

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT ID CODE	PAGE OF PAGES 1 2
2. AMENDMENT/MODIFICATION NO. 0111	3. EFFECTIVE DATE See Block 16C	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
6. ISSUED BY NNSA M&O Contracting Branch NA-APM-131 Albuquerque Complex P.O. Box 5400 Albuquerque NM 87185-5400	CODE 892332	7. ADMINISTERED BY (If other than Item 6) NNSA Kansas City Field OFC NA-00-KC P.O. Box 410202 Kansas City MO 64141-0202	CODE 05004
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) Honeywell Attn: Bert Gawthorp 23500 West 105th Street MS 300 Olathe KS 66061		(x)	9A. AMENDMENT OF SOLICITATION NO.
CODE 007119050 FACILITY CODE			9B. DATED (SEE ITEM 11)
		x	10A. MODIFICATION OF CONTRACT/ORDER NO. DE-NA0002839
			10B. DATED (SEE ITEM 13) 07/09/2015

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers is extended. is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or electronic communication which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by letter or electronic communication, provided each letter or electronic communication makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

See Schedule

13. THIS ITEM ONLY APPLIES TO MODIFICATION OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

CHECK ONE	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation data, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
X	D. OTHER (Specify type of modification and authority) FAR 43.103 (a) (3) Mutual Agreement of the Parties

E. IMPORTANT: Contractor is not is required to sign this document and return 1 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

The purpose of this modification is update and replace in full Section J, Appendix G "Personnel Appendix." Paragraph 7.8 titled "Weather, Safety, Health and Emergency Leave" is hereby added as a result of this modification, see the attachment for details.

All other terms and conditions remain unchanged and in full effect.

Payment:

Period of Performance: 07/09/2015 to 11/08/2020

If you have any questions regarding this modification please contact Contracting Officer Shirley Clayton at shirley.clayton@nnsa.doe.gov or Ryan Collier at ryan.collier@nnsa.doe.gov.

Except as provided herein, all terms and conditions of the document referenced in Item 9 A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print) Bert W. Gawthorp, Jr., General Counsel		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Ryan W. Collier	
15B. CONTRACTOR/OFFEROR [Redacted]	15C. DATE SIGNED March 19th, 2020	16B. UNITED STATES OF AMERICA [Redacted]	16C. DATE SIGNED 03/19/2020
(Signature of person authorized to sign)		(Signature of Contracting Officer)	

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SECTION J
APPENDIX G
PERSONNEL APPENDIX

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1.0 Introduction

The Contract DE-NA0002839, Federal Acquisition Regulation (FAR) Part 31, Department of Energy Acquisition Regulation (DEAR) Part 931 and DEAR 970.30 govern the allowability of personnel and other related costs incurred pursuant to the Contract. This Appendix sets forth personnel and other related policies that have cost implications under this Contract and are not covered explicitly in FAR or DEAR cost principles. This Appendix identifies those costs deemed reasonable and allowable for reimbursement when incurred in the performance of Contract work. The Contractor shall seek Contracting Officer approval prior to incurring costs not specifically identified as allowable in this Contract. The Contractor shall identify and treat all unallowable costs and directly associated unallowable costs in accordance with the criteria set forth in FAR 52.230-2, *Cost Accounting Standards*, including but not limited to placing unallowable costs in appropriate allocation bases.

The Contractor shall obtain prior Contracting Officer approval of changes within the scope of the Personnel Appendix when such changes are expected to increase costs to the Government. In situations where changes may set a precedent among the Department of Energy/National Nuclear Security Administration (DOE/NNSA) Contractors, the Contractor shall consult with the Contracting Officer regarding program cost reimbursement prior to implementation, even if there is no expected increase in cost. This requirement is not intended to prohibit the Contractor from taking advantage of efficiency gains realized from new and innovative approaches in providing Human Resource services.

The Contractor shall use effective management review procedures and internal controls to assure that the allowable costs set forth herein are not exceeded. In addition, the Contractor shall ensure that, cost items which require prior approval of the NNSA Contractor Officer or designated representative are reviewed and approved prior to incurrence of costs.

Either party may request revisions to this Appendix and both the parties agree to give consideration in good faith to any such request. When revisions to this Appendix are made, a contract modification shall be executed to effect the changes.

This Appendix is for the exclusive benefit and convenience of the parties hereto. Nothing contained herein shall be construed as granting, vesting, creating, or conferring any right of action or any other right or benefit upon past, present, or future employees of the Contractor, or upon any other third party.

2.0 Definitions

The following terms as used in this Appendix have the meaning defined herein..

Compensation Increase Plan (CIP): A plan for established need and specifying distribution of maximum dollar amounts and/or percentage of base payroll on an annualized basis, to be allocated to employee groups for base pay increases or lump sum payments during a pay year. The amounts approved are for granting merit, Promotion, Adjustment, and Reclassification increases.

President: The representative with overall responsibility for the operation of the Contractor.

Shift Definitions: A regularly assigned shift is one to which the employee is assigned for one week or more.

- First Shift: A shift that begins at or after 4:00 a.m., but prior to 1:00 p.m.
- Second Shift: A shift that begins at or after 1:00 p.m., but prior to 9:00 p.m.
- Third Shift: A shift that begins at or after 9:00 p.m., but prior to 4:00 a.m.

Salaried Employee: Referred to in this document to include exempt and non-exempt employees, excluding hourly employees,

Vacation Year: Recurring 12-month period as defined by the contractor (service date, calendar year or other focal date).

Variable Pay: A lump-sum, non-base cash payment separate from base salary.

Vice President: A general management representative who reports directly to the President, as defined above.

Workweek: A fixed and regularly recurring period of 168 hours which normally consists of 40 work hours completed within a designated period of seven consecutive days and considered as a unit when pay is computed. This can include flexible work schedules (such as 4/40 or 9/80) designed to fulfill work requirements in fewer days by increasing the number of hours worked in a single workday.

3.0 Compensation

The Compensation System program costs directly attributable to compensation provided to Contractor employees will be allowable under this Appendix G. Section 3.0, Compensation, does not apply to bargaining unit employees. Section 4.0 sets forth allowable costs associated with bargaining unit employees.

3.1 Variable Pay - TBD

- A. Variable pay is reimbursable as outlined in the annual Compensation Increase Plan (CIP) and allows the company to maintain a competitive position in the external market to attract, retain, and motivate top talent.
- B. Non-base payments determined concurrently with salary increases and certain non-base awards may be granted throughout the year. These awards are funded from the total non-base budget. The Contractor shall develop a plan for non-base bonuses and submit to the Contracting Officer for approval.

3.2 Overtime

- A. *Annual Budget for Overtime:* The Contractor shall maintain adequate internal controls to ensure that employee overtime is authorized only if cost effective and necessary to ensure performance of work under this Contract. The Contractor shall submit to the Contracting Officer overtime utilization reports no later than one month after the end of each quarter (end of quarter = March 31, June 30, September 30 and December 31). If the report indicates that overtime comprised 4% or more of the overall payroll, the Contracting Officer may request that the Contractor submit a plan to lower the overall usage overtime rate as a percentage of payroll for the quarter following the quarter in which overtime exceeded 4% of total payroll.
- B. *Extended Workweek and Flextime:* When deemed essential to the performance of work under this Contract, the Contractor may establish an extended workweek. Extended workweeks shall require the appropriate approval and timely notification to the Contracting Officer. This will be reimbursed in accordance with the Extended Workweek and Flextime Plan approved by the Contracting Officer.
- C. All other overtime is paid in accordance with the Fair Labor Standards Act.
- D. An exempt employee may be granted overtime or compensatory paid time off without loss of pay upon the approval of a Director under the circumstances identified below.
 - 1. Work considerably in excess of the employee's normal work hours during a week(s) for which overtime pay is not received or
 - 2. Work on a designated holiday: Such time off should be taken within three (3) months following the time it was granted unless unusual operating requirements make it impractical to do so.

3.3 Shift Differential and Paid Lunch Period

Shift differentials may be paid to eligible employees consistent with the shift differential authorized in the IAMAW collective bargaining agreement. Eligible employees are non-bargaining employees assigned to 2nd and 3rd shift.

It is allowable to include a paid lunch period for salaried Security, Fire Protection and Utilities Operations employees who are precluded from leaving their duty posts as required for continuous operation needs.

3.4 Call-In and On-Call Allowance

- A. Call-in allowances may be paid to employees and reimbursed in accordance with the following:
1. Non-exempt employees required to return to the worksite after leaving or outside of the regular work schedule, may receive a minimum of four (4) hours of call-in pay, or pay for the hours actually worked, whichever is greater, for each trip made to the worksite.
 2. Non-exempt employees required to provide support to internal or external customers, away from their normal work schedule, while at home or other non-work location, will have time worked aggregated and will be paid a minimum of 2 hours or hours worked, whichever is greater.
- B. On-Call pay is allowable as follows: A non-exempt employee that is on call may receive one (1) hour of on-call pay for each 24-hour period on call. If the employee is required to return to work during non-scheduled working hours, the call in pay policy would apply to the time actually worked. On-call pay is not time actually worked, so hours spent on-call are not counted as hours worked for the determination of overtime eligibility in that pay period.

3.5 Special Allowances

Special salary allowances may be paid to employees for certifications and/or qualifications and in specific work environments, and reimbursed in accordance with the Special Allowance Plan listed here.

Pay to Surviving Spouse or Dependents

In the event of death of an employee while on the active payroll or on an approved leave of absence during which the employee is credited with service, an employee's spouse or dependent(s) may be eligible to receive payment for earned, unused vacation as provided for in this Personnel Appendix.

3.6 Approval of Individual Compensation Actions in Excess of Salary Range

The Contractor shall obtain DOE/NNSA approval for any proposed salary amount paid an employee in excess of the salary range prior to payment.

3.7 Pay in Lieu of Notice

In the event the Contractor allows an Exempt Employee to resign because the services of such Employee cannot be productively utilized during the period of notice or if his/her presence at the work site during the notice period is not desired, the Contractor may pay the employee at his/her base pay for two (2) weeks in lieu of continuing the employee's employment for two weeks. However, such payment shall be approved in advance by the Contracting Officer.

3.8 Severance Pay

Severance schedule to be included here upon approval by Contracting Officer as required in Section J Appendix A, Statement of Work, Chapter III Section 3.0, Compensation, Section 3.2.7.

Severance Pay equals one week of Pay for each full year of Service, plus a prorated portion of one week's Pay for any partial year of Service up to 26 week's pay.

4.0 Labor Relations – Collective Bargaining Agreements

Costs of wages and fringe benefits to employees represented by collective bargaining units and all other costs and expenses incurred pursuant to the provisions of collective bargaining agreements and revisions thereto are allowable costs provided the Contractor adheres to requirements provided in Section J Appendix A, Statement of Work, Chapter III Section 5.0, Labor Relations.

The incumbent contractor is a party to collective bargaining agreements with the following titles as of the date of issuance of the RFP:

- International Association of Machinists and Aerospace Workers, Local Lodge No. 778
- The International Union, Security, Police and Fire Professionals of America and its Amalgamated Local No. 251

Expenses, including contracted legal counsel expenses, related to grievance processing and settlement, arbitration and arbitration awards, litigation involving actions related to collective bargaining, and other associated expenses including costs of meeting rooms, presentation equipment and materials, working meal and room allowances for Company bargaining representatives related to collective bargaining

are allowable costs.

Expenses associated with employee representation activities that are not prohibited by Section 302 of the Labor Management Relations Act, 29 U.S.C. § 186, or any other applicable law, are allowable costs.

5.0 Group Insurance and Legally Required Payments

5.1 General Provisions

- A. Costs incurred in implementing, administering, and funding comprehensive DOE/NNSA approved group insurance plans are allowable. Administrative costs associated with the effective administration of the plans include such items as publicizing, enrolling, maintaining records, and providing employees with assistance in understanding and collecting their benefits.
- B. Annual renewal of the group insurance policies, certificates and accounts, cost-sharing arrangements, renewal of group services agreements establishing new premium rates and the implementation of changes of minor significance does not require Contracting Officer approval.
- C. The Contractor is responsible for administrative functions related to medical insurance for retirees or their surviving spouses or dependents formerly administered by the Bendix Field Engineering Corporation at the Grand Junction, Colorado facility under Contract No. DE-AC07-76GJ01664.
- D. The Contractor is responsible for administrative functions related to medical insurance for retirees or their surviving spouses or dependents covered by Kansas City Division Hourly employees Pension Plan Provisions Applicable to Employees Represented by the Hotel Employees, Restaurant Employees, Local No. 64, AFL-CIO. Premium charges minus participant contributions for such insurance are allowable.

Contractor health and welfare plans and costs for the non-bargaining active Employees and retirees are as follows:

Plan (effective 1/1/2016)	Contractor Cost Share
Health and Welfare Plans (medical, dental, vision)	Health 65% Dental 84% Vision 0%
Life Insurance (up to 1.5x annual base)	100%
Supplemental Life	0%
AD&D (1.5x annual base)	100%
AD&D Supplemental	0%

Short Term Disability	100%
Long Term Disability	0%
Travel Accident Insurance	100%
Flexible Spending Accounts	0%
Healthcare Savings Account	None (Effective 1-1-16)
Retiree Health Insurance	80% of annual cap

Beginning June 1, 2002, a taxable income credit shall be provided to all eligible employees during the length of their employment under this contract. Eligible employees are those salaried employees and hourly to salaried transfers hired prior to March 1, 2001 who are employed under the contract on June 1, 2002. This credit shall be given to offset the elimination of the Long-Term Disability benefit effective June 1, 2002 that was once provided under the pension program. This credit shall be calculated at \$0.43 / \$100 of an eligible employee's salary on May 1, 2002 and received every pay period.

5.2 Displaced Workers Medical Benefits Program (DWMBP)

The Contractor may provide Displaced Workers Medical Benefits to displaced workers if provision of such benefit is set forth in the Contractor's workforce restructuring plan that is approved by DOE/NNSA (see Section J, Appendix A, 6.2).

Benefits under the DWMBP are available to displaced workers who are not eligible for health insurance coverage under another plan, e.g., another employer's health plan, the Contractor's retiree medical plan, a spouse's medical plan or Medicare. Generally, DWMBP benefits are as follows (note: NNSA may approve Contractor workforce restructuring plans that include less years of coverage):

- A. For the first 12-month period after the termination date, the Contractor shall continue to pay the employer portion of the medical premium and the separated employee will pay a premium equal to the monthly premium paid by active employees for the type and level of coverage the separated Employee has at the termination Date.
- B. Beginning in the second year after the termination date, the separated employee will be responsible for one-half of the full Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) rate for this coverage and the Contractor shall pay the remainder.
- C. Beginning in the third and final year of the DWMBP, the separated employee will be responsible for paying the full COBRA. For employees separated after the Base Term of this agreement, at the end of the third year the employee's coverage eligibility ends.

6.0 Retirement Plans

The Contractor shall administer the following DOE/NNSA approved pension plans for purposes of Sections [6.1 and 6.2].

- Honeywell Retirement Earnings Plan for Aerospace Employees at the Kansas City Division;
- The Kansas City Division (Honeywell International Inc.) Hourly Employees Pension Plan (covering IAM Local Lodge 778 and Local No. 64 AFL-CIO) and
- Honeywell Savings and Ownership Plan.

6.1 General Provisions

Reasonable costs involved in implementing, administering, and funding DOE/NNSA approved pension plans are allowable. Reasonable administrative costs associated with the effective administration of the DOE/NNSA approved pension plans include such items as publicizing, enrolling, maintaining records, and providing employees with assistance in understanding and collecting their benefits. In addition, only plan contributions that are related to compensation reimbursed by DOE/NNSA under the contract are allowable costs.

The Contractor is responsible for the administrative functions related to retirement benefits for retirees and their eligible surviving spouses or dependents formerly administered by the Bendix Field Engineering Corporation at the Grand Junction, Colorado facility under Contract No. DE-AC07-76GJ01664.

6.2 Qualified Defined Contribution Plan

Contractor funds contributed on behalf of participating employees, who cancel their participation in the plan or whose employment is terminated, which are not vested pursuant to the provisions of the plan, shall be used to offset the Contractor's contributions obligated to be made on behalf of other participants in the plan or to offset reasonable plan expenses if permitted by the plan. In the event this Contract with the Contractor is terminated, funds not committed to participants pursuant to provisions of the plans in effect at the National Security Campus shall be returned to DOE/NNSA.

7.0 Paid Time Off

The allowable costs for paid time off programs are as follows:

7.1 Holidays

- A. Costs are allowable for up to 13 holidays per calendar year. Because the calendar varies from year to year, the workdays designated by the contractor as paid holidays in any plan year may also vary.

- B. An employee who performs no work on a holiday(s) which fall(s) on the employee's regular day(s) off may be paid eight (8) hours or nine (9) hours pay at the employee's straight time base rate, plus shift premium, if applicable, for each such holiday.

7.2 Vacation

Vacation provides employees with paid time off from work to allow for personal time for rest, relaxation, and other employee needs or desires. Employees shall earn vacation on an “earn as you go” basis. Effective 4/1/2016, Employees will earn 1/12th of their annualized vacation entitlement based on the vacation schedule below. For the purposes of the calculation, an employee who works a single day in a calendar month will be treated as having been employed by the company for that entire month. All vacation is tracked and earned on a monthly basis. Employees may use their current year vacation entitlement at any time during the year. Payment upon termination is required for employees who separate from service after having taken more vacation than they earned through their termination date. Employees are allowed to carryover vacation based on the schedule below.

BAND 3 AND BELOW		
Service as of the Employees Service Date	Maximum Vacation	May Carry over up to
1 but less than 5 years	80 hrs.	80 hrs.
5 but less than 15 years	120 hrs.	120 hrs.
15 but less than 20 years	160 hrs.	160 hrs.
20 years or more	200 hrs.	200 hrs.
30 years or more	240 hrs.	240 hrs.
BAND 4 AND ABOVE VACATION SCHEDULE		
1 but less than 10 years	120 hrs.	120 hrs.
10 but less than 20 years	160 hrs.	160 hrs.
20 years or more	200 hrs.	200 hrs.
30 years or more	240 hrs.	240 hrs.

7.3 Payment for Absent Time

Paid absence is intended to provide limited salary continuance to eligible employees under very limited circumstances:

- The reason for the absence is of an urgent and compelling nature and affects the personal well-being of the employee.
- Only the amount of time necessary and reasonable to handle the obligation will be allowed.

- The matter cannot be handled outside the employee's normal working hours.
- The matter can be handled expediently only by the employee and not by another individual

Length of Service	Scheduled Workdays Paid Absence Allowance
Less than one year	Five days
One year but less than two years	Ten days
Two years but less than three years	Fifteen days
Three years of service and over	Twenty two days

Employees will be provided paid time off for a death within the immediate family if no paid absence allowance is available.

7.4 Jury and Witness Duty

Employees may be granted time off at the employee's regular pay during periods of absence due to jury or witness duty.

7.5 Service Credit and Leave Balances

The Contractor shall carry over the length of service credit and leave balances for Incumbent Employees accrued as of the date of the Base Term.

The service date of an employee is the date of hire or the date on which an employee began the most recent period of employment adjusted in accordance with applicable provisions set forth in this paragraph. An employee's service date shall be the basis for determining an employee's eligibility for and/or participation in benefit programs as set forth in this Personnel Appendix.

Recognition for service with a Parent Organization, as that term is defined in NNSA SD 350.1, of the performing entity will transfer to the Contractor for the items outlined in the chart below.

Benefit Available	Recognition for Service with Parent Organization NOT UNDER DOE or NNSA M&O or Site Management Control	Recognition for Service with Parent Organization UNDER DOE or NNSA M&O or Site Management Control
Eligibility for and accrual rate for vacation benefits	YES	YES
Eligibility for and accrual rate for sick leave and other leaves of absence	NO	YES
Eligibility for vesting and receipt of benefit for market-based retirement plans	YES	YES
Computing pension benefit in defined benefit pension plan	YES*	NO
Determination of severance benefits	YES	YES
Eligibility for retiree medical, dental and life insurance benefits	NO	YES
Eligibility and/or determination of benefit for long-and short-term disability	N/A	N/A

* To the extent the liabilities are reconciled and properly adjusted between plans on a periodic basis.

7.6 Military Leave of Absence

The Contractor shall submit a plan for a Military Leave of Absence for training that is consistent with the provisions established in 5 U.S.C. 6323. The Contractor shall submit a plan for active duty military leave that, at minimum, complies with all applicable provisions of the Uniformed Services Employment and Reemployment Rights Act (USERRA). Such plan shall be subject to Contracting Officer approval if it provides more benefits than are required by law.

A. Military Reserve Activation

In the event of a national emergency requiring an employee who is a member of any Army, Navy, Air Force, Marine Unit, Coast Guard, National Guard or Merchant Marine Unit to be called to active duty, the

Contractor shall be permitted to institute a limited duration military reserve activation policy with the approval of the President or Vice President and Contracting Officer approval.

7.7 Security Leave (Suspension of Access Authorization)

- A. If the access authorization of an employee is suspended by direction of the Contracting Officer, the Contractor shall transfer the employee to work not requiring access authorization if such work is available, without reducing the employee's base compensation. If the Contractor determines that no work is available in an uncleared area to which the employee may be transferred, the Contractor may prepare a written report, for the review and concurrence of the Contracting Officer that sets forth the reasons for the determination.
- B. Subject to the Contracting Officer's concurrence that no such work is available, the Contractor may place the employee on leave with pay at his/her base compensation. If an employee who is continuing to receive compensation, files a timely request for hearing pursuant to 10 CFR Part 710, such base compensation shall be continued until the Contractor receives notification in writing from the Contracting Officer of the Hearing Officer's recommendation.
- C. If the recommendation of the Hearing Officer is for revocation of access authorization, the Contractor may compensate the employee as set forth herein.
 - 1. In the event the employee was transferred to another position where such access authorization is not required, compensation may, thereafter, be the base compensation applicable to the new position, and such compensation shall continue until final disposition of the case under DOE procedures as set forth in 10 CFR Part 710.
 - 2. In the event a job transfer was not arranged (i.e., the employee was placed on a leave with pay), the employee shall be placed on leave without pay effective the date the Contractor received written notification of the Hearing Officer's recommendation. The employee shall remain on leave without pay until final disposition of the matter.
 - 3. If at any stage of the access authorization procedure following a suspension or at the conclusion of the administrative review process provided under 10 CFR Part 710, the employee's access authorization is reinstated by the Contracting Officer, the Contractor will offer the employee reinstatement in the same or a comparable position to the one held prior to

suspension, if available. The employee may be reimbursed for the difference between the employee's base wage or salary and actual earnings, including earnings from other employment, during the period of suspension.

4. If the recommendation of the Hearing Officer is to continue the administrative review process for revocation of access authorization, the employee's base compensation may be continued until a final decision is rendered by the Assistant Secretary for Defense Programs.

7.8 Weather, Safety, Health and Emergency Leave

When normal attendance requirements are waived or modified due to emergency situations, employees are paid for the hours of excused absence at their straight time rates not to exceed the number of hours in their standard workday.

8.0 Training and Education

The training and education shall be directly related to the employee's current position or to another position to which the employee may reasonably be moved.

The Contractor shall establish written procedures outlining a system of approval for all requests for training and education. Such system shall provide an approval structure for in-house and outside training programs and educational assistance. Local colleges and universities will be utilized as primary sources.

8.1 Training

- A. Internal Training Programs - Internal training programs may include but are not limited to orientation, job training, supervisory training, and executive development. Such training programs may be conducted during employee's workday or after hours. Reasonable costs of in-house training including necessary equipment, materials, and instructor personnel are allowable.
- B. External Training Programs - Employees may be selected by the Contractor to participate in job related training courses, technical meetings, professional society meetings, seminars, conferences, and other specialized training courses away from the site(s) facilities. Allowable costs for such training courses may include employee's regular pay, travel and subsistence expenses, and the cost of tuition, fees, and course materials. Business travel and conference management shall be managed in accordance with the DOE/NNSA conference management requirements.

8.2 Education Program

A. Executive Educational Program

Full-time exempt salaried employees are eligible to participate in an executive education program, not to exceed two school years. Individual participation shall be limited to employees classified as Manager or higher and employees identified as promotable to such positions with the approval of the President or Vice President and NNSA notification of employees in the executive education program.

Payback is required if employee terminates or is discharged prior to completion of the program or within the 24-month commitment period which begins with the date of completion of the program.

B. Business Leader Fellowship Program

1. With the prior approval of the Contracting Officer or other authorized DOE offices, the Contractor may temporarily select FM&T employees to perform extended on the job training at locations and organizations other than standard FM&T operating sites. Such assignments may be to federal, state, and local government, non-profit organizations, private sector corporations – including corporate Honeywell, or other customers.
2. Such assignments will be in the best interest of the DOE and FM&T.
3. The term and scope of these assignments will be determined to best meet the needs and obligations of FM&T and the DOE but normally will be two years or less.
4. The terms and conditions of cost reimbursement will be requested in the submittal to the NNSA CO.
5. Employees on temporary assignment remain full-time employees of FM&T.
6. Payback is required for expenses paid under the program, to include either relocation or M&IE and lodging if employee terminates or is discharged prior to completion of the program or within the 24-month commitment period which begins with the employees return to the business after the assignment.
7. See Business Leader Fellowship Program overview for additional details.

C. Educational Assistance Allowances

1. All salaried employees may be eligible for reimbursement of educational assistance allowances to include the cost of tuition, textbooks, technical fees, computer fees and laboratory fees for approved courses. Employees on educational leave of absence are not eligible for Educational Assistance. All payments are subject to the following conditions:

Courses must be:

- (1) Related to an employee's current position or to another position within the Contractor's organization to which the employee may reasonably be moved, related to a degree program with a direct relationship to the employee's career path with the Contractor.
 - (2) Conducted by recognized colleges or universities, or educational institutions accredited by nationally recognized agencies or associations (e.g., correspondence course, technical and trade courses).
2. Each course undertaken by the employee shall be approved by a member of management and a human resource representative. The files of the Contractor shall contain a statement showing the basis for the conclusion that courses approved meet the criteria stated above.
 3. Courses must be taken outside of the employee's scheduled working hours, except that courses may be taken during the employee's scheduled working hours provided the following conditions exist:
 - (1) The course of study is not available outside working hours;
 - (2) The course of study is required for graduation and/or for completion of the educational objective; and
 - (3) Time off from work is made up at a time convenient to the Contractor at no additional cost. Such time off from work is not considered as hours worked for purposes of computing overtime.
 4. The cost of instruments, equipment, supplies, software, and other such items connected with instruction will be excluded from reimbursement. In addition, fees for parking, student activities, health services, graduation, and pre-enrollment examination will be excluded from reimbursement.

5. In the case of full or partial reimbursement for educational costs by an outside source only, the amount not provided by the third-party which is allowable under the provisions of this contract, may be reimbursed.
6. The allowance may be reimbursed to the employee upon successful completion of each semester, quarter, session, or term.
7. Payment will be withheld if any one or more of the following conditions occur:
 - (1) Employee terminates prior to completion of the course as a result of a quit or discharge.
 - (2) Employee withdraws from the course for personal reasons. An employee withdrawing from a course for reasons caused by a decision of the Contractor's management or other extenuating circumstances will be relieved of all obligations to repay tuition and fees upon approval of the Contractor's Director of Human Resources or a designated representative.
 - (3) Employee fails to submit evidence that a course was satisfactorily completed with the equivalent of the grade "C" or higher within six (6) months after the term has ended.
 - (4) An agreement shall be obtained from each participating employee permitting such recovery or withholding.
8. If an Employee voluntarily leaves or is discharged for "cause" within one-year following a reimbursement under this Policy such Employee will be required to repay 100% of the reimbursements received within the 12 month period immediately preceding the Covered Employee's last day of active employment. Reimbursements must be paid in full upon termination.

D. Technical Fellowship Program

1. Employees with science or engineering degrees are eligible to participate in a Technical Fellowship Program to pursue advanced degrees in areas identified as technical skill gaps or critical skill positions for completion of the Contractor's mission. Employees will be permitted time off work to participate in the program, and may pursue their advanced degree on either a full-time or part-time basis. Employees in the program on a part-time basis will be considered full-time employees under this Personnel Appendix.

2. Allowable costs for the program consist of:
 - (1) Salaries earned while participating in the program. Full-time students in the program will receive 70% of their base salary, determined on the day they enter the program, during the length of their participation in the program. Students may be eligible for a compensation rate adjustment upon program completion.
 - (2) Fringe benefits provided to the program participants as stated elsewhere in Personnel Appendix. Full-time students in the program will not be eligible for vacation or paid absence benefits but will be awarded full vacation allowance upon completion of the program.
 - (3) Time off from work for activities associated with the program. Allowable costs shall consist of the full cost of entrance exams, tuition, registration fees, laboratory fees, textbooks, thesis preparation and reproduction, and any other costs associated with the program.
 - (4) Travel and relocation expenses pursuant to Part V of this Personnel Appendix.
3. Should participants voluntarily terminate employment or are discharged for cause they will be required to repay any program costs covered by FM&T equaling:
 - (1) 100% within 1 year following the program
 - (2) 75% within 2 years following the program
 - (3) 50% within 3 years following the program

The service commitment period begins upon completion of the degree or the participant's withdrawal from the program.

4. The program will be administered pursuant to a written policy. The policy, and any changes, will be submitted to NNSA.

9.0 Travel, Relocation, and Subsistence

The Contractor may pay transportation, lodging, meals, and incidental expenses for employees required to travel in conjunction with the performance of work under this Contract. Travel costs shall be allowable to the extent they are incurred in accordance with the FAR, DEAR, and Federal Travel Regulations (FTR) and do not exceed the maximum per diem rates in effect at the time of travel set forth in the FTR, prescribed by the General Services Administration.

The Contractor may deviate from this Appendix in specific instances where it is determined and approved by the Contracting Officer to be economically advantageous to DOE/NNSA and to the extent such deviations conform to regulations and law.

Relocation expenses shall be incurred in accordance with the provisions, limitations and exclusions of FAR. Relocation provisions are applicable to Salaried Employees and are allowable and will be reimbursed in accordance with the Federal Travel Regulation.

10.0 Recruiting, Employee Orientation and Referrals

The costs of recruitment of personnel including cooperative education programs, summer internship programs, nominal costs for promotional items for recruitment purposes, employment advertising, services of staffing sourcing vendors, services of employment agencies at rates not in excess of standard commercial rates, participation in corporate recruiting activities, campus recruiting, career fairs, and operation of recruiting stations are allowable.

10.1 Recruitment

- A. Reasonable actual costs of housing for personnel in summer internship programs will be allowed up to \$5,800 per intern.
- B. The Contractor may authorize a spouse or domestic partner to accompany the applicant reporting for a pre-employment interview. This will apply on a selective and invitational basis to internal and external applicants for positions in exempt salary band 3 and above. When the applicant's spouse or domestic partner is so authorized to travel, the cost of transportation expenses incurred by the spouse or domestic partner shall be allowable and the reasonable, actual costs of lodging and subsistence expenses shall be allowable. Applicants may, at the discretion of the Contractor, be authorized to stay up to two (2) nights during their pre-employment interview to meet with a relocation services company to participate in a pre-employment relocation program. When the applicant's spouse, or domestic partner, is so authorized to travel, the cost of transportation expenses, actual cost of lodging and subsistence expenses incurred by the spouse, or domestic partner, shall be allowable.

10.2 Employee Referral Program

- A. The contractor may establish an Employee Referral Program (ERP). The program may reimburse any Honeywell employee, including persons not employed under this contract. Ineligible employees include employees or managers who have direct responsibility for the actual hiring decision for the specific job being filled, all Human Resources staff who have direct responsibility for staffing and band 5 Senior Managers. Not all openings are designated for an Employee Referral reward. Final decisions on reward eligibility are subject to the approval of the Director of Human

Resources for FM&T.

- B. Award amounts will vary depending on the position filled, but will not exceed \$1,500. The amount will be based upon the highly specialized or high demand critical skills required. Other factors include the level of difficulty expected to identify qualified candidates due to labor shortages for the high demand skill. The reward amounts are identified within the job posting system.

10.3 Pre-Employment Interview

Applicants who are requested by the Contractor to report for a pre-employment interview shall be allowed transportation expenses. Reasonable actual costs of lodging not to exceed per diem and meals and incidental expenses (M&IE) shall be allowed.

11.0 Special Employee Activities

11.1 Recreation and Morale Building Benefits

A recreation and morale building program as determined by the Contractor may be allowed. The purpose of the Contractor's Culture Club is to increase employee morale and promote diversity, safety, and volunteerism. Contractor activities administered within the Culture Club may include the support and planning of the following: company sports leagues and events, annual events and company gatherings, special celebrations, merchandise and displays, educational programs, the employee volunteer community service programs, and some rewards and recognition acknowledgements. These items are considered employee relations, welfare and morale expenses.

A. Culture Club Funding

1. The amount to be expended annually by the Contractor on a fiscal year basis shall not exceed \$39 multiplied by the annual average number of employees under this contract.
2. The annual average number of employees for purposes of determining the annual maximum allowable expenditure under Community Programs of this Personnel Appendix, shall be calculated by totaling the number of employees on the payroll register at the end of each calendar month and dividing such total by twelve.

11.2 Medical Facilities

- A. Medical facilities shall be provided for care of Contractor and NNSA employees in the event of occupational injuries, to provide treatment while at work for minor physical complaints of employees, and to provide health examinations as outlined below. In the case of ailments which are not attributed to the employee's occupation and the condition of the employee is such that the ailment extends beyond a limited period, such employee shall be advised to contact his/her own physician. The medical facility will be adequately staffed with physicians, registered nurses, technicians, and clerical personnel.
- B. Health examinations may be provided for post-offer prospective employees and for other employees of the Contractor with such frequency and upon such basis as deemed necessary by the Contractor or as mandated by NNSA.
- C. Treatment may be provided for subcontractor employees working at the National Security Campus who are injured at the Plant and require emergency care. (Non-emergency work-related injuries are treated off-site under the control of the subcontractor.)

11.3 Miscellaneous Employee Benefits and Services

A. Employee Services.

The following miscellaneous employee benefits and services may be provided:

- Plant cafeterias and vending machines
- Automatic Teller Machines (ATM)
- Notary services (fees and bonds).
- Safety clothing and equipment.
- Employee handbooks and similar information or instructional material for distribution to employees or prospective employees.
- Fees for examinations, certifications or licenses if required by governmental regulation(s), by DOE order(s) or by written directive from the Contracting Officer, or if incidental to an approved course in this Personnel Appendix
- Administrative activities to enhance employee morale including the sale and distribution of items of company identification.
- Items of nominal expense, with or without the company logo, designed to promote awareness of workplace issues.

B. Light Refreshments

Reasonable expenditures for refreshments such as pastries, coffee and soft drinks are specifically allowable under the following circumstances:

- As part of FM&T sponsored training programs whether conducted on or offsite
- As part of reward and recognition ceremonies, including but not limited to patent award ceremonies
- In connection with meetings involving plant guests.

C. Interview/Recruiting Meals

For job interviews, meals for the interviewer and interviewee are an allowable cost, as a per diem charge, when both are in valid travel status. If either party is not in travel status, the cost of that party's meal would be unallowable, unless a very strong justification is provided that demonstrates the meal is a necessary part of the recruitment process (for example, the scheduled interviews extend over normal meal break times or the interview takes place during the meal) and not simply a social activity or diversion from the interview process.

Reasonable actual costs of food related items incurred during the recruitment of personnel and activities with interns shall be allowed. Documentation shall include the rationale used to determine the meal was an integral part of the recruiting event. In all cases, documentation should include the names of all participants in the meal and an indication of whether each individual is a Honeywell FM&T employee or a guest. If a meal involves more than 15 participants, a description of the particular group and number of participants is acceptable.

11.4 Defense of Employees Involved in Work-Related Claims and Legal Actions

1. If a claim or legal action is brought against an employee as the result of the employee's conduct when performing duties under this contract and within the employee's scope of employment, the Contractor shall be allowed the cost of representing and defending the employee, including appeals and costs of any judgment; provided, however, that the prior approval of the Contracting Officer and the consent of the employee to be defended shall be obtained before any such defense is undertaken.
2. The provisions of the contract clause entitled, "Insurance - Litigation and Claims" shall have the same application to claims and legal actions against employees under this section as it has to those claims and legal actions which are brought directly against the Contractor. Before costs of any retained legal counsel may be allowed, the selection of such counsel must have the concurrence of the Contracting Officer.
3. When involved in any claim or legal action covered by this section, an

employee may, with the prior approval of the Contracting Officer, be allowed time off with base pay on scheduled workdays for consultation with counsel, trial attendance and such other matters as are reasonably incident to the claim or legal action.

11.5 Outplacement Assistance Program for Displaced Workers

The costs of establishing and maintaining an Outplacement Assistance Program covering Contractor employees who may be or have been separated from employment in connection with a work force reduction resulting from the downsizing of national defense activities are allowable. The Outplacement Assistance Program may include continuing access to the Employee Assistance Program as provided in this Personnel Appendix, for two (2) years after separation. The employees affected by the restructuring or downsizing activities can receive counseling and assessment for future employment opportunities.

11.6 Employee Recognition Programs

- A. The Contractor is authorized to implement an Employee Recognition Program. The total cost of this program shall not exceed ¼% of total gross base payroll per calendar year.
- B. Issued Patent Awards - A discretionary memento, such as a plaque or medallion will be presented to inventors for U.S. patents issued during the preceding year. A portrait of each inventor will be made and displayed for recognition.
- C. Patent Award Procedure - The memento referred to above will be presented to the employee at a recognition ceremony following issuance of the patent.

11.7 Length of Service Awards

Any employee who has attained at least ten (10) years of credited service with the Contractor may be eligible for a service award. Such employees may be eligible for an additional service award on the anniversary date of each additional ten years of credited service as well as a retirement award upon retirement. The conferring of awards shall be in accordance with the schedule and price ranges approved by the Contracting Officer. Such schedule shall designate the price range of the awards which may be selected by each eligible employee based upon length of service.

Revisions to the schedule of price ranges may be made from time to time with the prior approval of the Contracting Officer.

The Contractor shall furnish the Contracting Officer with a cost summary of the Service Award Program as soon as practicable after the end of each fiscal year.

11.8 Adoption Program

The Contractor may establish an adoption program for all full and part-time employees. Costs associated with this program will be allowable to the following extent:

- Reimbursement up to \$5,000 per child for qualified adoption-related expenses;
- Adoption of a "special needs" child will provide for reimbursement of up to \$10,000 per adopted child;
- Four weeks paid leave during the 12-month period following adoption of the child(ren); and
- Benefit coverage continuance as for any other leave of absence.

12.0 Community Outreach

The Contractor may authorize employees to participate in educational and community outreach in accordance with their Community Outreach Plan approved by the Contracting Officer. The salaries, wages, and fringe benefits of employees while engaged in such approved activities will be treated as allowable costs. Educational and community outreach does not include activities conducted by elected and officially appointed officials that take place during an employee's regularly scheduled work day. Hours associated with educational and community outreach outside of the employee's normal work schedule shall not be compensated by the Contractor. The Contractor shall submit a report annually, no later than November 1, to the Contracting Officer on the types of usage and number of hours authorized. Some examples of permissible educational and community outreach include, but are not limited to:

- Promotion of Science, Technology, Engineering, and Mathematics in the educational setting (elementary school through higher education institutions)
- Science Bowl and Science Fairs
- Blood bank drives
- Charity drives
- United Way campaigns
- Disaster Assistance
- Outreach program
- Equal Opportunity Activities
- Community Assistance Programs

The cost of meals for Contractor employees attending banquets associated with such activities, and materials used to support community service activities, exclusive of Contractor cash contributions and donations, are allowable.