

# **MEMORANDUM OF AGREEMENT**

between

**FRONTIER COMMUNICATIONS CORPORATION**

and

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

## **2014 Acquisition-Related Memorandum of Agreement**

By their authorized representatives, and intending to be legally bound, Frontier Communications Corporation ("**Frontier**" or "**Company**") and the Communications Workers of America, AFL-CIO ("**CWA**" or "**Union**") enter into this Memorandum of Agreement ("**MOA**") pertaining to CWA-represented employees in Connecticut who will transfer to the Company upon consummation of the transactions contemplated by the *Stock Purchase Agreement*, dated December 16, 2013, between AT&T Inc. and Frontier Communications Corporation (as may be amended from time to time, the "SPA") ("**Covered Employees**") and related matters.

All of the terms of this MOA are contingent upon the consummation of the transactions contemplated by the SPA ("**the Closing**").

In order to forge an ongoing Frontier-CWA partnership that benefits the Citizens of the State of Connecticut by providing superior telecommunications services and additional employment opportunities in the State, as well as to benefit the existing CWA-represented Connecticut employee workforce to be acquired in this Acquisition, the Company and Union agree, as follows:

### **1. Size of the Connecticut Employee Workforce**

- a) **Guaranteed Workforce Size:** the Company commits to maintain a CWA-represented guaranteed workforce size in Connecticut which is at least the same number as the Covered Employees as stated in the AT&T employee census dated April 21, 2014. As used herein and hereinafter, Covered Employees are those employees who are on the job and actively working or, if not actively working, are on a leave of absence or other authorized absence with a right of continued employment or reinstatement to active employee status with the Company. The parties have reviewed employee census and agree that the size of the Covered Workforce as of the April 21, 2014 census was two thousand, three hundred and forty-eight (2,348) full-time equivalent employees. Further, the parties have agreed that the Company will add seventy-five (75) CWA-represented jobs within six (6) months of the date of the Closing as outlined in paragraph 2 below. The Guarantee Workforce size (full-time equivalents) will then be two thousand, four hundred and twenty-three (2,423 and after April 1, 2017, 2,433) which the Company commits to maintain thru the expiration of this MOA subject to the Temporary Guaranteed Workforce Fluctuations outlined in 1(b) below.
- b) **Temporary Guaranteed Workforce Fluctuations:** this Workforce Size commitment is subject to normal temporary workforce fluctuations associated with employees resigning, retiring, on approved leaves of absence, etc., and the

reasonable amount of time required to replace such losses, provided, however, that that this employment level shall not at any time fall below the Guaranteed Workforce Size for more than 45 consecutive work days, commencing four (4) months after the date of the Closing.

## **2. Affirmation of the Union's Request that Jobs be Added to the Connecticut Workforce**

In response to the Union's desire to have work currently performed out of state moved into Connecticut, its desire to maintain and fortify the presence of the Connecticut call center operations, and general concerns that exist over utility pole maintenance in Connecticut, the Company commits that within six (6) months of the date of the Closing, it will add CWA-represented positions to the Connecticut workforce to perform the types of work listed below - any applicable recall rights will be honored in filling these positions. The establishment of these new operations in Connecticut and these workforce additions may not be construed to mean that the work in question will be performed exclusively by CWA-represented Connecticut employees.

- a) **Dispatch Work (as operated by Frontier)**: the Company will establish a Dispatch operation in Connecticut and staff this operation with at least **35** employees, who will be in the Maintenance Administrator job classification.
- b) **Tier II U-verse Video Technician Support Work**: the Company will establish a Tier II U-verse video technician support operation in Connecticut to perform U-verse video work and staff this operation with at least **5** employees to support other technicians, who will be in the Customer Services Technician job classification.
- c) **MCO/CNOC Work**: the Company will add at least **5** Customer Services Technician positions to the existing workforce to perform this work.
- d) **Outside Plant Construction Work**: the Company will add at least **10** Outside Plant Technician (OPTs) positions to its Construction workforce to address concerns over Pole Maintenance in Connecticut.

### **Outside Plant Construction Staffing Level**

The Company and the Union have recognized in this MOA that Connecticut has been faced with significant issues over pole maintenance in the State. They also recognize that Outside Plant Technicians have this expertise and play an important role in pole maintenance in the State. CWA is concerned that a substantial number of Outside Plant Technicians may choose to retire before the date of the Closing. In order to address these valid concerns, the Company makes the following commitment:

Within six (6) months after the date of the Closing, the Company will guarantee to staff the Outside Plant Construction workforce with at least same number of active Outside Plant Technicians who were in the Connecticut CWA-represented Construction workforce as set forth in the April 21, 2014 AT&T-CT employee census data report, plus the additional ten (10) Outside Plant Technicians who will be added to the Construction workforce pursuant to this Section 3(d) of this

MOA. Thereafter, this staffing level will be subject to normal force attrition due to retirement, discharge for cause, voluntary resignation, or death.

- e) **Staffing Increase to the Connecticut Residential or Business Sales and Service Call Center:** the Company will add at least 20 Sales Consultants (Leveraged) classification in the Connecticut Residential and/or Business Sales and Service Call Centers (to be determined based on the needs of the business. By April 1, 2017, the Company will add an additional 10 employees to a Call Center job classification based on the needs of the business.

### **3. Expanded and Improved Job Security Protection**

- a) **Job Security Protection:** the Company agrees that it will not layoff, involuntarily downgrade or involuntarily terminate the employment of an active Covered Employee, other than for "just cause" under and subject to the terms of the acquired 2012 CWA/AT&T-East collective bargaining agreement applicable to those employees ("2012 CBA"). The Company agrees that if there is a need to declare a surplus of any employee covered by Article VII of the Basic ("core") Contract, the Company will follow the "has jobs available" path outlined in Article VII 1a of the CBA. The "just cause" requirement does not apply to a Covered Employee who is on a Trial Period or Probationary status under the applicable terms of the CBA.
- b) **Reservation of Rights:** the foregoing commitment shall not affect the Company's or Union's rights under the *Commitment of Employment Security* provisions of the acquired 2012 CBA.

### **4. Connecticut Sales and Service Center Call Center Call Routing**

- a) **Connecticut State-Based Sales and Service Call Routing:** the Company commits that in-bound sales and service calls which are generated within the State of Connecticut and are the types of calls currently handled by Covered Employees will first be routed to the CWA-represented Connecticut call center(s); if those call center(s) are in an overflow situation, calls would then be routed first to other CWA-represented Company call center(s), and if those call center(s) are in an overflow situation, calls would then be routed to other union-represented Company Call centers and if those centers are in an overflow state, the calls would then be routed to any available Company call center resources.
- b) **Connecticut Residential and Business Sales and Service Call Center Staffing Level**

Commencing within six (6) months after the date of the Closing, the Company will staff the Connecticut Residential and Business Sales and Service Call Centers with a sufficient number of Connecticut CWA-represented employees so that, in general and subject to normal business conditions, at least sixty percent (60%) of the types of in-bound sales and service calls which are generated within the State of Connecticut and are currently handled by Covered Employees in those Centers will be handled by Connecticut CWA-represented employees. The Connecticut Center will handle overflow calls from other Frontier Call centers in a virtual queue. This staffing level is subject to Temporary Workforce Fluctuations as defined in Section 1 (b) of this MOA.

- c) **Maintaining the Integrity of this Commitment:** the Company agrees that it will not intentionally undertake any action that in any manner directs in-bound sales and service calls generated outside of Connecticut into Connecticut for the purpose of triggering the application of the overflow provisions of this Agreement. The Company will meet the Union on a regular basis to discuss how we can collectively make the Connecticut Call Centers successful including hiring, training, coaching, incentives, technology improvements and how to create a high performing atmosphere. We will also review the call center routing percentages which will be shown per month and then averaged quarterly to monitor the commitment to route a minimum of 60% of Connecticut customer calls to Connecticut Call Centers.
- d) **Emergency Situations:** it is understood that there may be isolated situations due to emergencies, such as technology failures, weather or acts of God that close or reduce the capacity of another call center that would require the Company to route calls from other states to Connecticut that may create an overflow situation. If there is a dispute over whether there was an emergency warranting an overflow situation described in the preceding sentence, the Company will provide supporting data and documentation upon request within five (5) business day of that request.
- e) **Call Routing Overviews:** the Company will, upon request from the Union, provide an overview of its call centers and the routing process across those centers quarterly beginning January 1, 2015.
- f) **USA - Based Workforce:** as soon as operationally feasible, the Company will eliminate the use of any personnel outside of the United States of America to handle the calls covered by this Section, consistent with the Company's customer service philosophy to have a 100% USA - based workforce.

5. **Assumption and Extension of the 2012 CWA/AT&T-East Collective Bargaining Agreement**

- a) **Assumption of Labor Contract:** the Company commits that it will honor the terms of the 2012 CBA and any letters of agreements (LOAs) and letters of understating (LOUs) including MOAs, MOUs and all international union, district and local agreements that were valid and enforceable immediately prior to the effective date of this MOA, between CWA/AT&T-East/SNET not contained in the 2012 CBA. These will remain in effect, subject to their existing terms, unless the terms of such agreements have been modified or eliminated by this MOA
- b) **Extension of Labor Contract:** the Company and the Union agree that the term of the 2012 CBA, and any letters of agreements (LOAs) and letters of understating (LOUs) including MOAs, MOUs and all international union, district and local agreements that were valid and enforceable immediately prior to the effective date of this MOA will be extended to 11:59 p.m. on April 14, 2018. The 2012 CBA is being extended to provide greater stability to CT operations and to extend the enhanced job security to Covered Employees.
  - i. **Commencement of Bargaining:** the Company and the Union agree to commence bargaining at least six (6) months in advance of the expiration date of the extended contract in an effort to avoid bargaining for an extended period beyond the new date when the 2012 CBA will

expire, as such prolonged bargaining is not uncommon in renegotiating relatively large labor contracts.

- ii. **Availability to Bargain:** The Company and the Union agree to be available for forty percent (40%) of the work days during these six (6) months to bargain in good faith in advance of the new expiration date.
  - iii. **Potential Affordable Care Act "Cadillac Tax" Re-opener:** See the Supplemental Memorandum of Agreement attached as "Exhibit I".
- c) **Material Changes to Labor Contract:** in the event any material change is negotiated to the 2012 CBA, including MOAs MOUs, all LOAs and all international union, district and local agreements that were valid and enforceable immediately prior to the effective date of this MOA, after the date on which this Memorandum of Agreement is executed by the parties, any such change shall not be binding on the Company unless separately approved by the Company in writing.
  - d) **General Wage Increases:** in connection with this contract extension, the Company will grant a General Wage Increase of 2.5 percent (2.5%) effective Sunday, April 17, 2016, and a 2.25 percent (2.25%) effective Sunday, April 16, 2017. These increases will be applied to Wage Schedules in the same manner as General Wage Increases have been previously applied under the 2012 CBA.

6. **Commitment on Connecticut Business Customer Premises Equipment ("CPE") Work**

- a) The Company commits that Connecticut Business CPE work that is currently performed by NDT Covered Employees will continue to be assigned to and will be exclusively performed by Sales & Service Tech I Covered Employees.

7. **Successorship**

The parties agree that the following language will be treated as incorporated (by reference) into and shall become part of the 2012 CBA as of the date of the Closing:

The collective bargaining agreement shall be binding on the Union and the Company, and their successors and assigns, and shall continue in full force and effect in the event of the sale or other transfer of the business covered by this collective bargaining agreement or any part of the business that employs CWA represented employees. As a condition of the sale or other transfer of the business covered by this collective bargaining agreement or any part of the business that employs CWA represented employees, the Company shall require the sub-lessee, assignee, purchaser, transferee or other successor(s) to assume and adopt the terms and conditions of this collective bargaining agreement in writing and to continue to recognize the Union as the sole bargaining agent for the employees covered by this collective bargaining agreement. A copy of such assumption and adoption of the terms and conditions of the collective bargaining agreement, and recognition of the Union, by the sublessee, assignee, purchaser, transferee or other successor(s) shall be provided to the Union at least thirty (30) business days prior to the effective date of such sale or transfer and shall be subject to a lawful confidentiality

agreement executed by the Union. Nothing in the confidentiality agreement shall in any way bar or interfere with the Union's ability to effectively enforce the instant agreement in the courts, arbitration, or at the National Labor Relations Board, nor shall the Union be prevented from using documents provided pursuant to this provision in the forum of its choosing to obtain such a remedy. In the event the Union seeks to use such documents in any forum, it will advise the Company in advance of its desire to do so, and if the Company so requests, the Union will attempt to file them under seal. The Union further agrees that it will support any Company request in any forum to maintain such documents under seal.

#### 8. Restricted Stock Award

The Company will award, within 30 days following the date of the Closing, a grant of **100 shares** of the restricted stock of Frontier Communications Corporation to **Covered Employees** as set forth in and subject to the terms of the Frontier's Restricted Stock Program and attached "**Exhibit II**". The Union and the Company will coordinate on communications of this grant.

#### 9. Maintaining Positive Labor Relations and Partnering for the Success of the Business Going Forward

- a) Upon complete execution of this Memorandum of Agreement and the date of the Closing, the parties will use their best efforts to discuss and prospectively resolve any outstanding grievances, arbitration cases, and unfair labor practice charges that Frontier will or may be assuming responsibility for in connection with this Acquisition.
- b) The Company and the Union will engage in an ongoing *Partnership Forum* process, as set forth in "**Exhibit III**".

#### 10. Local Community Connections and Engagement

Frontier recognizes and affirms the existence of the CWA/AT&T Family Care Committee and will continue to fund this committee as per the 2012 CBA and this MOA extension. The Company will fund \$50,000 per labor contract year (pro-rated for the 2014 contract year) for community donations to non-profit organizations in CT. Frontier fully embraces a philosophy that where it does business, its employees at every level of the Company will be engaged with their local communities. **Exhibit IV** explains the Family Care Committee (FCC). The Family care committee also meets during work hours, to plan events and work on the newsletter.

The Company's obligation for Community Service Fund (CSF) is for the committee members to be able to meet during work hours to perform their duties of disbursing funds, visiting non-profits, performing day of caring etc. Every year there is a Drive to request funding from all employees to make donations. They can choose where their monies are donated, but the regional CSF committees perform the Drives at various work locations throughout the state. There are 7 statewide committees, based on where employees live or work. **Exhibit V** explains the CSF.

Frontier will continue payroll deductions, as elected by employees, for the Community Services Fund (CSF).

**11. Wage Improvements for Premises Technicians and Other Changes to Improve Customer Service and Operational Efficiencies**

Commensurate with this operational change and on the effective dates set forth below, the following changes will be made to the compensation and duties of the job classifications addressed below. In addition, this Section 11 provides that the parties will execute a "One Technician Out" MOA.

- a) **Higher Wage Schedule for the Premises Technician Job Classification:** on the first full pay period that occurs after six (6) months following the date of the Closing, all active employees in the Premises Technician job classification will be placed on an expanded and improved Wage Schedule (expanded by adding Network Delivery Technician Wage Schedule to Premises Technician Wage Schedule - new Steps 11 through 16), which is attached to this MOA as "**Exhibit VI**" and which will be incorporated into Appendix F of the 2012 CBA (by reference). Premises Technicians who were former "core" employees will also be placed on this Schedule. This Wage Schedule will replace the existing Premises Technician Wage Schedule in Appendix F.
- b) **Premises Technician Wage Upgrades:** on the first full pay period that occurs after six (6) months following the date of the Closing, all active employees in the Premises Technician job classification, except Premises Technicians who were former "core" employees, will be advanced by one (1) Step on the **Exhibit VI** Wage Schedule, based the Step they are currently on in their current wage schedule as of the date of the Closing. Premises Technicians who were former "core" employees will be advanced to Step 16 on the **Exhibit III** Wage Schedule.
- c) **Combination of Job Duties:** effective upon the date of the Closing, the duties of the Network Delivery Technician and Premises Technician job classifications will be combined. There will be no distinction between the job duties these job classifications can perform or be assigned.
  - i. The job classification Network Delivery Technician will be re-designated as "Sales and Service Technician I".
  - ii. The job classification Premises Technician will be re-designated as "Sales and Service Technician II".
- d) **"One Technician Out" MOA:** see the Supplemental Memorandum of Agreement attached as "**Exhibit VII**".
- e) **Work Apparel:** the Company and Union agree that the Company may, at its discretion, apply the following uniform provisions to any job classification covered by the 2012 CBA:
  - 1. A minimum of seven (7) shirts and seven (7) pants will be issued. For uniform pants, an option will include wearing pants with twill-type fabric, similar to Carhartt pant fabric. Employees may also elect to purchase and wear Carhartt-type pants provided they conform to the general color and style requirements of pants that are available to employees in the uniform program. (This does not include traditional Levi-style "blue jeans" unless they become an approved item in the uniform program.) Shirts will be labeled with "CWA Local 1298" on the front of the shirt.

2. Uniforms shall be worn so as to have a consistent appearance throughout the workforce and may not be altered in any way by employees.
3. The Company will issue replacement uniforms or pieces thereof as they become unserviceable due to normal "wear and tear". Where all or part of a uniform is lost or damaged due to an employee's negligence, the employee will be responsible for the cost of replacement.
4. Employees may wear CWA-issued jackets bearing only the CWA name/logo instead of the uniform jackets. Employees may wear CWA-issued shirts bearing only the CWA name/logo, and hats bearing only the CWA name/logo, on Thursdays and Union Activity Days only.

f) **Additional Protections for the Sales and Service Technician I Job Title** (former Network Delivery Technicians ("NDTs"))

- i. **Creation of Surplus:** the Company does not intend to declare a surplus or surpluses in the Sales and Service Technician I job title for the purpose of staffing the Sales and Service Technician II job with employees in the Sales and Service Technician I job title or in order to force employees in that job title to choose between taking a Sales and Service Technician II Job Title or severance.

- ii. **Overtime Availability to Employees in the Sales and Service Technician I and Sales and Service Technician II Job Titles:** the assignment to or approval of employees in these job titles to work non-scheduled, overtime will be based on an employee's coded skills, availability, job in progress, or geographic location. The Company will not manage overtime assignments or approval to favor the lower-paid Sales and Service Technician II job title.

- g) The Company expects to maintain existing practices on work group tour/trick and vacation scheduling, subject to the needs of the business. The Company has faced similar circumstances in many other work groups and understands the importance of seniority preferences.

- h) **Network Deployment Technicians:** the Company will not declare a surplus in the Network Deployment Technician job title due to insufficient splicing and related Construction work, provided that any employee in this classification, with sufficient formal and on-the-job training, is capable of performing Sales and Service Technician I work. In the event any Network Deployment Technician cannot meet any of these requirements, the Company will have the right to address these individual situations consistent with the provisions of the 2012 CBA and this MOA.

- i) The Company agrees to eliminate Appendix F of the 2012 CBA and amend the 2012 CBA as set forth in **Exhibit VIII**. For the avoidance of any doubt, there shall be no changes whatsoever in employee benefits coverages as provided under the applicable Summary Plan descriptions ("SPDs").

12. **Cessation of All Union Activity in Opposition to CWA Agreement Regarding Merger**



- a) **CWA Support**: upon complete execution of this Memorandum of Agreement, the CWA agrees that it will support and will not oppose, seek to delay or seek to impose conditions on the proposed transaction regarding Frontier's acquisition of the Southern New England Telephone and other operations of AT&T in Connecticut in any federal, state or local regulatory or legislative proceeding, including in Connecticut Public Utility Regulatory Authority ("PURA") Docket No. 14-01-46 and Federal Communications Commission ("FCC") WC Docket No. 14-22. As agreed to by Frontier and CWA and based on applicable regulatory requirements, the CWA will immediately file a written notice with PURA and the FCC to withdraw its intervention, opposition, testimony, and comments previously filed and, to the extent permitted, will not move or adopt its testimony and other filings into evidence or otherwise into the record in the PURA and FCC pending regulatory proceedings. The CWA will advise PURA and the FCC in such notice that Frontier and the CWA have entered into an agreement resolving their outstanding issues related to the proposed transaction, the CWA no longer has any objection to the transaction and the commission approving the transaction without conditions, and that the CWA will not be filing any further pleadings or otherwise participating related to the transaction. Further, the CWA will not intervene or participate in any other regulatory or legislative proceedings involving the approval of the proposed transaction, nor will the CWA and its agents, representatives and attorneys engage in any advocacy contrary to this Memorandum of Agreement.
- b) **Joint Press Release**: upon complete execution of this Memorandum of Agreement and within two (2) business days from then, Frontier and CWA will jointly prepare, issue, and present the first Press Release announcing they have reached an agreement furthering their partnership in support of this Acquisition. Before such time, the Company and Union agree not to release any information on the fact they have reached this agreement, except to inform key State officials privately. The Union will be allowed to release information that they have reached agreement with Frontier to their membership one hour prior to the first Press Release
- c) **Future Statements about this Acquisition**: upon complete execution of this Memorandum of Agreement, Frontier and CWA agree that they will speak in only positive terms about this Acquisition in all official public statements and in all contacts with public officials and that both Company and Union officers will not in any manner work to undermine this Acquisition or make any negative or otherwise disparaging remarks, or sponsor or condone such activity, about Frontier or CWA regarding this Acquisition.
- d) **Pole Administration Issues**: subject to the terms of this Agreement, CWA agrees to cooperate with Frontier in the various PURA pole administration and cost recovery proceedings and other issues regarding utility poles in Connecticut. The Company's position on these issues is, as follows:

Both the Office of Consumer Counsel and CL&P are advocating that PURA force Frontier to agree to allow CL&P and UI to take on the role of single pole administrator in our PURA acquisition approval docket. Frontier is opposed to the issue of the single pole administrator being addressed in our PURA acquisition docket and have taken the position that PURA should resolve this issue in the pending pole administration docket (Docket 11-03-07). Frontier will be required to comply with any final PURA order, but the Company does not believe there would

be any improvement or increased efficiency in the pole administration process if electric companies took on the single pole administrator responsibilities. Frontier is also concerned that the electric companies do not have the employees or technical expertise and experience in working in the communications space on the poles. This could result in the electric companies or their contractors causing damage to the SNET lines/facilities and jeopardize ongoing customer service. Frontier has also informed PURA that it has concerns with the single pole administrator proposal because CWA has also identified that the proposal would adversely impact the technicians working in Connecticut and expose the telephone network to risk. Frontier has no intention of selling poles it will be acquiring from AT&T.


- e) **CWA Reservation of Rights:** notwithstanding the foregoing, post-closure CWA expressly reserves the right to be fully involved in any regulatory proceedings concerning the Company.

**13. Term of this MOA**

The provisions of this MOA shall expire when the 2012 CBA expires at 11:59 PM on April 14, 2018.

For the avoidance of any doubt, the terms Union or CWA, as used in this MOA, include the CWA International, CWA District 1, and CWA Local 1298.

**FOR THE COMPANY**

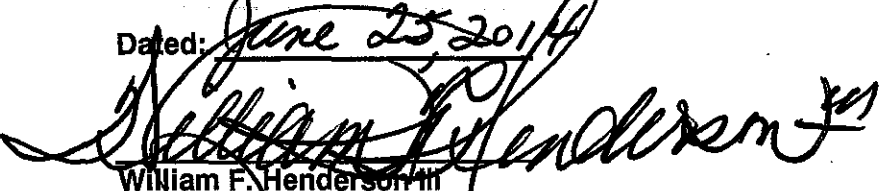
  
Cecilia K. McKenney  
Executive Vice President, HR and  
Administrative Services

Dated: 6/25/14

**FOR THE UNION**

  
Dennis G. Trainor  
Assistant to International Vice  
President, District 1, CWA, AFL-CIO

Dated: June 25, 2014

  
William F. Henderson III  
President, CWA Local 1298

Dated: JUNE 25, 2014.

## **EXHIBIT I**

(2014 Acquisition-Related Memorandum of Agreement)

### **SUPPLEMENTAL MEMORANDUM OF AGREEMENT**

between

**FRONTIER COMMUNICATIONS CORPORATION ("Company")**

and

**COMMUNICATIONS WORKERS OF AMERICA, AFL-CIO ("Union")**

### **High Value Health Plan Taxes and Health Plan "Re-Opener"**

This Supplemental Memorandum of Agreement is entered into in anticipation of the federal government's announced plans to impose a tax on any health plans an employer offers that have a total value greater than \$10,200 for single coverage or \$27,500 for family coverage, 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 extension of the term of the acquired 2012 CWA/AT&T-East collective bargaining agreement ("2012 CBA"), the Company and the Union agree as follows with respect to the potential effect of these taxes:

1. To the extent the premiums or premium equivalents for any Health Plan offered by the Company will exceed the government-mandated thresholds and be subject to this "Cadillac Plan" tax, the parties agree that the 2012 CBA will be "re-opened" for the limited purpose of re-negotiating such Health Plan or Plans in January of 2017.
2. In the event the contract is re-opened for this purpose, the parties specifically agree that, during this period when the CBA is re-opened, there shall be no strike no lock-out. During such negotiations it is the intent of the parties to meet and make a good faith effort to agree upon a new or modified Health Plan or Plans with a total value below the government-mandated Cadillac Plan tax thresholds for all levels of coverage, and to do so in an expeditious manner.
3. Any new or modified Health Plan or Plans agreed to during this re-opener will become effective January 1, 2018.
4. If the parties are unable to reach agreement on a new or modified Health Plan or Plans within 90 days of commencement of negotiations under this agreement, the matter shall be submitted to a major actuarial/benefit consulting firm (that neither party uses or has used in the last two years), selected by the CWA and the Company. The consulting firm's authority shall be to review the plan or plan designs and to select the plan design, or offer an alternative plan design, which will not trigger an excise tax. The consulting firm shall provide its decision no later than 60 days from the date the matter was submitted to them. The consulting firm's decision shall not exceed its authority set forth above. The parties will split the cost of the consulting firm's fees 50%/50%.

This Memorandum of Agreement is effective as of the date of the Closing as defined in the principal MOA to which this Supplemental Memorandum of Agreement is attached, and shall expire on the date on which the 2012 CBA expires.

## **EXHIBIT II**

(2014 Acquisition-Related Memorandum of Agreement)

### **Restricted Stock Award**

- One-time restricted stock grant of 100 shares to Covered Employees, as defined in the MOA to which this Exhibit is attached
  - Includes Regular and Term full-time Covered Employees who are on active status; for the avoidance of doubt, temporary, and occasional employees are not eligible
  - Covered Employees on short-term disability status and approved leaves of absence as of the date of the Closing, who become active employees by will be eligible for the grant
  - Forecasted value between \$550-\$600 (based on current stock price) plus dividends to be paid
- Vesting schedule aligns with anticipated acquisition integration timeline:
  - 3 year cliff vesting (100% ownership at the end of 3 years)
  - Must be actively employed on the date of the Closing to receive vested awards, except as otherwise provided in this Exhibit V
  - Same eligibility for dividends and voting under the Frontier Equity Incentive Plan, which provides for dividend payments while shares are restricted
- Vesting for **Covered Employees** who receive a grant and are subsequently laid off, involuntarily separated in a reduction in force, retire, die, or go out on long-term disability before 3 years after the date of the Closing, vesting would be accelerated based on their last day worked ("Last Day"), as follows:
  - Last Day is before 1 year after the date of the Closing: 33.3% of the grant
  - Last Day is before 2 years after the date of the Closing: 66.6% of the grant
  - Last Day is before 3 years after the date of the Closing: 100.0% of the grant
- Employees who are involuntarily terminated for cause or resign before the date of the Closing would not be eligible for accelerated vesting, resulting in a forfeiture of grant
- All employees will be required to sign a restricted stock agreement for the grant, otherwise they will forfeit their shares at vest. Online acceptance of awards and administration will be handled by Fidelity ([www.fidelity.com](http://www.fidelity.com))
- At the time of vesting, shares will be withheld to cover the employee's tax liability

### **EXHIBIT III**

(2014 Acquisition-Related Memorandum of Agreement)

#### **Joint National Frontier/CWA Partnership Forum to Promote the Success and Security of the Business and its CWA-Represented Workforce**

In recognition of the rapid changes that are occurring in the telecommunications industry and the impact these changes have on the Company, the Union, and employees/members, the parties desire to create a Forum to address areas of common interest and promote principles of partnership between the Union and the Company. Specifically this Forum will support the following principles:

1. Establish a forum for business discussion for early communication and discussion between the parties of business developments that affect the Company and the Union and their respective constituencies, including customers, employees/members, government officials and regulators may have.
2. Discuss and review innovative approaches to equip the Company to maintain high levels of excellence in service, operations, products and technology in an increasingly competitive communications marketplace in both traditional and newly emerging technologies. This will improve the employees' competitive responsiveness while protecting and enhancing opportunities for employment security.
3. Improve the communications and relationships between the parties and thereby avoid unnecessary disputes by cooperatively addressing significant changes, competitive threats, cost challenges and developments in both the Union and Company environments.
4. Provide an opportunity for the Union to discuss at a national level various work being contracted out (recognizing that the Company and the Union may have agreed to engage in forums for discussion on the topic of contractors at the state and local level) and for the Unions to suggest how employees might perform the same work in a practical and effective manner that meets the cost and timeline objectives of the business. The Company will consider such suggestions. As appropriate, the parties may mutually agree that such discussions be continued between designated local management and union representatives.
5. Equal number of key Union and Company representatives shall constitute a Forum (unless otherwise waived by a party). For this National Partnership Forum ("NPF"), it is anticipated that the Company attendees would include at least one (1) senior leader with Operations and/or Labor responsibility and one (1) senior level Union leader with telecommunications responsibility at a regional or national level. Union members of the forum would include Local Presidents or national staff Representatives whose position in the Union includes broad authority and responsibilities. Similarly situated Company leaders would also be expected to participate in the Forum.
6. Regional Partnership Forums ("RPFs") will be formed. These Forums will include Company General Managers, Human Resources representatives, and Local Union Business Managers. The number of Regional Forums to be set up and whether they

will be joint Forums with the CWA will be decided within six (6) months of the date of the Closing, as defined in the MOA to which this Exhibit is attached.

7. Meetings will be convened by the parties at a mutually agreeable place and time at least, but not limited to, three (3) times per year. The participants in the Forum shall determine its composition, structure, agenda, and operation.

It is intended that each Forum would support, but not displace, the collective bargaining process, the established dispute resolution procedures, and existing local Union-Company collective bargaining agreements and committees.

## **EXHIBIT IV – Family Care Committee**

(2014 Acquisition-Related Memorandum of Agreement)

### ***AT&T / CWA FAMILY CARE COMMITTEE***

The Committee is made up of seven representatives including a Chair.

#### **Work & Family Life newsletter**

Work & Family Life is a monthly newsletter with information and practical solutions on a wide range of family, job and wellness issues. Its mission is to help the readers reduce stress and find more pleasure and satisfaction in their many roles at home, at work and in their communities. The ATT/CWA Family Care Committee funds and administers distribution of this publication. This newsletter is distributed to 83 of AT&T work locations on a monthly basis. Follow this link for a sample of this very informative newsletter.  
<http://www.workandfamilylife.com/msu/march2012/mar12.pdf>

#### **Child Care Reimbursement Program**

This program was originally established to reimburse a portion of day care cost on snow days for school age children. Over the years, it has been expanded to include inclement weather days, holidays, and the week of school vacation between Christmas and New Year's which employees may have to work. The Family Care Committee advertises the program in the fall of each year; encouraging employees to preregister. Those who have utilized the program are grateful for its benefits.

#### **Family Care Committee Newsletter**

This Newsletter is created and published by the Family Care Committee. It keeps AT&T employees both bargained for and management, current with the programs and services the committee offers. In each publication, we encourage feedback from our readers in order to meet their needs and concerns. We include articles that are helpful to the many aspects of work and family life. The promotion of LifeCare is also done through this publication to make employees aware of the many benefits available to them such as discounts on products and services, webinars, articles and much more. Follow this link to view a copy of this newsletter. <F:\FCC newsletters\Newsletters 2013\Summer 2013 final.pdf>

#### **LifeCare Seminars**

In the first, second and fourth quarter of each year, the committee sponsors evening seminars presented by LifeCare, which are held at an AT&T location. LifeCare provides the committee with the current calendar year's educational seminar topics. Based on survey feedback and the current environment, the committee selects the topic and invites the employees, who must RSVP. Past seminar topics have been: managing stress of work and family life, brain health, nutrition, and caring for children and parents; just to name a few. All seminars have been very well received.

#### **Balancing Work and Family Life Expo**

The Balancing Work and Family Life Expo is the newest event hosted by the committee. It is always held at an AT&T work location. The committee invites various community organizations, nonprofits, and businesses to setup as vendors to provide information to the employees and their families that are in attendance. To eliminate sales, no products or services are sold. Employees and their families are invited in advance to the event and required to rsvp. This allows our committee to ensure an adequate amount of food for all and enough give-a-ways for those employees in attendance. We ask each employee, as well as the vendors to complete a survey before leaving. The surveys help us to improve the event each year. The committee is in beginning stages of planning its 4<sup>th</sup> annual event which is normally held in the late August.

#### ATT/CWA Family Care Committee's Outlook

The members of the ATT/CWA Family Care Committee believe in the mission that was set forth in bargaining many years ago. It is our hope to have the opportunity to continue to provide information, resources and programs to the employees of both AT&T and Frontier Communications through the life of the collective bargaining agreement and beyond. We would like to see the committee and the funding to stay intact until the end of the 2016 contract.



## **EXHIBIT V – Community Service Fund**

(2014 Acquisition-Related Memorandum of Agreement)

### **AT&T EMPLOYEE COMMUNITY SERVICES FUND CONSTITUTION**

#### **ARTICLE I**

The name of this organization shall be the AT&T Employees Community Services Fund, herein after known as the Fund.

#### **ARTICLE II**

The Fund shall be a voluntary non-profit organization composed entirely of active AT&T employees of the AT&T Corporation (here-in after referred to as either "AT&T" or the "Corporation").

#### **ARTICLE III**

The objectives and purposes of the Fund shall be:

##### **Section 1**

To establish federated giving on a basis which will free employees from financial appeals conducted by organized national and local social service agencies; thus avoiding excessive solicitation, collection costs and harmful competition, within our Company and community, among the various organizations appealing for financial support.

##### **Section 2**

- A. To establish Regional Committees ("the Committee") that represents the membership as defined in Article 2 of the Bylaws.
- B. To raise funds through an employee contributory plan, such as payroll deductions, in a systematic manner, at least once a year. The time frame to raise funds shall align with the AT&T Corporate Giving Campaign schedule. These funds shall be distributed upon Committee approval and after reasonable expenses, to non-profit private health services and social welfare services primarily in Connecticut, in whole or in part by voluntary contributions in order to carry on their specific programs.
- C. To establish a Statewide Board comprised of a representative from each of the Regional Committee's and the two Program Coordinators.

##### **Section 3**

**It shall be the duty and responsibility of such Regional Committees:**

- A. To perform the specific function of administration of all monies contributed to the Fund.
- B. To make distributions according to its findings of service and need.
- C. To review the operations of agencies receiving contributions from this Fund and to decide on appropriate action when fraud, embezzlement, or other illegal acts warrant possible withholding of contributions. This can be done by (1) reviewing financial statements; (2) reviewing annual reports; and (3) requesting a

copy of "Tax Exempt Status for Non-profit Agencies" 501(c) 3 letter issued by the IRS.

D. To select canvassers for any Fund solicitations.

E. To perform all functions that will accomplish the purpose of this organization.

**It shall be the duty and responsibility of such Statewide Board**

A. To evaluate each campaign and its relationship to AT&T employees as a whole.

B. To perform all functions that will accomplish the purpose of this organization.

C. The Statewide Board shall meet quarterly as a minimum and special meetings may be called by either the Program Coordinator or by the majority of the Statewide Board.

D. Overall responsibility for the annual AT&T Corporate Giving Campaign in Connecticut providing direct support to the campaign coordinators, solicitors and employees.

E. Responsibility for recruiting, training, and communicating with campaign solicitors.

**It shall be the duty and responsibility of such Program Coordinators:**

To publish an annual report by the end of March of the following calendar year as per bylaws Article I Section 10.

#### **Section 4**

The Fund is organized *exclusively* for distribution of funds to organizations that qualify as exempt under section 501 (c) 3 of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).

#### **Section 5**

##### **CSF Conflict of Interest Policy**

The purpose of the "Conflict of Interest Policy" is to protect the Community Service Fund organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Committee Chair or Committee Member of the CSF organization or might result in a possible excess benefit transaction. The policy is intended to supplement but not replace any applicable State and Federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

##### **1. Definitions:**

a. "Interested Party" is defined as any committee chair or committee member, or an immediate family member of committee chair or committee member.

b. "Related Party" is defined as any party, group or organization to which an interested party has an allegiance or affiliation.

2. A potential conflict of interest exists when actions, contracts, transactions or other dealings between the Community Services Fund (CSF) and an Interested Party or a Related Party may result in a personal financial gain to the Interested Party. A potential conflict of interest may also exist when an Interested Party serves as a Director or officer of an organization involved with seeking funding from the CSF.

3. It is improper of an Interested Party or a Related Party to disclose or use

confidential proprietary information relating to CSF for personal profit or advantage of the Interested Party or Related Party.

**Section 6**

Any amendment to this Constitution shall require a two-thirds vote from all members of the Regional Committees.

**Section 7**

The Fund shall continue unless terminated by two-thirds of the Statewide Board. Upon the dissolution of the Fund, the Committee shall, after paying or making provision for the payment of all the liabilities of the Fund, dispose of all of the assets of the Fund exclusively for the purposes of the Fund in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under section 501(c) 3 of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law), as the Committee shall determine. Any such assets not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

**BY LAWS outlined in executed document by the Statewide and Regional Board members dated 4/5/2013**

## EXHIBIT VI

(2014 Acquisition-Related Memorandum of Agreement)

1. On the first full pay period that occurs after six (6) months following the date of the Closing, the 8/14 Premises Technician Wage Schedule will be expanded by adding Network Delivery Technician Wage Schedule to Premises Technician Wage Schedule (new Steps 11 through 16, shaded in blue)
2. Increases the 8/14 wage schedule max from \$26.10 to \$39.97
3. The 347 non-core Premises Technicians will be moved up one Step on this schedule (non-core means newly hired into Premises Technician title on or after September 28, 2006 and all subsequently hired Sales and Service II Technicians)
4. 130 grandfathered (former "core") Premises Technicians go from \$35.35 to \$38.99 (Step 16)

<b>Premises Technician Revised Wage Schedule</b>							
(Effective as per Section 6 of this MOA)							
Current - shaded Yellow							
New Steps and Increases - shaded Blue							
STEP*	8/10/14 Bi-Weekly	8/9/2015 Bi-Weekly		8/10/14 Hourly	% Increase	8/9/2015 Hourly	% Increase
Entry	\$1284	\$1284		\$16.05		\$16.05	N/A
1	\$1343	\$1346		\$16.79	4.60%	\$16.83	4.83%
2	\$1405	\$1412		\$17.56	4.62%	\$17.65	4.90%
3	\$1470	\$1481		\$18.38	4.63%	\$18.51	4.89%
4	\$1539	\$1554		\$19.24	4.69%	\$19.43	4.93%
5	\$1612	\$1632		\$20.15	4.74%	\$20.40	5.02%
6	\$1688	\$1713		\$21.10	4.71%	\$21.41	4.96%
7	\$1769	\$1800		\$22.11	4.80%	\$22.50	5.08%
8	\$1853	\$1890		\$23.16	4.75%	\$23.63	5.00%
9	\$1943	\$1987		\$24.29	4.86%	\$24.84	5.13%
10	\$2037	\$2088		\$25.46	4.84%	\$26.10	5.08%
11	\$2181.2	\$2210.9		\$27.27	7.08%	\$27.64	5.89%
12	\$2324.5	\$2361.5		\$29.06	6.57%	\$29.52	6.81%
13	\$2477.4	\$2522.4		\$30.97	6.58%	\$31.53	6.81%
14	\$2639.8	\$2693.8		\$33.00	6.56%	\$33.67	6.80%
15	\$2813.1	2877		\$35.16	6.56%	\$35.96	6.80%
16	\$3119.4	3197.4		\$38.99	10.89%	\$39.97	11.14%
*6 month intervals							

## **EXHIBIT VII**

(2014 Acquisition-Related Memorandum of Agreement)

### **SUPPLEMENTAL MEMORANDUM OF AGREEMENT**

Between

**FRONTIER COMMUNICATIONS CORPORATION ("Company")**

And

**COMMUNICATIONS WORKERS OF AMERICA, AFL-CIO ("Union")**

### **Job Assignment Flexibility**

The following agreement applies to the CWA-represented Connecticut workforce the Company is acquiring from AT&T Inc. and will become effective upon the date of the Closing.

To better enable the Company to meet its ever increasing competitive challenges, the Company needs operational flexibility to improve the customer experience by utilizing a "single tech out" approach to assigning work, as it currently does in all other Frontier locations. To achieve these goals, the Union agrees that in order to complete a customer service order or trouble ticket in a single dispatch and/or work assignment, and irrespective of any job jurisdictional constraints, the Company may assign one bargaining unit employee to perform whatever duties and functions are required to complete the entire job, provided the employee has, in the Company's judgment, the capability and equipment needed to safely complete the job in a single dispatch or work assignment. Should the Company determine that one bargaining unit employee cannot meet the above requirements, it shall dispatch however many bargaining unit employees are necessary to safely complete the job.

Example: using the current title, a Network Delivery Technician (NDT) needs to run a jumper in a central office complete an assigned repair ticket and there is no Network Technician-Electronic (NT-E) in the applicable central office at the time. This MOA allows the NDT to run the jumper for the open ticket and deliver an improved customer experience. For the avoidance of any doubt, it is not the intent of this MOA to eliminate the NT-E classification or supplant their established role of performing Central Office switching work and testing and monitoring switches.

The Company and Union will agree to first meet to discuss the plan to implement "single tech out" on or before January 15, 2015 and as part of these discussions, the Company and the Union will discuss the process for resolving any disputes that may arise from the implementation of this MOU.

**EXHIBIT VIII**

(2014 Acquisition-Related Memorandum of Agreement)

**The parties will meet to finalize the language and updates to the 2012 CBA to reflect the provisions of this executed MOA.**