

## PAYMENT OF THE DIVIDEND IN SHARES

### Questions & Answers

The Essilor Board of Directors has decided to propose at the Combined Shareholders' Meeting on May 11, 2016 the payment of the dividend of 1.11 € per share for fiscal year 2015. Subject to the approval by the Shareholders' Meeting, shareholders of Essilor will have the choice to receive:

- A cash dividend, so 1.11€ per share; or
- A dividend in the form of new Essilor ordinary shares

#### TIMETABLE

##### 1. What are the key dates?

- **Record date<sup>1</sup>** :
  - May 16, 2016 for the payment of the dividend in shares
  - May 16, 2016 for the payment of the dividend in cash
  - The dividend is payable on the basis of the assets held on May 16, 2016.
- **Ex date<sup>2</sup>**: May 17, 2016
- **Period to exercise the option**: from May 17, 2016 to May 30, 2016 included
- **Date of payment**: June 8, 2016

#### PROCESS

##### 2. What is the payment of the dividend in shares?

The dividend can be paid in various forms. The most common is the payment in cash, but it can also be paid in new ordinary shares of the Company. When the dividend is paid in shares, the shareholder will receive a whole number of shares, with a cash adjustment if necessary. Shareholders are free to select either dividend option: if they are eligible to receive a payment in shares, they are entitled to choose the form of the dividend they wish.

##### 3. What's the issue price of the new shares and how is it calculated?

The new shares will be issued at a price corresponding to 90% of the average of the opening prices quoted on Euronext Paris over the twenty trading days preceding the date of the Annual Meeting (i.e. between April 13 to May 10, 2016) less the net dividend, rounded up to the nearest euro cent.

Refer to the annex: simulation of dividend in shares computation.

##### 4. Are there any conditions required to choose the payment of the dividend in shares?

- You have to hold the shares on the record date (May 16, 2016).
- The total dividend on your shares (before deduction of social charges and/or withholding tax) must be sufficient to enable you to purchase at least one share.
- In addition, you cannot be a resident in a country where payments under the payment of dividend in share would or may have to be registered with or authorized by the local securities regulator. For resident shareholders living outside of France they must inform themselves of any relevant local restrictions, and comply with those latter. Essilor reserves the right not to accept requests from these shareholders.


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<sup>1</sup> Date on which positions are determined by the central securities depository at the close of business.

<sup>2</sup> Date from which the shares may be sold without forfeiting the right to the dividend.

## 5. How will you be notified of the choice between cash and new shares?


- If your shares are held as **pure registered shares**, you will receive an email from Société Générale Securities Services.
- If your shares are held in an administered registered share account or bearer shares, you shall receive the information from your financial intermediaries to help you make his choice.

 If you do not receive the relevant information as described above, you should contact your bank or broker directly to request it from him/her before the option period expires.

## 6. How are you informed of the number of shares you are entitled to?

If you meet the conditions described in Question 4 above:

- From May 17, 2016 on, you will receive by mail and/or by email from your custody account keeper an option form (“corporate action notice”).
- Furthermore, a simulator will be available on the website [www.essilor.com](http://www.essilor.com) (after the shareholders’ General Meeting on 11 May 2016).

 A shareholder having shares through various forms (pure/administered registered shares or bearer shares) shall receive an option form from all his financial intermediaries in order to dispose of the total number of shares he will be able to subscribe

## 7. Is it possible to opt for a different number of shares from that proposed?

No. You may only subscribe the number of shares indicated by their financial intermediaries. Besides, the option is exclusively offered for the payment of the whole amount of the dividend you are entitled to. Failing to exercise the option for the payment of the dividend in shares, you will receive the dividend in cash only.

## 8. What happens in case of no reply or if the reply is received once the deadline has expired?

If you do not express your choice (it will be so in every Country where the option is not possible) or if he does so after May, 30 2016, he’ll receive a payment of the dividend in cash, according to the usual process (directly or through his entity).

## TAXATION

### 9. What would be the applicable tax treatment for this operation?

If you are living in France for tax purposes, dividends received in shares are taxed the same way as for cash dividends. If you are not a French tax resident, you are encouraged to get in touch with your tax advisor to have more details on taxation.

### 10. What will be the taxation of these shares ?

The shares received through a payment of the dividend in shares are submitted to the applicable local laws.

### 11. How do social charges or withholding tax apply in case of payment in shares?

- In case of **pure registered shares**, social charges or withholding tax are directly applied to the amount of the dividend by the bank or the broker that keeps the securities account, under the same conditions as those required for a cash payment.
- In case of **administered registered shares or bearer shares**, every shareholder will have to contact directly the bank or broker that keeps the securities account.

## 12. What is the applicable taxation for the dividend in France?

Income generated by dividends distributed to French tax residents are submitted to:

- A compulsory income tax prepayment, with a 21% withholding tax rate which is non-definitive.  
Exemptions: households whose incomes are below €75.000 (for a couple with joint taxation) or € 50.000 (for single people) can be exempted, subject to the delivering of a “request for waivers of income tax prepayment” to the paying establishment before November 30th preceding the payment date of dividends, namely on 11/30/2015 for the payment of the 2015 dividend to be made in 2016.
- Social charges of 15, 5%, out of which 5.1 deductible CSG, tax withheld by the establishment paying the dividend. French investment incomes paid to a natural or legal person whose residence or head office is not in France are submitted in France to a withholding tax.

## 13. Is it possible to benefit from a reduced withholding tax rate for French non residents?

The withholding tax rate is 30% for dividends, for both natural and legal persons.

However, under the double taxation treaties between France and other States, the withholding tax rate can be reduced, subject to a declaration of residency (form 5000) which has to be completed and signed by the pure registered shareholder, and endorsed by the tax authorities of the relevant country.

The copy for the French administration will have to be sent to Société Générale Securities Services at the following address:

**Société Générale Securities Services**  
**SGSS/SBO/CIS/TAX/NAN/CLR**  
**32, rue du champ de tir – CS 30812**  
**44308 Nantes Cedex 3 - FRANCE**

To benefit from the reduced rate, your declaration of residency will have to be sent to Société Générale Securities Services no later than (day of receipt) the day of payment of the dividend, being June 8, 2016.

If nothing is received on that date, 30% will be withheld from the net amount. To claim the refund of the excess of withholding tax, you will have to send the formula for recovery as provided for in the law, named “form 5001” to Société Générale Securities Services, in addition to the “form 5000”.

## CONTACTS

### 14. Who can I contact if I have a question?

You can ask your questions, by email or by phone:

Société Générale :  
www.sharinbox.societegenerale.com  
Tel: + 33 2 51 85 65 85

Essilor International :  
RUIUB@essilor.fr  
marcellc@essilor.fr @essilor.com

## ANNEX: simulation of dividend in shares computation<sup>3</sup>

Knowing that:

- the dividend has been set at €1.11 per share,
- taxes for **A NON FRENCH RESIDENT** = 30%,

**a shareholder holding 300 shares will perceive a net dividend of €233.10**

( $300 \times €1.11 - 30\% \times €333$ ).

For the first time this year, this shareholder will have the choice between:

- either receiving €233.10 in cash,
- or receiving shares subscribed at a preferred price: on the basis of the following example, a shareholder would receive 2 shares and €43.62 EUR in cash.

Underlying data (for example) :

- The average of the opening prices quoted on Euronext Paris during the 20 sessions preceding the day of the General Meeting (from 13 April to 10 May 2016) is, for instance, €106.50.
- Dividend per share amounts to €1.11.
- The issuing price of the new shares amounts to €94.74, or 90 % of the above mentioned average stock price less the dividend ( $(90\% \times €106.50) - €1.11$ ).

You will be entitled to receive 2 shares (whole amount of  $€233.10 / 94.74 = 2.46$  shares). You will receive an additional €43.62 in cash, corresponding to the difference between the net dividend (€233.10) and the value of its 2 shares ( $2 \times €94.74$ ).

*It is interesting to opt for a dividend in shares when you want to increase your investments in shares rather than increasing your treasury with dividends in cash. However, it can be more or less interesting to choose this option according to the financial conditions for subscription, the stock market trend & mainly the strategy chosen by the investor.*

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<sup>3</sup> This example is provided for information purposes only.