

Executive Director's Compensation

Chairman and Chief Executive Officer's compensation

At its meeting on November 25, 2014, the Board of Directors determined the gross annual compensation to be paid in respect of 2015 to Hubert Sagnières in his capacity as Chairman and Chief Executive Officer, and the number of performance shares to be granted to him under the November 2014 plan, in line with the Remunerations Committee's recommendations.

The Board of Directors decided to:

- Maintain Mr. Sagnières' annual gross salary at €800,000 in 2015.
- Maintain his 2015 target bonus (i.e. the amount payable if all of the objectives are fully met) at €800,000.

In order to strike a better balance between Mr. Sagnières' short-term cash compensation and long-term compensation in the form of performance shares, the Board of Directors also decided to:

- Raise his maximum bonus (in the case of outstanding performance) to double the target amount, versus 1.6 times in 2014.
- Grant him 40,000 performance shares under the November 2014 plan versus 45,000 under the November 2013 plan (see "Long-term compensation/2014 grant" below for more details).
- Cap the value of performance share grants as a proportion of his total compensation as follows: the IFRS-based value of the performance share grants may not exceed 60% of his total target compensation (corresponding to the sum of his annual salary, his target bonus for the year and the IFRS-based value of his long-term incentive compensation).

The performance objectives for 2015 will be defined in the first quarter, when the Board meets to assess the degree to which the 2014 objectives were met and determine the bonus payable for that year.

Long-term compensation/2014 grant

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 9,554 employees. Up to 1,666,409 shares may be awarded under these plans, of which 1,544,904 under the performance share plan and 121,505 under the capped performance stock option plan.

In this regard, and in line with the recommendation of the Remunerations Committee, the Board decided to grant 40,000 performance shares to Mr. Sagnières, corresponding to 2.4% of the total authorized award

(performance shares and performance options combined) and 0.019% of the Company's issued capital at October 31, 2014.

Details of the performance conditions, vesting period and lock-up period are provided on pages 70 to 73 of the 2013 Registration Document.

Vesting of the performance shares granted under the November 25, 2010 "Non-Resident" Plan

At its meeting on November 25, 2010, the Board of Directors decided to grant 45,000 performance shares to Hubert Sagnières.

The shares were subject to two performance conditions and would only vest if Mr. Sagnières was still employed by the Company on the vesting date and had completed four years' service.

- 1) Achievement of the first performance condition, that was applicable to all plan grantees, was assessed on November 25, 2012, by calculating the annualized growth in the Essilor International share price, as follows:

Initial reference share price: Average of the 20 opening prices for the period prior to November 25, 2010	€48.01
Average share price: Average of the opening prices for the period from August 25 to November 25, 2012	€72.41
Annualized growth =	+ 22.8%

Annualized growth, calculated as shown above, was greater than the performance target of 7% per year, and the first performance condition was therefore met.

- 2) The second performance condition, applicable only to the Chairman and Chief Executive Officer, was based on a target Average Ratio corresponding to the average of the performance rates in relation to his annual variable compensation targets achieved over the vesting period.
If the Average Ratio was greater than 100% it would have no impact on the number of vested shares based on the first performance condition. If it was less than 100%, the number of performance shares that vested would be reduced in the same proportion.
As the Average Ratio for the period 2010-2011 was 132.7%, all of the performance shares granted to Mr. Sagnières vested.

As the two performance conditions were fully met, Mr. Sagnières received 45,000 vested Essilor International shares, registered in his name. Half of the shares are subject to a lock-up until November 26, 2016 and, as from that date, one-third of the shares (15,000 shares) will continue to be subject to a lock-up for as long as he remains in office, or unless or until he holds on a permanent basis a number of shares (acquired over time through performance share plans or the exercise of stock options) equivalent to the sum of two years' salary and target cash bonuses.

Vesting of the performance shares granted under the November 27, 2012 "Resident" Plan

At its meeting on November 27, 2012, the Board of Directors decided to grant 45,000 performance shares to Hubert Sagnières.

The shares were subject to two performance conditions and would only vest if Mr. Sagnières was still employed by the Company on the vesting date and had completed two years' service.

- 1) Achievement of the first performance condition, that was applicable to all plan grantees, was assessed on November 27, 2014, by calculating the annualized growth in the Essilor International share price, as follows:

Initial reference share price: Average of the 20 opening prices for the period prior to November 27, 2012	€71.35
Average share price: Average of the opening prices for the period from August 27 to November 27, 2014	€84.61
Annualized growth =	+ 8.9%

Annualized growth, calculated as shown above, was greater than the performance target of 7% per year, and the first performance condition was therefore met.

- 2) The second performance condition, applicable only to the Chairman and Chief Executive Officer, was based on a target Average Ratio corresponding to the average of the performance rates in relation to his annual variable compensation targets achieved over the vesting period.

If the Average Ratio was greater than 100% it would have no impact on the number of vested shares based on the first performance condition. If it was less than 100%, the number of performance shares that vested would be reduced in the same proportion.

As the Average Ratio for the period 2012-2013 was 114.5%, all of the performance shares granted to Mr. Sagnières vested.

As the two performance conditions were fully met, Mr. Sagnières received 45,000 vested Essilor International shares, registered in his name. The shares are subject to a lock-up until November 27, 2018 and, as from that date, one-third of the shares (15,000 shares) will continue to be subject to a lock-up for as long as he remains in office, or unless or until he holds on a permanent basis a number of shares (acquired over time through performance share plans or the exercise of stock options) equivalent to the sum of two years' salary and target cash bonuses.

About Essilor

The world's leading ophthalmic optics company, Essilor designs, manufactures and markets a wide range of lenses to correct and protect eyesight. Its corporate mission is to improve vision to improve life. 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[®], Transitions[®], Definity[®], Xperio[®], Optifog[™], Foster Grant[®], Bolon[®] and Costa[®]. It also develops and markets equipment, instruments and services for eyecare professionals.

Essilor reported consolidated revenue of over €5 billion in 2013 and employs more than 55,000 people. It distributes its products in some 100 countries with 28 plants, more than 450 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 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.

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