



VEHICLE REIMBURSEMENT PROGRAM POLICY AND PROCEDURES

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POLICY AND PROCEDURES

I. VEHICLE REIMBURSEMENT PROGRAM POLICY

A. PURPOSE OF POLICY

The purpose of this policy is to set the guidelines, standards and controls for Luxottica employees whose job functions or positions require the use of automobiles and who meet the eligibility requirements to participate in Luxottica's Vehicle Reimbursement Program ("LVRP"). This policy will be reviewed regularly and will be revised, when appropriate. This policy may be interpreted, applied or modified at Luxottica's sole discretion at any time, with or without notice. A copy of this policy can be obtained from OneLuxottica or HR Solutions.

B. INTRODUCTION TO THE PROGRAM

Luxottica's goal is to provide our employees with a vehicle reimbursement plan that meets both employee and Company needs. This policy applies only to eligible participants in the LVRP ("Program Participant"). It is the Program Participant's responsibility to familiarize themselves with the policy and abide by its terms. Luxottica uses Motus, a third-party administrator, in conjunction with the LVRP. In addition to adherence to this policy, Program Participants are responsible for providing LVRP information to Motus as necessary. Failure to adhere to this policy may result in exclusion from the LVRP and/or discipline, up to and including termination.

C. ELIGIBILITY

In order to qualify for participation in the LVRP, Program Participant must:

1. Be an active, full-time employee.
2. Have a position with job requirements that necessitate the use of a vehicle in which US Program Participants drive a minimum of 5,000 business miles and Canadian Program Participants drive a minimum of 8000 kilometers in a one-year period or be approved by Human Resources VP/SVP or Functional VP/SVP.
 - a. Note: Participation in the program may be impacted based on change in job responsibilities, change in territories, change in status (exempt vs. nonexempt), or responsibilities that reduce the annual miles and kilometer driven to below the thresholds.
3. Have a satisfactory driving record and a current unrestricted driver's license. The Department of Motor Vehicles record for each driver will be reviewed periodically.
4. Have a passenger vehicle as required (excludes motorcycles, scooters and e-bikes)

D. STARTING ON THE PROGRAM

Program Participants will be added to the program upon receipt of appropriate approvals. by Corporate Services. Eligible and approved Program Participants will receive a communication from Motus that outlines the specific LVRP requirements and level of participation. Program Participants are not entitled to reimbursement through the standard Travel and Entertainment (T&E) policy for use of personal vehicle except as provided in Section III.C.

E. LEAVES OF ABSENCE

If a Program Participant goes on leave of absence of 3 months or less, the fixed portion of the reimbursement will still be paid. If a Program Participant goes on a leave of absence greater than 3 months, he/she will be removed from the LVRP. The individual will be reactivated on the LVRP once he/she returns from leave, provided he/she is still eligible.

F. PROGRAM PARTICIPANT'S RESPONSIBILITIES

Program Participants are responsible for the following:

1. Submit an accurate record of monthly business miles driven. Monthly business miles driven must be substantiated by an odometer reading from your vehicle to Motus on the last day of each month.
2. In the event that a Program Participant needs to use a rental or alternative car to conduct Company business, he/she should submit mileage to Motus for variable cost reimbursement as if using his/her personal vehicle. Rental charges are not reimbursable. This mileage reimbursement does not apply to business trips where you fly to the customer/prospect site and then rent a car. This expense is filed through the normal T&E process.
3. Notify Supervisor and HRBP within two business days if: (1) Program Participant's driver's license is suspended or revoked; (2) Program Participant has been charged with a DUI/DWI (regardless of conviction); or (3) Program Participant unable to operate a motor vehicle for an extended period of time.
4. Promptly attend to tickets for traffic violations, illegal parking, etc. Such expenses cannot be included on a travel expense report and are solely the responsibility of the Program Participant.
5. Provide maintenance for his/her vehicle which includes, but is not limited to, oil and filter changes, tire rotation, tire replacement and brake maintenance.
6. Follow all LVRP rules for compliance, including completing all forms needed for the LVRP in a timely and responsible manner.
7. Carry auto insurance on his/her vehicle that meets the minimum coverage outlined below. The Program Participant's insurance must be Primary. The Program Participant must upload an Insurance Declaration document via the Motus website outlining the specific coverage level and dates of coverage. These details must be submitted when you first enter the LVRP and with any change in vehicle and/or insurance. **INSURANCE CARDS ARE NOT ACCEPTED.** Note that these limits are minimum limits and Program Participant may choose to maintain higher limits.

Insurance Requirements
\$1,000 Deductible for Comprehensive
\$1,000 Deductible for Collision
\$100,000/\$300,000 Bodily Injury
\$100,000/\$300,000 Uninsured Motorist
\$50,000 Property Damage

II. VEHICLE REIMBURSEMENT PROGRAM – DEFINED (EXCLUDING WHOLESALE)

Program Participants are reimbursed for business related costs for use of personal vehicles for work. Program Participants will receive an enrollment communication from Motus that outlines the specific program requirements and level of participation.

A. THE VEHICLE STANDARD COST SCHEDULE

A document called a Vehicle Standard Cost Schedule is generated for each Program Participant. The schedule summarizes the reimbursement. Because vehicle costs vary across the country, fixed and variable operating costs are gathered for specific geographic locations and for specific driving conditions. These costs are researched and reviewed regularly to determine the appropriate rates for Program Participants. LVRP rates are determined at the sole discretion of Luxottica. The major factors in determining the Vehicle Standard Cost Schedule for Program Participants are:

1. **Base Vehicle:** All reimbursement values are based on the cost of acquiring and operating the Luxottica-selected base vehicle in the specific geographic area the participant is located (i.e., cost of living in the town or city where the participant lives). The base vehicle chosen to pattern reimbursements has been deemed (a) to portray an image consistent with the organization's standards; (b) it is a good representation of the type of vehicle that is suitable to accommodate the job responsibilities of the Program Participant.
2. **Specific Geographic Location:** Reimbursement rates reflect specific geographic costs throughout the country, as well as different types of road and traffic conditions.
3. **Annual Business Mileage:** The annual business mileage each participant drives is considered in the development of the reimbursement amount.
4. **The Retention Cycle:** The Retention Cycle is the tool used to calculate the depreciation component of the fixed reimbursement. Retention Cycles may change at the discretion of the Company.
5. **Other Factors:** Other factors used to determine the amount of car allowance may include:
 - a. Where the vehicle is garaged (what town / city and state)

- b. Driving conditions (% of stop & go, expressway, congestion, country, etc.)
- c. Cost of license and registration for the base vehicle
- d. Cost of insuring the base vehicle
- e. State property taxes (if applicable)

B. AUTOMOBILE REQUIREMENTS

The Program Participant's vehicle must be consistent with the Base Vehicle requirements outlined in the Vehicle Standard Cost Schedule outlined above.

C. CHANGING VEHICLES

Whenever you change personal vehicles in the LVRP, you must register the new vehicle with Motus and provide a copy of your updated Insurance Declaration form to Motus. Failure to comply with these requirements may lead to IRS noncompliance and/or your removal from the LVRP. IRS requirements for the LVRP include:

1. US Program Participants must drive a minimum of 5,000 business miles annually. Canadian Program Participants must drive a minimum of 8000 kilometers annually.
2. The personal vehicle used in the LVRP must have had an MSRP sticker price + sales tax (*in the year it was on the dealer's lot brand new*) of at least 90% of the value of the "base vehicle" your reimbursement is patterned against.
3. Please refer to your PROGRAM PARAMETERS document (located on Motus' website) for the qualifying price or contact Motus Member Services.
4. If you do not know what the MSRP sticker price + sales tax amount of your personal vehicle is, contact your dealership, check an on-line service or contact Motus Member Services.
5. Once your vehicle qualifies for 'price', you do not need to qualify for price again until such time in the future when you replace your personal vehicle.
6. The vehicle driven by the Program Participant must not be older than the number of years used in the "Retention Cycle" as explained on the Motus' website.
7. The auto insurance carried on your vehicle must meet the coverage minimum required in the LVRP provided in Section I.
8. The reimbursement may not be paid with respect to a personal automobile for which the Program Participant has claimed depreciation using a method other than straight-line.

9. Annually each Program Participant will be asked to update information, which entails verifying if the information Motus has on record for your personal vehicle is still accurate.

III. TYPES OF REIMBURSABLE COSTS

Allowances under the LVRP are for reimbursable costs. These reimbursements are both Fixed and Variable amounts as defined herein. It is the Company's sole discretion as to what qualifies for reimbursement unless otherwise required by law.

A. FIXED

The fixed allowance payments are for expenses that are incurred as a result of owning or leasing a vehicle. This reimbursement amount is determined for the driver's geographic area and is based on business usage, and the Company's base vehicle, or as set by the Company. This portion of the reimbursement helps offset reasonable business costs relating to:

1. Vehicle depreciation
2. Insurance premiums and deductibles
3. Taxes
4. License and registration fees

B. VARIABLE

The variable allowance payments are projected based on the costs referenced below. This portion of the reimbursement is calculated on a cents-per-mile rate, multiplied by each business mile reported. Fuel costs are reviewed monthly and can lead to the cents-per-mile increasing or decreasing each month as appropriate. This portion of the reimbursement helps offset reasonable business costs including:

1. Fuel
2. Tire wear
3. Vehicle repairs and maintenance

IV. PROCEDURES FOR REIMBURSEMENT

A. SUBMITTING MILEAGE:

Each Program Participant must submit monthly business mileage via the use of the Motus' App and mileage collection process. Detailed information relating to business mileage collection will be provided to each Program Participant by Motus. Failure to submit your request timely will result in a delay or disqualification of your variable cost reimbursement.

B. WHAT IS CONSIDERED A BUSINESS MILE

Reimbursement is not provided for the Program Participants normal daily 'commuting miles' between home and primary work location. If a Program Participant travels to or from an alternative work site, instead of his/her primary work location, he/she should deduct the normal commuting miles. If a Program Participant has a home office, all miles traveled for work (including going to an office location for a meeting, etc.) will be considered business.

C. ADDITIONAL REIMBURSABLE VEHICLE EXPENSES

It is the Company's intent for most vehicle-related expenses to be covered by the Fixed and Variable reimbursements (see III.A. and III.B. for coverage detail). However, business related

tolls and parking expenses will be reimbursed by the Company through the standard Travel and Expense (T&E) process. Other costs including but not limited to, fines, tickets and late fees are not reimbursable.

D. PROGRAM PARTICIPANTS IN CALIFORNIA

In accordance with California Labor Code Section 2802(a) and Title 8 of the California Code of Regulations, if any Program Participant working in California believes his/her own costs for work related use of a personal vehicle are greater than what the LVRP reimburses such Program Participant, that Program Participant may request that Company review such Program Participant's individual expenses to validate any additional expense reimbursement. The Program Participant must be prepared to include proof of actual expenditures, including all gas and maintenance receipts, an insurance declaration page, an odometer reading with business mileage logs including details of each trip driven for business (i.e., starting location, ending location, mileage driven, and purpose of trip). Additional Program Participant documentation may be requested by Company as appropriate to the extent permitted by law.

V. VEHICLE AND DRIVER SAFETY EXPECTATIONS

All Program Participants must exercise safe driving practices, thereby minimizing the potential risk of injury to themselves and the public, financial loss, and legal liabilities. In addition, Program Participants may be required to participate in a driver safety training as outlined by Luxottica. Periodically, a Motor Vehicle Record (MVR) check will be performed including verification of the existence of a valid driver's license and proper automobile insurance coverage. If, in such review, it is discovered that a Program Participant's driving record includes traffic related violations, it may result in disqualification from the LVRP.

Program Participants who drive on Company business must, in addition to meeting the stated approval requirements, exercise due diligence to drive safely and follow all traffic laws, to avoid distractions while driving, and to maintain the security of the vehicle and its contents. Program Participants are not permitted, under any circumstances, to operate a vehicle for company business when any physical or mental impairment causes them to be unable to drive safely. This prohibition includes circumstances in which the Program Participant is temporarily unable to operate a vehicle safely or legally because of illness, medication, or intoxication.

Other required safe driving practices include but are not limited to, the following: Seatbelts must be worn at all times when operating a vehicle on company business. Cell phone use is prohibited while driving on company business unless the driver uses a hands-free device and where allowed by law. Program Participants must avoid drowsy driving.

VI. REVOCATION

Enrollment in the LVRP is a privilege and may be withdrawn at any time and for any reason. When that privilege is abused or exercised in a manner that is inconsistent with Luxottica's business needs or the provisions of this policy, LVRP participation will be terminated and/or the Program Participant may be subject to discipline, up to and including termination.

VII. PERSONAL INCOME TAXATION

If the compliance to program requirements are not met or if business miles are not sufficient to meet legal standards, the Program Participant may be subject to personal tax. If usage is deemed taxable, the amount will be reported on the Program Participant's Form W-2 or Form T-4 and all federal and local taxes will be withheld by the Company from wages paid in November and/or December as required by law. The tax reporting cycle will be reviewed periodically for accuracy and may be moved as deemed appropriate at Luxottica's sole discretion.

VII. ONGOING SUPPORT

Specific questions regarding the reimbursement program can be directed to Motus Member Services at 888-801-6714 or memberservices@motus.com

PRIMARY CONTACT SHEET

Luxottica Fleet Specialist

Email: Corporate_Services@luxotticaretail.com

Specific questions regarding the reimbursement program can be directed to

Motus Member Services

(Available Monday – Friday 9 a.m. – 6 p.m. EST)

Phone: (888) 801-6714

Email: memberservices@motus.com