

## 5.2.1.3 Changes in share capital

Changes in share capital over the last five years € thousands	Number of shares	Par value	Premium	New issued capital	New number of shares outstanding
<b>SHARE CAPITAL AT DECEMBER 31, 2008</b>				<b>37,984</b>	<b>211,019,922</b>
Subscription of shares reserved for the Essilor group FCPE	662,646	119	18,329	38,103	211,682,568
Exercise of subscription options	778,714	140	18,497	38,243	212,461,282
Cancellation of treasury shares	(1,500,000)	(270)	(54,179)	37,973	210,961,282
Issuance of shares on conversion of OCEANE bonds	4,548,690	819	120,909	38,792	215,509,972
Capital increase paid up by capitalizing reserves				38,792	215,509,972
<b>SHARE CAPITAL AT DECEMBER 31, 2009</b>				<b>38,792</b>	<b>215,509,972</b>
Subscription of shares reserved for the Essilor group FCPE	541,767	98	20,192	38,889	216,051,739
Exercise of subscription options	1,912,549	344	56,201	39,234	217,964,288
Cancellation of treasury shares	(6,312,636)	(1,136)	(267,115)	38,097	211,651,652
Issuance of shares on conversion of OCEANE bonds	3,690	1	98	38,098	211,655,342
Capital increase paid up by capitalizing reserves				38,098	211,655,342
<b>SHARE CAPITAL AT DECEMBER 31, 2010</b>				<b>38,098</b>	<b>211,655,342</b>
Subscription of shares reserved for the Essilor group FCPE	521,316	94	21,708	38,192	212,176,658
Exercise of subscription options	1,861,638	335	60,996	38,527	214,038,296
Capital increase paid up by capitalizing reserves				38,527	214,038,296
<b>SHARE CAPITAL AT DECEMBER 31, 2011</b>				<b>38,527</b>	<b>214,038,296</b>
Subscription of shares reserved for the Essilor group FCPE	385,354	69	21,927	38,596	214,423,650
Exercise of subscription options	2,700,390	486	95,417	39,082	217,124,040
Cancellation of treasury shares	(2,400,000)	(432)	(113,122)	38,650	214,724,040
Capital increase paid up by capitalizing reserves				38,650	214,724,040
<b>SHARE CAPITAL AT DECEMBER 31, 2012</b>				<b>38,650</b>	<b>214,724,040</b>
Subscription of shares reserved for the Essilor group FCPE	377,407	68	23,267	38,719	215,101,447
Exercise of subscription options	1,098,051	198	44,800	38,916	216,199,498
Cancellation of treasury shares	(1,500,000)	(270)	(77,530)	38,646	214,699,498
Capital increase paid up by capitalizing reserves				38,646	214,699,498
<b>SHARE CAPITAL AT DECEMBER 31, 2013</b>				<b>38,646</b>	<b>214,699,498</b>

## 5.2.1.4 Delegations and authorizations granted to the Board of Directors

## ■ Summary of delegations by the General Shareholders' Meeting

In relation to capital increases or decreases, with or without pre-emptive subscription rights, in effect and in use.

Date of the Shareholders' Meeting authorization	Type of authorization and ceiling	Duration	Expiration date	2012 and 2013 usage
May 11, 2012	Decrease of share capital through cancellation of treasury shares Ceiling: 10% of the total number of shares comprising the capital per 24-month period.	24 months	May 10, 2014	Cancellation of 1,500,000 treasury shares (nominal amount of €270,000) in November 2013

**Date of the Shareholders' Meeting authorization**  
**May 11, 2012**

<b>May 11, 2012</b>	<b>Type of authorization and ceiling</b>	<b>Duration</b>	<b>Expiration date</b>	<b>2012 and 2013 usage</b>
11 <sup>th</sup> resolution	Issue of shares to members of the Essilor employee stock ownership plan or plans set up by related companies. Maximum: <b>1.5% of share capital</b> <sup>(a)</sup> Article L.225-129 and L.225-138 of the French Commercial Code and Article L.3332-18 et seq. of the Labor Code. 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.	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, <b>0.18% of the capital.</b>
12 <sup>th</sup> resolution	Maximum 2.5% of performance share capital for employees and management. <sup>(b)</sup> Article L.225-197-1 et seq. of the French Commercial Code.	38 months	July 10, 2015	<b>1,274,980</b> 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). <b>1,179,460</b> performance shares granted at the Board Meeting of November 25, 2013.
13 <sup>th</sup> resolution	Stock option grants. Maximum 1% of share capital for employees. <sup>(b)</sup> Article L.225-177 and 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 per value share per option). 84,880 stock subscription options granted to non-resident employees at the Board Meeting of November 25, 2013.
14 <sup>th</sup> resolution	Overall limit on stock option plans and performance share grants: 3% of the capital. <sup>(b)</sup>	38 months	July 10, 2015	2012 grants: Stock options and performance share grants on a total of <b>1,356,740</b> shares, representing <b>0.63% of the capital.</b> Attributions 2013 : <b>1,376,340</b> performance shares and stock subscription options, <b>0.64 % of share capital.</b>
15 <sup>th</sup> resolution	Issue of shares and share equivalents with pre-emptive subscription rights: ■ Shares: maximum 1/3 of capital; ■ Debt securities: maximum €1,500 million; ■ Greenshoe option 15% (resolution 17). Article 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 and 2013 usage
16 <sup>th</sup> resolution	<p>Issue of debt securities without pre-emptive subscription rights but with an optional priority subscription period of 3 days, up to €1 billion:</p> <ul style="list-style-type: none"> <li>■ Resulting share issues capped at 10% of the capital;</li> <li>■ Greenshoe option 15% (resolution 17).</li> </ul> <p>Article 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 on 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 Article L.225-136 and Article R.225-119 of the French Commercial Code.</p>	26 months	July 10, 2014	None.
18 <sup>th</sup> resolution	<p>Issue of shares and share equivalents with pre-emptive subscription rights up to 10% of the capital as payment for a capital contribution in kind.</p> <p>Article L.225-147 Paragraph 6 of the French Commercial Code.</p>	26 months	July 10, 2014	None.
19 <sup>th</sup> resolution	<p>Overall limit on the issuance of securities giving immediate or future rights, without pre-emptive subscription rights or reserved for contributions in kind (under resolutions 16, 17 and 18) of 15% of the Company's capital.</p>	26 months	July 10, 2014	None.
20 <sup>th</sup> resolution	<p>Capital increase to be paid up by capitalizing reserves: maximum €500 million.</p>	26 months	July 10, 2014	None.

Date of the Shareholders' Meeting authorization May 16, 2013	Type of authorization and ceiling	Duration	Expiration date	2013 usage
11 <sup>th</sup> resolution	<p>Issue of shares reserved for members of Essilor's or related companies' employee stock ownership plan, maximum <b>1.5% of share capital</b><sup>(a)</sup>.</p> <p>Art. L.225-129 and L.225-138 of the French Commercial Code and Art. L.3332-18 et seq. of the Labor Code.</p> <p>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.</p>	21 months	July 16, 2015	<p>2013 issue of 377,407 shares with a par value of €0.18, i.e., a capital increase (excl. premium) of €67,933.26;</p> <p>subscribed by the Essilor Group 5 and 7-year FCPE, i.e. <b>0.18% of capital</b>.</p>

(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 capital increase or at a premium to this average.

**Date of the Shareholders' Meeting authorization**  
**May 16, 2013**

Type of authorization and ceiling	Duration	Expiration date	2013 usage
12 <sup>th</sup> resolution Issue of shares and/or share equivalents and/or issue of transferable securities entitling their holders to debt securities in particular with investors in relation to an offer as described in Art. 411-2, II of the French Monetary and Financial Code without pre-emptive subscription rights maximum: <ul style="list-style-type: none"> <li>■ Limited to 1/3 of share capital for the issue of shares or transferable securities, see 15<sup>th</sup> resolution of the Shareholders' Meeting of May 11, 2012,</li> <li>■ Limited overall to 15% of capital for capital increases with elimination of pre-emptive subscription rights, see 19<sup>th</sup> resolution of the Shareholders Meeting of May 11, 2012</li> <li>■ €1,200 million for debt securities</li> </ul> Art. L.225-129-2 and L.228-92 of the French Commercial Code.	13 months	June 16, 2014	None.

**■ Financial authorizations to be put to the vote at the Extraordinary Shareholders' Meeting of May 7, 2014**

Firstly, the Board of Directors is seeking authorization to issue new shares for cash and to grant newly issued shares or share equivalents to employees, in accordance with the law including Articles L.225-129, L.225-129-6 and L.225-138 of the French Commercial Code and Article L.3332-18 of the French Labor Code. These issues and grants would be made to members of an Employee Stock Ownership Plan set up by Essilor International or a related company, within the meaning of Article L.225-180 of the Commercial Code. Shares issued under this authorization would not exceed the equivalent of 1.5% of the capital at the time of each issue. The duration would be 21 months.

Secondly, to enhance its current financing mechanism, the Board of Directors is seeking authorization to issue shares and share

equivalents giving immediate or future rights to up to 10% of the Company's capital without pre-emptive subscription rights for the purpose of reserving this portion for qualified investors or a restricted circle of investors. Primary debt instruments could be issued up to the amount of one billion two-hundred thousand euros (for a duration of 26 months).

Lastly, this new authorization would fall within the overall limit of 10% of capital already issued, which is the limit set for authorizations granted to the Board of Directors for capital increases with elimination of pre-emptive subscription.

For information about the proposed renewal of the share buyback program, to be put to the vote as ordinary resolutions at the Ordinary Shareholders' Meeting on May 7, 2014, see Section 5.2.2.3, "Share buyback programs."

## 5.2.2 Essilor shares

The Essilor share trades on Euronext Paris – Euronext – Local stocks – Compartment A, under ISIN and Euronext code FR0000121667. The shares are eligible for the Deferred Settlement Service (SRD).

The Essilor stock is included in the following indices: CAC 40, SBF 120, SBF 250, Euronext 100, EURO STOXX 50, STOXX All Europe 100 and FTSEurofirst 300.

In addition, Essilor has been included in the Low Carbon 100 Europe<sup>®</sup> Index since it was launched. This index launched by NYSE Euronext on October 24, 2008, measures the performance of the 100 largest European companies that emit the lowest levels of CO<sub>2</sub> in their sectors.

The Essilor stock is also included in four socially responsible investment (SRI) indices:

- DJSI World (Dow Jones Sustainability Index), based on cooperation between Dow Jones Indices, STOXX Limited and Swiss Asset Management Group (SAM group);

- FTSE4Good, published by the Financial Times and the London Stock Exchange (FTSE);
- Ethibel Excellence index;
- ECPI<sup>®</sup> Ethical Index EURO<sup>®</sup> index.

Essilor is included in the Euronext FAS IAS<sup>®</sup> Index launched by Euronext and the *Fédération Française des Associations d'Actionnaires Salariés et d'Anciens Salariés* (FAS). It is composed of all the stocks in the SBF 250 with significant employee shareholding: at least 3% of the capital in shares held by more than one-fourth of the employees. For more information about employee share ownership, refer to Section 5.2.6.3.

The shares are freely transferable and vis-à-vis the Company.