

PAID TIME OFF (PTO) POLICY

Rather than separate vacation time, personal time and sick time, the Company combines each of these benefits into a single category called Paid Time Off (PTO). PTO gives employees more flexibility to use paid days off from work as the employee chooses. Accrued PTO is available to all U.S. non-exempt/hourly full-time employees, non-retail store part-time employees, and exempt/salaried retail store employees.

PTO Accrual and Use

PTO is accrued each pay period based on all hours paid. With the exception of Luxottica Wholesale, PTO is calculated according to an employee's PTO service or anniversary date (the most recent start date of full-time employment). In the alternative, Luxottica Wholesale calculates their PTO on a calendar year basis, from January 1 – December 31 each year. Employees begin to accrue and use PTO on the first day of employment and continue to accrue PTO every week that they are active and working. Non-exempt/hourly employees do not accrue PTO while on a Leave of Absence (LOA). PTO is accrued as follows, except where state or local laws require a more favorable accrual rate:

Retail Stores Accrual Schedule:

Length of Service	Accrual Rate	Annual Maximum
0 to 1 year	0.0192 hours per hour paid	40 hours
1 year to 5 years	0.0576 hours per hour paid	120 hours
6 years to 10 years	0.0769 hours per hour paid	160 hours
11 years or more	0.0962 hours per hour paid	200 hours

Operations Accrual Schedule:

Length of Service*	Accrual Rate	Annual Maximum
0 to 1 year	0.0384 hours per hour paid	80 hours
1 year to 5 years	0.0576 hours per hour paid	120 hours
6 years to 10 years	0.0769 hours per hour paid	160 hours
11 years or more	0.0962 hours per hour paid	200 hours

**Employees in work locations with greater PTO eligibility are grandfathered accordingly.*

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Field Management, Employed Optometrists, Corporate Offices and Oakley Foothill Ranch Accrual Schedule:

Length of Service*	Accrual Rate	Annual Maximum
0 to 5 years	0.0576 hours per hour paid	120 hours
6 years to 10 years	0.0769 hours per hour paid	160 hours
11 years or more	0.0962 hours per hour paid	200 hours

**Employees in work locations with greater PTO eligibility are grandfathered accordingly.*

Wholesale Accrual Schedule:

Length of Service*	Accrual Rate	Annual Maximum**
0 to 5 years	0.0576 hours per hour paid	105/120 hours
6 years to 10 years	0.0769 hours per hour paid	140/160 hours
11 years or more	0.0962 hours per hour paid	175/200 hours

**Employees with greater PTO eligibility prior to January 1, 2008 are grandfathered accordingly.*

*** Annual maximum accrual is based on either a seven or eight hour work day.*

For time off of one (1) week or longer, PTO requests should be submitted one (1) month in advance to the employee's immediate supervisor in the timekeeping system, where applicable. For all other requests, employees must request approval in the timekeeping system, where applicable, at least two (2) weeks in advance. When such advance notice is not feasible, employees should provide notice as soon as possible to lessen any disruption to the business. PTO will be approved in consideration of business operations. Failure to notify management when missing work constitutes an unexcused absence and may result in Corrective Action even if an employee has PTO available and whether or not PTO is used to cover the absence.

PTO is tracked in the timekeeping system for all employees. PTO balances can be viewed in the timekeeping system and on each pay stub. As with hours worked, it is the employee's responsibility to ensure PTO taken is accurately reported.

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Borrowed PTO

Unless an employee is on a LOA, which includes intermittent and reduced-schedule FMLA, he or she may be permitted to borrow PTO before it has been accrued, creating a negative PTO balance. Employees may borrow up to a maximum of 40 hours of PTO at one time, provided they do not borrow more PTO than they are eligible to earn annually under the applicable accrual schedule above. If by chance, an employee's negative PTO balance exceeds the maximum negative balance allowed, he or she will not be eligible to take PTO until the balance falls below the maximum threshold. Employees' PTO balances are expected to return to a zero or positive balance by the first day of their next PTO year. If an employee terminates Luxottica with a borrowed PTO balance, Luxottica will withhold the borrowed PTO from the employee's final paycheck, where permitted by law. If not deducted from final pay, the Company will maintain a negative PTO balance on the employee's record, which will be re-activated at the time of any subsequent rehire with the Company.

PTO Carryover and Payout

Unused PTO hours will automatically carryover to the new anniversary year, up to a maximum of 40 hours. Any hours over 40 will be forfeited, unless otherwise required by law and set forth below.

Employees working in California, Montana and Colorado, and full-time Luxottica employees working in Illinois who were hired prior to January 1, 2015, are eligible for unlimited carryover, subject to the maximum balance limit. If an employee reaches the set maximum balance limit, they will stop accruing PTO until they take time off. The PTO maximums are as follows:

Years of Service	Maximum Balance Limit
1 to 5 years	210 hours
6 years to 10 years	280 hours
11 years or more	350 hours

If an employee with unlimited carryover transfers to another state that does not provide unlimited carryover, the employee will bring over any accrued but unused PTO reflected on the employee's paycheck stub. The employee must work with the employee's new manager to use any PTO over 40 hours by the employee's anniversary date.

Accrued and unused PTO hours will be paid out to all employees upon either termination or a change from full-time status to part-time or casual part-time status for retail store employees.