

**EssilorLuxottica**

*Société anonyme*

Registered office: 147, rue de Paris, 94220 Charenton-le-Pont, France

712 049 618 R.C.S. Créteil

(the “Company”)

**RULES OF PROCEDURE OF THE BOARD OF DIRECTORS\***

(Adopted by the Board of Directors at its meeting of November 27, 2024)

(the “Board Rules of Procedure”)

**TABLE OF CONTENTS**

<b>PREAMBLE .....</b>	<b>3</b>
<b>1. GENERAL PRINCIPLES OF THE BOARD OF DIRECTORS .....</b>	<b>4</b>
1.1 Composition.....	4
1.2 Independence .....	4
1.2.1 Definition of an "Independent Director" .....	4
1.2.2 Independence and capital shareholding.....	5
1.3 Conflicts of Interest .....	5
1.3.1 Situations giving rise to Conflict of Interest .....	5
1.3.2 Guidelines for dealing with Conflicts of Interest .....	5
1.3.3 Sensitive information as defined in competition law .....	6
<b>2. THE MANAGEMENT .....</b>	<b>6</b>
2.1 Forms of General Management .....	6
2.2 CEO and Deputy CEO.....	6
<b>3. THE BOARD OF DIRECTORS.....</b>	<b>7</b>
3.1 The Chairperson .....	7
3.2 Powers of the Board of Directors .....	8
3.3 Convening a Board Meeting.....	9
3.4 Information for Directors.....	10
3.5 Directors’ Duties.....	11
3.6 Organization of Meetings .....	11
3.6.1 Attendance.....	11
3.6.2 Deliberations .....	11
3.7 Attendance by Means of Videoconference or Telecommunication .....	12
3.8 Minutes .....	12
<b>4. SPECIAL COMMITTEES.....</b>	<b>12</b>
4.1 Audit and Risk Committee .....	14
4.1.1 Composition .....	14
4.1.2 Duties .....	14
4.1.3 Work organization.....	16

\* These Board Rules of Procedure are not part of the Articles of Association of the Company and are not binding on third parties. They cannot be invoked by third parties or shareholders against the Company or its officers. In any case of discrepancy between these Board Rules of Procedure and the Articles of Association of the Company, the Articles of Association shall prevail.

4.1.4	Activity reporting .....	16
4.2	Nomination and Compensation Committee .....	17
4.2.1	Composition .....	17
4.2.2	Duties .....	17
4.2.3	Work organization.....	19
4.2.4	Activity reporting .....	19
4.3	Corporate Social Responsibility (CSR) Committee .....	19
4.3.1	Composition .....	19
4.3.2	Duties .....	19
4.3.3	Work organization.....	21
4.3.4	Activity reporting .....	21
<b>5.</b>	<b>The Lead Director .....</b>	<b>21</b>
5.1	The Appointment of the Lead Director .....	21
5.2	Responsibilities and powers of the Lead Director.....	21
<b>6.</b>	<b>DIRECTORS' REMUNERATION .....</b>	<b>22</b>
<b>7.</b>	<b>ANNUAL EVALUATION OF THE BOARD'S OPERATION .....</b>	<b>22</b>
<b>8.</b>	<b>AMENDMENTS TO THESE BOARD RULES OF PROCEDURE.....</b>	<b>23</b>
	<b>ANNEX 1: DIRECTOR'S CHARTER .....</b>	<b>24</b>

## **PREAMBLE**

The board of directors of the Company (the “**Board**” or the “**Board of Directors**”) is mandated by all of the shareholders and acts in the interests of the Company. It exercises the role and powers granted to it by applicable laws and regulations, as set forth by Articles 15 and 18 of the articles of association of the Company (the “**Articles of Association**”).

These Board Rules of Procedure apply to all current and future members of the Board (each, a “**Director**”) and are intended to supplement the legal, regulatory and statutory provisions in order to outline the rules of operation of the Board and its special committees (the “**Committees**”).

It also sets out the missions and powers of the chairperson of the Board of Directors (*Président du Conseil*) (the “**Chairperson**”), the chief executive officer of the Company (*Directeur Général*) (the “**CEO**”), and the deputy chief executive officer of the Company (*Directeur Général Délégué*) (the “**Deputy CEO**”).

It includes, as Annex 1 hereto, the charter applicable to any Company’s Director (the “**Director’s Charter**”) setting out the rights and obligations of Directors.

By extension, these Board Rules of Procedure apply to any person who may attend permanently or punctually the Board’s or special Committees’ meetings, including to permanent representative of corporate entity Directors, Directors representing employee shareholders, Directors representing employees.

At its meeting held on March 4, 2009, the Board decided to comply with the “*Corporate Governance Code of Listed Corporations*” (*Code de gouvernement d’entreprise des sociétés cotées*) of the AFEP/ MEDEF, as may be amended from time to time (the “**AFEP/ MEDEF Code**”), which is available on the website of the MEDEF (<http://www.medef.fr>).

These Board Rules of Procedure, which are subject to regular review by the Board, in particular after its self-assessment, are published in whole or partly on the corporate website or reproduced in the universal registration document of the Company.

## 1. GENERAL PRINCIPLES OF THE BOARD OF DIRECTORS

### 1.1 Composition

The composition of the Board is organized as to enable it to fully perform its duties independently and objectively. The Directors, based on their expertise and complementary professional experiences, have a duty to be vigilant and exercise complete freedom of judgment. This freedom of judgment allows them to participate independently in the decisions and work of the Board and, where applicable, its special Committees.

The Board shall regularly consider the desirable balance within its membership and within that of the Committees of the Board, in particular as regards the diversity (representation of women and men, nationalities, international experience, skills, etc.).

### 1.2 Independence

#### 1.2.1 Definition of an "Independent Director"

The Board shall determine whether a Director is independent, upon recommendation of the Nomination and Compensation Committee.

Director is considered independent when he/ she has no relationship of any kind whatsoever with the Company, its Group<sup>1</sup> or the management that may interfere with his or her freedom of judgement.

The criteria to be reviewed by the Nomination and Compensation Committee and the Board in order for a Director to qualify as independent and to prevent risks of conflicts of interest between the Director and the management, the Company, or the Group, are the following:

1. not to be and not to have been during the course of the previous five years:
  - an employee or executive officer<sup>2</sup> of the Company;
  - an employee, executive officer or director of a company belonging to the Group (other than a director of the Company, Essilor International (former *Delamare Sovra*) or Luxottica Group S.p.A.);
2. not to be an executive officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee or an executive officer of the Company (currently in office or having held such office during the last five years) is a director;
3. not to be a customer, supplier, commercial banker or investment banker (or be linked directly or indirectly to these persons):
  - that is material to the Company or its Group;
  - or for a significant part of whose business the Company or its Group accounts;
4. not to be related by close family ties to a Company's officer;
5. not to have been an auditor of the Company within the previous five years;

---

<sup>1</sup> In these Board Rules of Procedure, "*Group*" means the Company and any and all entities which the Company controls, "*control*" having the meaning set forth in Paragraphs I and II of Article L. 233-3 of the French Commercial Code.

<sup>2</sup> In these Board Rules of Procedure, "*executive officer*" designates the CEO, and any Deputy CEO when used in reference to the Company or any similar function in companies registered under a different corporate form; "*non-executive officer*" designates any non-executive Chairperson of the Board; "*corporate officers*" includes the executive officers, the non-executive officers and the others Board members.

6. not to have been a director of the Company for more than twelve years. Loss of the status of independent director occurs on the date at which this period of twelve years is reached.

The Board of Directors (based on the recommendation of the Nomination and Compensation Committee) may consider that, although a Director meets the criteria set out above, he or she cannot be held to be independent owing to the specific circumstances of the person or the Company, due to its ownership structure or for any other reason. Conversely, the Board may consider that a Director who does not meet these criteria is nevertheless independent.

#### 1.2.2 Independence and capital shareholding

Directors representing major shareholders (either as employees, executive officers or directors of said shareholders) of the Company may be considered as being independent, provided that these shareholders do not take part in the control of the Company.

Nevertheless, beyond a 10% holding of shares or 10% of the voting rights, the Board, upon a report from the Nomination and Compensation Committee, should systematically review the qualification of a Director as independent in the light of the break-down of the Company's capital and the existence of a potential conflict of interest.

The Board should take appropriate action to assure the shareholders and the market that its duties will be performed with the necessary independence and objectivity.

### 1.3 Conflicts of Interest

Any Director (whether he/ she is an individual Director or a permanent representative of a legal entity holding directorship) of the Company shall consider himself or herself as being bound by the provisions of Articles 20 and 21 of the AFEP/ MEDEF Code, the Director's Charter included as Annex 1 to these Board Rules of Procedure and the rules set forth in the following paragraphs.

#### 1.3.1 Situations giving rise to Conflict of Interest

Any Director who is directly or indirectly exposed to an actual or potential conflict between his or her interests (or those of the legal entity holding directorship he/ she represents) and those of the Company (or any company of the Group) because of the positions that he/ she holds, and/ or any interests that he/ she has elsewhere (a "**Conflict of Interest**"), shall inform the Chairperson of the Board with a copy to the secretariat of the Board, and the Chairperson of the relevant Committees, if applicable. When a Director takes office and by January 31 of each year, he/ she shall prepare (and update when needed) and submit to the Chairperson of the Board and to the Nomination and Compensation Committee, a statement indicating any actual or potential Conflict of Interest he/ she may have with any Group's companies.

A Director may be requested by the Chairperson, at any time, to confirm in writing that he or she is not in a Conflict of Interest situation. Pursuant to Section 3.5 below, Directors and any other persons who attend Board meetings shall be required to treat all information provided during these meetings as strictly confidential.

#### 1.3.2 Guidelines for dealing with Conflicts of Interest

In the event of a Conflict of Interests, the concerned Director shall (i) prior to the concerned meeting, inform in due time the Chairperson with a copy to the secretariat of the Board, and (ii) shall not attend the Board (or Committee) meeting during the discussions and debates on the concerned items of the agenda and shall not vote on the concerned deliberations.

It is specified that if the concerned Director is the Chairperson of a Committee and the concerned meeting is one of such Committee, then, such Director shall notify his or her Conflict of Interest situation

to the other Committee's members and shall not attend the meeting during the discussions and debates on the concerned items of the agenda and shall not vote on the concerned deliberations.

Any issues concerning the implementation of this Section "*Conflicts of interest*" shall be submitted to the Chairperson with a copy to the secretariat of the Board, and for Committee meeting, the Chairperson of the relevant Committee. If an issue relating to any concerned Director cannot be resolved following discussions between them, then, the Board (or the Committee) shall make a decision.

### 1.3.3 Sensitive information as defined in competition law

In the event of a Conflict of Interest relating to a position or interest in an entity whose interests compete with those of the Group, no sensitive information, as defined in competition law, may be disclosed or discussed in the presence of the concerned Director.

The definition of sensitive information in competition law covers all information not in the public domain that could enable the concerned Director to understand or influence the Company's commercial and other strategies in markets served by the entity whose interests compete with those of the Company and with which the concerned Director has ties, including, without limitations, recent, current or future pricing strategies and prices (including discounts or rebates), detailed information concerning technology and R&D projects, recent current or future profit margins on, or profitability targets for, specific products or services, and current or future strategic plans, business development projects, particularly planned potential mergers and acquisitions, market shares, market analyses, covering inter alia forecast changes in offer and/ or demand and prices.

The risk of an exchange of sensitive information as defined in competition law is equivalent in all respects to a conflict of interest within the meaning of this Section "*Conflicts of interest*".

## **2. THE MANAGEMENT**

### **2.1 Forms of General Management**

The management of the Company is assumed either by the Chairperson of the Board of Directors, then carrying the title of Chairperson and CEO (*Président-Directeur Général*) or by another natural person appointed by the Board of Directors and carrying the title of Chief Executive Officer (*Directeur Général*), depending on the decision of the Board of Directors, which must choose between these two options.

When the management of the Company is assumed by the Chairperson of the Board, the following provisions relating to the CEO shall apply to him/her.

### **2.2 CEO and Deputy CEO**

The CEO exercises the powers of decision, management, representation and communication of the Company with respect to third parties. The CEO proposes to the Board of Directors the strategy of the Company.

The CEO is vested with the most extensive powers to act in all circumstances in the name of the Company. The CEO shall exercise those powers within the limits of the corporate purpose and subject to the powers expressly granted to the Shareholders' Meetings and to the Board of Directors by law as well as to the limitations set forth by the Articles of Association and by these Board Rules of Procedure.

With regard to third parties, the CEO represents the Company and the Company shall be bound by all the actions taken by the CEO, even those that fall outside the scope of its corporate purpose, unless it proves that the third party knew that such action exceeded the corporate purpose or that it could not have been unaware of it given the circumstances, it being understood that the mere publication of the Articles of Association shall not be sufficient to constitute such a proof.

Upon proposal of the CEO, the Board of Directors may appoint one or more natural persons to assist the CEO, with the title of Deputy CEO.

In agreement with the CEO, the Board determines the scope and duration of the powers granted to the Deputy CEO (s). It should be noted that the law grants any Deputy CEO the same powers vis-à-vis third parties as the CEO and that the Deputy CEO may only be dismissed by the Board upon the proposal of the CEO.

In case of appointment of several Deputy CEOs (*Directeurs Généraux Délégués*), Sections of the Board Rules of Procedure applicable to the Deputy CEO will apply *mutatis mutandi* to them.

### **3. THE BOARD OF DIRECTORS**

#### **3.1 The Chairperson**

In accordance with the Articles of Association and upon decision of the Board of Directors, the Chairperson may serve concurrently as CEO. In case these functions are dissociated, the Chairperson shall ensure that a constant relationship of trust is developed and maintained between the Board and the management, in order to guarantee the permanence and stability of the implementation by the management of the guidelines determined by the Board.

The Chairperson of the Board organizes and directs the work and meetings of the Board, on which he or she reports to the Shareholders' General Meeting. In this capacity, he or she convenes and sets the agenda for Board meetings, leads and chairs the debates and may request any document or information that may be relevant to the Board of Directors in preparing its meetings.

He or she ensures the smooth functioning of the Board of Directors and, in particular, that the Directors are able to fulfil their missions.

He or she provides input on strategic issues for the Company and undertakes best efforts to promote the Group's culture and values and to facilitate the transition of the management team. In this capacity, the Chairperson of the Board (at the request of the CEO and/or the Deputy CEO in the event of dissociation of functions) may represent the Company in its high-level relations with the organizations, institutions and public authorities, as well as with suppliers, customers and other stakeholders, both on a national and international level.

He or she may also, without prejudice to the powers of the Board of Directors and its Committees, be regularly consulted by the CEO and/or the Deputy CEO on all significant events concerning the Company's strategy within the framework of the guidelines set by the Board of Directors, external growth projects, major financial transactions or the appointment of executives to key positions in the Company or the Group. In all these specific missions, the Chairperson of the Board will act in close coordination with the CEO, who is responsible for the direction and operational management of the Company, and the Deputy CEO.

The Chairperson of the Board is provided with the material resources necessary to carry out his/her duties. He or she may also receive compensation for his/her duties as Chairperson of the Board of Directors. If deemed necessary, the Board of Directors may appoint a Vice-Chairperson from among its members, who shall chair the meetings of the Board of Directors if the Chairperson is absent.

In addition, in accordance with Article 23 of the Articles of Association, the Chairperson of the Board (or, in his absence, the Vice- Chairperson if a Vice- Chairperson has been appointed) shall organize and chair the shareholders' general meetings.

### **3.2 Powers of the Board of Directors**

The Board of Directors directs the Company's business and oversees its implementation in accordance with its corporate interest, taking into account the social and environmental stakes of its activity. Subject to the powers expressly granted to the shareholders' general meetings, to the limitations set forth by the Articles of Association and within the limits of the corporate purpose, it deals with all matters concerning the proper running of the Company and the Group, in accordance with the provisions set forth in these Board Rules of Procedure. Upon the proposal of the management, the Board of Directors determines the Company's multi-annual strategic guidelines on social and environmental responsibility. The Board of Directors examines the results obtained each year and the opportunity, when appropriate, to adapt the action plan or revise the objectives.

The Board of Directors must grant its prior approval, under the conditions of quorum and majority set forth in Section 3.6.2 below, for any issue, event, act or decision concerning the Company and any entity of its Group of a strategic nature or likely to have a significant impact on the financial situation or commitments of the Company or the Group. This applies in particular to decisions relating to:

- a. review and approval of the statutory financial statements and of the consolidated financial statements of the Company;
- b. approval and modification of the Group's annual budget (including the annual investments budget) upon the presentation of the forecast of the financing needs of the Group for the year made by the CFO(s);
- c. approval and modification of the Group's three-year strategic plan;
- d. any transaction above Euro 500 million individually, except when such transaction corresponds to usual purchases, sales or leases, in the ordinary course of business. (It is understood that any transaction for an amount below or equal to Euro 250 million can be approved by the CEO alone; and any transaction for an amount between Euro 250 million and Euro 500 million will have to be preliminarily approved jointly by the CEO and the Deputy CEO, using any communication means);
- e. distribution of dividends, interim dividends, premium, reserves and/ or any other distributions by the Company;
- f. any amendment, or any decision that will entail such amendment, to the Articles of Association of the Company;
- g. decision relating to the admission to listing on any regulated stock exchange of securities in any Group's company;
- h. any change in accounting methods or principles, or of the tax practices applied within the Group (save for mandatory changes resulting from regulatory changes);
- i. appointment and renewal of the statutory auditors of the Company, based on the recommendation of the Audit and Risk Committee;
- j. decisions on capital expenditures, acquisitions or divestments with a value exceeding Euro 500 million. (It is understood that any transaction for an amount below or equal to Euro 250 million can be approved by the CEO alone; and any transaction for an amount between Euro 250 million and Euro 500 million will have to be preliminarily approved jointly by the CEO and the Deputy CEO, using any communication means);



- k. entering by the Company into any bank loan or credit facility so that the cumulative notional amount of all the existing bank loans and credit facilities entered into by the Company exceeds Euro 5.5 billion;
- l. any liquidation, merger, spin-off (*scission*), contribution or other similar corporate restructuring (save for intra-Group transactions that trigger no change in the direct or indirect holding by the Company in the share capital or assets and liabilities of the concerned company or companies) involving any Group's company;
- m. authorization, determination of the terms and conditions and modification of any mandatory or voluntary profit-sharing plan, stock option plan, free share plan (*plan d'attribution gratuite*) or other similar collective incentive schemes in favor of the management and/or employees of the Group (upon proposal of the Nomination and Compensation Committee when it concerns executive officers);
- n. except for intra-group transactions, the purchase, transfer or disposal of trademarks or patents and/or the acquisition or the granting of any license with respect to the right to use a trademark or patent or any other transaction entailing, directly or indirectly or as an ancillary consequence thereof (including, for example, the acquisition of a business), the purchase, transfer, disposal or granting of any such trademarks, patents or licenses, for a value exceeding Euro 50 million.

In addition, the Board is responsible in particular for:

- defining the notion of an "Independent Director" and deliberating on this matter each year;
- identifying the Independent Directors, following recommendation by the Nomination and Compensation Committee;
- assessing its own performance (collective and individual) and the performance of management;
- debating and, if applicable, approving any compensation following recommendation by the Nomination and Compensation Committee for executive officers;
- appointing the CEO and the Deputy CEO (if any) (following recommendation by the Nomination and Compensation Committee);
- debating and, if applicable, approving the appointment of the special Committee members (following recommendation by the Nomination and Compensation Committee);
- approving and implementing the succession plans for the replacement of the executive officers, following recommendation by the Nomination and Compensation Committee;
- examining the procedures for the identification, evaluation, control and monitoring of the Group's commitments and risk management, in coordination with the work of the Audit and Risk Committee and the Corporate Social Responsibility Committee;
- defining the financial communication policy for the market and analysts, applicable to the whole Group, in order to allow shareholders and investors to access the same information at the same time, and making sure that they are receiving relevant, balanced and meaningful information on the Company's long-term strategy through the financial statements, in the course of major operations and development, and outlook as part of the Group's financial communications.

### **3.3 Convening a Board Meeting**

The Board will meet as often as necessary in the interests of the Company, but at least 5 times per year.

The Board is convened by the Chairperson.

If it has not met for a period of more than two months, a minimum of a third of the members of the Board of Directors may request the Chairperson to convene a meeting to discuss a specific agenda.

The CEO and/or the Deputy CEO may also request the Chairperson to convene a meeting of the Board of Directors to discuss a specific agenda.

The Chairperson shall be bound by the requests that are made pursuant to the two preceding paragraphs.

Notices of meetings are given by any appropriate means, including verbally in case of urgency. The notice of meeting shall be sent by the Chairperson, or on his behalf by any person he or she shall designate, and in particular by the secretariat of the Board.

The convening period for the Board of Directors shall be seven calendar days, unless urgency requires otherwise. If this is the case, the notice of meeting may be sent at any time. In any event, the Board of Directors may validly deliberate even in the absence of a notice of meeting if all its members are present or represented.

Meetings are held at any place specified in the notice of meeting. In the event that no place is specified, the meeting shall be held at the headquarters of the Company.

The notice of meeting shall be given in English and in French, and an Italian courtesy translation can also be provided at the request of any Director.

### **3.4 Information for Directors**

Any documentation required to ensure that the Directors are informed about the agenda and any items to be discussed by the Board will either be enclosed with the notice of meeting or sent or delivered or uploaded on a dedicated platform at the latest five days before the meeting/in due time. However, in case of urgency or particular circumstances, and with the agreement of the Chairperson, the Board of Directors may, at any of its meetings, deliberate on matters not included in the previously communicated agenda.

Any such documentation shall be drafted in English, and a French and Italian courtesy translations can also be provided at the request of any Director. In case of discrepancy between the English version and one of its translations, the English version shall prevail, except for those documents whose official language is French pursuant to applicable law.

To be prepared for decisions to be made, Directors must check that the information they deem necessary for the proper flow of the Board's or special Committee's work has been made available to them. If any information has not been made available, or has not properly been made available in a Director's opinion, such Director must request it. Such requests should be addressed to the Chairperson with copy to the secretariat of the Board who must ensure that the Directors are in a position to fulfil their duties.

In addition, Directors will receive between meetings any useful or critical information on significant events or operations relating to the Company or the Group, in particular, press communications released or financial reports made by the Company.

Any Director may avail himself or herself of supplementary training on the specific concerns of the Company, its industry or business sectors as well as on social and environmental responsibility aspects, including with respect to climate related issues, if he or she deems it necessary. From the time of their appointment, members of the Audit and Risk Committee will receive information on the Company's accounting, financial and operational affairs.

Director(s) representing employees or Director(s) representing employee shareholders (if applicable) should be provided with suitable training enabling them to perform their duties, in accordance with regulations.

Upon appointment of a new Director, he or she will be provided with a file including the Articles of Association, these Board Rules of Procedure (including the Director's Charter) and a memorandum on stock trading restrictions.

### **3.5 Directors' Duties**

Before accepting his/her duties, each Director shall ensure that he or she is aware of and complies with the general and specific obligations relating to his/her duties. In particular, he or she must be aware of the applicable laws and regulations, the Company's Articles of Association, these Board Rules of Procedure and the Director's Charter.

Directors are bound by a duty of discretion and confidentiality in the interest of the Company. Any information or documentation obtained by/or provided to any Director in the context of his or her directorship or membership of a special Committee (or to any other person who may attend a Board or Committee meeting) shall be subject to the duty of confidentiality that is binding on each Director.

The duty of confidentiality shall also be binding on any person who may attend permanently or occasionally the Board or special Committees meetings of the Company.

With regard to any non-public information obtained in the discharge of his or her duties, each Director (or any person who may attend the Board or special Committees meetings) shall consider that he or she is bound by a strict duty of confidentiality that goes beyond the mere duty of discretion provided for by law.

### **3.6 Organization of Meetings**

#### **3.6.1 Attendance**

The meetings of the Board of Directors are chaired by the Chairperson, or, in the absence of the Chairperson, by the Vice-Chairperson (if any), or in the absence of the Vice-Chairperson, by the person appointed by the Board to chair the meeting.

Directors may choose to be represented by another Director at meetings of the Board of Directors. Each Director may represent no more than one other Director at any Board meeting.

Meetings are held in English, with simultaneous translation in French or Italian provided by a translator/interpreter at the request of any Board member. In case of discrepancy between the English version and one of its translations, the English version shall prevail.

#### **3.6.2 Deliberations**

The quorum for any decision taken by the Board of Directors shall be at least half of the Directors present (in person or, as the case may be, by videoconference or telecommunication means).

The decisions shall be taken by a simple majority of the members present or represented.

Directors participating in meetings of the Board of Directors by any means of videoconference or telecommunication allowing them to be identified and guaranteeing their effective participation are deemed present for the purposes of quorum and majority computation under the conditions set forth by applicable regulation and by Article 3.7. below.

Decisions falling within the scope of the Board of Directors' own powers, for which this option is available under article L. 225-37 of the French Commercial Code, may be taken by written consultation of the members of the Board of Directors. In the event of a written consultation, such consultation may be initiated only by the Chairperson, who shall communicate by any means to all members of the Board of Directors the agenda for the consultation and the text of the proposed deliberations.

Directors have a period of eight (8) days from the communication of the agenda to cast their vote, which may be cast by any written means, and to communicate their vote to the Chairperson of the Board of

Directors, with a copy to the secretariat of the Board. Failure to reply within the aforementioned time limit is equivalent to a negative vote.

The Board of Directors may not validly deliberate by written consultation unless at least half of the members of the Board of Directors have cast their vote on this occasion. The decisions of the Board of Directors are taken by a majority of the voting members.

The above-mentioned provisions shall apply without prejudice to the rules applicable to related-party agreements (*conventions réglementées*), situations of conflicts of interest and any other situations where a Director would be prevented to vote under applicable Law.

### **3.7 Attendance by Means of Videoconference or Telecommunication**

The Directors may attend Board meetings by means of videoconference or telecommunication in accordance with applicable law and regulations.

The Chairperson of the Board shall ensure that these means allow the identification of the members of the Board of Directors and guarantee their effective participation in the Board meeting, whose deliberations shall be retransmitted continuously.

In accordance with applicable laws and regulations and as provided for by Article 16, 2) of the Articles of Association, Directors attending Board meetings by means of videoconference or telecommunication will be recorded as present for the purpose of establishing a quorum or a majority.

However, these forms of attendance are not permissible when the Board deliberates on the approval of the Company's financial statements and consolidated statements, unless the Board is permitted to do so under applicable laws.

### **3.8 Minutes**

The draft minutes of the previous Board meeting will be sent or delivered to all Directors at the latest on the day of the notice of the next meeting.

The minutes of the Board are approved by the Board of Directors and duly signed by the Chairperson.

Minutes shall be drafted in French, with an English courtesy translation, and an Italian courtesy translation shall be prepared for Directors' review at the request of any Director.

The minutes of the discussion will also mention the attendance of Directors by videoconferencing or telecommunication means. They will also record the occurrence of any technical incidents in the videoconference or telecommunication, if they disrupted the session.

The attendance register, signed by the members of the Board participating to the meeting, shall mention the names of the Directors attending the Board meeting by videoconference or telecommunication who are deemed present.

The secretariat of the Board of Directors shall be authorized to certify copies of and extracts from minutes of Board meetings as a true record.

## **4. SPECIAL COMMITTEES**

### **❖ Three permanent special committees**

When proposed by the Nomination and Compensation Committee, the Board may create special committees (the “**Committees**”) and decide on their composition and duties. These Committees act within the framework delegated to them by the Board and submit their opinions and proposals to the Board. The Committees do not act in the place of the Board, but rather as an extension of the Board, facilitating its work.

In any event, the Company has three permanent Director Committees:

1. Audit and Risk Committee;
2. Nomination and Compensation Committee; and
3. Corporate Social Responsibility (CSR) Committee.

With respect to any committee:

- (i) the agenda of each meeting is sent to the relevant Committee members before the meeting, together with any information or documentation that is useful for the discussion;
- (ii) any information and documentation for the discussions will be available on a secure platform or sent by electronic means;
- (iii) any such documentation shall be generally drafted in English and in French, and an Italian courtesy translation can also be provided at the request of any member;
- (iv) meetings are held in English, with simultaneous translations in French and/ or in Italian provided by a translator/ interpreter at the request of any member;
- (v) minutes and reports (if any) shall be drafted in French with an English courtesy translation, and an Italian courtesy translation shall be prepared at the request of any Committee member.

Whenever the agenda of a meeting of a Committee includes some items overlapping the competence of another Committee (as provided herein), the Chairperson of the first Committee liaises with the Chairperson of the second to ensure a coordination.

#### **❖ Membership of the Committees**

The Committees are composed exclusively of Directors and each shall comprise at least three members. Committee members cease to be members of the Committee as of the date of termination of their directorship for any reason whatsoever.

Each Committee shall be chaired by a Director appointed by the Board of Directors (the “**Chairperson of the Committee**”).

#### **❖ Work organization**

The Committees’ meetings shall be held at the registered office or at any other place decided by the Chairperson of the Committee, it being specified that, at the discretion of the Chairperson of the Committee, the Committees may be held by videoconference or telecommunication.

Members of Committees may choose to be represented by another member at meetings of the Committee. Each member may represent no more than one other member at any Committee meeting.

The deliberations of the Committees shall be valid only if at least half of their members are present or represented.

Decisions shall be made based upon a majority vote of the members present or represented. If vote is tied then the Chairperson of the Committee shall have a casting vote.

❖ **Attendance by videoconference**

In accordance with applicable law and regulations, the Committee members may attend the meetings by means of videoconference or telecommunication.

The technical properties of the means used for the videoconferencing or telecommunication must permit the continuous and simultaneous retransmission of the discussions.

In accordance with applicable laws and regulations and as provided for by Article 16, 2) of the Articles of Association, Directors attending Committee meetings by means of videoconference or telecommunication will be recorded as present for the purpose of establishing a quorum or a majority.

**4.1 Audit and Risk Committee**

The Audit and Risk Committee is in charge of monitoring issues relating to the compilation and audit of accounts and financial information as well as the efficiency of the internal audit and risk management systems.

**4.1.1 Composition**

The Audit and Risk Committee consists of three members appointed by the Board from among the members of the Board of Directors; at least two third of its members must be Independent Directors.

The Committee shall not include any executive Directors.

The members of the Audit and Risk Committee must have special competency in financial, risk management or accounting matters.

The Chairperson of the Audit and Risk Committee will be an Independent Director.

**4.1.2 Duties**

Pursuant to Article L. 823-19 of the Commercial Code, the Audit and Risk Committee, acting under the responsibility of the Board of Directors, monitors issues relating to the compilation and audit of accounts and financial information and information related to sustainability.

For any issues relating to the compliance and the efficiency of the internal audit and major risk management systems, as well as information related to sustainability, the Audit and Risk Committee should work in close coordination with the Corporate Social Responsibility Committee to establish a comprehensive picture of financial as well as non-financial issues.

The Audit and Risk Committee will report regularly to the Board of Directors and notify it without delay of any material issue that may arise. Without prejudice to the powers of the Board of Directors, this Committee monitors the specific procedures to ensure:

❖ **The integrity of the financial statements:**

- i. it ensures the review of the semiannual and annual financial statements and any associated reference documents;
- ii. it reviews the underlying assumptions affecting the accounting and reporting, and any significant changes made to the accounting principles, major transactions that could give rise to a conflict of interest, off-balance sheet commitments and the scope of consolidation;
- iii. it ensures the appropriateness and consistency of the accounting methods used in the preparation of the financial information, in particular with respect to significant transactions;

❖ **The integrity of information related to sustainability**

- iv. It monitors the compilation and audit of information related to sustainability.

❖ **The efficiency of the internal control and major risk management systems:**

- v. it examines the methods of how the Company or the Group identifies, evaluates, anticipates and manages its most important financial, operational and compliance risks. However, the Audit and Risk Committee is not in charge of appraising any issues relating to strategic risks and risks associated with governance unless specifically asked to do so by the Board;
- vi. it evaluates the competency, availability and positioning of the organization in charge of monitoring the Company or Group's risk management;
- vii. it issues recommendations if necessary, on (i) the implementation of corrective measures to address significant weaknesses or anomalies, (ii) improvements to existing procedures or (iii) the adoption of new procedures;
- viii. as indicated above, it ensures the efficiency of the internal control and major risk management systems in close coordination with the Corporate Social Responsibility Committee which is in charge of identifying and monitoring the non-financial risks. The Audit and Risk Committee may be jointly consulted with the CSR Committee on the management procedures with regard to any unusual risks, if the Board or management deems it useful;

❖ **Compliance with legal requirements and regulations:**

- ix. it ensures compliance with the accounting rules, in particular, the appropriate application of the principles on which the Company's accounts are based, and with stock exchange regulations, in particular, the appropriate application of the policies in force in the Company;
- x. it takes note annually of any major litigation and their development and assesses such information in coordination with the Corporate Social Responsibility Committee;
- xi. it reviews risk prevention measures with regard to compliance with applicable regulations (e.g., sanctions, fraud, anti-corruption or money laundering regulations);

❖ **The performance, qualification and independence of the auditors:**

- xii. it conducts the selection process of auditors by carrying out requests for proposals to various firms (except in the case of a reappointment) and issues a proposal to the Board of Directors for the appointment of auditors;
- xiii. it ensures the achievement by the auditors of their mission, reviews their audit program and their findings;
- xiv. it ensures the independence of auditors (in particular, by considering the annual statement of independence), as well as compliance with the professional incompatibility rules applying to the auditors, including the principal partner;
- xv. it authorizes, under applicable law and regulations, services other than the certification of the annual accounts which might be entrusted to auditors and their network;

❖ **The performance of internal audit:**

- xvi. it reviews the internal audit charter, its tasks and its activity scope;
- xvii. it reviews the budget, resources and means available for the internal audit;
- xviii. it reviews the audit plan proposed for the year and the most important results presented by the Group Internal Audit Officer;
- xix. it ensures the internal audit departments' efficiency within the Group.

#### 4.1.3 Work organization

The Chairperson of the Audit and Risk Committee organizes the Committees' work every year based on his or her assessment of the importance of certain types of risk, in consultation with the management and the Board, as well as the Chairperson of the Corporate Social Responsibility Committee.

The Chairperson of the Audit and Risk Committee should be regularly liaising with the Chairperson of the other Committees, specifically with the Chairperson of the Corporate Social Responsibility Committee which is in charge to identify and monitor the non-financial risks.

The Chairperson of the Committee may convene a meeting at any time, whenever he or she deems it necessary.

Two members of the Audit and Risk Committee or the Chairperson of the Board may request the Chairperson of the Committee to arrange a meeting whenever they deem it useful.

The Committee shall meet at least three times per year.

The meeting agenda is determined by the Chairperson of the Committee or agreed with the person(s) who has/have initiated the meeting. The agenda is sent to the Committee members before the meeting together with any information that is useful for the discussions.

Sufficient time must be available for the Accounts to be provided and for their review. In order to perform its duties properly, the Audit and Risk Committee must be given a delay of at least 5 days for considering in advance the documents on which discussions will be based and, in particular, for examining the accounts before their publication.

During the meetings, the Committee hears the auditors and may benefit from presentation from the executive officers and/or the management of the Company and from any other persons as it deems appropriate. Management (assisted by a person of its choice) will make a presentation to the Committee on the Group's exposure to risks and significant off-balance sheet commitments.

The Committee may also gather information directly from persons who are able to assist it with fulfilling its duties, in particular certain business and financial managers and those responsible for handling data, whilst keeping management informed. In addition, the Committee may consult external experts, if it deems this necessary, at the Company's expenses, within the limits of the budget approved by the Board for the Audit and Risk Committee.

#### 4.1.4 Activity reporting

The Audit and Risk Committee reports to the Board about its work as many times as necessary and in any case before the final approval of the annual financial statements, outlining its observations.

The minutes of the Board meeting shall include the Audit and Risk activity report which includes primarily its main proposals and/ or conclusions.

The Audit and Risk Committee includes in its report any comments it deems useful on:

- i. the appropriateness of the various procedures as well as the overall system to achieving the stated objectives for managing information and risks;
- ii. the effective application of the procedures in place and, if applicable, of the means used to achieve the aims;
- iii. the financial situation, treasury situation and commitments of the Company or the Group.

The Company or Group's accounts, debt levels as well as share price and capital developments are also discussed in regular presentations. During the Board meetings held to approve the semiannual financial statements of the Company or the Group, the auditors submit their report on the accounts with their comments, including comments on the conditions under which their task was completed.



The auditors also include any recommendations and suggestions they may have on how to improve the effectiveness of the various procedures and the overall system and how to adapt them to any new situation.

If, in the course of its work, the Committee detects a major risk that has apparently not been adequately dealt with, it will promptly alert the Board of Directors, including the CEO, and the management.

The Audit and Risk Committee examines periodically its mode of operation and, taking into account any remarks it may have received from the Board or management, formulates any proposals to enhance the quality of its work within the framework of its duties.

## **4.2 Nomination and Compensation Committee**

### **4.2.1 Composition**

The Nomination and Compensation Committee consists of three members; a majority of the members are appointed from among Independent Directors.

The Nomination and Compensation Committee shall be chaired by an Independent Director.

### **4.2.2 Duties**

The main duties of the Nomination and Compensation Committee within the work of the Board of Directors are the following:

#### **❖ Nomination:**

- i. it examines and recommends to the Board of Directors the persons who may be appointed as Directors and Lead Director (if applicable), taking into account, in particular, the appropriate balance of the composition of the Board and its Committees in view of the composition and development of the Company's shareholder base, the skills and expertise required to perform the Board's duties, and the gender balance on the Board; it may, in particular, organize a procedure to select future Independent Directors and examine potential candidates before any contact is made with them;
- ii. it develops a succession plan for the Company's executive officers;

#### **❖ Assessment:**

- iii. it assists the Board in the periodic assessments of its membership, organization and operation as well as that of its Committees,
- iv. it may put forward proposals to improve the functioning of the Board;
- v. it puts forward proposals for creation of Committees and assignment for each of them;
- vi. it monitors changes in the Company's shareholdings structure and Company's awareness of such changes with a view to monitor the representation of shareholders (including employee shareholders) in the governance;
- vii. it conducts yearly a case-by-case assessment of each Director with regard to the independence criteria set forth in the AFEP/ MEDEF Code and these Board Rules of Procedure and, in this respect, it puts forward its recommendations to the Board;
- viii. it receives the conflict of interest statements (and any update of such statements when needed) prepared and submitted by each Director when he or she takes office and by January 31 of each year ;
- ix. it is informed before any corporate officer or director accepts a new directorship or a management position in a company outside the Group; it being specified that a director may

not take on any personal responsibilities in companies or businesses that are in direct competition with the Company and its subsidiaries without first informing the Chairman of the Board of Directors, whose prior written approval must be obtained as well as the Chairman of the Nomination and Compensation Committee.

❖ **Compensation:**

- x. it puts forward proposals on the compensation policy and the compensation of the executive officers of the Company;
- xi. it examines the compliance of the compensation policy, its structure and components with legal requirements and the AFEP/ MEDEF Code;
- xii. it examines termination provisions and financial conditions of departure for any executive officer;
- xiii. it puts forward proposals to the Board of Directors on the general policy and terms and conditions for granting stock-options and/ or free performance shares, the allocation of free shares and the setting-up of employee share ownership plans, profit-sharing measures as well as any other incentive schemes for the Company's or Group's employees;
- xiv. it puts forward proposals on the allocation of stock options and/ or free performance shares for executive officers of the Company as well as the number of shares resulting from the exercise of stock options or performance shares that they will be required to retain until the termination of their office;
- xv. it puts forward proposal on Directors' compensation policy and notably the fees amount and their allocation taking into account Directors' attendance rate;
- xvi. it reviews the terms and conditions of any service agreement to be entered into with any member of the Board of Directors or any executive officer of EssilorLuxottica prior to their entering into;
- xvii. it contributes to the preparation of the parts of the corporate governance report relating to the compensation policy for corporate officers and issues an opinion on the related draft resolutions on which the Shareholders' General Meeting is called upon to vote in accordance with French regulations.

❖ **More broadly:**

- xviii. it assesses whether corporate governance practices within the Group comply with the AFEP/ MEDEF Code and recommendations of the AMF and proxy agencies and monitors their compliance thereto;
- xix. where appropriate, it points out deviations from the AFEP/ MEDEF Code and prepares explanations for reasons for doing so;

The Nomination and Compensation Committee shall be associated in the preparation of any report (including the universal registration document) for the sections pertaining to its areas of expertise and duties.

It may consult external advisors, consultants, counsels or experts at the Company's expenses if necessary for the performance of its duties (including to identify directorship's candidates or to assess the membership and functioning of the Board of Directors), within the limits of the budget approved by the Board of Directors for the Nomination and Compensation Committee.

#### 4.2.3 Work organization

The Chairperson of the Committee may convene a meeting at any time, whenever he or she deems it necessary, for example, to evaluate the performance of Company's management.

The Committee shall meet at least three times per year.

The Nomination and Compensation Committee may also meet at the request of two members of the Nomination and Compensation Committee and/or of the Chairperson of the Board.

The meeting agenda is determined by the Chairperson of the Committee or agreed with the person(s) who has/have initiated the notice of meeting. The Chairperson of the Committee may add any items on the agenda of such meetings. The agenda is sent to the Committee's members before the meeting together with any information that is useful for the discussions.

The Chairperson of the Board, the CEO and the Deputy CEO (if applicable) and/or management may contribute to the work of the Committee or may be consulted by it. If required, the Committee may request the assistance of any other persons as it deems appropriate.

#### 4.2.4 Activity reporting

The Committee must report to the Board on its work on a regular basis and submit proposals.

### **4.3 Corporate Social Responsibility (CSR) Committee**

#### 4.3.1 Composition

The CSR Committee consists of three members, at least two of whom must be Independent Directors.

The CSR Committee is chaired by an Independent Director.

#### 4.3.2 Duties

The main duty of the CSR Committee, within the remit of the Board of Directors, is to ensure that the Group effectively addresses the deployment of its mission "*to help people see more, be more and live life to its fullest*", which is fully integrated in the strategy of the Company to improve vision around the world by creating the best possible eyewear that protects and corrects each individual's eyesight while addressing their personal tastes and aspirations with the goal to respond to the world's growing vision needs by meeting the changing lifestyles of existing consumers and inventing new ways to reach the 2.5 billion people who suffer from uncorrected poor vision and the 6 billion people who do not protect their eyes from harmful rays.

The CSR Committee's duties go beyond philanthropy, including business and compliance to address the manner in which the Company manages its economic, social and environmental impacts and the relationships with its stakeholders, including e.g. customers, shareholders, suppliers, employees, community associations, governmental authorities and institutions, multi-lateral agencies, financial analysts and ratings agencies, consumers and the media. This policy is anchored in the common principles and values of the Group<sup>3</sup> that form the basis of the corporate culture and are shared across the Group. For example, they are reflected in the way the Group works as a community of entrepreneurs, in the importance given by the Group to employee shareholding as well as in the emphasis put on the health and socially significant roles of vision correction and vision protection that allow people to learn and work to the best of their ability and to fully interact with the world around them.

---

<sup>3</sup> (*Working Together, Innovation and Operational Excellence, Respect and Trust, Quality, Entrepreneurial Spirit and International Mindset*)

The CSR Committee also addresses the deployment of the EssilorLuxottica's sustainability program (Eyes on the Planet). It can assist the CAR in connection with the information on sustainability.

The Committee shall notably be responsible under the authority of the Board of Directors for:

❖ **Sustainable development matters:**

The Committee reviews and assesses the Company's strategy, policies and procedures on issues related to corporate responsibility and sustainable development as described below and provides the Board of Directors with its views on the Group's long-term development, including its economic development, through its CSR initiatives in matters of sight and its improvement. In fulfilling its role, the Committee is responsible for the following:

- i. to review the Group's environmental policies and management systems;
- ii. to review policies with respect to relationships with stakeholders;
- iii. to review the inclusive business roll-out;
- iv. to review the charitable policies of the Group and any philanthropic initiatives performed directly or via dedicated entities or in partnership with non-profit organizations;
- v. to review the human resources policies and the risk management in relation to the following areas: health and safety, diversity, equal employment, employee relations and related matters;
- vi. to review the social impacts of the main restructuring and/ or reorganizational projects;
- vii. to review the Group's human rights policy;
- viii. to receive, on an annual basis, the presentation of the Group's risk map concerning social responsibility and sustainable development; it reviews the risks and the opportunities thus identified and is kept informed of their evolution and of the characteristics of their management systems;
- ix. to review and assess the reporting and control procedures on non-financial indicators (environmental, health and safety, social reporting and indicators);
- x. to review the rankings and assessments made on the Group by ranking agencies and non-financial agencies;
- xi. to review the reporting, evaluation and control systems to enable the Company to produce reliable non-financial information and primarily give an opinion on the CSR report to be published in accordance with the French legal obligations (Article L. 225-102-1 of the French Commercial Code).

❖ **Ethics & Compliance matters:**

The Committee reviews and monitors the Company's policies on compliance and ethics matters and the systems and procedures in place to implement these policies and provides the Board of Directors with its views. In fulfilling its role, the Committee is responsible for the following:

- i. to review the definition of the Group's core values and ethics and compliance policy;
- ii. to review and put forward proposals to promote the corporate culture and employee shareholdings;
- iii. to promote ethics and ensure harmonization of ethical rules within the Group's entities and monitor their compliance thereto; it reviews the organization of the Compliance function and makes recommendations if any;
- iv. to review the Group's code of ethics, rules and procedures;

- v. to receive, on an annual basis, the presentation of the Group's risk map concerning ethics and compliance; it reviews the risks thus identified and is kept informed of their evolution and of the characteristics of their management systems.

The CSR Committee shall coordinate its works with the Audit and Risk Committee for all matters related to the CSR Committee's areas of intervention, in particular concerning the internal control, compliance, management and review of risks of non-financial information and major litigation. The CSR Committee may also be consulted, jointly with the Audit and Risk Committee, on the management procedures with regard to any unusual risks, whenever the Board or management deems this useful.

The CSR Committee shall be associated in the preparation of any report (including the annual report) for the sections pertaining to its areas of expertise and duties.

It may consult external advisors, consultants, counsels or experts at the Company's expenses if necessary for the performance of its duties, within the limits of the budget approved by the Board for the CSR Committee.

#### 4.3.3 Work organization

The Chairperson of the Committee may convene a meeting at any time, whenever he or she deems it necessary. The Committee shall meet at least three times per year.

The CSR Committee may also meet at the request of two members of the CSR Committee and/or of the Chairperson of the Board.

The meeting agenda is determined by the Chairperson of the Committee or agreed with the person(s) who has/have initiated the notice of meeting. The Chairperson of the Committee may add any items on the agenda of such meetings. The agenda is sent to the Committee members before the meeting together with any information that is useful for the discussions.

The CEO and the Deputy CEO (if applicable) and/or management may contribute to the work of the Committee or may be consulted. The Committee may request the assistance of the Chief Mission Officer and of any other persons as it deems appropriate.

#### 4.3.4 Activity reporting

The Committee must report to the Board about its work on a regular basis.

## 5. THE LEAD DIRECTOR

### 5.1 The Appointment of the Lead Director

The Board of Directors may appoint a lead director from among the independent directors (the "**Lead Director**") notably when the Company's general management is assumed by the Chairperson of the Board of Directors.

The Lead Director is appointed for a term that may not exceed his or her term of office as director. The Board of Directors may terminate his/her office at any time, and in any case the loss of the status of independent director terminates the office of the Lead Director.

### 5.2 Responsibilities and powers of the Lead Director

The Lead Director shall maintain a regular dialogue with and coordination of the directors and ensure the quality of the information provided to directors and the proper functioning of the Company's

governance bodies. To do so, the Lead Director can formulate proposals and make suggestions that he/she deems necessary or appropriate.

The Lead Director reports to the Board of Directors once a year on the performance of his/her duties.

In the context of the performance of his/her duties, the Lead Director has the right to have access to the services of the secretariat of the Board for the performance of his/her duties, to the documents and information necessary for the performance of his/her duties from the General Management, and interact with other directors, the Chairperson and the CEO as appropriate to the scope of his/her duties.

## **6. DIRECTORS' REMUNERATION**

The Ordinary Shareholders' General Meeting shall determine the overall amount of Directors' compensation, comprising a fixed and a variable part, to be allocated by the Board of Directors among its members.

The allocation of the compensation among the Directors, based on the authorization given each year by the Shareholders' General Meeting, shall be decided by the Board of Directors on the basis of (i) the nature of the functions held within the Board of Directors and its Committees and (ii) the effective presence of the members at the meetings of the Board of Directors and the Committees. The remuneration of the Chairperson of the Board is composed of a fixed part only.

If the term of office begins or ends during the year, the fixed portion is paid *pro rata*.

Directors can be reimbursed for expenses reasonable and necessary for the performance of their term of office on presentation of justifications and under the terms and conditions of normal group travel as detailed in the Directors' expense reimbursement policy.

The performance of specific duties, such as the duties of the Lead Director, may give rise to the allocation of an additional fixed remuneration or to the payment of an exceptional remuneration subject to the rules on related-parties agreements.

## **7. ANNUAL EVALUATION OF THE BOARD'S OPERATION**

The Board, under the auspices of the Nomination and Compensation Committee, proceeds with a formal evaluation of its ability to meet shareholder expectations by reviewing periodically, and at least once a year, its composition, its organization and its own operations. It must think about the desired balance of its membership and that of its Committees, periodically reflect on the adequacy of its tasks to its organization and functioning and, if necessary, take measures required to improve it. In order to render the self-assessment process useful for the efficiency of the Board, Directors may submit qualitative assessments and suggestions for improvements.

The Board informs the Company's shareholders on this evaluation in its annual report. This evaluation must meet the three objectives set out by the provisions of the AFEP/ MEDEF Code relating to the assessment of the Board of Directors.

Non-executive Board members will meet without the presence of executive officers at least once a year, in particular, to evaluate the performance of the CEO and the Deputy CEO.

No formal action within the Board competency or of the missions of the Nomination and Compensation Committee shall be taken during these meetings.

**8. AMENDMENTS TO THESE BOARD RULES OF PROCEDURE**

These Board Rules of Procedure may be amended by a decision of the Board.

## **ANNEX 1: DIRECTOR'S CHARTER**

### **EssilorLuxottica**

*Société anonyme*

Registered office: 147, rue de Paris, 94220 Charenton-le-Pont, France  
712 049 618 R.C.S. Créteil  
(the “**Company**”)

### **CHARTER OF THE DIRECTORS\***

(Established by the Board of Directors on 21 May 2021)

(the “**Directors’ Charter**”)

The Directors’ Charter sets out the rights and obligations of the current members of the board of directors of the Company (the “**Board**” or the “**Board of Directors**”) (each, a “**Director**”). First of all, it is reminded that the Directors have the same powers, are subject to the same obligations and incur the same responsibilities, save for specific provisions applicable to Directors representing employees (see hereafter).

Each Director shall comply with this Directors’ Charter.

#### ***KNOWING AND RESPECTING STATUTORY DOCUMENTS***

Each member of the Board confirms that he or she has acquainted himself or herself with:

- the articles of association of the Company (the “**Articles of Association**”);
- the rules of procedure of the Board of Directors (the “**Board Rules**”);
- the legal regulatory and statutory provisions applicable to French limited liability companies (*société anonymes*) with a Board of Directors and, in particular:
  - ◆ the provisions limiting the plurality of offices;
  - ◆ the provisions applicable to related-party agreements (*conventions réglementées*);
  - ◆ the provisions defining the powers of the Board of Directors;
- the Corporate Governance Code of Listed Companies (*Code de Gouvernement d’Entreprise des Sociétés Cotées*) (the “**AFEP /MEDEF Code**”) dated of January 2020.
- as well as the rules on the possession and use of inside information, presented in more details below (Section “Stock Exchange Ethics Rules”) and in the memorandum on stock trade restrictions that will be made available to them.

#### ***RESPECTING THE COMPANY’S INTERESTS AND DUTY OF LOYALTY***

Directors are mandated by all the shareholders and shall act in the interests of the Company in all situations.

Any Director who is directly or indirectly exposed to an actual or potential conflict between his or her interests (or those of the legal entity holding directorship he/ she represents) and those of the Company



(or any company of the Group<sup>4</sup>) because of the positions that he/ she holds, and/ or any interests that he/ she has elsewhere (a “**Conflict of Interest**”), shall (i) prior to the concerned meeting, inform in due time the Chairperson of the Board of Directors (*Président du Conseil d’administration*) (the “**Chairperson of the Board**”) with a copy to the secretariat of the Board, and (ii) shall not attend the Board (or Committee) meeting during the discussions and debates on the concerned items of the agenda and shall not vote on the concerned deliberations. It is specified that if the concerned Director is the Chairperson of a Committee and the concerned meeting is one of such Committee, then, such Director shall notify his or her Conflict of Interest situation to the other Committee’s members and shall not attend the meeting during the discussions and debates on the concerned items of the agenda and shall not vote on the concerned deliberations.

### ***DUTY OF DILIGENCE***

Directors shall devote the necessary time and attention to their duties.

Directors shall limit the number of offices they hold to ensure their availability and shall inform the Board of offices they hold in other French or foreign companies, including their participation in committees of the board of directors of such companies at the beginning of their term.

Each Director undertakes to:

- ◆ attend Board meetings in accordance with Article R. 225-21 of the French Commercial Code and the relevant provisions of the Board Rules;
- ◆ diligently attend, as far as possible, all Shareholders’ General Meeting;
- ◆ diligently attend the meetings of any Committee of the Board of Directors of which he/ she is a member;
- ◆ resign when he/ she is no longer able to fulfil his or her duties with the necessary diligence.

### ***DIRECTORS’ INFORMATION RIGHTS***

Each Director is entitled to:

- ◆ receive any supplementary training that appears necessary for the performance of a Director’s duties, from his or her appointment until the end of the Director’s term. This right is especially applicable to a Director representing employees who should be provided with suitable training enabling them to perform their duties, in accordance with applicable regulations. Such training sessions will be organised, proposed and paid for by the Company. As part of the process for making information available to Directors, members of special Committees can be put in contact with members of special Committees of other listed companies. Site visits may also be arranged for Directors and members of the executive or management committee will make special presentations to them.
- ◆ receive any relevant information about the Group;
- ◆ meet with the Group’s managers without the CEO and Deputy CEO being present, although the CEO and Deputy CEO shall be informed prior to such meetings;
- ◆ attend meetings to allow for more in-depth study of matters at hand.

---

<sup>4</sup> In this Directors’ Chart, “Group” means the Company and any and all entities which the Company controls, “control” having the meaning set forth in Paragraphs I and II of Article L. 233-3 of the French Commercial Code.

### ***DUTIES OF DISCRETION AND CONFIDENTIALITY***

Directors undertake not to speak individually about matters discussed by the Board, outside of internal Board meeting discussions. Outside the Company, only a collective expression is permitted, in particular, in the form of press releases for the purpose of informing the markets.

With regard to non-public information acquired in the exercise of their duties, Directors shall consider themselves bound by a strict professional confidentiality duty, beyond the simple duty of discretion provided in Article L. 225-37, indent 5, of the French Commercial Code.

The duty of discretion shall also apply to all persons requested to attend Board meetings, and extends to any confidential information, for example information made available by the Chairperson of the Board, the CEO or the Deputy CEO. Beyond their legal obligations and to ensure the quality of the discussions of the Board, all information provided by the Directors to the Board and the opinions they expressed should remain strictly confidential.

This obligation, which concerns the debates, the deliberations of the Board and of its Committees as well as the information and documents disclosed or communicated, applies as a principle, regardless of whether the Chairperson of the Board, the CEO or the Deputy CEO has explicitly stated or not that they constitute confidential information.

Board members are not entitled to use such information, including for the benefit of a third party for any reason whatsoever. They shall take all appropriate measures to ensure that confidentiality is maintained.

### ***STOCK EXCHANGE ETHICS RULES***

The following stock exchange ethics rules are applicable with respect to financial instruments issued by the Company.

#### ***Principles***

Directors may use inside information as defined in Article 7 of the MAR<sup>5</sup> regulation only in the performance of their duties. Under no circumstances such information may be disclosed to third parties outside the exercise of the Director's mandate or for purposes or activities other than those for which they were obtained.

Directors may not carry out any transactions, or cause or allow others to make any transactions, in connection with financial instruments of the Company based on inside information, so long as the information has not been made public.

Directors are personally responsible for ascertaining the sensitive nature of any information they hold and consequently allow or disallow any use or transmission of such information to carry out a transaction relating to financial instruments of the Company or to cause such transaction to be effected.

The Board members are invited to refer to the memorandum on stock trade restrictions with which any insider shall comply.

#### ***Transactions with the Company shares***

---

<sup>5</sup> Regulation (EU) 596/2014 of 16 April 2014 on the market abuses ("MAR")

Each Director, appointed by the Shareholders' General Meeting<sup>6</sup>, shall own a minimum of 1,000 Company shares in accordance with Article 12 of the Articles of Association.

It is the Director's own decision whether or not to register these shares in his or her own name. However, such shares shall not be purchased during a black-out period or in connection with an inside information.

Any transaction in the Company shares, debt instruments or derivatives, or other financial instruments linked thereto, carried out by a Director shall be disclosed to the French financial markets authority (*Autorité des Marchés Financiers* – AMF) within three (3) business days as from the relevant transaction.

A summary of the transactions referred to in Article L. 621-18-2 of the French Monetary and Financial Code carried out over the last financial year shall be published on an annual basis by the Company.

Pursuant to Article L. 225-109 of the French Commercial Code, the Directors of the Company shall register or deposit with an intermediary referred to by Article L. 211-3 of the French Monetary and Financial Code (for example, a financial institution or an investment company):

- any shares belonging to them or their minor children, as well as their respective spouses, provided that they are not legally separated,
- issued by the Company, any of its subsidiaries, its parent company or any other subsidiaries of such parent company, in each case when such shares are listed.

In case of non-compliance with such rule, the voting rights and dividend rights attached to such shares will be suspended automatically until the situation is regularised.

### ***Black-out periods***

In addition to the period before the publication of any inside information known to them, during which insiders shall abstain from carrying out any transaction in the Company financial instruments, Directors shall also abstain from carrying out any transaction in the Company financial instruments, as appropriate, during the periods of:

- 30 calendar days before the publication by the Company of its consolidated annual financial statements, consolidated semi-annual financial statements and, if applicable, its consolidated quarterly financial statements; and
- 15 calendar days before the publication by the Company of its quarterly financial results,

in accordance with the black-out period calendar that Directors will receive at the beginning of each year together with the memorandum on stock trading restrictions applicable to the Company containing up to date information on any new legislation or relevant new recommendations or suggestions. Any person subject to these trading black-out periods is permitted to trade in the Company securities only from the day following the day of the publication of the information concerned, provided in any event that they do not trade while in possession of any inside information.

### ***Prohibition of insider trading***

Directors have been informed of the current provisions on the holding of inside information and prohibited insider trading.

Please refer to the memorandum on stock trading restrictions for any further information.

### ***Restrictions on the sale of stock options or performance shares for executive officers***

In accordance with Articles L. 225-185 and L. 225-197-1 of the French Commercial Code, the number of shares resulting from the exercise of the stock options or the granting of performance shares that

---

<sup>6</sup> A Director representing employees is not required to hold shares (Article L. 225-25, indent 3, of the French Commercial Code).

executive officers shall hold until the end of their mandates is set out by the Company in the compensation policy applicable to such executive officers.

Executive Directors are also required to comply with the black-out periods under the aforementioned conditions.

***Individual trading in the shares of the Company by officers and persons closely connected with them***

Pursuant to Article 19.1 of the MAR, any person submitted to this legal obligation shall disclose to the Company every transaction conducted on their own account relating to the shares or debt instruments of the Company, or to derivatives or other financial instruments linked thereto. Thus, the scope of this provision includes transactions in, equity and/or debt securities of the Company and/or derivative or financial instruments linked thereto (herein referred to as the “**Transactions**”).

This disclosure is required notably from the Board members as well as the persons closely associated with them (as defined by articles L. 621-18-2 and R. 621-43-1 of the French Monetary and Financial Code) once a total amount of EUR 20,000 has been reached within a calendar year.

Each Director recognizes that he/ she has been informed of his or her obligations pursuant to MAR and undertakes to:

- disclose any of the Transactions to the Company and the AMF within 3 business days after the date of such transaction,
- notify the persons closely associated with them of their obligations under the Article 19 of MAR in writing and keep a copy of this notification.

A person closely connected with a Director (Articles 19 and 3.1(26) of MAR as well as articles L. 621-18-2 and R. 621-43-1 of the French Monetary and Financial Code) is understood to be:

- a) such Director’s spouse, not legally separated, or de facto spouse under national legislation (*i.e., under French law, the spouse of a Director not judicially separated or person linked to a Director by a civil solidarity pact (PACS)*),
- b) such Director’s dependent children (*i.e., under French law, children over whom the Director exercises the parental authority or who are residing at his or her domicile, usually or alternatively, or of whom he or she has a continuous responsibility*),
- c) any other relative having lived in such Director’s household for at least one year on the transaction date; or
- d) any legal person, fiduciary, trust or partnership managed either by such Director personally or by a person closely connected with him or her, or directly or indirectly controlled by such person or set up for the benefit of such person or the economic interests of which are substantially equivalent to those of such person.

Those notified transactions shall include (without limitation) the following (article 10 of the Commission Delegated Regulation (EU) 2016/522 of 17 December 2015):

- a) acquisition, disposal, short sale, subscription or exchange;
- b) acceptance or exercise of a stock option, including of a stock option granted to managers or employees as part of their remuneration package, and disposal of shares resulting from the exercise of a stock option;
- c) entering into or exercising equity swaps;
- d) transactions in or related to derivatives, including cash-settled transactions;
- e) entering into a contract for difference on a financial instrument of the concerned issuer or on emission allowances or auction products based thereon;
- f) acquisition, disposal or exercise of rights, including put and call options, and warrants;
- g) subscription to a capital increase or debt instrument issuance;
- h) transactions in derivatives and financial instruments linked to a debt instrument of the concerned issuer, including credit default swaps;

- i) conditional transactions upon the occurrence of the conditions and actual execution of the transactions;
- j) automatic or non-automatic conversion of a financial instrument into another financial instrument, including the exchange of convertible bonds with shares;
- k) gifts and donations made or received, and inheritance received;
- l) transactions executed in index-related products, baskets and derivatives, insofar as required by Article 19 of MAR;
- m) transactions executed in shares or units of investment funds, including alternative investment funds (AIFs) referred to in Article 1 of Directive 2011/61/EU of the European Parliament and of the Council of June 8, 2011, insofar as required by Article 19 of MAR;
- n) transactions executed by a manager of an AIF in which the person discharging managerial responsibilities or a person closely associated with such a person has invested, insofar as required by Article 19 of MAR;
- o) transactions executed by a third party under an individual portfolio or asset management mandate on behalf or for the benefit of a person discharging managerial responsibilities or a person closely associated with such a person;
- p) borrowing or lending of shares or debt instruments of the issuer or derivatives or other financial instruments linked thereto.