

Allocation of performance shares

If the performance shares rights are exercised, grantees will be allocated either existing or new ordinary Essilor shares.

5.2.1.6 Terms governing any acquisition rights and/or obligations in relation to subscribed but unpaid capital or to any undertaking to increase the capital

The following table lists the shareholder authorizations to issue shares, with or without pre-emptive subscription rights, currently in force and use.

Date of the Shareholders' Meeting authorization May 11, 2012	Type of authorization and ceiling	Duration	Expiration date	2012 usage
11 th resolution	Issue of shares to members of the Essilor employee stock ownership plan or plans set up by related companies. Maximum: 1.5% of the capital ^(a) . Art. L.225-129 and L.225-138 of the French Commercial Code and Art. L.3332-18 et seq. of the French Labor Code.	21 months	February 10, 2014	2012 issue of 385,354 shares with a par value of €0.18, a capital increase (excl. premium) of €69,363.72; subscribed by the Essilor group 5- and 7-year FCPE, 0.18% of the capital .
12 th resolution	"Performance share" grants. Maximum 2.5% of the capital for employees and management. ^(b) Art. L.225-197-1 et seq. of the French Commercial Code.	38 months	July 10, 2015	1,274,980 performance shares granted by the Board on November 27, 2012. (If vested, exercisable for one share with a par value of €0.18 per performance share.)
13 th resolution	Stock option grants. Maximum 1% of the capital for employees and management. ^(b) Art. L.225-177 to L.225-186 of the French Commercial Code	38 months	July 10, 2015	81,760 stock options granted to non-resident employees by the Board on November 27, 2012 (exercisable for €0.18 par value share per option).
14 th resolution	Overall limit on stock option plans and "Performance" share grants: 3% of the capital. ^(b)	38 months	July 10, 2015	2012 grants: Stock options and performance share grants on a total of 1,356,740 shares, representing 0.63% of the capital .
15 th resolution	Issue of shares and share equivalents with pre-emptive subscription rights. <ul style="list-style-type: none"> ■ Shares: maximum 1/3 of capital; ■ Debt securities: maximum €1,500 million; ■ Greenshoe option: 15% (Resolution 17). Art. L.225-129-2 and L.228-92 of the French Commercial Code	26 months	July 10, 2014	None

(a) The shares may not be offered at more than a 20% discount to the average of the opening prices quoted over the twenty trading days preceding the Board of Directors' decision to carry out the issue or at a premium to this average.

(b) The stock option exercise price and the reference price for the performance share grants corresponds to the average of the opening prices quoted for the Company's shares over the twenty trading days preceding the Board of Directors' decision to grant the options or shares.

Date of the Shareholders' Meeting authorization May 11, 2012	Type of authorization and ceiling	Duration	Expiration date	2012 usage
16 th resolution	<p>Issue of debt securities without pre-emptive subscription rights but with a three-day subscription period, up to €1 billion:</p> <ul style="list-style-type: none"> ■ resulting share issues capped at 10% of the capital; ■ greenshoe option: 15% (Resolution 17). <p>Art. L.225-129-2, L.225-135 and L.228-92 of the French Commercial Code.</p> <p>The issue price of shares and share equivalents comparable to equity securities should be at least equal to the minimum price stipulated by legal and regulatory provisions (currently the weighted average of the price on NYSE Euronext over the three trading days preceding the establishment of the exercise price of the share issue, minus a potential maximum discount of 5% in accordance with Art. L.225-136 and R.225-119 of the French Commercial Code.</p>	26 months	July 10, 2014	None
18 th resolution	<p>Issue of shares and share equivalents with pre-emptive subscription rights up to 10% of the capital as payment for a contribution in kind of securities.</p> <p>Art. L.225-147, Paragraph 6 of the French Commercial Code.</p>	26 months	July 10, 2014	None
19 th resolution	<p>Overall limit on the issue of shares and share equivalents giving immediate or future rights to capital with elimination of pre-emptive subscription rights, or reserved for a capital contribution in kind (under Resolutions 16, 17, and 18) of up to 15% of the capital.</p>	26 months	July 10, 2014	None
20 th resolution	<p>Capital increase to be paid up by capitalizing reserves: maximum €500 million.</p>	26 months	July 10, 2014	None

5.2.1.7 Capital of any member of the Group under option or agreement

Pursuant to the acquisition strategy conducted by the Group and in order to retain the management teams of the companies acquired, Essilor frequently acquires only a majority in the first phase, most frequently between 75 and 90%. Cross options generally expiring in three to five years are then set up with the sellers for the remaining percentage.

As part of its acquisition programs and particularly in countries with strong growth, Essilor may gradually increase its interest in target companies from 10% to 51% over a three- to five-year period or create a 50/50 joint venture.

The liabilities represented by put options granted to minority shareholders are recognized in the consolidated balance sheet at their exercise price (see Section 3.3.2).