

015-281

Memorandum of Understanding ("MOU")

by and between

IHI Power Services Corp. ("IPSC" or "Company")

and

Local Union 1289 of the

International Brotherhood of Electrical Workers ("Union")

Contract Assumption for the Yards Creek Facility

WHEREAS the Company and Union have negotiated modifications to the Collective Bargaining Agreement ("CBA") dated November 1, 2018 – October 31, 2021 between Jersey Central Power & Light Company and Local Union 1289 of the International Brotherhood of Electrical Workers (AFL-CIO) to reflect certain employee benefit changes and other terms and conditions and desire to have those agreed to changes reflect in writing;

NOW, THEREFORE, IPSC and the Union (the "Parties") agree as follows:

1. Contract Extension – Two-year contract extension of the CBA from October 31, 2021 to October 31, 2023.
2. General Wage Increase – 3% GWI on the second pay date in March of 2021 and March of 2022.
3. Vacation
 - a. Banking removed
 - b. Vacation awarded for all employees on January 1 of each year, the anniversary date requirement will be removed.
 - i. At takeover – Full 2021 allotment is applied along with a prorate allotment for the remainder of 2020. This vacation assignment is expected to last until 12/31/2021.
 - ii. January 1, 2022 all employees will be credited with their full allotment again.
 - iii. The carryover criteria by May 1, 2021, will not be applicable and will be activated for 2022.
4. Medical
 - a. Offer two plans – IPSC H.S.A. and 750 PPO which is the base plan.
 - b. Employee Cost of 750 Plan – remain at the 15% individual and 25% employee + child, spouse, and family

- c. H.S.A. Plan cost will be determine as listed in section 7.2(a)
- d. Employees that have reached their deductible with the FE 500 will not be subject to the higher deductible and out of pocket for the IPSC plan. Once at the 500 limits, IPSC will pay the additional deductible and out of pocket for the 750 plan year for the term of the contract.
- e. Select the lower cost between existing 2020 First Energy Cost and IPSC cost then apply for the remainder of 2020 & full year 2021

H.S.A.

	IPSC Cost Monthly	FE Cost Monthly	IPSC Monthly
EE	\$ 95.58	\$ -	\$ 637.18
EE + Spouse	\$ 339.26	\$ -	
EE + Child	\$ 277.58	\$ -	
EE + Family	\$ 478.04	\$ -	\$ 1,975.40

750 PPO

	IPSC Cost Monthly	FE Cost Monthly	IPSC Monthly
EE	\$ 185.35	\$ 163.57	\$ 600.04
EE + Spouse	\$ 407.77	\$ 439.77	\$ 2,544.43
EE + Child	\$ 333.62	\$ 324.69	\$ 1,049.81
EE + Family	\$ 574.57	\$ 432.83	\$ 1,934.38

- f. H.S.A. seed money would be \$700 individual, \$900 employee and child or spouse, and \$1,300 family for the life of the contract. Employee is responsible for notifying the Company of their specific IRS limits, so the additional funds do not exceed IRS limits. If they exceed the IRS limits, the excess money would be put into the employees 401(k) as a profit sharing or provided in cash.
5. Dental
- a. Offer IPSC Dental
 - b. Select the lower cost between existing First Energy Cost and IPSC and apply for the remainder of 2020 & full year 2021. For 2022 and 2023 stay with the IPSC rates.

	IPSC Cost	FE Basic Cost	FE Plus Cost
EE	\$22.40	\$19.49	\$33.88
EE + Spouse	\$46.80		\$67.94
EE + Child	\$52.26		\$89.38
EE + Family	\$82.18	\$76.61	

6. Vision

- a. IPSC to provide Eye Med
- b. IPSC pays 100% for the plan.

7. LTD

- a. LTD – Move to IPSC LTD plan with supplemental buyup post tax.
- b. The terms and provisions of the LTD plan will not be reduced or changed or modified during the term of this MOU/CBA.

8. Basic Life and AD&D Insurance

- a. IPSC to provide 2X for employee \$600K max

9. Supplemental Life & AD&D

- a. IPSC offers the following:
 - i. Employee: options based on \$10K increments, rounded to the next highest multiple of \$10K, up to lesser of 5X annual earnings or \$500K max
 - ii. Spouse: options based on \$5K increments, rounded to the next highest multiple of \$5K, up to lesser of 100% of employee's Supplemental Life insurance or \$250K max; Employee must select Supplemental Life for themselves; benefit amount is limited to 100% of Employee's Supplemental Life election
 - iii. Child: options based on \$5K increments up to the lesser of 100% of Employee's Supplemental Life election or \$30K max; Employee must select Supplemental Life for themselves
- b. For those employees over supplemental Life/AD&D max \$500K, employees will need to use conversion option (Porting) to bridge the gap between transition and 1/1/2021.
- c. Prudential (2021) to honor existing values for Supplemental Life and AD&D coverages. Unum (2020) offering up to IPSC limits of \$500K.

10. 401(k) Plan

- a. ISPC will setup a Yards Creek Represented Employee Savings Plan forecast to be implemented 12/1/2020.
- b. Company match and any market adjustments (only in the positive direction) between takeover and plan activation will be deposited in the 401(k) plans as profit sharing.

11. Defined Benefits (DB) Plan

- a. The Company will provide a DB replacement plan.
- b. Union and Company to evaluate Shawn Fears and Cody Sobel vesting issue

- i. Cody Sobel would have an unvested account balance in the FE Cash Balance plan of \$6,240.21 as of 10/30/2020. IPSC will deposit that same value in his 401(k) plan as profit sharing and he will be vested in that plan.
- ii. Shawn Fears would have an unvested account balance in the FE Cash Balance plan of \$19,135.15 as of 10/30/2020. IPSC will deposit that same value in his 401(k) plan as profit sharing and he will be vested in that plan.
- c. IPSC will transition the two employees in the FE Cash Balance plan to the richer IPSC DB replacement plan.
- d. If any IRS limits are reached, employee will receive excess directly as taxable cash.
- e. All new hires will be subject to the Cash Balance replacement plan going forward.

Replacement Plan Contribution Schedule		Cash Balance Plan Contribution Schedule	
<u>Age</u>	<u>Rate</u>	<u>Points</u>	<u>Rate</u>
Under 25	6.50%	Under 40	4.00%
25 - 29	8.00%	40 - 49	5.00%
30 - 34	9.50%	50 - 59	6.00%
35 - 39	11.00%	60 - 69	7.00%
40 - 44	12.50%	70 - 79	8.00%
45 - 49	14.00%	80+	9.00%
50 - 54	15.50%		
55 - 59	17.00%		
60 - 64	18.50%		
65 & Over	20.00%		

12. Updates to current MOAs:

a. New hire floating holidays –

Agreement Concerning application of Floating Holidays for new hires

	Jan/Feb	Mar/April	May/June	July/Aug	Sept/Oct
Regular Full/time	5	4	3	2	1
Regular Part/Time and Extended Temporaries	3		2		1

Employees hired between November 1 and December 31 will not be entitled to floating holidays that calendar year.

Floating Holidays will be deposited in the employees account based on the above chart in full on the hire date.

- b. Holidays – accept August 25, 2020 MOA as is and includes MLK Day and Veterans Day
- c. Vacation – accept November 19, 2018 MOA on section 6.1.(a), 6.1(c)(6)
 - i. Vacation – 6.1(d) remove section (banking vacation hours)
- d. Vacation – MOA “Deferred Vacation Due to COVID -19” Dated 7/9/2020
 - i. MOA will not apply if First Energy pays out vacation. In the event COVID -19 runs into July of 2021, the Union and Company agree to discuss the need for a deferral MOA.
- e. COVID – accept MOA on “Workplace Flexibility and Paid Time Off Related to COVID-19” dated 3/21/2020
- f. Volunteer Time Off – accept MOA on “Volunteer Time Off Program” dated 6/11/2019
- g. Funeral Leave MOA – cancel MOA “Modification to Article VII, Funeral Leave Provisions” and replace with the below language:
 - i. 8.16(a) Make final sentence read: “Near relatives consist of husband, wife, domestic partner, son, daughter, dependent child, father, mother, brother, sister, father-in-law, mother-in-law, grandchild, brother-in-law, sister-in-law, son-in law, daughter-in-law, or other close personal relationship as authorized by the Plant Manager.”
 - ii. 8.16(a) strike the “in any event, the day following burial shall be the final day of such leave.”
 - iii. 8.16(b) – remove this section

Increases those that are considered “Near Relatives” and allows flexibility to include others if warranted.

- h. Flexible Work Schedule MOA dated June 2, 2020 – Accept the MOA with the following exception, item number #7 and #8 are removed. This will avoid a six-person crew from working two different shifts, they would either be on a 4X10 or 5X8 but not both.
- i. NGP Supplemental Benefits – MOA not accepted, replace NGP with AFLAC
 - i. AFLAC will be made available by IPSC for employee purchase.
 - ii. Info Armor identity theft will be made available by IPSC for employee purchase.

13. Catastrophic Assistance & Relief for Employees

- a. The Union and Company agree to revisit the Catastrophic Assistance & Relief for Employees program by the end of the first quarter 2021 and commence discussions about a replacement plan.

14. New Hires

- a. Job Postings – will apply electronically; however, IPSC will also notify Union prior to posting and post on bulletin board. All applications will be electronic. Once job is awarded, Company will notify Union
- b. EEI testing will be required for new hires prior to their hire date.

15. Retirees

- a. Medical – IPSC to offer the 750 plan to retirees and the employee cost is as per outlined in the CBA.
- b. Life Insurance – IPSC will provide retiree life as outlined in the CBA once the event occurs retirement or death (spousal). Levels of coverage will be in line with the CBA requirements.

16. Survivor Benefits

- a. IPSC will offer in accordance with the CBA and the cost is as outlined in the CBA.
- b. Cost of Dental – IPSC will not offer a survivor dental plan

17. Pay Practices

- a. Stay with weekly pay periods
- b. Stay with Sunday to Saturday work week

18. Healthy Living

- a. The Healthy Living program will no longer be used.
- b. Cash value will be deposited in the 401(k) accounts as profit sharing (max \$600 employee and \$200 spouse) or cash. Provide proof at the end of the year prorated based on monthly participation in healthy living activity. IPSC and union to develop criteria for reimbursement.
- c. IPSC to evaluate companywide program in 2021 for implementation in 2022.

19. Safety Shoes and Eye Wear

Provisions for Safety of Employees

- a. The Company continues to recognize that it has the responsibility to provide a workplace free of recognized hazards that cause or are likely to cause death or serious physical harm to employees. The Company agrees to continue to provide a work place free of such hazards and shall adopt and use methods and processes and conduct such repairs and maintenance as are reasonably necessary to achieve that purpose. Protective devices, wearing apparel, and other equipment, necessary for the proper

protection of employees from injury, shall be provided by the Company in accordance with the practice now prevailing.

The Company requires employees to wear appropriate foot protection when performing their jobs.

- b. When the Company requires an employee to wear safety shoes, the Company shall contribute to the cost of such shoes. All employees who are required to wear shoes with metatarsal guards and who purchase shoes which have such guards built in, thereby avoiding the need for the Company to provide Sanky foot protection, shall be reimbursed an additional ten dollars (\$10.00) towards the cost of such safety shoes. These safety shoe allowances shall be paid only for Company approved safety shoes upon submission of a valid bill of sale or other proof of purchase for the shoes. The total shoe reimbursement allowance shall be up to \$200 per year per employee or Company established amount, whichever is greater. The employee shall be reimbursed the amount upon submission of a valid bill of sale or other proof of purchase for the shoes. All employees are required to wear approved safety shoes unless they are in an office environment.
- c. The total reimbursement for prescription safety glasses is up to \$450.00 per year per employee. In the event the primary pair are damaged, this amount can be exceeded with Plant Manager approval. The employee shall be reimbursed the amount upon submission of a valid bill of sale or other proof of purchase for the glasses.

20. BTA Insurance – Will no longer be provided.

- a. Primary vehicle usage – company vehicles
- b. Secondary vehicle usage – rental car
- c. Tertiary vehicle usage (last resort) – personal vehicle – IPSC verified Company auto policy would cover employee driving personal vehicle for Company business.
 - i. Personal vehicles are covered under IPSC Auto insurance as secondary insurance when being used for work.

21. Adoption Assistance –

- a. IPSC to provide a one lifetime lump sum payment of up to \$5,000.00 less taxes for proof of adoption services for employee and spouse or domestic partner.

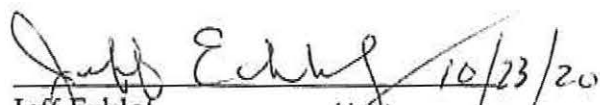
22. Davyd Gargiulo – out on medical with FE and if he is able to return to work fully released by the 18th month he will have a job offer. If the condition goes beyond 18 months, the Union and Company agree to meet and discuss at the 16th month mark, for any additional extensions.

23. Attachments A and B are incorporated herein and made a part of this MOU.


This MOU and its provisions will only take effect upon finalization of the transaction between the buyer Yards Creek, LLC and seller First Energy and ratification by IBEW Local 1289 Members.

The Company agrees to assume the CBA currently in effect between IBEW Local 1289 and JCP&L and to abide by and satisfy obligations as set forth in that agreement, as well as to negotiate in good faith for a successor agreement to this MOU that assumes and extends the terms of the current agreement as well as modifies those terms set forth herein. All terms of the current CBA not modified by this MOU will remain in force and the parties agree to be bound by the same for the duration of this MOU, until 10/31/23.

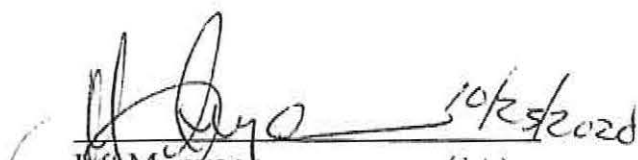
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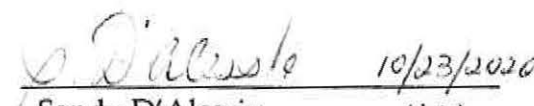

Jeff Ecklof (date) 10/23/20
President/Business Manager
Local 1289 IBEW



Kyle V. Adler (date) 10/23/2020
Vice President Human Resources
IHI Power Services Corp.


Bob Bruno (date) 10/23/20
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Rick Spurlock (date) 10/23/2020
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Jeff Munyan (date) 10/23/2020
Assistant Business Manager
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Sandy D'Alessio (date) 10/23/2020
Recording Secretary
Local 1289 IBEW


John Rayment (date) 10/23/2020
Sr. Business Rep
Local 1289 IBEW

Attachment A

Policy 5.8 – Sick Time Use and Reporting – Yards Creek

Statement:

The Company provides a sick time benefit in the event that an employee develops a short-term illness. The Company has also developed a strategy for handling longer-term employee illnesses

Policy:

Sick Time

The Company provides sick time per calendar year in accordance with the table below:

YEARS OF SERVICE	SICK HOURS – FULL	SICK HOURS – HALF
0 Mos. – 9 Mos.	40	40
9 Mos. – 1 Yr.	80	80
1 Yr. – 2 Yrs.	160	160
2 Yrs. – 3 Yrs.	200	400
3 Yrs. – 4 Yrs.	240	480
4 Yrs. – 5 Yrs.	280	560
5 Yrs. – 6 Yrs.	400	800
6 Yrs. – 7 Yrs.	480	960
7 Yrs. – 8 Yrs.	560	1120
8 Yrs. – 9 Yrs.	720	1040
9 Yrs. – 10 Yrs.	800	1040
10 Yrs. – 15 Yrs.	1040	1040
15 Yrs. – 20 Yrs.	1160	920
20 Yrs. Or More	1280	800

Use of sick time for an illness in the employee's family, please refer to State and Federal laws. Sick time will not accrue. Sick time resets on January 1.

Use – Sick leave can be used in increments of 4 hours. Sick leave can be used, with manager's prior approval, to attend routine medical appointments, such as doctor's visits, picking up prescriptions, etc. Dr. Appointment should not exceed 4 hours. Employees should make every attempt to schedule medical appointments during off-hours. Excessive use of sick time will result in the need for verification. Excessive use is defined as: Three (3) consecutive days or 5 or more occurrences in a calendar year. For verification, Management may request the employee furnish written confirmation of his medical practitioner's

certification of total inability to perform the duties of his employment, which shall include diagnosis, prognosis and work restrictions or limitations. Such certification will be sent to the employees HR representative. Sick time cannot be used on Company-observed holidays.

Reporting – Employees are required to notify their manager as soon as possible but no later than prior to the start of the shift. It is preferred that if the employee can provide 2 hours notice that would be appreciated given other employees may need to be called out. When calling in, the employee will need to talk directly with the manager. Text messages or emails are not considered talking directly with a manager.

If an employee's illness or surgery is expected to last over two days, they are required to call into the FMLA tracking system. If calling in sick, at the start of the third day, the employee is expected to call into the FMLA tracking system.

Attachment B

Policy 4.3- Education Reimbursement Program

Statement:

IHI Power Services Corp. (IPSC) encourages eligible employees to further their self-development and to stay on the leading edge of knowledge in their area(s) of responsibility by reimbursing educational expenses for business-related degrees, courses, or programs from approved and accredited educational institutions.

Manager and budgetary approval is REQUIRED before an IPSC employee enrolls in an educational program.

Policy:

This policy applies to all full-time, regular employees of IPSC with a minimum of six (6) months of continuous, full-time service. Eligible employees must be on the full-time, regular payroll at both the start and end of the course. Tuition and education expenses for employees on a leave of absence, extended disability leave, terminated employees, or who are otherwise restricted from working full-time will not be covered. Pre-approved courses begun prior to a leave of absence, extended disability leave, or restriction that prevents the employees from working full-time will be reimbursed upon course completion with submission of the required documentation outlined in this policy when the employee returns to full-time, regular duty.

Eligible employees must complete the Education Reimbursement Program Request Form (Step 1 of 2) outlining the justification for the educational expenses. At a minimum, the business case shall include:

- Justification for program demonstrating alignment with business needs and employee's developmental goals.
- Validation that the program is an accredited program.
- Projected cost (including books) and cash flow estimates over the duration of the program by quarter.
- Employees who receive grants which cover the entirety of the costs and which do not need to be paid back, such as a PELL Grant, cannot apply for reimbursement through the Company.

The employee who is requesting to enroll in the program will need to submit the Education Reimbursement Program Request Form for approval by their manager prior to the budget cycle for the upcoming year (typically by the end of July). This requirement is necessary to support cost estimates going forward, along with cash flow requirements associated with this program. The plants must carry this within their budgets. The Education Reimbursement Program Request Forms (Step 2 of 2) can be found on the Company intranet under HR Forms.

Eligible employees may be reimbursed for approved educational expenses of up to \$5,250 per calendar year. Employees will need to complete and submit the Education Reimbursement Program Request Form (Step 2) for reimbursement. Employees are responsible for paying taxes on all reimbursed expenses.

The goal of the program is to pay for tuition and books for the attending employee. Items such as, but not limited to, parking, supplies beyond books, airfare, rental cars, uniforms, trips or travel, hotels, etc. are not reimbursable.

All courses or degrees requested must be:

- Offered by an educational provider that maintains a regional accreditation.
- Related to the employee's present job.
- Related to the employee's development plan, as agreed upon with the employee's manager.
- A definite aid to the employee's current job and/or development, or to a position into which he or she may be expected to move within three (3) years, and thus will support the Company in achieving its business objectives.

Classes should be attended on the employee's own time and not during normal working hours.

Examples of acceptable fields of study:

- Accounting and Finance
- Business Administration
- Engineering
- Environmental
- Safety
- Human Resources
- Project Management
- Business Development

Documentation Requirements

- Approved Business Case
- Documentation of satisfactory completion of each class:
 - Grade "C" or better for undergraduate
 - Grade "B" or better for postgraduate
 - If letter grades are not received for the class, a "pass" or "credit"
- Invoice for all eligible expenses
- Receipts or other proof of payment for all eligible expenses

Training Programs

Training programs must be specifically approved by at least two levels of manager, recognized in the existing budget, and tied directly to employee's current position or the next promotable position as discussed with their direct manager. All course work must be scheduled within normal working hours and will be paid in accordance with the employee's regular scheduled shift; however, for course work that last over an entire week, manager should adjust the employee schedule to a forty (40) hour workweek.

Eligibility: All Active Full-Time and Part-Time Employees.

Expenses Covered: Same as Educational Reimbursement.

License and Certificate Programs

License and Certificate programs are considered professional license or certificates required by third party entities such as states. Licenses and certificate programs are typically Boiler/Operator, Water Treatment, or Professional Engineers License. All license and certificate program cost are required to be submitted during the normal budget process in the July timeframe. There are two levels to the program, license/certificate costs, renewal and development.

- **License/Certificate Renewal** – This would be considered the fee associated with keeping the license or certificate active. Employee is reimbursed once evidence is provided that renewal fee has been paid.
- **License/Certificate Development**– Courses required for achievement of next level license or certificate or courses required for maintenance of existing license or certificate. Employee is reimbursed once evidence is provided that course work has been completed.

License and Certification Training programs must be specifically approved by at least two levels of manager, recognized in the existing budget, and tied directly to employee's current position or the next promotable position as discussed with their direct manager. All course work must be scheduled within normal working hours and will be paid in accordance with the employee's regular scheduled shift; however, for course work that last over an entire week, manager should adjust the employee schedule to a forty (40) hour workweek.