

**DISABILITY SICK LEAVE PLAN
FOR EMPLOYEES OF
LEIDOS HOLDINGS, Inc. (AND DESIGNATED SUBSIDIARIES)**

PLAN DOCUMENT

FOR DISABILITIES COMMENCING ON OR AFTER SEPTEMBER 28, 2013

As of September 28, 2013 Science Applications International Corporation has legally changed its name to LEIDOS.

The Leidos Disability Sick Leave (DSL) Plan became effective January 1, 1976 and has been amended and restated to read as follows, effective with respect to Disabilities commencing on or after September 28, 2013 Leidos Holdings, Inc. establishes the Leidos Holdings, Inc. Disability Sick Leave Plan, so as to read as set forth below:

I. ELIGIBILITY FOR PARTICIPATION

If an individual is a regular "full-time" Employee (scheduled to work thirty (30) hours or more per week), or if the individual is a "part-time" exempt Employee (scheduled to work at least twelve (12) but less than thirty (30) hours per week) and the individual's employment is expected to continue for at least six (6) months, and the individual is in a division/benefits package that includes Disability Sick Leave (DSL), that individual is eligible for participation in this Plan.

II. PARTICIPATION COMMENCES

Eligible individuals employed prior to the effective date of the Plan were covered as of the effective date of the Plan.

Eligible individuals hired on or after the effective date of the Plan will be covered the first (1st) day of active employment.

A Participant receives DSL hours on the first (1st) day of hire or transfer date into a benefit-eligible status. Thereafter, a Participant receives DSL hours on his/her anniversary date. A Participant receives up to 10 days (or 80 hours) of DSL each year. Participants can accumulate up to 1,560 hours, or 195 days, of DSL. Unused DSL hours are not payable upon termination. Employees scheduled to work less than 40 hours per week will receive a prorated number of DSL hours equivalent to two times his/her scheduled workweek on his/her DSL anniversary date.

III. CESSATION OF PARTICIPATION

A Participant's coverage will terminate on the earliest of the following:

- A. On the end date of the pay period which marks the termination of employment.
- B. On the end date of the pay period in which an approved leave of absence without pay commences, except as required by law.
- C. At 12:00 midnight when a protected leave ends, if the participant fails to return to work.
- D. On the end date of the pay period on which he/she ceases to be an eligible Employee.
- E. On the end date of the pay period in which a strike occurs.
- F. On the date of termination of the Plan.

IV. CONTRIBUTIONS TO THE PLAN

Participants will not be required to make contributions to the Plan. The cost is entirely paid for by the Employer. Any DSL benefits Participants receive are taxable, and payroll deductions for elected benefits will continue to be made while a Participant receives DSL benefits.

V. DISABILITY SICK LEAVE BENEFITS

Based on the length of Disability and the amount of hours in a Participant's DSL Bank available:

- A Participant who is unable to work due to a Qualified Disability may receive a weekly benefit of up to 100% of his/her Regular Wages after satisfying the waiting period. These benefits are available for weeks two through ten of Disability.

- If eligibility continued, after 10 weeks of disability, a Participant may receive up to a maximum of 80% of his/her Regular Wages. These benefits are available through the 19th week of Disability.
- If the Participant remains eligible after the 19th week of Disability, he/she may receive up to 66 2/3% of his/her Regular Wages. These benefits are available through the 26th week of Disability not to exceed 180 days.

DSL benefits are payable for up to 180 days of Disability. DSL may not be used to supplement Long-Term Disability (LTD) benefits, even if the Participant has DSL hours available.

For each day of any period of Disability for which benefits are paid and which is less than a full week, the amount of benefit payable will be one-fifth (1/5th) of the amount of the weekly benefit.

A. Commencement of Benefits

Benefits will commence on the earlier of the eighth (8th) calendar day of Disability; or the first (1st) day of Disability if a Participant is subject to **Hospital Confinement as defined**.

Based on the Participant's Disability, if it should be medically necessary for he/she to reduce his/her hours by at least twenty-five percent (25%) per week, but not cease work entirely, the reduced workday will be applied to serve the waiting period consecutively for seven calendar days.

B. Duration of Benefit

A Participant's benefit payments will continue until one of the following occurs:

1. He/she has exhausted a) the full one hundred and eighty (180) days of Disability, or b) the total number of hours in his/her DSL Bank, whichever comes first.
2. A determination by the Administrator that a Qualified Disability no longer exists (i.e., recovery, no longer disabled) based on information provided by a Participant's Physician or the results of a medical examination undertaken at the request of the Claim Administrator,
3. Participant's refusal to undergo a medical examination or to furnish information within twenty (20) days following written notice by the Claims Administrator.
4. The date a Participant (a) is either no longer under the regular and continuous care and treatment of a Physician, or (b) refuses to follow the treatment plan recommended by his/her attending Physician.
5. Death.
6. At the end date of the pay period in which the Participant is not in an employment status that is eligible for DSL.
7. If a participant's disability started prior to termination of employment, disability benefits will continue to be paid up to the maximum duration approved under the plan.
8. For collectively bargained participants, disability benefits will continue to be paid if a strike occurs and the disability started prior to the strike. Benefits will be paid up to the maximum duration approved under the plan.

C. Maximum Benefit

The maximum period payable under this Plan is one-hundred and eighty (180) days of Disability for any one Period of Disability. The benefits payable under this Plan are integrated with (i.e., reduced by) other benefit sources in Paragraph D below.

D. Reduction of Benefits

DSL Plan Benefit payment from this Plan will be integrated with (i.e., reduced by) any benefits which are payable from the following:

1. Social Security Retirement. If the receipt of Social Security retirement benefits began prior to the Participant's Disability, such benefits will not be offset.
2. State Disability Plan or any Plan providing Disability payments pursuant to a compulsory benefit act or law, where applicable.
3. Workers' Compensation benefits (temporary total disability and/or total disability benefits, and permanent disability benefits), including single sum awards or settlements. Single sum awards and/or settlements will not include approved medical expenses and attorney fees which were incurred prior to the award.
4. Any government plan (Retirement and/or Disability) benefits not including benefits payable to his/her dependents.

5. Amounts received or awarded because the Participant was injured by a third party. This offset can be made for the entire amount of the third party recovery, regardless of whether it is attributable to lost wages, incurred medical expenses or punitive damages.
6. The LEIDOS HOLDINGS, INC. California Voluntary Disability Plan.
7. The LEIDOS HOLDINGS, Inc. Voluntary Short-Term Disability Insurance (VSDI) Plan.
8. Any salary (excluding vacation), income or sick pay from any employer or from self-employment.
9. Disability/medical leave benefits for employee's own health condition payable under any federal or state law.
10. Some portion of income or wages earned during rehabilitation employment.
11. Disability benefits payable to the participant under any employer-sponsored group policy other than the Leidos disability plans.

Plan benefit will also be reduced by any lump sum amounts received by compromise, settlement or other method as a result of a claim for any of the reduction sources listed in Part D. The lump sum will be divided by the basic Plan benefit to determine the length of time the Plan benefit will be reduced.

If a Participant either chooses not to apply for, elect to defer or fail to request any of the above benefits, for which he/she may be eligible, the Claims Administrator will reduce his/her benefits on the basis that he/she had received the benefit on the earliest date he/she were eligible.

If, however, a Participant does apply for and/or request any of the above benefits for which he/she may be eligible and he/she provides the Claims Administrator with written evidence of these applications and/or requests, the Claims Administrator will have the option of having he/she sign a promise to repay, agreeing to pay the Plan the appropriate integrable amount of the "other benefits" payable. If a Participant signs the promise to repay, the Claims Administrator will pay him/her the full Plan benefits while he/she is waiting for his/her "other benefits" payments. Failure to sign the promise to repay will result in a delay in the payment of all or some of his/her benefits payable under this Plan.

E. Participants on Rotation

A participant on a rotational work schedule (e.g. 90 days on/ 90 days off) who has a qualifying disability, will be paid disability benefits even if the disability falls on a period the participant is scheduled to be off.

F. Home Confinement

Illnesses or disabilities that involve home confinement and that have been certified by a physician or other health care provider qualify employees to use DSL as of the 8th calendar day, based on approval from the claims administrator.

VI. LIMITATIONS AND EXCLUSIONS

Participants receive Leidos Holdings Inc. DSL benefits only if Participants Qualified Disability commences while he/she is an eligible Employee and is participating in the Plan.

A. DSL benefits may be limited or not available at all, if:

1. The Participant is not an Employee as defined in the Plan;
2. The Participant is not in an employment status that is eligible for DSL;
3. The Qualified Disability is not supported by Objective Medical Evidence from a treating Physician and approved by the Claims Administrator;
4. The Participant has reached the 180 day maximum DSL benefit period under the claim;
5. The Participant is confined, pursuant to commitment, court order, or certification, in an institution, or other place, as a dipsomaniac, drug addict or sexual psychopath;
6. The Participant receives benefits or is eligible for benefits payable under any Unemployment Compensation Act of the United States or of any state during any period of disability leave;
7. The Participant receives wages from Leidos Holdings Inc. (excluding Comprehensive Leave pay) for any day. However, DSL benefits will be paid for any seven-day week or partial week, in an amount that does not exceed the Participant's maximum weekly DSL benefit amount and which, when added to the wages received, does not exceed the Participant's weekly wage, exclusive of the wages paid for overtime immediately prior to the commencement of the Participant's Qualified Disability;

8. The Participant, for any day of unemployment or disability, receives or is entitled to receive benefits or cash payments for:
 - Temporary or permanent disability under a workers' compensation or employer liability law of this state or any other state, or of the federal government; or
 - If the cash payments for temporary or permanent disability are less than the amount of the DSL benefit the Participant would have received, the Participant will be entitled to receive DSL disability benefits, reduced by the amount of such cash payments, if otherwise eligible.
9. The Participant is incarcerated in any federal, state, or municipal penal institution, jail, medical facility, public or private hospital, or in any other place because of a criminal conviction of a federal, state or municipal law or ordinance;
10. The Participant commits a crime and is disabled due to an illness or injury, caused by, or arising out of the commission of, arrest, investigation, or prosecution of any crime that results in a felony conviction.
11. For any Period of Disability the Participant records uncompensated time, overtime, bereavement, jury duty, voting, or holiday on his/her timecard.
12. The Employer can provide alternative employment that is within the capabilities of the Employee, and that has status and compensation comparable to the Employee's regular occupation as determined solely by the Employer.
13. The Participant has willfully, for the purpose of obtaining benefits, either made a false statement or representation, with actual knowledge of the falsity thereof, or withheld a material fact, in order to obtain any benefits under the Plan.
14. The illness or injury is caused by any act of war, declared or undeclared, or insurrection, except while traveling overseas on company business.
15. The participant was not receiving care or following the prescribed treatment plan that is:
 - From a health care provider whose training and clinical experience are suitable for treating the disease, illness, incapacity or injury
 - Consistent in type, frequency and duration of treatment with relevant guidelines of national medical, research, and health coverage organizations and governmental agencies
 - Consistent with the diagnosis of the condition
- For the purpose of maximizing medical improvement

B. Under the DSL Plan, benefits will also not be paid for Qualified Disabilities that:

1. Do not prevent the Participant from doing his/her job;
2. Were incurred while on layoff or leave of absence (FMLA and similar protected leaves), severance, military leave, or any other status where the Participant was not engaged in active employment with Leidos Holdings, Inc.
3. Were incurred while on full time or part time long term disability,
4. Were incurred while the Participant was on unauthorized absence, or was not an employee;
5. Were incurred as a result of service in any armed force, except as required by law.

C. No benefits are payable

1. For an illness or injury caused by participation in a violent disorder, assault, felony or an illegal occupation.
2. For an intentionally self-inflicted injury.
3. For an illness or injury for which Participant is not under the continuous care and treatment of a duly qualified Physician.
4. Unless and until the Claims Administrator has received Objective Medical Evidence in support of a Qualified Disability. Such Objective Medical Evidence includes, but is not limited to, data and records from Participants attending physician, narrative reports, x-ray and other laboratory findings, and consulting physician reports. This information is required at the initiation of the claim and periodically thereafter as reasonably requested by the Claims Administrator.

VII. APPLICATION FOR BENEFITS

A Participant should initiate his/her claim for benefits as soon as he/she is hospitalized or if he/she believes his/her Disability will last eight (8) days or more, but in any event, no later than sixty (60) days from the first date of his/her Disability.

VIII CLAIM DETERMINATION

In order to file a claim for short-term Disability benefits available under this Plan, a Participant must take these steps:

1. Call the Sedgwick toll-free number: 877-399-6443.
2. A Sedgwick Customer Service Representative will take all relevant information over the telephone. There are no claim forms to fill out for Disability Sick Leave.
3. If a Participant lives in California, he/she is automatically covered by the Leidos Holdings, Inc. Voluntary Disability Plan. If a Participant lives in New York, New Jersey, Rhode Island, Hawaii or Puerto Rico, he/she must also file a claim for his/her mandatory state Disability Insurance benefits at the same time as he/she files with this Plan.

To avoid delay, a Participant should file his/her claim as soon as possible, but in any event, **no later than the sixtieth (60th) day of Disability**. Claims filed later than sixty (60) days, without just cause, may be denied by the Claims Administrator.

The Employer or its authorized Claims Administrator will have the right to (A) require supplemental forms from the physician or those authorized to certify disabilities as often as deemed necessary, and (B) examine Participant while he/she is claiming benefits under this Plan. This may be done when and as often as may be reasonably required during the period payments may be due under this Plan. Supplemental forms and/or extensions of Disability must be filed within thirty (30) days of date requested or his/her claim may be denied.

A Participant, whose claim is denied by the Claims Administrator, will receive a written notice of denial, including the specific reasons for the denial.

X. CLAIM REVIEW PROCEDURE

If the Participant disagrees with the determination made on his/her claim, the Participant will have the right to request a thorough review of the decision. The procedure is as follows:

- A. Within one-hundred eighty (180) days after receipt of **written** notice of the initial adverse determination on his/her claim, he/she must file a **written** request for a review.
- B. The review request should include any additional facts and documentation which will support his/her claim.
- C. The Participants **written** request for a review must be mailed to the address below:

Leidos Appeals Specialist
Sedgwick – National Appeals
P.O. Box 14446
Lexington, KY 40512-9951

- D. After receipt of the Participant's written review request, Sedgwick will conduct a thorough review of the decision made on Participant's claim. This review will be conducted within forty-five (45) days of the Participant's request unless special circumstances require additional time for review. If additional time for review is required, Sedgwick will notify the Participant in writing prior to the end of the forty-five (45) day period. In no event will the decision be made more than ninety (90) days after receipt of the Participant's request for review. If the Participant is asked to provide additional information, the time frame for processing the review will stop until the Participant has responded to the request. Participant will be notified in writing of the decision.

XI. DEFINITIONS

- A. **Active Pay Status** means receiving pay for a normal scheduled day of work, including regular pay, comprehensive leave, bereavement, or jury duty benefits. Active pay status does not include employees who are on leave of absence, on whole-week voluntary or involuntary LWOP, or receiving disability benefits (DSL, SDI, VSDI, or LTD).
- B. **Certificate** means the signed statement of a Physician who holds a valid license in the state or foreign country or in the territory or possession of the country, in which he/she is practicing.
- C. **Claimant** means an individual who has filed a claim for Leidos Holdings, Inc. DSL benefits.
- D. **Claims Administrator** means Sedgwick, an independent Claims Administrator. Claims are sent to Sedgwick – P.O. Box 14435, Lexington, KY 40512-4435, (877) 399-6443.
- E. **Disability** means any physical or mental condition arising out of illness, pregnancy or injury that renders the Participant continuously unable to perform his or her regular and customary occupation.
- F. **DSL Bank** means the number of DSL hours available for the Participant to use while on a Qualified Disability.
- G. **Effective Date** of the Plan means January 1, 1976.

- H. **Employee** means any individual whose service with the Employer is considered employment by the Employer.
- I. **Employer or Company** means Leidos Holdings, Inc. (and designated subsidiaries).
- J. **Hospital Confinement** will be defined as any twenty-four (24) hour period of time, or any part thereof for which a claimant is charged a full day's rate for room and board as a registered bed patient in a hospital, or in a nursing home, as defined in Section 1395X of Title 42 of the United States Code. This includes hospital admission under inpatient status or observation status. Hospital Confinement does not include Emergency Room visits and outpatient surgery.
- K. **Objective Medical Evidence** means medical demonstration of anatomical, physiological, or psychological abnormalities manifested by signs or laboratory findings, apart from Participant's perception of mental or physical impairments. These signs are observed through medically acceptable clinical techniques such as medical history, physical examination, and laboratory tests.
- L. **Participant** means an Employee who satisfies the eligibility requirements of Section I.
- M. **Period of Disability**, for Disability purposes, means a continuous period of unemployment and Disability beginning with the first (1st) day an Employee files a valid claim for Disability benefits.
- N. **Physician** includes physicians and surgeons holding an M.D. or D.O. degree, physician's assistants (PA's), nurse practitioners (NP's), psychologists, optometrists, dentists, podiatrists, and chiropractic practitioners licensed by state law and acting within the scope of their practice as defined by state law. "Psychologist" means a licensed psychologist with a doctoral degree in psychology, or a doctoral degree deemed equivalent for licensure by the Board of Psychology pursuant to Section 2914 of the Business and Professions Code, and who either has at least two (2) years of clinical experience in a recognized health setting or has met the standards of the National Register of the Health Service Providers in Psychology. For Disability related to normal pregnancy or childbirth, medical certification may be provided by a midwife or nurse practitioner.
- O. **Plan** means the Leidos Holdings, Inc. Disability Sick Leave Plan described in this document.
- P. **Qualified Disability** means a disability that has been certified by a Physician, based on Objective Medical Evidence, and subsequently reviewed and approved by the claims administrator. A Participant is considered disabled when he/she:
- Is physically or mentally ill, or is injured and the condition prevents him/her from performing his/her regular work;
 - Is under the regular and continuous care of a Physician; and
 - Is not performing work for any other employer, including self-employment.
- The Claims Administrator will determine the types of medical documentation needed and how frequently the documentation must be updated.
- Q. **Recurring Disability** means two or more intervals of Disability, due to the same cause or condition, separated by less than 31 days of continuous active work with the Company, will be considered the same Disability. A new waiting period will not be required. However, should the employee go out on an approved disability again related to the initial claim within 31 days, the period of time worked will count against the total leave duration for the initial claim. For example, if an employee is on approved disability for eight weeks, returns to work for two weeks and then takes disability leave again for the same issue within 31 days, the employee is considered to have been disabled for a total of ten weeks. Therefore, disability benefits will reflect the benefits level payable for that week. In this example, benefits payable at week eleven will decrease to 80% of weekly wages. For purposes of calculating the Claimant's amount of benefits under the Plan, Regular Wages as of the date of the original onset of Disability will be used.
- R. **Regular Wages** for the purposes of benefit determination means:
1. With respect to Regular, Full-time Employees, Regular Wages means the scheduled base salary amount of Compensation prior to any voluntary salary reduction, excluding overtime, shift differential pay, bonuses, commissions, and stock transactions in effect during the last completed payroll period immediately prior to the date of commencement of the Employee's Disability.
 2. With respect to all Part-time Employees, Regular Wages means the average weekly Compensation paid by the Company excluding overtime, shift differential pay, bonuses, commissions, and stock transactions during the previously completed twelve (12) week period immediately prior to the date of commencement of the Employee's Disability.
- S. **Termination of the Employer-Employee Relationship** means that employment ceases with no mutual expectation or intention to continue the employment relationship. Reasons for Termination of the Employer-Employee Relationship include, but are not limited to, separation, dismissal, resignation, and retirement.
- T. **Week** means the seven (7) consecutive day period beginning with the first (1st) day the Participant files a claim for DSL benefits and the seven (7) consecutive day period thereafter.