

Country(ies): <b>U.S.</b>	Policy Title:  <b>VACATION FOR EXEMPT EMPLOYEES</b>	Effective Date: <b>01/01/2017</b>
Policy Number: <b>2090</b>		Revision Date: <b>NEW</b>

## **PURPOSE**

The Company recognizes the importance of time away from their job responsibilities for rest and relaxation. Similarly, the Company recognizes that Exempt Employees often work long hours and occasional weekends to meet their responsibilities to internal and external customers, often requiring them to monitor and manage their workload and job responsibilities other than during traditional working hours. This may include checking and responding to e-mail and voice mail, or performing other tasks when necessary to meet business requirements.

This Policy (along with the Paid Sick Time Policy) replaces the existing vacation and paid time off policies for Covered Employees as of the Effective Date.<sup>1</sup> It provides information and guidance regarding the use of vacation for Covered Employees, and details how this Policy interacts with other Company policies. It does *not* apply to absences related to Special Leaves.

## **SCOPE AND ELIGIBILITY**

This Policy applies to Covered Employees as of the Effective Date.

## **POLICY**

### **1. GENERAL POLICY**

In recognition of the particular responsibilities of each Covered Employee's position, the Company offers Covered Employees the opportunity to take as much vacation time away from the office with pay as each such individual deems consistent with his or her duties, the Company's needs and the Company's obligations to customers. This time should be used for vacation, rest and relaxation. This Policy does *not* apply to absences related to a Covered Employee's (or his or her family member's) illness or injury, parental leave, or to other leaves of absence that are covered by separate Company policies.

Vacation time under this Policy is not earned or accrued, and therefore no payments for vacation time under this Policy will be made at the time of a Covered Employee's termination of employment with the Company (whether the termination is voluntary or involuntary, with or without cause), except with

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<sup>1</sup> This Policy does not affect the rights that any Covered Employee may have to Grandfathered Vacation Benefits under prior Company vacation policies. In general, Grandfathered Vacation Benefits apply only to certain Covered Employees who were hired prior to January 1, 2001 and met certain eligibility requirements.

respect to (A)(i) vacation time that has already been accrued prior to the effective date of this Policy, (ii) vacation time that was accrued by a Non-Exempt Employee prior to his or her promotion into an Exempt Employee position, or (iii) vacation time that was accrued by California Covered Employees hired prior to January 1, 2017, and (B) that remains unused at the time of termination (whether such vacation time is properly characterized as unused or forfeited shall be determined under the terms of the other applicable vacation policy(ies)).

### **1.1 Waiting Period**

Covered Employees will be ineligible to take vacation time under this Policy until they have completed ninety (90) days of employment with the Company. Covered Employees are required to work at least forty (40) days in a calendar quarter in order to be eligible to take vacation time in the subsequent quarter under this Policy.

### **1.2 Notification of Leave**

Because the performance of Covered Employees is measured by varying metrics, the Company generally leaves to the discretion of each Covered Employee how to manage his or her time, including scheduling time away from the office. However, Covered Employees must notify their direct supervisors in advance of taking vacation under this Policy so that supervisors may plan for the business needs of the Company and its customers. Consistent with those needs, the Company retains the authority to deny or defer the taking of requested vacation time if business circumstances dictate or if the Covered Employee's lack of productivity warrants. While vacation time taken by Covered Employees, whether in partial or full days, must be tracked and recorded either via their existing time and attendance system or the Time-Off Tool in HR Direct, such record keeping is for internal metrics only and is not intended to constitute a limitation on vacation usage.

Although Covered Employees are not limited in the amount of vacation time they may take under this Policy, they are nevertheless expected to work as much as necessary, whether in the office or away from the office, to meet business and customer requirements and expectations. Covered Employees remain subject to performance expectations and standards, and the failure to meet these expectations and standards, or the abuse of this Policy, may subject the Covered Employee to performance counseling and/or discipline, up to and including termination.

## **2. EFFECT ON LEAVES OF ABSENCE**

This Policy does not supersede leave taken as a Special Leave. The Company permits and expects qualifying Covered Employees to take Special Leaves when and if appropriate. Vacation time taken under this Policy may not automatically be substituted for unpaid Special Leaves because vacation under this Policy is not accrued. Nevertheless, if a Covered Employee qualifies for and is granted an unpaid Special Leave, the Covered Employee and his or her manager may agree that some or all of such unpaid Special Leave may be taken as vacation under this Policy. The manager may consider how much vacation time has already been taken in determining how much unpaid Special Leave time may be converted into paid vacation leave. However, a Covered Employee may automatically use any unused accrued vacation remaining from coverage under a previous Company vacation policy (*e.g.*, vacation time that was accrued prior to the effective date of this Policy, or time that was accrued prior to a promotion into an Exempt Employee position) to convert an unpaid Special Leave into paid vacation time.

### 3. ACCRUED VACATION UNDER PREVIOUS POLICIES OR PRIOR TO PROMOTION

As of the Effective Date, a Covered Employee will be able to take vacation under this Policy (i) if the Covered Employee either has no accrued vacation being carried over from a prior vacation policy as of the Effective Date, or (ii) upon exhausting all previously accrued vacation. If a Covered Employee leaves employment with the Company without having exhausted all such vacation time accrued prior to the Effective Date, the Company will pay the amount of accrued and unused vacation upon termination as determined under the terms of the other applicable vacation policy(ies).

### DEFINITIONS

*Covered Employee.* For purposes of this Policy, Covered Employee generally means any Exempt Employee of Honeywell who works in the United States. However, Covered Employee does not include:

- Exempt Employees covered by a collective bargaining agreement, except to the extent such collective bargaining agreement specifically adopts the provisions of this Policy;
- Exempt Employees who, as of December 31, 2016, work at sites in the State of California until some future date as determined by the Company, but no sooner than January 1, 2018;
- Exempt Employees who would otherwise be covered by this Policy but who the Company has determined should remain covered by another Company vacation policy for some period of time; provided, however, such exclusion shall only apply until the Company terminates such other policy and transitions such Exempt Employees to this Policy;
- Employees employed directly by Honeywell Federal Manufacturing & Technologies, LLC, National Technology and Engineering Solutions of Sandia, LLC., or any similar Honeywell affiliate with whom the U.S. Government has contracted to manage and operate a Federal government operation, except to the extent such affiliate expressly adopts this Policy;
- Individuals classified by the Company as temporary, contract, contingent or leased workers;
- Individuals classified by the Company as consultants or independent contractors;
- Exempt Employees who normally work less than 20 hours a week for the Company;
- Individuals who are not on the Company's payroll or who are not classified by the Company as common law employees, even if a court or a federal, state or local administrative authority later rules that the individuals should be considered employees for any purpose; and
- Exempt Employees whose employment is brief or non-recurrent and that cannot reasonably be expected to continue indefinitely or for a significant period.

*Effective Date.* For purposes of this Policy, Effective Date means January 1, 2017.

*Exempt Employee.* For purposes of this Policy, Exempt Employee means any employee of Honeywell who is designated by the Company as being exempt from overtime compensation requirements under applicable Law.

*Honeywell or Company.* For purposes of this Policy, Honeywell or Company shall mean Honeywell International Inc., its subsidiaries and affiliates, and their respective predecessors and successors.

*Law.* For purposes of this Policy, Law means all applicable federal, state and local laws and regulations.

*Non-Exempt Employee.* For purposes of this Policy, Non-Exempt Employee means any employee of Honeywell who is designated by the Company as being eligible for overtime compensation under applicable Law.

*Special Leaves.* For purposes of this Policy, Special Leaves are leaves of absence taken, whether paid or unpaid, pursuant to one of the Company's other leave policies for serious illnesses, disabilities, military leave, jury duty leave, personal leave, family and medical leave and other leaves of absence, some of which are mandated by Law.

## **RESPONSIBILITY FOR THE POLICY**

This Policy is administered by Honeywell Human Resources, in consultation with the Honeywell Law Department.

## **RELATED POLICIES, INFORMATION AND RESOURCES**

None

## **REPORTING CONCERNS AND SEEKING GUIDANCE**

Additional guidance can be sought by contacting a Human Resources representative.

## **REVISION HISTORY**

None

## **MANAGEMENT'S RIGHTS**

The Company, in its sole discretion, reserves the exclusive right to interpret, administer and apply this Policy, to make any exceptions to it, and to change this Policy at any time and for any reason.

*This Policy is not intended to create contractual obligations. Employment with the Company in the U.S. (other than Puerto Rico) is at will, which means that either the Company or the employee may terminate the employment relationship at any time and for any reason, without notice. The Company reserves the right to modify, amend, or terminate this Policy at any time. This Policy supersedes any prior policies of Honeywell, whether written or oral, on the topics covered in this Policy (except as otherwise noted herein).*

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