

## **Flexible Paid Time Off (PTO) Policy**

### *Employee FAQs*

**Q: What is a Flexible PTO Policy?**

**A:** Flexible PTO is a benefit that allows employees to take paid time off as needed, for any reason, as business allows. Unlike other paid time off policies like vacation, PTO, sick and personal days, Flexible PTO is not earned or accrued over time and employees do not carry a balance.

**Q: Who is eligible to participate in the Flexible PTO Policy?**

**A:** Full-time U.S. exempt employees, with the exception of Retail Store employees, will be eligible for the Flexible PTO Policy. All other full-time employees will continue to accrue PTO or Vacation per their existing policies as applicable.

**Q: Why are we implementing a Flexible PTO policy?**

**A:** The Company recognizes the need for employees to take time away from work for vacation, relaxation, sickness, personal, or family reasons, and we strive to put our employees and their needs first. The intent of the policy is to provide employees with the flexibility to take time off of work while still effectively meeting the demands of their position. We trust our employees to appropriately manage their time away from work without compromising business continuity. This change will also allow us to continue to offer competitive benefits to our existing employees and attract the best talent in the future.

**Q: When is the new policy effective?**

**A:** Beginning July 1, 2022, eligible employees will begin transitioning from their current PTO or Vacation policy to the Flexible PTO Policy. Employees must exhaust all unused, accrued PTO or Vacation under their current policy by December 31, 2022 or earlier to transition to the Flexible PTO policy. To ensure employees are able to successfully transition by December 31, 2022, PTO or Vacation will stop accruing under their current policy after June 26, 2022, and will be subject to any applicable forfeiture and carryover rules. Eligible employees hired after July 1, 2022 will be covered only by the Flexible PTO Policy.

**Q: What happens to my existing PTO or Vacation balance?**

**A:** Any unused, accrued PTO or Vacation as of July 1, 2022 will be available for employees to use through December 31, 2022. If PTO is exhausted prior to December 31, 2022, employees will transition to Flexible PTO and take PTO as needed under the policy. After December 31, 2022, any unused PTO will be forfeited and you will immediately transition to the Flexible PTO Policy.

**Q: Can I voluntarily forfeit my existing PTO or Vacation balance to immediately transition to Flexible PTO?**

**A:** Yes, you may choose to voluntarily forfeit any existing PTO or Vacation balance to immediately transition to the Flexible PTO Policy any time after July 1, 2022. In order to do so, you must complete the online Flexible PTO Policy Acknowledgement Form found [HERE](#) for Luxottica employees and [HERE](#) for Essilor employees.

**Q: What happens if I leave the Company in 2022?**

**A:** If you still have unused, accrued PTO or Vacation at the time of your termination in 2022, it will be paid out to you on your final paycheck. If you do not have any accrued PTO or vacation remaining, Flexible PTO is not a form of additional wages for services performed, is not earned and does not accrue. Rather, it is part of the Company's goal to provide a flexible work schedule, which includes eligible employees' ability to decide when and how much time to take off within the guidelines of this Policy. As such, there is no pay out of Flexible PTO upon voluntary or involuntary termination.

**Q: I already have PTO or Vacation planned and approved by my manager. Is this impacted by the new policy?**

**A:** No, this will not impact any future PTO or Vacation requests already approved by your manager. However, we always encourage employees to check in with their manager on any expectations for requesting PTO or Vacation to ensure both parties are aligned on how to appropriately plan for time away from work.

**Q: Are there guidelines on how much time off employees should take under the Flexible PTO policy?**

**A:** There is no limit on the overall amount of Flexible PTO that can be taken, as long as time off is planned in advance (when possible) with the employee's supervisor and direct reports so that business continues uninterrupted during the absence. However, the Flexible PTO policy has certain parameters in place to ensure productivity does not suffer, and we are confident that employees will consider the potential impact on the business and their work commitments when taking time off. A reasonable limit of **two (2) consecutive weeks** is the maximum amount of Flexible PTO that can be taken at one time under this policy.

**Q: Without accrued time off, does this mean I'm expected to work more and take less time off?**

**A:** No. We recognize and appreciate that, for exempt employees, work often does not end when you leave the office. We understand this means that work is sometimes done outside of normal business hours to ensure goals are met, so we are providing a more flexible way to manage time off. Again, we trust our employees to appropriately manage their time off for needs outside of work without compromising business continuity.

**Q: Do I need to provide any notice in advance before I schedule Flexible PTO?**

**A:** Yes, employees are expected to schedule Flexible PTO in advance and coordinate with their supervisor and coworkers to ensure that absences do not negatively impact the business, whenever possible. We ask employees to provide at least two weeks' notice in advance of when they plan to be out. If advance notice is not possible, employees should provide notice as soon as they are able to lessen any disruption to the business. Repeated failure to schedule or obtain approval for Flexible PTO in advance may result in review with Human Resources or subject an eligible employee to corrective action.

**Q: Do I still need to request my PTO in Kronos under this new policy?**

**A:** Yes. Managers will still need to review and approve time off requests. Entering time off in the Kronos system provides visibility into when their employees will be out of office so they can balance department workload and responsibilities. We also want to make sure employees are utilizing their PTO benefit, and tracking PTO allows managers to better monitor when their employees may need to be encouraged to take time off to rest and recharge.

**Q: Is there concern that some employees will abuse this new policy?**

**A:** We are confident that our employees and managers will make the right decisions about how to appropriately manage time away from work in terms of timing and frequency. If a concern does arise, managers should reach out to their HR Business Partner to discuss.

**Q: I am a long tenured employee and have worked to earn the amount of PTO or Vacation I have. Does this mean new hires will theoretically have as much PTO as I do?**

**A:** We understand that many tenured employees are used to taking a certain amount of PTO or Vacation each year. We don't expect that amount of PTO to decrease under this new policy. While PTO

balances will no longer be based on years of service, we are thrilled to offer a competitive and innovative paid time off program for all employees.

**Q: How will Flexible PTO be used in conjunction with any leave of absence?**

**A:** At times, employees may be eligible for time off work under applicable federal, state, and local laws, and/or one of the Company's leave of absence policies. Employees may use Flexible PTO for pay during this time off work, subject to the same two consecutive week limit that applies to all other time off work. Flexible PTO cannot not be used to extend a leave of absence, but will run concurrently with the start and end dates of the approved leave of absence.

Employees may designate when during the approved leave of absence they wish to take their Flexible PTO. Time off in excess of the two consecutive weeks of Flexible PTO will be unpaid, unless the eligible employee qualifies for a third-party benefit program such as short or long-term disability insurance, state disability insurance, paid family leave, or workers' compensation. However, any Flexible PTO used during an unpaid short-term disability elimination period will not count toward the employee's two week maximum for that continuous leave of period, should the employee's paid benefits exhaust before the employee returns to work. For example, an employee that goes out on maternity leave may use one week of Flexible PTO to cover her elimination period prior to the start of her short-term disability leave, and then use another two weeks of Flexible PTO during her unpaid baby bonding leave.

Employees wishing for more information on how Flexible PTO will be used for any of the Company's leave of absence policies, or how it applies to their specific circumstances, should discuss directly with their HR Business Partner.

**Q: I live in a state or locality that requires Paid Sick and/or Safe Leave be provided. Is this covered under the Flexible PTO Policy?**

**A:** Yes, state and local paid sick and/or safe leaves will be covered under the Flexible PTO policy. Employees should code their time away in Kronos as "SICK" if it is covered by a paid sick and/or safe leave law. All other paid time away should be coded as "PTO."

**Q: What happens to an employee's PTO if the employee moves to a position that is not eligible for the Flexible PTO policy?**

**A:** If an employee covered by the Flexible PTO Policy moves to a position that is not eligible to participate, the employee will no longer be covered by the Flexible PTO Policy and will be eligible for the applicable PTO or Vacation policy. If the employee is now transferring to an accrual-based PTO or Vacation plan, the employee's anniversary date, overall tenure, and effective date of transition will be considered when transferring to their new role.

**Q: What happens if an employee transitions to a new role that is now eligible for Flexible PTO?**

**A:** Any employee who moves into an eligible role after July 1, 2022 will begin transitioning to the Flexible PTO Policy immediately. PTO or Vacation accruals under the current policy will stop as of the role transition date, with the expectation that the employee will transition to the Flexible PTO Policy within six (6) months of that date, unless otherwise specified by the Company. At the end of the established transition period, any unused, accrued PTO or Vacation will be forfeited unless otherwise required by law. In such cases where it cannot be forfeited, the Company will determine how such unused, accrued PTO or Vacation will be exhausted or paid to the employee within the legal requirements.