

Resource Action Information Package for Employees

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Part 1: Quick Reference Summaries

Highlights of Payments and Benefits

This brief description does not include all details. Refer to the Resource Action Summary Plan Description for more information.

Separation Payment

Lump sum payment equivalent to one month of pay.

You will be required to accept a Separation Agreement, included in this package, to receive the payments and benefits of this Resource Action.

Transitional Medical Plan (“TMP”) – Eligibility for Continued IBM Subsidy for Medical Coverage

Coverage Period	Eligible Service
3 months	Less than 5 years of service
6 months	5 or more years but less than 25 years of service
12 months	25 or more years of service

Note: Employees in the groups listed below are eligible for the TMP subsidy for self-coverage only. Dependent coverage will be at the full COBRA rate.

- *GBS Application Development Specialist (job family 06E) employees hired on or after May 1, 2013 with two or more years of service, and who remained continuously employed as a GBS Application Development Specialist (job family 06E) employee;*
- *Employees hired into IBM Division 41 with two or more years of service, and who remained continuously employed as a Division 41 employee;*
- *GBS Entry Professionals hired on or after April 6, 2015 into Band 6 who have two or more years of service and who remain in Band 6 at the time of their separation from IBM.*

Subsidized TMP/COBRA: All individuals who comply with the requirements of the resource action, along with their eligible covered dependent(s), are eligible for subsidized IBM Plan coverage for up to three, six, or twelve months (“TMP Subsidy”), based on your Continuous Service Dates (CSD) in Workday (WD). That said, if you were part of an Acquisition or Strategic Outsourcing deal that has unique terms with respect to service credits, and those service credits are still in affect, your coverage will be based on your grandfathered vacation eligibility date. If the terms have expired, your coverage will be based on your CSD. If you have any questions, please contact HR@IBM.

Transitional Group Life Insurance – Eligibility for Continued Coverage by IBM

Coverage Period	Eligible Service
3 months	Less than 5 years of service
6 months	5 or more years but less than 25 years of service
12 months	25 or more years of service

Employees who comply with the requirements of the resource action who separate, retire or begin a Retirement Bridge from IBM will be provided with continued IBM Group Life Insurance (GLI) coverage at no cost to the employee for up to three, six or twelve months, depending on Continuous Service Date (CSD) in Workday (WD). That said, if you were part of an Acquisition or Strategic Outsourcing deal that has unique terms with respect to service credits, and those services credits are still in effect, your coverage will be based on your grandfathered vacation eligibility date. If the terms have expired, your coverage will be based on your CSD. If you have any questions, please contact HR@IBM.

Additional benefits that are fully paid by IBM

IBM Career Transition Services

Outplacement and career counseling services provided by Right Management – contact information included in this package. See Part 2: IBM Career Transition Service Options for additional detail.

IBM Financial Planning Services

Access to IBM MoneySmart coaches for up to 120 days after your departure date.

IBM Retraining Assistance Program

Reimbursement up to \$2,500 for job-related skills training completed within 12 months of departure date.

Retirement Bridge associated with this resource action

Retirement Bridge up to one year for eligible employees who participate in the IBM Personal Pension Plan and are within one year of retirement eligibility as of departure date.

Checklist of actions to take now

1. Read this package in its entirety, including the Separation Agreement.
2. Visit this w3 site, "Leaving IBM – For Employees" for links to important information:
<https://w3-01.ibm.com/hr/web/us/separations/emplseppol.html>
3. Check www.netbenefits.com to review the status of your IBM Personal Pension Plan benefit, if applicable, and the value of your IBM 401(k) Plus Plan. Vested benefits remain yours. There is no need to take immediate action to secure them for your later use, but you should understand your options and possible tax consequences.
4. During the period that is not more than 180 days before the date the employee will retire, employees who are eligible for the IBM Personal Pension Plan should contact Fidelity Employee Services Center at 800-796-9876 to begin processing of pension benefits. The earlier the employee contacts IBM Pension Services during this time period, the more likely pension benefits will be paid on time. Failure to contact IBM Pension Services within this time period may result in the method of payment being affected or a pre-retirement survivor benefit being paid to the employee's spouse in the event of death, rather than to a beneficiary the employee has elected.
5. If a portion of your pension benefit is payable as an excess benefit (a benefit paid outside of the IBM Personal Pension Plan trust fund) this benefit must be paid to you on the 15th of the 3rd month following the date your Retirement Bridge begins. Participants in the PPA plan should have already made elections for their pension plan benefit. Employees in the Prior Plan must have submitted election forms or the benefit will be paid under the default form of payment.
6. Consider IBM 401(k) Plus Plan distributions and outstanding loans.
7. Initiate Career Transition Services as soon as possible during the notice period but no later than 60 days after your departure date. You will be asked to provide Right Management your IBM employee serial number.
8. Be sure your personal and emergency contact information in Workday is up to date.
9. Sign up for continuing medical coverage within 60 days after your benefits end or when you receive a benefits notification letter from IBM, whichever is later, to avoid irrevocable loss of transitional medical plan coverage. Details about the transitional medical program can be found elsewhere in this package.
10. Discuss with your manager the number of accrued but unused vacation days that you have and when you can take these days prior to separation.
11. Provide a list of system IDs and passwords to your manager before your departure date.
12. Contact the HR@IBM to ask questions and clarify your understanding of any programs.
13. Set up an appointment with an IBM MoneySmart coach for financial planning and guidance.
14. Consider contacting the IBM Employee Assistance Program for support programs to help with this transition.
15. Be sure to keep the HR@IBM apprised of address changes in the future.
16. Reach out to your manager or second-line manager at any time for additional assistance.
17. After you separate, apply for up to \$2,500 in reimbursements for retraining sessions you use during the next 12 months.
18. Health Savings Account (HSA) Incentives: In order to receive HSA Incentives for which you may be eligible, you must complete the Incentives prior to your last day of employment. When you enroll, you may request a code that can be used to purchase an Apple Watch which has to be purchased prior to your last day of employment. If you request the code, you will automatically be charged imputed income for the watch whether or not you actually purchase the watch. Payments for completed HSA Incentives will be made post-tax via manual check to the address on file with HR@IBM.
19. Contact Litigation at Retention/White Plains/IBM if you are subject to Document Retention Order.

Note: Contact information for these programs and services appear on the following pages.

Contact Information

<p>HR@IBM IBM Benefits Center Provided by Fidelity</p>	<p>IBM Benefits Center - Provided by Fidelity, please log in to NetBenefits at www.netbenefits.com/ibm</p> <p>You may also call the IBM Benefits Center - Provided by Fidelity at 866-937-0720, Monday through Friday, between 8:30 a.m. to 8:30 p.m. Eastern Time.</p> <p>For specific HR@IBM contact information, VRU prompts and emails, visit and go to US Contact Information: https://w3-01.ibm.com/hr/web/empservices/esc/globalesc.html</p> <p>Working hours: 8:30 am - 8:30 pm EST Mondays - Fridays (excluding US holidays)</p>	<p>IBM Benefits Services</p> <p>Future Health Account (FHA)</p> <p>Transitional Group Life Insurance (GLI)</p> <p>Retraining Assistance Program (RAP)</p> <p>Transitional Medical Program (TMP)</p> <p>COBRA</p> <p>IBM Pension Services</p> <p>IBM Retirement Plan Benefits</p> <p>IBM Personal Pension Account (PPA)</p> <p>Joint and Survivor/Leveling Options</p> <p>Personal Retirement Provision (PRP)</p> <p>Retirement Eligibility</p> <p>Retirement Estimate Questions</p> <p>Vested Rights</p> <p>Separations</p> <p>General employee package questions</p>
<p>Right Management</p>	<p>866-319-1690 or e-mail getstarted@right.com</p>	<p>IBM Career Transition Services</p>
<p>Acclaris Consulting</p>	<p>888-880-2775 (TTY: 877-314-2240)</p>	<p>IBM Retraining Assistance Program</p>
<p>Optum by United Behavioral Health</p>	<p>800-445-9720 (TTY: Dial 711 and enter 800-445-9720)</p>	<p>IBM Employee Assistance Program (EAP) for you or eligible immediate family members</p>
<p>Resource Action Project Office</p>	<p>For questions on Resource Action Topics not listed above, contact the Project Office e-mail ID provided in the cover letter you received.</p>	

Part 2: Detailed Information about Programs and Services

Internal Movement for Employees Identified in a Resource Action

If you have a satisfactory performance rating, you may pursue internal openings within IBM; however, job offers may be limited to those who have the required skills of the position and/or the strongest performers. Additional business controls also may be in effect to manage the business objectives of this resource action. Below is some helpful information to remember when searching for another position within IBM.

- Keep your manager informed of your developmental and job search activities. Additional approvals may be required for placement into a new position.
- Access Global Opportunity Marketplace launch page (<http://w3.ibm.com/hr/global/OppMarketplace.html>), using your IBM external e-mail address and your intranet password. Here you may search and apply for suitable positions, and link to employee FAQs and training.
- CV Wizard is a tool available to help you create your resume:
<https://w3-01.ibm.com/services/americas/cvwizard/cv-wizard.nsf>
- Update your resume with IBM Open Badges: digital credentials to build your eminence. You can earn an IBM Open Badge for completing selected activities at <https://www.youracclaim.com/organizations/ibm/badges>. Digital badges are available at no cost through Big Data University (<http://bigdatauniversity.com/badges/>).

IBM Career Transition Service Options

Career Transition Services are provided by Right Management, a global leader in career management and development, at no cost to you. Enhanced and accelerated transition services are designed to help employees find a new position more quickly and easily. With the industry's largest network of experienced career coaches, Right Management can help you develop a strategy to consider your options and achieve your goals. Right Management has over 100,000 job postings available at any given time. Contact Right Management as soon as possible to begin taking advantage of this support during your working notice.

You may begin Career Transition Services before your departure date. You must initiate services by contacting Right Management no later than 60 days after your departure date or you forfeit your eligibility for these services. You will be asked to provide Right Management your IBM employee serial number. Career Transition Services are provided to individuals for a period of up to 6 months from when you initiate the services, followed by an abbreviated version of your program, Continuous Connections, until securing a job or until making a significant career decision.

For an overview of the services available go to www.right.com/getstarted. At this site, you can locate information to contact Right Management via phone, text, chat, or email, to discuss transition services or ask any questions you may have about starting your program.

To assist in your transition, you will have the flexibility to choose between Office Based or Virtual Career Transition Services, along with the benefit of your own assigned consultant to partner with you throughout your program. Visit www.right.com/getstarted for more information.

Career Transition Services Options

- Assessment and feedback
- Career mapping
- Resume development and editing
- Career strategy development
- Weekly progress reviews and accountability groups to accelerate progress and action planning
- Monthly “Fresh Eyes” review for additional coaching perspective
- Financial planning
- Traditional and non-traditional retirement planning and guidance
- Entrepreneurship, consulting and franchising
- Work/Life balance

Access to RightEverywhere, Candidate Portal

- RightEverywhere® - 24/7 access to robust information, powerful tools and expert personalized guidance
- Résumé Builder, iView®, OneSource company research and virtual career fairs
- RightSkills and certification trainings
- Individual social media plan – LinkedIn, Blogging, Twitter, Facebook. Etc.
- Workfolio personal website
- Compensation package design
- Information on career seminars and webinars
- Alumni website

Job Leads and Search Essentials

- Customized job leads and job opportunities
- High yield job search strategies
- Talent profile
- Matching resumes to “Hot Skills” by market
- Effective networking opportunities to expand networks and strategic connections
- Interview strategies, presentation skills and negotiation assistance
- Feature employer spotlight events
- Training for recruiter interactions and virtual career fairs
- Periodic IT virtual career fairs
- Experienced job resource consultants
- Connections with nearly 200 IBM business partners to facilitate job matching
- Leveraging targeted job leads through Experis/ManpowerGroup

Access to Logistics & Support Team

Employees will receive professional logistical and administrative support to include: Scheduled use of workstations; telephone, and fax services; resume design and production; access to copiers and personal computers. These services are only available from a Right Management office; please visit the Right Management website for a listing of office locations.

IBM Financial Planning Services

Active IBM employees are eligible to participate in IBM's financial planning program, IBM MoneySmart. This program combines an online portal containing financial education materials, tools and calculators with confidential, one-on-one personal financial planning sessions with a MoneySmart Coach. Register at <http://w3.ibm.com/hr/us/moneysmart>.

Please note that IBM will continue your eligibility for MoneySmart coaching for 120 days after your departure date, although access to the online portal ends on your departure date. This will allow you time to transition your financial planning activities as needed.

Program participants may contact the IBM MoneySmart Center at 877-543-7678 (TTY: 866-217-8694) to set up an appointment.

Government Resources

Additional job search and placement resources including training services are available through federal and state sponsored programs. For information or to find the nearest One-Stop Career Center, call 877-US2-JOBS (TTY 877-889-5627), or visit www.careeronestop.org.

Services also include information on the local economy including growth industries and occupations, career counseling, and information on training programs for skill upgrades and career changes.

IBM Employee Assistance Program (EAP)

The IBM Employee Assistance Program (EAP) provides short-term counseling to IBM employees and their eligible family members. You can qualify for up to eight sessions at no cost to you. You can qualify for up to eight face-to-face counseling sessions per situation during the course of one calendar year. Important Note: If you are currently age 65 or will turn age 65 shortly after leaving IBM, you will not be eligible to participate in the EAP unless you elect TMP/COBRA coverage.

IBM Retraining Assistance Program (RAP)

The Retraining Assistance Program is designed to provide an opportunity for employees affected by this resource action to help develop skills for a new career. The reimbursement will assist with the cost of items such as retraining and job-related skills building.

Eligible employees who depart from IBM will be reimbursed for eligible expenses up to a maximum of \$2,500 for eligible retraining completed within 12 months of the departure date, with reimbursement applied for within 15 months of departure date.

These reimbursements are considered taxable income to the recipient. Taxes will be withheld from RAP reimbursements and a W2 will be issued at year end.

To be eligible, all courses must begin after separation and must end with documentation of successful completion within 12 months from the date of departure. RAP payments will not be prorated.

Institutions considered eligible are accredited colleges, universities and high schools, as well as business, technical or correspondence schools. Also eligible are non-accredited classes, seminars, lectures or workshops held by professional associations and instructors with established, documented credentials acceptable to IBM and whose primary purpose is to provide job-related skills training.

Eligible expenses include:

- All required institution/instructor's tuition or fees (except those specifically specified in ineligible expense section)
- Application fees (including transcript fees)
- College curriculum fees; college lab fees; computer access/use fees (information technology fees); course registration fees (except late registration); exam fees (certification exams, proficiency exams or Credit for Life Experience (CLEP)); general service fees (matriculation, non-matriculation)
- Required materials/books, including software, audio/video tapes, CDs, and/or DVDs; home study and/or Internet courses; also includes GMAT and real estate license fees
- Language courses require documentation from the provider that the course is job related

Expenses not eligible for reimbursement include:

- Association or student union fees (student activity fees); athletic/recreation/sport fees
- Career counseling and resume building
- Course change or withdrawal fees
- Equipment such as personal computers, laptops, printers, etc.; financing or installment service charges (deferred tuition payment contracts); fingerprint fees; insurance fees; late registration fees
- Certification or accreditation fees (not exam fees)
- Medical or physical exam fees; membership fees; parking fees; realtor board dues; sales recovery fees; telephone registration fees, travel, meals or lodging; tutoring (tutoring may be eligible under certain circumstances – i.e. the provider furnishes his Tax ID and can prove accreditation in the subject matter taught).

Upon course completion, application for reimbursement may be made by submitting a completed RAP Reimbursement Form to Acclaris Consulting, one claim per form, along with a copy of the paid receipt and proof of successful completion from the course provider. All requests for reimbursement must be submitted within 15 months from the date of departure. Forms are available through Acclaris at <https://www.acclarisonline.com>.

Any questions may be directed to Acclaris Consulting at 888-880-2775 (TTY 877-314-2240).

Employee Questions and Answers

The following questions and answers are intended to provide you with additional information relating to the resource action and other IBM plans which may be applicable to those identified in the resource action. These questions and answers are not part of the terms and conditions offered for those included in resource action or its Summary Plan Description. If you need an interpretation on which you intend to rely about anything concerning the resource action or how it relates to any other IBM plan, you should send a written request to the appropriate Plan Administrator in which you specifically ask for a formal interpretation. You may also contact the Project Office or HR@IBM at 800-796-9876 for additional information.

General

Q1. Why is the working notice period 90 days?

A1. IBM believes that this amount of time benefits employees by providing them additional time to find another job within or outside IBM -- better reflecting the time it takes most people to find new employment.

Q2. Can I look for another position within IBM?

A2. You may apply for open IBM positions listed in the new Global Opportunity Marketplace (<http://w3-01.ibm.com/hr/web/recruitment/gom/>). Competition for these positions remains strong in IBM's high-performance environment, with selections based on choosing the person with the best performance and skills.

-- You are also encouraged to use BlueMatch:

(<https://careersmart.atlanta.ibm.com/hr/careersmart/html/matching.html>), an internal analytics-driven matching service that connects IBMers with job openings based on their skills and experience. In addition, you can visit the Blue Matching Community at (<https://w3-connections.ibm.com/communities/service/html/communitystart?communityUuid=97b5060b-9ae4-4bbe-a566-fb851e7791ab>)

Q3. If I have accrued but unused vacation days, what happens to those days?

A3. After you are notified about your inclusion in the resource action, you should discuss with your manager how many accrued but unused vacation days you have remaining. You should then work with your manager to find mutually agreeable times to take days prior to your separation. If extenuating business circumstances preclude you from taking all your accrued but unused vacation days, before your departure date, those days (and if you work in California, unused personal choice holiday days for the current year) will be handled in accordance with the terms of the IBM Vacation Plan and applicable supplements. If you have any additional questions, please refer to the You and IBM-U.S. – Vacation Plan section of w3.

Q4. When can a revised departure date be assigned?

A4. Departure dates are assigned based on business need. Where IBM's business needs require a delayed departure date, departure date changes may be recommended by management and with appropriate approvals assigned by the Project Office.

Q5. How can I estimate my separation payment?

A5. Your separation payment will be a lump sum payment equivalent to one month pay.

Q6. Can I defer receipt of my separation payment until the following year for tax purposes?

A6. No.

Q7. What taxes will be withheld?

- A7.** Withholding will include: 1) federal income tax at the rate of 25 percent, according to the current IRS regulations, 2) FICA, if the employee has not reached the annual limit, and 3) applicable state and local taxes. Consult your tax advisor with any questions relating to taxes.

In addition, other monies due to IBM, such as overpaid salary, commission debit balances, travel and mobility related expenses, etc., may be withheld from separation pay.

Your W-2 Tax Statement will be mailed in January of the year following your separation to your home address on file. If you do not receive your W-2 Tax Statement by February 15, you may contact HR@IBM to request a reissue from payroll.

Note: Other deductions, including stocks and bonds, that normally occur with salary payments will not be withheld from separation pay. Also, no electronic funds transfers will occur with final payments to employees.

- Q8. What if my address changes?**

A8. If your address changes, you should contact HR@IBM at 800-796-9876 to speak to a representative. They will update your employee record.

- Q9. Will I be eligible for the Growth Driven Profit-sharing payment?**

A9. To be eligible for a Growth Driven Profit-Sharing (GDP) payment, employees must be: 1) on board as of December 31st. 2) meet the criteria to receive GDP, and 3) not be on any type of sales or services incentive plan, or eligible for any other special program which may be offered in lieu of GDP. For additional information regarding GDP program and eligibility, please visit this link: (<http://w3-01.ibm.com/hr/web/us/compensation/gdp/index.html>).(<http://w3-01.ibm.com/hr/web/us/compensation/gdp/index.html>).

- Q10. What kind of job reference/employment verification will IBM provide?**

A10. IBM's policy is not to provide employment references. However, you can choose to make available to a third party either a verification of employment or verification of income. To understand what these verifications entail, visit this link: (http://w3-01.ibm.com/hr/web/us/empdata/employ_verif_us.html).

- Q11. Will laid-off employees have recall rights?**

A11. No. This layoff is permanent. Employees could, of course, re-apply for positions within IBM as they become available in the future and would be considered for these openings on a competitive basis.

- Q12. When must I accept the Resource Action Separation Agreement? Where do I send it after accepting it?**

A12. You can take up to thirty (30) days from the date you received this Agreement (even if your employment will end sooner) or until your last date of employment, whichever is longer, to consider this Agreement and the accompanying separation program information. If you accept this Agreement before the expiration of the 30-day period, you acknowledge that you knowingly and voluntarily waived the ability to wait the full 30 days. Employees may not accept the Agreement before their last date of employment with IBM. Signatures may be accepted online through Workday or returned hard copy to your manager.

- Q13. Can employees who leave under the resource action represent suppliers to IBM?**

A13. IBM generally will not accept former IBM employees as suppliers' representatives for a period of one year after their employment with IBM has ended.

- Q14. I was identified in the resource action and told I must leave IBM on a certain date. Will I be eligible for unemployment compensation?**

A14. Eligibility for unemployment compensation is determined by individual states. Contact your state unemployment office or department of labor.

- Q15. Are there any other state or federal programs for which I will be eligible?**

- A15.** The U.S. Department of Labor (DOL) offers various worker readjustment programs. Since eligibility and application procedures vary, you may wish to contact your local DOL agency for assistance.
- Q16. What do I do if I have an H1B or O-1 Visa?**
- A16.** Contact the Immigrations Department at Immigration/Raleigh/IBM or usvisas@us.ibm.com
- Q17. Do I have to be enrolled in TMP/COBRA to use the Employee Assistance Program (EAP) after I separate from IBM?**
- A17.** Once your health benefits end after leaving IBM, you need to decide whether you want TMP/COBRA coverage. If the you choose TMP/COBRA coverage, you will become eligible to use the Employee Assistance Program (EAP). If your health benefits end after leaving IBM and you choose not to sign up for TMP/COBRA, you will not be eligible to use EAP, unless you had participated in one of the eight eligible sessions prior to leaving IBM. In this case, you will be eligible to continue with EAP without TMP/COBRA benefits. Important note: if the you have already turned 65 and are not participating in TMP/COBRA, you are not eligible to continue with EAP.
- Q18. Where can I find information on IBM's retiree health coverage?**
- A18.** Details of the plan options available under the IBM Benefits Plan for Retired Employees can be found in the Summary Plan Description (SPD), About Your Benefits: Post-Employment. The SPD is available via <http://www.netbenefits.com>, through w3 at <http://w3-01.ibm.com/hr/web/us/benefits/medical/afteribm/index.html>, or you can request a copy by calling a Fidelity Employee Services Center representative at 800-796-9876.
- Q19. I have already turned age 65 or will turn age 65 within a couple of months after my retirement date. When do I need to sign up for Medicare?**
- A19.** It's very important that you follow the necessary steps to enroll in Medicare (Part A and Part B) as soon as possible (even if you are still actively employed or are planning to continue coverage after you leave IBM through TMP/COBRA) to avoid any delay in coverage. You should not wait until you leave IBM to enroll in Medicare.
- Q20. If I elect TMP/COBRA, when does such coverage become effective?**
- A20.** After your separation, you will receive your TMP/COBRA notice, which describes your right to continue coverage, the cost of such continuation coverage, how to elect continuation coverage, and the dates by which you must choose such continuation coverage. If you timely elect TMP/COBRA continuation coverage, your coverage will be retroactive to your departure date and you may submit any claims for the period beginning with your separation from IBM.

Retirement, retirement bridge and vested rights

- Q21. Am I eligible to receive IBM contributions (match and automatic contributions) for the 401(k) Plus Plan and/or the Excess 401(k) Plus Plan?**
- A21.** If you meet certain age and service requirements at your separation date (including if you separate after the end of a retirement bridge) you will be eligible for IBM match and automatic contributions under both the 401(k) Plus Plan and the Excess 401(k) Plus Plan, as applicable, if all other eligibility requirements for IBM contributions are met. These IBM contributions will be made as soon as practicable following separation. If you are on a retirement bridge as of December 15 of a plan year, you will be eligible to receive IBM contributions at the end of that plan year if you meet all other eligibility requirements.
- If you separate prior to December 15 and have not met the age and service requirements, at the time of your separation, you will not be eligible to receive the IBM match and automatic contributions for the year in which you separate.
- Q22. If I am retirement-eligible, will I receive the payments and benefits associated with the resource action?**
- A22.** Yes. You are eligible for the payments and benefits associated with that resource action, if you meet the terms and conditions and accept the separation agreement.

Q23. If I am retirement eligible do I have to be identified as retiring?

A23. Identifying you internally in IBM systems as retirement eligible enables to you receive certain benefits that might not otherwise apply under the terms of a resource action. If you meet IBM's age and service criteria to be retirement eligible, you will be coded as retirement eligible at the time of separation. The reason for your departure will only be shared internally with those with a legitimate reason to know and as appropriate. Please note, while you must take certain actions related to retirement, you are not required to commence benefits under the IBM Personal Pension Plan (including commencement of benefit, if applicable).

Q24. Is the separation payment eligible pay for IBM 401(k) Plus Plan contributions?

A24. No. Separation pay is not eligible pay under the IBM 401(k) Plus Plan. For a more complete definition of eligible pay, please see the IBM 401(k) Plus Plan Summary Plan Description (SPD) section entitled "Eligibility, Deferrals, and Employer Match." You can obtain a copy of the SPD via <http://www.netbenefits.com> or through a Fidelity Employee Services Center representative at 800-796-9876.

Q25. Where should I direct questions regarding eligibility for retirement, pension or vested rights benefits?

A25. Call Fidelity Employee Services Center, Pension Services at 800-796-9876.

Q26. I am retirement-eligible, and my departure date does not fall on the last day of the month. How will this period of time be handled?

A26. If you are retirement-eligible as of your departure date, you will be bridged to your retirement at the end of the month of your departure for benefit purposes. Retirement recognition may occur prior to your departure date. If you wish to voluntarily leave earlier than your scheduled departure date, please speak to your manager. While it may be possible to leave earlier than your scheduled departure date, any such change must be reviewed and agreed to by both your manager and the Project Office

Q27. If the date of my eligibility for the Future Health Account (FHA) is after my earliest retirement date, can I take the Retirement Bridge, or extend my bridge, to become eligible for FHA?

A27. While service credit is granted towards FHA eligibility while on a Retirement Bridge, the bridge ends on the date the employee reaches their earliest retirement date. No exceptions will be granted.

Q28. Given that retirement forms typically must be turned in within 45 days of retirement, if I cannot meet the 45-day deadline, will my payment be forfeited?

A28. No. Generally payments will be delayed but not forfeited provided your completed forms are received at the Fidelity Employee Services Center within the timeframe designated by a Pension Services Representative.

Failure to complete these forms within the designated timeframe may result in certain distribution options no longer being available to you. The availability of certain Benefit Commencement Dates may also change.

Part 3: Resource Action Summary Plan Description (SPD)

This SPD summarizes the terms and conditions you are eligible for in connection with this resource action. These terms and conditions are referred to in this SPD as the Resource Action Plan.

The Senior Organization Executive for each participating organization, or his/her successor(s) or designee(s), has the sole discretion to identify populations to be impacted by this resource action. Employees who have already been identified for layoff in a prior resource action and have a scheduled departure date still in effect, are not candidates for permanent layoff as part of this resource action.

Eligibility for the Resource Action

Employees identified for permanent layoff as part of this resource action (identified employees), not including employees who are currently approved to receive an exit incentive or other severance payment, are eligible to receive the payment and benefits of this resource action provided they fulfill all requirements.

Unless management advises differently, employees must continue to perform the responsibilities of their current position, or any job role as directed by IBM, in a satisfactory manner during the notification period. All employees must adhere to IBM Business Conduct Guidelines throughout this process. Any violations may lead to termination of employment and immediate separation without the pay or benefits of the resource action.

Identified employees who are not placed elsewhere in IBM will receive the payments and benefits of the resource action upon or following their departure from IBM provided they fulfill all requirements as set forth in this Summary Plan Description. Identified employees who receive an offer of a position elsewhere in IBM may no longer be considered eligible for the resource action.

Identified employees may be required to accept a temporary assignment to another location to assist with the transition of work until their scheduled departure date in order to receive the resource action payment and benefits. If an employee fails to comply with such a request, he/she may be terminated without the payment or benefits of the resource action.

Beginning on the date indicated in the memo you received from your manager, IBM will be terminating your employment if you are not placed elsewhere in IBM. If business needs require, management may subsequently designate additional identified employees who may also have their employment involuntarily terminated. IBM reserves the right, in its sole discretion, to take other actions or choose not to terminate the employment of certain identified employees as business needs require. IBM, in its sole discretion, shall determine its business needs.

Employees are not eligible for the resource action payment or benefits if prior to being informed of their identification in the resource action, they have informed IBM of their intent to separate from IBM, whether through voluntary resignation, retirement or otherwise.

Employees are not eligible for the resource action payment or benefits if they have outstanding debts to IBM or debts for which IBM may be held responsible. However, if an employee makes arrangements satisfactory to IBM to repay any such outstanding debts, a resource action payment may be made. Indebtedness to IBM could include, but is not limited to, a debit commission balance, an IBM U.S. Mobility Plan equity loan, an unpaid balance on an installment purchase of an IBM product, credit card debt (including debts on an American Express Corporate Card), excess tax loan, an outstanding travel expense account or failure to return IBM-owned property.

An employee who is discharged (e.g., for violation of terms and conditions of employment) before his or her scheduled departure date will receive neither the benefits nor the payment of the resource action. Where it is determined after an employee's departure date that the employee engaged in conduct which would have resulted in disciplinary action or discharge, the employee will be required to repay all payments and benefits of the resource action.

Any employee going to an IBM subsidiary or affiliate as a regular employee, or who accepts some other regular position and transfers or is otherwise credited with IBM service credit for any purposes, or who continues receiving an annual allocation under the IBM Personal Pension Plan or in the case where IBM has transferred pension benefit liability to that subsidiary or affiliate, will not receive the payment or benefits of the resource action.

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This resource action is not intended for individuals who are currently receiving benefits or who have applied and are approved to receive benefits under the Long-Term Disability Plan (LTD), and they will not receive the payment or the benefits of the resource action. However, if such payment is made and not repaid, LTD payments will be offset by the amount of the payment.

Employees who are identified for permanent layoff under the resource action are ineligible for the IBM Individual Separation Allowance Plan (however, employees may be eligible for a Retirement Bridge associated with the resource action). The terms and conditions of the Resource Action Retirement Bridges are contained in an attachment or amendment to this document. IBM, in its sole discretion, will determine for whom the resource action is intended.

Amount of the Payment

Eligible employees who comply with the requirements of the resource action will receive a lump sum payment equivalent to one month of pay. For employees covered under IBM's Growth Driven Profit-sharing program and those on any type of sales or services incentive plan or any special program which is offered in lieu of the Growth Driven Profit-sharing program, the one month of pay is paid in a lump sum, using the employee's (full- or part- time) monthly base pay, and for employees on incentive the reference salary amount (full- or part- time).

This payment is in lieu of any other form of separation pay to which the employee is, may, or might have become entitled. It is IBM's intent to pay only one incentive/separation type payment to an employee. This, however, does not mean that an employee who leaves IBM with such a payment and is later rehired is necessarily ineligible for an additional incentive or separation type payment associated with a subsequent departure.

Medical Program (Transitional Medical Plan (TMP)/COBRA)

Important Note: If you are currently age 65 or will turn age 65 shortly after leaving IBM, it's very important that you follow the necessary steps to enroll in Medicare (Part A and Part B) as soon as possible (even if you are still actively employed or are planning to continue coverage after you leave IBM through TMP/COBRA), to avoid any delay in continued health care coverage.

An employee who is covered under the IBM Medical Plan is eligible for continuation of their existing IBM Plan options under TMP/COBRA upon separation of employment. Individuals who comply with the requirements of the resource action, will receive subsidized medical coverage, as further described below.

Employees eligible for Medicare or who have dependents eligible for Medicare :

- An employee who is eligible for Medicare (i.e., age 65 or over) and their dependent(s) who is/are also eligible for Medicare, are also eligible for continuation of IBM Plan coverage under TMP/COBRA. However, the employee and his/her Medicare-eligible dependent(s) are required to enroll in Medicare for their primary medical coverage; the IBM Plan will provide for secondary coverage.
- An employee who is eligible for Medicare will only be permitted to enroll in the following medical options under the IBM Plan: IBM PPO, IBM PPO Plus or IBM EPO regardless of the medical option a Medicare-eligible employee is enrolled in as an active employee and shall remain in effect for the duration of TMP/COBRA coverage.
- An employee who is not eligible for Medicare but who has a dependent(s) that is eligible for Medicare should contact Fidelity Employee Services Center to discuss the options available to them during TMP/COBRA coverage.

Subsidized TMP/COBRA: All individuals who comply with the requirements of the resource action, along with their eligible covered dependent(s), are eligible for subsidized IBM Plan coverage for up to three, six, or twelve months ("TMP Subsidy"), based on your Continuous Service Dates (CSD) in Workday (WD). That said, if you were part of an Acquisition or Strategic Outsourcing deal that has unique terms with respect to service credits, and those service credits are still in affect, your coverage will be based on your grandfathered vacation eligibility date. If the terms have expired, your coverage will be based on your CSD. If you have any questions, please contact HR@IBM.

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During the TMP/COBRA subsidy period an employee will pay the same rate for IBM medical coverage as in effect for an active regular IBM employee, except with regard to Medicare fees, charges and premiums which are not included in the subsidy provided by IBM during the applicable TMP/COBRA subsidy period. Employees will be required to pay full group rates for continuing dental and vision coverage throughout the entire period of TMP/COBRA coverage, since IBM's subsidy is for medical coverage only.

The TMP/COBRA subsidy period is as follows:

Coverage Period	Eligible Service
3 months	Less than 5 years of service
6 months	5 or more years but less than 25 years of service
12 months	25 or more years of service

Note: Employees in the groups listed below are eligible for the TMP subsidy for self-coverage only. Dependent coverage will be at the full COBRA rate.

- *GBS Application Development Specialist (job family 06E) employees hired on or after May 1, 2013 with two or more years of service, and who remained continuously employed as a GBS Application Development Specialist (job family 06E) employee;*
- *Employees hired into IBM Division 41 with two or more years of service, and who remained continuously employed as a Division 41 employee;*
- *GBS Entry Professionals hired on or after April 6, 2015 into Band 6 who have two or more years of service and who remain in Band 6 at the time of their separation from IBM.*

After the TMP/COBRA subsidy period as described above ends, an employee may be eligible to continue medical, dental, or vision coverage under TMP/COBRA for additional months, up to a maximum of 18 months in total. An employee who chooses to continue TMP/COBRA coverage through the end of this period is required to pay the full TMP/COBRA rate (102% of IBM's group rates) for medical coverage, and, as applicable, continue to pay the full TMP/COBRA rates for dental and vision coverage (102% of IBM group rates).

Once TMP/COBRA coverage ends, if eligible, the employee (and his/her eligible dependents) may enroll in an IBM retiree medical plan option under the IBM Benefits Plan for Retired Employees.

TMP is administered by Fidelity Employee Services Center, which handles enrollment and ongoing customer service. Fidelity Employee Services Center will send enrollment information within 14 days of receiving the separation date information from Workday. ENROLLMENT IS NOT AUTOMATIC. PARTICIPANTS MUST APPLY WITHIN 60 DAYS AFTER THEIR BENEFITS CEASE OR THE DATE OF THEIR NOTIFICATION LETTER FROM FIDELITY EMPLOYEE SERVICES CENTER, WHICHEVER IS LATER, TO AVOID IRREVOCABLE LOSS OF THE TMP COVERAGE. Information about TMP coverage and rate schedules can be obtained by contacting Fidelity Employee Services Center at 800-796-9876, or TTY: 800-426-6537.

TMP Subsidy & Enrollment in OneExchange: If you are receiving the TMP Subsidy (3, 6, 12 months, as applicable) and you enroll in medical coverage through the Towers Watson's OneExchange Medicare exchange and you are eligible for a Health Reimbursement Account (HRA), you may not submit medical or prescription drug premiums or out of pocket expenses for reimbursement from the HRA and at the same time continue to receive the TMP Subsidy as a COBRA participant. If you are receiving a TMP Subsidy and enroll in a medical or prescription drug plan through OneExchange to access the HRA, you may only use the HRA to pay for eligible dental and vision premiums and out of pocket expenses. If you use the HRA to reimburse yourself for medical or prescription drug premiums or out of pocket expenses, your subsidized COBRA rate under TMP will be terminated as of the effective date of the coverage you enrolled in through OneExchange and you will be required to pay the full COBRA rate for the remaining months of COBRA eligibility, or when you terminate COBRA if prior to the end of the 18-month COBRA eligibility period. You may further be required to repay any subsidy provided under TMP from the effective date of your coverage through OneExchange.

If you are Medicare eligible, upon expiration of the COBRA eligibility period, or if your COBRA terminates prior to the end of the COBRA eligibility period, you will enroll in post 65 coverage through the Towers Watson's OneExchange Medicare Exchange and will then have an HRA if eligible.

Transitional Group Life Insurance (GLI)

Employees who comply with the requirements of the resource action who separate, retire or begin a Retirement Bridge from IBM will be provided with continued IBM Group Life Insurance (GLI) coverage at no cost to the employee for up to three, six or twelve months, depending on Continuous Service Date (CSD) in Workday (WD). That said, if you were part of an Acquisition or Strategic Outsourcing deal that has unique terms with respect to service credits, and those services credits are still in effect, your coverage will be based on your grandfathered vacation eligibility date. If the terms have expired, your coverage will be based on your CSD. If you have any questions, please contact HR@IBM.

Transitional Group Life Insurance (GLI) – Eligibility for Continued Coverage by IBM

Coverage Period	Eligible Service
3 months	Less than 5 years of service
6 months	5 or more years but less than 25 years of service
12 months	25 or more years of service

This is the same length of time that IBM continues its subsidy for medical coverage. This coverage is the same amount the employee had as an active employee -- generally, one or two times pay unless an election to lower the coverage had been made. If your most recent hire date is January 1, 2004 or after, your GLI coverage is based on one times your annual salary (including your assumed Growth Driven Profit-sharing or your current Annual Executive Incentive, if eligible), capped at \$1 million. Otherwise, your coverage is based on two times your annual salary (including your assumed Growth Driven Profit-sharing or your current Annual Executive Incentive, if eligible), capped at \$2 million. The IRS considers the value of employer-provided life insurance over \$50,000 as imputed income. A W-2 for any imputed income will be provided at year-end, for any year in which the GLI benefit coverage was in effect.

To avoid the associated taxes on this imputed income for which you are responsible, employees have 30 days after their separation/retirement/Retirement Bridge begin date to initiate a waiver to reduce their coverage and avoid imputed income. If employees had a waiver in place as an active employee, they also have 30 days to cancel an existing waiver and have coverage reinstated. Contact HR@IBM at 800-796-9876 to obtain the appropriate form.

When the transitional coverage ends an employee may convert a portion or the entire amount of their transitional GLI to an individual policy. This conversion period will be 31 days from the GLI transition coverage end date. Contact HR@IBM at 800-796-9876 to request a GLI Conversion Notice.

Retraining Assistance Program (RAP)

Eligible employees who depart from IBM will be reimbursed for eligible expenses up to a maximum of \$2,500 for eligible retraining completed within 12 months of the departure date, with reimbursement applied for within 15 months of departure date.

These reimbursements are considered taxable income to the recipient. Taxes will be withheld from RAP reimbursements and a W2 will be issued at year end. For more information on which expenses are eligible please see http://w3-01.ibm.com/hr/web/us/separations/addtl_separation_info.html#rap or contact Acclaris at <https://www.acclarisonline.com>.

To be eligible, all courses must begin after separation and must end with documentation of successful completion within 12 months from the date of departure. RAP payments will not be prorated.

Upon course completion, application for reimbursement may be made by submitting a completed RAP Reimbursement Form to Acclaris Consulting, one claim per form, along with a copy of the paid receipt and proof of successful completion from the course provider. All requests for reimbursement must be submitted within 15 months from the date of departure. Forms are available through Acclaris at <https://www.acclarisonline.com>.

Any questions may be directed to Acclaris Consulting at 888-880-2775 (TTY 877-314-2240).

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Retirement Bridge Associated with the Resource Action

Employees permanently laid off under the resource action and who are regular IBM employees and are participants in the IBM Personal Pension Plan, who are within one year of retirement eligibility as of their departure date, are eligible for a Retirement Bridge. The period of this Retirement Bridge is only until the employee reaches his or her earliest retirement date. (For complete details, see Attachment 1, which is hereby incorporated by reference.)

Process

Identified employees will receive a Summary Plan Description, the Resource Action Separation Agreement, the Resource Action Retirement Bridge, and any other applicable amendments.

The Project Office will make the final determination of which employees comply with the requirements necessary to receive the payments and benefits of the resource action. Managers may assist employees through the process, but have no authority to make any representations or commitments regarding any aspect of this plan. The Project Office will also provide the employee a letter outlining the reason(s) for any denial of payments or benefits. Management, with the assistance of the Project Office, is responsible for ensuring that the resource action is administered in a non-discriminatory manner. The Project Office is responsible for resolving any situation regarding the resource action brought to it by managers or employees, including those wishing to appeal their designation as identified employees.

The Project Office shall determine whether or not an individual employee has qualified for the payment and benefits of the resource action.

Receipt of the resource action payment and benefits is contingent upon retiring, beginning a Retirement Bridge from IBM, or otherwise leaving IBM under the resource action, on a specific departure date which has been designated by the Project Office, and accepting all applicable agreements and releases included in the Resource Action Employee Information Package. Departure dates will be based on business needs and will generally begin as indicated in the memo you received from your manager. With management approval, you can leave prior to this departure date and continue to be eligible for the payment and benefits of this Resource Action. If you leave prior to your scheduled departure date, you will not receive payment for the balance of time between your actual departure date and scheduled departure date.

You will remain eligible to receive the payment and benefits associated with the resource action, provided you work at least 60 days beyond your notification date, or earlier if approved by your management, and otherwise comply with all requirements of the resource action.

Departure date extensions may be recommended by managers and assigned by the Project Office based on business needs. Extensions may also be granted to employees receiving IBM Short-Term Disability Income Plan (STD) benefits, (which may continue after their scheduled departure date) and employees on a military leave of absence.

Any change of the scheduled departure date shall be made at the sole discretion of management and which determination should be final.

For employees receiving STD benefits, which may continue after their scheduled departure date, the revised departure date may be the earliest of: the date the identified employee is certified as able to work full- or part-time with or without appropriate work restrictions by IBM Integrated Health Services, whose decision is final; the date when STD benefits expire or the date upon which STD benefits are terminated because the employee or the employee's personal physician fails to cooperate with IBM Integrated Health Services, as determined solely by IBM.

Employees may not depart prior to the departure date approved by the Project Office and receive the payment and benefits of the resource action unless management has recommended and the Project Office has assigned a new departure date.

An identified employee who chooses not to participate in the resource action, for example, by not accepting the applicable agreements, may be terminated without the payment and benefits of the resource action. No other separation payment or allowance applies.

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In the event of rehire by IBM, or any of its subsidiaries as a regular employee within 30 days after separation of employment with a payment under this resource action, IBM reserves the right to require repayment of the full payment. In order to receive the payment and benefits, employees must accept the Resource Action Separation Agreement and other forms relating to their separation.

Future Actions

In the past, special exit payment programs have been used to resolve resource imbalances. These actions were taken after careful evaluation of the needs of the business, and it is not possible to predict what actions may be necessary or appropriate in the future. As a matter of prudent business planning, IBM is continually reviewing and evaluating various proposals for changes in compensation and benefits, and retirement programs, as well as proposals for special exit payment programs, as well as other resource actions, practices, policies, and procedures. Some of these proposals, if finally approved and implemented, might be more advantageous or less advantageous than this resource action. Because of the need for confidentiality, such decisions are not discussed or evaluated below the highest levels of management. No managers or managerial representatives below such levels are in a position to advise any employee whether or not to participate in the resource action or to speculate about future programs.

Unless and until such changes are formally announced by the company, no one is authorized by IBM to give assurance that such changes will or will not occur. Employees are cautioned that they may not rely on any discussion with, opinion of, prediction by, or comment by managers or managerial representatives on these matters.

IBM may adopt new or modified programs or benefits or take other actions in the future that may be more or less advantageous than this resource action. Employees should not expect or assume that any such new or modified programs or benefits will be extended on a retroactive basis to anyone who leaves IBM with this resource action.

Plan Administrator

The Manager, Americas Workforce Lifecycle Program Delivery is the Plan Administrator. The Plan Administrator has the authority and discretion to construe the terms of the resource action in a manner which is consistent with the intent of the resource action. The mailing address for the Plan Administrator is:

Manager, Americas Workforce Lifecycle Program Delivery
IBM Corporation
Dept. 4BYA, Bldg. 002
3039 Cornwallis Road
P.O. Box 12195
Research Triangle Park, NC 27709-2195

Except for written interpretations of the Resource Action Plan signed by the Plan Administrator or delegate(s) and any Resource Action Plan attachment or amendment implemented by IBM, this SPD is the only document which contains and is intended to contain statements about the resource action binding on IBM or the Plan Administrator. No other written or oral communication from anyone about any aspect of the Plan or its relationship to any other IBM benefit, plan or program is binding on IBM or the Plan Administrator.

Amendments or Termination of the Resource Action Plan

IBM reserves the right to amend or terminate the Plan at any time, for any purpose at IBM's sole discretion. The Resource Action Plan may be amended by the company's chief human resources officer, or delegate, or the senior operating unit executive or senior human resources executive for the affected operating unit(s) by means of a written instrument, such as the text of a plan or a summary plan description, electronic medium notice, a hard copy bulletin board notice, or an announcement letter or written materials that are approved by IBM management and maintained with the records of the affected plan. Likewise, all benefits, plans, and programs described or referred to in this document may be amended, modified, or terminated at any time and for any purpose. These changes may apply to the resource action participants.

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IBM may offer, in its discretion, special separation or incentive plans to specified employees due to workload imbalance or other business conditions. The terms of these special plans, which may vary from the terms of the resource action, will be communicated to eligible employees. However, an employee who receives such payment terms will not be eligible to participate in the resource action. This provision should not be interpreted to mean that IBM would consider modifying the benefits of the resource action for anyone identified under it.

Employee Retirement Income Security Act (ERISA)

Claim Review Procedure

If an application for plan benefits is denied in whole or in part, written notice of the denial will be made to the claimant within 90 days after receipt of the claim. In some cases, an extension of time may be required to review a claim. If such an extension is required, which in no event will be longer than 90 days (for a total of 180 days from the date your claim is received), you will receive a notice of the extension in writing within the initial 90-day period. If your claim is denied, the notice of denial will include specific reasons for the denial with reference to the provisions of the plan on which denial is based, a description of any additional information necessary to resubmit the claim and an explanation of the claim review procedure. Within 60 days after receiving the denial, a claimant may request a review of the claim by writing to the Plan Administrator. A prompt review will be made after a request is received. A written decision on the review will normally be furnished within 60 days after the appeal is received. (Where special circumstances require an exception, the Plan Administrator will provide written notice within the 60 days that the decision will be furnished as soon as possible, but not more than 120 days after the appeal was received.) If your appeal is denied, the denial will include the specific reasons for the decision with specific reference to pertinent plan provisions upon which the decision is based.

The Plan Administrator and its delegates have the exclusive right to administer and interpret the provisions of the SPD and any decision of the Plan administrator is final and binding.

If your claim for a benefit is ignored or denied, in whole or in part, you may file suit in a state or federal court. However, in all circumstances where you have a right to file a claim in court, you must exhaust these claims procedures before initiating litigation.

In connection with any request for a claim review of a denial of a benefit claim in which the beneficiary's medical condition is an issue or coverage was not pre-certified, IBM may require the patient to be examined by a physician(s) selected by IBM.

Assistance with Your Questions

If you have any questions about the Resource Action Plan you should contact the Resource Action Project office or see the Plan Administrator section of this document. If you have any questions about your rights under ERISA, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration at:

Division of Technical Assistance and Inquiries/Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue N.W.
Washington, D.C. 20210

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration. It is anticipated that most questions can be answered by contacting the Plan Administrator.

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Part 4: Attachments to the Summary Plan Description (SPD)

Attachment 1: Resource Action Retirement Bridge

Employees permanently laid off under the resource action and who are regular IBM employees and are participants in the IBM Personal Pension Plan, who are within one year of retirement eligibility as of their departure date, are eligible for the Retirement Bridge. The period of this Retirement Bridge is only until an eligible employee reaches their earliest retirement date. (See the Summary Plan Description for the IBM Personal Pension Plan to determine who is eligible to retire.)

During the Retirement Bridge, bridge eligible employees will receive:

- For employees covered under the IBM Personal Pension Plan - Prior Plan, service credit for the purposes of determining retirement eligibility and for determining if any early retirement reduction factors apply. Service credit is granted from the first day of the Retirement Bridge to the end of the month in which the earliest retirement date occurs.
- For employees covered under the IBM Personal Pension Plan - Personal Pension Account, service credit for purposes of eligibility for the Enhanced Annuity under the IBM Personal Pension Plan. Service credit is granted from the first day of the Retirement Bridge to the end of the month in which the earliest retirement date occurs.
- The period of the Retirement Bridge will count as service credit towards eligibility for retiree medical benefits.
- The current year's vacation will be reconciled and payments will be made as appropriate in accordance with the IBM Vacation Plan. No additional vacation payments will be made for the year in which retirement occurs or for any years during the period of the Retirement Bridge.
- While on the Retirement Bridge, no regular IBM salary or IBM retirement income will be paid. As to eligibility for Growth Driving Profit-sharing, see the applicable Growth Driven Profit-sharing program. No assumption should be made about the content of yet unissued plans. No other IBM compensation will be paid.
- Employees who are retirement eligible at their separation date will have IBM contributions credited to their 401(k) Plus Plan and or Excess 401(k) Plus Plan account as soon as administratively possible following their separation date which may take up to 2-3 pay periods.
- Employees who bridge to retirement but retire before the end of the year will have their IBM contributions credited to their 401(k) Plus Plan and or Excess 401(k) Plus Plan account as soon as administratively possible following their separation date which may take up to 2-3 pay periods.
- Employees who are bridge eligible at their separation date and remain on the bridge through the end of the year will have their IBM contributions credited to their 401(k) Plus Plan and or Excess 401(k) Plus Plan account effective the last business day of the year, similar to active employees.
- If you are not retirement eligible at the time of your separation then you will not be eligible to receive the IBM contributions in the 401(k) Plus Plan and or Excess 401(k) Plus Plan for 2017.
- The employee will not be eligible for coverage under current or additional IBM benefits plans or programs for IBM employees during the Retirement Bridge, except for coverage under the Transitional Medical Program (TMP), Transitional Group Life Insurance and participation in the following current employee programs: Matching Grants, Fund for Community Service, T. J. Watson Scholarship Fund, Employee Purchase Program, Home Mortgage Availability Option, Group Universal Life (if currently enrolled) and Long Term Care Insurance Program (if currently enrolled), and IBM Club. Details of TMP coverage and Transitional Group Life Insurance are set forth in the applicable sections of this Summary Plan Description. During the Retirement Bridge, employees will be eligible for and subject to changes of broad applicability in the IBM Personal Pension Plan which might occur, such as base period updates or other modifications to the payment formula, whether or not such changes improve their retirement benefit. Retirement Bridge participants will not be eligible for narrowly targeted changes, such as other special retirement or exit incentives, if any, even if they would have been eligible had they remained an active IBM employee.

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- If a portion of your pension benefit is payable as an excess benefit (a benefit paid from IBM's general assets and not from the IBM Personal Pension Plan trust fund) this benefit must be paid to you in accordance with the provisions of the IBM Excess Personal Pension Plan.

An employee who becomes disabled while on the Retirement Bridge will not receive IBM Short-Term Disability Income Plan benefits nor be eligible for the IBM Long Term Disability Plan. The Retirement Bridge will continue until the person retires and becomes eligible to receive IBM retirement income and retiree benefits coverage.

If the employee wishes to commence his pension benefit as of the end of the Retirement Bridge, the employee should contact IBM Pension Services at 800-796-9876 to begin processing of pension benefits. The contact must occur during the period that begins 180 days before the date the employee will receive retirement eligibility, and ends on the date the employee will attain retirement eligibility (or not later than 30 days following attainment of retirement eligibility for those whose Retirement Bridge ends in less than 30 days). The earlier the employee contacts IBM Pension Services during this time period, the more likely pension benefits will be paid as of the end of the Retirement Bridge. Failure to contact IBM Pension Services within this time period may result in the forfeiture of some forms of payment or for employees covered under the IBM Personal Pension Plan - Prior Plan, a pre-retirement survivor benefit being paid only to the employee's spouse in the event of death, rather than to a survivor annuitant the employee has elected.

Retirement Bridge eligible employees who are currently on leave may be approved to participate in the retirement bridge under this resource action.

At the end of the Retirement Bridge, employees will retire under the terms of the IBM Personal Pension Plan in effect at the time he or she retires.

Retiring Retirement Bridge participants will receive retiree benefits such as medical, under the plans in effect at the time of retirement and will be subject to subsequent changes, in accordance with the terms of the applicable plan (e.g., the retiree medical plan). Retirement Bridge participants will become IBM retirees at the conclusion of the Retirement Bridge and upon completion of the required processing for retirement.

Employees must also accept the Resource Action Separation Agreement in order to receive the payment and begin their Retirement Bridge. By accepting the Agreement, the employee is agreeing that they will retire at the end of the Bridge. Once the bridge begins, a committed retirement date may not be changed.

Employees may participate in income-producing activities while on the Retirement Bridge. However, while on the Retirement Bridge, they are subject to IBM's Business Conduct Guidelines in effect on the last day of active IBM employment. To ensure compliance with IBM's Business Conduct Guidelines, a bridge participant must notify their former manager, in writing, of any prospective employment during the Retirement Bridge period. Cancellation of the Retirement Bridge may occur if it is discovered during the Retirement Bridge that either while on Retirement Bridge or prior to the start of the Retirement Bridge the employee engaged in gross misconduct, fraudulent conduct, or other misconduct that seriously adversely affects IBM. If the individual is already retirement eligible at the time the Retirement Bridge is terminated, the individual will be retired.

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Attachment 2: Resource Action Separation Agreement

You are being offered payments and benefits as part of a resource action that you otherwise would not have been entitled to receive. You will receive and be entitled to keep these payments and benefits only if you accept and comply with all terms of this Agreement. This Agreement requires you to release IBM and related parties from claims you may have as described below. This Agreement also requires you to arbitrate certain claims that are not released on an individual basis.

By accepting this Agreement and the benefits and payments it provides, you agree that if you choose to pursue certain claims that are not released under this Agreement, then such claims must be submitted to arbitration on an individual basis as provided below and may not be pursued in court.

You should thoroughly review and understand the effect of this Agreement before you accept it.

The Resource Action Summary Plan Description is the only document that describes your eligibility for the payments and benefits you are being offered under this Agreement. Any other written or oral representations, promises, or other agreements of any kind made to you in connection with your decision to accept this Agreement will not be recognized.

1. Definitions of certain words used in this agreement

For purposes of this Agreement and its attachment, certain words have specific definitions.

- "Agreement" means this Separation Agreement.
- "IBM" means International Business Machines Corporation and all of its subsidiary and affiliated companies and all of their respective former or current directors, officers, employees, agents, and benefits plans (and fiduciaries, insurers or other agents of those plans), and all successors and assigns of these entities or individuals.
- "You" or "your" means you and anyone acting as your representative, successor or heir.
- "Release" means your waiver of claims as specified below.

2. What you release by accepting this agreement

By accepting this Agreement you release IBM from ALL claims that you may have against it at the time of accepting, whether or not related to your employment with IBM or the termination of your employment (EXCEPT FOR THOSE SPECIFICALLY IDENTIFIED IN SECTION 3), and including, without limitation:

- all claims arising under any federal, state, local or foreign law dealing with or regulating employment, including, but not limited to: (1) laws prohibiting discrimination and/or harassment based on race, national origin, ancestry, color, creed, religion, sex, gender, sexual orientation, gender identity and/or expression, genetic information, pregnancy, marital status, disability, medical condition, veteran status, or any other statutorily protected status, as well as claims in any forum alleging retaliation; (2) family and medical leave; (3) claims arising under the Employee Retirement Income Security Act of 1974 ("ERISA"); and (4) all waivable claims related to wages and hours, including under state or local labor or wage payment laws
- all state and local laws prohibiting discrimination on the basis of age
- claims based on contract, tort, or any other legal theory
- all claims whether or not you know about them at the time you accept this Agreement
- any right to raise or pursue any internal appeals, including but not limited to those eligible for review under the IBM Open Door and Panel Review Programs related to a claim that you release under this Agreement
- if you have worked or are working in California, you expressly agree to waive the protection of section 1542 of the California Civil Code because you are releasing all claims, whether they are known or unknown; Section 1542 of the California Civil Code states:
 - "A general release does not extend to claims which a creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."
 - In the event that you do not understand the waiver of your rights under section 1542 or its legal effect on you, you should talk to a lawyer.

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3. What you do not release by accepting this agreement

By accepting this Agreement, you do not release:

- any claims that arise after the date you accept this Agreement
- any claims that by law cannot be waived by private agreement without judicial or governmental supervision, such as under the federal Fair Labor Standards Act of 1938, provided however such claims are subject to arbitration on an individual basis as described below
- any claims that IBM failed to pay wages that IBM acknowledged were due and owing at the time you accept this Agreement
- your right to file a charge with or participate in any investigation or proceeding conducted by the U.S. Equal Employment Opportunity Commission (EEOC) or other government agency; even though you can file a charge or participate in an investigation or proceeding conducted by the EEOC or other government agency, by accepting this Agreement you are waiving your ability to obtain relief of any kind from IBM to the extent permitted by law. **Notwithstanding the foregoing, you are not prohibited from receiving an award for information provided to any government agency as permitted under law.**
- your non-forfeitable rights to accrued benefits (within the meaning of sections 203 and 204 of the Employee Retirement Income Security Act of 1974) under the IBM Personal Pension Plan, the IBM Retirement Plan and the IBM 401(k) Plus Plan
- any right you may have to challenge the validity of this Agreement
- your right to enforce this Agreement and to receive the benefits and payments pursuant to the Resource Action Plan
- any claim under the Federal Age Discrimination in Employment Act of 1967 or the West Virginia Human Rights Act, provided however such claims are subject to arbitration on an individual basis as described below
- your ability to comply with any lawful subpoena or court order or taking any other actions affirmatively authorized by law.

4. You can take up to 30 days before accepting this agreement

You can take up to thirty (30) days from the date you received this Agreement (even if your employment will end sooner) or until your last date of employment, whichever is longer, to consider this Agreement and the accompanying separation program information. If you accept this Agreement before the expiration of the 30-day period, you acknowledge that you knowingly and voluntarily waived the ability to wait the full 30 days. Employees may not accept the Agreement before their last date of employment with IBM.

FOR EMPLOYEES WORKING IN MINNESOTA ONLY: this Agreement is not effective for FIFTEEN DAYS after you accept it. You can revoke this Agreement during that time. To revoke this Agreement, your manager or the Project Office must receive a written notice of revocation from you within that time period. You understand that if you do revoke, you will not be entitled to any payments or benefits under this Agreement or the resource action.

5. Arbitration and waiver of class claims and jury trial

You agree that any and all legal claims or disputes between you and IBM under the federal Age Discrimination in Employment Act of 1967 (ADEA) or the West Virginia Human Rights Act, as well as any and all claims or disputes between you and IBM that have not or cannot be released by private agreement as a matter of law (such as under the federal Fair Labor Standards Act of 1938 (FLSA)) (collectively "Covered Claims") will be resolved on an individual basis by private, confidential, final and binding arbitration according to the IBM Arbitration Procedures and Collective Action Waiver (which are attached and incorporated as part of this Agreement) and under the auspices of JAMS, or if there is no JAMS office within 100 miles of your most recent assigned IBM office location, then an arbitration forum provider to be mutually agreed to by the parties. Regardless of the designated arbitration administrator, the arbitration shall be held in accordance with the JAMS Employment Arbitration Rules & Procedures. You understand and agree that you are giving up your right to a court action for Covered Claims, including any right to a trial before a judge or jury in federal or state court. This agreement to arbitrate does not apply to government agency proceedings.

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To the maximum extent permitted by applicable law, you agree that no Covered Claims may be initiated, maintained, heard or determined on a class action, collective action or multi-party basis either in court or in arbitration, and that you are not entitled to serve or participate as a class action member or representative or collective action member or representative or receive any recovery from a class or collective action involving any Covered Claims either in court or in arbitration.

You further agree that if you are included within any class action or collective action in court or in arbitration involving a Covered Claim, you will take all steps necessary to opt-out of the action or refrain from opting in, as the case may be. Any issue concerning the validity or enforceability of this Agreement, including the class action or collective action waivers contained in this section, shall be decided only by a court of competent jurisdiction. Any issue concerning the arbitrability of a particular issue or claim pursuant to this section (except for issues concerning the enforceability of the class action or collective action waivers) must be resolved by the arbitrator and not a court.

This arbitration agreement shall not prohibit applications for temporary or preliminary injunctive relief in aid of arbitration or for the maintenance of the status quo pending arbitration. Your agreement to arbitrate certain claims pursuant to this Agreement shall not prohibit you from filing a charge or complaint with and seeking relief from the U.S. Equal Employment Opportunity Commission, the National Labor Relations Board, the U.S. Department of Labor, the Occupational Safety and Health Commission, or any other federal, state or local administrative agency concerning claims that are not released under this Agreement.

This agreement to arbitrate claims shall be governed by and interpreted in accordance with the Federal Arbitration Act ("FAA"). If for any reason the FAA is held inapplicable to this Agreement, then the State of New York's law of arbitrability shall apply.

6. Enforceability

If any part of this Agreement other than the class action or collective action waiver is held to be invalid or unenforceable, the remaining provisions of this Agreement will not be affected in any way, except that if your release of claims or agreement to arbitrate Covered Claims is held to be unenforceable, then at its option IBM may seek to recover to the maximum extent permitted by law the payments and value of benefits that you received under this Agreement. If the class action or collective action waiver provisions associated with a Covered Claim are held to be invalid or unenforceable, then any class action or collective action involving such Covered Claim(s) must be brought in court and not in arbitration.

Except as otherwise noted, this Agreement will be governed by the substantive laws of New York.

By accepting this Agreement, you acknowledge that you fully understand any and all rights you have with respect to the claims you are releasing and your agreement to arbitrate Covered Claims. You agree that the payments and benefits you have or will receive under this Agreement are good and valuable consideration for entering into this Agreement. You acknowledge that you have been provided adequate time to consult with a lawyer or other advisor of your own choosing before entering into this Agreement. You further agree that you are voluntarily signing this Agreement without any threats, coercion or duress, whether economic or otherwise, and that you intend to be bound by the terms of this Agreement.

YOU ARE ADVISED TO CONSULT WITH A LAWYER BEFORE YOU ACCEPT THIS AGREEMENT

Employee Name (print): _____

Serial #: _____

Signature: _____

Date: _____

Attachment 3: Arbitration Procedure and Collective Action Waiver (Attachment to Separation Agreement)

IBM is committed to administering its employment policies fairly and treating all employees with respect and dignity. Occasionally, however, disagreements may arise between an individual employee and IBM or between employees in a context that involves IBM. IBM believes that the resolution of those types of disagreements is best accomplished through internal dispute resolution processes.

For many decades, IBM employees have had several options to initiate a thorough and timely review of their work-related concerns when they are unable to reach a resolution with their managers. The IBM Open Door Process is one of these options, and IBM's experience makes us confident that it is a highly effective way to resolve employee concerns. The Open Door Process is offered as the primary dispute resolution forum for IBMers.

IBM recognizes, however, that from time to time IBM and its employees may desire an additional option to have their concerns reviewed. To that end, IBM has introduced the following Arbitration Program which is a private and confidential dispute resolution procedure in which the parties present their respective positions concerning certain claims to an impartial third-party arbitrator who determines the merits of the claims and renders a final and binding decision. The rules and procedures governing IBM's arbitration program are set forth below.

Covered Claims: Individuals who accept the payments and benefits of the Resource Action Plan are required to submit any and all "Covered Claims" to final and binding arbitration, and waive their right to a court action of such claims, including any right to a trial before a judge or jury in federal or state court. "Covered Claims" are any and all legal claims or disputes between the employee and IBM under the federal Age Discrimination in Employment Act of 1967 ("ADEA") or the West Virginia Human Rights Act, as well as any and all claims or disputes that have not or cannot be released by private agreement as a matter of law (such as under the federal Fair Labor Standards Act of 1938 (FLSA)).

These Arbitration Procedures shall not prohibit applications for temporary or preliminary injunctive relief in aid of arbitration or for the maintenance of the status quo pending arbitration.

WAIVERS: TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, YOU AND IBM AGREE THAT NO COVERED CLAIMS MAY BE INITIATED, MAINTAINED, HEARD, OR DETERMINED ON A MULTIPARTY, CLASS ACTION BASIS OR COLLECTIVE ACTION BASIS EITHER IN COURT OR IN ARBITRATION, AND THAT YOU ARE NOT ENTITLED TO SERVE OR PARTICIPATE AS A CLASS ACTION MEMBER OR REPRESENTATIVE, OR COLLECTIVE ACTION MEMBER OR REPRESENTATIVE, OR RECEIVE ANY RECOVERY FROM A CLASS OR COLLECTIVE ACTION INVOLVING COVERED CLAIMS EITHER IN COURT OR ARBITRATION. You further agree that if you are included within any class action or collective action in court or in arbitration involving a Covered Claim, you will take all steps necessary to opt-out of the action or refrain from opting in, as the case may be. Any issue concerning the validity or enforceability of any of the class action or collective action Waivers included as part of your agreement to arbitrate certain claims shall be decided only by a court of competent jurisdiction. Any issue concerning the arbitrability of a particular issue or claim (except for issues concerning the enforceability of the class action or collective action Waivers) must be resolved by the arbitrator and not a court. Your agreement to arbitrate Covered Claims does not preclude you from pursuing or participating in a class action or collective action in court where your claim is based solely on your status as a customer or an investor and does not arise out of or in any way relate to your employment relationship with the Company.

Pre-Arbitration Dispute Resolution

You are strongly encouraged to first resolve any Covered Claims informally through the IBM Open Door Process (Appeals@us.ibm.com) or the Project Office. If you are not satisfied and wish to pursue your matter further, then you are encouraged to request a mediation wherein you and IBM will attempt to find common ground to voluntarily resolve your Covered Claims with the aid of a neutral third party not employed by IBM. You can request mediation through the IBM Open Door Process by contacting Appeals@us.ibm.com. If mediation does not result in resolution of your Covered Claims, then you still have the option of pursuing arbitration by following the procedures set forth below.

Arbitration Procedure and Collective Action Waiver Page 1 of 3, 1/2018

Arbitration Procedures

Covered Claims will be resolved by arbitration conducted under the auspices of JAMS, or if there is no JAMS office within 100 miles of your most recent assigned IBM office location, then an arbitration forum provider to be mutually agreed to by the parties in writing. Regardless of the designated arbitration administrator, the arbitration shall be held in accordance with the JAMS Employment Arbitration Rules & Procedures (and no other rules), which are currently available at <http://www.jamsadr.com/rules-employment-arbitration>. IBM will supply you with a printed copy of those rules upon your request. The arbitration shall be conducted before a single arbitrator unless all parties to the arbitration agree otherwise in writing. Arbitration shall be held in the county in which you worked or work for IBM at the time the claim arose, or if not possible, in the county closest to such location. To the extent any of the terms, conditions or requirements of the arbitration procedures in this document conflict with the applicable Arbitration Rules, the terms, conditions or requirements of the procedures in this document shall govern.

In any arbitration, the parties may file and the arbitrator shall hear and decide at any point in the proceeding motions permitted by the Federal Rules of Civil Procedure, including but not limited to motions to compel discovery, motions for protective orders, motions to dismiss, motions for summary judgment, and motions in limine, but not motions to consolidate claims, parties or actions. The Arbitrator shall apply the substantive law (and the law of remedies, if applicable) of the state in which the claim arose, or federal law, or both, as applicable to the claim(s) asserted. The Arbitrator is without jurisdiction to apply any different substantive law or law of remedies. The Federal Rules of Evidence shall apply. Arbitrators are required to issue a written award, and their award shall be final and binding. Any judgment or award issued by an arbitrator may be entered in any court of competent jurisdiction.

Reconsideration and Review

Either party shall have the right, within twenty (20) days of issuance of the Arbitrator's decision, to file with the Arbitrator (and the Arbitrator shall have jurisdiction to consider and rule upon) a motion to reconsider (accompanied by a supporting brief), and the other party shall have twenty (20) days from the date of the motion to respond. The Arbitrator thereupon shall reconsider the issues raised by the motion and, promptly, either confirm or change the decision, which (except as provided by law) shall then be final and conclusive upon the parties.

Either party may bring an action in any court of competent jurisdiction to compel arbitration under this Agreement and to enforce an arbitration award.

Remedies

You and IBM agree the arbitrator(s) is authorized to award any party the full remedies that would be available to such party if the Covered Claim had been filed in a court of competent jurisdiction, including attorneys' fees and expert fees and costs, to the same extent as would a court under applicable law.

Time Limits and Procedure for Initiating Arbitration

To initiate arbitration, you must submit a written demand for arbitration to the IBM Arbitration Coordinator no later than the expiration of the statute of limitations (deadline for filing) that the law prescribes for the claim that you are making or, if the claim is one which must first be brought before a government agency, no later than the deadline for the filing of such a claim. If the demand for arbitration is not timely submitted, the claim shall be deemed waived. The filing of a charge or complaint with a government agency or the presentation of a concern through the IBM Open Door Program shall not substitute for or extend the time for submitting a demand for arbitration.

To initiate arbitration, you must pay the equivalent of the filing fee for the court of general jurisdiction in the state where you last worked for IBM. IBM shall pay 100 percent of the required arbitration administration fee in excess of your payment.

The written demand for arbitration shall be submitted to the IBM Arbitration Coordinator, IBM Corporate Litigation, North Castle Drive, Armonk, New York 10504, with a check for your payment of the filing fee made payable to "International Business Machines Corporation."

Your written demand shall set forth the dispute, including the alleged act or omission at issue and the names of all persons allegedly involved in the act or omission; your name, address, telephone number, and email address; and your IBM employee serial number. IBM will promptly file the demand with the appropriate arbitration administrator, together with the applicable administrative fee as provided in the arbitration administrator's fee schedule.

Arbitration Procedure and Collective Action Waiver Page 2 of 3, 1/2018

Representation

Any party may be represented by an attorney for purposes of arbitrating a Covered Claim. Each party is responsible for payment of its own costs and attorneys' fees, unless otherwise awarded by the Arbitrator under the standards provided by law.

Discovery

Each party shall have the right to take depositions of three fact witnesses and any expert witness designated by another party. Each party also shall have the right to make requests for production of documents to any party and to subpoena documents from third parties to the extent allowed by law. Requests for additional depositions or discovery may be made to the Arbitrator selected pursuant to this Agreement. The Arbitrator may grant such additional discovery if the Arbitrator finds that the party has demonstrated that it needs that discovery to adequately arbitrate the claim, taking into account the parties' mutual desire to have a speedy, less-formal, cost-effective dispute-resolution mechanism.

Privacy and Confidentiality

Privacy and confidentiality are important aspects of arbitration. Only parties, their representatives, witnesses and necessary administrative staff of the arbitration forum may attend the arbitration hearing. The arbitrator may exclude any non-party from any part of a hearing.

To protect the confidentiality of proprietary information, trade secrets or other sensitive information, the parties shall maintain the confidential nature of the arbitration proceeding and the award. The parties agree that any information related to the proceeding, such as documents produced, filings, witness statements or testimony, expert reports and hearing transcripts is confidential information which shall not be disclosed, except as may be necessary to prepare for or conduct the arbitration hearing on the merits, or except as may be necessary in connection with a court application for a preliminary remedy, a judicial challenge to an award or its enforcement, or unless otherwise required by law or judicial decision by reason of this paragraph.

Designation of Witnesses

At least 30 days before the arbitration, the parties must exchange lists of witnesses, including any experts, and copies of all exhibits intended to be used at the arbitration.

Subpoenas

Each party shall have the right to subpoena witnesses and documents to the extent allowed by law, subject to any limitations the Arbitrator shall impose for good cause shown.

Arbitration Procedure and Collective Action Waiver Page 3 of 3, 1/2018