



STATEMENT OF TAXES, FEES SURCHARGES

TAXES

In 2017, Zayo invested in more sophisticated operational support systems (OSS) including state-of-the-art billing and taxation software. The Company's investment in OSS bears witness to its commitment to deliver timely, accurate and comprehensive invoices to Zayo customers. Zayo is confident that its system generated tax billing is compliant with industry standards and government regulations.

Zayo recognizes its obligation to administer its customer billing in accordance with the rules and guidelines set forth by tax authorities at all levels of government (i.e. federal, state, county and city). As such, Zayo conducts internal reviews of its customer billing to ensure the Company is in compliance with tax rules and/or guidelines, and changes thereto. Any billing issues identified are then reviewed by internal tax experts and/or external tax consultants.

As is true for most all service providers, customer billing at Zayo is subject to review by various tax authorities, who also conduct formal audits on a periodic basis. These audits are specifically designed to assess the accuracy and comprehensiveness of our tax billing. If the audits identify any variances between the authorities' rules and our practices Zayo amends its practices to achieve full compliance.

FEES AND SURCHARGES

Zayo bills the following surcharges consistent with its contractual and legal rights to do so depending on both service type and service location:

- Government Fees
- Property Tax Surcharge
- Other Fees and Surcharges

Zayo modifies the rate of surcharges annually, based on changes to fees and taxes assessed to Zayo. The charges are reviewed on an annual basis and are adjusted as needed. Surcharge rates beginning January 1, 2023 are as follows:

Government Fees (not tax exempt charges):

- Dark Fiber: 3.71% (previous 3.22%)
For dark fiber services, the Government Fee includes government ROW & franchise fees, license fees and other fees applicable to dark fiber services.
- Lit Services: 1.48% (previous 1.23%)
For lit services, the Government Fee also includes certain Federal and State regulatory assessments (E.G., State PUC fees, NECA charges, State USF fees, etc.)



Property Tax Surcharge:

- Dark Fiber: 5.82% (previous 5.40%)

For dark fiber services, customers will be assessed a property tax surcharge. This percentage is calculated annually from the property taxes applicable to dark fiber services.

- Lit Services: 4.44% (previous 3.70%)

For lit services, customers are assessed a property tax surcharge which is calculated annually from the property taxes applicable to the hardware assets utilized to provide lit services

*Please note: Because these are surcharges they are not exempt, unless you are paying Property Taxes directly to local and/or state tax authorities on services purchased from Zayo Group. If so, please provide applicable details and proof of payment for each jurisdiction.

Other Fees and Surcharges (not tax exempt charges):

- Dark Fiber: 10.45% (previous 9.09%)

For dark fiber this surcharge includes items such as non-governmental ROW and franchise fees, license fees, and other fees applicable to dark fiber services.

- Lit Service: 4.86% (previous 4.05%)

For lit services this surcharge includes items such as non-governmental ROW and franchise fees, license fees, access fees, and other fees applicable to lit services.

Zayo is committed to providing our customers an effortless experience. If you have specific questions or would like to provide feedback on your Zayo Billing Experience please contact us at: arexperts@zayo.com