

May 29, 2016

**2016 COMMON ISSUES
MEMORANDUM OF UNDERSTANDING**

Between

**VERIZON NEW ENGLAND, INC.
VERIZON ADVANCED DATA INC.
VERIZON AVENUE CORP.
VERIZON CORPORATE SERVICES CORP.
VERIZON SERVICES CORP.**

AND

**INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO
LOCALS 2222, 2313, 2320, 2321, 2322, 2323, 2324, 2325, 2327**

This Memorandum of Understanding (the “2016 MOU”) is agreed to by and between the above-named companies (herein the “Company” or “Companies,” as context requires) and the International Brotherhood of Electrical Workers Locals 2222, 2313, 2320, 2321, 2322, 2323, 2324, 2325 and 2327 (hereinafter the “Union” or “IBEW”) with respect to the following IBEW-represented bargaining units:

1. IBEW Plant (Verizon New England Inc., VADI, Verizon Avenue, VCSC and VSC)
2. IBEW Traffic (Verizon New England Inc. and VSC)
3. IBEW Accounting (Verizon New England Inc., VCSC and VSC)
4. IBEW Sales (Verizon New England Inc., VADI, VCSC and VSC)

New collective bargaining agreements covering the above-named bargaining units (including without limitation this 2016 MOU, to the extent the parties have not specified different effective dates in provisions of this 2016 MOU) will become effective immediately upon ratification of this 2016 MOU (“Effective Date”) and will remain in effect until 11:59 p.m. on August 3, 2019. This 2016 MOU will become effective if, and only if, ratified by the combined results of the voting in the bargaining units in the Companies represented by IBEW no later than thirty calendar days after the date of this 2016 MOU.

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Each of the new collective bargaining agreements will consist of the provisions of the existing agreements, including the provisions of the 2012 Common Issues Memorandum of Understanding Between Verizon New England Inc., Verizon Advanced Data, Inc., Verizon Avenue Inc., Verizon Corporate Services Corp., and Verizon Services Corp. and the International Brotherhood of Electrical Workers, AFL-CIO, Locals 2222, 2313, 2320, 2321, 2322, 2323, 2324, 2325 and 2327 effective October 19, 2012 (“2012 MOU”), which shall be deemed extended to the Effective Date, and all attachments to the 2012 MOU that were valid and enforceable immediately prior to the Effective Date, as modified by the applicable provisions of this 2016 MOU and by provisions agreed to at local bargaining tables. All letters of agreement in the parties’ 2012 collective bargaining agreements (including without limitation the 2012 MOU), all letters of agreement in the parties’ 2012 collective bargaining agreements, and all local agreements that were valid and enforceable immediately prior to the Effective Date, will remain in full force and effect, unless the terms of such letters of agreement have been modified or eliminated by this 2016 MOU or by the parties’ collective bargaining agreements (including without limitation terms agreed to at local bargaining tables). All letters of agreement or provisions in the parties’ 2012 collective bargaining agreements (including without limitation the 2012 MOU and all attachments to the 2012 MOU) that contain an expiration date of August 1, 2015 will be changed to reflect an expiration date of August 3, 2019 unless the parties have expressly agreed to a different expiration date or that such letters or provisions will not remain in effect. All letters of agreement or provisions in the parties’ 2012 collective bargaining agreements (including without limitation the 2012 MOU and all attachments to the 2012 MOU) that were valid and enforceable immediately prior to the Effective Date that contain dates other than expiration dates will be changed as necessary to ensure the continued enforceability of such

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agreements unless the parties have expressly agreed that such letters or provisions will not remain in effect. Provisions of this 2016 MOU, including the attachments, will be incorporated, by reference or otherwise, into the appropriate collective bargaining agreements.

To the extent that any provision of this 2016 MOU is inconsistent with or contrary to any provision of the 2012 MOU, any local collective bargaining agreement, or any other agreement, policy or past practice, such 2016 MOU provision will govern and will supersede the inconsistent or contrary provision of the 2012 MOU, any local collective bargaining agreement, or any other agreement, policy or past practice, except that a written agreement regarding a specific term newly agreed to, modified or eliminated in 2015-2016 negotiations at a local bargaining table will govern and supersede an inconsistent or contrary provision in this 2016 MOU with respect to that specific term if the local parties specify in such specific term that it supersedes the 2016 MOU.

Dated: _____

FOR THE COMPANIES

**FOR INTERNATIONAL
BROTHERHOOD OF ELECTRICAL
WORKERS**

By: _____
PATRICK PRINDEVILLE
Chairperson, Common Issues Bargaining

By: _____
Business Manager – Local 2222

By: _____
Business Manager – Local 2313

By: _____
Business Manager – Local 2322

By: _____

May 29, 2016
Business Manager – Local 2323

By: _____
Business Manager – Local 2320

By: _____
Business Manager – Local 2321

By: _____
Business Manager – Local 2324

By: _____
Business Manager – Local 2325

By: _____
Business Manager – Local 2327

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1. Change In Eligibility – Same Sex Domestic Partnerships
2. TAP – Excluded Studies Chart
3. Additional Center Jobs Agreement
4. 2016 Memorandum of Agreement
5. Transfer of IDC Service Representatives to CFS
6. Stress Letter

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I. WAGES

The schedule of wage increases for the term of this 2016 MOU will be as follows:

Effective Date	
The first Sunday after the Effective Date	3% increase applied to all steps of the basic wage schedule
The first Sunday following the first annual anniversary of the Effective Date	2.50% increase applied to all steps of the basic wage schedule
The first Sunday following the second annual anniversary of the Effective Date	2.50% increase applied to all steps of the basic wage schedule
The first Sunday following the third annual anniversary of the Effective Date	2.50% increase applied to all steps of the basic wage schedule

II. COST-OF-LIVING

The Company will continue the Cost-of-Living provisions set forth in Section II of the 2008 MOU during the term of this 2016 MOU. Notwithstanding the continuation of these provisions, there will be no cost-of-living adjustment during the term of this 2016 MOU.

III. CORPORATE PROFIT SHARING

The Corporate Profit Sharing (“CPS”) Plan is modified as follows:

- (a) The CPS plan will provide awards for results in calendar years 2015, 2016, 2017 and 2018 with the awards payable in 2016, 2017, 2018 and 2019.
- (b) The “Standard” CPS Distribution will be as follows:

Performance Year	Standard CPS Distribution	Year Payable
2015*	\$500	2016
2016	\$500	2017
2017	\$500	2018
2018	\$500	2019

*The Company distributed the CPS Award for Performance Year 2015 prior to the Effective Date.

(c) Notwithstanding paragraphs (a) and (b) above, the minimum distribution for Performance Years 2015, 2016, 2017 and 2018 will be \$700, subject in all cases to prorating under Section 3.

IV. RATIFICATION BONUS

A one-time, single Ratification Bonus payment of \$1,000 will be paid within thirty (30) days after ratification of this 2016 MOU to full-time and part-time Regular and Temporary employees on payroll as of the ratification date. Ratification Bonus payments will be subject to all applicable federal, state and local tax withholdings. These payments will only be included in calculations relating to Union dues, or their equivalent, as authorized by the employee and the Union. Ratification Bonus payments will not be included in wages for computations of overtime, benefits or for any other purpose.

V. PENSION BENEFIT AND OTHER CHANGES

A. Pension Plan Changes.

The New York and New England Associate component of the Pension Plan will be amended for pension eligible associates covered by this 2016 MOU as follows:

If a non-married, vested participant dies prior to his or her pension commencement date without having designated a pension beneficiary, the Pension Plan will pay a lump sum to the estate of the deceased participant equal to the amount that would have been paid to a beneficiary if there had been a designated pension beneficiary of the same age as the participant at the time of the participant's death.

B. Pension Lump Sum Cashout.

An associate covered by the cashout program set forth in the 2008 MOU who separates from service during the term of this 2016 MOU, with eligibility for a vested pension or a service pension, will be eligible to receive his or her vested pension or service pension under the Pension

Plan as a total lump-sum cashout. The terms of the cashout program will be the same as the terms of the cashout program set forth in the 2008 MOU for the period ending August 6, 2011, except that the GATT lump sum basis will be revised as described below effective 180 days after the Effective Date. The revised GATT lump sum basis will be the same as the GATT lump sum basis in the 2008 MOU, except the mortality table will be based on “the applicable mortality table” pursuant to section 417(e) of the Internal Revenue Code in effect for 2016. The mortality table for the revised GATT lump sum basis will not be updated even if the mortality table pursuant to section 417(e) of the Internal Revenue Code is updated. The revised GATT lump sum basis will be effective for pension commencement dates on and after the date that is 180 days after the Effective Date. In addition, the GATT lump sum basis will be modified in this same manner with respect to anyone else eligible for a pension lump sum who has not commenced that pension by the effective date of the revised GATT lump sum basis.

C. Pension Band Increases.

The New York and New England Associate component of the Pension Plan will be amended to provide for increases in the Pension Band Amounts by the “Percentage Increase” amounts shown below for pension eligible associates whose “Pension Effective Date” (which is the first day following the last day on the payroll) is on or after the corresponding “Pension Band Effective Date” shown below. In addition, the amendment will provide for the acceleration of the next scheduled Percentage Increase under this 2016 MOU for pension eligible associates who leave the service of the Company pursuant to a Special Enhanced Income Protection Plan (“Special EIPP”) under Section XII of this 2016 MOU.

Pension Band Effective Date	Percentage Increase
Ninety (90) Days After Ratification ("Pension Increase Date")	1%
First Anniversary of Pension Increase Date	1%
Second Anniversary of Pension Increase Date	1%

VI. 401(K) PLAN PROVISIONS AND CHANGES

The Associate 401(k) Savings Plan will be amended effective within ninety (90) days following the Effective Date, to increase the maximum employee contributions from 16% to 25% of Compensation as defined in the Plan for any combination of pre-tax, after-tax and/or Roth 401(k) contributions.

VII. FAMILY CARE LEAVE

A. As of the Effective Date of the 2016 MOU:

1. The minimum duration of any period of Family Care Leave ("FCL") will be three (3) calendar days;
2. Employees on FCL may request to return to work prior to the approved expiration date of the leave and the Company may, in its sole discretion, approve or deny such requests;
3. If any employee on FCL requests to return to work because the family member that he/she has cared for under FCL has died, that request will be approved;
4. If an employee is eligible for FCL and is also eligible for leave under any applicable law, or other plan or policy, to the extent that FCL and any of those leaves do not already run concurrently then to the full extent permitted by law, FCL and any and all other leaves will run concurrently; and

5. If an employee takes leave under any applicable law, or other plan or policy and the reason for an employee's leave under any applicable law, or other plan or policy, is a reason that would qualify for FCL, to the full extent permitted by law, that leave will reduce the amount of an employee's available FCL, regardless of the increment of the leave taken.

VIII. BENEFITS

1. CONTINUATION OF BENEFIT PLANS

The following employee benefit plans are continued in effect through the term of this 2016 MOU in accordance with their existing terms and the changes agreed to in this 2016 MOU.

Verizon Adoption Reimbursement Program for New York and New England Associates

Verizon Anticipated Disability Program for New York and New England Associates

Verizon Sickness and Accident Disability Benefit Plan for New England Associates

Verizon Sickness and Accident Disability Benefit Plan for New York Associates

Verizon Accidental Death and Dismemberment Plan for New York and New England Associates

Verizon Alternate Choice Plan for New York and New England Associates

Verizon Savings and Security Plan for New York and New England Associates

Verizon Dependent Care Spending Account for New York and New England Associates

Verizon Dependent Group Life Insurance Plan for New York and New England Associates

Verizon Health Care Spending Account for New York and New England Associates

Verizon Income Protection Plan for New York and New England Associates

Verizon Long Term Care Insurance Plan for New York and New England Associates

Verizon Long Term Disability Plan for New York and New England Associates

Verizon Medical Expense Plan for New York and New England Associates

Verizon Dental Expense Plan for New York and New England Associates

Verizon Group Life Insurance Plan for New York and New England Associates

Verizon Vision Care Plan for New York and New England Associates (including VDT User Eyecare Program).

Verizon Pension Plan for Associates (to the extent that it covers New York and New England Associates)

Verizon Post-1995 Collectively Bargained Retiree Health Plan (Pre-1993 Retirees)

Verizon Post-1995 Collectively Bargained Retiree Health Plan (Post-1992 Retirees)

2. CHANGES TO EXISTING HEALTH CARE AND LIFE INSURANCE BENEFITS, INCLUDING PRESCRIPTION DRUG AND DENTAL AND VISION COVERAGE, FOR ACTIVE ASSOCIATES

The provisions of the Verizon Medical Expense Plan for New York and New England Associates (the “VMEP”) regarding medical and prescription drug benefits, the Verizon Alternate Choice Plan for New York and New England Associates (a component or subplan of the VMEP), the Verizon Dental Expense Plan for New York and New England Associates (“VDEP”) regarding dental benefits, the Verizon Vision Care Plan for New York and New England Associates (including VDT User Eye Care Program) (“VVCP”) regarding vision benefits, and the Verizon Dependent Group Life Insurance Plan for New York and New England Associates regarding life insurance benefits for active associates who participate in the VMEP, VDEP, VVCP and the Verizon Dependent Group Life Insurance Plan for New York and New England Associates will be amended as follows effective August 1, 2016, except where otherwise noted:

A. Changes to VDEP and VVCP.

Effective as of the Effective Date, Section 3.3 of the VDEP and Section 3.3 of the VVCP regarding the election of dental and/or vision coverage for newly hired associates shall be amended so that the waiting period for eligibility for coverage shall no longer apply. A newly hired associate will have thirty-one (31) days from the associate’s date of hire to elect coverage under the VDEP or the VVCP. If the associate elects coverage within such thirty-

one (31) day period or if the associate is defaulted into coverage under the terms of the VDEP or the VVCP, coverage shall be effective as of the associate's date of hire and such associate will be required to pay his or her portion of the cost of coverage, to the extent applicable, commencing with the first date of coverage.

B. Dependent Eligibility Changes.

Effective as of the Effective Date, the eligibility rules applicable to same sex domestic partners under the VMEP, VDEP, VVCP and the Verizon Dependent Group Life Insurance Plan for New York and New England Associates will be modified as set forth in Attachment 1.

C. Medical and Prescription Drug Benefit Changes Applicable to VMEP.

The provisions of the VMEP regarding medical benefits and prescription drug coverage for active associates who participate in the VMEP shall be amended as set forth in this Section VIII.2.C. of this 2016 MOU.

Effective as of the Effective Date, Section 3.3 of the VMEP regarding the election of medical and prescription drug coverage for newly hired associates shall be amended so that the waiting period during which associates must pay the full cost of coverage shall no longer apply. A newly hired associate will have thirty-one (31) days from the associate's date of hire to elect coverage under the VMEP. If the associate elects coverage within such thirty-one (31) day period or if the associate is defaulted into coverage under the terms of the VMEP after failing to make a timely election, coverage shall be effective as of the associate's date of hire and such associate will be required to pay his or her portion of the cost of coverage commencing with the first date of coverage.

- 1) **HCN Benefit Changes.** The medical benefits provided to associates and their eligible dependents enrolled in the HCN Option on and after August 1, 2016 will be as described in the VMEP, with the following modifications:

- a. **Maximum Allowed Amount (“MAA”).** The MAA will be defined as 240% of the national Medicare schedule. (Amend the following section of the VMEP: Section 2.)
- b. **Deductible.** For associates and their eligible dependents enrolled in the HCN Option, an annual deductible will apply for covered services or supplies obtained on an in-network basis of \$250 for 2016, \$275 for 2017, \$325 for 2018 and \$345 for 2019 per individual and \$625 for 2016, \$687.50 for 2017, \$812.50 for 2018 and \$862.50 for 2019 per family. For associates and their eligible dependents enrolled in the HCN Option, an annual deductible will apply for covered services or supplies obtained on an out-of-network basis of \$775 for 2016, \$825 for 2017, \$900 for 2018 and \$960 for 2019 per individual and \$1,937.50 for 2016, \$2,062.50 for 2017, \$2,250 for 2018 and \$2,400 for 2019 per family. Expenses that apply towards the deductible are aggregated between in-network and out-of-network expenses to reach the applicable deductible. The family annual deductible is satisfied when any combination of individual family member deductibles equals the applicable family annual deductible within a calendar year; however, an enrolled associate or eligible dependent will never satisfy more than his or her own individual amounts. (Amend the following section of the VMEP: Section 6.1.1.)
- c. **Out-of-Pocket Maximum.** The out-of-pocket expense maximum applicable to covered services or supplies obtained on an in-network basis under the HCN Option during any calendar year will be \$1,400 for 2016, \$1,550 for 2017, \$1,700 for 2018 and \$1,815 for 2019 per individual and \$3,500 for 2016, \$3,875 for 2017, \$4,250 for 2018 and \$4,537.50 for 2019 per family. The out-of-pocket expense maximum applicable to covered services or supplies obtained on an out-of-network basis under the HCN Option during any calendar year will be \$2,300 for 2016, \$2,600 for 2017, \$2,800 for 2018 and \$2,990 for 2019 per individual and \$5,750 for 2016, \$6,500 for 2017, \$7,000 for 2018 and \$7,475 for 2019 per family. Expenses that apply towards the out-of-pocket maximum are aggregated between in-network and out-of-network expenses to reach the applicable out-of-pocket maximum. The family annual out-of-pocket maximums can be satisfied by any combination of family members within a calendar year; however, an enrolled associate or eligible dependent will never satisfy more than his or her own individual amounts. Amounts paid towards the deductible will apply towards the annual out-of-pocket maximum. (Amend the following section of the VMEP: Section 6.1.4.)
- d. **Covered Medical Services and Supplies.**
 - i. **Physicians’ Services.** The Company will implement a copay of \$30 for each specialist’s home or office visit on an in-network basis. Primary care physician’s or specialist’s home and office visits will be covered on an out-of-network basis at 60% of the MAA after the deductible is met. (Amend the following sections of the VMEP: Sections 6.1.2 and 6.1.3.)

- ii. **Radiation Therapy, Chemotherapy, Electroshock Therapy and Hemodialysis.** The Company will implement a copay of \$30 for each visit for radiation therapy, chemotherapy, electroshock therapy and hemodialysis provided in a specialist's office on an in-network basis. Radiation therapy, chemotherapy, electroshock therapy and hemodialysis performed at an outpatient facility will be covered after the deductible is met on an in-network basis at 90% of the NNF. Radiation therapy, chemotherapy, electroshock therapy and hemodialysis provided in a physician's office or at an outpatient facility will be covered on an out-of-network basis at 60% of the MAA after the deductible is met. (Amend the following sections of the VMEP: Sections 6.1.2 and 6.1.3.)
- iii. **Physical, Occupational and Speech Therapy.** The Company will implement a copay of \$20 for each outpatient physical, occupational and speech therapy visit on an in-network basis. Outpatient physical, occupational and speech therapy facility charges will be covered after the deductible is met on an in-network basis at 90% of the NNF. Provider and facility charges for outpatient physical, occupational and speech therapy will be covered on an out-of-network basis at 60% of the MAA after the deductible is met. (Amend the following sections of the VMEP: Sections 6.1.2, 6.1.3 and 9.13.)
- iv. **Chiropractic Services.** The Company will continue to implement a copay of \$20 for each visit with a licensed chiropractor on an in-network basis. Coverage for services with a licensed chiropractor will be covered on an out-of-network basis at 60% of the MAA after the deductible is met. The maximum benefit payable for covered chiropractic services will be limited to \$750 per plan year per individual, regardless of whether coverage is provided in-network or out-of-network. (Amend the following sections of VMEP: Sections 6.1.2, 6.1.3 and 9.4.)
- v. **Home Health Care.** Home health care will be covered on an out-of-network basis at 60% of the MAA after the deductible is met. (Amend the following sections of the VMEP: Sections 6.1.3 and 7.2.)
- vi. **Inpatient Hospital Services.** Semi-private hospital room and board will be covered after the deductible is met on an in-network basis at 90% of the NNF; and, after the deductible is met on an out-of-network basis at 60% of the MAA. Any in-patient hospital physician's visits, newborn baby care, x-rays, diagnostic laboratory tests and other medically necessary ancillary services and supplies provided during a covered hospital confinement will be covered after the deductible is met on an in-network basis at 90% of the NNF; and, after the deductible is met on an out-of-network basis at 60% of the MAA. (Amend the following sections of the VMEP: Sections 6.1.3, 7.1 and 9.9.)

- vii. **Maternity and Newborn Care.** The Company will continue to implement a copay of \$20 for maternity care (pre- and post-natal), at the initial visit only, on an in-network basis. Maternity care (pre- and post-natal) will be covered after the deductible is met on an in-network basis at 90% of the NNF; and, after the deductible is met on an out-of-network basis at 60% of the MAA. Birthing center charges will be covered after the deductible is met on an in-network basis at 90% of the NNF; and, after the deductible is met on an out-of-network basis at 60% of the MAA. Newborn baby care will be covered after the deductible is met on an in-network basis at 90% of the NNF; and, after the deductible is met on an out-of-network basis at 60% of the MAA. (Amend the following sections of the VMEP: Sections 6.1.2, 6.1.3 and 9.9.)
- viii. **Skilled Nursing Facility Services.** Care in a skilled nursing facility will be covered on an out-of-network basis at 60% of the MAA after the deductible is met. (Amend the following sections of the VMEP: Sections 6.1.3 and 7.2.)
- ix. **Hospice Care.** Hospice care will be covered on an out-of-network basis at 60% of the MAA after the deductible is met. (Amend the following sections of the VMEP: Sections 6.1.3 and 7.2.)
- x. **Surgery and Anesthesia.**
 - Inpatient surgery will be covered after the deductible is met on an in-network basis at 90% of the NNF; and, after the deductible is met on an out-of-network basis at 60% of the MAA. (Amend the following section of the VMEP: Section 6.1.3.)
 - The Company will implement a copay of \$30 for each outpatient surgery performed in a specialist's office on an in-network basis. Outpatient surgery performed in a facility will be covered after the deductible is met on an in-network basis at 90% of the NNF; and, after the deductible is met in a physician's office or in a facility on an out-of-network basis at 60% of the MAA. (Amend the following sections of the VMEP: Sections 6.1.2, 6.1.3 and 8.5.)
 - Anesthesia will be covered after the deductible is met on an in-network basis at 90% of the NNF; and, after the deductible is met on an out-of-network basis at 60% of the MAA. (Amend the following section of the VMEP: Section 6.1.3.)
 - The Company will implement a copay of \$30 for each second opinion provided by a specialist on an in-network basis. (Amend the following section of the VMEP: Section 6.1.2.)

- xi. **Emergency Care.** The Company will implement a copay of \$100 for 2016, \$110 for 2017, \$120 for 2018 and \$130 for 2019 for each in-network or out-of-network visit to an emergency room. However, the applicable emergency room copay will be waived if the associate or eligible dependent is admitted to the hospital. (Amend the following sections of the VMEP: Sections 6.1.2 and 6.1.3.)
- xii. **Urgent Care.** The Company will implement a copay of \$30 for each in-network or out-of-network visit to an urgent care facility. (Amend the following sections of the VMEP: Sections 6.1.2 and 6.1.3.)
- xiii. **Ambulance Services.** Ambulance services for emergency services will be covered after the deductible is met on an in-network and out-of-network basis at 90% of the submitted amount. Ambulance services for non-emergency services will be covered on an in-network basis at 80% of the NNF after the deductible is met; and, on an out-of-network basis at 80% of the MAA after the deductible is met. (Amend the following sections of the VMEP: Sections 6.1.3 and 9.1.)
- xiv. **Durable Medical Equipment and Prosthetic Devices.** Durable medical equipment (DME) and prosthetic devices will be covered after the deductible is met on an in-network basis at 90% of the NNF; and, after the deductible is met on an out-of-network basis at 60% of the MAA. Pre-certification on an in-network and out-of-network basis will be required if the cost of purchase or rental of durable medical equipment, or the cost of a prosthetic device, is more than \$5,000. (Amend the following sections of the VMEP: Sections 6.1.3, 9.7 and 9.18.)
- xv. **Infertility Treatment.** Advanced reproduction technologies and fertility treatments will be covered after the deductible is met on an in-network basis at 90% of the NNF. (Amend the following sections of the VMEP: Sections 6.1.3 and 9.19.)
- xvi. **Covered Mental Health/Substance Abuse Services and Supplies.** Mental health/substance abuse services and supplies will be covered as follows:
 - Inpatient mental health care and substance abuse treatment will be covered after the deductible is met on an in-network basis at 90% of the NNF; and, after the deductible is met on an out-of-network basis at 60% of the MAA. Precertification will be required regardless of whether coverage is provided in-network or out-of-network. (Amend the following sections of the VMEP: Sections 6.1.3, 6.3 and 11.4.)
 - Outpatient mental health care and substance abuse treatment will be covered on an out-of-network basis at 60% of the MAA after the

deductible is met. (Amend the following sections of the VMEP: Sections 6.1.2, 6.1.3, 6.3 and 11.4.)

- xvii. **Radiology and Diagnostic Laboratory Tests.** For outpatient radiology and diagnostic laboratory tests on an in-network basis, the Company will implement a copay of \$30 for each visit if performed in a specialist's office. Outpatient radiology and diagnostic laboratory tests will be covered on an out-of-network basis at 60% of the MAA after the deductible is met. (Amend the following sections of the VMEP: Sections 6.1.2, 6.1.3 and 9.6.)

2) **Health Care PPO Benefit Changes.** The medical benefits provided to associates and their eligible dependents enrolled in the Health Care PPO Option on and after August 1, 2016 will be as described in the VMEP, with the following modifications:

- a. **Maximum Allowed Amount.** The MAA will be defined as 240% of the national Medicare schedule. (Amend the following section of the VMEP: Section 2.)
- b. **Deductible.** For associates and their eligible dependents enrolled in the Health Care PPO Option, an annual deductible will apply for covered services or supplies obtained on an in-network basis of \$525 for 2016, \$575 for 2017, \$625 for 2018 and \$670 for 2019 per individual and \$1,312.50 for 2016, \$1,437.50 for 2017, \$1,562.50 for 2018 and \$1,675 for 2019 per family. For associates and their eligible dependents enrolled in the Health Care PPO Option, an annual deductible will apply for covered services or supplies obtained on an out-of-network basis of \$775 for 2016, \$825 for 2017, \$900 for 2018 and \$960 for 2019 per individual and \$1,937.50 for 2016, \$2,062.50 for 2017, \$2,250 for 2018 and \$2,400 for 2019 per family. Expenses that apply towards the deductible are aggregated between in-network and out-of-network expenses to reach the applicable deductible. The family annual deductible is satisfied when any combination of individual family member deductibles equals the applicable family annual deductible within a calendar year; however, an enrolled associate or eligible dependent will never satisfy more than his or her own individual amounts. (Amend the following section of the VMEP: Section 6.2.1.)
- c. **Out-of-Pocket Maximum.** The out-of-pocket expense maximum applicable to covered services or supplies obtained on an in-network basis under the Health Care PPO Option during any calendar year will be \$1,400 for 2016, \$1,550 for 2017, \$1,700 for 2018 and \$1,815 for 2019 per individual and \$3,500 for 2016, \$3,875 for 2017, \$4,250 for 2018 and \$4,537.50 for 2019 per family. The out-of-pocket expense maximum applicable to covered services or supplies obtained on an out-of-network basis under the Health Care PPO Option during any calendar year will be \$2,300 for 2016, \$2,600 for 2017, \$2,800 for 2018 and \$2,990 for 2019 per individual and \$5,750 for 2016, \$6,500 for 2017, \$7,000 for 2018 and \$7,475 for 2019 per family. Expenses that apply towards the out-of-pocket maximum are aggregated between in-network and out-of-network expenses to reach the applicable out-of-pocket maximum. The family annual out-of-pocket

maximums can be satisfied by any combination of family members within a calendar year; however, an enrolled associate or eligible dependent will never satisfy more than his or her own individual amounts. Amounts paid towards the deductible will apply towards the annual out-of-pocket maximum. (Amend the following section of the VMEP: Section 6.2.3.)

d. **Covered Medical Services and Supplies.**

- i. **Physicians' Services.** The Company will implement a copay of \$25 for each specialist's home or office visit on an in-network basis. Physician's office visits will be covered on an out-of-network basis at 60% of the MAA after the deductible is met. (Amend the following sections of the VMEP: Sections 6.2, 6.2.2, 6.2.4 and 9.14.)
- ii. **Radiation Therapy, Chemotherapy, Electroshock Therapy and Hemodialysis.** The Company will implement a copay of \$25 for each visit for radiation therapy, chemotherapy, electroshock therapy and hemodialysis provided in a specialist's office on an in-network basis. Radiation therapy, chemotherapy, electroshock therapy and hemodialysis provided at an outpatient facility will be covered after the deductible is met on an in-network basis at 90% of the NNF. Radiation therapy, chemotherapy, electroshock therapy and hemodialysis provided in a physician's office or performed at a hospital outpatient facility will be covered after the deductible is met on an out-of-network basis at 60% of the MAA. (Amend the following sections of the VMEP: Sections 6.2.2, 6.2.4 and 9.20.)
- iii. **Physical, Occupational and Speech Therapy.** The Company will implement a copay of \$20 for each outpatient physical, occupational and speech therapy visit on an in-network basis. Outpatient physical, occupational and speech therapy facility charges will be covered on an in-network basis at 90% of the NNF after the deductible is met. Provider and facility charges for outpatient physical, occupational and speech therapy will be covered on an out-of-network basis at 60% of the MAA after the deductible is met. (Amend the following sections of the VMEP: Sections 6.2.2, 6.2.4 and 9.13.)
- iv. **Chiropractic Services.** The Company will continue to implement a copay of \$20 for services with a licensed chiropractor on an out-of-network basis. The maximum benefit payable for services with a licensed chiropractor will be limited to \$60 per visit on an out-of-network basis. In addition to an associate's responsibility for the copay, an associate will be responsible for the cost of the visit, if any, in excess of \$60. Chiropractic services will continue to be subject to an aggregate limit of sixty (60) visits per plan year regardless of whether coverage is provided in-network or out-of-network (chiropractic service visits will not exceed 1 visit per

day). (Amend the following sections of the VMEP: Sections 6.2, 6.2.2 and 9.4.)

- v. **Home Health Care.** Home health care will be covered on an out-of-network basis at 60% of the MAA after the deductible is met. (Amend the following sections of the VMEP: Sections 6.2.2 and 7.2.)
- vi. **Inpatient Hospital Services.** Semi-private hospital room and board will be covered after the deductible is met on an in-network basis at 90% of the NNF and on an out-of-network basis at 60% of the MAA. Any in-patient hospital physician's visits, newborn baby care, x-rays, diagnostic laboratory tests and other medically necessary ancillary services and supplies provided during a covered hospital confinement will be covered after the deductible is met on an in-network basis at 90% of the NNF and on an out-of-network basis at 60% of the MAA. (Amend the following sections of the VMEP: Sections 6.2, 6.2.2, 7.1, 9.9 and 9.14.)
- vii. **Maternity and Newborn Care.** The Company will continue to implement a copay of \$20 for maternity care (pre- and post-natal), at the initial visit only, on an in-network basis. Maternity care (pre- and post-natal) will be covered after the deductible is met on an in-network basis at 90% of the NNF and on an out-of-network basis at 60% of the MAA. Birthing center charges will be covered after the deductible is met on an in-network basis at 90% of the NNF and on an out-of-network basis at 60% of the MAA. Newborn baby care will be covered after the deductible is met on an in-network basis at 90% of the NNF and on an out-of-network basis at 60% of the MAA. (Amend the following sections of the VMEP: Sections 6.2, 6.2.2, 6.2.4, and 9.9.)
- viii. **Skilled Nursing Facility Services.** Care in a skilled nursing facility will be covered on an out-of-network basis at 60% of the MAA, after the deductible is met. (Amend the following sections of the VMEP: Sections 6.2.2 and 7.2.)
- ix. **Hospice Care.** Hospice care will be covered on an out-of-network basis at 60% of the MAA after the deductible is met. (Amend the following sections of the VMEP: Sections 6.2.2 and 7.2.)
- x. **Surgery and Anesthesia.**
 - Inpatient surgery will be covered after the deductible is met on an in-network basis at 90% of the NNF and on an out-of-network basis at 60% of the MAA. (Amend the following section of the VMEP: Section 6.2.2.)
 - The Company will implement a copay of \$25 for each outpatient surgery performed in a specialist's office on an in-network basis.

Outpatient surgery performed in a facility will be covered after the deductible is met on an in-network basis at 90% of the NNF.

Outpatient surgery performed in a physician's office or a facility will be covered on an out-of-network basis at 60% of the MAA after the deductible is met. (Amend the following sections of the VMED: Sections 6.2.2, 6.2.4 and 8.5.)

- Anesthesia will be covered after the deductible is met on an in-network basis at 90% of the NNF and on an out-of-network basis at 60% of the MAA. (Amend the following sections of the VMED: Sections 6.2.2 and 8.5.)
 - The Company will implement a copay of \$25 for each second opinion provided by a specialist on an in-network basis. Second opinions will be covered on an out-of-network basis at 60% of the MAA after the deductible is met. (Amend the following sections of the VMED: Sections 6.2, 6.2.2, 6.2.4, and 8.4.)
- xi. **Emergency Care.** The Company will implement a copay of \$100 for 2016, \$110 for 2017, \$120 for 2018 and \$130 for 2019 for each in-network or out-of-network visit to an emergency room. However, the applicable emergency room copay will be waived if the associate or eligible dependent is admitted to the hospital. (Amend the following sections of the VMED: Sections 6.2, 6.2.2. and 6.2.4.)
- xii. **Urgent Care.** The Company will implement a copay of \$25 for each in-network or out-of-network visit to an urgent care facility. (Amend the following sections of the VMED: Sections 6.2, 6.2.2. and 6.2.4.)
- xiii. **Ambulance Services.** Ambulance services for emergency services will be covered after the deductible is met on an in-network basis and out-of-network basis at 90% of the submitted amount. Ambulance services will be covered for non-emergency services on an in-network basis at 70% of the NNF and on an out-of-network basis at 70% of the MAA, in each case, after the deductible is met. (Amend the following sections of the VMED: Sections 6.2.2 and 9.1.)
- xiv. **Durable Medical Equipment and Prosthetic Devices.** Durable medical equipment (DME) and prosthetic devices will be covered on an out-of-network basis at 60% of the MAA after the deductible is met. Pre-certification on an in-network and out-of-network basis will be required if the cost of purchase or rental of durable medical equipment, or the cost of a prosthetic device, is more than \$5,000. (Amend the following sections of the VMED: Sections 6.2.2, 9.7 and 9.18.)
- xv. **Infertility Treatment.** Advanced reproduction technologies and fertility treatments will be covered after the deductible is met on an in-network

basis at 90% of the NNF and on an out-of-network basis at 60% of the MAA. (Amend the following sections of the VMED: Sections 6.2.2 and 9.19.)

- xvi. **Covered Mental Health/Substance Abuse Services and Supplies.** Mental health/substance abuse services and supplies will be covered as follows:
- Inpatient mental health care and substance abuse treatment will be covered after the deductible is met on an in-network basis at 90% of the NNF and on an out-of-network basis at 60% of the MAA. Precertification will be required regardless of whether coverage is provided in-network or out-of-network. (Amend the following sections of the VMED: Sections 6.2.2 and 9.11.)
 - Outpatient mental health care and substance abuse treatment will be covered on an out-of-network basis at 60% of the MAA after the deductible is met. (Amend the following sections of the VMED: Sections 6.2, 6.2.2, 6.2.4 and 9.11.)
- xvii. **Radiology and Diagnostic Laboratory Tests.** For outpatient radiology and diagnostic laboratory tests on an in-network basis the Company will implement a copay of \$25 for each visit if performed in a specialist's office. Outpatient radiology and diagnostic laboratory tests will be covered on an out-of-network basis at 60% of the MAA after the deductible is met. (Amend the following sections of the VMED: Sections 6.2, 6.2.2, 6.2.4, 8.5 and 9.6.)
- xviii. **Preventive Care Services.** Preventive care services and routine well-baby and well-child care (pediatric exams) will be covered on an out-of-network basis at 100% of the MAA, not subject to the deductible. (Amend the following sections of the VMED: 6.1.3 and 9.16.)
- 3) **EPO Option.** (Amend the following section of the Verizon Alternate Choice Plan for New York and New England Associates: Section 4.)
- a. Copay for a specialist office visit will be \$30.
 - b. Copay for an emergency room visit will be \$100 for 2016, \$110 for 2017, \$120 for 2018 and \$130 for 2019.
- 4) **HMO Options.** (Amend the following section of the Verizon Alternate Choice Plan for New York and New England Associates: Section 4.1.)
- a. Copay for a specialist office visit will be no greater than \$30.
 - b. Copay for an emergency room visit will be no greater than \$100 for 2016, \$110 for 2017, \$120 for 2018 and \$130 for 2019.

- 5) **Prescription Drug Benefit Changes Applicable to Associates and Eligible Dependents.** The prescription drug coverage currently offered to associates and eligible dependents will be amended by the provisions outlined in Section VIII.2.C.5 of this 2016 MOU. The drugs and supplies that shall from time to time be covered under the Plan shall consist of at least the same drugs and supplies that are covered by the prescription drug plan then in effect for U.S.-based management employees of the Company and shall consist of at least the same drugs and supplies that are covered under the most prevalent formulary program of the TPA then in effect based on commercial lives covered; provided that compound drugs may be excluded only to the extent that such drugs are also excluded under the most prevalent compound exclusion program of the TPA then in effect based on commercial lives covered. Notwithstanding the foregoing, a participant may seek pre-authorization of a prescription for a compound drug that may have otherwise been excluded from the Plan. The standards and processes that will apply in that pre-authorization process, including the requirement that the participant's doctor establish medical necessity, will be equivalent to those that apply to an appeal of the denial of a prescription for a compound drug under the Plan.

The TPA shall from time to time designate whether a covered drug is preferred or non-preferred and the manner in which prescriptions may be filled; provided that the covered drugs that are designated as preferred shall consist of at least the same drugs that are designated as preferred under the prescription drug plan then in effect for U.S.-based management employees of the Company, and shall consist of at least the same drugs that are designated as preferred under the most prevalent formulary program of the TPA then in effect based on commercial lives covered.

With respect to the prescription drug benefits offered to associates and eligible dependents on and after January 1, 2018, the Plan Administrator may from time to time designate the TPA of the prescription drug program, provided that prior to each such designation, the Plan Administrator must: (i) prior to the issuance of a request for proposals or equivalent document soliciting bids for a TPA of the prescription drug program for associates (an "Active Rx RFP"), provide members of the Advisory Committee on Health Care (the "ACHC") the opportunity to sign a confidentiality agreement and for those who signed a confidentiality agreement, provide a copy of the proposed Active Rx RFP; (ii) provide the members of the ACHC who signed a confidentiality agreement with seven (7) days to review the Active Rx RFP and to submit comments to the Company; (iii) provide the members of the ACHC who signed a confidentiality agreement with the final Active Rx RFP at the time it is issued by the Plan Administrator; (iv) provide members of the ACHC who signed a confidentiality agreement with seven (7) days to review the bids submitted by companies in response to the Active Rx RFP and to submit comments to the Plan Administrator; however, as to bidders who object to the members of the ACHC reviewing their entire bid, members of the ACHC who signed a confidentiality agreement will be provided seven (7) days to review the participant-impacting terms of the bid; (v) consult with the ACHC regarding the designation of two finalist candidates, provided the ACHC must make itself available to consult within seventy

two (72) hours of the Plan Administrator's request; and (vi) arrange for the ACHC to meet with the two finalist candidates on dates and times designated by the candidates. Within seventy two (72) hours of the later of the dates designated by the candidates, the ACHC shall provide the Plan Administrator with its recommendation regarding which candidate to select for the designation.

If a majority of members of the ACHC cannot agree on a recommendation, the union members of the ACHC may within seventy two (72) hours of the later of the dates designated by the candidates submit their recommendation to the Plan Administrator. The Plan Administrator shall designate the insurer(s) or TPA(s) after having given due consideration to any such recommendation from the ACHC or the union members of the ACHC and must demonstrate that the designated TPA is either (a) among the three (3) largest Pharmacy Benefit Managers of group prescription drug plans measured by number of enrollees; or (b) the then-current TPA of the prescription drug program. (Amend the following sections of the VMEP: Sections 6.4, 12.3, 12.4 and 12.5.)

- a. **Out-of-Pocket Maximum.** An annual out-of-pocket expense maximum under the Health Care PPO Option will apply to prescription drugs purchased at mail order pharmacies of \$786.52 for 2016 and 2017, and for each calendar year thereafter, the annual out-of-pocket expense maximum will increase by 6% when compared to the annual out-of-pocket expense maximum for the prior year. Any expenses incurred as a result of the provisions of Section VIII.2.B.5)(b) of this 2016 MOU regarding a member paying the difference between the cost of a brand name and a generic drug when a generic equivalent is available will not count toward the out-of-pocket maximum.
- b. **In-Network Pharmacies.** The following prescription drug coverage will apply for prescription drugs purchased at in-network pharmacies for up to a 30-day supply:
 - The copay for generic drugs will be the Discounted Network Price ("DNP") for the original prescription and each refill, with a maximum copay of \$10 for 2016, 2017 and 2018, and for each calendar year thereafter, the maximum copay will increase when compared to the maximum copay for the prior calendar year by the percent equal to the percent increase in the per prescription cost of generic drugs in the prescription drug program for New York and New England active associates between the year that was three years prior and the year that was two years prior, up to a maximum of 4% (the "Generic Trend Percentage"). For example, and solely for avoidance of doubt, for calendar year 2019, the maximum copay for generic drugs will increase by the percent equal to the percent increase in the per prescription cost of generic drugs in the prescription drug program for New York and New England active associates between 2016 and 2017, up to a maximum of 4%. If between 2016 and 2017, the per prescription cost of generic drugs in the prescription drug program for New York and New England active associates increases by 3%, then the Generic Trend Percentage for 2019 shall be 3% and

the 2019 maximum copay for generic drugs shall be an amount that is 3% greater than the 2018 maximum copay for generic drugs.

- The copay for brand name preferred drugs will be 20% of the DNP for the original prescription and each refill, with a maximum copay of \$30 for 2016 and 2017, and for each calendar year thereafter, the maximum copay will increase when compared to the maximum copay for the prior calendar year by the percent equal to the percent increase in the per prescription cost of all non-compound brand name drugs (preferred and non-preferred) in the prescription drug program for New York and New England active associates between the year that was three years prior and the year that was two years prior, up to a maximum of 6% (the “Brand Trend Percentage”). For example, and solely for avoidance of doubt, for calendar year 2018, the maximum copay for brand name preferred drugs will increase by the percent equal to the percent increase in the per prescription cost of non-compound brand name drugs (preferred and non-preferred) in the prescription drug program for New York and New England active associates between 2015 and 2016, up to a maximum of 6%. If between 2016 and 2017, the per prescription cost of non-compound brand name drugs (preferred and non-preferred) in the prescription drug program for New York and New England active associates increases by 15%, then the Brand Trend Percentage for 2018 shall be 6% and the 2018 maximum copay for brand preferred drugs shall be an amount that is 6% greater than the 2017 maximum copay for brand preferred drugs.
- The copay for brand name non-preferred drugs will be 30% of the DNP for the original prescription and each refill, with a maximum copay of \$50 for 2016 and 2017, and for each calendar year thereafter, the maximum copay will increase when compared to the maximum copay for the prior calendar year by the applicable Brand Trend Percentage. For example, and solely for avoidance of doubt, for calendar year 2018, the maximum copay for brand name non-preferred drugs will increase by the percent equal to the percent increase in the per prescription cost of non-compound brand name drugs (preferred and non-preferred) in the prescription drug program for New York and New England active associates between 2015 and 2016, up to a maximum of 6%. If between 2015 and 2016, the per prescription cost of non-compound brand name drugs (preferred and non-preferred) in the prescription drug program for New York and New England active associates increased by 20%, then the Brand Trend Percentage for 2018 shall be 6% and the 2018 maximum copay for brand non-preferred drugs shall be an amount that is 6% greater than the 2017 maximum copay for brand non-preferred drugs.
- If an associate purchases a brand name drug when a generic equivalent is available, the associate will pay an amount equal to (a) the DNP, up to a maximum of the maximum copay for the generic drug that applies for that year plus (b) 100% of the cost difference between the brand name and generic drug, and the fixed dollar maximum copays described above will not apply. If the associate’s treating physician certifies that the associate is medically

unable to take the generic medication and such exception is approved by the TPA's procedures for approval of treatment or services, then the brand name preferred or brand name non-preferred coverage will apply, as applicable.

- Once an associate has obtained three fills of the prescription from an in-network pharmacy (i.e., the initial prescription plus two refills), then the associate must use the mail order pharmacy to obtain subsequent refills of long-term prescription medications. If an associate does not use the mail order pharmacy to obtain such subsequent refills of a long-term prescription medication, an associate will be responsible for 50% of the DNP cost for subsequent refills of a long-term prescription medication. The fixed dollar maximum copays described above will not apply.
- c. **Out-of-Network Pharmacies.** For out-of-network pharmacies, an associate will pay 100% of the cost difference between the retail cost and the DNP. In addition, an associate will pay a percentage of the DNP, as provided below. After the per person out-of-network annual deductible is met, the following prescription drug coverage will apply for prescription drugs purchased at out-of-network pharmacies for up to a 30-day supply:
- The copay for generic drugs will be 30% of the DNP for the original prescription and each refill.
 - The copay for brand name preferred drugs will be 40% of the DNP for the original prescription and each refill.
 - The copay for brand name non-preferred drugs will be 40% of the DNP for the original prescription and each refill.
 - If an associate purchases a brand name drug when a generic equivalent is available, the associate will pay 30% of the DNP plus 100% of the cost difference between the brand name and generic drug, unless the associate's treating physician certifies that the associate is medically unable to take the generic medication and such exception is approved by the TPA's procedures for approval of treatment or services, then the brand name preferred or brand name non-preferred coverage will apply, as applicable.
 - Once an associate has obtained three fills of the prescription from an out-of-network pharmacy (i.e., the initial prescription plus two refills), then the associate must use the mail order pharmacy to obtain subsequent refills of long-term prescription medications. If an associate does not use the mail order pharmacy to obtain such subsequent refills of a long-term prescription medication, an associate will be responsible for 50% of the DNP cost for subsequent refills of a long-term prescription medication.
- d. **Mail Order Pharmacy.** The prescription drug coverage for mail order drugs will be as follows for up to a 90-day supply:

- The copay for generic drugs will be the DNP for the original prescription and each refill, with a maximum copay of \$20 for 2016, 2017 and 2018, and for each calendar year thereafter, the maximum copay will be two times the maximum copay for that year for generic drugs purchased at in-network pharmacies.
 - The copay for brand name preferred drugs will be 20% of the DNP for the original prescription and each refill, with a maximum copay of \$60 for 2016 and 2017, and for each calendar year thereafter, the maximum copay will be two times the maximum copay for that year for brand name preferred drugs purchased at in-network pharmacies.
 - The copay for brand name non-preferred drugs will be 30% of the DNP for the original prescription and each refill, with a maximum copay of \$100 for 2016 and 2017, and for each calendar year thereafter, the maximum copay will be two times the maximum copay for that year for brand name non-preferred drugs purchased at in-network pharmacies.
 - If an associate purchases a brand name drug when a generic equivalent is available, the associate will pay an amount equal to (a) the DNP, up to a maximum of the maximum copay for the generic drug that applies for that year, plus (b) 100% of the cost difference between the brand name and generic drug, and the fixed dollar maximum copays described above will not apply. If the associate's treating physician certifies that the associate is medically unable to take the generic medication and such exception is approved by the TPA's procedures for approval of treatment or services, then the brand name preferred or brand name non-preferred coverage will apply.
- 6) **Contributions for Medical Coverage.** An associate who enrolls in the HCN Option, Health Care PPO Option, or any other option offered by the Company under the VMEP, including any one or more benefits options provided pursuant to any HMO Options described in the VMEP ("Other Medical Option"), will pay a monthly contribution on a before-tax basis towards the cost of coverage for the medical coverage category elected by such associate ("Monthly Employee Contribution").

The Monthly Employee Contribution for the HCN Option and the Health Care PPO Option is set forth below. With respect to the Monthly Employee Contribution for any Other Medical Option offered by the Company under the VMEP, the Monthly Employee Contribution for the medical coverage category elected by such associate under such Other Medical Option may vary by option but will be no greater than the Monthly Employee Contribution for the Other Medical Option category as set forth below, which is 150% of the Monthly Employee Contribution of the HCN Option and Health Care PPO Option. An associate will be eligible for the non-tobacco user contribution rates (set forth below) for medical coverage if such associate and his or her covered dependents do not use tobacco products or satisfy a reasonable alternative standard as determined by the Company (e.g., complete an annual smoking cessation program). An associate will also be eligible to receive an annual credit of \$100 in 2016, 2017, 2018 and 2019, prorated on a pay-period basis toward the associate's contribution for healthcare if an associate

completes a health risk assessment provided by the Company. For 2016, in order to receive the credit, an associate will only be required to complete a health risk assessment provided by the Company if he/she did not previously complete one. The 2016 credit will be prorated for the period between the first date that the Monthly Employee Contribution set forth in the chart below for 2016 is in effect and December 31, 2016. The Monthly Employee Contributions that appear in the charts below for 2017, 2018 and 2019 will be annualized, will reflect an additional \$.04 on an annual basis, and will apply and be prorated on a pay-period basis.

Effective on the first day of the first pay period in 2016 that the Company determines is administratively feasible, the Monthly Employee Contribution required by associates will be:

Coverage Category Elected	Health Care PPO Option and HCN Option Monthly Employee Contribution (Tobacco User Rate)	Health Care PPO Option and HCN Option Monthly Employee Contribution (Non-Tobacco User Rate)	Other Medical Option Monthly Employee Contribution (Tobacco User Rate) – Up to a maximum of the amounts below	Other Medical Option Monthly Employee Contribution (Non-Tobacco User Rate) – Up to a maximum of the amounts below
Employee Only	\$134.33	\$84.33	\$172.33	\$122.33
Employee + Family	\$210.33	\$160.33	\$286.33	\$236.33

Effective January 1, 2017, the Monthly Employee Contribution required by associates will be:

Coverage Category Elected	Health Care PPO Option and HCN Option Monthly Employee Contribution (Tobacco User Rate)	Health Care PPO Option and HCN Option Monthly Employee Contribution (Non-Tobacco User Rate)	Other Medical Option Monthly Employee Contribution (Tobacco User Rate) – Up to a maximum of the amounts below	Other Medical Option Monthly Employee Contribution (Non-Tobacco User Rate) – Up to a maximum of the amounts below
Employee Only	\$146.33	\$96.33	\$190.33	\$140.33
Employee + Family	\$234.33	\$184.33	\$322.33	\$272.33

Effective January 1, 2018, the Monthly Employee Contribution required by associates will be:

Coverage Category Elected	Health Care PPO Option and HCN Option Monthly Employee Contribution (Tobacco User Rate)	Health Care PPO Option and HCN Option Monthly Employee Contribution (Non-Tobacco User Rate)	Other Medical Option Monthly Employee Contribution (Tobacco User Rate) – Up to a maximum of the amounts below	Other Medical Option Monthly Employee Contribution (Non-Tobacco User Rate) – Up to a maximum of the amounts below
Employee Only	\$160.33	\$110.33	\$211.33	\$161.33
Employee + Family	\$262.33	\$212.33	\$364.33	\$314.33

Effective January 1, 2019, the Monthly Employee Contribution required by associates will be:

Coverage Category Elected	Health Care PPO Option and HCN Option Monthly Employee Contribution (Tobacco User Rate)	Health Care PPO Option and HCN Option Monthly Employee Contribution (Non-Tobacco User Rate)	Other Medical Option Monthly Employee Contribution (Tobacco User Rate) – Up to a maximum of the amounts below	Other Medical Option Monthly Employee Contribution (Non-Tobacco User Rate) – Up to a maximum of the amounts below
Employee Only	\$168.33	\$118.33	\$223.33	\$173.33
Employee + Family	\$278.33	\$228.33	\$388.33	\$338.33

(Amend the following section of the VMEP: Section 3.)

3. HEALTH REIMBURSEMENT ACCOUNT

A. Effective as of January 1, 2013, the Company established a Health Reimbursement Account (HRA), within the meaning of IRS Notice 2002-45 and related guidance, and allocated a credit to certain eligible associates as specified in the 2012 MOU. Effective September 1, 2016, the Company will allocate a credit of \$250 to the HRA for eligible “Full-Time Employees” (as such term is defined in the VMEP) as of September 1, 2016 and eligible “Part-Time Employees” (as such term is defined in the VMEP) who are working at least 17 hours per week as of September 1, 2016 and who have at least 3 months of net credited service and who are enrolled in a medical coverage option under VMEP. To the extent an eligible associate was not provided with an HRA effective January 1, 2013 and is eligible for the

2016 HRA credit under this Section VIII.3, the Company will establish an HRA for such associate. Any such Full-Time Employee or Part-Time Employee who is not enrolled in a medical coverage option under the VMEP as of September 1, 2016 (an "Opt Out Associate") shall not be eligible for an HRA credit. Each Opt Out Associate will be paid a one time single bonus of \$250 by October 1, 2016. Such bonus shall be subject to the terms applicable to the Ratification Bonus set forth in Section IV of this MOU. An associate who is hired after September 1, 2016 will not be eligible for an HRA credit.

B. Amounts credited to the HRA may be used to reimburse otherwise unreimbursed eligible medical expenses (as defined in IRC section 213(d)) for the associate and his or her eligible IRS tax dependents who are enrolled in the VMEP, provided that the HRA may not be used to reimburse the associate for any premium or contribution under the VMEP or otherwise, including any Monthly Employee Contributions or premiums for any non-Company sponsored market based medical plan option. Amounts credited to the HRA may not be used to reimburse medical expenses incurred by an associate's dependents who are not also enrolled in a medical coverage option under the VMEP. Amounts credited to the HRA may only be used for eligible expenses incurred on or prior to December 31, 2018; accordingly, to the extent that an associate maintains a positive balance in his/her HRA after December 31, 2018, such amount shall be forfeited. Further, as required by IRS guidance, an associate is permitted to permanently opt out of and waive future reimbursements from the HRA at least annually.

C. If prior to December 31, 2018, the associate terminates employment for any reason other than Retirement (as defined under the Pension Plan), claims incurred after the date of termination will not be eligible for reimbursement. Claims incurred before the date of termination but not paid shall be eligible for reimbursement for three months following the date of termination. Any remaining balance after the run off period will be forfeited, unless the associate elects continued coverage under COBRA.

D. Upon the death of an associate, the remaining balance of his or her HRA account shall be used to reimburse claims incurred before the associate's death for eligible medical expenses of the associate or his or her IRS tax dependents who are enrolled in a medical option under the VMEP. Claims incurred before the associate's death but not paid shall be eligible for reimbursement for three months following the date of death. Any remaining balance after the run off period will be forfeited, unless the surviving IRS tax dependent elects continued coverage under COBRA and remains enrolled in a medical option under the VMEP. In the event an associate is on a leave of absence, he or she shall continue to be eligible for credits to and reimbursements from the HRA in the same manner as an eligible associate who is not on a leave of absence.

E. The Company will have the sole and exclusive right to determine and implement applicable administrative details with respect to the HRAs, which include, without limitation claims processing procedures, communications, and establishment of applicable COBRA rates. The HRAs will be established and operated in accordance with IRS guidance, including IRS Notice 2013-54 and IRS Notice 2015-87, and applicable law.

4. EXCISE TAX ON HIGH COST EMPLOYER-SPONSORED COVERAGE FOR EMPLOYEES

The Company shall have the full discretionary authority to amend, merge, restructure or terminate any legal plan(s) or any benefit option(s) (including without limitation, defining eligibility requirements) for the sole purpose of enabling the Company to utilize the applicable dollar limit for certain individuals who participate in a plan sponsored by an employer the majority of whose employees covered by the plan are employed to repair or install electrical or telecommunications lines, in accordance with Section 4980I(b)(3)(C)(iv) of the Internal Revenue Code of 1986, as amended and any U.S. Treasury regulations or other Internal Revenue Service guidance issued thereunder; provided that such actions shall not diminish the medical benefits then offered under such legal plans or benefit options.

5. RETIREE HEALTH AND WELFARE BENEFITS AND PRESCRIPTION DRUG COVERAGE CHANGES

Except as otherwise provided below, any changes to the health care benefits and prescription drug coverage provided to active employees as set forth in Section 2 above will also be made to the health care benefits and prescription drug coverage provided to eligible retirees who retired after August 9, 1986 ("Covered Retirees") effective at the same time such changes are effective for active employees and the applicable retiree health care plans will be amended in the same manner as those provisions are amended for active employees pursuant to Section 2 above. Any future changes to health care benefits and prescription drug coverage provided to Covered Retirees will be negotiated with the Union in the same manner as that for active employees and future retirees.

A. Changes for Covered Retirees Who Are Not Medicare Eligible.

1) Health Care PPO Option.

Notwithstanding the foregoing, for Covered Retirees and their dependents who are not Medicare eligible and who retired prior to January 1, 2017, the deductible provisions for the Health Care PPO Option set forth in Section VIII.2.C.2(b) of this 2016 MOU shall not apply. Instead, the deductible for such Covered Retirees and their eligible dependents enrolled in the Health Care PPO Option shall remain as currently provided in the VMEP.

Covered Retirees and their dependents who are not Medicare eligible and who retired after December 31, 2016 who enroll in the Health Care PPO Option will be subject to the deductible provisions in effect on the date of the Covered Retiree's retirement.

2) HCN Option.

Notwithstanding the foregoing, for Covered Retirees and their dependents who are not Medicare eligible, the deductible provisions for the HCN Option set forth in Section VIII.2.C.1(b) of this 2016 MOU shall not apply. Instead, for 2016 and 2017, the deductible for such Covered Retirees and their eligible dependents will be as follows:

- Covered Retirees who retired on or before December 31, 2016 will have no deductible on an in-network basis. The annual deductible on an out-of-network basis will be \$725.
- Covered Retirees who retired after December 31, 2016 will be subject to the deductible provisions in effect on the date of the Covered Retiree's retirement.

The HCN Option will be eliminated effective December 31, 2017 for Covered Retirees and their dependents who are not Medicare eligible. The HCN Option will not be offered in 2018 or any subsequent plan year for Covered Retirees and their dependents who are not Medicare eligible.

B. Additional Medical Option(s) for Covered Retirees Who Are Not Medicare Eligible.

In addition to the medical options offered to Covered Retirees and dependents who are not Medicare eligible, for 2018 and each subsequent plan year, the Company will establish and offer additional medical option(s) sponsored by the Company for such retirees and their dependents, provided that the Company and the Union have agreed on the design of such medical option(s) no later than June 30 of the year prior to the plan year in which such medical option(s) will be available. Each year beginning in 2017, the Company and the Union will discuss, through the ACHC, the design of such medical option(s) for the subsequent plan year with the goal of designing medical option(s), in which the cost of coverage is no greater than the 2016 Company Contribution Cap as defined in Section VIII.4.E.2.b(iii) of the 2012 MOU for pre-Medicare retirees in the Health Care PPO Option for the coverage category elected (\$15,447 for single coverage; \$30,893 for single +1 coverage; and \$38,639 for family coverage). The ACHC will discuss the design of such option(s) beginning on or about May 1 of the year prior to each such plan year. The contributions for such medical option(s) shall be subject to Section VIII.4.E.2.b(iii) of the 2012 MOU. For purposes of applying Section VIII.4.E.2.b(iii) of the 2012 MOU in 2018 and each subsequent plan year, such option(s) shall be subject to the 2016 Company Contribution Cap for the Health Care PPO Option for the coverage category elected (\$15,447 for single coverage; \$30,893 for single +1 coverage; and \$38,639 for family coverage). Any such additional medical option(s) will be established and operated in accordance with IRS guidance and applicable law.

C. Changes for Covered Retirees Who Are Medicare Eligible Applicable for 2016.

- 1) **Deductibles.** Notwithstanding the foregoing, for Covered Retirees and their dependents who are Medicare eligible, the deductible provisions for 2016 for the HCN Option set forth in Section VIII.2.C.1(b) of this 2016 MOU and for the Health Care PPO Option set forth in Section VIII.2.C.2(b) of this 2016 MOU shall not apply. Instead, for 2016 the deductible provisions for Covered Retirees and their eligible dependents who are Medicare eligible shall remain as currently provided in the VMEP.

- 2) **Copays.** Notwithstanding the foregoing, for Covered Retirees and their dependents who are Medicare eligible, the copays for 2016 for the HCN Option set forth in Section VIII.2.C.1.(d) of this 2016 MOU and for the Health Care PPO Option set forth in Section VIII.2.C.2(d) of this 2016 MOU shall not apply. Instead, for 2016 the copays for such Covered Retirees and their eligible dependents will be no greater than \$10 for an office visit to a primary care provider (including OB-GYN), no greater than \$15 for a specialist office visit and no greater than \$25 for an emergency room visit, however, the applicable emergency room copay will be waived if the associate or eligible dependent is admitted to the hospital. For chiropractic services under the Health Care PPO, the copay for such Covered Retirees will be no greater than \$20 for services with a licensed chiropractor on an out-of-network basis.

D. Changes for Covered Retirees Who Are Medicare Eligible Applicable Beginning January 1, 2017 – Medicare Advantage Program. Effective January 1, 2017, Medicare-eligible Covered Retirees and dependents will participate in the Company-sponsored Medicare Advantage plan(s). The Medicare Advantage plan(s) will be a fully-insured or self-insured benefit. The Company shall from time to time designate the insurer(s) or TPA(s) of the Medicare Advantage plan(s), provided that prior to each such designation, the Company must: (i) prior to the issuance of a request for proposals or equivalent document soliciting bids for a TPA or an insurer for the Medicare Advantage plan(s) (a “MA RFP”), provide members of the ACHC the opportunity to sign a confidentiality agreement and for those who signed a confidentiality agreement, provide a copy of the proposed MA RFP; (ii) provide the members of the ACHC who signed a confidentiality agreement with seven (7) days to review the MA RFP and to submit comments to the Company; (iii) provide the members of the ACHC who signed a confidentiality agreement with the final MA RFP at the time it is issued by the Company; (iv) provide members of the ACHC who signed a confidentiality agreement with seven (7) days to review the bids submitted by companies in response to the MA RFP and to submit comments to the Company; however, as to bidders who object to the members of the ACHC reviewing their entire bid, members of the ACHC who signed a confidentiality agreement will be provided seven (7) days to review the participant-impacting terms of the bid; (v) consult with the ACHC regarding the designation of two finalist candidates, provided that the ACHC must make itself available to consult within seventy two (72) hours of the Company’s request; and (vi) arrange for the ACHC to meet with the two finalist candidates on dates and times designated by the candidates. Within seventy two (72) hours of the later of the dates designated by the candidates, the ACHC shall provide the Company with its recommendation regarding which candidate to select for the designation. If a majority of members of the ACHC cannot agree on a recommendation, the union members of the ACHC may within seventy two (72) hours of the later of the dates designated by the candidates submit their recommendation to the Company. The Company shall designate the insurer(s) or TPA(s) after having given due consideration to any such recommendation from the ACHC or the union members of the ACHC and must demonstrate that the designated insurer or TPA is either (a) among the three (3) largest Group Medicare Advantage insurers measured by number of enrollees (excluding any then-current TPA of the Medicare Advantage plan(s)); (b) the current or then-current TPA of the VMEP; or (c) a then-current insurer or TPA of the Medicare Advantage plan(s).

The Medicare Advantage plan options offered to eligible Covered Retirees and dependents will provide medical benefits that are the same as those provided under the HCN Option and Health Care PPO Option on an in-network basis to active employees as set forth in Section VIII.2 of this 2016 MOU with the modifications set forth in this Section VIII.5.D. If an eligible Covered Retiree or dependent uses a provider/supplier who has “opted-out” of Medicare (i.e., does not provide services to anyone through Medicare), s/he will receive no reimbursement from the applicable Medicare Advantage plan option, unless specifically required by law, regulation or by the Centers for Medicare & Medicaid Services (“CMS”). If a provider who has not “opted-out” of Medicare does not contract with the Medicare Advantage plan insurer or TPA, the coinsurance amounts under the Medicare Advantage plan options will be based on whether the provider accepts Medicare assignment and will be determined using the applicable Medicare Fee Schedule established by CMS instead of the Network Negotiated Fee.

1) **HCN Benefit Changes.**

- a. **Deductibles.** There will be no deductible.
- b. **Out-of-Pocket Maximum.** The out-of-pocket expense maximum applicable to covered services or supplies during any calendar year will be \$1,050 per individual. No family out-of-pocket expense maximum will separately apply. Amounts paid toward copays for Medicare covered services will apply towards the out-of-pocket maximum.
- c. **Copays.** The copay for an office visit to a primary care provider (including OB-GYN) will be no greater than \$10. The copay for a specialist office visit will be no greater than \$15. The copay for each visit to an emergency room will be \$25, however, the applicable emergency room copay will be waived if the associate or eligible dependent is admitted to the hospital.
- d. **Chiropractic services.** To the extent that chiropractic services and supplies are covered by Medicare, the copay for each visit with a licensed chiropractor will be no greater than \$10 and there will not be a maximum benefit per plan year. To the extent that covered chiropractic services or supplies are not covered by Medicare, the maximum benefit payable for such covered chiropractic services will continue to be limited to \$750 per plan year per individual.
- e. **Accidental injury dental services.** Dental services or supplies will be covered to the extent such services or supplies are covered by Medicare.
- f. **Skilled Nursing Facility Services.** Skilled nursing facility services will be subject to a 120 day limit per benefit period (as defined by Medicare).
- g. **Home Health Care.** The limit applicable to days of service (visit) for home health care will not apply.

2) **Health Care PPO Benefit Changes**

a. **Deductibles.**

- (i) For Covered Retirees an annual deductible will apply for covered services or supplies per individual as set forth below. No family annual deductible will separately apply. To the extent that a Medicare-eligible Covered Retiree's 2015 annual individual deductible was:
- Between \$25 and \$54, the annual deductible will be \$21 per individual.
 - Between \$55 and \$83, the annual deductible will be \$51 per individual.
 - Between \$84 and \$99, the annual deductible will be \$80 per individual.
 - Between \$100 and \$124, the annual individual deductible will be \$96 per individual.
 - Between \$125 and \$149, the annual deductible will be \$121 per individual.
 - \$150, the annual deductible will be \$146 per individual.
 - \$200, the annual deductible will be \$196 per individual.
 - \$250, the annual deductible will be \$246 per individual.
 - \$475 or greater, the annual deductible will be \$471 per individual.
- (ii) Charges incurred and applied towards the deductible will be limited to charges incurred during the plan year to which the deductible applies and will not carry over from one plan year to the next.

b. **Out-of-Pocket Maximum.** The out-of-pocket expense maximum applicable to covered services or supplies during any calendar year will be \$1,150 per individual. No family out-of-pocket expense maximum will separately apply. Amounts paid toward copays for Medicare covered services will apply towards the out-of-pocket maximum.

c. **Copays.** The copay for an office visit to a primary care provider (including OB-GYN) will be no greater than \$10. The copay for a specialist office visit will be no greater than \$15. The copay for each visit to an emergency room will be no greater than \$25, however, the applicable emergency room copay will be waived if the associate or eligible dependent is admitted to the hospital.

d. **Chiropractic services.** To the extent that chiropractic services and supplies are covered by Medicare, there will not be a maximum benefit per plan year. To the extent that covered chiropractic services or supplies are not covered by Medicare, an aggregate limit of sixty (60) visits will apply (chiropractic service visits will not exceed 1 visit per day).

e. **Accidental injury dental services.** Dental services or supplies will be covered to the extent that such dental services and supplies are covered by Medicare.

f. **Physical, Occupational and Speech Therapy.** Provider and facility charges for outpatient physical, occupational and speech therapy will be covered at 90% after the deductible is met.

The Company will have the full discretionary authority to determine and implement applicable administrative details with respect to the Medicare Advantage plan(s) without diminishing the medical benefits then offered under such plan(s) unless required by applicable law. The Company may also modify the terms of the medical options offered under the Medicare Advantage plan(s) (including, but not limited to, plan design) to the extent necessary to comply with legal requirements applicable to Medicare Advantage plans; provided that such modifications shall be made in a manner most favorable to Covered Retirees.

In an effort to educate Medicare-eligible Covered Retirees and dependents about the Medicare Advantage plan, the Company and/or the insurer(s) or TPA(s) of the Medicare Advantage plan will conduct a pre-implementation education and communication program, which will consist of direct written communications to Medicare-eligible Covered Retirees and dependents and educational webinars. This education and communication program will commence no later than 90 days prior to the date the Medicare Advantage plan is implemented. The Company and/or the insurer(s) or TPA(s) will bear the cost of such program. The Company agrees to discuss the education and communication program with the ACHC. In addition, the Company, the insurers(s) and/or TPA(s) of the Medicare Advantage plan will from time to time conduct a satisfaction survey of the Medicare-eligible Covered Retirees and dependents enrolled in the Medicare Advantage plan and the Company will provide the ACHC with a report summarizing the results of such surveys.

If a Company-sponsored Medicare Advantage plan has become financially less favorable than offering the design provisions of the Company-sponsored medical options that would have otherwise been offered on a self-insured basis to Medicare-eligible Covered Retirees and dependents or is no longer feasible as a result of a change in the applicable law or regulations, the Company will terminate the Medicare Advantage plan options and offer medical coverage to such Covered Retirees and dependents under one or more Company-sponsored medical plans that substantially mirror the medical plan design that exists within the Medicare Advantage plan option at the time of its termination and that coordinates with Medicare.

E. HMO Option. To the extent that the Company determines to offer or retain any particular HMO at any time that is not part of the Medicare Advantage Plan but covers Medicare-eligible retirees that require governmental approval, any such HMO will not be subject to the limitations on copays set forth in Section VIII.2.C.4(a),(b) and (c) of the 2016 MOU.

F. Same Sex Domestic Partner Eligibility Changes. The changes to eligibility rules applicable to same sex domestic partners set forth in Section VIII.2.B as set forth in Attachment 1 shall not apply to Covered Retirees.

G. Prescription Drug Provisions for Medicare Beneficiaries.

1) Notwithstanding Section VIII.2.C.5, for Medicare-eligible Covered Retirees, the drugs and supplies that shall from time to time be covered under the Plan shall consist of at least the same drugs and supplies that are covered by the prescription drug plan then in effect for U.S.-based management Medicare-eligible retirees of the

Company and shall consist of at least the same drugs and supplies that are covered under the most prevalent Medicare formulary program of the TPA then in effect based on Medicare lives covered and are in compliance with CMS requirements; provided that compound drugs may be excluded only to the extent that such drugs are also excluded under the most prevalent Medicare-eligible compound exclusion program of the TPA then in effect based on Medicare lives covered. Notwithstanding the foregoing, a participant may seek pre-authorization of a prescription for a compound drug that may have otherwise been excluded from the Plan. The standards and processes that will apply in that pre-authorization process, including the requirement that the participant's doctor establish medical necessity, will be equivalent to those that apply to an appeal of the denial of a prescription for a compound drug under the Plan.

The TPA shall from time to time designate whether a covered drug is preferred or non-preferred and the manner in which prescriptions may be filled; provided that the covered drugs that are designated as preferred shall consist of at least the same drugs that are designated as preferred under the prescription drug plan then in effect for U.S.-based management Medicare-eligible retirees of the Company, and shall consist of at least the same drugs that are designated as preferred under the most prevalent Medicare formulary program of the TPA then in effect based on Medicare lives covered and are in compliance with CMS requirements.

With respect to the prescription drug benefits offered to Medicare-eligible Covered Retirees on and after January 1, 2018, the Plan Administrator may from time to time designate the TPA of the prescription drug program, provided that prior to each such designation, the Plan Administrator must: (i) prior to the issuance of a request for proposals or equivalent document soliciting bids for a TPA of the prescription drug program for Medicare-eligible Covered Retirees (a "Retiree Rx RFP"), provide members of the ACHC the opportunity to sign a confidentiality agreement and for those who signed a confidentiality agreement, provide a copy of the proposed Retiree Rx RFP; (ii) provide the members of the ACHC who signed a confidentiality agreement with seven (7) days to review the Retiree Rx RFP and to submit comments to the Company; (iii) provide the members of the ACHC who signed a confidentiality agreement with the final Retiree Rx RFP at the time it is issued by the Plan Administrator; (iv) provide members of the ACHC who signed a confidentiality agreement with seven (7) days to review the bids submitted by companies in response to the Retiree Rx RFP and to submit comments to the Plan Administrator; however, as to bidders who object to the members of the ACHC reviewing their entire bid, members of the ACHC who signed a confidentiality agreement will be provided seven (7) days to review the participant-impacting terms of the bid; (v) consult with the ACHC regarding the designation of two finalist candidates, provided the ACHC must make itself available to consult within seventy two (72) hours of the Plan Administrator's request; and (vi) arrange for the ACHC to meet with the two finalist candidates on dates and times designated by the candidates. Within seventy two (72) hours of the later of the dates designated by the candidates, the ACHC shall provide the Plan Administrator with its recommendation regarding which candidate to select for the designation. If a majority of members of the ACHC cannot agree on a recommendation, the union members of the ACHC may within seventy two (72) hours of

the later of the dates designated by the candidates submit their recommendation to the Plan Administrator. The Plan Administrator shall designate the insurer(s) or TPA(s) after having given due consideration to any such recommendation from the ACHC or the union members of the ACHC and must demonstrate that the designated TPA is either (a) among the three (3) largest Pharmacy Benefit Managers of group prescription drug plans measured by number of enrollees; or (b) the then-current TPA of the prescription drug program.

2) Notwithstanding the provisions of Sections VIII.2.C.5(a)(b) and (d) the out-of-pocket maximum and copayment amounts for retail pharmacies and mail order pharmacies for Medicare-eligible Covered Retirees will be as follows:

a. Out-of-Pocket Maximum

An annual out-of-pocket expense maximum under the Health Care PPO Option will apply to prescription drugs purchased at mail order pharmacies of \$786.52.

b. Retail Pharmacies

- The copay for generic drugs for in-network retail pharmacies will be the DNP with a maximum copay of \$9.
- The copay for brand name preferred drugs for in-network retail pharmacies will be 20% of the DNP for the original prescription and each refill, with a maximum copay of \$25.
- The copay for brand name non-preferred drugs for in-network retail pharmacies will be 30% of the DNP for the original prescription and each refill, with a maximum copay of \$30.

c. Mail Order Pharmacies

- The copay for generic drugs for mail order pharmacies will be the DNP with a maximum copay of \$18.
- The copay for brand name preferred drugs for mail order pharmacies will be 20% of the DNP for the original prescription and each refill, with a maximum copay of \$50.
- The copay for brand name non-preferred drugs for mail order pharmacies will be 30% of the DNP for the original prescription and each refill, with a maximum copay of \$60.

H. Changes to Contributions.

1) Retirees with Net Credited Service Date Before August 3, 2008 and who Retired After January 1, 1992.

a. Contributions for Retiree Medical Coverage.

- (i) The chart set forth in Section VIII.4.E.2.a.i of the 2012 MOU shall be replaced with the following chart:

	2016	2017	2018	2019
Retiree Only	\$114	\$132	\$153	\$165
Retiree + 1	\$175	\$200	\$230	\$250
Retiree + Family	\$228	\$264	\$306	\$330

- (ii) Section VIII.4.E.2.a.ii of the 2012 MOU shall be replaced with the following:

(ii) Each Covered Retiree who retires on or after January 1, 2013 and who enrolls in the HCN Option or the Health Care PPO Option will pay a monthly contribution, on an after-tax basis, towards the cost of coverage for the medical coverage category elected by such Covered Retiree (“Retiree Monthly Contribution”), as specifically provided below.

(A) The Retiree Monthly Contribution for Plan Year 2016 shall be as follows:

	Pre-Medicare Retiree Monthly Contribution	Medicare-Eligible Retiree Monthly Contribution
Retiree Only	\$39.33	\$19.66
Retiree + 1	\$67.42	\$33.71
Retiree +Family	\$67.42	\$33.71

(B) For each Plan Year beginning on and after January 1, 2017, the Retiree Monthly Contribution shall be as follows:

	Pre-Medicare Retiree Monthly Contribution
Retiree Only	\$39.33
Retiree + 1	\$67.42
Retiree +Family	\$67.42

- (iii) Each Covered Retiree shall continue to remain subject to the provisions of Section VIII.4.E.2.b(iii) of the 2012 MOU.

F. Health Reimbursement Account for Covered Retirees with Net Credited Service Date Before August 3, 2008 and who Retired After January 1, 1992 Who Are Not Medicare Eligible.

Each Covered Retiree with a Net Credited Service Date before August 3, 2008 and who retired after January 1, 1992 may elect during the annual enrollment period for that plan year to obtain medical coverage under a medical plan option sponsored by the Company (the Health Care PPO Option, any option under Section VIII.5.B or any option under the Verizon Alternate Choice Plan) or to opt out of such coverage.

For 2018 and each subsequent plan year, for each such Covered Retiree who opts out of such coverage during annual enrollment and provides proof that he/she has obtained medical coverage under a non-Company sponsored medical plan option, the Company shall establish an HRA within the meaning of IRS Notice 2002-45 and related guidance and allocate a credit in the amount set forth below to such HRA for such plan year, provided that the Company and the Union have agreed on the other terms applicable to such HRAs no later than June 30 of the year prior to the plan year in which such credit will be allocated (e.g., what type(s) of non-Company sponsored plans a Covered Retiree may be enrolled in, in order to receive an HRA credit; whether the credit may be used for eligible expenses incurred after the plan year to which the HRA credit relates; etc.)

If the Company and the Union have agreed on the other terms applicable to such HRAs by September 30 of the year prior to the plan year in which such credit will be allocated, the amount of the Company credit to the HRA for the plan year will equal the 2016 Company Contribution Cap as defined in Section VIII.4.E.2.b(iii) of the 2012 MOU for pre-Medicare retirees for the Health Care PPO Option for the coverage category elected (\$15,447 for single coverage; \$30,893 for single +1 coverage; and \$38,639 for family coverage).

The amount credited to the HRA may be used to reimburse otherwise unreimbursed eligible medical expenses (as defined in IRC section 213(d)) for the non-Medicare eligible retiree and his or her eligible IRS tax dependents, including the cost of any premium to obtain medical coverage under a non-Company sponsored medical plan option for such plan year.

The HRAs will be established and operated in accordance with IRS guidance and applicable law.

G. Modification to Legal Plan Structure for Covered Retirees.

The Company shall have the discretion to modify the structure of the Verizon Post-1995 Collectively Bargained Retiree Health Plan (Pre-1993 Retirees) and the Verizon New York and New England Retiree Health (Post-1992 Retirees) and Group Life Insurance Plan for Active and Retired Associates, including the VMEP, so that certain or all Covered Retirees participate in a legal group health plan with less than two (2) participants who are current employees on the first day of the plan year in accordance with Section 732(a) of ERISA.

IX. SHARING OF CALLS AMONG CENTERS

The Sharing of Calls Among Centers provision in the 2012 MOU is amended as follows (references to “this Article” below refer to Article X – Sharing of Calls Among Centers in the 2012 MOU):

A. Section 1 is modified as follows:

1. The Companies may implement and expand upon call routing capabilities allowing for the routine transfer and/or routing of calls between and among centers in any location performing like functions, and between and among non-like centers subject to Section 3 of this Article, on a next available agent, balanced load or any other basis determined by the Companies, consistent with the terms of this Article X – Sharing of Calls Among Centers. For example, a routine routing of a call between Customer Sales and Service Centers (“CSSCs”) is between centers performing like functions. A routine routing of a call from an Enhanced Verizon Resolution Center (“EVRC”) to a Fiber Solutions Center (“FSC”) is another example of a routing between centers performing like functions, as is a routine routing of a call from an FSC to an EVRC if qualified employees are available at the EVRC to handle the call. On the other hand, a routing of a call from a CSSC to a Business Sales and Billing Center (“BSBC”) is not an example of a routing between centers performing like functions.

B. Section 2 is replaced with the following:

2. The centers (“Centers”) subject to this Article X – Sharing of Calls Among Centers include: CSSCs, BSBCs, Multilingual Sales and Service Centers (“MSSCs”) and the Verizon Center for Customers with Disabilities (the “VCCD”) (collectively referred to in this provision as “Sales and Service Centers”), the FSCs and EVRCs (collectively referred to in this provision as “Tech Support Centers”), and any other or future center designed to combine or integrate the work of these existing Centers.

C. Section 3 is replaced with the following:

3. Except as provided in this provision, there will be no limitations, geographic or otherwise, on the Companies’ right to transfer and route calls between and among the Centers, contractor locations and/or individuals working at home, performing like functions. Such calls (other than HSI technical support) subject to the 2016 MOU shall first be routed to available union-represented employees at like-function call centers located in the Northeast and Mid-Atlantic footprints. If no union-represented employees at like-function call centers in the Northeast and Mid-Atlantic footprints are available to handle calls the calls may be routed to contractors. In the event that no union-represented employees at like-function call centers in the Northeast and Mid-Atlantic footprints are available to handle calls, the Companies

may choose to route sales and service calls to any other union-represented employees selected by the Companies at non-like sales and service centers in the Northeast or Mid-Atlantic footprints that the Companies determine are appropriately skilled prior to routing to contractors, except that: (a) the MSSC will not receive calls from a non-like function call center if any MSSC calls are being sent to a contractor during normal MSSC operating hours; (b) the VCCD will not receive calls from a non-like function call center if any VCCD calls are being sent to a contractor during normal VCCD operating hours.

D. Section 18 is replaced with the following:

18. Beginning after ratification of this 2016 MOU, all Customer Service Administrators (CSAs) will be trained for the Computer and Internet Knowledge Test (“CIKT”) two times (unless an associate passes training after one time) during normal work hours. Once an associate successfully passes the CIKT, training for the Fiber Customer Support Analyst (“FCSA”) position will be scheduled and classes will begin once enrollment meets the minimum class size requirement at the Companies’ discretion, consistent with business needs.

E. Section 20 is replaced with the following:

20. CSAs in the EVRCs will be tested for FCSA positions, and CSAs who test qualify and pass training will become FCSAs and will be assigned FCSA work, which can support fiber or copper network customers. As set forth in paragraph 18, prior to such testing the Companies will offer CSAs training for the CIKT.

Effective January 1, 2019, the CSA title will be eliminated and any CSA who has not previously test qualified as an FCSA shall be assigned to the FCSA title. In connection with the foregoing, current CSAs in the EVRCs will not be required to participate in a Fiber Customer Support Analyst Structured Interview Revised.

F. Section 22 is replaced with the following:

22. During the term of this 2016 MOU the Company will maintain a BSBC presence in Local 2321 and an FSC presence in Local 2323. The Company's obligation to maintain a BSBC presence in Local 2321 and an FSC presence in Local 2323 will terminate with the expiration of this 2016 MOU and at that time the parties' rights and obligations with respect to maintaining a BSBC presence in Local 2321 and a FSC presence in 2323 will return to those in effect prior to the effective date of the 2012 MOU.

G. Add new Section 23 as follows:

23. Beginning on January 1, 2017 (the "Percentage Commencement Date"), the Companies shall be subject to aggregate regional call volume percentages for the New York/New England footprint Sales and Service Centers as follows:

- a. For 2017 and each subsequent year, Sales and Service Centers in the New York/New England footprint will together handle an aggregate regional call volume that is equivalent to at least 83% of all calls originating from New York/New England footprint customers in that year that are routed through the electronic routing system ("ERS") to Sales and Service Centers and contractor locations.

b. For the six month period that begins on the Percentage Commencement Date and for each subsequent six month period (each a “Measuring Period”), the Companies shall calculate the aggregate regional call volume handled by Sales and Service Centers in the New York/ New England footprint. If in any Measuring Period, the aggregate regional call volume is equivalent to less than 83% of the calls originating from New York/New England footprint customers during that Measuring Period that are routed through the ERS to Sales and Service Centers, contractor locations and/or individuals working at home, then in the six month period subsequent to that Measuring Period there shall be no layoffs of New York/New England footprint Sales and Service Center associates holding a job title that handles calls that are subject to this paragraph.

c. The Companies will provide the Union quarterly with the following information broken out by month: (i) the aggregate regional call volume percentage as described above, (ii) the total number of New York/New England footprint Sales and Service calls handled in Sales and Service Centers, contractor locations and/or by individuals working at home, and (iii) the total number of calls handled by Sales and Service Centers in the New York/New England footprint and/or employees working at home in the New York/New England footprint. Upon request of the Local

Union the Company will meet quarterly to discuss the information provided.

H. **Add new Section 24 as follows:**

24. Beginning on the Percentage Commencement Date, the Companies shall be subject to aggregate regional call volume percentages for the New York/New England footprint Tech

Support Centers as follows:

a. For 2017 and each subsequent year, Tech Support Centers in the New York/New England footprint will together handle an aggregate regional call volume that is equivalent to at least 68% of all calls originating from New York/New England footprint customers in that year that are routed through the ERS to Tech Support Centers, contractor locations and/or individuals working at home.

b. For each Measuring Period, the Companies shall calculate the aggregate regional call volume handled by the Tech Support Centers in the New York/New England footprint. If in any Measuring Period, the aggregate regional call volume is equivalent to less than 68% of the calls (other than HSI calls that are initially routed by the ERS to contractors) originating from New York/New England footprint customers during that Measuring Period that are routed through the ERS to Tech Support Centers, contractor locations and/or individuals working at home, then in the six month period subsequent to that Measuring Period there shall be

no layoffs of New York/New England footprint Tech Support Center associates holding a job title that handles calls that are subject to this paragraph.

c. The Companies will provide the Union quarterly with the following information broken out by month: (i) the aggregate regional call volume percentage as described above, (ii) the total number of New York/New England footprint Tech Support calls (other than HSI calls that are initially routed by the ERS to contractors) handled in Tech Support Centers, contractor locations and/or by individuals working at home, and (iii) the total number of calls handled by Tech Support Centers in the New York/New England footprint and/or employees working at home in the New York/New England footprint. Upon request of the Local Union the Company will meet quarterly to discuss the information provided.

I. Sections 23 and 24 replace Sections 4-11; provided, however, through the first Measuring Period there shall be no layoffs of New York/New England Sales and Service Center or New York/New England Tech Support Center associates holding a job title that handles calls that are subject to this Article X.

J. **Add new Section 25 as follows:**

25. Notwithstanding Section 16 of this Article X – Sharing of Calls Among Centers the Companies will not add additional cross functional duties in calendar year 2016. If the Companies wish to add additional cross functional duties after December 31, 2016, they will follow the procedure set forth in Section 16 of this Article X.

K. Add new Section 26 as follows:

26. For purposes of this article, a calculation of “aggregate regional call volume,” shall include all calls, regardless of geographic origin, handled by applicable Centers and/or employees working at home during the applicable time period, and “aggregate regional call volume percentage” shall include calls handled by both IBEW and CWA-represented employees in the New York/New England footprint. For example, if the regional call volume originating in the New York/New England footprint for calls routed through the ERS to Sales and Service Centers, contractor locations and/or individuals working at home is 40 million in 2017, Sales and Service Centers in the New York/New England footprint and/or New York/New England employees working at home will handle an aggregate of at least 33.2 million calls (83%) in 2017, which may originate anywhere in the country, provided those calls are routed consistent with the call routing provisions of this Article X – Sharing of Calls Among Centers. Nothing in this provision should be construed or interpreted as a guarantee that a certain amount of work will be performed in any single Center or location.

L. All provisions of Article X of the 2012 MOU shall remain in effect, unless expressly modified or replaced by the 2016 MOU.

X. TUITION ASSISTANCE

As of the Effective Date, except as otherwise provided for herein, the Tuition Assistance Plan (“TAP”) and every other tuition assistance plan or program will be modified as follows:

A. **Exclusions.** The following exclusions are added to the existing exclusions set forth in the TAP:

1. Any course in any of the areas set forth on Attachment 2 (the “Excluded Studies”) will not be covered, except in the case of associates approved for any course in the Excluded Studies as of the Effective Date of the 2016 MOU, in which case any such course shall remain covered until the course is completed.

XI. WORK AND FAMILY

The Work and Family Committee (“WFC”) will continue with the following modifications. Funding will be provided annually on or about August 2 of each year in the amount of five hundred thousand dollars (\$500,000) during the term of this 2016 MOU (which will include funding for the period from August 2015 to August 2016). There will be no WFC funding contribution in the year that this MOU expires. Any funds contributed by the Companies for these committees that has not been expended by the original scheduled expiration date of the 2016 MOU, will be returned to the Companies, except as required to satisfy bills and charges incurred prior to that date.

XII. SPECIAL ENHANCED INCOME PROTECTION PLAN

A. The Company may make Special EIPP offers to associates to voluntarily leave the service of the Company with the benefits listed below. The Special EIPP offers may be made whenever under the applicable collective bargaining agreement, the Company is permitted to offer either an IPP or an EIPP, except that each associate may only be offered one Special EIPP offer per calendar year unless the associate moves to a different title or to a different work location. For a period of one year after an associate leaves the payroll as a result of accepting a Special EIPP offer, the Company cannot permanently force transfer or temporarily transfer associates in the same title into the work location to which the associate, who accepted the Special EIPP, was assigned. This limitation does not apply to temporary transfers for emergencies.

B. Associates who elect to voluntarily leave the service of the Company pursuant to a Special EIPP and are accepted by the Company shall receive the benefits of the EIPP and the following additional benefits:

1. Supplemental Voluntary Termination Bonus. Associates who leave the service of the Company pursuant to a Special EIPP will receive a lump sum amount of \$40,000, less taxes and withholdings, in addition to the EIPP payment and related benefits, the voluntary termination bonus, and continuation of medical coverage to which the associate is otherwise eligible under the terms of the applicable collective bargaining agreement.
2. Raising of Caps on EIPP Payment. Those associates with greater than 30 years of net credited service will have their EIPP payment capped at 40 years of service rather than 30 years.
3. Waiver of Age-Based Pension Reductions for Early Commencement. The Pension Plan will be amended such that Service Pension eligible associates who leave the service of the Company pursuant to a Special EIPP will not have the age-based reduction for early commencement, if any, applied to the calculation of their pension.
4. Acceleration of Next Pension Band Increase. The Pension Plan will be amended such that pension eligible associates who leave the service of the Company pursuant to a Special EIPP will be eligible for the next scheduled Pension Band Increase, to the extent there is another Pension Band Increase scheduled pursuant to Section V.C of this 2016 MOU, in the calculation of their pension.
5. Interest Rate Protection. The Pension Plan will be amended such that, regardless of the specific date on which an employee leaves the service of the Company pursuant to a Special EIPP, the determination of the interest rate and mortality basis used for converting such employee's single life annuity to a lump sum amount will be based on the better of (a) the applicable interest rate and mortality basis as of such employee's elected pension commencement date following his or her actual separation from service or (b) the applicable interest rate and mortality basis as of the earliest possible commencement date for an employee who leaves the service of the Company under that Special EIPP, provided that such employee's age will be determined in

accordance with his or her elected pension commencement date rather than a pension commencement date set to the date referenced in this (b) clause.

C. Associates who elect to voluntarily leave the service of the Company pursuant to a Special EIPP offer and are accepted by the Company will be separated from the Company on either (i) one date, or (ii) more than one date, to be selected at the discretion of the Company not to exceed six (6) months from the date the associate elects to leave pursuant to the Special EIPP. The Company, in its discretion, will determine how many associates will be separated on each date in each job title, work group and work location. The Company will honor requests by seniority, to the extent consistent with the requirements of the business, when assigning the date on which each associate will be separated. Notwithstanding the provisions of the parties' collective bargaining agreement, there shall be no layoffs in a title, work group and work location subject to a Special EIPP during the time period between the first and last off payroll dates if there are associates in the title, work group and work location who are designated by the Company to be separated as part of that Special EIPP.

D. A Special EIPP may not be offered simultaneously to associates (i) in the same title, (ii) the same bargaining unit, and (iii) the same work location or contiguous work locations as other associates who are declared surplus and are receiving an EIPP or IPP offer.

E. Except as modified by this Section XII the applicable collective bargaining agreements will apply to Special EIPPs.

XIII. ADDITIONAL CENTER JOBS AGREEMENT

The Agreement Regarding Additional Center Jobs is set forth in Attachment 3.

XIV. 2016 MEMORANDUM OF AGREEMENT

The 2016 Memorandum of Agreement, which updates the 2012 Memorandum of Agreement, is set forth in Attachment 4.

**XV. LETTER REGARDING TRANSFER OF IDC SERVICE
REPRESENTATIVES TO CFS**

The letter of agreement regarding the transfer of IDC Service Representatives to CFS is set forth in Attachment 5.

XVI. LETTER REGARDING STRESS RELIEF

The letter of agreement regarding stress relief is set forth in Attachment 6.

XVII. DURATION

All provisions of the parties' agreement will remain in full force and effect until 11:59 p.m. on August 3, 2019.

ATTACHMENT 1

CHANGE IN ELIGIBILITY – SAME-SEX DOMESTIC PARTNERSHIPS

In recognition of the U.S. Supreme Court ruling in the case *Obergefell v. Hodges*, 135 S. Ct. 2584, on the Effective Date, the definition of Dependent in Article 2 of the VMEP, the VDEP and the VVCP and the Verizon Dependent Group Life Insurance Plan for New York and New England Associates (“Dependent Life Plan” and collectively, the “Plans”) will be amended to modify the definition of Partner, so that an associate will only be permitted to enroll (or maintain enrollment of) a same-sex domestic partner after December 31, 2016 if the associate is legally married to the same-sex domestic partner. Accordingly, after December 31, 2016 the Partners of associates will no longer be eligible for coverage unless the Partner is legally married to the associate (i.e. the Partner is the associate’s Spouse). An associate will no longer be eligible to cover any Partner (including a new Partner) who is not the associate’s Spouse after December 31, 2016. Notwithstanding the foregoing, in the event of a U.S. Supreme Court ruling or an amendment to the U.S. Constitution that grants states the ability to end recognition of same-sex marriages, associates residing in a state* that does not legally recognize same-sex marriage will not be required to be married to their same-sex domestic partner in order to enroll (or maintain enrollment of) their same-sex domestic partner in the Plans and the modification to the definition of Partner under the Plans set forth above shall no longer apply for such associates.

Note: The term “state” means any domestic or foreign jurisdiction having the legal authority to sanction marriages*

ATTACHMENT 2

Excluded Studies
Captain
Cosmetology
Culinary
Dog Garments
Farming
Florist
Forest Conservation
Guitar Repair
Gunsmith
High Performance Vehicle Repair
Hospitality Management
Interior Design
Landscape Maintenance
Lifeguard
Long Term Care Professional
Outboard Motors
Personal Trainer
Professional Diving
Seamstress
Soil & Fertilization
Tourism
Turf Management
Wedding Planner

IBEW NE
May 29, 2016

ATTACHMENT 8
INTENTIONALLY LEFT BLANK

ATTACHMENT 3

ADDITIONAL CENTER JOBS AGREEMENT

This agreement ("Agreement") is made and entered into by the International Brotherhood of Electrical Workers Locals 2222, 2313, 2320, 2321, 2322, 2323, 2324, 2325 and 2327 ("IBEW" or "Union"), Verizon Avenue Corp. ("VZA"), Verizon Advanced Data Inc. ("VZAD"), Verizon New England Inc. ("VZNE"), Verizon Services Corp. ("VSC"), Verizon Corporate Services Corp. ("VCSC") (company parties herein collectively referred to as "Companies").

WHEREAS, the Companies and the Union are parties to various collective bargaining agreements ("Labor Agreements");

WHEREAS, the Union represents employees in a number of bargaining units ("Bargaining Units") covered by the above-mentioned Labor Agreements;

WHEREAS, the Companies employ Bargaining Unit employees in Business Sales and Billing Centers ("BSBCs"), Fiber Solutions Centers ("FSCs"), and Enhanced Verizon Resolution Centers ("EVRCs") (BSBCs, FSCs and EVRCs will collectively be referred to herein as "Centers");

WHEREAS, the Union and the Companies, in conjunction with their negotiation of successor agreements to the Labor Agreements that the parties agreed to in 2012, desire to provide for the addition of newly hired employees into certain Centers during the term of said successor Labor Agreements as provided for herein;

THEREFORE, for good and valuable consideration, the parties agree as follows:

1. The Companies agree that, in return for the Union's agreement to the Companies' current Sharing of Calls Among Centers proposal, they will add 39 regular full-time, newly hired employees ("Additional Hires") during the term of the successor contract to the 2012 Labor Agreements, into one or more Centers that employ Bargaining Unit employees covered by the Labor Agreements, contingent upon obtaining sufficient qualified and successfully trained candidates.

(a) The Companies will hire 14 of the Additional Hires into positions in BSBCs located in NE.

(b) The Companies will hire 25 of the Additional Hires into the Fiber Customer Support Analyst ("FCSA") position in FSCs and EVRCs located in NE.

(c) The 39 Additional Hires requirement is a single, aggregate number of Additional Hires to be hired pursuant to this Agreement. The Companies will have no obligation

pursuant to this Agreement to either maintain any particular headcount or backfill in the event that Additional Hires leave employment or transfer from the Centers.

3. The terms and conditions of Additional Hires will be based on the provisions of the 2016 MOU applicable to employees first hired or rehired on or after the Effective Date.

For: IBEW Local 2222	For: The Companies
Date: _____	Date: _____
For: IBEW Local 2313	
Date: _____	
For: IBEW Local 2320	
Date: _____	

IBEW NE
May 29, 2016

For: IBEW Local 2321

Date: _____
For: IBEW Local 2322

Date: _____
For: IBEW Local 2323

Date: _____
For: IBEW Local 2324

Date: _____

For: IBEW Local 2325

Date: _____
For: IBEW Local 2327

Date: _____

ATTACHMENT 4

MEMORANDUM OF AGREEMENT

This Agreement is made and entered into, on the Effective Date, by and between all present and future In-BA-Region subsidiaries, or operating units thereof, of Verizon Communications Inc. ("VZ"), except Cellco Partnership, its subsidiaries, and its affiliates d/b/a Verizon Wireless, Verizon Information Services BA - Region Directory South Sales (NTD/PDD/CDS), and all entities (and all of their subsidiaries) with a market capitalization or value of more than \$3 billion, acquired or merged with Bell Atlantic Corporation, Verizon Communications Inc., or their subsidiaries, with a closing date after August 9, 1998 (hereinafter "Company"), and International Brotherhood of Electrical Workers, AFL-CIO, Local 2222, 2313, 2320, 2321, 2322, 2323, 2324, 2325, 2327 ("IBEW"), addressing certain issues, as follows:

1. The Agreement entitled TRANSFER OF JOBS by and between the Companies and IBEW (copy of which is attached hereto and incorporated herein by reference) will be included within the new collective bargaining agreements which will be effective for the period between the Effective Date and August 3, 2019.
2. The Company and IBEW will execute the attached Memorandum of Agreement Regarding Neutrality and Card Check Recognition.
3. Whenever the Company assigns employees of VZ Companies (hereinafter "VZ employees") to perform work for the Data Solutions Group (DSG, including Verizon

Network Integration Corp., Inc., formerly named BANI) which is currently, has been historically, or is substantially comparable to work performed by VZ IBEW bargaining unit employees, such work will be exclusively performed by VZ IBEW operating telephone company (hereinafter "OTC") bargaining unit employees covered by the existing collective bargaining agreements.

Operational work associated with the data network which the Company assigns to VZ employees shall be exclusively performed by IBEW OTC bargaining unit employees covered by the existing collective bargaining agreements. Central offices and associated control centers will be staffed exclusively by IBEW OTC bargaining unit employees covered by the existing collective bargaining agreements carrying titles such as COT/CSA/SST/TA or their equivalents.

4. All plant work associated with digital subscriber lines (i.e., xDSL, a generic term which includes ADSL, HDSL, SHDSL, RADSL, IDSL, and all similar and subsequent technologies) between and including the central office and the network interface device shall be performed exclusively by IBEW OTC bargaining unit employees covered by the existing collective bargaining agreements. All work associated with the xDSL splitter shall be exclusively performed by IBEW OTC bargaining unit employees covered by the existing collective bargaining agreements. The Company shall not contract out any of the xDSL work discussed above .

When an end user customer purchases Verizon-on-Line DSL Service™ directly from Verizon Internet Services Inc. ("VISI") and uses Verizon as its ISP and the end user

customer contracts with VISI to have it perform the installation and maintenance of the inside-data-wiring and jack, the digital modem, the Network Interconnection Card, and/or the software and configuration of the computer on the end user customer's premises ("Customer's Premise DSL I&M Work") for the Verizon-on-Line DSL Service™, the Customer's Premise DSL I&M Work for that service will be assigned to IBEW OTC bargaining unit employees. That Customer's Premise DSL I&M Work shall not be contracted out in the former BA Region.

When an end user customer purchases Verizon InfoSpeed DSL Service™ directly from Verizon Advanced Data Inc. ("VADI") and does not use Verizon as its ISP and the end user customer contracts with VADI to have it perform the installation and maintenance of the inside-data-wiring and jack, the digital modem, the Network Interconnection Card, and/or the software and configuration of the computer on the end user customer's premises ("Customer's Premise DSL I&M Work") for the Verizon InfoSpeed DSL Service™, the Customer's Premise DSL I&M Work for that service will be assigned to IBEW OTC bargaining unit employees. That Customer's Premise DSL I&M Work shall not be contracted out in the former BA Region.

The Company may designate a select group of IBEW OTC bargaining unit employees to perform the Customer's Premise DSL I&M Work. The Company will first seek input from the Union but reserves the right to establish training requirements, selection, certification, attire, scheduling which is consistent with the parties' collective bargaining agreements, and other requirements for those employees. In making its designations of employees to perform that work, the Company will consider an employee's seniority but

reserves the right to make the designations solely on the basis of qualifications. The Company shall begin transitioning the above work to the OTC bargaining unit employees as soon as August, 2000 and shall have completed the transition no later than April 30, 2001.

5. Whenever the Company assigns VZ employees to perform work which is currently, or which has been historically, performed by IBEW OTC employees such work shall be performed exclusively by IBEW OTC employees covered by the existing collective bargaining agreements.

Whenever the Company assigns VZ employees to service or sell bundled services which include any service which is currently, or historically has been, serviced or sold by IBEW-represented employees, then such work shall be performed exclusively by IBEW-represented employees, and the primary service and sales channel for such services shall be the OTC Business and Residence office, to the extent permitted by law or regulation.

If the work assignment or other practices of a company which is merged with or acquired by VZ and which is covered by this Agreement are inconsistent with one or more terms of this Agreement, there shall be a reasonable transition period, not to exceed six months from the date of the closing of the merger or acquisition, to eliminate such inconsistency.

6. Whenever the Company assigns VZ employees to perform long distance work that is similar to work which is currently, or historically has been, performed by IBEW-

represented employees then such work shall be assigned to IBEW-represented employees covered by the existing OTC collective bargaining agreements.

To the extent permitted by law or regulation, the primary sales and service channel for long distance services shall be the OTC Business and Residence office.

Whenever the Company assigns VZ employees within IBEW jurisdiction to perform work associated with video, alarm monitoring, customer contact, or the Internet, that is similar to work which is currently, or historically has been, performed by IBEW-represented employees, then such work shall be performed exclusively by IBEW-represented employees

7. Whenever any employee engaged by the Company within the IBEW jurisdiction is assigned to perform data services work permitted by FCC 706 exceptions, then such work shall be performed by IBEW OTC employees covered by the existing collective bargaining agreements; however, if the FCC requires the Company to assign such work to a separate subsidiary or affiliate, then the work shall be performed by IBEW-represented employees working under an equivalent collective bargaining agreement.

8. Nothing in this agreement is intended to limit, diminish, or infringe upon the letter incorporated in the collective bargaining agreements by and between NYNEX Corporation on behalf of itself, and New York Telephone, New England Telephone, Empire City Subway, Telesector Resources Group, and NYNEX Information Resources, and the IBEW entitled "New Business", dated April 3, 1994, (a copy of which, adapted to apply under this Agreement, is attached hereto and incorporated herein by reference)

(the "New Business Agreement"). The New Business Agreement is amended and renewed and will be included, as amended, within the new collective bargaining agreements between parties to the 2016 MOU. The terms Bell Atlantic Corporation ("BAC") and Verizon Communications Inc. ("VZ") as defined and used in the New Businesses Agreement means the Company as defined in the introductory paragraph of this Agreement, which is controlling.

INTERPRETIVE COMMENTS

1. Work will be considered to have been "historically performed" by IBEW-represented employees if it has been performed by such employees within the last seven years and over a significant period of time.
2. "Current work" includes any evolution of such work.
3. This agreement is not intended to affect any issue regarding a claim that management employees are performing bargaining unit work. It is also recognized that IBEW will continue to press such claims.
4. It is not the intent of this Agreement that existing work being performed by Verizon Connected Solutions, Inc. ("VCSI"), formerly named Bell Atlantic Communications and Construction Services, Inc. (BACCSI), is to be returned to the OTCs. However, it is the intent of this Agreement to not transfer more OTC work to VCSI.
5. This Agreement applies only to work assigned to and performed by VZ employees within the former Bell Atlantic footprint. Due to the merger between BA and GTE, the names of certain companies in this Agreement have changed from the 1998 Agreement between the parties. This Agreement is not intended to expand the meaning or scope of the 1998 Agreement, except as noted in paragraphs 1, 4 and 5 of this Agreement, and the deletion of paragraph 9 of the Interpretive Comments of 1998 MOA. For that reason, the following terms are defined:

VZ Companies are subsidiaries of VZ, covered by the Agreement, operating within the former BA footprint;

VZ Employees are employees of VZ Companies performing work in the former BA footprint.

6. Any provisions of this Memorandum of Agreement are subject to legal and regulatory requirements.
7. Any obligation to have work performed by IBEW-represented employees is limited to areas within IBEW jurisdiction in the former BA footprint.
8. It is not the intent of paragraph 4 of this Agreement to affect work by suppliers in the Central Office prior to the operational phase of a service or product.

This Agreement expires at 11:59 p.m. on August 3, 2019.

For: International Brotherhood of
Electrical Workers, AFL-CIO

For: Company

Myles J. Calvey
Chairman, System Council T-6

Joseph Santos
Director - Labor Relations

Date: _____

Date: _____

TRANSFER OF JOBS

This Agreement is between Verizon ("VZ") New England, Inc. and the Verizon Services Corp. (the "Companies") and the International Brotherhood of Electrical Workers, AFL-CIO, Locals 2222, 2313, 2320, 2321, 2322, 2323, 2324, 2325, ("IBEW").

A. Limitations on Transfer of Jobs

The following limitations on permanent transfers of jobs shall be effective on the Effective Date and terminate concurrently with the labor agreements, August 3, 2019.

- (1) During each contract year of the parties' current collective bargaining agreements ("CBA"), from the Effective Date to August 3, 2019, a Company may not permanently transfer more than .7% of IBEW represented jobs from any of the universes described below to an area outside the New England States ("NES").

(a) Plant Bargaining Unit - Each Union local in the Plant bargaining unit constitutes a universe.

(b) All Bargaining Units Except Plant - For bargaining units other than Plant, each bargaining unit shall be a company-wide universe.

- (2) The percentage of jobs permanently transferred to an area outside NES will be calculated for each universe as follows:

- a. Total IBEW Represented Jobs in each universe in the NES permanently transferred to an area outside NES.
b. (divided by) Total IBEW Represented Jobs in that universe.

- (3) If an employee voluntarily transfers from a job in NES to a job outside NES, the transfer of that employee shall not be included in the calculation of the percentage of jobs permanently transferred for purposes of determining whether .7% per year limit has been exceeded.

B. This Agreement does not limit or restrict Employee Transfer Plans.

For Companies

For IBEW

Joseph Santos
Director – Labor Relations

Myles J. Calvey
Chairman, System Council T-6

IBEW NE
May 29, 2016

Mr. Myles J. Calvey
Chairman, System Council T-6
International Brotherhood of Electrical Workers
AFL-CIO
1137 Washington Street
Dorchester, MA 02124

Dear Mr. Calvey:

In paragraph 8 of our Memorandum of Agreement ("Agreement"), we agreed that the Agreement was not intended to limit, diminish or infringe upon the NYNEX New Businesses Letter. With this letter, we confirm that the Union's access rights to the Companies in the operating area of the former BA North Footprint for purposes of organizing employees under the Memorandum of Agreement Regarding Neutrality and Card Check Recognition, which is a part of this Agreement, shall not provide any less access to the Companies than the access rights contained in the NYNEX Neutrality Agreement, which is a part of the parties' 1994 Memorandum of Agreement and which is attached to this letter.

This letter agreement shall be added to the Agreement as an attachment.

Joseph Santos
Director – Labor Relations

AGREED TO:

International Brotherhood of Electrical Workers,
AFL-CIO

Myles J. Calvey
Chairman, System Council T-6

Tel 212 904 2175

James J. Dowdall
Vice President
Labor Relations

NYNEX

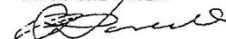
August 4, 1994

International Brotherhood of Electrical Workers
System Council T-6

This letter confirms the parties' agreement that the Neutrality Article of the 1991 Memorandum of Understanding, as modified, shall be continued throughout the life of this contract extension. The parties also agree that the Neutrality Article also applies to all NYNEX Companies established between September 12, 1991 and the effective date of this contract extension.

The Neutrality Article of the 1991 Memorandum of Understanding shall be notified. The list of titles on Attachment A thereof shall be modified by the addition and deletion of titles as indicated on Attachment A hereof.

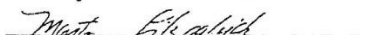
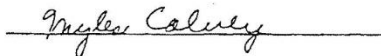
NYNEX CORPORATION



James J. Dowdall
Vice President-Labor Relations

AGREED:

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS



~~Regulatory Support Specialist~~
A Reseller Relations Rep
Retail Sales Rep
Retail Support Assistant
Revenue Account Rep
Roamer Specialist
~~Re-Clerk~~
~~Administrative~~
Sales Administrator
A Sales Rep
Sales Support Assistant
A Security-Specialist
A Senior Benefits Administrator
A Senior Cell Site Technician
A Senior customer Service Consultant
senior Information Clerk
A senior Real Estate Analyst
Senior Rep - Accounts Payable
A Senior Reseller Relations Rep
A senior Sales Administration Trainer
A senior Sales Rep
A Senior Subscriber Equipment Technician
A Senior Telemarketing Rep
senior Tech - Ad/Galley Prep
~~Senior Tech - Support~~
Service Evaluator
Service Order Assistant
Service Rep
service Technician
staff Accountant
Staff Assistant
State Relations Analyst
Subscriber Equipment Technician
Support Assistant
~~Support Assistant Wholesale Systems Engineer~~
~~Systems Rep~~
~~Cable Maintenance Specialist~~
Technical Services Rep
Technician A
Technician B
Telemarketing Specialist
Telemarketing Trainee
~~Service Center Coordinator~~
~~Training Assistant~~
Treasury Analyst
Treasury Rep
Word Processor
Yellow Pages Entry Clerk

Credit Rep
A Customer Coordinator
Customer Sales Rep - Marketing
Customer Service Assistant
Customer Service Clerk
A Customer Service Consultant, customer care
Customer Service Trainee
~~BP-Coordinator~~
Data Administrator
~~Data Entry Operator~~
A Dealer Rep
Departmental Assistant
E50
A Engineer - Fiber Optics
Engineering Analyst
~~Engineering Specialist~~
~~Engineer, Trainee~~
A Equipment Engineer
Expeditor - Product
Facilities Rep - Transmission
A Field Engineer
Field Measurements Assistant
Field Measurements Processor
Field Support Engineer
Financial analyst
A Fixed Asset Rep
Gelley Prep Clerk
General Clerk
Industry Relations Specialist
Information Analyst
Inventory Accounting Specialist
~~Inventory Control Specialist~~
Jr. Analyst - Methods & Procedures
~~Financial Accounting Analyst~~
Lead Sheet Prep Clerk
~~Leasing Analyst~~
~~Mail Room Clerk~~
Mail Room/Office Services Rep
Major Account Customer service Rep
Management Assistant
A Marketing Rep
~~Message~~
~~NWPS-Coordinator~~
A Network Planner
Office Administrator
A Operations Analyst
~~Operations & Facilities Technician~~
Operator Center Assistant
~~Organizational Development & Training Staff Support~~
Paging Clerk
Payroll Assistant
Payroll Rep
Product Support Analyst
Project Coordinator
~~Purchasing & Administrative Rep~~
A RF Engineer
Real Estate Rep
Receptionist

ATTACHMENT A

JOB TITLES (A = Add)

~~Accounting Assistant~~
~~Accounting Clerk~~
~~Accounts Payable Clerk~~
~~Accounts Receivable Clerk~~
Ad Prep Clerk
Administrative Assistant
Administrative Rep
Administrative Secretary
Administrator
Administrator - Data Base
Administrator - Installation Center
~~Administrator - Personnel~~
~~Administrator - Training~~
~~Administrator - IT~~
Applications & Support Analyst
Artist
Assistant
Assistant Engineer
Assistant Field Engineer
Assistant Financial Analyst
Assistant RF Engineer
Assistant Coordinator - Sales
Assistant Special Info. Clerk
~~Batch Control Clerk~~
Benefits Administrator
Benefits Specialist
Billing Administrator
~~Billing Analyst~~
~~Billing Specialist~~
Business Listing Operator
Carrier Relations Specialists
Cell Site Technician
Clerical Assistant
Clerk
Collections Rep
collections Trainee
Collector
Communications Specialist
Computer Equipment Operator
A Construction/Real Estate Analyst
~~Coordinator - Action Reports Dist.~~
Coordinator - Administrator
Coordinator - Advertising
A Coordinator - Agent/Dealer
A Coordinator - Corporate Communications
~~Coordinator - Credit~~
~~Coordinator - End User Support~~
Coordinator - Installation Service
~~Coordinator - Public Relations~~
~~Copy/Audio Visual Specialist~~
Corporate Books Rep

MEMORANDUM OF AGREEMENT
REGARDING NEUTRALITY AND CARD CHECK RECOGNITION

The Verizon Communications Inc. ("VZ") Companies Covered by this Memorandum of Agreement ("the Companies") and International Brotherhood of Electrical Workers, AFL-CIO, Local 2222, 2313, 2320, 2321, 2322, 2323, 2324, and 2325, ("the Union"), for and in consideration of the mutual promises and agreements set forth below, hereby enter into this Memorandum of Agreement Regarding Neutrality and Card check Recognition ("Agreement") as of the Effective Date.

1. Duration. This Agreement is effective as of the date stated above, and shall remain in effect until 11:59 PM on August 3, 2019, unless extended, modified or terminated by mutual written agreement of the parties. The parties expressly understand, however, that in the event this Agreement is terminated before August 3, 2019, all of the terms hereof nevertheless shall survive said termination and remain in effect with respect to any reorganization or restructuring of any bargaining unit as a result of which management creates any new in-region subsidiary, division, or operating entity as to which no Union representation then exists.

2. Applicability.

(a) All card check procedures and any Union recognition provided for by this Agreement shall be applicable as of the Effective Date, for non-management employees of the Companies "In the former BA Region" ("In-Region"), i.e., within the former BA operating region in the thirteen state and District of Columbia region comprised of Maine, New Hampshire, Vermont, Rhode Island, Massachusetts, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, West Virginia and the District of Columbia.

(b) As used herein, "the Companies" means all present and future In-Region subsidiaries, or operating units thereof, of VZ, except Cellco Partnership, its subsidiaries, and its affiliates d/b/a Verizon Wireless, Verizon Network Integration Corp., Inc., Verizon Information Services BA-Region Directory South - Sales (CDSC/NTD/PDD) and all entities (and all of their subsidiaries) with a market capitalization or value of more than \$3 billion, acquired by or merged with Bell Atlantic Corporation, Verizon Communications Inc. or their subsidiaries, with a closing date after August 9, 1998. [Includes for all of the above Companies, all In-Region operations in the thirteen state and D.C. region. Staff operations in an "out of region" organization, even if located within the thirteen state "In-region" territory, or any other operations outside this thirteen state territory, are not included.]

(c) As used herein, "non-management" means employees who normally perform work in non-management job titles, as determined by the Companies, in accordance with the statutory requirements of the National Labor Relations Act, as amended, and applicable decisions of the National Labor Relations Board and

reviewing courts. If the Union disagrees with any such determination, the parties agree to submit the Issues of unit definition to arbitration as set forth in paragraph 3, below, using the aforesaid statutory requirements and decisions as the governing principles.

(d) In addition to the foregoing, the parties further agree that any proposed bargaining unit shall exclude, but not by way of limitation, all professional, confidential, and managerial employees, guards and supervisors as defined in the National Labor Relations Act.

3. Card Check Recognition Procedure.

(a) When requested by the Union, the Companies agree to furnish the Union lists of employees in the bargaining units. This list of employees will include the work location, job title and home address.

(b) The Union will give twenty one (21) days' notice for access to Company locations. Access will be limited to one sixty (60) day period in any twelve months for each unit agreed upon or determined as provided herein.

(c) (1) The Union and the Companies shall meet within a reasonable period, but not to exceed ninety (90) days, after the effective date hereof for the purpose of defining appropriate bargaining units for all presently existing potential bargaining units. In the event that the parties are unable to agree, after negotiating in good faith for a reasonable time, upon the description of an appropriate unit for bargaining, the issue of the description of such unit shall be submitted to arbitration administered by, and in accordance with, the rules of the American Arbitration Association (AAA). The arbitrator shall be confined solely to the determination of the appropriate unit for bargaining and shall be guided in such deliberations by the statutory requirements of the National Labor Relations Act and the precedential decisions of the National Labor Relations Board and Appellate reviews of such Board decisions. The parties agree that the decision of the Arbitrator shall be final and binding. The Companies and the Union agree to select by agreement a permanent arbitrator and an alternate within 30 days of signing this Agreement to hear disputes under this Agreement. If the parties cannot agree, they shall select the arbitrators from list(s) provided by the AAA.

(2) If either the Companies or the Union believes that the bargaining unit as agreed or determined in (c) (1), above, is no longer appropriate due to organizational changes, then the parties shall meet and confer in good faith for the purpose of re-defining the appropriate unit. In the event that the parties are unable to agree, after negotiating in good faith for a reasonable time, upon the re-definition of an appropriate unit, the issue of the description of such unit, shall be submitted to arbitration as provided in (c) (1).

(d) The Companies agree that the Union shall be recognized as the exclusive bargaining agent for any agreed-upon or otherwise determined bargaining

unit(s) not later than ten (10) days after receipt by the Companies of written notice from the American Arbitration Association ("AAA") that the Union has presented valid authorization cards signed by a majority of the employees in such unit(s).

(e) For the purposes of determining the number of employees that constitute a majority of the bargaining unit, the employee population will be composed of only those employees employed in the bargaining unit on the earliest date which appears on the cards presented to the AAA. The cards so presented must be dated within sixty (60) days of each other, but no earlier than the date of execution of this Agreement, and each card so presented must contain at least the language set forth in Attachment 1 hereto. The Companies shall provide the AAA all employees, job title and other information required for the AAA to verify the existence of more than 50% of employee authorizations as provided for in this Agreement.

(f) In the event the Union fails to deliver to AAA valid authorization cards signed by a majority of employees in any aforesaid bargaining unit upon completion of its card-signing effort, the Union agrees not to begin any further card-signing effort in such unit for a period of one year from the date on which access was first granted as provided in (b), above.

(g) As soon as practicable after the aforesaid recognition and upon written request by the Union, the Companies, or the appropriate subsidiary, division or operating unit thereof, shall commence bargaining in good faith with the Union with respect to wages, hours, and other terms and conditions of employment for the employees employed within the agreed upon or otherwise determined appropriate bargaining unit.

Neutrality.

(a) The Companies agree, and shall so instruct all appropriate managers, that the Companies will remain neutral and will neither assist nor hinder the Union on the issue of Union representation.

(b) For purposes of this Agreement, "neutrality" means that management shall not, within the course and scope of their employment by the Companies, express any opinion for or against Union representation of any existing or proposed new bargaining unit, or for or against the Union or any officer, member or representative thereof in their capacity as such. Furthermore, management shall not make any statements or representations as to the potential effects or results of Union representation on the Companies or any employee or group of employees. The Union also agrees that, in the course of any effort by the Union to obtain written authorizations from employees as provided for in paragraph 3(b), above, neither the Union nor any of its officers, representatives, agents or employees will express publicly any negative comment concerning the motives, integrity or character of the Companies, Verizon Communications Inc., or any of their officers, agents, directors or employees.

(c) This Agreement supersedes and terminates any and all other agreements, Memoranda of Understanding, commitments or statements of intent regarding neutrality, card-check procedures or union organizing rights that may exist as of the date hereof between the Union and any of the Companies, including but not limited to the existing NYNEX Neutrality Agreement, but does not supersede or terminate the NYNEX New Business Agreement.

5. Valid Authorization Card. For purposes of this Agreement, a valid written authorization card shall state specifically that by signing the card, the employee agrees to be represented by the Union, using the language set forth in Attachment 1.

6. Regulatory and Legislative Support. The Union hereby agrees to continue its support before the appropriate regulatory and legislative bodies for the Companies' efforts to remain competitive in, and/or gain entry to, all telecommunications and related markets in which the Companies choose to participate, unless the Union determines such support to be in conflict with its interests. If the Union determines such conflict exists, the Union will promptly so notify the Companies and, the request of the Companies, meet to discuss and confer on such conflict.

The Companies hereby agree to support Union efforts before regulatory and legislative bodies unless the Companies determine such support to be in conflict with their interests. If the Companies determine such a conflict exists, the Companies will so notify the Union, and will if requested by the Union, meet to discuss and confer on such conflict.

7. Dispute Resolution. Except as to disputes referenced in paragraph 3 (c) of this Agreement, all disputes concerning the meaning or application of the terms of this Agreement shall be handled and addressed by the meeting of designated representatives of the Companies and the Union. Either party may request such a meeting and each party pledges its best efforts to address any and all concerns raised as to the meaning or application of this Agreement. With the exception of matters referenced in paragraph 3 (c) above, the meaning or application of this Agreement shall not be subject to arbitration. Each party reserves its right to seek judicial or other relief provided by law to enforce this Agreement. However, the parties agree that prior to seeking such relief provided by law, the parties will meet and confer as set forth above.

8. Waiver of Claims.

(a) The Union promises and agrees that, in connection with any arbitration, and in connection with any other legal, equitable or administrative suit, proceeding or charge arising subsequent to the effective date of this Agreement between the Union and any VZ Company, or VZ Communications Inc., including but not limited to any proceeding before the National Labor Relations Board or its delegate, the Union hereby waives any claim, allegation or argument, and agrees to refrain from presenting this agreement, or any action or information related to it, as evidence in support of any claim, allegation or argument, that any VZ Company or VZ

Communications Inc., and/or any of its current or future subsidiaries, and/or their divisions, units, agents, or affiliates, are or have been a single employer, joint employers, alter-egos, or that any employees should be accreted to any bargaining unit, to the extent that any such claim, allegation or argument is based upon

(1) any changes on or after August 15, 1997, in the administration and/or control of labor relations by Bell Atlantic Corporation, VZ Communications Inc. or any Bell Atlantic or VZ Companies; or

(2) any change in the scope, availability in employees, or administration by management of any program or practice for the effectuation of employee-initiated transfers between or among different subsidiaries or bargaining units; provided, however, that this subparagraph (2) shall not be construed as having any effect on the Union's right or the Companies' obligation, to the extent the same may exist under applicable law and/or any pre-existing collective bargaining agreement(s), to negotiate changes in the terms and conditions applicable to such transfers.

(b) The provisions of this paragraph 8 shall survive the expiration of the remainder of this Agreement, and shall have full force and effect until specifically voided by mutual written agreement of the parties.

9. Severability. Should any portion of this Agreement be voided or held unlawful or unenforceable by the National Labor Relations Board or any court of competent jurisdiction, the remaining provisions shall remain in full force and effect for the duration of this Agreement.

International Brotherhood of Electrical
Workers

Verizon
Companies

Myles J. Calvey
Chairman, System Council T-6

Joseph Santos
Director - Labor Relations

Date _____

Date _____

ATTACHMENT 1 to MEMORANDUM OF AGREEMENT REGARDING NEUTRALITY
AND CARD CHECK RECOGNITION:

International Brotherhood of Electrical Workers, AFL-CIO

I hereby join with my fellow workers in organizing a Union to better our conditions of life and secure economic justice. I have voluntarily accepted membership in the International Brotherhood of Electrical Workers (IBEW), AFL-CIO and declare that this union shall be my representative in collective bargaining over wages, hours and all other conditions of employment.

I understand that if IBEW presents cards for recognition signed by at least 50% plus one of the _____ employees eligible to be in the bargaining unit, (Company name) will recognize IBEW as the bargaining representative of this unit without a representation election being conducted by the National Labor Relations Board and (Company name) would bargain with IBEW concerning the terms of my employment and my working conditions.

I have also agreed to the membership provisions on the other side of this card

NEW BUSINESSES

The following procedures regarding union recognition upon the start-up or acquisition of New Businesses by Verizon Communications Inc. ("VZ") and the hiring of New Business Employees shall be inserted as an Article in all collective bargaining agreements between the Union and the Companies employing its members in the former Bell Atlantic North Footprint.

ARTICLE _____

NEW BUSINESSES

1. "New Businesses" are defined as companies or new operations hereinafter started up or acquired by VZ in a telecommunications line of business. They would include, among others, the construction, installation, maintenance, marketing and sales of cable television, video, information and interactive media services, and new and traditional voice and data telephone services. As applied here, such New Businesses are those in which VZ has a majority stock or equity interest and management control, and which do business in the former BA North Footprint. They do not include new operations which, by agreement of the parties or by operation of law, are covered by an existing CWA or IBEW collective bargaining agreement. VZ shall mean the Verizon Communications Inc. and the "Company" parties to the Memorandum of Agreement to which this Article is attached. The former BA North Footprint shall mean the former operating area of BA within Maine, New Hampshire, Vermont, Rhode Island, Massachusetts, New York and the areas of Connecticut covered by the Byram and Greenwich exchanges.
2. "New Businesses Employees" (NBEs) are employees of New Businesses who perform telecommunications work in the former BA North Footprint that is the same or equivalent to traditional telephone work currently performed as part of their regular duties by bargaining unit members of CWA and IBEW. For example, the work would include the installation and maintenance of inside wire and converter boxes for cable television, and the associated customer representative and accounting work for the services provided. The work does not include non-telecommunications work such as the work performed by janitors, elevator mechanics, elevator operators, watch engineers, or garage mechanics.
3. For New Businesses that are acquired by VZ with an existing complement of employees in the NBE positions, and where those employees are not represented by a union, additional NBE vacancies shall be offered to qualified VZ former BA North Footprint employees from an existing CWA or IBEW bargaining unit pursuant to paragraph 7 and Appendix A of this Article. In such situations, union representation procedures shall be governed by the neutrality and card check provisions set forth in the Neutrality and Card Check Agreement between the parties executed this date. If this

process results in card check recognition, collective bargaining shall be governed by Appendix B.

4. For New Businesses that are start-up companies or operations (i.e., those without an existing complement of employees), VZ shall offer to hire the initial complement of NBE positions from qualified former BA North Footprint employees in existing CWA or IBEW bargaining unit(s) pursuant to paragraph 7 and Appendix A of this Article, and, in turn shall recognize CWA or IBEW as the bargaining representative for the new unit(s) so long as the majority of the initial complement of NBEs are hired from existing CWA or IBEW bargaining units. The initial complement of employees is defined as the number of employees required to get the new business up and running. In such situations, the collective bargaining process shall be governed by Appendix B. If the initial complement of employees cannot be filled with a majority of employees from existing bargaining units, then the neutrality and card check provisions set forth in the Neutrality and Card Check Agreement executed on this date shall apply.

5. For New Businesses that are acquired by VZ with an existing complement of non-union employees in the NBE positions, and where VZ increases the size of the NBE work force, VZ shall abide by the terms of paragraph 4 and not paragraph 3 if, within one year of acquisition, employees from existing CWA or IBEW bargaining units constitute the majority of the NBEs.

6. For a New Business where VZ does not have a majority stock or equity interest and management control, VZ shall abide by the terms of this Article if a partner in that business is bound by the same, or substantially the same, agreement with CWA or IBEW, and together they have majority stock or equity interest and management control of that business.

7. VZ shall first offer NBE positions to qualified volunteers from existing bargaining unit(s) of the appropriate union. For New Businesses that are acquired by VZ with an existing complement of employees in the NBE positions, bargaining unit employees shall be notified of all additional NBE positions and shall have ten (10) working days to apply for those positions before VZ may hire off the street. For New Businesses that are start-up companies or operations, VZ may hire off the street after thirty (30) days if qualified volunteers cannot be found from existing bargaining units to make up the initial complement of NBE positions. The hiring of volunteers from CWA or IBEW bargaining units shall be a priority, and qualifications for union applicants shall in all respects be identical to qualifications established for non-union applicants. Former BA North Footprint employees who have been declared surplus shall be given first consideration for NBE positions and employees hired from existing CWA or IBEW bargaining units shall bring their net credited service to the New Business.

8. If the validity of one or more of the provisions of this Article is challenged in a court of law or before the NLRB, the New Business, VZ and the Union shall cooperate and take all necessary steps to defend the validity of the Article. If one or more of the

provisions of this Article is declared void, the parties agree to modify the Article, if possible, in a manner consistent with the law and the parties' original intent.

9. The exclusive means of resolving any alleged violation or dispute arising under this Article, except those governed by Appendix B, shall be the disagreement resolution process set forth in Appendix C of this Article.

APPENDIX A

VZ shall offer NBE positions described in paragraph 3 and 4 of this Article to the following bargaining unit employees in the following locations:

Location of New Business	Positions	Bargaining Unit** ***
New York and Connecticut*	Plant	CWA
Upstate New York	Commercial	IBEW Local 2213
Downstate New York	Commercial	CWA
New York	Traffic	CWA
New York	Accounting	CWA
New Hampshire	Business	CWA
Maine, Massachusetts, Vermont	Residence	CWA
Rhode Island	Residence	IBEW
Maine, Massachusetts, Rhode Island, Vermont	Business	IBEW
Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	Commission Advertising Directory Sales	CWA
Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	Plant, Traffic and Accounting	IBEW Plant, Traffic, Accounting and Sales

- As defined in paragraph 1 of this Article.
- ** If a dispute arises between CWA and IBEW over which unions shall be offered NBE positions, the unions shall have ten (10) working days to resolve the matter and so notify the Company. If the dispute is not resolved within ten (10) working days, then the provisions of paragraphs 4 and 7 shall not apply to the New Business in which the dispute exists and VZ may then fill the NBE positions by hiring off the street.
- *** The Chart set out above may change over time with changes in CWA or IBEW jurisdiction .

APPENDIX B

To insure the success and stability of a New Business, the parties shall negotiate the first collective bargaining agreement for that New Business for a term of three (3) years according to the following procedures.

1. Prior to starting a New Business, VZ shall review with the union its staffing needs in that business. VZ and the union shall also engage an independent consultant to provide a study of wages, benefits, time off, hours of work, differentials, allowances, work rules, scheduling, staffing, productivity levels and other relevant information regarding VZ competitors in the specific line of business and area where VZ plans to operate. If competitors in the geographic area do not exist, the study shall focus upon employers in the same line of business in adjacent or comparable areas. The study shall be used by the parties as a guide to negotiating a fair contract for both the Company and the employees. If the parties cannot agree upon a single independent consultant, they may each select their own consultant to develop separate studies to be used by the parties in their negotiations.
2. If negotiations reach an impasse, either party may invoke binding Arbitration of the unsettled items for final resolution. The arbitration award on the economic issues in dispute shall be confined to a choice between (a) the last offer of the employer on such issues as a single package and (b) the union's last offer, on such issues, as a single package; and, on the non-economic issues in dispute, the award shall be confined to a choice between (a) the last offer of the employer on each issue in dispute and (b) the union's last offer on such issue.
3. The arbitration shall be governed by the Arbitration Article of the parties' collective bargaining agreement.
4. Prior to the start of the arbitration hearings, the parties shall submit to the arbitrator their final offers in two separate parts: (a) single package containing all the economic issues in dispute and (b) the individual issues in dispute not included in the economic package, each set forth separately by issue.
5. In the event of a dispute, the arbitrator shall have the power to decide which issues are economic issues. Economic issues include those items which have a direct relation to employee income including wages, salaries, hours in relation to earnings, and other forms of compensation such as paid vacation, paid holidays, health and medical insurance, pensions, and other economic benefits to employees .
6. In deciding the issues in dispute, the arbitrator's decision shall be governed by the prevailing practice of competitors in the area, and/or employers in the same line of business in adjacent or comparable areas.

Appendix C

DISAGREEMENT RESOLUTION PROCESS

The following process shall govern the resolution of all alleged violations of or disputes arising under this New Businesses Article except those matters governed by Appendix B of this Article.

1. If either party submits an alleged violation or dispute for resolution through this process, the parties, including, if necessary, President of the IBEW, and the Executive Vice President Human Resources of VZ, shall meet to discuss and resolve it.
2. If the parties are unable to resolve an alleged violation or dispute themselves, they will seek the assistance of a mediator agreed upon by both parties. Once selected, that mediator or an agreed upon replacement shall be the permanent mediator for resolving alleged violations and disputes under this Appendix for the remainder of this Agreement. If a mediator cannot be mutually selected by the parties within a reasonable period of time, each party shall promptly appoint a mediator of its choosing, and those two mediators, using the process they agree upon, shall promptly appoint the mediator to resolve the dispute under this Appendix.
3. If the parties are unable to reach agreement with-the assistance of the mediator, the mediator shall issue a binding decision on those unresolved issues.
4. The procedure the mediator shall use in assisting the parties to reach agreement or in gathering information and deliberating in order to issue a binding decision shall be determined by the mediator under the following guidelines:
 - (a) With respect to disputes in which there are no important factual issues in dispute, there shall be no formal hearings or taking of evidence. Instead, the parties, without the assistance of counsel, shall present their information and positions to the mediator through discussion, rather than a legal or quasi-legal proceeding. In presiding over this process, the mediator shall make every effort to resolve the differences before having to issue a binding decision.
 - (b) With respect to disputes in which there are important factual issues in dispute, either party may request that the mediator use expedited arbitration in lieu of (a) above, and the mediator may do so if he believes it will help to resolve the dispute. However, the arbitration shall be informal in nature, without formal rules of evidence and without a transcript. The mediator shall be satisfied that the information submitted is of a type on which he or she can rely, that the proceeding is in all respects a fair one, and that all facts necessary to a fair decision are presented.

IBEW NE
May 29, 2016

Mr. Myles J. Calvey
Chairman, System Council T-6
International Brotherhood of Electrical Workers
1137 Washington Street
Dorchester, MA 02124

Dear Mr. Calvey:

This will confirm our agreement, associated with the section of the 2016 Memorandum of Agreement dealing with the "Limitations on Transfer of Jobs", as follows:

1. The total IBEW represented jobs in each bargaining unit, or each Local Union in the Plant Bargaining Unit, within the New England States to be utilized for calculating the gross amount of job transfers, outside of the New England States, are as follows:

(a)	Plant Local Union 2222	___
(b)	Plant Local Union 2321	___
(c)	Plant Local Union 2322	___
(d)	Plant Local Union 2323	___
(e)	Plant Local Union 2324	___
(f)	Plant Local Union 2325	___
(g)	Traffic Bargaining Unit	___
(h)	Accounting Bargaining Unit	___
(i)	Sales Bargaining Unit	___
	Total IBEW Represented Employees	___

This census of IBEW represented jobs is based on the total represented jobs in the IBEW bargaining units as of the Effective Date. The calculation of the gross amount of job transfers outside of the New England states will be based on this frozen census for the entire period of the 2016 Labor Agreement.

2. The Company will notify the Union whenever jobs are transferred outside of the New England States from any Local Union area in the Plant Bargaining Unit or from the Traffic, Accounting or Sales bargaining units, by job title(s) and work location(s).

3. The Company will furnish to the Union a quarterly status report of the total number of jobs transferred outside of the New England states, by Local Union area in the Plant Bargaining Unit and the Traffic, Accounting and Sales bargaining units. This report will also provide a comparison of the gross percentage of job transfers to the agreed upon % limit on gross transfers for each Union Local are in the Plant Bargaining Unit and the Traffic, Accounting and Sales bargaining units.

Yours truly,

Joseph Santos
Director – Labor Relations

ATTACHMENT 5

May 29, 2016

Mr. Eric Hetrick
Chairperson, Sales Negotiating Committee
International Brotherhood of Electrical Workers
106 West Grove Street
Middleboro, MA 02346

Re: Transfer of IDC Service Representatives to CFS

Dear Mr. Hetrick:

This will confirm the agreement between Verizon New England Inc. and Verizon Corporate Services Corp. (collectively “the Company”) and the International Brotherhood of Electrical Workers (“the Union”) regarding the transfer of certain Service Representatives in the Taunton, Massachusetts Inbound Demand Center (“IDC”) to a newly created Customer Financial Services (“CFS”) group also in Taunton, Massachusetts. In particular, the parties agree that:

1. Within 90 days of the ratification of the 2016 Memorandum of Understanding (“2016 MOU”), the Company will transfer between 6-18 Service Representatives in the Taunton IDC to a newly created CFS work group also to be located in Taunton. The specific number of Service Representatives to be transferred will be based on the needs of the business of the IDC.
2. Except as expressly provided herein, this Agreement does not add to, diminish or affect any rights or obligations that any of the parties have under the provisions of their collective bargaining agreements.
3. This Agreement is without prejudice or precedent to any position that any party to this Agreement may wish to take in any other proceeding involving any other matter. In addition, this Agreement and the negotiations between the parties that led to this Agreement shall not be cited by any party in any other proceeding in any forum including, but not limited to, any arbitration or matter before any federal, state or local court or administrative agency, involving any other matter, except as necessary to enforce the terms of this Agreement.
4. The terms set forth in this letter will not take effect absent ratification.

IBEW NE
May 29, 2016

Please indicate your agreement with the above by signing a copy of this letter where indicated and returning it to me.

Very truly yours,

Patrick Prindeville
Executive Director
Labor Relations

AGREED:
International Brotherhood of Electrical Workers

By: _____
Eric Hetrick
Chairperson, Sales Negotiating Committee

Date: _____

ATTACHMENT 6

May 29, 2016

Mr. Myles J. Calvey
Chairman, System Council T-6
International Brotherhood of Electrical Workers
1137 Washington Street
Dorchester, MA 02124

Re: Stress Relief

Dear Mr. Calvey:

As you know, during our negotiations for a new collective bargaining agreement the Communications Workers of America (“the Union”) expressed its desire for a forum in which it could address stress relief in Verizon New York Inc.’s and Verizon New England Inc.’s (collectively “the Company’s”) Sales and Service, as well as Tech Support, Centers (collectively “the Centers”). In order to reach a new collective bargaining agreement, the parties have agreed as follows:

1. The Union and the Company will meet to discuss possible steps that might be taken to address the Union’s concerns regarding stress among employees in the Centers. These meetings will take place as part of the quarterly meetings that the parties schedule to review Call Sharing results.
2. The topics that the parties will explore in these meetings may include:
 - a. training
 - b. productivity
 - c. performance requirements
 - d. forced overtime
 - e. performance feedback
 - f. scheduling issues
 - g. monitoring

In order to facilitate the parties’ discussions, the Union will provide the Company, no later than two weeks before the date of each meeting, with a detailed agenda of the specific topics and issues that it wishes to discuss. Neither party, however, is obligated to reach an agreement on any one or more of the issues they discuss at any meeting.

IBEW NE
May 29, 2016

3. Except as provided for herein, this Agreement does not intend to add to, diminish or affect any rights or obligations that any of the parties have under the provisions of their collective bargaining agreements.
4. Absent ratification of the 2016 MOU, this Agreement will not take effect and will become null and void.
5. This Agreement is without prejudice or precedent to any position that any party to this Agreement may wish to take in any other proceeding involving any other matter. In addition, this Agreement and the negotiations between the parties that led to this Agreement shall not be cited by any party in any other proceeding in any forum including, but not limited to, any arbitration or matter before any federal, state or local court or administrative agency, involving any other matter, except as necessary to enforce the terms of this Agreement.

Please indicate your agreement with the above by signing a copy of this letter where indicated and returning it to me.

Very truly yours,

Patrick Prindeville
Executive Director
Labor Relations

AGREED:
Communications Workers of America

By: _____
Miles Calvey, Chairman, System Council T-6