



**Exelis Paid Time Off Policy – Effective Jan. 1, 2014
Frequently Asked Questions for Geospatial Systems Employees
Oct. 16, 2013**

Why is Exelis making these changes?

Standardizing benefits and policies is an essential component of our Exelis Strategic Plan. The development of the 2014 PTO policy included analysis of the numerous vacation and sick policies across the company and comparison to Exelis' competitors for talent to design of a single Exelis PTO policy that is fair and equitable across all business units.

What happens to the PTO already accrued through the end of 2013?

The PTO policy currently in effect for 2013 will apply for PTO carry-over and cash-in. For GS employees, unused 2013 PTO to a maximum of 80 hours will be carried over to your PTO bank. If there are remaining unused 2013 PTO hours, these hours will automatically be cashed in at 50 percent of the allotment, to a maximum of 80 hours. The remaining balance after using carry-over and cash-in (maximum total of 160 hours) will be forfeited.

Does this PTO policy apply to all Exelis employees?

Yes, this PTO policy will apply to all GS US based Exelis employees with the exception that VIS and SCC will not transition to this policy in 2014.

As a new hire in 2013, will my PTO be changing?

For GS new hires in 2013, the PTO accrual rate provided in your offer letter will be in effect through 2014. At the end of 2014, carry-over and cash-in provisions of the 2014 plan will apply. Effective Jan. 1, 2015, the new PTO plan will apply.

As a long service employee who will have a lower PTO accrual rate under the new policy, will I be "grandfathered" at my current rate?

Employees' 2013 accrual rates will not be "grandfathered." The new policy will go into effect on Jan. 1, 2014.

Is there an increase in PTO Cash-in for 2014?

Yes, for 2014 up to 80 hours of PTO can be carried over to the next year. For PTO hours over 80 hours, there is an increase in the year-end cash-in rate from 50 percent to 100 percent. The remaining balance after using carry-over and cash-in (maximum total of 160 hours) will be forfeited.

As a GS employee with a Kodak PTO bank, can I carry-over unused 2014 PTO?

Yes, this is a change from the current GS policy which does not allow employees to rollover time if the Kodak bank exceeded 80 hours. In 2014 under the new policy, up to 80 hours of PTO can be carried over to the next year (2015). For PTO hours over 80 hours, there is an increase in the year-end cash-in rate from 50 percent to 100 percent. The remaining balance after using carry-over and cash-in (maximum total of 160 hours) will be forfeited. Please note that Kodak PTO bank hours will not be forfeited.

Will the new plan allow employees to “go negative” for PTO?

No. For GS that provision was provided in the 2013 PTO policy to support the transition to the new accrual system. Employees may request unpaid time off consistent with timekeeping or leave of absence policies.

As a GS employee on mandatory overtime through December 2013, I am very limited in the PTO that I can take. Can I be paid out PTO at 100%?

Certain GS programs and customers have business critical deadlines to be achieved in 2013. On a very limited basis, mandatory overtime and limited PTO during Q4 has been approved by the GS President for specific roles and employees who are working to meet customer deadlines. For those on approved mandatory overtime through Dec. 27, 2013, supervisors may submit requests for employees to receive 100 percent cash-in of PTO hours in excess of 80 hours of carry-over (to a maximum of 160 hours total). Requests will be reviewed on a case by case basis for approval by the GS President, and appropriate efforts should be made to allow employees to take selected PTO days.

Why is Exelis implementing more changes that impact longer service employees?

The Exelis wide harmonization of benefits and policies across businesses provide greater efficiency and consistency. These changes to benefits and policies align with competitor benchmarks and better position us to be competitive in our markets.

What other benefits or policy changes will Exelis make before 2014?

There are a number of policies and benefits changes under consideration, or recently announced, in concert with the move to a common payroll provider (ADP) and HR Information Systems (Workday). The Exelis wide move to a common pay day of Friday, new electronic pay advices and the transition to a common work week and pay schedule are examples of these changes.

Will the PTO Buy option be offered again?

No, the PTO Buy option has been eliminated and will not be re-introduced.

Will there be changes to the number of holiday days each year, or to the Holiday Schedule?

For GS, there are no plans to change the Holiday Schedule or number of holidays for 2014; which includes four (4) floating holidays.

As a GS employee with a Kodak PTO bank, what will happen to my Kodak PTO bank?

Your Kodak PTO bank will continue carry forward into 2014. The Kodak PTO bank is planned for cash-in by the end of 2015 at 100 percent. More information on timing will be provided to those impacted by this decision.

When is the last date that 2013 PTO and floating holidays can be used?

Dec. 27, 2013 is the last date to use 2013 PTO or floating holidays.

For approved time off Dec. 30 or 31, how would PTO and floating holidays be used?

Starting Dec. 30, 2013, employees could use their available 48 hours of 2014 PTO credit, the first pay period accrual, carry-over PTO (if applicable), or 4 floating holidays for 2014.

Where is the policy located?

The 2014 Exelis PTO policy will be located on OneExelis under the corporate policies section. For GS, the 2014 PTO policy and GS Frequently Asked Questions (FAQs) will be located on OneGS in the Human Resources functional area at <https://onegs.exelisinc.com/functional/hr/default.aspx>.