubert Sagnières' bonus would amount to 152% of the target amount, i.e., €1,214,400, as set out in the table below:

Weighting	Objective	Valuation scale	% achievement	Weighted % achievement	Achievement (amount)
W			A	W x A	W x A x target (in €)
25%	Organic growth	0 to 200%	120%	30%	240,000
25%	Adjusted EPS*	0 to 200%	187%	47%	374,400
50%	Financial objectives	0 to 200%	154%	77%	614,400
50%	Specific objectives	0 to 200%	150%	75%	600,000
100%				152%	1,214,400

* restated in particular for the exchange rate impact

The specific objectives for 2017 were as follows:

- The successful implementation of the proposed combination with Luxottica;
- The sustainability of Essilor's culture (Mission, Principles & Values and Employee Shareholding);
- The development of long-term growth plans;
- Support for the new President and Chief Operating Officer in the Group's new organization.

B) Laurent Vacherot's bonus for 2017

Laurent Vacherot's target bonus for 2017 was set at 100% of his fixed compensation, i.e., €650,000. Depending on the extent to which the objectives were met, his annual bonus could vary from 0% to 200% of his fixed compensation.

After a review of 2017 performance in relation to his objectives, it was determined that Laurent Vacherot's bonus would amount to 152% of the target amount, i.e., €988,650, as set out in the table below:

Weighting	Objective	Valuation scale	% achievement	Weighted % achievement	Achievement (amount)
W			A	W x A	W x A x target (in €)
30%	Organic growth	0 to 200%	120%	36%	234,000
30%	Adjusted EPS*	0 to 200%	187%	56%	364,650
60%	Financial objectives	0 to 200%	154%	92%	598,650
40%	Specific objectives	0 to 200%	150%	60%	390,000
100%				152%	988,650

* restated in particular for the exchange rate impact

The specific objectives for 2017 were as follows:

- The successful implementation of the proposed combination with Luxottica;
- The sustainability of Essilor's culture (Mission, Principles & Values and Employee Shareholding);
- The development of long-term growth plans;
- The change and strengthening of the Group's control to support growth.

In 2017, Essilor reported:

- ↗ organic growth of 3.1%;
- ↗ adjusted earnings per share of €3.85.

About Essilor

Essilor International (Compagnie Générale d'Optique) ("Essilor") is 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 around €7.5 billion in 2017 and employs approximately 67,000 people worldwide. It markets its products in more than 100 countries and has 34 plants, 481 prescription laboratories and edging facilities, as well as 4 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.

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