

Executive Director Compensation

2014 FIXED COMPONENT AND VARIABLE COMPONENT

At its meeting on November 25, 2013, the Board of Directors determined the gross annual salary and variable component to be paid in respect to 2014 to Hubert Sagnières in his capacity as Chairman and Chief Executive Officer, in line with the recommendations of the Compensation Committee.

The Board based its decision on two studies conducted by an independent firm specialized in executive compensation. The first reviewed the compensation paid to the Chairmen and Chief Executive Officers or the Chairmen of the Management Boards of French manufacturers included in the CAC 40 and Next 20 stock indices, with market capitalization and/or revenue similar to Essilor International's. The second was a pan-European comparison of Chief Executive Officer compensation at 15 corporations (five French, five German and five British) similar to Essilor International in terms of their revenue, workforce, market value and extensive global footprint.

The Board of Directors decided to:

- Maintain Mr. Sagnières' annual gross salary at €800,000 in 2014, an amount unchanged since 2012.
- Maintain the 2014 target variable compensation (i.e. the amount payable if all of the objectives are fully met) at €800,000, also unchanged since 2012.

The actual variable compensation may vary from 0 to 1.6 times the target amount, depending on the degree to which the objectives are met. The increase in the maximum variable compensation, to 1.6 times the target from 1.5 times in 2012 and 2013, reflects the commitment to aligning the maximum with the median market practice, as shown in the two comparative compensation studies.

The performance objectives for 2014 will be defined in the first quarter, when the Board meets to assess the degree to which the 2013 objectives were met and determine the variable compensation payable for that year, if any.

LONG-TERM COMPENSATION

2013 Grants

During the November 25 meeting, the Board of Directors also decided, by virtue of the 12th, 13th and 14th resolutions approved by shareholders at the May 11, 2012 Annual Meeting, to grant performance shares and capped performance stock options to 9,006 employees. Up to 1,464,220 shares may be awarded under these plans, of which 1,376,340 under the performance share plan and 87,880 under the capped performance stock option plan.

In this regard, and in line with the recommendation of the Compensation Committee, the Board decided to grant 45,000 performance shares to Mr. Sagnières, corresponding to 3.1% of the total authorized award (performance shares and performance options combined) and 0.021% of the Company's issued capital at October 31, 2013.

Note that stock grants to executive directors may not exceed the following ceilings:

- The value (under IFRS) of a given executive director's grant may not exceed the sum of his or her annual salary plus variable compensation.
- An executive director's grant may not exceed 7% of the total award (performance shares and performance options combined) authorized for a given year.

The awarded shares will vest subject to the performance conditions described below. Rights to the shares will be forfeited if the grantee leaves the Company before the end of the vesting period.

For all grantees, the number of shares that vest will depend on the annualized growth in the Essilor share price during a vesting period extending from the second to the sixth anniversary of the grant date.

In addition:

- For Executive Committee members, the number of shares that vest will also depend on the average degree to which the Company financial performance component of their annual variable compensation target is met, calculated over the vesting period extending from the second to the sixth anniversary of the grant date.
- For the executive directors¹, the number of shares that vest will also depend on the average degree to which his annual variable compensation targets are met, calculated over the vesting period extending from the second to the sixth anniversary of the grant date.

Because these average achievement rates are capped at 1, application of this vesting condition can only lead to a reduction in the number of shares acquired by the executive director and members of the Executive Committee.

In addition to the lock-up period applicable to all performance shares, executive directors¹ are required to retain one-third of the vested shares for their entire term of office. This requirement, which only concerns executive directors, ceases to apply when the cumulative value of the shares acquired through vesting or the exercise of options permanently represents the equivalent of two years' cash compensation (salary + variable compensation).

¹ In 2013, Hubert Sagnières, Chairman and Chief Executive Officer, was the only executive director of Essilor International.

Measurement of the performance condition governing the November 24, 2011 performance share plan

On November 24, 2011, the Board of Directors decided to grant Mr. Sagnières 50,000 performance shares, which would vest if the grantee were still with the Company at the vesting date and the following two performance conditions were met.

- 1) The first, applicable to all grantees, was measured on November 25, 2013 by calculating the annualized growth in the Essilor International share price as follows:

Initial reference price: average opening price over the 20 trading sessions preceding November 24, 2011	€52.27
Average price over the period from August 26 to November 25, 2013	€79.86
Increase =	+52.8%
↪ Annualized increase =	+23.6%

The first condition for all of the shares to vest was that the annualized increase, as calculated above, exceed 7% a year. It has therefore been amply fulfilled.

- 2) The second condition, applicable only to the executive director, is measured by an Average Coefficient, corresponding to the average percentage by which the annual variable compensation targets are met during the vesting period.

When this coefficient is less than 100%, it reduces the proportion of shares vesting as a result of the first performance condition being met. When it exceeds 100%, it is automatically capped at 100% and therefore has no impact on the number of shares vesting as a result of the first performance condition being met.

The Average Coefficient for the 2011-2012 period was measured as follows:

Percentage to which the 2011 variable compensation targets were met	131.1%
Percentage to which the 2012 variable compensation targets were met	123.0%
Average Coefficient	127.1%

As a result, all of the executive director's shares may vest.

With the two performance conditions fully met, Mr. Sagnières received title to 50,000 Essilor International shares, transferred to a registered share account where they must be held until November 24, 2017. After that date, Mr. Sagnières must retain at least one-third, or 16,667, of the shares for his entire term of office. This ban on resale will cease to apply when the cumulative value of the shares that Mr. Sagnières acquires through vesting or the exercise of options permanently represents the equivalent of two years' cash compensation (salary + variable compensation).

About Essilor

The world's leading ophthalmic optics company, Essilor designs, manufactures and markets a wide range of lenses to improve and protect eyesight. Its corporate mission is to enable everyone around the world to access lenses that meet his or her unique vision requirements. To support this mission, the Company allocates more than €150 million to research and innovation every year, in a commitment to continuously bring new, more effective products to market. Essilor's flagship brands are Varilux[®], Crizal[®], Definity[®], Xperio[®], Optifog[™] and Foster Grant[®]. It also develops and markets equipment, instruments and services for eyecare professionals.

Essilor reported consolidated revenue of nearly €5 billion in 2012 and employs around 50,700 people. It operates in more than 100 countries with 22 plants, more than 400 prescription laboratories and edging facilities, as well as several research and development centers around the world.

For more information, please visit www.essilor.com.

The Essilor share trades on the NYSE Euronext Paris market and is included in the Euro Stoxx 50 and CAC 40 indices.

Codes and symbols: ISIN: FR0000121667; Reuters: ESSI.PA; Bloomberg: EI:FP.

Investor Relations and Financial Communication

Phone: +33 (0)1 49 77 42 16