

**Tentative Agreement on Wages, Medical and Outstanding Items for a
Successor MOU between Frontier Communications, Elk Grove and the
International Brotherhood of Electrical Workers Local Union 1245**

Subject to Ratification by Membership vote

11/13/2015 @ 1745

With Committee “Yes” recommendation

Wages:

	11/30/15	9/29/16	9/28/17
G.W.I.	2.5%	2.5%	2%

\$350.00 Signing bonus for ratification on first round.

Medical:

	1/1/16	1/1/17	1/1/18
PPO	24%	24%	24%
EPO	24%	25%	26%
KP HMO	24%	25%	26%

Federal Legislative Fees and Taxes: Effective 01/01/2016 and hereafter, the contribution paid by employees covered by this CBA for any Medical option selected shall be increased by the full amount of the following ACA fees:

- *The Transitional Reinsurance Fee (estimated at \$27 per covered member for 2016)*
- *The Patient Centered Outcome Research Fee (estimated annual fee is \$2.08 per covered member in 2016)*

Excise Tax

This Agreement is entered into in anticipation of the federal government’s announced plans to impose a tax (Excise Tax) on any Medical Plan an employer offers that have a total value greater than \$10,200.00 for single coverage or \$27,500.00 for family coverage (single plus one or more), beginning in 2018; also the premium thresholds for these high value health plans may be modified from time to time by the federal government. In connection with the terms of this Agreement, the Company and Union agree as follows with respect to the potential effects of these taxes:

** To the extent the premiums for any Medical Plan exceed the government-mandated thresholds, and the Medical Plan will be subject to this Excise Tax, the Collective Bargaining Agreement ("CBA") between the parties will be "re-opened" in 2017 for the limited purpose of re-negotiating such Medical Plan(s), including discussions with the HMO and/or Third Party Administrator(s) (TPA) if applicable, to ensure the premiums do not exceed the government-mandated thresholds.*

During such negotiations, it is the intent of the parties to make a good faith effort to expeditiously agree upon modifications to the Plan (and/or evaluate those offered by the HMO and/or TPA if applicable) to ensure the total value of the Plan remains below the government-mandated Excise Tax thresholds for all levels of coverage; to be effective, any such modifications to the Medical Plan(s) will be effective no later than any deadline to ensure the Medical Plan(s) is not subject to the Excise Tax

Any new or modified Medical Plan(s) agreed to during this re-opener will become effective January 1, 2018.

(a) Additionally, but separately, the Company is willing to meet and confer with the Union in March/April 2016 for the limited purpose of exploring alternate KP HMO plan designs for the 2017 Plan year. Alternate KP HMO Plan designs may prevent the need for a reopener described above.

Dental: 25% lifetime of CBA

And:

All proposals not listed herein shall be considered to have been withdrawn.

1. Co. withdraw Co. Proposal 3
2. Co. withdraw Co. Proposal on removal of Office Clerical wage rate from Art. 23.1 without prejudice or precedent, and on a non-citable and non-evidentiary basis.
3. Union Withdraws all remaining open items: D, F, G, H, J, K(1), U, Z, AA, and CC. (Union agrees that this represents all remaining issues Proposed).
4. *TPB as Co. last proposed (metrics, weighing, administration), except Co. will accept one group for metric review and payout*
5. *All T.A.s as previously signed are incorporated into the new CBA.*

Tentatively Agreed To -

For the Company: Neil J. Saul **Date:** 11/13/15

For the Union : Raymond A. Thomas **Date:** 11-13-2015

Effective Nov. 30, 2015

	W/S A	W/S E	W/S F
Start	\$16.58	\$21.14	\$22.22
12 Months	\$17.97	\$23.43	\$24.40
24 Months	\$19.37	\$25.69	\$26.60
36 Months		\$27.99	\$28.80
48 Months		\$30.28	\$31.01
60 Months		\$32.55	\$33.54
	Office Clerk	Facility Assigner (Cutter)	Transmission Tech
		Sales & Service Tech	

Effective Sept. 29, 2016

	W/S A	W/S E	W/S E
Start	\$16.99	\$21.67	\$22.78
12 Months	\$18.42	\$24.02	\$25.01
24 Months	\$19.85	\$26.33	\$27.27
36 Months		\$28.69	\$29.52
48 Months		\$31.04	\$31.79
60 Months		\$33.36	\$34.38
	Office Clerk	Facility Assigner (Cutter)	Transmission Tech
		Sales & Service Tech	

Effective September 28, 2017

	W/S A	W/S E	W/S F
Start	\$17.33	\$22.10	\$23.24
12 Months	\$18.79	\$24.50	\$25.51
24 Months	\$20.25	\$26.86	\$27.82
36 Months		\$29.26	\$30.11
48 Months		\$31.66	\$32.43
60 Months		\$34.03	\$35.07
	Office Clerk	Facility Assigner (Cutter)	Transmission Tech
		Sales & Service Tech	

R. Thomas

Presented to
Company
on 8-25-15

Co. Proposal 1

ARTICLE 2
RECOGNITION

M.A.S 1:08

2.1 RECOGNITION TA ²⁵

The Company hereby recognizes the Union as the exclusive representative of all employees of the ~~Accounting, Data Processing, Commercial (Call Center), Plant (including Engineering), and Traffic Departments~~ throughout the telephone system (regulated and non-regulated) of the Company, working in classifications specified in Article 23 of this agreement, as certified by the National Labor Relations Board in Case No. 20-RC-2632, for the purpose of collective bargaining with respect to wages, hours of employment, working conditions, and other conditions of employment.

and

ARTICLE 23
WAGE SCHEDULES/JOB TITLES

23.1 WAGE SCHEDULES

The following are the wage schedules and job titles as established by this Agreement. Any modifications to these wage schedules or job titles shall be mutually agreed to by the Company and Union, subject to the provisions of Article 4, Section 4.9 on creating new job classifications.

Wage Schedule A	Office Clerk
Wage Schedule B	Office Clerk (grandfathered) Service Center Clerk
Wage Schedule C	Line Assigner Customer Service Representative
Wage Schedule D	Complex Service Center Technician
Wage Schedule E	Sales and Service Technician Facility Assigner (cutter) Testboard
Wage Schedule F	Transmission Technician

IBEW 1245 RESERVES THE RIGHT TO ADD, AMEND, OR WITHDRAW BARGAINING PROPOSALS THROUGHOUT THE BARGAINING PROCESS. ANY SECTION(S) OR SUBSECTION(S) NOT SHOWN OR PREFERENCED IN ANY IBEW 1245 PROPOSALS IS PROPOSED TO REMAIN AS-IS. ALL TENTATIVE AGREEMENTS (TA) ARE SUBJECT TO A COMPREHENSIVE PACKAGE PROPOSAL

Company Non Economic Counter Proposals

Thursday August 27, 2015

Revised Co. Proposal 2

M.L.S. 2:45

4.4 PICKET LINES TA* *Ray Thomas*

An employee shall not be required to pass through a picket line recognized by this Union. **When possible, the Union shall provide the Company two (2) full business day's notice after the commencement of the picket line before recognition of same.** In the event of an emergency, the Union will assist the Company in seeking permission to pass from the Union involved. An employee shall in no case place him/herself in harm's way, as a result of said picket line. Should this occur, the Company may perform such work at its discretion, with other than bargaining unit employees.

* All tentative agreements (TA) subject to package proposal tentative agreement.

10.5 EXCESSIVE ABSENTEEISM AND TARDINESS

An employee who is absent and/or tardy on six (6) ~~five (5)~~ or more occasions in a 24 month rolling period shall be subject to pre-disciplinary Company absenteeism and/or tardiness counseling. When it has been determined, after counseling, an employee has been excessively absent and/or tardy from work and continues to demonstrate excessive absenteeism and/or tardiness, the employee shall be subject to disciplinary action up to and including discharge. It is understood that preventative care (e.g., annual physical, dental, vision, FMLA-approved absence (regardless of when approved), and Worker's Compensation are not counted as occasions for disciplinary purposes.

Raymond S. Thomas 11-18-15
TAed by Local 1245 Date

TAed by Frontier Date

* see 7/12 From 10/20/15 referencing
UNION proposal "E"

IBEW 1245 CONTRACT NEGOTIATIONS PROPOSAL TO FRONTIER OF CALIFORNIA
2015 CONTRACT NEGOTIATIONS
October 30, 2015

13.9 STANDBY (amended _____)

Employees may be required to standby outside of their regular hours during the work week and will be compensated at the rate of ~~\$60.00~~ ~~\$50.00~~ ~~four (4) base rate hours of pay~~ per 24 hour period. Standby pay will be paid in addition to the appropriate overtime rate of pay. An employee will not be required to standby more than seven consecutive days, nor more than two weekends in a rolling four (4) week period. The Company may, at its sole discretion, provide a Company vehicle for the employee on standby. In assigning standby, the Company will first ask for volunteers, if there are no volunteers, then the Company will assign the qualified employee with the lowest overtime hours worked. The overtime caps set forth in Section 13.1 do not apply when an employee is on standby.

Company Rep.: _____

Union Rep.: _____

DATE: 10-30-15

IBEW 1245 CONTRACT NEGOTIATIONS PROPOSAL TO FRONTIER OF CALIFORNIA
2015 CONTRACT NEGOTIATIONS
_____ 2015

HOUSEKEEPING:

1. Parties to discuss impact of Company's Verizon properties purchases within California. CWA/IBEW recognition/jurisdiction must be honored.
2. Article 13.12 (b): Correct 13.12 (g) clarifying that the "call-out" meal period is on paid time same as in 13.12 (b). Correction is based on intent, supported by grievance settlement and practice:

*see T/A signed on 10/30/15
13.12 PAID MEALS

TA
Ray Thomas 9-2-15

T.A. on 13.12(g)
M.A.S. 9/2/15 10:50

(b) When an employee works beyond his or her scheduled quitting time, the employee shall be reimbursed by the Company for a meal at reasonable expense (not to exceed the meal allowance maximums set forth below) if he or she works two (2) hours or more beyond his or her scheduled quitting time, and for each four (4) hour interval worked thereafter. The meal will be on paid time provided the employee returns to work after the meal.

(g) On call-out assignments, an employee shall be entitled to the meal allowance reimbursement (or to a Company-supplied meal) as provided for above if the employee works longer than four (4) hours, and for each four (4) hour interval worked thereafter. The meal will be on paid time provided the employee returns to work after the meal.

Company Counter to Part II of Union L

13.11 only
TA BET 9-30-15

13.11 TEMPORARY UPGRADE (amended 2015)

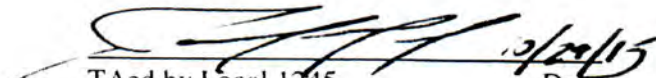
When Management assigns an employee to a temporarily assignment to work in a job title for ~~one (1) hour or more~~ **more than thirty (30) minutes**, shall be paid at the same step of the higher wage level for the entire period of the assignment, ~~but in no event less than one (1) hour~~ **all of the employee's regularly scheduled hours of work on the day of the upgrade assignment** computed to the next higher **half hour**. ~~one-tenth (1/10) hour~~. The minimum increase will be fifty cents (50¢) per hour, provided however that no employee will receive more than the maximum rate of pay for the job title they are upgraded to. If an employee is temporarily assigned to perform work of a lower wage level, the employee's rate of pay shall not be changed. This provision shall not apply in work assignments governed by Article 23, Section 23.3.

13.11 only T.A.
M/A 2

Revised 10/29 Company Proposal 4

13.8 DISTRIBUTION OF OVERTIME

The Company will endeavor to distribute overtime work as evenly as possible among the employees within job titles and respective headquarters. The following criteria will direct the Company's effort: hours worked/declined, knowledge, experience, and availability.


TAed by Local 1245 Date

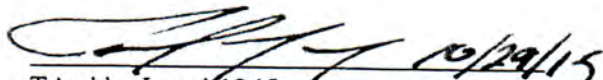

TAed by Frontier Date

Revised Company Proposal 6

15.15 ~~UPGRADE FOR TRAINING~~

The Company may upgrade for purposes of training the senior untrained employee, in accordance with the seniority and bidding provisions of this Agreement, in the next lower job title/wage schedule to a higher job title/wage schedule, providing he/she meets all entrance requirements for the higher job title/wage schedule which may expressly include, certifications, knowledge, experience, and skills. Such training may consist of assigning the employee to work with another employee in the higher job title/wage schedule, as workload permits.

In exchange for TA of Company Proposal 6, the Union withdraws Union Proposal T


TAed by Local 1245 Date


TAed by Frontier Date

Company Counter on Union O-P

T/A H/S

14.6 OVERNIGHT TRIP (amended 10/01/12)

An employee who is assigned away from his/her regular Headquarters on an overnight(s) trip shall be paid as follows:

- ZST
- (1) ~~On the first day of the assignment, the employee will be paid \$30.00 for meals with the Company to furnish lodging and transportation. On the last day of the assignment, the employee will be paid \$30.00 for meals with the Company to furnish transportation.~~ For Aall other days an employee is on assignment, employee will be paid at \$50.00 ~~OWOESD.00~~ per day, which includes meals, tips, laundry, or any other personal costs, with lodging and transportation paid for by the Company. Any meals provided by the Company will be deducted from those amounts at the maximum rates per meal specified in Article 13.12. In no event will more than 75% of the ~~appropriate~~ per diem be deducted.
 - (2) When an employee elects to commute on his/her own time to/from their temporary Headquarters, he/she will be paid \$30.00 per day.
 - (3) When an employee, at a temporary Headquarters, elects to return home for non-work days, he/she will be paid twenty-five dollars (\$25) per day. Travel will not be on Company time.
 - (4) Where a Company ProCard will not be used to cover an expense, and subject to time constraints, the above payments will be made in an employee's pay before the trip.

T/A

Raymond A. Thomas 9-30-15

Company Proposal 5

2.5T

M.A.S 1:08

15.1 FILLING OF VACANCIES

In order to fill vacancies within the bargaining unit, the Company may hire a new employee, consider and select among existing employees, or both, subject to the parameters set forth below. The Company affirms that its general goal is to make promotions from within its existing workforce. Job openings will be posted electronically.

In filling vacancies within each job title, the following shall apply:

For every two (2) consecutive job vacancies in a job title, the Company will award one (1) out of those two (2) positions to an internal bidder.

In all cases, employees' rights of recall shall have priority when filling vacancies, as set forth in Section 15.4, ~~and when such employees accept recall, they shall not be counted as a job awarded to a qualified internal bidder for purposes of the "one (1) out of two (2)" parameters set forth above.~~

In the event of job vacancy, transfer, or promotion, the following shall be considered, and shall supersede other obligations. Lateral transfers within a job title to a new Headquarters will be in accordance with seniority.

- (1) Seniority, as a tie-breaker
- (2) Knowledge, experience, job performance, training, ability, skills, efficiency, and physical ability.

Note: so long as an employee is subject to Company absenteeism and/or tardiness counseling under Section 10.5 of this Agreement, he or she is ineligible for a transfer or promotion.

When qualifications as outlined above are equal, Seniority one (1) shall prevail.

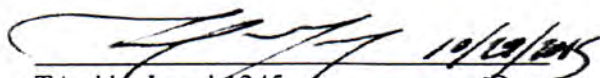
Revised 10/29 Company Proposal 7


18.3 COMPANY TOOLS (~~amended 10/01/12~~)

The Company agrees to furnish all necessary tools and other devices, including cellular phones, necessary to maintain the standard of service required by the Company. The Company further agrees to maintain such items in good working condition. Employees will take all proper precautions in the performance of such employees work and all necessary security against theft or loss of Company tools and property, as provided by the Company. The Company will furnish the employee with his initial set of tools; thereafter, the employee will be responsible for having the hand tools necessary to do his job. The Company will replace ~~all worn out or broken tools~~ **all tools worn out or inoperable, when such is caused by normal usage and wear and tear**, and will provide a safe place for storage. **However, when those tools that are assigned individually including cellular phones, are lost or damaged as the result employee negligence, the employee will reimburse the Company for the original purchase price, but not to exceed the cost of a new replacement, if applicable. Any employee who refuses to sign the form necessary for reasonable reimbursement through payroll deduction will be subject to discipline up to and including termination.**

For shared tools, and equipment not specifically assigned to an employee, the Company shall only hold employees financially responsible when there is preponderance of the evidence to demonstrate that a specific employee was negligent.

The Company will inform the Union before it activates and utilizes any GPS type devices which are installed on any Company devices or vehicles. GPS data will not be the sole evidence for any discipline.


TAed by Local 1245 Date 10/29/15


TAed by Frontier Date 10/29/15

21.5 GLOVES AND WORK BOOTS (Company 8 and Union S)

The Company will furnish long gauntlet gloves to employees in all climbing classifications, and they will be worn at all times when ascending or descending wooden poles or structures. The original pair of gloves will be issued by the Company and replaced on a "worn-out" basis. Any employee losing gloves or otherwise not being able to turn in a pair for replacement will be billed, at the Company's cost, for such replacements. In addition to the above, all climbing personnel are required to wear long sleeve shirts while climbing or working on wooden poles and structures.

~~Effective upon ratification, the Company will reimburse up to \$275 for new or rebuilt safety-toed work boots or lineman boots once every other year for those employees in classifications where such equipment is required. Employees will be reimbursed upon submission of proof of expenditure. An employee may elect to begin this new 2-year reimbursement cycle either in 2012 or 2013.~~

During the duration of this 2015 - 20XX CBA, the Company will reimburse each employee who is performing work within his or her classification during the majority of the previous six month, upon submission of adequate proof of expenditure:

- (a) in odd numbered years, up to \$125 towards boot rebuild; and
- (b) in even numbered years, up to \$275 towards purchase of safety toed boots; except that;
- (c) when an employee is hired in an odd numbered year, upon meeting the above description, he/she can use the \$125 towards purchase of safety toed boots.

In exchange for TA of this provision, the Union withdraws Union Proposal re: 26.2, and Union Proposals L, and B.

*Note: Company/Union 15.11 TA of 9-30-15 remains. T.S.T.
M.S.

Raymond A. Thomas 10-30-15
TAed by Local 1245 Date

[Signature] 10/30/15
TAed by Frontier Date

PACKAGE TA – ALL elements are Required

UNION Counter 10-30-15

1. REVISED 10/29 COMPANY PROPOSAL ON CERTIFICATION

25.4 CERTIFICATION DIFFERENTIAL

In order to encourage employees to voluntarily acquire additional training and the associated skills, the Company will increase the hourly pay, by the below described differential, of those technicians who achieve the following certification(s): (a) for Company-provided training, pass the certification examination within sixty (60) calendar days of completion of training; or (b) for employee attained training, pass the certification examination; but (c) in both cases, maintain certification via requisite ongoing recertification:

- | | |
|--|---------------------------------|
| a) Comp TIA A+ | \$0.25 per hour increase |
| b) Comp TIA Network + | \$0.25 per hour increase |
| <u>c) Certified Wireless Technology Specialist</u> | <u>\$0.25 per hour increase</u> |
| <u>d) Comp TIA Security +</u> | <u>\$0.25 per hour increase</u> |
| <u>e) Cloud Essentials</u> | <u>\$0.25 per hour increase</u> |
| <u>f) Comp TIA Mobility +</u> | <u>\$0.25 per hour increase</u> |

All six (6) active Certifications above (and ongoing maintenance/recertification of all): \$2.00 per hour differential

- | | |
|---------|--------------------------|
| g) CCNA | \$0.50 per hour increase |
|---------|--------------------------|

Employees do not pay for the course itself when the coursework instruction is provided by the Company. In such cases, employees may use their Pro-Card, or alternately, seek reimbursement, for the cost of a book and examination to acquire and maintain certification or recertification(s).

However, if an employee is unsuccessful on any initial certification or re-certification examination, the employee shall cover the costs of any subsequent examination until a passing grade is achieved, or the employee ceases to pursue the certification. Once a passing grade has been achieved, the Company shall reimburse the employee only for the cost of the book and the examination associated with the single passing examination. Time spent by an employee in employee-attained training or in preparation for such shall be on the employee's time, and not compensable.

Any courses to achieve certifications above not provided for by the Company may be reimbursed exclusively via the Company's Tuition Reimbursement Policy.

Plus,

2. Company Revised 10/29 Counter to Union N

13.12 PAID MEALS (amended ____)

(f) Meal Allowance

On unscheduled call-out assignments (vs. scheduled – where the employee was notified before being released from work by the end of the shift the previous day), an employee shall be entitled to the meal allowance reimbursement (or to a Company-supplied meal) as provided for above if the employee works longer than four (4) hours, and for each four (4) hour interval worked thereafter. The meal will be on paid time provided the employee returns to work after the meal.

Meal Allowance	
1. 12:01 a.m. – 4:00 p.m.	<u>\$11.00</u>
2. 4:01 p.m. – 12:00 a.m.	<u>\$20.00</u>

~~(g) On unscheduled call-out assignments, an employee shall be entitled to the meal allowance reimbursement (or to a Company-supplied meal) as provided for above if the employee works longer than four (4) hours, and for each four (4) hour interval worked thereafter. The meal will be on paid time provided the employee returns to work after the meal. (Previously TAd)~~

~~(h) The meal reimbursement is in all cases intended to be used for a single meal for the employee only to be eaten within a reasonable period of time from when the work was performed. This reimbursement is not intended for the purchase of more food than an individual employee will consume in connection with the work assignment. In no event is this allowance to be used for the general purchase of groceries beyond the parameters set forth above.~~

~~(i) Effective January ~~October~~ 1, 201~~53~~, an employee who is entitled to, but does not request a meal reimbursement under the above provisions will receive an "in lieu of" payment of \$~~25~~12.00.~~

PLUS,

3. Company accepts Union Proposal E on increasing threshold for discipline under Attendance Policy

In exchange for which Union withdraws Union Proposal C (Art. 8.1 - shift selection); Union Proposal I (Art. 11.13 - vacation day variation for 4x10s); Union Proposal J(2) [Art. 13.2)(c)(1-3)]; Union Proposal ~~K (Art. 13.9 - Standby compensation)~~, and Union Proposal R (Art. 19.3 - laundry allowance).

Raymond Thomas 10-30-15
TAc'd by Local 1245 Date

M. J. S. 10/30/15
TAc'd by Frontier Date

T.A.ed Proposal on TPB

Raymond S. Thomas 11-18-15

25.5 TEAM PERFORMANCE BONUS (amended 10/01/12)

1. The Team Performance Bonus (TPB) plan is to encourage and recognize teamwork and affords employees a means of participating in the growth and success of the Company resulting from improved productivity, sales, and operating competitiveness, as well as, providing an additional new source of income for our employees.

2. The TPB focuses on revenue, productivity, and customer and infrastructure development. In 2016, the TPB includes the following bonus components, with relative weighting as shown below. The Company will establish the objectives for each component by March 31 of each year and communicate them to the Union and employees.

Sales and Service Technician

	<u>2016 Weight</u>
A. Customer/Infrastructure:	
Repeats (TT only) Preventative	(20%)
B. Productivity:	
Tasks/day	(20%)
Tasks referred	(20%)
C. Revenue:	
Take The Lead - revenue to goal	(20%)
Take The Lead - participation to goal	(20%)

Transmission Techs

	<u>2016 Weight</u>
A. Customer/Infrastructure:	
PMP	(20%)
B. Productivity:	
Tasks/day	(20%)
Tasks referred	(20%)
C. Revenue:	
Take The Lead - revenue to goal	(20%)
Take The Lead - participation to goal	(20%)

Facility Assigner

	<u>2016 Weight</u>
A. Customer/Infrastructure/Productivity:	
Order Processing	(20%)
Calendar	(20%)
Process SIFT	(20%)
B. Revenue:	
Take The Lead - revenue to goal	(20%)
Take The Lead - participation to goal	(20%)

~~All non-commissioned employees will be covered by the plan. The results will be measured bargaining unit wide and paid out to employees on an annual basis as described below.~~

Goal setting for the metrics shall be specific among the three (3) classifications and within the two (2) LAMs under this CBA. However, there will be a single payment for all qualified represented employees within three (3) classifications and both LAMs based on a combined result.

For calendar years 2016, 2017, and 2018, the bonus pool available per year will be 1%, 1% and 1% respectively, of the gross annual base pay for the respective classifications.

For calendar year 2016, 2017, and 2018, the payout percentage will range from a minimum of 50% to a maximum of 110% of the available bonus pools.

~~The Company agrees to adjust employee incentive goals as appropriate to take into account items such as commitments missed before they go to the field, and incomplete orders when first sent to the field which will be netted out before the team performance bonus is calculated.~~

In the event the Company recognizes an injustice in applying the metric to particular individuals or categorical circumstance, the Company may, at its discretion, make adjustments.

Payment of Bonus

- a) The performance bonus will be paid no later than March 31 of the following year to all eligible employees who are on the payroll as of December 31 of the preceding (bonus) year.

<u>Plan Period</u>	<u>Bonus Payment</u>
01/01/13-12/31/13	1 st quarter, 2014
01/01/14-12/31/14	1 st quarter, 2015
01/01/15-12/31/15	1 st quarter, 2016

- b) In order to be eligible for this payment, employees must be on the payroll as of July 1 of the bonus year (e.g., July 1, Y1 for the March Y2 bonus).
- c) The bonus will be prorated for new hires engaged on or before July 1 based on the number of full months a new hire is employed during the bonus year.
- d) For an employee who is laid off or who retires before the payout date, the July 1 and December 31 eligibility dates do not apply; the bonus will be prorated based on the number of full months the employee worked during the bonus year.
- e) For employees who are not actively at work for 30 or more consecutive calendar days

during the Plan Year, the bonus will be prorated based on the number of full months the employee is actively at work during the Plan Year.

- f) An employee transferring or changing bonus teams for any reason during the year will receive a bonus based upon the bonus team in which the employee resides at the end of Plan Year (December 31). Awards will not be prorated based on the time spent with each team.
- g) Employees who are discharged for cause or resign before the payout date are ineligible for any bonus payout.
- h) Employees may have their annual Team Performance Bonus payout deposited directly into their 401K account.

Plan Administration

The Company will set the goals for the metrics annually. The Company reserves the right to change or revise the metrics and the weight of the respective metrics annually. The Company agrees to meet and confer with the Union over these discretionary changes in September or October of the year before they become effective.