

May 29, 2016

**2016 COMMON ISSUES  
MEMORANDUM OF UNDERSTANDING**

**Between**

**VERIZON MARYLAND LLC,  
VERIZON VIRGINIA LLC,  
VERIZON WASHINGTON, D.C. INC.,  
VERIZON PENNSYLVANIA LLC,  
VERIZON DELAWARE LLC,  
VERIZON NEW JERSEY INC.,  
VERIZON SERVICES CORP.,  
VERIZON CORPORATE SERVICES CORP.,  
VERIZON ADVANCED DATA INC.,  
VERIZON SOUTH INC. (VIRGINIA)**

**AND**

**COMMUNICATIONS WORKERS OF AMERICA, AFL-CIO**

This Memorandum of Understanding (the "2016 MOU") agreed to by and between the above-named companies (herein the "Company" or "Companies," as context requires) and the Communications Workers of America, AFL-CIO (herein the "Union" or "CWA") sets forth the terms of the agreement between the Companies and the Union on common issues.

This 2016 MOU binds each of the Companies and the CWA to incorporate the provisions set forth herein into the collective bargaining agreements between each of the Companies and the CWA. Provisions of this 2016 MOU, including the attachments, will be incorporated, by reference or otherwise, into the appropriate collective bargaining agreements.

Each of the new collective bargaining agreements will consist of the provisions of the existing collective bargaining agreements, including:

1. The provisions of the 2012 Memorandum of Understanding Between Verizon Maryland Inc., Verizon Virginia Inc., Verizon Washington, D.C. Inc., Verizon Pennsylvania Inc., Verizon Delaware Inc., Verizon New Jersey Inc., Verizon Services Corp., Verizon Corporate Services Corp., Verizon Advanced Data Inc., and Verizon South Inc. (Virginia) and the Communications Workers of America, AFL-CIO effective October 19, 2012 ("2012 MOU"), which shall be deemed extended to the Effective Date, and all attachments to the 2012 MOU that were

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valid and enforceable immediately prior to the Effective Date of this 2016 MOU, as modified by the applicable provisions of the 2016 MOU; and

2. The provisions of the 2012 Memorandum of Agreement (“2012 MOA”), as modified by the applicable provisions of the 2016 MOA.

All letters of agreement in the parties’ 2012 collective bargaining agreements (including without limitation the 2012 MOU and all attachments to the 2012 MOU) and all international union, district and local agreements that were valid and enforceable immediately prior to the Effective Date of this 2016 MOU, will remain in full force and effect, unless the terms of such agreements 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, agreements 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 of this 2016 MOU that contain dates other than expiration dates will be changed as necessary to ensure the continued enforceability of such agreements unless the parties have expressly agreed that such letters or provisions will not remain in effect.

The parties’ new collective bargaining agreements (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 upon ratification of this 2016 MOU (“Effective Date”) and will remain in effect until 11:59 p.m. on August 3, 2019.

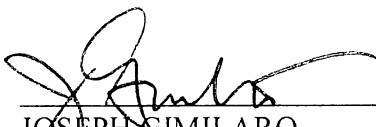
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This 2016 MOU will become effective if, and only if, ratified by the combined results of the voting in the bargaining units in the Companies represented by CWA no later than thirty calendar days after the date of this 2016 MOU.

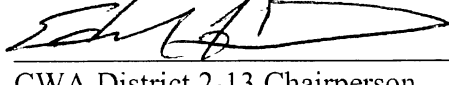
To the extent that any provision of this 2016 MOU is inconsistent with or contrary to any provision of the 2012 MOU, any local collective bargaining agreement, or any other agreement, policy or past practice, such 2016 MOU provision will govern and will supersede the inconsistent or contrary provision 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.

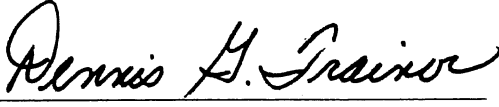
Dated:

FOR THE COMPANIES

By:   
JOSEPH GIMILARO  
Chairperson, Common Issues Bargaining

FOR COMMUNICATIONS WORKERS OF AMERICA, AFL-CIO

By:   
CWA District 2-13 Chairperson,  
Common Issues Bargaining

By:   
CWA District 1—New Jersey

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**ATTACHMENTS**

1. Change In Eligibility – Same Sex Domestic Partnerships
2. TAP – Excluded Studies Chart
3. Additional Center Jobs Agreement

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4. 2016 Memorandum of Agreement
5. Work Life Balance – Commercial
6. Operations Forum – Pennsylvania and Delaware
7. Operations Forum – Potomac
8. Long Term Service Difficulty – Pennsylvania and Delaware
9. Long Term Service Difficulty – Potomac
10. MRP Termination Allowance – Pennsylvania
11. RAMP
12. Term Reclassification – Pennsylvania

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### I. WAGES

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

<b>Effective Date</b>	
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:

<b>Performance Year</b>	<b>Standard CPS Distribution</b>	<b>Year Payable</b>
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.

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(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 \$1,250 will be paid within thirty (30) days after ratification of this 2016 MOU to full-time and part-time Regular and Term 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 Pension Plan, including the Southeast Plan as applicable, will be amended for pension eligible associates covered by this 2016 MOU as follows:

If a vested participant dies prior to his or her pension commencement date without having designated a pension beneficiary and without having any pension beneficiary by operation of law, 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

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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 Mid-Atlantic 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 Security Plan (“Special EISP”) under Section XII of this 2016 MOU.



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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**

**A. Automatic Enrollment Feature for New Hires.**

Associates hired on or after the date that is ninety (90) days after the Effective Date will be notified of automatic enrollment in the Associate 401(k) Savings Plan at a six percent (6%) pre-tax deferral percentage. Automatic enrollment will be effective no later than the second paycheck that occurs forty-five (45) days after the associate hire date unless the associate makes a different affirmative deferral election. Associates will be advised of how to change or cancel their 401(k) deferral election in the notification. Contributions for associates who do not make an affirmative investment election will be invested in a qualified default investment alternative under the Associate 401(k) Savings Plan.

**B. Diversification of Company Contributions.**

Thirty (30) days after the Effective Date, participants in the Associate 401(k) Savings Plan may elect to transfer Company Matching and Annual Discretionary Contributions to any available investment options under the Associate 401(k) Savings Plan, subject to the same general investment transfer rules that apply to employee contributions

**VII. 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:

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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 1 (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 will remain covered until the course is completed.

## 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 Accidental Death and Dismemberment Plan for Mid-Atlantic Associates

Verizon Adoption Reimbursement Program for Mid-Atlantic Associates

Verizon Dental Expense Plan for Mid-Atlantic Associates

Verizon Dependent Accidental Death and Dismemberment Plan for Mid-Atlantic Associates

Verizon Dependent Care Account for Mid-Atlantic Associates

Verizon Dependent Group Life Insurance Plan for Mid-Atlantic Associates

Verizon Group Life Insurance Plan for Mid-Atlantic Associates

Verizon Health Care Account for Mid-Atlantic Associates

Verizon Income Security Plan for Mid-Atlantic Associates

Verizon Long Term Care Insurance Plan for Mid-Atlantic Associates

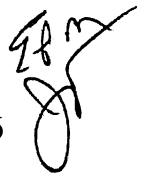
Verizon Long Term Disability Plan for Mid-Atlantic Associates

Verizon Managed Care Network and Medical Expense Plan for Mid-Atlantic Associates

Verizon Pension Plan for Mid-Atlantic and South Associates (to the extent that it covers Mid-Atlantic Associates)

Verizon Savings and Security Plan for Mid-Atlantic Associates

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Verizon Sickness and Accident Disability Benefit Plan for Mid-Atlantic Associates

Verizon Supplemental Group Life Insurance Plan for Mid-Atlantic Associates

Verizon Vision Care Plan for Mid-Atlantic Associates

Verizon Dental Expense Plan for Mid-Atlantic Post-1989 Associate Retirees

Verizon Managed Care Network and Medical Expense Plan for Mid-Atlantic Post-1989 Associate Retirees

Verizon Life Insurance Plan for Mid-Atlantic Associate Retirees

Verizon Supplemental Life Insurance Plan for Mid-Atlantic Associate 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 Managed Care Network and Medical Expense Plan for Mid-Atlantic Associates (the “VMEP”) regarding medical and prescription drug benefits, the Verizon Dental Expense Plan for Mid-Atlantic Associates (“VDEP”) regarding dental benefits, the Verizon Vision Care Plan for Mid-Atlantic Associates (“VVCP”) regarding vision benefits and the Verizon Dependent Group Life Insurance Plan for Mid-Atlantic Associates regarding life insurance benefits for active associates who participate in the VMEP, VDEP, VVCP and the Verizon Dependent Group Life Insurance Plan for Mid-Atlantic 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

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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 January 1, 2018, the definition of Dependent in Article 2 of the VDEP will be amended to delete the category of Sponsored Child. Accordingly, those in the category of Sponsored Child will no longer be eligible for coverage under the VDEP.

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 Mid-Atlantic Associates will be modified as set forth in Attachment 2.

**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

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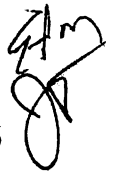
associate will be required to pay his or her portion of the cost of coverage commencing with the first date of coverage.

- 1) **MCN Benefit Changes.** The medical benefits provided to associates and their eligible dependents enrolled in the MCN 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 MCN Option, an annual deductible will apply for covered services or supplies obtained on an in-network basis of \$100 for 2016, \$125 for 2017, \$150 for 2018 and \$175 for 2019 per individual and \$250 for 2016, \$312.50 for 2017, \$375 for 2018 and \$437.50 for 2019 per family. For associates and their eligible dependents enrolled in the MCN Option, an annual deductible will apply for covered services or supplies obtained on an out-of-network basis of \$750 for 2016, \$775 for 2017, \$800 for 2018 and \$825 for 2019 per individual and \$1,875 for 2016, \$1,937.50 for 2017, \$2,000 for 2018 and \$2,062.50 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 sections of the VMEP: Sections 5.1.1(a) and 5.1.1(c).)
  - 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 MCN Option during any calendar year will be \$1,200 for 2016, \$1,250 for 2017, \$1,300 for 2018 and \$1,350 for 2019 per individual and \$3,000 for 2016, \$3,125 for 2017, \$3,250 for 2018 and \$3,375 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 MCN Option during any calendar year will be \$2,000 for 2016, \$2,050 for 2017, \$2,100 for 2018 and \$2,150 for 2019 per individual and \$5,000 for 2016, \$5,125 for 2017, \$5,250 for 2018 and \$5,375 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 5.1.4.)

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

- i. **Physicians' Services.** The Company will implement a copay of \$25 for each primary care physician's home or office visit and 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 5.1.2 and 5.1.3.)
- 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 primary care physician's office or 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 5.1.2, 5.1.3 and 8.20.)
- iii. **Physical, Occupational and Speech Therapy.** The Company will implement a copay of \$25 for evaluations for outpatient physical, occupational and speech therapy on an in-network basis. Outpatient physical, occupational and speech therapy visits and services will be covered after the deductible is met on an in-network basis at 90% of the NNF. Charges for outpatient physical, occupational and speech therapy visits and services 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 5.1.2, 5.1.3 and 8.14.)
- iv. **Chiropractic Services.** The Company will implement a copay of \$25 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 5.1.2, 5.1.3 and 8.4.)
- 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 5.1.3 and 10.4.)
- 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 5.1.3 and 6.1.)

- vii. **Maternity and Newborn Care.** The Company will implement a copay of \$25 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 5.1.2, 5.1.3 and 8.10.)
- 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 5.1.3 and 11.3.)
- 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 section of the VMEP: Section 5.1.3.)
- 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 5.1.3.)
  - The Company will implement a copay of \$25 for each outpatient surgery performed in a primary care physician's office and 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 5.1.2, 5.1.3 and 7.6.1.)

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- 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 5.1.3.)
- The Company will implement a copay of \$25 for each second opinion provided by a primary care physician and a copay of \$30 for each second opinion provided by a specialist on an in-network basis. (Amend the following sections of the VMEP: Sections 5.1.2, 5.1.3 and 7.5.1.)
- x. **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 section of the VMEP: Section 5.1.2.)
- 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 section of the VMEP: Section 5.1.2.)
- 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 5.1.3 and 8.1.)
- 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 5.1.3 and 8.7.)
- 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 section of the VMEP: Section 5.1.3.)
- 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 section of the VMEP: Section 5.1.3.)
- The Company will implement a copay of \$25 for each outpatient mental health care and substance abuse treatment visit provided on an in-network basis. 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 5.1.2 and 5.1.3.)

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 primary care physician's office or 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 5.1.2, 5.1.3 and 8.6.)

2) **MEP PPO Benefit Changes.** The medical benefits provided to associates and their eligible dependents enrolled in the MEP 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 MEP PPO Option, an annual deductible will apply for covered services or supplies obtained on an in-network basis of \$525 for 2016, \$550 for 2017, \$575 for 2018 and \$600 for 2019 per individual and \$1,312.50 for 2016, \$1,375 for 2017, \$1,437.50 for 2018 and \$1,500 for 2019 per family. For associates and their eligible dependents enrolled in the MEP PPO Option, an annual deductible will apply for covered services or supplies obtained on an out-of-network basis of \$750 for 2016, \$775 for 2017, \$800 for 2018 and \$825 for 2019 per individual and \$1,875 for 2016, \$1,937.50 for 2017, \$2,000 for 2018 and \$2,062.50 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 5.2.2.)

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- 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 MEP PPO Option during any calendar year will be \$1,300 for 2016, \$1,350 for 2017, \$1,400 for 2018 and \$1,450 for 2019 per individual and \$3,250 for 2016, \$3,375 for 2017, \$3,500 for 2018 and \$3,625 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 MEP PPO Option during any calendar year will be \$2,200 for 2016, \$2,250 for 2017, \$2,300 for 2018 and \$2,350 for 2019 per individual and \$5,500 for 2016, \$5,625 for 2017, \$5,750 for 2018 and \$5,875 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 5.2.4.)
- d. **Covered Medical Services and Supplies.**
- i. **Physicians' Services.** The Company will implement a copay of \$25 for each primary care physician's home or office visit and a copay of \$30 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 5.2.1, 5.2.2, 5.2.3 and 8.15.)
- 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 primary care physician's office or 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 on an out-of-network basis at 60% of the MAA after the deductible is met. (Amend the following sections of the VMEP: Sections 5.2.1, 5.2.2, 5.2.3 and 8.20.)
- iii. **Physical, Occupational and Speech Therapy.** 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: Section 5.2.3.)

- iv. **Chiropractic Services.** 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 the VMEP: Sections 5.2.3 and 8.4.)
- 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 5.2.3 and 10.)
- 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 5.2.2, 5.2.3 and 6.1.)
- vii. **Maternity and Newborn Care.** The Company will implement a copay of \$25 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 5.2.1, 5.2.2, 5.2.3, 6 and 8.10.)
- 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 5.2.3 and 11.)
- 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 5.2.2, 5.2.3 and 12.)
- 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

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60% of the MAA. (Amend the following sections of the VMEP:  
Sections 5.2.2 and 5.2.3.)

- The Company will implement a copay of \$25 for each outpatient surgery performed in a primary care physician's office and 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. 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 VMEP: Sections 5.2.1, 5.2.2, 5.2.3 and 7.6.2.)
  - 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 VMEP: Sections 5.2.2, 5.2.3 and 8.2.)
  - The Company will implement a copay of \$25 for each second opinion provided by a primary care physician and a copay of \$30 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 VMEP: Sections 5.2.1, 5.2.2, 5.2.3 and 7.5.2.)
- 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 section of the VMEP: Section 5.2.1.)
- 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 section of the VMEP: Section 5.2.1.)
- 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 VMEP: Sections 5.2.3 and 8.1.4.)
- 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-

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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 5.2.3 and 8.7)

- 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: Section 5.2.3.)
  - 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. (Amend the following sections of the VMED: Sections 5.2.2, 5.2.3 and 8.12.)
    - The Company will implement a copay of \$25 for each outpatient mental health care and substance abuse treatment visit on an in-network basis. 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 5.2.1, 5.2.2, 5.2.3 and 8.12.)
  - 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 primary care physician's office or 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 5.2.1, 5.2.2, 5.2.3 and 8.6.)
  - 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: Sections 5.2.3 and 8.16.)
- 3) **EPO Option.** (Amend the following section of the VMED: Section 5.1.4.)
- a. Copay for an office visit to a primary care provider (including OB-GYN) will be \$25.
  - b. Copay for a specialist office visit will be \$30.

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- c. 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 VMEP: Section 16.)

- a. Copay for an office visit to a primary care provider (including OB-GYN) will be no greater than \$25.
- b. Copay for a specialist office visit will be no greater than \$30.
- c. Copay for an emergency room visit will be no greater than \$100 for 2016, \$110 for 2017, \$120 for 2018 and \$130 for 2019.

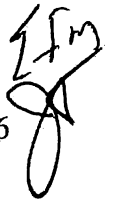
5) **Prescription Drug Benefit Changes Applicable to Associates and Eligible**

**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 Health Care Oversight Committee ("HCOC") the opportunity to sign a confidentiality agreement and for those who signed a confidentiality agreement, provide a copy of

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the proposed Active Rx RFP; (ii) provide the members of the HCOC 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 HCOC 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 HCOC 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 HCOC reviewing their entire bid, members of the HCOC who signed a confidentiality agreement will be provided seven (7) days to review the participant-impacting terms of the bid; (v) consult with the HCOC regarding the designation of two finalist candidates, provided the HCOC must make itself available to consult within seventy two (72) hours of the Plan Administrator's request; and (vi) arrange for the HCOC 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 HCOC shall provide the Plan Administrator with its recommendation regarding which candidate to select for the designation.

If a majority of members of the HCOC cannot agree on a recommendation, the union members of the HCOC 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 HCOC or the union members of the HCOC 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 VMPP: Sections 5.3.1, 5.3.2 and 14.5.)

- a. **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 Mid-Atlantic 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 Mid-Atlantic active associates between 2016 and 2017, up to a maximum of 4%. If between 2016 and 2017, the per

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prescription cost of generic drugs in the prescription drug program for Mid-Atlantic 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 Mid-Atlantic 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 2019, 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 Mid-Atlantic active associates between 2016 and 2017 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 Mid-Atlantic active associates increases by 15%, then the Brand Trend Percentage for 2019 shall be 6% and the 2019 maximum copay for brand preferred drugs shall be an amount that is 6% greater than the 2018 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 \$40 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 Mid-Atlantic 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 Mid-Atlantic 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



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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.
  
- b. **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 \$50 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.

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c. **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 increase when compared to the maximum copay for the prior calendar year by the applicable Generic Trend Percentage.
- 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 increase when compared to the maximum copay for the prior calendar year by the applicable Brand Trend Percentage.
- 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 \$80 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.
- 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 MCN Option, MEP 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 MCN Option and the MEP 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 MCN Option and MEP 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	MEP PPO Option and MCN Option Monthly Employee Contribution (Tobacco User Rate)	MEP PPO Option and MCN 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	\$128.33	\$78.33	\$163.33	\$113.33
Employee + Family	\$198.33	\$148.33	\$268.33	\$218.33

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

Coverage Category Elected	MEP PPO Option and MCN Option Monthly Employee Contribution (Tobacco User Rate)	MEP PPO Option and MCN 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

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

Coverage Category Elected	MEP PPO Option and MCN Option Monthly Employee Contribution (Tobacco User Rate)	MEP PPO Option and MCN 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	MEP PPO Option and MCN Option Monthly Employee Contribution (Tobacco User Rate)	MEP PPO Option and MCN 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**

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. To the extent that a participant maintains a positive balance in his/her HRA that is less than \$50 as of December 31, 2016, such amount shall be forfeited. In addition, to the extent that a participant maintains a positive balance in his/her HRA of any amount as of December 31, 2017, such amount shall be forfeited. (Amend the following section of the VMEP: Section 4.2.)

**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

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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 December 31, 1989 (“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 to Deductible for Covered Retirees Who Are Not Medicare Eligible.**

1) MEP 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 MEP 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 MEP 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 MEP PPO Option will be subject to the deductible provisions in effect on the date of the Covered Retiree’s retirement.

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2) MCN Option.

Notwithstanding the foregoing, for Covered Retirees and their dependents who are not Medicare eligible, the deductible provisions for the MCN 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.

**B. 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 MCN Option set forth in Section VIII.2.C.1(b) of this 2016 MOU and for the MEP PPO Option set forth in Section VIII.2.C.2(b) of this 2016 MOU shall not apply. Instead, for 2016 the deductible provisions set forth in Section VIII.5.A of this 2016 MOU applicable to Covered Retirees who are not Medicare eligible will also apply to Covered Retirees and their eligible dependents who are Medicare eligible.

2) **Copays.** Notwithstanding the foregoing, for Covered Retirees and their dependents who are Medicare eligible, the copays for 2016 for the MCN Option set forth in Section VIII.2.C.1(d) of this 2016 MOU and for the MEP 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.

**C. 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 Health Care Oversight Committee ("HCOC") 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 HCOC who signed a confidentiality agreement with seven (7) days

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to review the MA RFP and to submit comments to the Company; (iii) provide the members of the HCOC who signed a confidentiality agreement with the final MA RFP at the time it is issued by the Company; (iv) provide members of the HCOC 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 HCOC reviewing their entire bid, members of the HCOC who signed a confidentiality agreement will be provided seven (7) days to review the participant-impacting terms of the bid; (v) consult with the HCOC regarding the designation of two finalist candidates, provided that the HCOC must make itself available to consult within seventy two (72) hours of the Company's request; and (vi) arrange for the HCOC 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 HCOC shall provide the Company with its recommendation regarding which candidate to select for the designation. If a majority of members of the HCOC cannot agree on a recommendation, the union members of the HCOC 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 HCOC or the union members of the HCOC 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 option offered to eligible Covered Retirees and dependents will provide medical benefits that are the same as those provided under the MCN 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.C. The Medicare Advantage Plan will not provide medical benefits that are the same as those provided under the MEP PPO Option. 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 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 option 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) MCN 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.

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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.

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 HCOC. 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 HCOC 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



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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.

**C. 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.

**D. 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 2 shall not apply to Covered Retirees.

**E. 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

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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 HCOC 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 HCOC 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 HCOC 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 HCOC 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 HCOC reviewing their entire bid, members of the HCOC who signed a confidentiality agreement will be provided seven (7) days to review the participant-impacting terms of the bid; (v) consult with the HCOC regarding the designation of two finalist candidates, provided the HCOC must make itself available to consult within seventy two (72) hours of the Plan Administrator's request; and (vi) arrange for the HCOC 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 HCOC shall provide the Plan Administrator with its recommendation regarding which candidate to select for the designation. If a majority of members of the HCOC cannot agree on a recommendation, the union members of the HCOC 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 HCOC or the union members of the HCOC 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) and (c) regarding the copayment amounts for retail pharmacies and mail order pharmacies for Medicare-eligible Covered Retirees will be as follows:

**a. Retail Pharmacies**

- The copay for generic drugs for in-network retail pharmacies will be the DNP with a maximum copay of \$10.
- 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.

**b. Mail Order Pharmacies**

- The copay for generic drugs for mail order pharmacies will be the DNP with a maximum copay of \$20.
- 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.

**F. 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	\$105	\$132	\$153	\$165
Retiree + 1	\$160	\$200	\$230	\$250
Retiree + Family	\$210	\$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 MCN Option or the MEP 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:

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	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) The Retiree Monthly Contribution for Plan Year 2017 shall be as follows:

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

(C) For each Plan Year beginning on and after January 1, 2018, the Retiree Monthly Contribution for such Plan Year will increase by 6% when compared with the applicable Retiree Monthly Contribution for the previous Plan Year for each coverage category available to a Covered Retiree.

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

**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

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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 and/or contractor locations 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-

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function call centers located in the Mid-Atlantic and Northeast footprints. If no union-represented employees at like-function call centers in the Mid-Atlantic and Northeast 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 Mid-Atlantic or Northeast 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 Mid-Atlantic or Northeast footprints that the Companies determine are appropriately skilled prior to routing to contractors.

**D. Section 22 is replaced with the following:**

22. During the term of this 2016 MOU the Company will maintain a CSSC, BSBC and MSSC presence in Mid-Atlantic. The Company's obligation to maintain a CSSC, BSBC and MSSC presence in Mid-Atlantic will terminate with the expiration of this 2016 MOU and at that time the parties' rights and obligations with respect to maintaining a CSSC, BSBC and MSSC presence in Mid-Atlantic will return to those in effect prior to the effective date of the 2012 MOU.

**E. 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 Mid-Atlantic footprint Sales and Service Centers as follows:

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a. For 2017 and each subsequent year, Sales and Service Centers in the Mid-Atlantic footprint will together handle an aggregate regional call volume that is equivalent to at least 68% of all calls originating from Mid-Atlantic 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 Mid-Atlantic footprint. If in any Measuring Period, the aggregate regional call volume is equivalent to less than 68% of the calls originating from Mid-Atlantic footprint customers during that Measuring Period that are routed through the ERS to Sales and Service Centers and/or contractor locations, then in the six month period subsequent to that Measuring Period there shall be no layoffs of Mid-Atlantic 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 Mid-Atlantic footprint Sales and Service calls handled in Sales and Service Centers and/or contractor locations and (iii) the total number of calls handled by Sales and Service Centers in the Mid-Atlantic footprint.

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**F. 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 Mid-Atlantic footprint Tech Support Centers as follows:

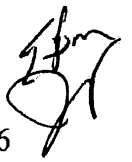
a. For 2017 and each subsequent year, Tech Support Centers in the Mid-Atlantic footprint will together handle an aggregate regional call volume that is equivalent to at least 55% of all calls originating from Mid-Atlantic footprint customers in that year that are routed through the ERS to Tech Support Centers and contractor locations.

b. For each Measuring Period, the Companies shall calculate the aggregate regional call volume handled by the Tech Support Centers in the Mid-Atlantic footprint. If in any Measuring Period, the aggregate regional call volume is equivalent to less than 55% of the calls (other than HSI calls that are initially routed by the ERS to contractors) originating from Mid-Atlantic footprint customers during that Measuring Period that are routed through the ERS to Tech Support Centers and/or contractor locations, then in the six month period subsequent to that Measuring Period there shall be no layoffs of Mid-Atlantic 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 Mid-



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Atlantic footprint Tech Support calls (other than HSI calls that are initially routed by the ERS to contractors) handled in Tech Support Centers and/or contractor locations, and (iii) the total number of calls handled by Tech Support Centers in the Mid-Atlantic footprint.

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

H. **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.

**X. ACFC/TABEC COMMITTEES**

A. **Advisory Council On Family Care.**

The Advisory Council on Family Care (“ACFC”) will continue with the following modifications:

- i. Annual funding by the Companies for the ACFC will be \$908,800 for calendar years 2016, 2017, 2018 and 2019. Any funding by the Companies prior to the Effective Date of the 2016 MOU will count toward the applicable calendar year’s maximum funding amount.
- ii. The existing ACFC Coordinator letter is renewed with an expiration date of December 31, 2016.

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This will be the exclusive source of funds for the ACFC, and all other funding for the ACFC is eliminated. Unused funds will be forfeited as of December 31, 2019, except as required to satisfy bills and charges incurred prior to that date, regardless of any extension of this 2016 MOU. Any funding beyond December 31, 2019 will be provided on a pro rata, monthly basis and will count towards the applicable calendar year's maximum funding amount, if any.

All other provisions of the collective bargaining agreements/MOUs covering the ACFC under the expired collective bargaining agreements/MOUs that are not expressly modified by this 2016 MOU will remain in full force and effect in the successor collective bargaining agreements/MOUs.

**B. Training Advisory Board Executive Council.**

The Training Advisory Board Executive Council ("TABEC") will continue with the following modifications:

- i. Annual funding by the Companies for the TABEC will be \$1.5 million for calendar years 2016, 2017, 2018 and 2019. Any funding by the Companies prior to the Effective Date of the 2016 MOU will count toward the applicable calendar year's maximum funding amount.

This will be the exclusive source of funding for the TABEC, and all other funding for the TABEC is eliminated. Unused funds will be forfeited as of December 31, 2019, except as required to satisfy bills and charges incurred prior to that date, regardless of any extension of this 2016 MOU. Any funding beyond December 31, 2019 will be provided on a pro rata, monthly basis and will count towards the applicable calendar year's maximum funding amount, if any.

All other provisions of the collective bargaining agreements/MOUs covering the TABEC under the expired collective bargaining agreements/MOUs that are not expressly modified by this 2016 MOU will remain in full force and effect in the successor collective bargaining agreements/MOUs.

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**XI. HEALTH CARE OVERSIGHT COMMITTEE**

The parties' agreement regarding the HCOC set forth in Attachment 6 to the 2012 MOU ("HCOC Agreement") will remain in full force and effect during the term of this 2016 MOU. Any reference to the 2012 MOU in the HCOC Agreement is replaced with a reference to the 2016 MOU.

**XII. SPECIAL ENHANCED INCOME SECURITY PLAN**

A. The Company may make Special EISP offers to associates to voluntarily leave the service of the Company with the benefits listed below. The Special EISP offers may be made whenever under the applicable collective bargaining agreement the Company is permitted to offer either an ISP or an EISP, except that each associate may only be offered one Special EISP offer per calendar year unless the associate moves to a different title or to a different location. The Company will not involuntarily assign to a receiving work location any associate on a board and lodging assignment, if at the receiving work location, any associate who normally performed the work assigned left employment within the previous twelve (12) months pursuant to a Special EISP. This limitation does not apply to emergencies.

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

1. Supplemental Voluntary Termination Bonus. Associates who leave the service of the Company pursuant to a Special EISP will receive a lump sum amount of \$40,000, less taxes and withholdings, in addition to the EISP 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 EISP Payment. Those associates

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with greater than 30 years of net credited service will have their EISP 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 EISP will not have the age-based reduction for early commencement, if any, applied to the calculation of their pension.

For associates in Potomac: The Verizon Pension Plan for Mid-Atlantic Associates and the GTE South Incorporated (Southeast) Plan for Hourly-paid Employees' Pension, which are component Plans of the Verizon Pension Plan for Mid-Atlantic and South Associates, will be amended such that Service Pension eligible associates who leave the service of the Company pursuant to a Special EISP 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 EISP 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 EISP, 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 EISP, 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.

For associates in Potomac: The GTE South Incorporated (Southeast) Plan for Hourly-paid Employees' Pension component plan will also be amended as

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described above, except the pension commencement date in the (b) clause will be the first day of the month following the earliest month in which any employee leaves the service of the Company under that Special EISP.

C. Associates who elect to voluntarily leave the service of the Company pursuant to a Special EISP 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. 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 EISP 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 EISP.

D. A Special EISP may not be offered simultaneously to associates in the same title and the same bargaining unit as other associates who are declared surplus and are receiving an EISP or ISP offer.

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

**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.

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**XV. LETTER REGARDING WORK LIFE BALANCE – COMMERCIAL**

The letter of agreement regarding work life balance is set forth in Attachment 5.

**XVI. LETTER REGARDING OPERATIONS FORUM (PA/DE)**

The letter of agreement regarding an operations forum (PA/DE) is set forth in Attachment 6.

**XVII. LETTER REGARDING OPERATIONS FORUM (POTOMAC)**

The letter of agreement regarding an operations forum (Potomac) is set forth in Attachment 7.

**XVIII. LETTER REGARDING LTSD (PA/DE)**

The letter of agreement regarding long term service difficulties – PA/DE is set forth in Attachment 8.

**XIX. LETTER REGARDING LTSD (POTOMAC)**

The letter of agreement regarding long term service difficulties – Potomac is set of forth in Attachment 9.

**XX. LETTER REGARDING MRP TERMINATION ALLOWANCE (PA)**

The letter of agreement regarding the MRP termination allowance (PA) is set forth in Attachment 10.

**XXI. LETTER REGARDING RAMP**

The letter of agreement regarding RAMP is set forth in Attachment 19.

**XXII. LETTER REGARDING TERM RECLASSIFICATION (PA)**

The letter of agreement regarding term reclassification (PA) is set forth in Attachment 20.

**XXIII. 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**

<b>Excluded Studies</b>
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
Photography
Professional Diving
Seamstress
Soil & Fertilization
Tourism
Turf Management
Wedding Planner



**ATTACHMENT 2**

**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 Mid-Atlantic 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*





### ADDITIONAL CENTER JOBS AGREEMENT

This agreement (“Agreement”) is made and entered into by the Communications Workers of America, AFL-CIO and its local unions and affiliates (“CWA” or “Union”) and Verizon Advanced Data Inc. (“VZAD”), Verizon Services Corp. (“VSC”), Verizon Corporate Services Corp. (“VCSC”), Verizon Maryland LLC (“VZMD”), Verizon Virginia LLC (“VZVA”), Verizon Washington, D.C. Inc. (“VZDC”), Verizon Pennsylvania LLC (“VZPA”), Verizon Delaware LLC (“VZDE”), Verizon New Jersey Inc. (“VZNJ”) and Verizon South Inc. (Virginia) (“VZSV”) (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, among others, Customer Sales and Service Centers (“CSSCs”), Business Sales and Billing Centers (“BSBCs”), and Multilingual Sales and Service Centers (“MSSCs”) (CSSCs, BSBCs, and MSSCs will collectively be referred to herein as “Sales and Service Centers”), and Fiber Solutions Centers (“FSCs”), and Enhanced Verizon Resolution Centers (“EVRCs”) (Sales and Service Centers, 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 703 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 39 of the Additional Hires into positions in Sales and Service Centers located in New Jersey, 193 in Potomac, 263 in Pennsylvania, and 13 in Delaware.

(b) The Companies will hire 84 of the Additional Hires into the Fiber Customer Support Analyst (“FCSA”) position in FSCs and EVRCs located in Potomac, 56 in Pennsylvania, and 55 in Delaware.

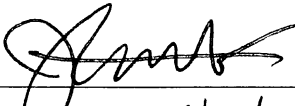
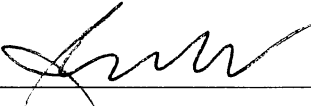

(c) The 703 Additional Hires requirement is a single, aggregate number of Additional Hires to be hired pursuant to this Agreement.

2. In addition to the Additional Hires, the Companies will add 66 hires ("Allocated Hires") during the term of the successor contract to the 2012 Labor Agreements, into either (a) one or more Centers that employ employees covered by the Labor Agreements; or (b) one or more Centers that employ employees represented by either the International Brotherhood of Electrical Workers or Communications Workers of America.

3. All Additional Hires and Allocated Hires will be subject to existing testing, training and other pre- and post-hire procedures as appropriate, except that any internal staffing obligation, such as the 50% internal staffing obligation, shall not apply to the hiring of Additional Hires or Allocated Hires pursuant to this Agreement. Individuals who do not successfully complete training will not be counted towards the 703 Additional Hires or 66 Allocated Hires requirement.

4. The Companies will have no obligation pursuant to this Agreement to either maintain any particular headcount or backfill in the event that Additional Hires or Allocated Hires leave employment or transfer from the Centers.

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

<p>For: CWA District 2-13</p> <hr/>  <hr/> <p>Date: <u>5/29/16</u></p>	<p>For: The Companies</p> <hr/>  <hr/> <p>Date: <u>5/29/16</u></p>
<p>For: CWA District 1-New Jersey</p> <hr/>  <hr/> <p>Date: <u>5/29/16</u></p>	



**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 the Communications Workers of America, AFL-CIO (hereinafter called "CWA"), addressing certain issues, as follows:

1. The two agreements by and between NYNEX and Bell Atlantic Companies and the CWA entitled "Agreement concerning issues related to the Bell Atlantic- NYNEX Merger" (copies of which are attached hereto and incorporated herein by reference) are amended and will be included, as amended, 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 the CWA 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 CWA bargaining unit employees, such work will be exclusively performed by CWA 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 CWA OTC bargaining unit employees covered by the existing collective bargaining agreements. Central offices and associated control centers will be staffed exclusively by CWA OTC bargaining unit employees covered by the existing collective bargaining agreements carrying titles such as COT/SET/TTA/CSA 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 CWA OTC bargaining unit employees covered by the existing collective bargaining agreements. All work associated with the xDSL splitter shall be exclusively performed by CWA 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,

2/m  
JK

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 CWA 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 CWA 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 CWA 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 CWA OTC employees such work shall be performed exclusively by CWA 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 CWA-represented employees, then such work shall be performed exclusively by CWA-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.

Existing Bell Atlantic (BA Plus) accounts will begin to be transferred back to CWA OTC bargaining unit locations on October 1, 1998. There will be no new promotions to transfer accounts or to transfer the servicing of accounts started for BA Plus. CWA-represented service representatives/consultants will not be impacted adversely in any way by the transfer of BA Plus accounts. All accounts must be transferred to CWA OTC bargaining units no later than March 30, 1999. Such BA Plus accounts shall be transferred to broadly defined appropriate OTC organizational areas, such as the Electronic Traffic/Transfer Zone or the area served by the ACD in which the work was performed in the OTC. The commitment regarding BA Plus accounts shall have no



effect on the parties' rights with respect to the transfer, movement or assignment of any work under the OTC contracts under which such work is then performed.

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 CWA-represented employees then such work shall be assigned to CWA-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 CWA 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 CWA-represented employees, then such work shall be performed exclusively by CWA-represented employees.

7. Whenever any employee engaged by the Company within the CWA jurisdiction is assigned to perform data services work permitted by FCC 706 exceptions, then such work shall be performed by CWA 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 CWA-represented employees working under an equivalent collective bargaining agreement.

8. Nothing in this agreement is intended to limit, diminish, or infringe upon the two letters 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 CWA entitled respectively "New Business" and "Old Business Letter," dated April 3, 1994, (copies of which, adapted to apply under this Agreement, are attached hereto and incorporated herein by reference) (the "Old and New Business Agreements"). The Old and New Business Agreements are 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 CWA-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 CWA 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, except as specifically provided in the amended Broadband Network / Employment Security Provisions of the 2000 MOU between the former BA South Region OTC’s and the CWA. (Copy attached and incorporated herein.) 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 paragraph 4 of the Interpretive Comments of the 1998 MOA, 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 CWA-represented employees is limited to areas within CWA 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: Communications Workers  
of America

  
\_\_\_\_\_  
Gail Evans

For: Company

  
\_\_\_\_\_  
Joseph Gimilaro

Date: 5-29-16

Date: 5/29/16

AGREEMENT CONCERNING ISSUES  
RELATED TO THE BELL ATLANTIC-GTE MERGER

This Agreement ("Agreement"), by and between Verizon ("VZ") Network Services, Inc., VZ - Delaware, Inc., VZ - Maryland, Inc., VZ - New Jersey, Inc., VZ - Pennsylvania, Inc., VZ - Virginia, Inc., VZ - Washington, D.C., Inc., VZ - West Virginia, Inc., and Verizon Information Services with respect to its Elkins Park, PA Directory Clerical, Potomac Directory Clerical, and West Orange, NJ Directory Sales and Clerical bargaining units (hereinafter collectively called "the Companies" and individually called a "Company"), and the Communications Workers of America, AFL-CIO (hereinafter, "CWA"), addresses certain employment security and other issues relating to the Bell Atlantic - GTE merger.

- A. No Involuntary Layoffs, etc.** – Effective on the Effective Date and terminating concurrently with the labor agreements, August 3, 2019, the Companies agree that, except with respect to employees with a net credited service date, on the effective date of this MOA and as defined in Article 2 of the Pension Plan for Mid-Atlantic Associates, of August 3, 2003 or later ("New Employees"), which employees shall be subject to the other layoff and related provisions of their collective bargaining agreements, there shall be no layoffs, forced transfers requiring a home relocation, or downgrades as a result of any company initiated "process change," which includes process reengineering initiatives, workplace consolidations, office closings, contracting, shifting of bargaining unit work, network upgrades, and other business changes, developed to accommodate new technology or to improve productivity, efficiency or methods of operation.
- B. 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 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 the CWA represented jobs from any of the universes described below to an area outside the former Bell Atlantic ("BA") South Region.
- (a) New Jersey - The universes for the State of NJ are the bargaining units in NJ.
  - (b) Delaware - The universes for the State of Delaware are the bargaining units in DE.
  - (c) Pennsylvania - The universes for the State of Pennsylvania are the bargaining units in PA.
  - (d) Maryland, Virginia, West Virginia, and the District of Columbia - The universe for each of the States of Maryland, Virginia, West Virginia and the District of Columbia is the bargaining unit within each of those states and D.C.



- (2) Transfers of jobs within the former BA South Region, if permitted by the parties' CBA, do not count against the .7% per year limit on the permanent transfer of jobs.
- (3) The percentage of permanent job transfers will be calculated for each universe as follows:
  - a. Total CWA Represented Jobs in a universe permanently transferred outside the former BA South Region;
  - b. (divided by) Total CWA Represented Jobs in that universe.
- (4) If an employee voluntarily transfers to a job outside the former BA South Region, the transfer of that employee shall not be included in the number of transferred jobs for purposes of calculating whether the .7% per year limit on the permanent transfer of jobs has been exceeded.

**C. Change in Business Conditions** - Any job loss caused by an "external event" as that term is used in a letter dated April 3, 1994 from James J. Dowdall to Elisa Riordan ("Job Security Letter"), is specifically excluded from the terms of the commitments made in sections A above. The relevant portion of the "Job Security Letter" states:


The parties also agree that an "external event" that is viewed as significant and that directly reduces the need for a large number of employees, shall not be considered "process change." An example of an external event might be a state or federal regulatory change that causes the Company to abandon a line of business, an interexchange carrier takeback of billings and collections, or the loss of a major telecommunications network contract.

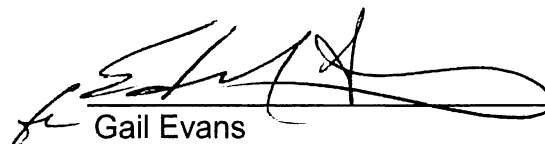
This paragraph C shall not apply to New Employees as defined in paragraph A above.


**D.** This Agreement does not limit or restrict Employee Transfer Plans.

For The Companies

For The CWA

  
Joseph Gimilaro

  
Gail Evans



MEMORANDUM OF AGREEMENT  
REGARDING NEUTRALITY AND CARD CHECK RECOGNITION

The Verizon Communications Inc. ("VZ") Companies Covered by this Memorandum of Agreement ("the Companies") and Communications Workers of America ("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 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, the Neutrality, Card Check and Successorship Agreements with the operating telephone companies of Bell Atlantic Corporation prior to its merger with NYNEX, and with BA Network Services, Inc., and the BA Communications, Inc. Agreement on Principles and Behaviors with Regard to Union Organizing Campaigns, but does not supersede or terminate the NYNEX New Business Agreement, NYNEX Old Business Letter, or the Common Interest Council Letter.

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. Wavier 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 preexisting 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.

COMMUNICATIONS WORKERS  
OF AMERICA

By   
Gail Evans

VERIZON  
COMPANIES

By   
Joseph Gimilaro

Date 5-29-16

Date 5/29/16

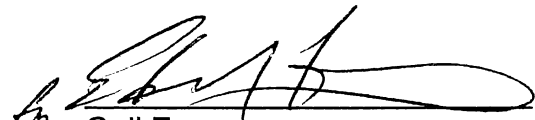


**Verizon Network Integration Corp, Inc. Customer Bid Work**

1. This Agreement applies to the performance of work within the former Bell Atlantic footprint on customer service contracts bid-on by Verizon Network Integration Corp, Inc. ("VNICI") after October 5, 1998 (the "Work").
2. For the part of the Work which is currently or has been historically performed by CWA bargaining unit employees, VNICI shall designate the appropriate operating telephone company ("OTC") employing CWA bargaining unit members as its sole contractor and its bargaining unit employees shall perform the work.
3. As appropriate, VNICI may obtain the assistance and participation of bargaining unit employees and the CWA and its leadership in connection with the process of bidding on customer work.
4. Recognizing the exceptionally competitive market in which VNICI operates, which demands the highest standards of quality, productivity and customer care, the parties agree that specific employees may be assigned to specific accounts.
5. Recognizing the nature of the Work as described in paragraph 4 and the commitments of VNICI to assign Work to CWA represented employees as described herein, the parties agree to cooperate with each other in the implementation of this Agreement in order to insure its success as integral to the success of VNICI. To that end, the parties agree that as a fundamental requirement the quality and productivity standards on which bids are based must be met. Accordingly, the parties will creatively address such issues as work rules, work schedules, productivity, customer pricing sensitivity, and quality standards in order to create the conditions conducive to having customer focused high performance employees.
6. Representatives of the Union (including the International Union) and the Company will meet periodically to review the progress of the above efforts and to resolve any difficulties that may have arisen.

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

For: Communications Workers of  
America

  
Gail Evans

Date: 5-29-16

For: Company

  
Joseph Gimilaro

Date: 5/29/16

CWA SOUTH  
May 29, 2016

*Sam*  
*[Signature]*

Gail Evans  
Administrative Director to the V.P.  
CWA District 2-13, AFL-CIO  
9602D Martin Luther King Jr. Highway  
Lanham, Maryland 20706

Dear Ms. Evans:

If Verizon Communications Inc. ("VZ") acquires a subsidiary subject to the parties' 2016 MOA ("Sub"), and that subsidiary sells Verizon-on-Line DSL Service ("VOLS") or VOLS is eliminated as a service or it is renamed or rebranded ("Renamed/Rebranded VOLS") and Sub sells Renamed/Rebranded VOLS, directly to an end user customer within the former Bell Atlantic ("BA") Region and the customer uses Verizon or Sub as its ISP and the end user customer contracts with Sub 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's customer's premises ("Customer's Premise DSL I&M Work") for the Verizon-on-Line DSL Service™ or Renamed/Rebranded VOLS, the assignment of the Customer's Premise DSL I&M Work for that service within the former BA Region will be governed by the parties' 2016 MOA and assigned to CWA OTC bargaining unit employees pursuant to the terms of the 2016 MOA. That Customer's Premise DSL I&M Work shall not be contracted out in the former BA Region pursuant to the terms of the parties' 2016 MOA.

If Verizon Communications Inc. ("VZ") acquires a subsidiary subject to the parties' 2016 MOA ("Sub"), and that subsidiary sells Verizon InfoSpeed DSL Service™ ("VISS"), or VISS is eliminated as a service or it is renamed or rebranded

CWA SOUTH  
May 29, 2016

*EM*  
*JG*

("Renamed/Rebranded VISS") and Sub sells Renamed/Rebranded VISS, directly to an end user customer within the former Bell Atlantic ("BA") Region and the customer does not use Verizon or Sub as its ISP and the end user customer contracts with Sub 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™ or Renamed/Rebranded VISS, the assignment of the Customer's Premise DSL I&M Work for that service within the former BA Region will be governed by the parties' 2016 MOA and assigned to CWA OTC bargaining unit employees pursuant to the 2016 MOA. That Customer's Premise DSL I&M Work shall not be contracted out in the former BA Region pursuant to the terms of the parties' 2016 MOA.

Sincerely yours,



Joseph Gimilaro  
Executive Director – Labor Relations

CWA SOUTH  
May 29, 2016



**ATTACHMENT 5**

May 29, 2016

Ms. Gail Evans  
Administrative Director  
CWA District 2-13, AFL-CIO  
9602D Martin Luther King Jr. Hwy.  
Lanham, MD 20708

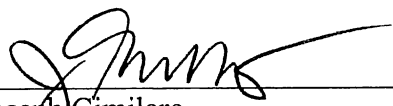
Dear Ms. Evans:

This will confirm our understanding that for the term of the 2016 collective bargaining agreement if an associate in a Consumer Sales and Service Center ("CSSC"), a Business Sales and Billing Center ("BSBC") or a Multi-Lingual Sales and Service Center ("MSSC") has been voluntarily or involuntarily assigned to work overtime that is consecutive with a normal scheduled tour, and the Company cancels the overtime assignment less than twenty-four (24) hours prior to the start of the tour connected to the overtime assignment, then the associate shall have the option of working the overtime assignment.

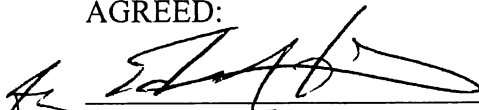
If an associate in a CSSC, BSBC or MSSC has been voluntarily or involuntarily assigned to work a holiday, and the Company cancels the assignment less than seventy-two (72) hours before the holiday assignment commences, then the associate shall have the option of working the holiday. In scheduling work on holidays in a CSSC, BSBC or MSSC, the Company will first seek volunteers before assigning employees to work on a holiday.

Issues regarding the workplace will be addressed in the appropriate Common Interest Forum meetings. The topics for these meetings may include:

- a. training
- b. productivity
- c. performance requirements
- d. forced overtime
- e. performance feedback
- f. scheduling issues
- g. monitoring
- h. stress

  
\_\_\_\_\_  
Joseph Gimilaro  
Executive Director-Labor Relations

AGREED:

  
\_\_\_\_\_  
Gail Evans  
CWA District 2-13



**ATTACHMENT 6**

May 29, 2016

Ms. Gail Evans  
Administrative Director  
CWA District 2-13, AFL-CIO  
9602D Martin Luther King Jr. Hwy.  
Lanham, MD 20708

Re: Operations Forum – Pennsylvania and Delaware

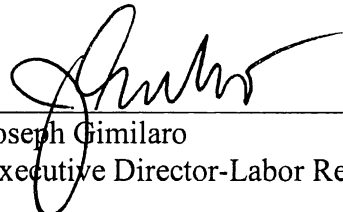
Dear Ms. Evans:

In consideration of the competitive landscape and work-life balance issues raised during the 2015-2016 negotiations, the Company and Union agree to convene a Forum to discuss these issues.

The Forum shall be comprised of six (6) representatives from the Company including Vice Presidents of Operations, Vice President of Center & Business Operations and Director of Labor Relations and six (6) representatives from the Union including the District 2-13 Vice President.

This Forum shall convene a meeting within 90 days of contract ratification. Subsequent meetings may be scheduled by mutual agreement. The topics the Forum will explore in the meeting may include:

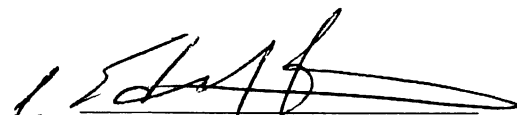
- a. training
- b. productivity
- c. performance requirements
- d. forced overtime
- e. performance feedback
- f. scheduling issues
- g. monitoring



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Joseph Gimilaro  
Executive Director-Labor Relations

AGREED:



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Gail Evans  
CWA District 2-13

CWA SOUTH  
May 29, 2016

ETM  
JW

ATTACHMENT 7

May 29, 2016

Ms. Gail Evans  
Administrative Director  
CWA District 2-13, AFL-CIO  
9602D Martin Luther King Jr. Hwy.  
Lanham, MD 20708

Re: Operations Forum – Potomac

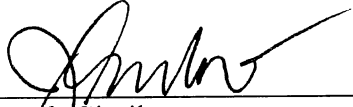
Dear Ms. Evans:

In consideration of the competitive landscape and work-life balance issues raised during the 2015-2016 negotiations, the Company and Union agree to convene a Forum to discuss these issues.

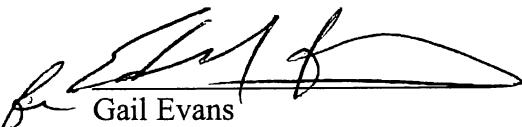
The Forum shall be comprised of six (6) representatives from the Company including Vice President of Operations, Vice President of Center & Business Operations and Director of Labor Relations and six (6) representatives from the Union including the District 2-13 Vice President.

This Forum shall convene a meeting within 90 days of contract ratification. Subsequent meetings may be scheduled by mutual agreement. The topics the Forum will explore in the meeting may include:

- a. training
- b. productivity
- c. performance requirements
- d. forced overtime
- e. performance feedback
- f. scheduling issues
- g. monitoring

  
\_\_\_\_\_  
Joseph Gimilaro  
Executive Director-Labor Relations

AGREED:

  
\_\_\_\_\_  
Gail Evans  
CWA District 2-13

CWA SOUTH  
May 29, 2016




**ATTACHMENT 8**

May 29, 2016

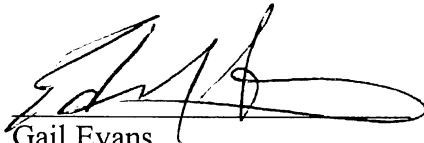
Ms. Gail Evans  
Administrative Director  
CWA District 2-13, AFL-CIO  
9602D Martin Luther King Jr. Hwy.  
Lanham, MD 20708

Dear Ms. Evans:

This will confirm our understanding that for the term of the 2016 collective bargaining agreement, Long Term Service Difficulty ("LTSD") declarations will not be in effect in any Operating Area for more than a total of ten (10) weeks in any calendar year. For purposes of this agreement, in Pennsylvania the Operating Areas are the same as the four areas set forth at Exhibit C4.00 of the Local 13000 Agreement. In Delaware the Operating Area is the State of Delaware. In Pennsylvania and Delaware no employee will be involuntarily scheduled or assigned to work more than six days in a week during a declared LTSD. In consideration of these limitations on LTSD overtime assignments all grievances regarding declarations of LTSDs shall be withdrawn and closed. Discipline grievances for failing to work overtime during a LTSD in 2015 will be settled by making the grievant whole and the discipline will be removed from the personnel file.

  
\_\_\_\_\_  
Joseph Gimilaro  
Executive Director-Labor Relations

AGREED:

  
Gail Evans  
CWA District 2-13



CWA SOUTH  
May 29, 2016



**ATTACHMENT 9**

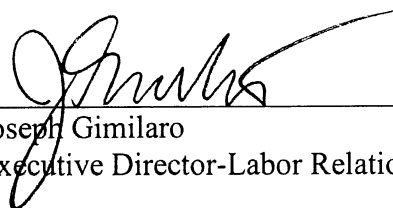
May 29, 2016

Ms. Gail Evans  
Administrative Director  
CWA District 2-13, AFL-CIO  
9602D Martin Luther King Jr. Hwy.  
Lanham, MD 20708

Dear Ms. Evans:

One hundred (100) regular full-time Installation and Maintenance technicians in the titles of Services Technician and/or Cable Splicing Technician will be hired in the Potomac bargaining unit within six months of the Effective Date of the 2016 collective bargaining agreement.

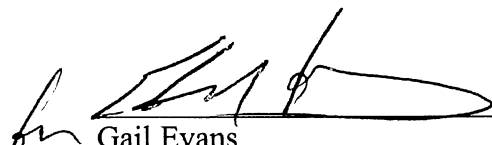
Long Term Service Difficulty ("LTSD") declarations will not be in effect in any Operating Area for more than a total of ten (10) weeks in any calendar year. For purposes of this agreement the Operating Areas in the Potomac bargaining unit are Eastern Virginia, Central Virginia, Western Virginia, Northern Virginia/District of Columbia, the Washington Suburban Area of Maryland, and the Maryland Area excluding the Washington Suburban Area of Maryland. In consideration of these limitations on LTSD overtime assignments all grievances regarding declarations of LTSDs shall be withdrawn and closed. Discipline grievances for failing to work overtime during a LTSD in 2015 will be settled by making the grievant whole and the discipline will be removed from the personnel file.



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Joseph Gimilaro  
Executive Director-Labor Relations

AGREED:



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Gail Evans  
CWA District 2-13

CWA SOUTH  
May 29, 2016

27m  
JG

**ATTACHMENT 10**

May 29, 2016

Ms. Gail Evans  
Administrative Director  
CWA District 2-13, AFL-CIO  
9602D Martin Luther King Jr. Hwy.  
Lanham, MD 20708

Dear Ms. Evans:

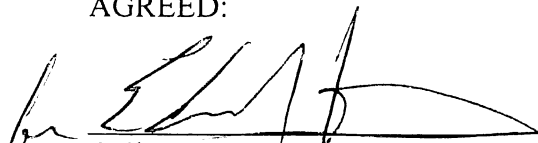
Verizon Pennsylvania LLC agrees that retroactive to the Effective Date of the 2012 collective bargaining agreements, when an employee receives a termination allowance under Section C(8) of the Medical Restriction Leave of Absence Policy Amendment ("MRP Termination Allowance") as a result of work restrictions caused by a work related accident as defined by Section 5.5 of the Accident Disability Plan, the Company will not credit the MRP Termination Allowance against the payment of workers' compensation benefits to the employee, and will reimburse former employees for whom such a credit was taken.



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Joseph Gimilaro  
Executive Director-Labor Relations

AGREED:



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Gail Evans  
CWA District 2-13



**ATTACHMENT 11**

Ms. Gail Evans  
Administrative Director  
CWA District 2-13, AFL-CIO  
9602D Martin Luther King Jr. Hwy.  
Lanham, MD 20708

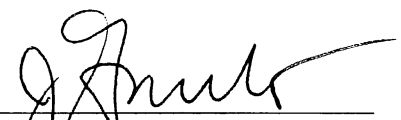
Dear Ms. Evans:

During 2015-2016 bargaining, the Company and the Union agreed to convene a joint committee to discuss the Regional Associate Mobility Plan (RAMP) and the selection process.

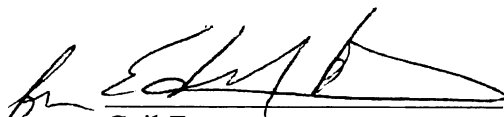
The parties, therefore, agree to a committee comprised of three (3) representatives from the Company and three (3) representatives from the Union. This committee shall convene within 90 days of contract ratification and shall meet at least one time in 2016 and two times in 2017.

The Committee shall evaluate the RAMP administration and selection process to develop recommendations to improve these processes consistent with the collective bargaining agreements.

The parties retain their rights with regards to bargaining over any changes made to the RAMP process.

  
\_\_\_\_\_  
Joseph Gimiraro  
Executive Director-Labor Relations

AGREED:

  
\_\_\_\_\_  
Gail Evans  
CWA District 2-13

CWA SOUTH  
May 29, 2016



**ATTACHMENT 12**

May 29, 2016

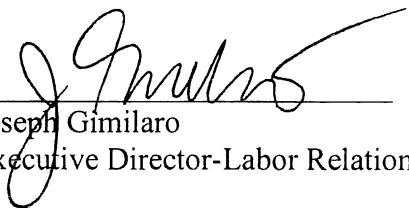
Ms. Gail Evans  
Administrative Director  
CWA District 2-13, AFL-CIO  
9602D Martin Luther King Jr. Hwy.  
Lanham, MD 20708

Dear Ms. Evans:

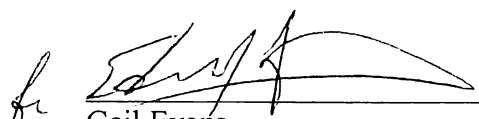
Local 13000 Term employees on the payroll as of contract ratification will be reclassified to Regular Full Time effective the first Sunday date following contract ratification.

Local 13000 employees reclassified to regular full time will not count towards the 25% cap, as outlined on page 67 of Local 13000's 2012 Collective Bargaining Agreement.

All grievances, arbitrations and NLRB charges regarding Term employees in Local 13000 shall be withdrawn and closed.

  
\_\_\_\_\_  
Joseph Gimilaro  
Executive Director-Labor Relations

AGREED:

  
\_\_\_\_\_  
Gail Evans  
CWA District 2-13