

All Inclusive Comprehensive Proposal for Agreement

CWA

8/4/18

The following is a summary of the improvements and changes that will be implemented upon ratification of agreement between Consolidated Communications and CWA Local 1400. ***This offer will supersede any and all other previously distributed proposals and is contingent on being accepted in its entirety. The Company reserves the right to clarify the proposal and/or correct typographical mistakes or errors made in preparation of this comprehensive proposal.***

➤ **Term**

Valid from contract ratification through 11:59 p.m. August 7th, 2021.

➤ **Wage**

The Union and Company agree to a 0% wage increase to current wage rates for all employees in the Service Representative and Administrative Assistant classifications over the life of the Agreement.

➤ **128 Days of Lost Strike Time**

The Company agrees to return and recognize the 128 days of net credited service time directly related to the 2014/2015 strike IF the employees covered by this Collective Bargaining Agreement, successfully ratify this successor Agreement upon the FIRST ratification vote which must be completed by no later than August 10, 2018 at midnight. Employees shall not be entitled to any other benefits.

➤ **Limitation on Transfer of Work**

The Company proposes the following changes to Article 35 of the CWA Collective Bargaining Agreement:

ARTICLE 35
Limitations on Transfer of Work

The Parties agree that there are no limitations, except as specifically provided in this Article, on the Company's ability to transfer any work covered under this Collective Bargaining Agreement to any of Consolidated Communications Holdings, Inc.'s subsidiaries, entities, affiliates, locations or employees. In the case of such transfer, any work transferred will no longer be performed by employees covered by this Collective Bargaining Agreement.

It is agreed, however, the Company will not transfer work under this Article which results in more than **fifty-five (55)** percent of employees in the bargaining unit being laid off over the life of the Agreement. For purpose of calculating this percentage, the number of jobs in the bargaining unit will be the number of full-time permanent employees in the bargaining unit on August 4, 2018. It is also agreed that strictly for the purpose of calculating the fifty-five (55) percent restriction referenced above, the number of people accepting the voluntary exit and/or early retirement between August 8 and August 31, 2018, will be considered as “laid off”.

In the case of any conflict between this Article and any other Article in the Collective Bargaining Agreement, this Article shall control.

➤ **Voluntary Exit & Early Retirement**

The Company proposes the following voluntary exit offer to all full-time **permanent** employees.

Offer for voluntary exit to be made between August 6 and 20, 2018. Employees will have twenty-one (21) calendar days from the time the offer is made to consider and accept the voluntary exit offer but may elect to accept the offer sooner than the twenty-one day period. Unless mutually agreed between the Union and Company, employees electing to accept the voluntary offer will complete their final day of employment no later than 14 calendar days after acceptance of the offer.

1. A full-time permanent employee, who by adding 2 years of net credited service and 2 years of age (2x2), become or remain eligible to immediately receive their pension benefits AND elect to accept this voluntary exit offer and voluntarily terminate their employment with Consolidated Communications, Inc., will be allowed to receive 2 years of net credited service and 2 years of age added to their pension formula. Employees voluntarily electing to receive this 2x2 offer will be subject to the provisions of this entire voluntary exit offer WITH THE EXCEPTION OF THOSE BENEFITS CONTAINED IN NUMBERS 3 and 4 BELOW.
2. In lieu of receiving the 2x2 option outlined in 1 above, employees who are already eligible or become eligible to immediately receive their pension benefits by adding the 2x2 option, may instead elect to receive the benefits contained in numbers 3 and 4 below.
3. Employees not receiving benefits in number 1 above, may elect to voluntarily terminate their employment with Consolidated Communications, Inc. and receive

a one-time lump sum payment equal to one (1) weeks' basic wages per rounded year of service up to 18 weeks, subject to applicable withholdings.

4. Employees who elect to receive benefits as provided in number 3 above and voluntarily terminate their employment with Consolidated Communications, Inc. will, in addition to the benefits outlined in 3, be eligible to receive \$30,000 in healthcare reimbursements through a Health Reimbursement Arrangement (HRA) to be used for qualifying medical expenses, including monthly premiums and employee co-insurance expenses OR in lieu of the Company's contribution to the HRA, may elect to receive the \$30,000 in a one-time lump sum in cash, subject to applicable withholdings.
 - Provided, however, in the event that less than twenty-five (25) employees to whom this offer is being made elect to receive \$30,000 in healthcare reimbursements through an HRA, the option will be withdrawn and the employees will only be eligible to receive the benefits set forth in number 4 in a one-time lump sum, subject to applicable withholdings.
5. Voluntary offers will be made to all full-time permanent employees. No more than 77 employees can accept the offer. If more than 77 employees elect to take the voluntary exit offer, the Company and Union will discuss the oversubscription and the appropriate action to be taken.
6. The benefits described above in numbers 1, 2, 3 and 4 are expressly conditioned on the employee signing the Confidential Severance Agreement and General Release provided by the Company.
7. If any employee is rehired, after electing to receive this voluntary exit offer, they will not be eligible to receive any benefits under Articles 8.18, 8.19, 8.20 and will be treated under the CBA as a new hire.
8. In the event the employees covered by this Agreement FAIL to ratify this successor Agreement upon the FIRST ratification vote, or FAIL to successfully ratify this Agreement by 11:59 p.m. August 10, 2018, the Company hereby withdraws its offer to provide benefits in numbers 1 and 2 above (2x2 pension add-on) and ONLY offers the benefits contained in number 3 and 4 above.

➤ Benefits

The Company proposes the following changes to Article 20 of the CWA Collective Bargaining Agreement:

ARTICLE 20

Benefits

PENSION BENEFITS

20.01 (a) Participation Frozen to New Hires as of October 14, 2014. Bargaining unit employees hired on and after October 14, 2014 shall not be eligible for participation in the FairPoint Communications Northern New England Pension Plan for Represented Employees (the “Pension Plan”).

(b) Pension Benefits. Bargaining unit employees eligible for participation in the Pension Plan shall receive the following benefits:

(i) Benefits Accrued as of Freeze Date. In accordance with the terms of the Pension Plan as amended effective October 14, 2014 (the “Freeze Date”), benefit accruals shall cease under the Basic Monthly Pension Benefit formula as of October 14, 2014 and under the Supplemental Monthly Pension Benefit formula as of October 14, 2017. Except as provided in subparagraph (ii) below, Participants will accrue no other benefits under the Pension Plan.

(ii) Additional Monthly Pension Benefit for “Pension-Eligible Continuing Employees” (as defined below). Participants who (1) were Eligible Employees on the payroll of a Participating Company (as defined in the Pension Plan) on October 14, 2014 and (2) are on the payroll of a Participating Company on February 22, 2015 (referenced as “Pension-Eligible Continuing Employees”) shall accrue an additional monthly benefit for service on and after February 22, 2015 (the “Additional Monthly Pension Benefit”). The amount of the Additional Monthly Pension Benefit shall be the product of:

- 50% of the Pension Band Amount applicable to the Participant based on the Participant’s job title on the Determination Date (the date as of which the Participant’s benefits are determined, as defined under the Pension Plan), *multiplied by*
- Pension Accrual Service from February 22, 2015 to the Determination Date; provided, however, that in calculating this Additional Monthly Pension Benefit, Pension Accrual Service after February 22, 2015 shall be taken into account only to the extent that the sum of Pension Accrual Service used to calculate the Participant’s frozen benefit (see subparagraph (i) above) plus Pension Accrual Service used to calculate this Additional Monthly Pension Benefit does not exceed 30 years.

(iii) Additional Monthly Pension Benefits Accrued for “Pension-Eligible Continuing Employees” (as defined above in (ii)). Additional Monthly Pension Benefit accruals

shall cease and become frozen for Eligible Employees in a Participating Company, according to (ii) above, as of January 1, 2019.

(iv) No additional monthly Pension Benefits shall accrue under this article for any employees as of January 1, 2019.

(c) **No Lump Sums.** Lump sum payouts shall not be available for any Participants who separate from service on and after August 2, 2014.

20.02 The following Pension Bands will apply for purposes of the Pension Plan benefit calculations listed in Section G12.01.

Pension Band	Monthly Benefit
101	\$41.86
102	\$43.64
103	\$45.47
104	\$47.18
105	\$48.94
106	\$50.70
107	\$52.52
108	\$54.28
109	\$56.07
110	\$57.81
111	\$59.59
112	\$61.38
113	\$63.12
114	\$64.89
115	\$66.62
116	\$68.42
117	\$70.19
118	\$71.96
119	\$73.73
120	\$75.49
121	\$77.23
122	\$79.05
123	\$80.79
124	\$82.54
125	\$84.31
126	\$86.07
127	\$87.86
128	\$89.63
129	\$91.41
130	\$93.14

131	\$94.97
132	\$96.70
133	\$98.47
134	\$100.25
135	\$101.95

20.03 Any question arising in connection with the Pension Plan, other than the Company’s determination of eligibility of bargaining unit employees to participate in the Pension Plan, is specifically excluded from the grievance and arbitration procedures outlined in Articles 24 and 25 of the Agreement.

401(k) PLAN

20.04 Bargaining unit employees will be eligible for participation in the FairPoint Communications Northern New England Savings and Security Plan for Associates (the “Associates 401(k) Plan”) until December 31, 2014.

Effective February 22, 2015, the Associates will be eligible for participation in the 401(k) Plan as amended and restated on January 1, 2015, as a mirror plan having the same design elements and features as the 401(k) plan offered to non-bargaining unit employees, except that beginning on January 1, 2019, the Company match shall remain at 100% up to the first 5% of contributions by the Associate employee, and the Company shall contribute an additional 1% on a non-elective basis. All contributions are based on 401(k) eligible earnings as of the ratification of this Agreement plus overtime earned. The terms and conditions of the amended and restated Associates 401(k) Plan shall be as set forth in the document entitled Consolidated Communicaitons, Inc. NNE Associates 401(k) Plan..

20.05 Any question arising in connection with the Associates 401(k) Plan, other than the Company’s determination of eligibility of bargaining unit employees to participate in the plan, is specifically excluded from the grievance and arbitration procedures outlined in Articles 24 and 25 of the Collective Bargaining Agreement.

HEALTH AND WELFARE BENEFITS (GENERAL)

20.06 Termination of Plans. The following employee benefit plans shall be terminated as of December 31, 2014:

- FairPoint Communications Northern New England Medical Expense Plan for Associates
- FairPoint Communications Northern New England Alternate Choice Plan for Associates
- FairPoint Communications Northern New England Dental Expense Plan for Associates
- FairPoint Communications Northern New England Vision Care Plan for Associates (including VDT User Eye Care Program)
- FairPoint Communications Northern New England Group Life Insurance Plan for Associates
- FairPoint Communications Northern New England Dependent Group Life Insurance Plan for Associates
- FairPoint Communications Northern New England Sickness and Accident Disability Benefit Plan for Associates
- FairPoint Communications Northern New England Long-Term Disability Plan for Associates
- FairPoint Communications Northern New England Flexible Spending Accounts Plan for Associates

FairPoint Communications Northern New England Adoption Reimbursement Program for Associates
FairPoint Communications Northern New England Income Protection Plan for Associates
FairPoint Communications Northern New England Long-Term Care Insurance Plan for Associates

20.07 Plans in Effect as of the Ratification Date. Effective upon ratification of this Agreement and until January 1, 2019, eligible bargaining unit employees (as defined in subparagraph (a) below) may continue to participate in the following health and welfare benefit plans:

- IBEW/NECA Family Medical Care Plan (“FMC Plan”), Plan 16, with respect to medical, prescription drug and dental benefits;
- FairPoint Communications Vision Plan;
- FairPoint Communications Life Insurance Plan (including Supplemental and Dependent Life Insurance);
- FairPoint Communications Disability Plan;
- FairPoint Communications Section 125 Cafeteria Plan (including the Flexible Spending Accounts Plan);
- FairPoint Communications Adoption Assistance Program

Plans in Effect as of January 1, 2019. Effective January 1, 2019 and until the CBA expiration date, eligible bargaining unit employees (as defined in subparagraph ((a) below) may elect to participate in the following health and welfare benefit plans:

- IBEW/NECA Family Medical Care Plan (“FMCP”), Plan 16, with respect to medical, prescription drug and dental benefits;
- Consolidated Communications Inc. Vision Plan as covered under the Consolidated Communications, Inc. Health Benefits Plan
- Consolidated Communications Inc. Short Term Disability (STD) Plan
- Consolidated Communications Inc. Life, Accident & Long Term Disability (LTD) Plan
- Consolidated Communications Inc. Flexible Employee Benefits Plan

(a) Eligible Employees. Regular and temporary bargaining unit employees scheduled to work at least 30 hours per week are eligible for participation in the health and welfare benefit plans listed in this Section.

(b) Eligible Dependents. To the extent dependent coverage is offered under a particular health and welfare benefit plan listed in this Section, the following individuals will be eligible for enrollment as dependents of a bargaining unit employee enrolled in that plan:

(i) The employee’s lawful spouse (for this purpose, “spouse” means the person to whom the employee is legally married under the laws of any State in the United States or of any foreign country, excluding civil unions, registered domestic partnerships or other similar formal relations that are not denominated as marriage under such laws);

(ii) The employee’s children (natural born, adopted or stepchild(ren)) until the end of the month in which they attain age 26; and

(iii) The employee’s unmarried children (natural born, adopted or stepchild(ren)) of any age, if dependent on the employee for support due to a physical or mental disability that began before the child reached age 19 (or age 25 while a full-time student) and provided that such child is continuously covered under the benefit plan or another FairPoint plan offering the same type of coverage.

MEDICAL, PRESCRIPTION DRUG AND DENTAL BENEFITS

20.08 (a) FMC Plan. Effective with ratification of this Agreement and until the expiration date, eligible bargaining unit employees may elect to participate in Medical, Prescription Drug and Dental Benefits under the IBEW/NECA Family Medical Care Plan (“FMC Plan”), Plan 16.

Participation will be on a contributory basis. Monthly Premiums for the 2018 Plan Year, until the expiration of this Agreement, will be divided between the Company and covered bargaining unit employees as follows:

Tier	Total FMC Plan Monthly Premium	2018 Company Monthly Contribution	2018 %	2018 EE Monthly Contribution	2018 %
Single	\$752.66	\$626.08	83.18%	\$126.58	16.82%
EE + Spouse	\$1427.96	\$1187.82	83.18%	\$240.14	16.82%
EE + Children	\$1334.01	\$1109.67	83.18%	\$224.34	16.82%
EE + Family	\$1981.68	\$1648.41	83.18%	\$333.27	16.82%

(b) To the extent the cost of medical, prescription drug and dental coverage increases for the 2019 plan year and each succeeding plan year thereafter covered by this Agreement, the Company Monthly Contribution for each tier will not increase by more than 4% of the Company’s Monthly Contribution for such tier during the immediately preceding plan year. In case of such 4% increase, Participating bargaining unit employees will be responsible for any additional increase in cost for the coverage level they elect.

(c) In addition to what, if any, increase in employee contribution is caused by the operation of paragraph (b) above, the employee monthly contribution will also increase by 1% January 1, 2019, and January 1 each succeeding calendar year.

(d) For this purpose, the “cost” of medical, dental, and prescription drug coverage shall include the applicable FMC Plan Monthly Premiums for the plan year, as well as any special payroll taxes, fees or charges which may be imposed on employers by a State or other jurisdiction to finance a single payer program, health insurance exchange or other similar health care program for residents of that jurisdiction, not including any taxes, fees or charges in effect with the ratification of this Agreement.

RETIREE MEDICAL COVERAGE / PREMIUM REIMBURSEMENT STIPEND

20.09 (a) No Company-Sponsored Retiree Medical or Dental Coverage.

Bargaining unit employees whose employment with the Company ends due to retirement or any other reason on and after August 28, 2014 shall be ineligible for participation in any Company sponsored retiree medical plan and/or dental plan and will be entitled only to COBRA continuation coverage under such plans at the retiree's or former employee's sole expense.

(b) Medical Premium Reimbursement Stipend for Stipend-Eligible Retirees.

Bargaining unit employees who meet all eligibility requirements set forth below will be eligible to receive a monthly stipend to reimburse premiums actually paid by the retiree to obtain medical insurance coverage for him/herself and his/her spouse.

Eligibility: To be a "Stipend-Eligible Retiree," the bargaining unit employee must satisfy each and every of the following requirements:

(i) Terminate employment with the Company and all affiliates on and after February 22, 2015 but no later than August 22, 2017; and

(ii) Upon terminating employment, be granted a pension under the FairPoint Communications Northern New England Pension Plan for Represented Employees. (A former bargaining unit employee who does not commence his/her pension immediately upon terminating employment or who is eligible to receive a deferred vested pension shall not be a Stipend-Eligible Retiree.); and

(iii) Be at least age 55 on the date employment with the Company and all affiliates terminates; and

(iv) Be enrolled in medical insurance coverage, the cost of which the retiree and/or spouse is required to pay in whole or in part.

(c) **Stipend Amount and Duration:** A "Stipend-Eligible Retiree" may receive a monthly stipend of up to \$800.00 in gross to reimburse premiums paid for his/her own medical insurance coverage and an additional stipend of up to \$400.00 in gross to reimburse premiums paid for medical insurance coverage for his/her spouse.

(d) To receive reimbursement of any premiums paid, the Stipend-Eligible Retiree must submit written proof of payment of such premiums, verifying the amount and date of each payment.

(e) A Stipend-Eligible Retiree may receive the monthly stipend for properly substantiated premium payments until and including the month in which the retiree attains age 65, or dies, whichever occurs first. When a Stipend-Eligible Retiree ceases to be eligible for the monthly stipend, the stipend for the spouse shall also cease.

VISION BENEFITS

20.10 Effective with ratification of this Agreement through December 31, 2018 eligible bargaining unit employees may elect to enroll in the FairPoint Communications Vision Plan, under the terms and conditions of that plan set forth in the document entitled "*FairPoint Communications Comprehensive Group Benefits Plan*" and the document entitled "*Summary Plan Description: FairPoint*

Communications Vision Plan,” both as in effect as of January 1, 2015 and as amended thereafter from time to time for non-bargaining unit employees.

Effective January 1, 2019, eligible bargaining unit employees may elect to enroll in the Consolidated Communications Inc. Vision benefits offered to non-bargaining unit employees. Vision benefits will be subject to the terms and conditions set forth in the document titled “*Consolidated Communications Inc. Health Benefits Plan*” in effect as of January 1, 2019 and as amended thereafter from time to time for non-bargaining unit employees.

- (a) **Plan Design** – For Plan Years beginning on and after January 1, 2015, coverage options, deductibles, coinsurance, copays and all other Vision Plan design elements and features will be the same as determined by the Company in its sole discretion for non-bargaining unit employees.
- (b) **Contributions for Coverage** -- For Plan Years beginning on and after January 1, 2015, bargaining unit employees shall be required to contribute toward the Visual Plan coverage they elect. The amount of contributions for bargaining unit employees shall be determined on the same basis as determined by the Company for non-bargaining unit employees.

LIFE INSURANCE BENEFITS

20.11 Effective with ratification of this Agreement through December 31, 2018, bargaining unit employees will be eligible for the same group life insurance benefits (employee basic, employee supplemental and dependent life insurance) as offered to non-bargaining unit employees. Life insurance benefits will be subject to the terms and conditions set forth in the document entitled “*FairPoint Communications Comprehensive Group Benefits Plan*” and the document entitled “*Summary Plan Description: FairPoint Communications Group Life Insurance Plan,*” both as in effect as of January 1, 2015 and as amended thereafter from time to time for non-bargaining unit employees.

Effective January 1, 2019, bargaining unit employees will be eligible for the same group term life and accidental death and dismemberment benefits (AD&D) (employee basic, employee supplemental and dependent life insurance) as offered to non-bargaining unit employees. Group term life and AD&D benefits will be subject to the terms and conditions set forth in the document titled “*Consolidated Communications, Inc. Life, Accident & Long Term Disability Benefits Plan*” in effect as of January 1, 2019 and as amended thereafter from time to time for non-bargaining unit employees.

- (a) **Plan Design** – For Plan Years beginning on and after January 1, 2015, coverage options, life insurance limits and all other Life Insurance Plan design elements and features will be the same as determined by the Company in its sole discretion for non-bargaining unit employees.
- (b) **Contributions for Supplemental and Dependent Coverage** -- For Plan Years beginning on and after January 1, 2015, bargaining unit employees shall be required to contribute toward any Supplemental Life Insurance and Dependent Life Insurance coverage they elect. The amount of contributions for bargaining unit employees shall be determined on the same basis as determined by the Company for non-bargaining unit employees.

DISABILITY BENEFITS

20.12 Short Term Disability - Effective with ratification of this Agreement through December 31, 2018, bargaining unit employees will be eligible for the same short term disability benefits offered to non-bargaining unit employees. Short term disability benefits will be subject to the terms and conditions set forth in the document entitled “*FairPoint Communications Comprehensive Group Benefits Plan*” and the document entitled “*Summary Plan Description: FairPoint Communications Short Term Disability Plan*,” both as in effect as of January 1, 2015 and as amended thereafter from time to time for non-bargaining unit employees.

Effective January 1, 2019, bargaining unit employees will be eligible for the same Short Term Disability (STD) benefits offered to non-bargaining unit employees. STD benefits will be subject to the terms and conditions set forth in the document titled “*Consolidated Communications Inc. Short Term Disability Plan*” in effect as of January 1, 2019 and as amended thereafter from time to time for non-bargaining unit employees.

- (a) **Plan Design** – For Plan Years beginning on and after January 1, 2015, coverage options, limits and all other Short Term Disability Plan design elements and features will be the same as determined by the Company in its sole discretion for non-bargaining unit employees.
- (b) **Reinstatement Right** – A bargaining unit employee receiving disability benefits shall have the right to return to the same or a similar position as the employee had immediately before the disability, provided the employee returns to active employment no later than six months after exhausting STD benefits.

20.13 Long Term Disability -- Effective with ratification of this Agreement through December 31, 2018, bargaining unit employees will be eligible for the same long term disability benefits offered to non-bargaining unit employees. Long term disability benefits will be subject to the terms and conditions as set forth in the document entitled “*FairPoint Communications Comprehensive Group Benefits Plan*” and the document entitled “*Summary Plan Description: FairPoint Communications Disability Plan*,” both as in effect as of January 1, 2015 and as amended thereafter from time to time for non-bargaining unit employees.

Effective January 1, 2019, bargaining unit employees will be eligible for the same Long Term Disability (LTD) benefits offered to non-bargaining unit employees. LTD benefits will be subject to the terms and conditions set forth in the document titled “*Consolidated Communications Inc. Life Accident & Long Term Disability Plan*” in effect as of January 1, 2019 and as amended thereafter from time to time for non-bargaining unit employees.

- (a) **Plan Design** – For Plan Years beginning on and after January 1, 2015, coverage options, limits and all other Long Term Disability Plan design elements and features will be the same as determined by the Company in its sole discretion for non-bargaining unit employees.
- (b) **Contributions for Supplemental Long Term Disability Coverage** -- For Plan Years beginning on and after January 1, 2015, the amount of contributions required to obtain supplemental long term disability coverage shall be determined for bargaining unit employees on the same basis as determined by the Company for non-bargaining unit employees.

Effective January 1, 2019, the Company shall continue to pay its portion of the agreed medical premium for up to twelve (12) months when an employee is on a leave of absence and approved for Short Term Disability or Long Term Disability benefits. An employee who has not been medically released to return to active employment status within twelve (12) months after having been qualified for STD or LTD benefits shall have their employment terminated.

FLEXIBLE SPENDING ACCOUNTS

20.14 Effective with ratification of this Agreement through December 31, 2018, bargaining unit employees will be eligible for participation in the same Flexible Spending Accounts Plan offered to non-bargaining unit employees, under the terms and conditions of that plan as set forth in the document entitled "*FairPoint Communications Comprehensive Group Benefits Plan*" and the document entitled "*FairPoint Communications, Section 125 Cafeteria Plan*," both as in effect as of January 1, 2015 and as amended thereafter from time to time for non-bargaining unit employees.

Effective January 1, 2019, bargaining unit employees will be eligible for the same Flexible Spending Account (FSA) benefits offered to non-bargaining unit employees. FSA benefits will be subject to the terms and conditions set forth in the document titled "*Consolidated Communications Inc. Flexible Employee Benefits Plan*" in effect as of January 1, 2019 and as amended thereafter from time to time for non-bargaining unit employees.

ADOPTION ASSISTANCE PROGRAM

20.15 Effective with the ratification of this Agreement through December 31, 2018 bargaining unit employees will be eligible for participation in the same adoption assistance program offered to non-bargaining unit employees, under the terms and conditions of that program as set forth in the document entitled "*FairPoint Communications, Adoption Assistance Program*," as in effect as of January 1, 2015 and as amended thereafter from time to time for non-bargaining unit employees.

Effective January 1, 2019, bargaining unit employees will no longer be eligible for participation in the Adoption Assistance Program previously offered to employees.

CHANGES TO HEALTH AND WELFARE PLANS

20.16 Waiver of Bargaining Rights With respect to the health and welfare benefit plans detailed in Articles 20.08 and 20.09, the Company can make no changes to the aforementioned without satisfying its bargaining obligations with the union. To the contrary, with respect to the health and welfare benefit plans detailed in Sections 20.10 through 20.15, inclusive, the Union clearly waives any and all rights it may have to bargain with the Company over both the decision to make changes and the effect of any changes made by the Company to the bargaining unit employees.

20.17 Questions. Any questions arising in connection with the health and welfare plans listed in Sections 20.08 through 20.15, as amended, are specifically excluded from the grievance and arbitration procedures outlined in Articles 24 and 25 of the Agreement, except for:

(a) the Company's determination of eligibility of bargaining unit employees for coverage under those plans; and

(b) the annual basic rate of pay and date of termination of individual insurance coverage for any employee with respect to the determination of benefits under the Life Insurance Plan listed in Section 20.11.

➤ **Basic Workday**

The Company proposes the following changes to Article 4 of the CWA Collective Bargaining Agreement:

ARTICLE 4.03 & 4.04 Definitions

BASIC WEEKLY WAGE RATES

4.03 An employee's weekly wage rate is a flat rate paid for a scheduled week of 40 hours, including any paid absence which is paid in accordance with weekly rates of pay set forth in the wage tables of this contract.

BASIC WORK DAY

4.04 A basic work day is eight hours. It includes the relief periods but excludes the meal period.

➤ **Adjustment to Weekly Pay Tables**

All weekly wage tables will be increased to reflect the change in the number of weekly hours worked by 2.5 hours. To calculate the increase, the current weekly wage will be divided by 37.5 hours to obtain the hourly rate (rounded to the nearest cent). The hourly rate will then be multiplied by 40 hours for the work week (i.e. 72 mos. wage table 93 - $\$1,334.00 / 37.5 = \35.57 hr. X 40 hrs. = $\$1,422.80$).

➤ **New Hire Wage Tables**

Employees hired on or after ratification of this Agreement shall have their wage progression frozen at 48 months for Zone 1 employees for all wage tables (i.e. wage table 93 $\$950.50$ and wage table 15 $\$817.00$ 17 $\$874.50$). New hire wage tables will be subject to the same adjustments outlined above to reflect a 40 hour basic work week (i.e. 48 mos. wage table 93 $\$950.50 / 37.5 = \25.35 hr. X 40 hrs. = $\$1014.00$).

➤ **Zone 2 Wage Table**

Upon ratification of this Agreement, Zone 2 will be eliminated from all wage tables.

➤ **Permanent Transfers**

During the life of this Agreement, the Company agrees it will not permanently transfer a CWA employee to another reporting headquarter location outside of their current city limits pursuant to Article 14. Additionally, an employee electing to bump a junior employee due to a surplus

declaration resulting in the layoff of an employee, pursuant to Article 15 of this Agreement, shall not be required to transfer to another reporting headquarter location outside of their current city limit.

➤ **Excused Work Days & Absence From Duty**

The Company proposes the following changes to Article 17 and 18 of the CWA Collective Bargaining Agreement:

Article 18, Allowances for First Seven Days of Absence Due to Illness, will be deleted from the Collective Bargaining Agreement in its entirety effective with the ratification of this Agreement.

ARTICLE 17 Absence from Duty

PAID ABSENCE

17.01 An Employee's absence shall be paid for by the Company if excused for the following reasons:

- (a) Attendance at grievance meetings with the Company and when meeting for purposes of negotiating a new collective bargaining agreement with the Company. Payment is limited to not more than four Union representatives when meeting for purposes of negotiating a new collective bargaining agreement; not more than two Union representatives at Step 1, Step 2 and Step 3 grievance meetings. Payment is further limited to actual meeting time during scheduled straight time working hours, plus necessary time, if any, spent during scheduled straight time working hours in traveling between the employee's work location and the meeting location.
- (b) Quarantine because of illness of a member of the employee's household, provided such quarantine is in accordance with the local health authorities and whatever resource or service the Company in its discretion, chooses to use.
- (c) Death in the immediate family. "Immediate family" shall normally be considered to consist of husband, wife, domestic partner (as defined by the Company's Domestic Partners Eligibility Criteria), father, mother, sister, brother, children, mother-in-law, father-in-law, grandparent, grandchild or other relatives who live in the employee's household. Such absence will normally not be in excess of three working days.
- (d) Jury duty, provided that the employee returns to work during the day of the jury duty, if feasible. Witness service, in a court proceeding pursuant to a summons or subpoena, when the employee is not a party to the case, or as requested by the Company provided that the employee returns to work during the day of the witness service, if feasible. Under no circumstances will

the Company pay any employee for testimony or participation in a court or administrative proceeding, including preparation therefor, when not requested by the Company.

PERSONAL DAYS

17.02 Beginning January 1, 2019, each regular employee who has at least six months of seniority on January 1 of any year and other employees who have one year of such service, shall be eligible for five (5) Personal Days with pay. Up to five (5) personal days may be rolled over from year to year.

17.03 Employees who use a Personal Day shall be paid for the day as if they worked a normal or standard day (excluding any wage incentive or productivity payments)

17.04 Employees may designate up to three (3) Personal Days in a calendar year on a reserved basis for personal, immediate needs, to be taken on short notice and in increments of one hour up to a full day's assigned tour. The immediate supervisor or the supervisor in charge will grant a minimum of one short notice request for such excused work time in each one-half tour on that day, if the request is made prior to the start of the one-half tour requested. However, additional requests for such time on that day may be granted subject to the force requirements of the work group.

17.05 Employees who are absent with pay on their scheduled Personal Day shall have their paid Personal Day rescheduled subject to force requirements of the workgroup.

17.06 Personal Days may be selected by employees within each vacation group from the vacation schedule after full week and single day vacations have been selected or throughout the year on a first-come first-served basis, subject to force requirements. Up to two (2) Personal Days may be scheduled in ½ day increments in a calendar year.

17.07 Employees may select such Personal Days on a reserved or committed day-at-a-time basis, or a combination thereof.

17.08 Changes in Personal Day schedules may be granted to an employee on the basis of the earliest request to the employee's immediate supervisor, subject to the needs of the business and force requirements of the work group; otherwise the Personal Days must be used as scheduled.

17.09 Personal days may also be used, in increments no less than 1 hour, for personal illness, medical appointment, non-workplace injury or to care for an immediate family member (spouse child, step-child, parent, parent in-law, grandparent) who is ill or injured. Personal Days may be used for travel to an appointment for long-term care or to address the effects of domestic violence, sexual assault or stalking. An employee may use Personal Days to care for a family member because the school or business where the family member is located is closed for public health or safety reasons.

17.10 When available, Personal Days must be used to cover the Short Term Disability elimination period. In the event Personal Days are exhausted, contingent upon the employee being approved for Short Term Disability benefits or FMLA leave, the employee may choose to use a vacation day to be paid during the elimination period or may choose to take the elimination period as unpaid. Under no circumstance shall vacation days or Personal Days be returned to the employee when used for the elimination period. Personal Days cannot be used to supplement STD or LTD benefit payments.

** Note: All references to "Excused Work Day(s)" will be changed to "Personal Day(s)" within this Collective Bargaining Agreement.

➤ **CCI Employment Rules and Policies**

The Company proposes the following language be added to Article 38.08:

The Company has the right to establish and enforce reasonable Company rules and policies and shall have the right to change, alter and add to such rules or policies, except that no such rules or policies may conflict with any provision of this Collective Bargaining Agreement.

The Company agrees to notify the Union prior to the implementation of such rules or policies and to give the Union a meaningful opportunity to bargain over any rules or policies that affect an employee's terms and conditions of employment.

If after providing such opportunity, an agreement is not reached, the Company may implement the rule and/or policy, and the Union has the right to file a grievance and to challenge in arbitration whether that a rule and/or policy is unreasonable, whether a rule and/or policy conflicts with any provision of the Collective Bargaining Agreement.

➤ **Bi-Weekly Pay**

The Company withdraws its proposal number 6 regarding Bi-Weekly Pay.

➤ **Subcontracting**

The Company proposes the following changes to Article 16 of the current Collective Bargaining Agreement.

Articles 16.02, 16.03 and 16.04 will be deleted from the Collective Bargaining Agreement. Article 16.01 will be replaced as follows:

Article 16

16.01 The Company may subcontract work (assign work to non-Consolidated Communications Holdings, Inc.'s subsidiaries, entities, affiliates, locations or employees) generally performed by the bargaining unit employees, so long as such subcontracting, in combination with any layoffs pursuant to Article 35, does not result in a reduction of the bargaining unit employees below the percentage agreed to in Article 35.

➤ **Corporate Incentive Plan**

The Company proposes the following changes to Article 42 Corporate Incentive Plan contained in this Collective Bargaining Agreement. The existing bonus plan language will be removed from the CBA and replaced with the following:

ARTICLE 42

Corporate Incentive Program

Section 1. Plan Purpose. The Corporate Incentive Program (“CIP”) is designed to encourage and reward employees for their contribution to Company success.

Section 2. Plan Years. The CIP will provide awards for results in calendar years 2018, 2019, and 2020, with awards payable in 2019, 2020 and 2021. If earned, CIP payouts will be made for the full calendar year 2018, payable in 2019.

Section 3 - Eligibility

(a) Must be an active employee on the date of payout. Full-time and part-time regular and temporary employees who are on the payroll prior to October 1st during an applicable Plan year will be eligible to receive a CIP payout to the extent payable. Employees who leave the Company for any reason prior to the date of the CIP payout forfeit their eligibility to receive a CIP payout.

(b) Partial Years. Payment of the CIP will not be prorated as long as the employee meets the 90 calendar day requirement in (a).

(c) Part-Time Employees. Payment of the CIP will be based on a pro-rata portion for the total hours worked for the year.

Section 4 - Transfers and Promotions

An employee who is otherwise eligible for a CIP payout will not lose eligibility due to the following (so long as the employee has a period of at least 90 days of active participation in the Plan Year):

(a) Transfer to another CCI affiliated company that participates in this Plan or to an affiliated company with a collectively bargained corporate incentive program that is substantially similar to this CIP Plan, and the employee is on the payroll of such company on the day the CIP is made.

(b) Promotion to a non-bargained position, and the employee is on the payroll of the company in which he or she is employed on the day the CIP payout is made.

(c) No employee shall be eligible for more than one CIP or Company short term incentive bonus plan under any circumstance.

An employee who is transferred or promoted as described above will receive a CIP payout that shall be paid as described in Section 3.

Section 5 – CIP Payout Calculations

(a) Standard Award. The CIP payout shall be as follows:

The Corporate Incentive Plan objectives are weighted as follows:

- 50% - EBITDA
- 50% - Revenue

Payout Target:

\$750 – Each year for fiscal year 2018, 2019 and 2020.

Bonuses, if earned, will be paid out in the first quarter of 2019, 2020, and 2021 in a one-time lump sum payment, subject to applicable withholdings.

Payout Curve & Payout Example:

Payout Curve	
EBITDA & Revenue Goal Attainment	Bonus Payout
>105%	120%
102.1% - 105.0%	110%
95.0% - 102.0%	Actual Performance %
92.5% - 94.9%	75%
90.0% - 92.4%	50%
< 90%	0%

Payout Example	Actual	Target	Achievement	x Weight	Weighted Achievement
EBITDA	\$540M	\$537M	101.40%	50%	50.7%
Revenue	\$1.39B	\$1.4B	99.30%	50%	49.7%
Total Weighted Achievement					100.4%
Target Payout					X \$750
Actual Payout					\$753.00

(b) Performance Percentage. The actual CIP payout per eligible employee will be calculated by dividing the EBITDA & Revenue actual annual achievement by the EBITDA and Revenue annual target goals. The resulting “Performance Percentage” for the Plan Year shall then be multiplied by the 50% weighting factor for EBITDA and Revenue with the resulting “Weighted Achievement” added together for a total weighted achievement. Awards will be calculated on the payout scale above. The EBITDA measurement will be calculated on a self-funded basis, meaning the final achievement will be adjusted by the cost of the CIP payout. If company performance exceeds the target, the bonus payout could exceed 100%. Similarly, bonus payouts will be less than 100% if target is not met. There will be no bonus payout if attainment is less than 90% of the weighted EBITDA and Revenue goals.

- (c) No exceptions will apply.

Section 6 - Information Requests

The Company agrees to provide to the Union upon request publicly disclosed information about achievement of the corporate financial goals, and the Union clearly and unequivocally waives any and all rights it may have to other information. The Company will also provide the Union a summary of the total CIP payout payments which eligible bargained-for employees received under the plan. This information will be provided as soon as practical following the release of the fiscal year public earnings report.

Section 7 - Payment of CIP

CIP payouts, when the metrics in this program are met, will be paid with its regular payroll remittance (EFT or check) not later than March 15th of the year immediately following the Plan Year. Each such payment shall be subject to the applicable federal and state withholding rate for non-recurring payments (currently, a 25% flat rate) and other applicable payroll taxes.

Section 8 - Benefit Treatment of the CIP Payout

When paid, a CIP payout will be treated as eligible pay solely for the following purposes:

- (a) The CIP payout shall be treated as eligible pay to the qualified 401(k) Plan according to the same contribution percentage (if any) as is in effect for regular wages at the time the CIP payout is paid (with the same terms and conditions for pre-tax or after-tax treatment, and for qualifying for applicable Company matching contributions).
- (b)
- (b) The CIP payout may be taken into account for union dues to the extent determined appropriate by the union representing the employee.
- (d)

CIP payouts will not be included in calculations for any other purposes.

Section 9 - Grievances and Arbitration

The Company shall have the discretion to administer this CIP Plan according to its terms. The Company's interpretations and determinations under this CIP Plan shall be final and binding. The Union may present grievances relating to matters covered by the CIP Plan but neither the CIP Plan nor its administration shall be subject to arbitration, except that the limited issue of an employee's eligibility to participate in a specific payout under the CIP Plan shall be arbitrable. Any "make-whole" arbitration award (which reinstates an employee with full back pay) shall include any applicable CIP payout for the CIP Plan Year in which the employee had been separated from employment if the employee was otherwise eligible and did not otherwise receive a payout for the applicable Plan Year.

Tentatively agreed as of _____, subject to ratification of the entire Collective Bargaining Agreement.

Ryan Whitlock, Vice President – HR
Consolidated Communications, Inc.

Shawn M. LeBlanc, Staff Representative
Communications Workers of America,
AFL-CIO, District 1