

Country(ies): U.S.	Policy Title: MILITARY LEAVE	Effective Date: 01/01/2017
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PURPOSE

Honeywell has a legitimate interest in facilitating the transition of Covered Employees to active military duty in the Armed Forces so that the United States may enjoy the protection of those Armed Forces. Accordingly, this Policy defines the treatment of Covered Employees of Honeywell who commence a military leave of absence to serve in the Armed Forces.

SCOPE AND ELIGIBILITY

This Policy is intend to comply and will be construed consistently with the Uniformed Services Employment and Reemployment Rights Act (USERRA) and applicable Law. Typically, Covered Employees are eligible for a military leave of absence when they (i) voluntarily enlist in the Armed Forces, (ii) are called to active duty, or (iii) go on training duty. Thus, this Policy applies to active duty, initial active duty for training, subsequent active duty for training, inactive training duty, National Guard training duty, full-time National Guard duty, absences for physical examinations for any of these types of duty, and absences for the purpose of performing certain funeral honors duty. Moreover, this Policy applies whether the duty is voluntary or involuntary, without regard to how long the Covered Employee has been a Honeywell employee, or the duration of the duty (although it normally may not exceed five years).

This Policy applies to any Covered Employee who commences a military leave of absence subsequent to December 31, 2016.

POLICY

1. NOTICE REQUIREMENT

The process of applying for a military leave of absence under this Policy generally begins with advance notice by the Covered Employee (or by an officer in the Armed Forces) of his or her intent or obligation to perform service in the Armed Forces. Such notice must be provided as early as practicable, but no less than 30 days in advance when it is feasible to do so. However, advance notice is not required if precluded by military necessity (as determined by the Secretary of Defense) or if notice is otherwise impossible or unreasonable.

Notice must be provided to the Covered Employee’s human resources generalist or supervisor, and may be verbal or in writing (although Honeywell requests that such notice be provided in writing or by email whenever possible).

2. LENGTH OF LEAVE

The cumulative length of a military leave of absence generally may not exceed five (5) years.

3. RIGHTS UPON RETURN FROM MILITARY LEAVE

3.1 General Reinstatement Rights

As a general rule, Honeywell will reinstate a Covered Employee who returns from a military leave of absence within five years. However, a Covered Employee shall not be eligible for reinstatement with Honeywell if he or she receives other than an honorable discharge. In addition, a Covered Employee shall not be eligible for reinstatement with Honeywell if (i) the business' circumstances have so changed as to make such reinstatement impossible or unreasonable (e.g., a reduction-in-force that took place during the Covered Employee's leave would have included the Covered Employee), or (ii) such Covered Employee incurs or exacerbates a disability during military service and such reinstatement would impose an undue hardship on Honeywell.

3.2 Leaves of Less Than 91 Days

If a Covered Employee's service was for *less than 91 days*, such Covered Employee shall be reinstated to (i) the job he or she would have held had employment not been interrupted by military service, or (ii) the job he or she held on the date of the commencement of military service (if the Covered Employee is not qualified to perform the duties referred to in (i) after reasonable efforts are made by Honeywell to help the Covered Employee to become qualified). If the Covered Employee cannot become qualified for either position described above even after reasonable efforts by Honeywell, the Covered Employee shall be reinstated to a position that is the nearest approximation first to the position described in (i), and then (ii), above that the Covered Employee is able to perform.

3.3 Leaves of More Than 90 Days

If a Covered Employee's service was *more than 90 days*, such Covered Employee shall be reinstated to (i) the job he or she would have held had their employment not been interrupted by military service or a position of like seniority, status and pay, or (ii) the job he or she would have held on the date of the commencement of military service or a position of like seniority, status and pay (if the Covered Employee is not qualified to perform the duties referred to in (i) after reasonable efforts are made by Honeywell to help the Covered Employee to become qualified). If the Covered Employee cannot become qualified for either position described above even after reasonable efforts by Honeywell, the Covered Employee shall be reinstated to a position that is the nearest approximation to the position described in (i), and then (ii), above that the Covered Employee is able to perform.

3.4 Disabilities Incurred During Military Service

Notwithstanding the forgoing, if a disability is incurred or is aggravated during military service, Honeywell will make reasonable efforts to accommodate the Covered Employee's disability by reinstating him or her to the position he/she would have held had employment not been interrupted by military leave. If, despite such accommodation, the Covered Employee is still not qualified for such position, the Covered Employee shall be placed in a position that is equivalent in seniority, status and pay. If the Covered Employee is not qualified for and could not, with reasonable efforts by

Honeywell, become qualified for this equivalent position, the Covered Employee shall be placed in a position that most nearly approximates it in seniority, status and pay consistent with the Covered Employee's circumstances (may be a higher or lower position).

4. RETURN TO WORK

4.1 Reporting Back From Leave

A Covered Employee must report back to work or apply for reemployment following a military leave of absence within specific time frames described below. Failure to do so will result in the Covered Employee being treated as having abandoned his or her job on the date prior to the commencement of the military leave of absence.

4.2 Time Periods to Report Back From Leave

The time limits on reporting to work are based on the Covered Employee's period of military service. These time limits are as follows:

- For service of less than 31 days, the Covered Employee must report to work on the first, full regularly scheduled workday following the completion of military service, safe transport home and an eight-hour rest period (or as soon as possible after expiration of the eight-hour period if satisfying the deadline is unreasonable or impossible through no fault of the Covered Employee).
- For service of 31 to 180 days, the Covered Employee must apply (in writing or orally) for reinstatement within 14 days after completion of military service, or as soon as possible thereafter if satisfying the deadline is unreasonable or impossible through no fault of the Covered Employee. In the latter case, the employee must submit the application no later than the next full calendar day after it becomes possible to do so.
- For service of over 180 days, the Covered Employee must apply (in writing or orally) for reinstatement within 90 days after completion of military service.

A longer period, but not more than two (2) years, will apply for reasons beyond the Covered Employee's control or if the Covered Employee becomes ill or is injured while in military service and needs a longer period to recover.

4.3 Required Documentation of Leave Period

It is the obligation of the Covered Employee to provide documentation of the period of his or her military service (usually, this will be a DD-214).

5. DOCUMENTATION OF LEAVE

In the case of a Covered Employee returning from a military leave of more than 30 days, such Covered Employee must provide Honeywell with documentation to establish that the application for reinstatement is timely, the 5-year service limitation has not been exceeded and that an honorable discharge was received. If, after a Covered Employee's reinstatement, documentation becomes

available showing that the Covered Employee did not meet one or more of the requirements of this Policy, Honeywell may prospectively terminate the Covered Employee.

6. EMPLOYMENT TERMINATION RESTRICTIONS

A Covered Employee who is reinstated pursuant to this Policy shall not be discharged (except for just cause) for (i) one year after the date of reinstatement if the military leave was for more than 180 days, or (ii) 180 days after the date of reinstatement if the leave was for more than 30 days but less than 181 days.

7. EMPLOYEE BENEFITS

7.1 Health and Dental Coverage

7.1.1 Health and Dental Benefits During Leave

A Covered Employee is entitled to continue employer-provided health and dental coverage (including dependent coverage) during a military leave of absence for up to 24 months. The health care continuation rights mandated by USERRA and this Policy are similar to federal COBRA rights. Any health care continuation rights under COBRA shall run concurrently with the health care continuation rights mandated by USERRA and this Policy.

7.1.2 Cost of Benefits

The Covered Employee shall be entitled to health care continuation at active employee rates for up to 24 months of a military leave of absence.

7.1.3 Health and Dental Benefits Upon Reinstatement

If a Covered Employee's health and dental coverage, including dependent coverage, terminates due to military service (e.g., the Covered Employee declines to continue such coverage during the leave), such health coverage will be reinstated immediately upon reinstatement and no exclusion or waiting period shall be imposed.

7.2 Pension Plans

Upon reinstatement, Covered Employees in a Honeywell pension plan will be credited with all time spent on a military leave of absence for purposes of vesting, participation and benefit accrual under such plan (up to a maximum of 5 years). That is, the military leave of absence is not a break in service and is considered service with Honeywell for pension purposes. For pay-based plans, compensation is based on the compensation the Covered Employee would have received "but for" the military leave. In addition, "differential wage payments" will be included in compensation for purposes of the pension plans (other than for the definition of compensation for determining benefits). If compensation that would have been paid during the military leave is not "reasonably certain," compensation shall be the Covered Employee's pay for the 12-month period preceding the military leave (or, if shorter, the period of employment immediately preceding the military leave). Notwithstanding the foregoing, to the extent service and/or pay is frozen for plan participants not on

a military leave of absence, such service and/or pay shall be similarly frozen for Covered Employees. In addition, if a Covered Employee dies during military leave, the Covered Employee will be 100% vested in his or her pension plan benefits and the Covered Employee's surviving spouse or beneficiary will receive benefits as if the Covered Employee had resumed service with Honeywell immediately prior to death.

7.3 Savings Plans

7.3.1 Continued Coverage

“Differential wage payments” will be included in compensation for purposes of the savings plans (including, for the Honeywell Savings and Ownership Plan, in the determination of pre-tax, Roth, after-tax, and Honeywell matching contributions). Covered Employees may continue to participate and make contributions to their Honeywell savings plan during the paid portion of a military leave of absence. Covered Employees will be allowed to make up any missed deferrals or contributions over a period equal to 3 times the period of military leave, to a maximum of 5 years. If the Covered Employee makes up any of the deferrals or contributions, Honeywell will make up any missed matching contributions attributable to those deferrals or contributions. However, Honeywell will not make up any earnings with respect to missed deferrals or contributions or any forfeitures that may have been allocated to active plan participants during the military leave. Make-up deferrals and contributions are limited by the relevant sections of the Internal Revenue Code, as applicable to the year to which the deferrals or contributions relate (not the year in which they are made up). Also, if a Covered Employee dies during military leave, the Covered Employee will be 100% vested in his or her savings plan benefits and the Covered Employee's surviving spouse or beneficiary will receive benefits as if the Covered Employee had resumed service with Honeywell immediately prior to death.

7.3.2 Plan Loans

Deductions for the repayment of any savings plan loan will continue to be made during the period of a paid military leave of absence. The Honeywell savings plans will generally suspend plan loan repayments during an unpaid military leave of absence, but you may choose to continue to make payments on a monthly basis. In such case, loan repayments must resume upon reinstatement in the same manner as required under the terms of the original loan, and the loan must be repaid in full (including the interest that accrued during the period of military service) by the end of the period equal to the original term of the plan plus the period of unpaid military service. For Covered Employees who are on an active unpaid military leave of at least 30 days, the loan interest rate may be reduced to 6% for the duration of that unpaid military leave.

7.3.3 Plan Withdrawals

The Honeywell Savings and Ownership Plan permits Covered Employees to withdraw any before-tax or after-tax contributions from the savings plans. The amount and conditions of withdrawal depend on whether the Covered Employee is a reservist. Other Honeywell savings plans may not provide this withdrawal feature. Honeywell periodically acquires savings plans that may or may not contain this withdrawal feature.

7.4 Company-Paid Basic Life Insurance

Coverage continues for the duration of a Covered Employee's military leave of absence.

7.5 Short (STD) and Long Term (LTD) Disability Benefits

Coverage will continue during the first twelve months of the military leave of absence, but only for a covered disability that is incurred within this twelve-month period and is not excluded from coverage under the applicable disability plan provisions. Generally, disability insurance does not pay benefits for any covered loss that results from an act of war, whether declared or undeclared, terrorism or service in the Armed Forces. Contributory LTD coverage may only be continued if the Covered Employee continues to make the applicable contributions. After the twelve-month continuation coverage period, STD and LTD coverage ceases.

7.6 Reimbursement Accounts

7.6.1 Health FSA Continuation

A Covered Employee may elect to continue participation in any Section 125 health care flexible spending account ("Health FSA") during the first twenty-four (24) months of a military leave of absence. During any paid portion of a military leave of absence, contributions will be on a pre-tax basis. Otherwise, contributions will be on an after-tax basis.

If during the plan year a Covered Employee is on an approved military leave of absence for a period of more than 179 days (or for an indefinite period of time), such Covered Employee may be entitled to a distribution of certain amounts in his or her Health FSA that otherwise would have been forfeited in accordance with the "use it or lose it" rule.

If a Covered Employee has made contributions to the Health FSA that have not been reimbursed, such Covered Employee may request a distribution of those contributions even if he/she have not incurred an eligible expense during the period of coverage. If a Covered Employee receives a distribution from his/her Health FSA in accordance with this special rule, the amounts distributed will not be available to reimburse such Covered Employee for eligible expenses incurred during the period of coverage. Any amounts distributed to a Covered Employee in accordance with such request, and which are not reimbursements for eligible expenses incurred, will be treated as taxable income paid and will be subject to income tax withholding.

To request a distribution from a Health FSA, a Covered Employee's written request must be received by the Plan Administrator before March 15 of the year following the start of his/her military leave. Such Covered Employee will be required to submit proof of the duration of his/her approved military leave of absence and comply with any administrative procedures adopted by the Health FSA's Plan Administrator.

7.6.2 Dependent Care FSA Continuation

A Covered Employee on an approved military leave of absence is only required to continue participation in any dependent care flexible spending account ("Dependent Care FSA") to the extent

other employees with similar seniority, status, and pay who are on other leaves of absence may continue to participate in their Dependent Care FSA. When Dependent Care FSA benefits are continued, contributions will be on a pre-tax basis during any paid portion of a military leave of absence. Otherwise, contributions will be on an after-tax basis.

If a Covered Employee takes an approved military leave of absence (paid or unpaid) that lasts more than two (2) consecutive weeks, he or she may not be reimbursed from the Dependent Care FSA for otherwise eligible expenses incurred while on the military leave of absence. However, when the Covered Employee returns to work, claims may be submitted for dependent care received after the return to work up to the total amount contributed to the Dependent Care FSA.

7.6.3 *HSA Continuation*

If a Covered Employee elects to continue his or her employer-provided high deductible health plan coverage during the military leave, the Covered Employee may contribute to a Healthcare Spending Account (“HSA”). During any paid portion of a military leave of absence, such contributions will be on a pre-tax basis. Otherwise, contributions will be on an after-tax basis. Covered Employees who do not continue their employer-provided high deductible health plan coverage during a military leave will not be eligible to make contributions to their HSA unless/until they re-enroll in a qualifying high deductible health plan.

If a Covered Employee has made contributions to the HSA that have not been reimbursed, such Covered Employee may request a distribution of those contributions if he or she has incurred an eligible expense during the period of coverage. There is no time limit on when an HSA distribution must occur, so long as the expenses were incurred after the HSA was established and have not been previously paid or otherwise reimbursed.

7.7 Accidental Death and Dismemberment Insurance

Although coverage may be continued during a military leave of absence, AD&D insurance does not pay benefits for any covered loss that results from a declared or undeclared war, or an act of war. There is also an exclusion from coverage for any accident that occurs while serving on full-time active duty for more than 30 days in the Armed Forces, including service in the military reserves or National Guard. Coverage may only be continued if the Covered Employee continues to make the applicable contributions.

7.8 Business Travel and Accident Coverage

Coverage ceases as of the commencement of a military leave of absence.

7.9 Vacation and Other Paid Time Off

A Covered Employee may request that any accrued paid leave (e.g., non-exempt employees with accrued vacation) be used during a military leave of absence.

7.10 Other Benefits

Upon reinstatement, the Covered Employee is entitled to the seniority and all rights and benefits based on seniority that would have been attained had he/she remained continuously employed. A right or benefit is seniority-based if it is determined by or accrues with length of service.

8. PAY CONTINUATION

8.1 Active Duty Enlistments

Straight-time base wage and base salary shall not be continued during a military leave of absence for Covered Employees who voluntarily enlist in the Armed Forces.

8.2 Active Duty Call Ups or Conscriptations

8.2.1 Pay Continuation

Covered Employees who are called to active duty (including active duty training other than Reserve or National Guard annual training) are eligible for (i) their straight-time base wage or base salary continuation for the first thirty (30) days of their military leave of absence (the “initial pay period”), and (ii) Military Leave Differential Pay for the duration of their military leave of absence (not to exceed five (5) years in the aggregate) after the initial pay period.

8.2.2 Pay Continuation Process Steps

Covered Employees who are called to active duty must submit their military orders and Leave and Earnings Statement (LES) to their HR Generalist for military leave pay processing no later than fifteen (15) days after their leave commences. If a Covered Employee fails to submit their LES on time, their Military Leave Differential Pay may be suspended until the LES is received. Once the LES is received, the Covered Employee will have their Military Leave Differential Pay reinstated with retroactive effect.

8.2.3 Termination of Pay Continuation

Pay continuation benefits under this Policy shall terminate (if not terminated sooner under the five (5) year limit) at the earlier of (i) the date specified for reporting to back to work under the “Return to Work” section of this Policy, or (ii) the date which is seven (7) days after the Covered Employee has been released from active duty at the end of a military leave of absence.

8.3 Reserve Duty

Honeywell shall continue a Covered Employee’s straight-time base wage or base salary for up to 17 workdays per year during Reserve or National Guard annual training. Such pay shall be continued without offset for any military pay received by the Covered Employee. Covered Employees must submit their reservist military orders to their HR Generalist for reservist duty pay processing.

DEFINITIONS

Armed Forces. For purposes of this Policy, Armed Forces includes the Army, Navy, Air Force, Marines, and Coast Guard (including the reserve units of such branches of the military), the Army and Air National Guards, the commissioned corps of the Public Health Service, and any other persons designated by the President of the United States as protected persons under the Uniformed Services Employment and Reemployment Rights Act of 1994 (“USERRA”).

Covered Employee. For purposes of this Policy, Covered Employee means generally means any employees of Honeywell who serve in the Armed Forces of the United States. However, Covered Employee does not include:

- Employees covered by a collective bargaining agreement, except to the extent such collective bargaining agreement specifically adopts the provisions of 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 co-op, intern, temporary, contract, contingent or leased workers;
- Individuals classified by the Company as consultants or independent contractors;
- 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
- Employees whose employment is brief or non-recurrent and that cannot reasonably be expected to continue indefinitely or for a significant period.

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.

Military Leave Differential Pay. For purposes of this Policy, Military Leave Differential Pay is defined as the excess, if any, of a Covered Employee’s straight-time base wage or base salary over his/her military base pay.

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

This Policy was originally effective January 1, 2017.

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 (but only with respect to military leaves commencing after December 31, 2016).

This Policy is the property of Honeywell International Inc. and is published on the Company's intranet at <http://policy.honeywell.com>. It is the reader's responsibility to review the intranet publication of this Policy to ensure the most current version is being referenced before taking action based on this printed copy, which may be outdated.