

Southwest CWA Benefits Outline Summary

Provision	Current Employees, 2009 New Hires and 2013 New Hires																																																																												
Active Employees																																																																													
Effective Date(s)	Health & Welfare: 1/1/2014																																																																												
Eligibility																																																																													
For Medical, Dental, Vision, CarePlus, and Life Insurance (unless otherwise specified)	<p><u>Current Employees, 2009 New Hires, and 2013 New Hires</u> Follow provisions of the applicable plan: Medical – No change from current plan Dental – AT&T Dental Plan (same as legacy T, SE, and MW CWA provisions) Vision – AT&T Vision Plan (same as legacy T and SE CWA provisions) Disability, CarePlus, and Life Insurance – No change from current plan</p>																																																																												
Medical																																																																													
Plan	<u>Current Employees, 2009 New Hires, and 2013 New Hires</u> AT&T Southwest Medical Program.																																																																												
Dependent Eligibility	<u>Current Employees, 2009 New Hires, and 2013 New Hires</u> No change from current plan except as noted below: Elimination of Sponsored Child Classification. Elimination of Class II Dependent Classification.																																																																												
Eligibility for Company Subsidy	<u>Current Employees, 2009 New Hires, and 2013 New Hires</u> No change from current plan.																																																																												
Active (Full-Time) Monthly Contributions	<p><u>Current Employees and 2009 New Hires</u></p> <table border="1"> <thead> <tr> <th></th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="4" style="text-align: center;">Contribution Amounts</td> </tr> <tr> <td>Ind</td> <td>\$45</td> <td>\$70</td> <td>\$90</td> <td>\$105</td> </tr> <tr> <td>Fam</td> <td>\$95</td> <td>\$150</td> <td>\$195</td> <td>\$225</td> </tr> </tbody> </table> <p><u>2013 New Hires</u> <i>Hired before 1/1/2014</i></p> <table border="1"> <thead> <tr> <th></th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="4" style="text-align: center;">Contribution Amounts</td> </tr> <tr> <td>Ind</td> <td>\$130</td> <td>\$135</td> <td>\$90</td> <td>\$105</td> </tr> <tr> <td>Fam</td> <td>\$280</td> <td>\$290</td> <td>\$195</td> <td>\$225</td> </tr> </tbody> </table> <p><i>Hired on or after 1/1/2014 and before 1/1/2015</i></p> <table border="1"> <thead> <tr> <th></th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="4" style="text-align: center;">Contribution Amounts</td> </tr> <tr> <td>Ind</td> <td>\$130</td> <td>\$135</td> <td>\$150</td> <td>\$105</td> </tr> <tr> <td>Fam</td> <td>\$280</td> <td>\$290</td> <td>\$320</td> <td>\$225</td> </tr> </tbody> </table> <p><i>Hired on or after 1/1/2015</i></p> <table border="1"> <thead> <tr> <th></th> <th>2015</th> <th>2016</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="3" style="text-align: center;">Contribution Amounts</td> </tr> <tr> <td>Ind</td> <td>\$135</td> <td>\$150</td> <td>\$155</td> </tr> <tr> <td>Fam</td> <td>\$290</td> <td>\$320</td> <td>\$335</td> </tr> </tbody> </table>		2014	2015	2016	2017		Contribution Amounts				Ind	\$45	\$70	\$90	\$105	Fam	\$95	\$150	\$195	\$225		2014	2015	2016	2017		Contribution Amounts				Ind	\$130	\$135	\$90	\$105	Fam	\$280	\$290	\$195	\$225		2014	2015	2016	2017		Contribution Amounts				Ind	\$130	\$135	\$150	\$105	Fam	\$280	\$290	\$320	\$225		2015	2016	2017		Contribution Amounts			Ind	\$135	\$150	\$155	Fam	\$290	\$320	\$335
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Annual Deductibles	<p><u>Current Employees, 2009 New Hires, and 2013 New Hires</u></p> <table border="1"> <thead> <tr> <th></th> <th colspan="2">2014 - 2017</th> </tr> <tr> <th></th> <th>Network and ONA</th> <th>Non-Network</th> </tr> </thead> <tbody> <tr> <td>Ind</td> <td>\$ 500</td> <td>\$1,300</td> </tr> <tr> <td>Fam</td> <td>\$1,000</td> <td>\$2,600</td> </tr> </tbody> </table> <p>Annual Deductible Provisions: No change from current plan.</p>		2014 - 2017			Network and ONA	Non-Network	Ind	\$ 500	\$1,300	Fam	\$1,000	\$2,600																																																																
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General Copay/Coinsurance	<u>Current Employees, 2009 New Hires, and 2013 New Hires</u> No change from current plan.																																																																												
Office Visit Copay / Coinsurance	<u>Current Employees, 2009 New Hires, and 2013 New Hires</u> No change from current plan.																																																																												
Urgent Care Facility/Professional Services Copay / Coinsurance	<u>Current Employees, 2009 New Hires, and 2013 New Hires</u> No change from current plan.																																																																												

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Provision	Current Employees, 2009 New Hires and 2013 New Hires																						
Emergency Room Facility/Professional Services Copay / Coinsurance	<u>Current Employees, 2009 New Hires, and 2013 New Hires</u> No change from current plan.																						
Hospital Inpatient/Outpatient Facility/Professional Services Copay / Coinsurance	<u>Current Employees, 2009 New Hires, and 2013 New Hires</u> No change from current plan.																						
Tests (all tests including x-ray, radiology, lab test, etc) Copay / Coinsurance	<u>Current Employees, 2009 New Hires, and 2013 New Hires</u> No change from current plan.																						
Mental Health/Substance Abuse (MH/SA) Copay / Coinsurance	<u>Current Employees, 2009 New Hires, and 2013 New Hires</u> No change from current plan.																						
Annual Out-of-Pocket Maximums (OOP)	<p><u>Current Employees, 2009 New Hires, and 2013 New Hires</u></p> <p style="text-align: center;">Out-of-Pocket Maximum Amounts (excluding Annual Deductible)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th><u>2014 Network and QNA</u></th> <th><u>2014 Non- Network</u></th> <th><u>2015-2017 Network and QNA</u></th> <th><u>2015-2017 Non- Network</u></th> </tr> </thead> <tbody> <tr> <td>Ind</td> <td>\$1,700</td> <td>\$ 5,100</td> <td>\$2,000</td> <td>\$ 6,000</td> </tr> <tr> <td>Fam</td> <td>\$3,400</td> <td>\$10,200</td> <td>\$4,000</td> <td>\$12,000</td> </tr> </tbody> </table> <p>Out-of-Pocket Maximum provisions: No change from current plan.</p>		<u>2014 Network and QNA</u>	<u>2014 Non- Network</u>	<u>2015-2017 Network and QNA</u>	<u>2015-2017 Non- Network</u>	Ind	\$1,700	\$ 5,100	\$2,000	\$ 6,000	Fam	\$3,400	\$10,200	\$4,000	\$12,000							
	<u>2014 Network and QNA</u>	<u>2014 Non- Network</u>	<u>2015-2017 Network and QNA</u>	<u>2015-2017 Non- Network</u>																			
Ind	\$1,700	\$ 5,100	\$2,000	\$ 6,000																			
Fam	\$3,400	\$10,200	\$4,000	\$12,000																			
Prescription Drug Program (Rx)	<p><u>Current Employees, 2009 New Hires, and 2013 New Hires</u></p> <p>Deductible: None.</p> <p>Out-of-Pocket Maximum:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th><u>2014-2017</u></th> </tr> </thead> <tbody> <tr> <td>Ind</td> <td>\$1,200</td> </tr> <tr> <td>Fam</td> <td>\$2,400</td> </tr> </tbody> </table> <p>Retail – Network Copays: (Up to 30-day supply, limited to 2 fills for maintenance)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th><u>2014-2017</u></th> </tr> </thead> <tbody> <tr> <td>Generic</td> <td>\$10</td> </tr> <tr> <td>Formulary</td> <td>\$35</td> </tr> <tr> <td>Non-Formulary</td> <td>\$60</td> </tr> </tbody> </table> <p>Retail – Non-Network Copays: Participant pays the greater of the applicable Network copay or balance remaining after the plan pays 75% of network retail cost.</p> <p>Mail Order Copays: (Up to 90-day supply)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th><u>2014-2017</u></th> </tr> </thead> <tbody> <tr> <td>Generic</td> <td>\$ 20</td> </tr> <tr> <td>Formulary</td> <td>\$ 70</td> </tr> <tr> <td>Non-Formulary</td> <td>\$120</td> </tr> </tbody> </table> <p>The following provisions will continue to apply:</p> <ul style="list-style-type: none"> • Mandatory mail order for maintenance Rx – Applies after second fill at retail • Specialty pharmacy program • Personal Choice – 100% participant-paid • Mandatory Generic 		<u>2014-2017</u>	Ind	\$1,200	Fam	\$2,400		<u>2014-2017</u>	Generic	\$10	Formulary	\$35	Non-Formulary	\$60		<u>2014-2017</u>	Generic	\$ 20	Formulary	\$ 70	Non-Formulary	\$120
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Formulary	\$ 70																						
Non-Formulary	\$120																						
Employee Assistance Plan (EAP)																							
Plan	<u>Current Employees, 2009 New Hires, and 2013 New Hires</u> AT&T Employee Assistance Program.																						
Visit Limit	<u>Current Employees, 2009 New Hires, and 2013 New Hires</u> Up to 5 sessions per issue per year.																						

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Provision	Current Employees, 2009 New Hires and 2013 New Hires
Disability	
Plan	<u>Current Employees, 2009 New Hires, and 2013 New Hires</u> AT&T Disability Income Program for Southwest Bargained Employees.
Short Term Disability (STD)	<u>Current Employees, 2009 New Hires, and 2013 New Hires</u> No change from current plan.
Long-Term Disability (LTD)	<u>Current Employees, 2009 New Hires, and 2013 New Hires</u> No change from current plan.
Leaves of Absence (LOAs)	
Plan	<u>Current Employees, 2009 New Hires, and 2013 New Hires</u> AT&T Leaves of Absence Policy.
Types of LOAs	<u>Current Employees, 2009 New Hires, and 2013 New Hires</u> No change from current plan.
Dental	
Plan	<u>Current Employees, 2009 New Hires, and 2013 New Hires</u> AT&T Dental Plan (same as legacy T, SE, and MW CWA provisions) • Dental PPO • DHMO (available at the discretion of the Company)
Eligibility	<u>Current Employees, 2009 New Hires, and 2013 New Hires</u> No change from current SW CWA provisions for employees. Dependent eligibility same as legacy T, SE, and MW CWA provisions.
Active (Full-Time) Monthly Contributions	<u>Current Employees, 2009 New Hires, and 2013 New Hires</u> Dental PPO or DHMO (if available) 2014-2017 Contribution Amounts Ind \$ 3 Ind +1 \$ 9 Fam \$18
Active (Part-Time) Monthly Contributions	<u>Current Employees, 2009 New Hires, and 2013 New Hires</u> Based on Scheduled hours/week: • Greater than or equal to 20 hours = 50% of full cost of coverage* • Less than 20 hours = 100% of full cost of coverage* with no Company subsidy *Note: Calculation of the full cost of coverage is subject to change from time to time at the Company's discretion.
Deductible	<u>Current Employees, 2009 New Hires, and 2013 New Hires</u> Network and ONA: \$25 per individual per year Non-Network: \$50 per individual per year
Annual Maximum Benefit	<u>Current Employees, 2009 New Hires, and 2013 New Hires</u> Network and ONA: \$1,750 per individual* Non-Network: \$1,300 per individual* *Not to exceed \$1,750 combined Network/Non-Network
Orthodontic Lifetime Maximum	<u>Current Employees, 2009 New Hires, and 2013 New Hires</u> Network and ONA: \$2,000 per individual* Non-Network: \$1,400 per individual* *Not to exceed \$2,000 combined Network/Non-Network

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Provision	Current Employees, 2009 New Hires and 2013 New Hires								
Coverage Levels	<p><u>Current Employees, 2009 New Hires, and 2013 New Hires</u> Dental PPO Coinsurance</p> <p>Class I (Diagnostic/Preventive): Network and ONA*: 100% deductible waived Non-Network**: 100% deductible waived</p> <p>Class II (Basic restorative – fillings, extractions, periodontal treatment/maintenance): Network and ONA*: 90% after deductible Non-Network**: 70% after deductible</p> <p>Class III (Major restorative – crowns, dentures, bridgework): Network and ONA*: 80% after deductible Non-Network**: 50% after deductible</p> <p>Class IV (Orthodontia): Network and ONA*: 80% after deductible Non-Network**: 50% after deductible</p> <p>Notes: *For ONA, paid at Network contracted rate. **For Non-Network paid based on reasonable and customary amounts.</p>								
Outside Network Area (ONA)	<p><u>Current Employees, 2009 New Hires, and 2013 New Hires</u></p> <ul style="list-style-type: none"> • ONA benefit provided to employees who reside in a zip code which does not meet the network standards • ONA benefits are equivalent to PPO Network benefits • Enrollees who are in Network will be offered the PPO option only • Enrollees who are located outside the Network zip code criteria will be offered the ONA option only 								
Vision									
Plan	<p><u>Current Employees, 2009 New Hires, and 2013 New Hires</u> AT&T Vision Plan (same as legacy T and SE CWA provisions)</p>								
Eligibility	<p><u>Current Employees, 2009 New Hires, and 2013 New Hires</u> No change from current SW CWA provisions for employees. Dependent eligibility same as legacy T and SE CWA provisions.</p>								
Active (Full-Time) Monthly Contributions	<p><u>Current Employees, 2009 New Hires, and 2013 New Hires</u></p> <table border="0" style="margin-left: 40px;"> <tr> <td></td> <td style="text-align: center;">2014-2017 Contribution Amounts</td> </tr> <tr> <td>Ind</td> <td style="text-align: right;">\$2.50</td> </tr> <tr> <td>Ind +1</td> <td style="text-align: right;">\$5.00</td> </tr> <tr> <td>Fam</td> <td style="text-align: right;">\$7.00</td> </tr> </table>		2014-2017 Contribution Amounts	Ind	\$2.50	Ind +1	\$5.00	Fam	\$7.00
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Active (Part-Time) Monthly Contributions	<p><u>Current Employees, 2009 New Hires, and 2013 New Hires</u> Based on Scheduled hours/week:</p> <ul style="list-style-type: none"> • Greater than or equal to 20 hours = 50% of full cost of coverage* • Less than 20 hours = 100% of full cost of coverage* with no Company subsidy <p>* Note: Calculation of the full cost of coverage is subject to change from time to time at the Company's discretion</p>								

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Provision	Current Employees, 2009 New Hires and 2013 New Hires
Coverage Levels	<p><u>Current Employees, 2009 New Hires, and 2013 New Hires</u></p> <p>Exam: 1 exam per 12 months</p> <ul style="list-style-type: none"> • Network: \$0 copay • Non-Network: \$28 allowance <p>Frame Allowance: 1 pair per 12 months</p> <ul style="list-style-type: none"> • Network: \$130 allowance • Non-Network: \$ 30 allowance <p>Lenses Allowance: 1 set per 12 months</p> <ul style="list-style-type: none"> • Network: \$0/0% copay/coinsurance Covers std. plastic lenses: Single, Bi-focal, Tri-focal, Lenticular, Progressive + Polycarbonate at 100% • Non-Network: \$30-\$80 allowance <p>Contact Lenses Allowance: Allowance per 12 months</p> <ul style="list-style-type: none"> • Network: \$150 allowance • Non-Network: \$150 allowance <p>2nd Pair Benefit: Allows for a 2nd pair of glasses or contact lenses allowance after the first pair benefit is utilized, per 24 months.</p>
Flexible Spending Account (FSA)	
Plan	<p><u>Current Employees, 2009 New Hires, and 2013 New Hires</u> No change from current plan, except those that are mandated by healthcare reform legislation (PPACA).</p>
Contribution Minimum/Maximums	<p><u>Current Employees, 2009 New Hires, and 2013 New Hires</u> No change from current plan, except those that are mandated by healthcare reform legislation (PPACA).</p>
CarePlus	
Plan	<p><u>Current Employees, 2009 New Hires, and 2013 New Hires</u> AT&T CarePlus – A Supplemental Benefit Program.</p>
Monthly Contributions	<p><u>Current Employees, 2009 New Hires, and 2013 New Hires</u> No change from current plan.</p>
General Benefits	<p><u>Current Employees, 2009 New Hires, and 2013 New Hires</u> Expand benefits which may be offered under CarePlus to include any benefits determined by the Company to be beneficial to Plan participants. Company retains the unilateral right to change, modify, amend and discontinue the expanded benefits offered under CarePlus.</p> <p>Change frequency of enrollment from every 3rd year to annual.</p>
Life Insurance	
Plan	<p><u>Current Employees, 2009 New Hires, and 2013 New Hires</u> No change from current plan.</p>
Active Benefits	<p><u>Current Employees, 2009 New Hires, and 2013 New Hires</u> No change from current plan. Note: contribution amounts are subject to annual adjustments.</p>
Definition of Pay	<p><u>Current Employees, 2009 New Hires, and 2013 New Hires</u> No change from current plan.</p>
Long-Term Care	
Plan	<p><u>Current Employees, 2009 New Hires, and 2013 New Hires</u> AT&T Consolidated Long-Term Care Insurance Plan</p>
Coverage	<p><u>Current Employees and 2009 New Hires</u> Participants currently enrolled may remain in the plan; closed to new entrants as of 5/1/2012.</p> <p><u>2013 New Hires</u> Not available; closed to new entrants as of 5/1/2012.</p>
Adoption	
Plan	<p><u>Current Employees, 2009 New Hires, and 2013 New Hires</u> No change from current plan.</p>
Coverage	<p><u>Current Employees, 2009 New Hires, and 2013 New Hires</u> No change from current plan.</p>
Commuter	
Plan	<p><u>Current Employees, 2009 New Hires, and 2013 New Hires</u> No change from current plan.</p>
Coverage	<p><u>Current Employees, 2009 New Hires, and 2013 New Hires</u> No change from current plan.</p>
Provision	Eligible Retired Employees

Southwest CWA Benefits Outline Summary

Provision	Eligible Retired Employees
Retiree Provisions	Effective 1/1/2014. Applicable for the term of the Agreement to Eligible Retired Employees who terminate during the term of the Agreement.
Medical	
Plan	Eligible Retired Employees shall be eligible to participate in the same plan as a similarly situated active Current Employee, 2009 New Hire or 2013 New Hire except as noted in the sections below.
Eligible Retired Employees (Full-Time) Monthly Contributions	<p><u>Current Employee and 2009 New Hires</u> No change from current plan.</p> <p><u>2013 New Hires</u></p> <ul style="list-style-type: none"> Eligible Retired Employees who are Non-Medicare eligible will pay 100% of full cost of coverage* with no Company subsidy. Eligible Retired Employees who are Medicare eligible are Ineligible for coverage. <p>* Note: Calculation of the full cost of coverage is subject to change from time to time at the Company's discretion.</p>
Eligible Retired Employees (Part-Time) Monthly Contributions	<p><u>Current Employee and 2009 New Hires</u> No change from current plan.</p> <p><u>2013 New Hires</u></p> <ul style="list-style-type: none"> Eligible Retired Employees who are Non-Medicare eligible will pay 100% of full cost of coverage* with no Company subsidy. Eligible Retired Employees who are Medicare eligible are ineligible for coverage. <p>* Note: Calculation of the full cost of coverage is subject to change from time to time at the Company's discretion.</p>
Medicare Part-B Premium Reimbursement	<p><u>Current Employees</u> No change from current plan except that Class I dependents of employees who retire on or after January 1, 2017 will be ineligible for the Medicare Part-B premium reimbursement.</p> <p><u>2009 New Hires and 2013 New Hires</u> Not Eligible.</p>
CarePlus	
Plan	<u>Current Employees, 2009 New Hires, and 2013 New Hires</u> AT&T CarePlus – A Supplemental Benefit Program.
Monthly Contributions	<u>Current Employees, 2009 New Hires, and 2013 New Hires</u> No change from current plan.
General Benefits	<p><u>Current Employees, 2009 New Hires, and 2013 New Hires</u> Expand benefits which may be offered under CarePlus to include any benefits determined by the Company to be beneficial to Plan participants. Company retains the unilateral right to change, modify, amend and discontinue the expanded benefits offered under CarePlus.</p> <p>Enrollment in this plan will be on an annual basis.</p>
Dental	
Plan	Eligible Retired Employees shall be eligible to participate in the same plan as similarly situated active Current Employees, 2009 New Hires or 2013 New Hires except as noted in the sections below.
Eligible Retired Employees (Full-Time) Monthly Contributions	<p><u>Current Employee and 2009 New Hires</u> No change from current plan.</p> <p><u>2013 New Hires</u></p> <ul style="list-style-type: none"> Eligible Retired Employees who are Non-Medicare eligible will pay 100% of full cost of coverage* with no Company subsidy. Eligible Retired Employees who are Medicare eligible are ineligible for coverage. <p>* Note: Calculation of the full cost of coverage is subject to change from time to time at the Company's discretion.</p>
Eligible Retired Employees (Part-Time) Monthly Contributions	<p><u>Current Employee and 2009 New Hires</u> No change from current plan.</p> <p><u>2013 New Hires</u></p> <ul style="list-style-type: none"> Eligible Retired Employees who are Non-Medicare eligible will pay 100% of full cost of coverage* with no Company subsidy. Eligible Retired Employees who are Medicare eligible are ineligible for coverage. <p>* Note: Calculation of the full cost of coverage is subject to change from time to time at the Company's discretion.</p>

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Provision	Eligible Retired Employees
Life Insurance	
Eligible Retired Employees Basic Life (Company Paid)	<u>Current Employees, 2009 New Hires, and 2013 New Hires</u> No change from current plan.
Supplemental Life (Retiree Paid)	<u>Current Employees, 2009 New Hires, and 2013 New Hires</u> No change from current plan except that contributions shall be the same as for a similarly situated active employee.
Definition of Pay	<u>Current Employees, 2009 New Hires, and 2013 New Hires</u> No change from current plan.
Vision	
Eligible Retired Employees Vision Plan	<u>Current Employees, 2009 New Hires, and 2013 New Hires</u> Eligible Retired Employees shall be eligible to participate in the AT&T Retiree Vision Care Program.
Eligible Retired Employees Monthly Contributions	<u>Current Employee and 2009 New Hires</u> No change from current plan. <u>2013 New Hires</u> <ul style="list-style-type: none"> • Eligible Retired Employees who are Non-Medicare eligible will pay 100% of full cost of coverage* with no Company subsidy. • Eligible Retired Employees who are Medicare eligible are ineligible for coverage. * Note: Calculation of the full cost of coverage is subject to change from time to time at the Company's discretion
Eligible Retired Employees (Part-Time) Monthly Contributions	<u>Current Employee and 2009 New Hires</u> No change from current plan. <u>2013 New Hires</u> <ul style="list-style-type: none"> • Eligible Retired Employees who are Non-Medicare eligible will pay 100% of full cost of coverage* with no Company subsidy. • Eligible Retired Employees who are Medicare eligible are ineligible for coverage. * Note: Calculation of the full cost of coverage is subject to change from time to time at the Company's discretion.
Provision	Current Employees, 2009 New Hires, 2013 New Hires and Eligible Retired Employees
Voluntary	
Discretionary Program	AT&T Voluntary Benefits Platform (products offered as they may change from time to time).

**MONTHLY BENEFIT TABLE A
 FOR PENSION EFFECTIVE DATES
 ON OR AFTER JANUARY 1, 2014
 AND BEFORE JANUARY 1, 2015**

Increase = 1%	
PENSION BAND NUMBERS	ANY AGE
94	\$26.21
95	\$27.78
96	\$29.34
97	\$30.88
98	\$32.45
99	\$34.00
100	\$35.57
101	\$37.13
102	\$38.69
103	\$40.30
104	\$41.86
105	\$43.40
106	\$44.95
107	\$46.56
108	\$48.15
109	\$49.71
110	\$51.26
111	\$52.84
112	\$54.35
113	\$55.99
114	\$57.52
115	\$59.05
116	\$60.65
117	\$62.19
118	\$63.79
119	\$65.34
120	\$66.92
121	\$68.48
122	\$70.07
123	\$71.61
124	\$73.19
125	\$74.76
126	\$76.30
127	\$77.90
128	\$79.45
129	\$81.03
130	\$82.56
131	\$84.18
132	\$85.71
133	\$87.26
134	\$88.86
135	\$90.41

**MONTHLY BENEFIT TABLE B
 FOR PENSION EFFECTIVE DATES
 ON OR AFTER JANUARY 1, 2015
 AND BEFORE JANUARY 1, 2016**

Increase = 1%	
PENSION BAND NUMBERS	ANY AGE
94	\$26.47
95	\$28.06
96	\$29.63
97	\$31.19
98	\$32.77
99	\$34.34
100	\$35.93
101	\$37.50
102	\$39.08
103	\$40.70
104	\$42.28
105	\$43.83
106	\$45.40
107	\$47.03
108	\$48.63
109	\$50.21
110	\$51.77
111	\$53.37
112	\$54.89
113	\$56.55
114	\$58.10
115	\$59.64
116	\$61.26
117	\$62.81
118	\$64.43
119	\$65.99
120	\$67.59
121	\$69.16
122	\$70.77
123	\$72.33
124	\$73.92
125	\$75.51
126	\$77.06
127	\$78.68
128	\$80.24
129	\$81.84
130	\$83.39
131	\$85.02
132	\$86.57
133	\$88.13
134	\$89.75
135	\$91.31

**MONTHLY BENEFIT TABLE C
 FOR PENSION EFFECTIVE DATES
 ON OR AFTER JANUARY 1, 2016
 AND BEFORE JANUARY 1, 2017**

**MONTHLY BENEFIT TABLE D
 FOR PENSION EFFECTIVE DATES
 ON OR AFTER JANUARY 1, 2017**

Increase = **1%**

PENSION BAND NUMBERS	ANY AGE
94	\$26.73
95	\$28.34
96	\$29.93
97	\$31.50
98	\$33.10
99	\$34.68
100	\$36.29
101	\$37.88
102	\$39.47
103	\$41.11
104	\$42.70
105	\$44.27
106	\$45.85
107	\$47.50
108	\$49.12
109	\$50.71
110	\$52.29
111	\$53.90
112	\$55.44
113	\$57.12
114	\$58.68
115	\$60.24
116	\$61.87
117	\$63.44
118	\$65.07
119	\$66.65
120	\$68.27
121	\$69.85
122	\$71.48
123	\$73.05
124	\$74.66
125	\$76.27
126	\$77.83
127	\$79.47
128	\$81.04
129	\$82.66
130	\$84.22
131	\$85.87
132	\$87.44
133	\$89.01
134	\$90.65
135	\$92.22

Increase = **1%**

PENSION BAND NUMBERS	ANY AGE
94	\$27.00
95	\$28.62
96	\$30.23
97	\$31.82
98	\$33.43
99	\$35.03
100	\$36.65
101	\$38.26
102	\$39.86
103	\$41.52
104	\$43.13
105	\$44.71
106	\$46.31
107	\$47.98
108	\$49.61
109	\$51.22
110	\$52.81
111	\$54.44
112	\$55.99
113	\$57.69
114	\$59.27
115	\$60.84
116	\$62.49
117	\$64.07
118	\$65.72
119	\$67.32
120	\$68.95
121	\$70.55
122	\$72.19
123	\$73.78
124	\$75.41
125	\$77.03
126	\$78.61
127	\$80.26
128	\$81.85
129	\$83.49
130	\$85.06
131	\$86.73
132	\$88.31
133	\$89.90
134	\$91.56
135	\$93.14

**MONTHLY BENEFIT TABLE E
 FOR PENSION EFFECTIVE DATES
 ON OR AFTER JANUARY 1, 2014
 AND BEFORE JANUARY 1, 2015**

Increase = 1%	
PENSION BAND NUMBERS	ANY AGE
7A8	\$32.45
7A9	\$34.00
700	\$35.57
701	\$37.13
702	\$38.69
703	\$40.30
704	\$41.86
705	\$43.40
706	\$44.95
707	\$46.56
708	\$48.15
709	\$49.71
710	\$51.26
711	\$52.84
712	\$54.35

**MONTHLY BENEFIT TABLE F
 FOR PENSION EFFECTIVE DATES
 ON OR AFTER JANUARY 1, 2015
 AND BEFORE JANUARY 1, 2016**

Increase = 1%	
PENSION BAND NUMBERS	ANY AGE
7A8	\$32.77
7A9	\$34.34
700	\$35.93
701	\$37.50
702	\$39.08
703	\$40.70
704	\$42.28
705	\$43.83
706	\$45.40
707	\$47.03
708	\$48.63
709	\$50.21
710	\$51.77
711	\$53.37
712	\$54.89

**MONTHLY BENEFIT TABLE G
 FOR PENSION EFFECTIVE DATES
 ON OR AFTER JANUARY 1, 2016
 AND BEFORE JANUARY 1, 2017**

Increase = 1%	
PENSION BAND NUMBERS	ANY AGE
7A8	\$33.10
7A9	\$34.68
700	\$36.29
701	\$37.88
702	\$39.47
703	\$41.11
704	\$42.70
705	\$44.27
706	\$45.85
707	\$47.50
708	\$49.12
709	\$50.71
710	\$52.29
711	\$53.90
712	\$55.44

**MONTHLY BENEFIT TABLE H
 FOR PENSION EFFECTIVE DATES
 ON OR AFTER JANUARY 1, 2017**

Increase = 1%	
PENSION BAND NUMBERS	ANY AGE
7A8	\$33.43
7A9	\$35.03
700	\$36.65
701	\$38.26
702	\$39.86
703	\$41.52
704	\$43.13
705	\$44.71
706	\$46.31
707	\$47.98
708	\$49.61
709	\$51.22
710	\$52.81
711	\$54.44
712	\$55.99

SUCCESS SHARING PLAN

Based on the Union and Company's desire to have employees share in the success of AT&T Inc. (AT&T), the parties agree to a Success Sharing Plan (SSP). Eligible employees may receive annual lump sum payments based on AT&T stock price appreciation and AT&T dividend rate.

A. Plan Components

1. Success Units

Employees will be awarded 150 success units at the beginning of each award year (October 1, 2013, October 1, 2014, October 1, 2015 and October 3, 2016). Those success units will only be valid for that award year and will not carryover to the next award year. A success unit is only used as a multiplier in the payout calculation and is not a share of stock nor has any other value.

2. Determining Award Value

Award Year	Beginning Award Value	Ending Award Value
2014 (October 1, 2013 to September 30, 2014)	October 1, 2013 closing AT&T stock price	September 30, 2014 closing AT&T stock price
2015 (October 1, 2014 to September 30, 2015)	October 1, 2014 closing AT&T stock price	September 30, 2015 closing AT&T stock price
2016 (October 1, 2015 to September 30, 2016)	October 1, 2015 closing AT&T stock price	September 30, 2016 closing AT&T stock price
2017 (October 3, 2016 to September 29, 2017)	October 3, 2016 closing AT&T stock price	September 29, 2017 closing AT&T stock price

The stock price used in establishing the award value will be the closing AT&T stock price on the New York Stock Exchange.

The award value will be adjusted proportionally to reflect any stock split.

3. Determining Dividend Rate Value

The dividend rate value will be determined by adding each AT&T declared quarterly dividend during the Award Year (historically December, March, June, and September) and multiplying this total by 150 success units.

4. Payout

Employees will receive a total payout based on the difference between the ending award value and the beginning award value for the award year times 150 success units plus the dividend rate value. For example:

Stock Appreciation Value:

Beginning award value – October 1, 2013 closing AT&T stock price \$30.00

Ending award value – September 30, 2014 closing AT&T stock price \$35.00

Payout – $\$35 - \$30 = \$5 \times 150$ success units = \$750.00

Dividend Rate Value:

December 2013 declared dividend \$.44

March 2014 declared dividend \$.44

June 2014 declared dividend \$.44

September 2014 declared dividend \$.44

Total Declared Dividend \$1.76

Payout - $\$1.76 \times 150$ success units = \$264.00

Total Payout

\$750.00 stock appreciation value + \$264.00 dividend rate value = \$1,014.00

Payment of the award will be made as soon as practicable after the award year and will normally occur the payday of the last full pay period in November.

B. Eligibility

Employees eligible for payouts as described above are those regular, temporary and term employees who are on the payroll on both the beginning and ending dates of the award year and who work for a minimum of three (3) months within the award year in a position covered by this Collective Bargaining Agreement. Eligible employees who are on approved leaves of absence, short-term disability absence or partial disability absence and meet the other eligibility requirements on the ending date of the award year shall receive a payout, provided they return to duty on or before December 31 of the year in which the payment is made.

An eligible employee who transfers between AT&T Companies participating in the SSP will be eligible to receive a payout under the terms of the SSP applicable to the employee's current bargaining unit at the time of a payout, so long as the combined service in both AT&T Companies satisfies the above eligibility provisions.

C. Part-Time Employees

Eligible part-time employees will receive prorated payments based on their part-time classification (or "part-time equivalent work week") on the ending date of the award year.

D. Benefits Treatment

SSP payments will be recognized as eligible compensation under the following benefit plans:

- Medical
- Life Insurance
- Pension
- Savings Plan (ARSP Only)

E. Taxes, Personal Allotments

Payments are subject to state and local taxes, Federal Income Tax, Social Security Tax, Medicare Tax, and any state disability deductions at the time of payment. Union dues will be deducted at the same rate as they are deducted for wages. Employees with 401(k) pre-tax elections will not have State or Federal Income Taxes deducted from that portion.

Personal allotments such as United Way contributions will not be made.

F. Dispute Resolution

Company determination under this plan shall be final and binding. The Union may present grievances relating to matters covered by the SSP, but neither the plan nor its administration shall be subject to arbitration.

INCENTIVE PLANS

1. Incentive Plans are intended to recognize and reward the contribution of employees to the financial performance and operational efficiency of the Company.
2. Incentive Plans are designed and can be implemented for employees within the Company, based on individual or team results.
3. Incentive Plans may be designed and/or paid on a monthly, quarterly, semi-annual or annual basis.
4. Measures that will be used for the Incentive Plans may include, but are not limited to, the following:
 - A. Productivity;
 - B. Quality; and/or
 - C. Financial
5. Incentive Plans are subject to state and local taxes, federal income and social security taxes in effect at the time of payment.
6. The Company reserves the right to amend, modify or discontinue any Incentive Plan.
7. The Company would limit the value of an individual's incentive to approximately \$3000 per year for each Incentive Plan unless mutually agreed to by the Union. "Incentive Plan" refers to an individual plan with a beginning and end date within the calendar year.
8. Employees may not be excluded from participating in an Incentive Plan because of an unsatisfactory appraisal or for being on a step of discipline. Employees may be excluded from participating due to misconduct.
9. Participation in Incentive Plans is on a voluntary basis.
10. The Company will provide the Union with a copy of the major Incentive Plans that are implemented.
11. The Leveraged Service Representative Sales Committee may discuss incentives for the major Incentive Plans.

MEMORANDUM OF AGREEMENT
EMPLOYMENT SECURITY COMMITMENT (ESC)

This Memorandum of Agreement is entered into as of April 7, 2013 between Communications Workers of America ("CWA" or the "Union") and Southwestern Bell Telephone Company, SBC Advanced Solutions, Inc., AT&T DataComm, Inc., AT&T Operations, Inc., AT&T Services, Inc., and SBC Telecom, Inc. (collectively referred to as the "Company" or "Management"). This Agreement supersedes the Memorandum of Agreement entered into April 5, 2009 as set forth in the 2009 Settlement Agreement and shall be effective April 7, 2013 through April 8, 2017, unless otherwise mutually agreed in writing by the parties.

1. The Company will guarantee employment security from involuntary layoff (Job Offer Guarantee), during the period stated herein to qualified surplus regular employees, subject to the conditions and provisions contained in this Commitment.

NOTE: This Commitment does not apply to an employee who has been offered the opportunity to follow the work within his/her Job Vacancy Scope, as defined in Appendix F, Exchanges and Job Vacancy Scopes, of the 2013 Departmental Agreement (based on the employee's Regular Place of Reporting; Job Vacancy Scope hereinafter referred to as Scope) or to an employee who has invoked the HJSC, nor shall it continue to apply to an employee who is offered the opportunity to fill a position in his/her Scope under Article XIII, **Job Vacancy**, or Article XVII, **Force Adjustment**, of the 2013 Departmental Agreement.

2. Any regular employee (except those excluded by the note in 1. above) who, after the effective date of this Agreement, is in a surplus status pursuant to Article XVII, **Force Adjustment**, shall, prior to involuntary layoff, be offered a job in the Scope for which he/she is qualified, provided the employee has first fulfilled the following conditions:
 - A. Is already qualified for consideration, or becomes so qualified, by passing the Keyboarding Test - Level 1 and the appropriate operator and entry level clerical tests.
 - B. Meets expectations on his/her current job.
 - C. Within sixty (60) days of the date of surplus notification, or by such later date as is determined by Management, advises the Company of his/her election to invoke the Job Offer Guarantee, and to be considered for all jobs at all locations within the Scope beginning on the ninety-first (91st) day following the date of surplus notification (or on the day following the anticipated force disposition date for those surplus situations declared

more than ninety [90] days in advance). A displaced employee shall have two (2) working days following first being advised that he/she is subject to displacement to advise the Company of his/her election to invoke the Job Offer Guarantee and to be considered for all jobs at all locations within his/her Scope beginning on the fifteenth (15th) day following the date of notification. He/she shall be required to be qualified in accordance with 2.A. and 2.B., preceding, at the time of the guaranteed job offer.

NOTE: A surplus employee who elects to invoke the Job Offer Guarantee shall not be permitted to displace a junior employee as provided in Section 3.g. and h. of Article XVII, **Force Adjustment**.

3. The guaranteed job offer shall be made to those qualified employees in the Surplus Work Group, as defined in Article XVII, **Force Adjustment**, by order of seniority beginning on the ninety-first (91st) day after surplus notification (or on the day following the anticipated force disposition date for those surplus situations declared more than ninety [90] days in advance).
 - A. An employee to whom a guaranteed job offer has been made has one (1) working day to accept the offer after which it will be considered rejected.
 - B. Rejection of a guaranteed job offer voids this Employment Security Commitment, and shall be considered an election by the employee to continue under the terms of Article XVII, **Force Adjustment**, except for the displacement provisions outlined in Section 3.g. and h. of this Article.
 - C. A qualified surplus employee or displaced employee who, at his/her force disposition date, is entitled to, but has not yet received, a guaranteed job offer shall remain on the payroll at his/her existing wage rate and shall be assigned such work within the Force Adjustment Area as Management deems appropriate until the guaranteed job offer is made.

NOTE: Any employee who has been retained on the Company payroll beyond his/her force disposition date pursuant to this Employment Security Commitment and who then rejects the guaranteed job offer shall be terminated. The amount of wages paid to the employee between the force disposition date and termination shall be deducted from any severance pay due.

4. The terms of this Commitment shall not apply to "local Union-Management modifications" to the force surplus disposition procedures as provided for in Section 6. of Article XVII, **Force Adjustment**, unless said local Union and Management mutually agree.

5. The force surplus conditions contemplated and dealt with in this Commitment are those which occur in the normal course of business for reasons such as technological change, etc. The Company retains the right, however, to suspend or cancel at any time the application of this Commitment when a force surplus is declared because of any significant change or extraordinary fluctuation in economic or business conditions as determined by the President of the Company.
6. Wage treatment, including Reassignment Pay Protection Plan (RPPP) treatment, will be administered to eligible employees who accept or receive jobs under the provisions of this Commitment in accordance with Section 4., Article XVII, **Force Adjustment**, of the 2013 Departmental Agreement.
7. In the event of any conflict between the provisions of this Memorandum of Agreement and the provisions of Article XIII, **Job Vacancy**, or Article XVII, **Force Adjustment**, of the 2013 Departmental Agreement, the provisions of this Memorandum of Agreement shall control.
8. Paragraphs 2. and 6. of this Agreement shall be subject to arbitration. All other provisions of this Agreement shall be subject to the grievance procedures set forth in Article XIX, **Grievances**, of the 2013 Departmental Agreement, and any grievance shall initially be filed at the second step with the Vice President-Labor Relations and shall not be delegated. Except for matters pertaining to Paragraphs 2. and 6., no other such grievance shall be subject to arbitration.

FOR THE UNION:

FOR THE COMPANY:

By: _____
Claude Cummings Jr.
Vice President, District 6

By: _____
Joe Croci
Vice President-Labor Relations

MEMORANDUM OF AGREEMENT
EXTENDED EMPLOYMENT OPPORTUNITY PERIOD

This Memorandum of Agreement is entered into as of April 7, 2013 between Communications Workers of America ("CWA" or the "Union") and Southwestern Bell Telephone Company, SBC Advanced Solutions, Inc., AT&T DataComm, Inc., AT&T Operations, Inc., AT&T Services, Inc., and SBC Telecom, Inc. (collectively referred to as the "Company" or "Management"). This Agreement shall be effective April 7, 2013 through April 8, 2017, unless otherwise mutually agreed in writing by the parties.

1. The Company will guarantee employment security from involuntary layoff (Job Offer Guarantee), during the period stated herein to qualified surplus regular employees hired after July 1, 2004 but prior to April 6, 2013, subject to the conditions and provisions contained in this Agreement.

NOTE: This Agreement does not apply to an employee who has been offered the opportunity to follow the work within the Southwest Region (Texas, Oklahoma, Arkansas, Kansas or Missouri) or to an employee who has invoked the HJSC, nor shall it continue to apply to an employee who is offered the opportunity to fill a position in the Southwest Region under Article XIII, **Job Vacancy**, or Article XVII, **Force Adjustment**, of the 2013 Departmental Agreement.

2. Any regular employee hired after July 1, 2004 but prior to April 6, 2013 (except those excluded by the note in 1. above) who, after the effective date of this Agreement, is in a surplus status pursuant to Article XVII, **Force Adjustment**, shall, prior to involuntary layoff, be offered a job in the Southwest region for which he/she is qualified, provided the employee has first fulfilled the following conditions:
 - A. Is already qualified for consideration, or becomes so qualified, by passing the Keyboarding Test - Level 1 and the appropriate operator and entry level clerical tests.
 - B. Meets expectations on his/her current job.
 - C. Within sixty (60) days of the date of surplus notification, or by such later date as is determined by Management, advises the Company of his/her election to invoke the Job Offer Guarantee, and to be considered for all jobs at all locations within the Southwest Region beginning on the ninety-first (91st) day following the date of surplus notification (or on the day following the anticipated force disposition date for those surplus situations declared more than ninety [90] days in advance). A displaced employee shall have two (2) working days following first being advised that he/she is subject to displacement to advise the Company of his/her election to invoke the Job Offer Guarantee and to be considered for all jobs at all

locations within the Southwest Region beginning on the fifteenth (15th) day following the date of notification. He/she shall be required to be qualified in accordance with 2.A. and 2.B., preceding, at the time of the guaranteed job offer.

NOTE: A surplus employee who elects to invoke the Job Offer Guarantee shall not be permitted to displace a junior employee as provided in Section 3.g. and h. of Article XVII, **Force Adjustment**.

3. The guaranteed job offer shall be made to those qualified employees in the Surplus Work Group, as defined in Article XVII, **Force Adjustment**, by order of seniority beginning on the ninety-first (91st) day after surplus notification (or on the day following the anticipated force disposition date for those surplus situations declared more than ninety [90] days in advance). The Company may make a guaranteed job offer for positions with companies that may not be signatory to the 2013 Labor Agreements, including bargained-for positions with any Legacy T entity (e.g., AT&T Corp., AT&T Operations, Inc., AT&T Laboratories, Inc., TC Systems, Inc., TCG Services, Inc., etc.), and/or SBC Internet Services, Inc. Employees accepting a job offer outside their current bargaining unit shall be treated as if they had transferred under the terms and conditions of the IMF process and shall be subject to all applicable receiving company practices, policies, collective bargaining agreement provisions and benefit plan eligibility standards, including those related to or affected by Net Credited Service.
 - A. An employee to whom a guaranteed job offer has been made has one (1) working day to accept the offer after which it will be considered rejected.
 - B. Rejection of a guaranteed job offer voids this Agreement, and shall be considered an election by the employee to continue under the terms of Article XVII, **Force Adjustment**, except for the displacement provisions outlined in Section 3.g. and h. of this Article.
 - C. A qualified surplus employee or displaced employee who, at his/her force disposition date, is entitled to, but has not yet received, a guaranteed job offer shall remain on the payroll at his/her existing wage rate and shall be assigned such work within the Force Adjustment Area as Management deems appropriate until the guaranteed job offer is made.

NOTE: Any employee who has been retained on the Company payroll beyond his/her force disposition date pursuant to this Agreement and who then rejects the guaranteed job offer shall be terminated. The amount of wages paid to the employee between the force disposition date and termination shall be deducted from any severance pay due.

4. The terms of this Agreement shall not apply to "local Union-Management modifications" to the force surplus disposition procedures as provided for in Section 6. of Article XVII, **Force Adjustment**, unless said local Union and Management mutually agree.
5. The force surplus conditions contemplated and dealt with in this Agreement are those which occur in the normal course of business for reasons such as technological change, etc. The Company retains the right, however, to suspend or cancel at any time the application of this Agreement when a force surplus is declared because of any significant change or extraordinary fluctuation in economic or business conditions as determined by the President of the Company.
6. Wage treatment, including Reassignment Pay Protection Plan (RPPP) treatment, will be administered to eligible employees who accept or receive jobs under the provisions of this Agreement in accordance with Section 4., Article XVII, **Force Adjustment**, of the 2013 Departmental Agreement.
7. In the event of any conflict between the provisions of this Memorandum of Agreement and the provisions of Article XIII, **Job Vacancy**, or Article XVII, **Force Adjustment**, of the 2013 Departmental Agreement, the provisions of this Memorandum of Agreement shall control.
8. Paragraphs 2. and 6. of this Agreement shall be subject to arbitration. All other provisions of this Agreement shall be subject to the grievance procedures set forth in Article XIX, **Grievances**, of the 2013 Departmental Agreement, and any grievance shall initially be filed at the second step with the Vice President-Labor Relations and shall not be delegated. Except for matters pertaining to Paragraphs 2. and 6., no other such grievance shall be subject to arbitration.

FOR THE UNION:

FOR THE COMPANY:

By: _____
Claude Cummings Jr.
Vice President, District 6

By: _____
Joe Croci
Vice President-Labor Relations

MEMORANDUM OF AGREEMENT
NATIONAL TRANSFER PLAN

This Memorandum of Agreement is entered into as of April 7, 2013 between Communications Workers of America ("CWA" or the "Union") and Southwestern Bell Telephone Company, SBC Advanced Solutions, Inc., AT&T DataComm, Inc., AT&T Operations, Inc., AT&T Services, Inc., and SBC Telecom, Inc. (collectively referred to as the "Company" or "Management"). This Agreement shall be effective April 7, 2013 through April 8, 2017.

In response to the CWA's concern for its members' employment security and its expressed interest in removing impediments to movement between various AT&T Companies identified in the attachments to this Memorandum, as long as such company(s) remain wholly-owned subsidiaries of AT&T, the Company agrees to extend the Intersubsidiary Movement (IMF) process and the CWA Surplus Exchange (CSE) process with the following modifications:

IMF:

1. Mobility company for the bargaining units listed below will be added to the list of participating companies (Exhibit A)
 - Mobility Bargaining Units
 - Mobility – District 3
 - Mobility – Districts 1, 2, 4, 7, 9, 13
 - Mobility – District 6
2. Eligible employees will receive priority placement before external hires after regional contract processes for any bargaining unit job for which they qualify. The qualification criteria utilized will be the same qualification criteria utilized for the regional contractual processes.
3. In situations where there are equally qualified employees eligible and interested in the same position at the receiving Company, eligible employees will be offered the position in order of seniority. If needed, the tie breaker for employees with the same seniority will be the last four digits of their social security number with the higher number being the more senior.
4. When a bargained-for employee moves among bargaining units of the Company covered by this Memorandum of Agreement, treatment of vacation time, the Designated Holiday (DH), Floating Holidays (FHs), and Excused Work Days (EWDs) or their equivalent (covered time) will be treated as follows:
 - A covered employee will be eligible for covered time for the current vacation year at the new entity based on the existing labor agreements at that entity. Any covered time already taken at the former entity will be deducted from equivalent covered time for which the employee is eligible

- at the new entity; the remaining covered time will be scheduled at the new entity subject to needs of the business.
- Covered time carried over from the prior vacation year must be disposed of, i.e., paid in lieu of or taken at the former entity.
 - In no case will an employee's movement from one entity to another result in the double payment for covered time.
5. Employees who have held the Premises Technician job title, or any job title in an agreement or appendix to an agreement that provides for the terms and conditions of employment for Premises Technicians ("Premises Technician Agreements"), are eligible for IMF, but shall be treated as provided in this paragraph. Any employee who has ever held a position in a Premises Technician Agreement will be treated by any receiving company that is party to this IMF agreement and that also is party to a Premises Technician Agreement as if they were received from their own Premises Technician Agreement for all purposes. If the receiving company does not have a Premises Technician Agreement, then employees transferring to that company shall receive the benefits applicable to other bargained-for employees with similar service in the receiving company, except for pension and post-retirement medical and dental benefits; instead, 1) such employees shall participate in the Bargained Cash Balance Program 2, and 2) if such employee meets the eligibility requirements for post-retirement benefits upon termination, the former employee will pay contributions equal to 50% of the total cost of coverage for post-retirement medical and dental coverage if the former employee is not Medicare eligible and will not be eligible for medical or dental post-retirement coverage if Medicare eligible.
6. Employees selected to fill openings in accordance with terms outlined above, will have their Term of Employment (TOE, which was previously known as Net Credited Service or NCS) or Seniority at the departing company recognized by the receiving Company's pension plan or program, subject to the receiving Company's service bridging rules. However where pensions are applicable, the TOE or Seniority will be recognized by the receiving company's pension program only for vesting, participation and eligibility service purposes, but not pension credit or accrual purposes. Further, the service performed at the receiving company will be counted in the departing company's pension plan or program, but only for vesting, participation and eligibility purposes (not for pension credit purposes). In no event will a period of service count as pension credit or accrual service in more than one AT&T pension plan or program (in other words, no double counting of service for pension credit or accrual purposes).
7. Unless expressly provided to the contrary by the Benefits Agreement in the 2013 Core Collective Bargaining Agreement, employees transferring to companies under this Agreement will receive active benefits and any post-retirement benefits under the benefit plans or programs and subject to the terms of the contractual Benefits provisions of the receiving company.

CSE:

1. Mobility company for the bargaining units listed below will be added to the list of participating companies (Exhibit B)
 - Mobility Bargaining Units
 - Mobility – District 3
 - Mobility – Districts 1, 2, 4, 7, 9, 13
 - Mobility – District 6
2. Surplus employees who express interest in available positions in participating companies will receive priority placement before external hires after regional contract processes for any bargaining unit job for which he/she qualifies. The qualification criteria utilized will be the same qualification criteria utilized for the regional contractual processes.
3. Employees who are declared surplus and subsequently involuntarily laid off who express interest in available positions in participating companies will receive priority placement before external hires after regional contract processes for any bargaining unit job for which he/she qualifies for a period of twelve (12) months following their involuntary lay off. The qualification criteria utilized will be the same qualification criteria utilized for the regional contractual processes.
4. In situations where there are equally qualified employees eligible and interested in the same position at the receiving Company, eligible employees will be offered the position in order of seniority. If needed, the tie breaker for employees with the same seniority will be the last four digits of their social security number with the higher number being the more senior.
5. Any CWA-represented regular employee covered by a CWA Labor Agreement held by a participating company whose work is moving from that company to another participating company may be offered the opportunity to follow their work. Such offer will be subject to the need for additional employees at the receiving Company and all applicable qualifications and selection criteria at the receiving Company. Employees who select this option in lieu of any severance payment and who are placed at and report to, the receiving Company, will receive payment for Relocation Allowance per the applicable terms and conditions of the collective bargaining agreement at their former Company. This Relocation Allowance will be paid when 1) the employee relocates his/her home residence as a result of following the work; and 2) the employee's new place of reporting is fifty (50) miles or greater road miles by the most direct route farther from their residence than was the old report location.
6. Any CWA-represented regular employee covered by a CWA Labor Agreement held by a participating company who becomes surplus and is offered a job, through the CSE process, in another participating company, will receive payment for Relocation Allowance per the applicable terms and conditions of the collective

bargaining agreement at their former Company. Employees who accept a job offer in lieu of any severance payment and who are placed at and report to, the new location will receive payment for this Relocation Allowance when 1) the employee relocates his/her home residence; and 2) the employee's new place of reporting is fifty (50) miles or greater road miles by the most direct route farther from their residence than was the old report location.

7. When a bargained-for employee moves to another bargaining unit of the Company covered by this Memorandum of Agreement, treatment of vacation time, the Designated Holiday (DH), Floating Holidays (FHs), and Excused Work Days (EWDs) or their equivalent (covered time) will be treated as follows:
 - A covered employee will be eligible for covered time for the current vacation year at the new entity based on the existing labor agreements at that entity. Any covered time already taken at the former entity will be deducted from equivalent covered time for which the employee is eligible at the new entity; the remaining covered time will be scheduled at the new entity subject to needs of the business.
 - Covered time carried over from the prior vacation year must be disposed of, i.e., paid in lieu of or taken at the former entity.
 - In no case will an employee's movement from one entity to another result in the double payment for covered time.

8. Employees who have held the Premises Technician job title, or any job title in an agreement or appendix to an agreement that provides for the terms and conditions of employment for Premises Technicians ("Premises Technician Agreements"), are eligible for CSE, but shall be treated as provided in this paragraph. Any employee who has ever held a position in a Premises Technician Agreement will be treated by any receiving company that is party to this CSE agreement and that also is party to a Premises Technician Agreement as if they were received from their own Premises Technician Agreement for all purposes. If the receiving company does not have a Premises Technician Agreement, then employees transferring to that company shall receive the benefits applicable to other bargained-for employees with similar service in the receiving company, except for pension and post-retirement medical and dental benefits; instead, 1) such employees shall participate in the Bargained Cash Balance Program 2, and 2) if such employee meets the eligibility requirements for post-retirement benefits upon termination, the former employee will pay contributions equal to 50% of the total cost of coverage for post-retirement medical and dental coverage if the former employee is not Medicare eligible and will not be eligible for medical or dental post-retirement coverage if Medicare eligible.

9. Employees selected to fill openings in accordance with terms outlined above, will have their Term of Employment (TOE, which was previously known as Net Credit Service or NCS) or Seniority at the departing company recognized by the receiving Company's pension plan or program, subject to the receiving Company's service bridging rules. However, the TOE or Seniority will be recognized by the receiving company's pension program only for vesting, participation and eligibility service purposes, but not pension credit or accrual purposes. Further, the service performed at the receiving company will be counted in the departing company's pension plan or program, but only for vesting, participation and eligibility purposes (not for pension credit purposes). In no event will a period of service count as pension credit or accrual service in more than one AT&T pension plan or program (in other words, no double counting of service for pension credit or accrual purposes).
10. Unless expressly provided to the contrary by the Benefits Agreement in the 2013 Core Collective Bargaining Agreement, employees transferring to companies under this Agreement will receive active benefits and any post-retirement benefits under the benefit plans or programs and subject to the terms of the contractual Benefits provisions of the receiving company.

Order of Consideration:

Job offers made under IMF or CSE will follow the order of consideration below after regional contract processes for any bargaining unit job for which he/she qualifies.

- (1) Surplus employee currently on the payroll and surplus employees involuntarily laid off within the last twelve (12) months
- (2) Current employee using the IMF process

For both IMF and CSE, the Union agrees that it will not seek to alter any existing bargaining units in any AT&T Company on the basis of any movement or transfer of employees between said companies as a result of this Agreement. Further, the Union will not, on the basis of this Agreement or change in operations or practices made by Participating Companies as a result of this Agreement in any pleading, petition, complaint or proceeding before the National Labor Relations Board, an arbitrator or panel of arbitrators, or any court, assert, claim, charge or allege that such companies are a single or joint employer or enterprise, alter egos, accretions or successors of one another, or that any bargaining units of said entities represented by or sought to be represented by the Union are a single bargaining unit, or are or should be otherwise altered in their scope or composition. This commitment on the part of the Union will survive the expiration of this Memorandum, unless and until such time as this commitment is terminated by the mutual written agreement of the parties.

This Agreement shall be subject to the grievance and arbitration procedures of the affected employee's collective bargaining agreement.

FOR THE UNION:

FOR THE COMPANY:

By: _____
Claude Cummings Jr.
Vice President, District 6

By: _____
Joe Croci
Vice President-Labor Relations

**CURRENT PARTICIPATING COMPANIES
COVERED BY INTERSUBSIDIARY MOVEMENT**

Ameritech Services, Inc.
AT&T Billing Southeast, Inc.
AT&T Corp.
AT&T Laboratories, Inc.
AT&T Mobility, LLC
AT&T Operations, Inc.
AT&T Services, Inc.
BellSouth Communication Systems, LLC
BellSouth Telecommunications, Inc. LLC
Illinois Bell Telephone Company
Indiana Bell Telephone Company
Michigan Bell Telephone Company
Nevada Bell Telephone Company
The Ohio Bell Telephone Company
Pacific Bell Telephone Company
SBC Global Services, Inc. (Midwest, West Region)
SBC Internet Services, Inc.
SNET Diversified Group, Inc.
Southern New England Telephone
Southwestern Bell Telephone Company
TC Systems, Inc.
TCG Carolinas
TCG New Jersey
TCG New Jersey, Inc.
TCG Rhode Island
TCG Services, Inc.
Teleport Telecommunications New York
Wisconsin Bell Telephone Company

**CURRENT PARTICIPATING COMPANIES
COVERED BY CWA SURPLUS EXCHANGE**

Ameritech Services, Inc.
AT&T Billing Southeast, Inc.
AT&T Corp.
AT&T Laboratories, Inc.
AT&T Mobility, LLC
AT&T Operations, Inc.
AT&T Services, Inc.
BellSouth Communication Systems, LLC
BellSouth Telecommunications, Inc. LLC
Illinois Bell Telephone Company
Indiana Bell Telephone Company
Michigan Bell Telephone Company
Nevada Bell Telephone Company
The Ohio Bell Telephone Company
Pacific Bell Telephone Company
SBC Global Services, Inc. (Midwest, West Region)
SBC Internet Services, Inc.
SNET Diversified Group, Inc.
Southern New England Telephone
Southwestern Bell Telephone Company
TC Systems, Inc.
TCG Carolinas
TCG New Jersey
TCG New Jersey, Inc.
TCG Rhode Island
TCG Services, Inc.
Teleport Telecommunications New York
Wisconsin Bell Telephone Company

MEMORANDUM OF AGREEMENT
HOMETOWN JOB SECURITY COMMITMENT (HJSC)

This Memorandum of Agreement is entered into as of April 7, 2013 between Communications Workers of America (“CWA” or the “Union”) and Southwestern Bell Telephone Company, SBC Advanced Solutions, Inc., AT&T DataComm, Inc., AT&T Operations, Inc., AT&T Services, Inc., and SBC Telecom, Inc. (collectively referred to as the “Company” or “Management”). This Agreement supersedes the Memorandum of Agreement entered into April 5, 2009 as set forth in the 2009 Settlement Agreement and shall be effective April 7, 2013 through April 8, 2017, unless otherwise mutually agreed in writing by the parties.

In response to CWA and employee concerns regarding employment security, and in addition to the existing provisions of Article XVII, **Force Adjustment**, of the 2013 Departmental Agreement, and of the Memorandum of Agreement, Employment Security Commitment (ESC), the parties agree as follows:

1. The Company will provide two options for placement consideration to regular surplus employees who wish to restrict the area for such consideration to something less than the Force Adjustment Area, subject to the conditions and provisions contained in this Commitment. These options shall be as follows:

A. “Hometown A” Option

An employee may restrict the area within which he/she will be considered for placement to the Exchange in which the surplus is located and up to four additional Exchanges. A surplus employee selecting this option who has not received a job offer (lateral, downgrade or upgrade) in the designated Exchanges by the anticipated Force Disposition Date (FDD) will be removed from the active payroll and placed on a Surplus Leave of Absence (SLA) with a monthly Voluntary Severance Payment (VSP), will maintain a regular transfer in file and be considered for all jobs for which he/she is qualified in the designated Exchanges, and will be eligible for educational development. The terms and conditions of the SLA are described in Section 4.

B. “Hometown B” Option

An employee electing this option may restrict the area for placement consideration in the same manner as provided in the “Hometown A” option. If no job offer is received by the anticipated FDD, the surplus employee will terminate employment and will receive a lump sum VSP per Section 2.b. of Article XVIII, **Severance Payments**, of the 2013 Departmental Agreement. The employee will not be eligible for the SLA or educational development.

2. Any regular employee who, after the effective date of this Agreement, becomes surplus pursuant to Article XVII, **Force Adjustment**, shall be offered the two (2) options described above, provided the following conditions are met:

A. An employee may elect either of these options by so advising the Company, not less than two (2) days and not more than twenty-eight (28) days following the date of formal Surplus Notification, or by such later date as is determined by Management. Prior to invoking the HJSC, employees will be treated under the terms of Article XVII, **Force Adjustment**.

Note: Once an employee selects an HJSC option, prior to the FDD he/she may change his/her election between the two options. However, once an employee selects an HJSC option, the employee cannot revoke that decision and revert to treatment under Article XVII, **Force Adjustment**, or the ESC.

1) A displaced employee shall have two (2) working days following first being advised that he/she is subject to displacement to advise the Company of his/her election to invoke one of the options of the HJSC. The employee will be considered for appropriate jobs for which he/she is qualified within the designated Exchange(s) up to the 14th day following the date of notification. If the employee selects "Hometown A," and has not received a job offer by the 14th day, on the 15th day he/she will be placed on an SLA and be treated as described in Section 4. He/she shall be required to be qualified in accordance with 2.C.1) and 2.C.2), following, immediately upon invoking the option. If the employee selects "Hometown B" and has not received a job offer by the 14th day, on the 15th day, he/she will be terminated and receive a VSP.

Note: A surplus employee who elects to invoke either HJSC option shall not be permitted to displace a junior employee as provided in Section 3.g. and h. of Article XVII, **Force Adjustment**.

B. A surplus employee declining a lateral job offer within the FAA prior to invoking the HJSC will not be eligible for either option.

C. Employees selecting the "Hometown A" option must also meet the following conditions:

- 1) The employee must be already qualified for consideration or become so qualified by passing the Keyboarding Test-Level 1 and the appropriate operator and entry level clerical tests.
- 2) The employee must meet expectations on his/her current job.

3. Offers under the HJSC prior to the anticipated FDD shall be made to qualified employees as follows:
 - A. An employee to whom an HJSC job offer is made has one (1) working day to accept the offer after which it will be considered rejected.
 - B. If an employee rejects an HJSC job offer, regardless of whether it is a lateral, downgrade, or upgrade, the employee is eligible to receive additional job offers until the anticipated FDD, at which time the employee will be terminated without a severance payment.

4. A regular surplus employee who has invoked the "Hometown A" option and has not received a job offer by the anticipated FDD will be removed from the active payroll and placed on a Surplus Leave of Absence. The terms and conditions of the SLA are as follows:
 - A. The period of the SLA shall extend up to twenty-four (24) months from the date the employee leaves the active payroll. The employee shall receive service credit for the first thirty (30) days of the leave. The employee may maintain, at his/her expense, coverage under the Medical, Dental, Long-Term Care, CarePlus, and Supplementary and Dependent Group Life Insurance plans for the duration of the leave.

Note: Employees who are eligible to receive a Service Pension as of the beginning of an SLA, or who become Service Pension eligible at any time during the leave, will remain entitled to all benefits otherwise available to retirees as of the Pension Effective Date.
 - B. While on the SLA, the employee will be eligible to participate in an educational development program that will provide training and/or tuition up to a maximum Company expense of \$5,000 per employee, not to exceed an overall Company total of \$3 million over the life of the contract. This educational development program will be jointly administered by the Union and the Company through the Training Advisory Board.
 - C. The employee shall receive a VSP calculated in accordance with the provisions of Article XVIII, **Severance Payments**, of the 2013 Departmental Agreement, payable in monthly installments of 1/24th of the total VSP. If, during the period of the leave, the employee declines any job offer from the Company in the designated Exchanges, the SLA shall be canceled, the employee will be considered to have resigned, the monthly VSP installments shall cease, and no further payments will be due the employee. If, during the period of the leave, an eligible employee decides to retire, which may or may not occur as a result of declining a job offer in the designated Exchanges, the SLA shall be canceled and the

monthly VSP installments shall cease, and no further VSP payments will be due the employee.

- D. During the period of the leave, the employee must maintain an active regular transfer on file for the Exchange(s) originally selected, and the employee shall be considered for all jobs for which he/she is qualified at all locations in the designated Exchange(s). Once selected, these Exchanges may not be altered or modified, but may be supplemented up to the maximum of five (5). Employees on an SLA shall be considered for applicable job offers in the same order as if they were active, non-surplus candidates.
- E. An employee on the SLA who receives and accepts a job offer from the Company shall suffer no break in his/her term of employment for pension purposes for the period of the leave, and his/her Net Credited Service shall be bridged immediately upon return to the active payroll.

For additional information on the SLA, refer to Exhibit 1.

- 5. The terms of this Commitment shall not apply to "local Union/Management modifications" to the force surplus disposition procedures as provided for in Section 6. of Article XVII, **Force Adjustment**, unless said local Union and Management mutually agree.
- 6. The force surplus conditions contemplated and dealt with in this Commitment are those which occur in the normal course of business for reasons such as technological change, etc. The Company retains the right, however, to suspend or cancel at any time the application of this Commitment when a force surplus is declared because of any significant change or extraordinary fluctuation in economic or business conditions as determined by the President of the Company.
- 7. Wage treatment, including Reassignment Pay Protection Plan (RPPP) treatment, will be administered to eligible employees who accept or receive jobs under the provisions of this Commitment in accordance with Section 4., Article XVII, **Force Adjustment**, of the 2013 Departmental Agreement.

Note: An employee returning from a Surplus Leave of Absence shall have the amount of monthly VSP payments received during the leave deducted from any RPPP payout.

In the event of any conflict between the provisions of this Memorandum of Agreement and the provisions of Article XIII, **Job Vacancy**, or Article XVII, **Force Adjustment**, of the 2013 Departmental Agreement, the provisions of this Memorandum of Agreement shall control.

Paragraphs 2. and 7. of this Agreement shall be subject to arbitration. All other provisions of this Agreement shall be subject to the grievance procedures set forth in Article XIX, **Grievances**, in the 2013 Departmental Agreement, and any grievance shall initially be filed at the second step with the Vice President-Labor Relations and shall not be delegated. However, with respect to the Surplus Leave of Absence, only the issue of the employee's eligibility for reinstatement shall be subject to the grievance procedure. Except for matters pertaining to Paragraphs 2. and 7., no other such grievance shall be subject to arbitration, nor shall any determination by the Leaves of Absence Policy Administrator and the Administrator of the AT&T Pension Benefit Plan-Bargained Program (as defined by ERISA Section 3(16)(A)) with respect to such leaves be subject to the formal grievance procedure.

FOR THE UNION:

FOR THE COMPANY:

By: _____
Claude Cummings Jr.
Vice President, District 6

By: _____
Joe Croci
Vice President-Labor Relations

ELEMENTS OF THE SURPLUS LEAVE OF ABSENCE

Eligibility	All bargained-for employees who are part of a surplus work group, and who request the leave on or before the twenty-eighth calendar day following the affected employee's surplus notification.
Minimum Duration	None
Length of Leave	This leave may be granted for a maximum of 24 months. The leave will terminate at the end of the 24 month leave period, or when either: 1) the employee receives a job offer within the Exchange(s) designated by the employee; or 2) the employee accepts employment with AT&T Inc., any of its subsidiaries, joint ventures or entities, any of their competitors, or any companies involved in divestiture; or 3) an eligible employee elects to retire.
Service Credit	Upon return to work, the employee will receive service credit for the length of the leave, up to a maximum of 30 days.
Severance Pay	Company pays 1/24th of the employee's severance pay each month, as calculated from the day next following the force disposition date.
Job Reinstatement	Provides no guarantee that at the end of the leave the employee will be returned to the same or any other position of employment.
CustomCare/HMO, Dental, and Vision	Company-extended coverages are available, subject to regular Company and employee contributions, as such contributions are applicable and existed immediately prior to the start of the leave, until the end of the month in which the leave begins, then for the duration of the leave Company-extended coverages are available, subject to the employee paying the full cost of coverage; COBRA continuation coverage is available as an alternative.
Basic Group Life and AD&D Insurance	Company-paid coverage will continue through the end of the leave.
Seat Belt Incentive	Terminates the day before the effective date of the leave.
CarePlus	Company-extended coverage is available, subject to regular employee contributions, as such contributions are applicable and existed immediately prior to the start of the leave, for the duration of the leave.
Supplementary Group Life, Dependent Group Life, and Long-Term Care Insurance	Coverage may continue through the end of the leave by making the required contributions.
Dependent Care Reimbursement Account (DCRA), Medical Care Reimbursement Account (MCRA)	DCRA deposits cease at the beginning of the leave. MCRA pre-tax deposits cease immediately at the start of the leave; COBRA continued coverage is available for continuation of MCRA coverage, including deposits on an after-tax basis.
Savings Plan	Participation is suspended during the leave. Employee obligation under the loan provision continues.
Educational Development	Tuition assistance and training will be jointly administered by the Union and the Company through the Training Advisory Board, up to a maximum Company expense of \$5,000 per employee, not to exceed an overall Company total of \$3 million over the life of the contract.
Telephone Concession	Telephone concession will continue until the end of the month in which the leave begins.

MEMORANDUM OF AGREEMENT
INFORMAL SURPLUS

This Memorandum of Agreement is entered into as of April 7, 2013 between Communications Workers of America ("CWA" or the "Union") and Southwestern Bell Telephone Company, SBC Advanced Solutions, Inc., AT&T DataComm, Inc., AT&T Operations, Inc., AT&T Services, Inc., and SBC Telecom, Inc. (collectively referred to as the "Company" or "Management"). This Agreement supersedes the Memorandum of Agreement entered into April 5, 2009 as set forth in the 2009 Settlement Agreement and shall be effective April 7, 2013 through April 8, 2017, unless otherwise mutually agreed in writing by the parties.

Whenever it determines that a force reduction is necessary and Management feels they can clear the surplus with follow-the-work or voluntary severance, the Company can implement the following process:

1. Prior to a formal declaration of surplus and notification to the Union as described in Section 3.a. of Article XVII, **Force Adjustment**, of the 2013 Departmental Agreement, Management may, at its discretion, conduct an open canvass of the affected work group(s) in an effort to effect the force reduction without formally invoking the Force Adjustment process. If Management determines that such an open canvass is appropriate, it shall so notify the CWA Staff Representative(s) having responsibility for the affected work group(s) prior to the start of the canvass. Notification shall include the work group(s) involved, job title(s) and approximate number of employees affected, the location(s) and the force reduction date.

If Management determines that an open canvass is not feasible and decides to declare a formal surplus instead, its written notification to the Union will include an explanation of why a canvass was not conducted.

2. The canvass shall be conducted in order of seniority within the affected work group(s). The purpose of the canvass shall be to solicit volunteers to either follow their work to a new location, if such an opportunity exists, or to accept a Voluntary Severance Payment under the provisions of Section 1.b. of Article XVIII, **Severance Payments**, of the 2013 Departmental Agreement.
3. Employees who follow their work to a new location and who are required to relocate their residence as a result thereof, shall be reimbursed by the Company for reasonable moving expenses incurred consistent with Section 7. of Article XVII, **Force Adjustment**, of the 2013 Departmental Agreement.

FOR THE UNION:

FOR THE COMPANY:

By: _____
Claude Cummings Jr.
Vice President, District 6

By: _____
Joe Croci
Vice President-Labor Relations

**MEMORANDUM OF AGREEMENT
REGARDING NEUTRALITY AND CARD CHECK RECOGNITION**

AT&T Inc. ("the Company") and Communications Workers of America ("the Union"), enter into this Memorandum of Agreement Regarding Neutrality and Card Check Recognition as of April 7, 2013.

1. Duration. This Agreement is effective as of the date stated above, and shall remain in effect through April 8, 2017, unless extended, modified or terminated by mutual written agreement of the parties or their successors. The parties expressly understand, however, that in the event this Agreement is terminated, all of the terms hereof nevertheless shall survive said termination and remain in effect with respect to any reorganization or restructuring of any bargaining unit as a result of which management creates any new subsidiary, division, or operating entity as to which no Union representation then exists.

2. Applicability.

(a). All card check procedures and any Union recognition provided for by this Agreement shall be applicable to all non-management employees of the Company effective with execution of this Agreement.

(b). As used herein, "the Company" means AT&T Inc. and all other present and future companies, divisions, subsidiaries or operating units thereof, except AT&T of Puerto Rico, Inc., AT&T of the Virgin Islands, Inc., AT&T Government Solutions, Inc., and AT&T Support Services Company, Inc.

(c). As used herein, "non-management" means employees who normally perform work in non-management job titles as determined by the Company, in accordance with the statutory requirements of the National Labor Relations Act, as amended, and applicable decisions of the National Labor Relations Board and reviewing courts. If the Union disagrees with any such determination, the parties agree to submit the issues of unit definition to arbitration as set forth in paragraph 3. below, using the aforesaid statutory requirements and decisions as the governing principles. At the request of the Union, the Company will discuss with the Union neutrality as to Union representation of employees who are not defined above as "non-management."

(d). In addition to the foregoing, the parties further agree that any proposed bargaining unit shall exclude all professional, managerial, and confidential employees, guards and supervisors as defined in the National Labor Relations Act.

(e). The Company agrees that, for future divisions, subsidiaries or operating units that are not wholly owned, it will, at the request of the Union, discuss with the other owners the extension of this agreement to such divisions, subsidiaries, or operating units.

3. Card Check Recognition Procedure.

(a). When requested by the Union, the Company agrees to furnish the Union lists of employees in the bargaining unit in each applicable company entity. This list of employees will include the work location, job title, and home address.

(b). The Union will give twenty-one (21) days notice for access to Company locations. Access will be limited to one sixty (60) day period in any twelve months for each unit agreed upon or determined as provided herein.

(c). (1). The Union and the Company shall meet within a reasonable period, but not to exceed ninety (90) days, after the effective date hereof for the purpose of defining appropriate bargaining units for all presently existing potential bargaining units. During this process, the Company will share job titles, job functions, work locations, and management structure with the Union representatives in order to facilitate agreements on the appropriate bargaining units. In the event that the parties are unable to agree, after negotiating in good faith for a reasonable time, upon the description of an appropriate unit for bargaining, the issue of the description of such unit shall be submitted to arbitration administered by, and in accordance with, the rules of the American Arbitration Association (AAA). The Arbitrator shall be confined solely to the determination of the appropriate unit for bargaining and shall be guided in such deliberations by the statutory requirements of the National Labor Relations Act. The parties agree that the decision of the Arbitrator shall be final and binding. The Company and the Union agree that the permanent Arbitrator to hear disputes with respect to this sub-paragraph shall be Thomas Angelo and the alternative Arbitrator will be Richard Bloch. If either of these Arbitrators cannot serve, the parties shall select an Arbitrator from a list or lists of prospective Arbitrators provided by the AAA.

(2). If either the Company or the Union believes that the bargaining unit as agreed or determined in (c). (1). above, is no longer appropriate due to organizational changes, then the parties shall meet and confer in good faith for the purpose of re-defining the appropriate unit. In the event that the parties are unable to agree, after negotiating in good faith for a reasonable time, upon the re-definition of an appropriate unit, the issue of the description of such unit shall be submitted to arbitration as provided in (c). (1).

(d). The Company agrees that the Union shall be recognized as the exclusive bargaining agent for any agreed-upon or otherwise determined bargaining unit(s) not later than ten (10) days after receipt by the Company of written notice from the AAA that the Union has presented valid authorization cards signed by a majority of the employees in such unit(s).

(e). For the purposes of determining the number of employees that constitute a majority of the bargaining unit, the employee population will be composed of only those employees employed in the bargaining unit on the earliest date which appears on the cards presented to the AAA. The cards so presented must be dated within sixty (60)

days of each other, but no earlier than the date of execution of this Agreement, and each card so presented must contain at least the language set forth in Attachment 1 hereto. The Company shall provide the AAA all employees, job titles and other information required for the AAA to verify the existence of more than 50% of employee authorizations as provided for in this Agreement.

(f). In the event the Union fails to deliver to the AAA valid authorization cards signed by a majority of employees in any aforesaid bargaining unit upon completion of its card signing effort, the Union agrees not to begin any further card signing effort in such unit for a period of one year from the date on which access was first granted as provided in (b). above.

(g). As soon as practicable after the aforesaid recognition and upon written request by the Union, the Company, or the appropriate subsidiary, division or operating unit thereof shall commence bargaining in good faith with the Union with respect to wages, hours, and other terms and conditions of employment for the employees employed within the agreed upon or otherwise determined appropriate bargaining unit.

4. Neutrality.

(a). The Company agrees, and shall so instruct all appropriate managers, that the Company will remain neutral and will neither assist nor hinder the Union on the issue of Union representation.

(b). For purposes of this Agreement, "neutrality" means that management shall not, within the course and scope of their employment by the Company, express any opinion for or against Union representation of any existing or proposed new bargaining unit, or for or against the Union or any officer, member or representative thereof in their capacity as such. Furthermore, management shall not make any statements or representations as to the potential effects or results of Union representation on the Company or any employee or group of employees. The Union also agrees that, in the course of any effort by the Union to obtain written authorizations from employees as provided for in paragraph 3. (b)., above, neither the Union nor any of its officers, representatives, agents or employees will express publicly any negative comments concerning the motives, integrity or character of the Company, AT&T, Inc., or any of their officers, agents, directors or employees.

(c). This agreement supersedes and terminates any and all other agreements, Memorandum of Understanding, commitments or statements of intent regarding neutrality or card-check procedures that may exist as of the date hereof between the Union and any Company entity.

5. Valid Authorization Cards. For purposes of this Agreement, a valid written authorization card shall state specifically that by signing the card, the employee agrees to be represented by the Union, using the language set forth in Attachment 1.

6. Recognition for New Entities and New Work.

(a). The Company agrees that it will give the Union reasonable advance notice, once a firm management decision has been made, of its intent to effect any reorganization or restructuring, or to engage in any new line(s) of business, as a result of which management expects to create any new subsidiary, division, or operating entity as to which no Union representation then exists. After execution of this Agreement, should the Company acquire new companies or engage in a new line of business or enter a new market in which there is no active labor agreement or bargaining agreement in place, the parties agree that this Agreement shall apply to that acquired company or new line of business or enterprise in a new market after that company has been operating for a period of one hundred twenty (120) days.

(b). If management determines that more than fifty percent (50%) of the employees employed within an appropriate unit for bargaining by a new entity were, immediately prior to such employment, employed in a bargaining unit represented by the Communications Workers of America, the Company agrees that it shall recognize and bargain with the Union as the duly constituted bargaining representative of such bargaining unit employees, and the Union agrees to acknowledge such new entity as a Successor Employer for all applicable purposes under the labor laws of the United States and any relevant state.

(c). If management determines that fifty percent (50%) or less of the non-management work to be performed by any such new entity will consist of work previously performed by members of a pre-existing Union bargaining unit, then the Company agrees that, within a reasonable time after the said determination has been made, or concurrently with the giving of the notice referenced in paragraph 6. (a)., above, whichever is later, the Company will so inform the Union in writing. To the extent permitted by law, the Company shall presume, in making any determination as set forth in this paragraph 6., that each employee of the new entity who was a member of a pre-existing Union bargaining unit wishes to remain represented by the Union. These employees shall be counted as having signed valid authorization cards should a card signing effort be undertaken in the new entity within one year after the new entity begins operations employing such employees.

(d). Except as specified in paragraph 9., below, the Union shall retain any legal rights it may have to challenge any management decision or determination described in this paragraph 6.

7. Regulatory and Legislative Support. The Union hereby agrees to continue its support before the appropriate regulatory and legislative bodies for the Company's efforts to remain competitive in, and/or to gain entry to, all telecommunications and related markets in which the Company chooses to participate, unless the Union determines such support to be in conflict with its interests. If the Union determines such a conflict exists, the Union will promptly so notify the Company and, at the request of the Company, meet to discuss and confer on such conflict.

The Company hereby agrees to support Union efforts before regulatory and legislative bodies unless the Company determines such support to be in conflict with its interests. If the Company determines such a conflict exists, the Company will so notify the Union and will, if requested by the Union, meet to discuss and confer on such conflict.

8. Job Offers to Employees in Existing Bargaining Units. In connection with any reorganization, restructuring or other event that gives rise to application of the terms of this Agreement, and which involves either:

- (a) the transfer of non-management work from any Union bargaining unit to any other entity of the Company or of any subsidiary of AT&T Inc., or
- (b) the elimination of bargaining unit work while new jobs are created in any other entity of the Company or any subsidiary of AT&T Inc.,

the Union agrees that, once the recognition has occurred, an offer of a job in another entity to an employee in an existing bargaining unit shall have the same effect as if the same job or one of similar status and pay were offered by the employer under the collective bargaining agreement(s) for that bargaining unit. This shall include, without limitation, application of any contractual reassignment pay protection provisions and the satisfaction of any bargained-for employee right to a job offer. Except as specified in paragraph 10., below, nothing in this paragraph 8 shall be construed as a waiver by the Union of any legal rights it may have to challenge or contest the reorganization, restructuring, or other event described in 8.a. and/or 8.b. above.

9. Dispute Resolution. Except as to disputes referenced in paragraph 3. (c) of this Agreement, all disputes concerning the meaning or application of the terms of this Agreement shall be handled and addressed by the meeting of designated representatives of the Company and the Union. Either party may request such a meeting and each party pledges its best efforts to address any and all concerns raised as to the meaning or application of this Agreement. With the exception of matters referenced in paragraph 3.(c). above, the meaning or application of this Agreement shall not be subject to arbitration. Each party reserves its right to seek judicial or other relief provided by law to enforce this Agreement. However, the parties agree that prior to seeking such relief, they will meet and confer as set forth above.

10. Waiver of Certain Other Claims.

(a). The Union promises and agrees that, in connection with any arbitration provided for in this Agreement, and in connection with any legal or administrative suit, proceeding or charge arising subsequent to the effective date of this Agreement between the Union and any AT&T company, including but not limited to any proceeding before the National Labor Relations Board or its delegate, the Union hereby waives any claim, allegation or argument, and agrees to refrain from presenting this Agreement as evidence in support of any claim, allegation or argument, that AT&T Inc. and/or any of

its current or future subsidiaries, and/or their divisions, units, agents or affiliates, are or have been a single employer, joint employers, accretions or alter egos with respect to each or any of them, to the extent that any such claim, allegation or argument is based upon:

- (1) any change on or after the execution date of this Agreement, in the administration and/or control of labor relations by AT&T or any of its entities, companies, divisions, or subsidiaries; or
- (2) any change in the scope, availability to employees, or administration by management of any program or practice for the effectuation of employee-initiated transfers between or among different subsidiaries or bargaining units;

provided, however, that this paragraph shall not be construed as having any effect on the Union's right or the Company's obligation, to the extent the same may exist under applicable law and/or any preexisting collective bargaining agreement(s), to negotiate changes in the terms and conditions applicable to such transfers.

(b). The provisions of this paragraph 10 shall survive the expiration of the remainder of this Agreement, and shall have full force and effect until specifically voided by mutual written agreement of the parties.

11. Severability. Should any portion of this Agreement be voided or held unlawful or unenforceable by the National Labor Relations Board or any court of competent jurisdiction, the remaining provisions shall remain in full force and effect for the duration of this Agreement.

FOR THE UNION:

FOR THE COMPANY:

By: _____
Claude Cummings Jr.
Vice President, District 6

By: _____
Joe Croci
Vice President-Labor Relations

ATTACHMENT 1 TO MEMORANDUM OF AGREEMENT REGARDING CARD CHECK
RECOGNITION

Communications Workers of America, AFL-CIO

I hereby join with my fellow workers in organizing a Union to better our conditions of life and secure economic justice. I have voluntarily accepted membership in the Communications Workers of America (CWA), AFL-CIO, and declare that this union shall be my representative in collective bargaining over wages, hours and all other conditions of employment.

I understand that if CWA presents cards for recognition signed by more than 50% of the _____ employees eligible to be in the bargaining unit, (Company name) will recognize CWA as the bargaining representative of this unit without a representation election being conducted by the National Labor Relations Board and (Company name) would bargain with CWA concerning the terms of my employment and my working conditions.

I have also agreed to the membership provisions on the other side of this card.

MEMORANDUM OF AGREEMENT
MODIFIED PROCEDURES FOR EXPEDITED ARBITRATION

This Memorandum of Agreement is entered into as of April 7, 2013 between Communications Workers of America ("CWA" or the "Union") and Southwestern Bell Telephone Company, SBC Advanced Solutions, Inc., AT&T DataComm, Inc., AT&T Operations, Inc., AT&T Services, Inc., and SBC Telecom, Inc. (collectively referred to as the "Company" or "Management"). This Agreement supersedes the Memorandum of Agreement entered into April 5, 2009 as set forth in the 2009 Settlement Agreement and shall be effective April 7, 2013 through April 8, 2017, unless otherwise mutually agreed in writing by the parties.

1. The trial period for the following modified procedures will be applicable to formal grievances initially filed during the term of the 2013 Labor Agreements unless extended or modified by the parties in writing.
2. For the duration of this trial, in all grievances involving employee dismissals that qualify for expedited arbitration pursuant to Section 1. of Article V, **Expedited Arbitration**, of the 2013 Agreement of General Application, one of the following options shall be elected within thirty (30) days of the date the decision regarding the first level grievance is communicated to the Union:
 - Option 1. An appeal to the second level of the grievance procedure. The thirty (30) day time period for this appeal shall be in lieu of the two (2) weeks time period set forth in Section 3.a. of Article XIX, **Grievances**, of the 2013 Departmental Agreement; or,
 - Option 2. A request for expedited arbitration. The thirty (30) day time period for this request shall be in lieu of the sixty (60) day time period set forth in Section 2. of Article IV, **Arbitration**, of the 2013 Agreement of General Application. The Company shall, within fifteen (15) calendar days after the filing of the request, notify the Union in writing whether or not it agrees thereto. If the Company agrees, then the grievance shall proceed in accordance with Article V, **Expedited Arbitration**, of the 2013 Agreement of General Application. If the Company does not agree, and the Union wishes to proceed further with the grievance, then the appropriate grievance procedure must be followed as set forth in Article XIX, **Grievances**, Section 3., of the 2013 Departmental Agreement. The time limit for appeal to the second level of the grievance procedure shall begin to run as of the date of the Company's written response to the Union's request for expedited arbitration pursuant to this trial.

3. For the duration of this trial, in any grievance arbitrated under the trial provisions, the Company shall under no circumstances be liable for back pay for more than twelve (12) months (plus any time that the processing of the grievance or arbitration was delayed at the specific request of the Company) after the date of the dismissal complained of in the grievance. Delays requested by the Union in which the Company concurs shall not be included in such additional time. These time periods shall be in lieu of the time periods set forth in Section 3.h. of Article V, **Expedited Arbitration**, of the 2013 Agreement of General Application.
4. Except as specifically provided above, all grievances shall continue to be subject to the applicable provisions of Article XIX, **Grievances**, of the 2013 Departmental Agreement, as well as Article IV, **Arbitration**, and Article V, **Expedited Arbitration**, of the 2013 Agreement of General Application.

FOR THE UNION:

FOR THE COMPANY:

By: _____
Claude Cummings Jr.
Vice President, District 6

By: _____
Joe Croci
Vice President-Labor Relations

MEMORANDUM OF AGREEMENT
CWA INTERNAL APPEAL PROCESS

This Memorandum of Agreement is entered into as of April 7, 2013 between Communications Workers of America ("CWA" or the "Union") and Southwestern Bell Telephone Company, SBC Advanced Solutions, Inc., AT&T DataComm, Inc., AT&T Operations, Inc., AT&T Services, Inc., and SBC Telecom, Inc. (collectively referred to as the "Company" or "Management"). This Agreement supersedes the Memorandum of Agreement entered into April 5, 2009 as set forth in the 2009 Settlement Agreement and shall be effective April 7, 2013 through April 6, 2014, unless otherwise mutually agreed in writing by the parties.

1. Whenever the Union, during the term of this Agreement, notifies the Company in writing of its election to arbitrate a grievance pursuant to Article IV, **Arbitration**, of the 2013 Agreement of General Application, and in the same writing also notifies the Company: (1) that the election to arbitrate is involved in the Union's internal appeal process, and (2) that the notice of election to arbitrate is therefore being given solely to preserve the Union's right to arbitrate in the event that the appeal is upheld, the parties agree that the running of the 150-day time limit provided for in Section 2. of the said Article IV shall be frozen as of the date the Company receives said notice.
2. With respect to any grievance as to which notice is given to the Company in accordance with the terms of paragraph 1. above, the Union shall notify the Company promptly in writing of the outcome of its internal appeal process, and at the same time:
 - A. If the appeal is upheld, the Union shall also notify the Company of its intent to proceed to arbitration, and the running of the 150-day time limit provided for in Section 2., of Article IV, **Arbitration**, of the 2013 Agreement of General Application shall resume as of the date upon which the Company receives this notice.
 - B. If the appeal is denied, the Union shall also notify the Company of withdrawal of its previous notice of election to arbitrate the subject grievance.
3. The Company shall not be liable for any back pay or other relief during the period the Union has "stopped the clock" under this Agreement.

FOR THE UNION:

By: _____
Claude Cummings Jr.
Vice President, District 6

FOR THE COMPANY:

By: _____
Joe Croci
Vice President-Labor Relations

MEMORANDUM OF AGREEMENT
PRESIDENTIAL COUNCIL

This Memorandum of Agreement is entered into as of April 7, 2013 between Communications Workers of America ("CWA" or the "Union") and Southwestern Bell Telephone Company, SBC Advanced Solutions, Inc., AT&T DataComm, Inc., AT&T Operations, Inc., AT&T Services, Inc., and SBC Telecom, Inc. (collectively referred to as the "Company" or "Management"). This Agreement shall be effective April 7, 2013 through April 8, 2017, unless otherwise mutually agreed in writing by the parties.

The CWA and the Company enjoy a strong historic relationship as partners on many issues. In recognition of the parties' desire to continue to foster meaningful dialogue on matters of mutual interest, the Company and CWA agree to establish a Presidential Council to discuss such matters.

The Council commits to meet semiannually to continue this relationship. The parties agree to utilize this Council to engage in substantive discussions and exchange information concerning the ongoing state of the Company and the Union, the economy, federal and state political issues, and other concerns of both parties. Those attending this Council will include leaders of the Company and CWA. It is the Company's intent to have the appropriate senior business unit leaders in attendance if their schedules so permit.

FOR THE UNION:

FOR THE COMPANY:

By: _____
Claude Cummings Jr.
Vice President, District 6

By: _____
Joe Croci
Vice President-Labor Relations

STRATEGIC ALLIANCE Southwest Region

Statement of Renewed Commitment to the Principles of Cooperative Union-Management Relations

The Company and the Union recognize that significant benefits have been derived and will continue to derive from cooperative Union-Management relations. Through such cooperation, the parties have been able to explore innovative methods of operation which seek to modify traditional workplace relationships in ways designed to enhance the Company's effectiveness and competitiveness, increase Union and employee participation in local workplace decisions, and maximize employees' satisfaction with their work.

The parties also recognize that the 1996 Telecommunications Act and associated legislation changed the market place from heavily regulated to highly competitive. Therefore, achieving mutual goals of competitive excellence and employment security in this environment will present ever-increasing challenges.

In light of these challenges, the parties realize that the need for effective and mutually respectful cooperation between the Union and Management at all levels of the business is more important now than ever before. Therefore, the Company and the Union hereby renew and strengthen their commitment to the following Principles of Cooperative Union-Management Relations:

1. Participative Management Employee Involvement (PMEI) is based on the tenet that employees are responsible, trustworthy and capable of making contributions when equipped with the necessary business information and training. In this regard, the Company and the Union will promote strategies designed to:
 - educate employees and all levels of Union and Management leadership to promote PMEI efforts and increase understanding of the link between PMEI and improvement in both bottom-line results and job satisfaction; and
 - provide access to relevant business information to improve employees' level of competitive responsiveness and their ability to make well-informed, customer-focused decisions.
2. The principles of PMEI require engaging employees and Company and Union leadership at all levels in meaningful opportunities for participation in and contribution to business decisions that affect their work. The parties will promote the goals of increasing shareowner value and enriching jobs by actively soliciting employees' input and by recognizing their contributions to these objectives.
3. The Company and the Union agree to uphold and promote PMEI principles and to encourage and support implementation of PMEI processes in a consistent and effective manner at every level of their respective organizations. The parties

recognize that effectiveness and productivity can and will be enhanced by delegating authority, responsibility, and accountability to employees closer to the actual work process, resulting in greater pride and satisfaction with the work, as well as increased personal growth.

4. The PMEI Companywide Steering Committee will continue to guide, support, and promote PMEI efforts to increase shareowner value and enrich jobs. The Steering Committee will also serve as a forum to explore and exchange innovative ideas and successful applications of PMEI concepts using both internal and external sources. The Companywide Steering Committee, with input from Operations Steering Committees, will continue to plan, evaluate, and introduce training and developmental programs to facilitate and enhance PMEI efforts.
5. PMEI efforts will continue to be viewed as a supplement to the collective bargaining process. The integrity of the collective bargaining process, the contractual rights of the parties, and the workings of the grievance procedure must be upheld and maintained.
6. Process improvement is based on the belief that improved quality leads to improved productivity, decreased costs, and increased market share, all of which allow the Company to provide more jobs and increase shareowner value. The Company and the Union recognize that a continuous quality improvement process is in their mutual best interest, and that a PMEI approach should be used to gain commitment to and support of such improvements. For example, the principles of PMEI can be applied from the beginning of, and throughout, implementation of the process improvement methodology, thus becoming the key link in obtaining input from bargaining unit employees for use in improving the business operations in which they are involved. The Company will encourage all levels of Management to utilize a participative approach in forming process improvement committees when involvement of bargaining unit employees is desired.
7. Employment security will continue to be a major concern of the Company and the Union. Innovations which result from the PMEI processes will not result directly in the layoff of any regular employee or negatively affect the pay or seniority status of any Union-eligible employee, whether or not he or she is a participant in the process. In addition, process improvement committees on which bargaining unit employees serve will not undertake activities or make recommendations that could be expected to result directly in the layoff of any regular employee or negatively affect the pay or seniority status of any Union-eligible employee, whether or not he or she is a participant in the process.

- 8. The parties recognize that genuine involvement by Management, the Union, and all employees is essential for the success of these mutual efforts. The parties agree, therefore, to encourage all levels of their respective organizations to cooperate in the design, development, and implementation of PMEI efforts that foster a business alliance in the spirit of mutuality and responsible leadership. PMEI remains a process; there is no universal or one best approach.

FOR THE UNION:

FOR THE COMPANY:

By: _____
Claude Cummings Jr.
Vice President, District 6

By: _____
Joe Croci
Vice President-Labor Relations

STRATEGIC ALLIANCE Southwest Region

Building on early successes in the Company/Union partnership, District 6 of the Communications Workers of America (CWA) and Southwestern Bell Telephone Company (SWBT) agreed to institute the Strategic Alliance in 1992.

The Strategic Alliance, then and now, has two objectives. They remain:

- **To strengthen the Company's competitive position in the marketplace; and**
- **Provide a broader role for the Union in critical human resource issues affecting the CWA and its members.**

Since its inception, the Strategic Alliance has achieved notable successes in opening new avenues of approach toward addressing traditional workplace issues of mutual concern. As this partnership matures, the parties now desire to intensify and streamline their efforts to meet even greater challenges and to reach lasting solutions to those challenges. The parties also recognize the contribution this partnership can make toward resolving disputes that historically have been referred to third parties for disposition.

The Executive Council, originally formed to review progress toward achieving the goals of the Strategic Alliance, will continue to meet on a semi-annual basis. Its role will be expanded by increasing the involvement of operating management at the highest levels to facilitate early and timely responsiveness to competitive pressures through the introduction of workplace innovations. The Council will continue to be co-chaired by the Vice President, Labor Relations (or designee) and the Vice President, District 6, of the Communications Workers of America (or designee). Key senior managers from operating units, as well as District 6 CWA officials, will comprise the Council.

Executive Council Responsibilities

The Executive Council will be responsible for implementing the strategy to champion this cooperative venture. The Council will work primarily with standing joint committees at the Company level and will commission ad hoc Joint Problem-Solving Teams, as appropriate, to accomplish the goals of the Strategic Alliance.

Standing joint committees include Benefit, Safety and Health, Technology Change, Training Advisory Board, Participative Management Employee Involvement (PMEI), and Employment Security.

Ad hoc Joint Problem-Solving Teams will be assigned critical issues impacting working conditions and the competitive marketplace which are not addressed by standing joint committees. Membership on these teams, as well as the time frame in which they operate, will be determined by the Executive Council.

In carrying out its mission, the Executive Council will:

1. Identify and prioritize issues impeding progress toward the creation of an environment where the working conditions foster exceeding customer expectations with a fully trained and well-educated work force.
2. Call upon their standing joint committees to reassess their mission and report on progress toward achieving the goals of the Strategic Alliance.
3. Create ad hoc Joint Problem-Solving Teams when needed.
4. Review status reports from standing joint committees on a semi-annual basis.
5. Assure recommendations received from the standing joint committees as well as ad hoc Joint Problem-Solving Teams are reviewed with senior management from the appropriate operating entity. Any subsequent action taken by the operating entity to address these issues will be shared with the Executive Council.
6. The Executive Council shall have the authority to implement, at its discretion, and on a trial basis, recommendations from the standing joint committees and/or ad hoc Joint Problem-Solving Teams.

Direction of Standing Joint Committees

In order to support the Strategic Alliance, the standing joint committees will be called upon to focus their activities in the near term as follows:

- Participative Management Employee Involvement (PMEI) Companywide Steering Committee

Explore strategies to generate increased joint involvement by key operations personnel in addressing major workplace issues; develop more efficient channels to educate employees regarding the benefits of a participative approach; and adopt a proactive role in monitoring team evolution. This committee will focus on such activities as the development of individual committee structures that enhance and expedite the integration of a PMEI philosophy into business operations. The committee will serve as a forum to explore and exchange innovative ideas and successful applications of participative concepts using both internal and external sources. The committee will also direct the Employee Involvement Development Subcommittee (EIDS) comprised of Company and Union subject matter experts in the field of employee involvement. The EIDS will: research issues and make recommendations that require joint CWA/SWBT employee involvement expertise; assess work groups' current level of employee involvement and transfer that assessment expertise to operations PMEI support personnel; and provide guidance to and determine the effectiveness of PMEI consultants.

- Employment Security

The telecommunications industry continues on a path of unprecedented growth in competition and innovation in all segments of the market place. Achieving the parties' mutual goals of competitive excellence and employment security presents ever-increasing challenges. The Employment Security Committee will continue to address mutually-agreed upon issues that influence these goals, and to recommend Union and Company actions to minimize negative impacts and enhance opportunities in the workplace.

- Benefit Committee

In recognition that there are complex benefit issues, the Benefit Committee will continue to address mutually agreed-upon benefit issues and to recommend joint Union and Company actions in an effort to influence benefit concerns.

- Safety and Health Committee

Continue to address ergonomic concerns in the workplace. Continue to consider existing practices and rules relating to occupational safety and health and formulate suggested changes in design and adoption of new practices and rules.

- Technology Change Committee

Strengthen efforts to address human resource issues impacted by new technology that cause changes in equipment, organization, or methods of operation.

- Training Advisory Board (TAB)

Continue to monitor the effectiveness of the Accelerated Technical Training (AccTT) Program. Determine the feasibility of alternative delivery methods of the AccTT Program in small markets.

Review approved personal or career development and job displacement training courses and curricula and furnish advice to the Company on recommended additional courses.

Conclusion

Initiatives undertaken by the Strategic Alliance will be viewed as a supplement to the collective bargaining process. The Union and the Company expressly reserve the right to reopen, by mutual agreement, negotiations at any time during the life of the 2013 Agreements for the purpose of implementing changes resulting from recommendations from joint committees/teams commissioned by the Executive Council.

In terms of pay treatment associated with the Strategic Alliance, the employee members involved in these joint efforts shall suffer no loss in pay for time consumed in, and necessarily consumed in traveling to and from, meetings. In addition, the Company will reimburse employee members for the cost of round-trip coach airfare for attending Standing Joint Committee meetings. The number of employee members reimbursed on each committee shall not exceed the number of employee members as of April 5, 1998 except for the Benefit Committee (formerly the Joint Health Care Cost Containment Committee), which added the two (2) CWA benefit representatives effective April 4, 2004.

MEMORANDUM OF AGREEMENT
FOUR-DAY WORK WEEK

This Memorandum of Agreement is entered into as of April 7, 2013 between Communications Workers of America ("CWA" or the "Union") and Southwestern Bell Telephone Company, SBC Advanced Solutions, Inc., AT&T DataComm, Inc., AT&T Operations, Inc., AT&T Services, Inc., and SBC Telecom, Inc. (collectively referred to as the "Company" or "Management"). This Agreement supersedes the Memorandum of Agreement entered into April 5, 2009 as set forth in the 2009 Settlement Agreement and shall be effective April 7, 2013 through April 8, 2017, unless otherwise mutually agreed in writing by the parties.

This agreement shall not apply to employees in Appendix J of the 2013 Labor Agreements.

In certain administrative work units or work groups, it may be beneficial to employees and in the best interests of the business to establish a four-days-per-week, ten-hours-per-day (four-day work week) schedule as a normal work week.

The provisions of the Departmental Agreement, Agreement of General Application, and any other applicable existing Union-Management agreements will continue to apply to bargaining unit employees on four-day work week schedules except as noted in the parameters and implementation procedures listed below.

1. Management and the Union must jointly agree at the local level to implement a four-day work week schedule within a particular work group. A work group may include employees working four-day work weeks and employees working five-day work weeks. The Union has designated the appropriate CWA Representative in each state as the local Union contact for discussing implementation of these procedures. When the implementation of four-day work weeks in a group in one CWA Local will impact the scheduling of tours in a group in another CWA Local, the implementation must be approved by the Vice President, District 6, or his designated representative. The general-level manager, or designated representative thereof, will normally be the Company contact.
2. Either the Union or Management, at the local level, may terminate a four-day work week schedule by giving the other party reasonable advance notice.
3. Transfers/changes to or from a four-day work week will normally be at the beginning of a work week. When this is not possible, or in case of temporary assignments to meet service requirements, affected employees will take their existing schedule with them for the remainder of the week. Management may, at its discretion, elect to leave a temporarily loaned employee on his/her existing work week basis throughout the period of the loan.

4. Employees may request a change to or from a four-day work week schedule. Requests will be considered by Management based on tour availability and needs of the business.
5. The four ten-hour days may be scheduled on consecutive or non-consecutive days, depending on the terms of the joint agreement between the Union and Management. If tours are scheduled on non-consecutive days, at least two of the three days off must be consecutive. On consecutive-day schedules, during those weeks containing Authorized Holidays, the non-holiday tours need not be contiguous with the holiday tour.
6. Overtime will be paid when an employee works in excess of ten hours (or its equivalent for Operating employees), outside scheduled hours for employees covered under Article VII, Work Schedules, of the 2013 Departmental Agreement or in excess of forty hours (or its equivalent for Operating employees) in a work week.

For employees covered under Article VII, Work Schedules, of the 2013 Departmental Agreement, on those days when an employee is absent without pay (at his/her request) for a portion of a normally scheduled tour, and is required to work either before or after the scheduled tour, compensation at the rate of one and one-half times the basic hourly rate shall be paid only for time worked at the Company's request in excess of ten hours on that day. (Similar treatment shall apply in the case of tardiness.) This treatment does not apply to the Excused Work Day without pay taken in accordance with the provisions of Article X, Excused Work Days, of the 2013 Departmental Agreement, nor to time excused without pay in accordance with Section 3., Article VI, Leaves of Absence For Union Representatives On Union Business, of the 2013 Agreement of General Application.

7. Scheduled Sunday work is compensated for at one and one-half times the basic rate of pay for the first eight hours worked. Time worked during the ninth and tenth hours will be compensated for at the basic hourly wage rate. The overtime rate will apply to Operating employees working in excess of ten hours, and to employees covered by Article VII, Work Schedules, of the 2013 Departmental Agreement for all non-scheduled work, except as described in Item 6., above.
8. A night tour shall be one which falls wholly or partially between the hours of 8 p.m. and 5 a.m.
9. Subject to the conditions of Article IV, Basis of Compensation, Section 6., Night Differentials, of the 2013 Departmental Agreement the special night differential pay treatment applicable to Cable Splicing Technicians will be altered as follows:

Under those conditions where the rate of one and one-half times the basic hourly rate is applicable, it will only apply to the first eight hours

of each of the first three consecutively scheduled ten-hour night tours. The last two hours of such tours will be compensated at the basic hourly rate. The night differential will apply to each succeeding consecutively scheduled ten-hour night tour.

10. Time parameters for extra payments to Operating employees for tours ending after 6 p.m. and tours ending after 9 p.m., as provided in Article IV, Basis of Compensation, Section 6.c., of the 2013 Departmental Agreement will be extended by two hours. Extra payment at the weekly rate of \$2.50 will apply for tours nine and one-half hours in length.
11. Except for Operating employees, the normal work week shall consist of four ten-hour tours. Sessions shall be no less than four hours, nor more than six hours in length.
12. The time parameter, 10 p.m., associated with shortened tours for Operating employees, as provided in Article VI, Hours of Work, Section 2., Note 2, of the 2013 Departmental Agreement shall be changed to 11 p.m. Tour lengths will also be changed as follows:
 - 6 hours to 7.5 hours
 - 7 hours to 9 hours
 - 7.5 hours to 9.5 hours
13. Employees electing to take day-at-a-time vacations will do so on a four-day, ten-hour basis. Individual vacation days may also be taken in half-day increments. When changes to or from four-day work week schedules occur, unused day-at-a-time vacation time will first be divided into full or half-days if possible. Any remaining time will be designated as "residual time" and credited to such employees.

Residual time may be disposed of as follows:

- A. "Bought-out" by Management at the basic hourly rate (including any evening or night differentials when applicable).
- B. Taken in complete time increments as excused, paid time in conjunction with:
 - (i) Excused Work Day residual time.
 - (ii) Paid (work) time.
 - (iii) Excused not-paid time (including EWN time if available).
 - (iv) A combination of the above.

Management must approve "buy-outs" along with when and how residual excused paid time will be taken. Residual excused paid time must be taken in situations where an employee would be paid for time he/she is normally not eligible to receive. These procedures will also apply to Vacation Holidays earned but not taken prior to a change/transfer to or from a four-day work week schedule.

14. A maximum of eight Authorized Holidays (including the two Floating Holidays) shall be compensated for on a ten-hour basis. This includes all Authorized Holidays except the Day After Thanksgiving and the Designated Holiday. Employees are only entitled to eighty hours of holiday pay. When employees move/change to or from a four-day schedule, they become eligible for remaining Authorized Holidays only, up to the maximum of eighty hours. This would include a Designated Holiday on moves from a four-day work week if the employee has holiday hours remaining.

When changes to or from a four-day work week schedule occur, Management should determine how many hours of holiday pay the employee has been compensated for and how many hours he/she has remaining. Those hours should be divided into full days if possible. Any remaining time will be designated as "residual time" and handled as described in Item 13.

15. Eligible employees will qualify for thirty-two hours of Excused Work Days which may be taken as either three paid Excused Work Days and a two-hour increment or two paid Excused Work Days and six two-hour increments. All Excused Work Days may be taken in two-hour increments. Transfers to or from four-day work week schedules and residual time will be handled and treated in the same manner as vacations covered in Item 13. above, except they may continue to be taken in two-hour increments.
16. "Pay in lieu of" situations applicable to vacations because of separations through dismissal (except misconduct), layoff, resignation, retirement, or death, as provided in Article IX, Vacations, Section 3., of the 2013 Departmental Agreement will also apply to residual time. Pay for unused vacation time due to Leaves of Absence or transfers will include payment for any residual time.
17. Difference in pay for military training duty and emergency duty will be allowed for a maximum of eighty-eight hours.
18. An illness waiting day as provided in Article XI, Absences From Duty, Section 5., Illness, of the 2013 Departmental Agreement will be an absence of at least one session from scheduled time. Likewise, an absence of a full day will be paid on a ten-hour per day basis.

19. Subject to the conditions of Article XV, Temporary Work In Higher Positions, of the 2013 Departmental Agreement, Classification Differentials will be paid on the basis of one-fourth of the weekly wage rate instead of one-fifth. The Classification Differential paid to Supplies Attendants temporarily assigned Driver-Tractor Trailer duties in accordance with the provisions of Section 3., will be increased to \$6.25.
20. All employees participating in collective bargaining will be paid on a five-day, eight-hours-per-day basis.
21. Leaves of Absence for Union representatives on Union business will be converted to hours as follows:
 - 60 days becomes 480 hours
 - 145 days becomes 1160 hours

FOR THE UNION:

FOR THE COMPANY:

By: _____
Claude Cummings Jr.
Vice President, District 6

By: _____
Joe Croci
Vice President - Labor Relations

MEMORANDUM OF AGREEMENT
SERVICE LEADER

This Memorandum of Agreement is entered into as of April 7, 2013 between Communications Workers of America ("CWA" or the "Union") and Southwestern Bell Telephone Company, SBC Advanced Solutions, Inc., AT&T DataComm, Inc., AT&T Operations, Inc., AT&T Services, Inc., and SBC Telecom, Inc. (collectively referred to as the "Company" or "Management"). This Agreement supersedes the Memorandum of Agreement entered into April 5, 2009 as set forth in the 2009 Settlement Agreement and shall be effective April 7, 2013 through April 8, 2017, unless otherwise mutually agreed in writing by the parties.

This Agreement specifically addresses work groups consisting of Group 1 Craft employees whose predominant functions are the installation/maintenance of PBX equipment.

1. The Company may, as it determines necessary, appoint a qualified non-management employee to act as a Service Leader. A Service Leader will have the responsibility for directing the efforts of the work group while at the same time performing normal technician duties.
2. An employee acting as a Service Leader shall not take or recommend disciplinary action against another employee.
3. Selection of the Service Leader will be made on a seniority basis from those qualified employees who volunteer. The Company shall determine those employees who are qualified for such assignment.
4. When an employee is appointed by the Company to perform the duties of a Service Leader for one or more days in a week, the employee shall be paid ten (10) percent of one-fortieth (1/40th) of the employee's current applicable weekly wage rate for each hour the employee performs this work.
5. The intent, meaning and application of this Agreement shall be subject to the provisions of Article XIX, **Grievances**, of the 2013 Departmental Agreement and Article IV, **Arbitration**, of the 2013 Agreement of General Application.

FOR THE UNION:

FOR THE COMPANY:

By: _____
Claude Cummings Jr.
Vice President, District 6

By: _____
Joe Croci
Vice President-Labor Relations

MEMORANDUM OF AGREEMENT
**UNIFORM SERVICES LEAVE OF ABSENCE – EXECUTIVE ORDER FOR
OPERATION ENDURING FREEDOM / OPERATION IRAQI FREEDOM**

This Memorandum of Agreement is entered into as of April 7, 2013 between Communications Workers of America (“CWA” or the “Union”) and Southwestern Bell Telephone Company, SBC Advanced Solutions, Inc., AT&T DataComm, Inc., AT&T Operations, Inc., AT&T Services, Inc., and SBC Telecom, Inc. (collectively referred to as the “Company” or “Management”). This Agreement supersedes the Memorandum of Agreement entered into April 5, 2009 as set forth in the 2009 Settlement Agreement and shall be effective April 7, 2013 through April 8, 2017, unless otherwise mutually agreed in writing by the parties.

This confirms our understanding regarding the Uniform Services Leave of Absence for employees who are called up for active military service due to the Presidential Executive Order of September 14, 2001 - Operation Enduring Freedom / Operation Iraqi Freedom (previously known as Operation Noble Eagle).

The following change will be effective April 7, 2013 for employees who are called for involuntary active duty as a result of the Presidential Executive Order of September 14, 2001 and will supersede any agreements or policies concerning military pay allowances for such employees entering active duty in the armed forces of the United States. Other terms of the existing Uniform Services Leave of Absence apply unchanged.

- Employees on this leave will receive a pay differential (difference between the employee's military pay and his/her company pay, including any applicable shift differential), when military pay is less, for a total of thirty (30) months or period of active duty, whichever is shorter.

The termination of this Memorandum of Agreement will be at the completion of and/or cancellation of Executive Order – Operation Enduring Freedom / Operation Iraqi Freedom, upon mutual agreement of the parties, or termination of the 2013 Labor Agreements, whichever occurs first.

FOR THE UNION:

FOR THE COMPANY:

By: _____
Claude Cummings Jr.
Vice President, District 6

By: _____
Joe Croci
Vice President-Labor Relations

MEMORANDUM OF AGREEMENT
FACILITIES LOCATE WORK

This Memorandum of Agreement is entered into as of April 7, 2013 between Communications Workers of America ("CWA" or the "Union") and Southwestern Bell Telephone Company, SBC Advanced Solutions, Inc., AT&T DataComm, Inc., AT&T Operations, Inc., AT&T Services, Inc., and SBC Telecom, Inc. (collectively referred to as the "Company" or "Management"). This Agreement supersedes the Memorandum of Agreement entered into April 5, 2009 as set forth in the 2009 Settlement Agreement and shall be effective April 7, 2013 through April 8, 2017, unless otherwise mutually agreed in writing by the parties.

1. For the purposes of this Agreement, the job duties for the title Assistant Customer Service Technician shall include facilities locate work and all work associated with facilities locates, excluding such work in Arkansas.
2. Surplus employees who accept an Assistant Customer Service Technician position shall retain the pension band from their immediately preceding job title if such band was higher, along with any applicable Reassignment Pay Protection Plan (RPPP) payment; otherwise, a surplus employee moving into the Assistant Customer Service Technician position shall have the pension band associated with such title. It is the intent of the parties that surplus employees accepting Assistant Customer Service Technician positions move back to their former positions as soon as practicable. Accordingly, surplus employees who accept the Assistant Customer Service Technician position and who receive a higher pension band under this paragraph must continually have a job vacancy request on file to return to their former job title in order to continue to receive the higher pension band. If an employee receiving a higher pension band treatment under this Agreement declines an offer for a former job title in the employee's Force Adjustment Area, then such employee shall receive the pension band normally associated with an Assistant Customer Service Technician.
3. If an Assistant Customer Service Technician performs work (excluding facilities locate work) normally performed by employees in a Group 1 Craft title for at least one (1) hour in a tour, then the Assistant Customer Service Technician shall be entitled to the Classification Differential equal to one-fortieth (1/40th) of the amount of the weekly wage progression for each hour worked. The Company will not employ Assistant Customer Service Technicians to permanently supplement work performed by Group 1 Craft titles.
4. The Company will not pay moving expenses for employees who accept an Assistant Customer Service Technician position. Notwithstanding the preceding sentence, surplus employees in Arkansas accepting Assistant Customer Service Technician positions shall be entitled to moving expenses under the terms provided in the 2013 Labor Agreements.

5. This Agreement shall not prohibit the Company from contracting out facilities locate work, nor shall it be applicable to or admissible in any arbitration or legal proceeding relating to contracting out any other work.

6. The Union further agrees that its officers will continue to support AT&T in regulatory and legislative bodies in its efforts to remain competitive in and gain new entry into telecommunications markets. Toward that end, the Union agrees that its officers will not take a position on telecommunications policy or service matters contrary to AT&T's position with the PUC, legislators (state & federal), the FCC, any other governmental entities or in the media, unless the Union determines its support would directly and immediately conflict with its own interests. If the Union determines AT&T's position on these matters is contrary to the Union's interests, the Union will promptly notify the Company and, at the request of the Company, meet to discuss, confer and, if possible, resolve any differences on such matters. If, despite the foregoing language, the Union takes a position contrary to AT&T concerning the above matters, this Agreement shall be null and void. This paragraph is not intended to limit the Union's ability to take a position inconsistent with AT&T on non-telecommunications policy matters or matters involving federal, state or local labor laws (e.g., FMLA, NLRA, FLSA, OSHA, etc.), nor does this paragraph limit the Union's right to take a position inconsistent with AT&T before legislators, regulators, a court of law, the NLRB, or in an arbitration arising from the parties' labor agreements with respect to such labor laws or contract matters.

FOR THE UNION:

FOR THE COMPANY:

By : _____
Claude Cummings Jr.
Vice President, District 6

By: _____
Joe Croci
Vice President-Labor Relations

MEMORANDUM OF AGREEMENT
RECOVERY OF WAGE OR BENEFITS OVERPAYMENT

This Memorandum of Agreement is entered into as of April 7, 2013 between Communications Workers of America ("CWA" or the "Union") and Southwestern Bell Telephone Company, SBC Advanced Solutions, Inc., AT&T DataComm, Inc., AT&T Operations, Inc., AT&T Services, Inc., and SBC Telecom, Inc. (collectively referred to as the "Company" or "Management"). This Agreement supersedes the Memorandum of Agreement entered into April 5, 2009 as set forth in the 2009 Settlement Agreement and shall be effective April 7, 2013 through April 8, 2017, unless otherwise mutually agreed in writing by the parties.

1. It is hereby agreed that for the duration of this Agreement, when the Company determines that employees represented by the Union have been paid benefits in excess of their entitlement under the Disability Income Plan or any other wage or benefits overpayments, the Company will withhold wages from the employees in order to recoup such overpayment in accordance with the terms of this Agreement. The Company, however, is not precluded from exercising any rights it may have under applicable law to recover overpayments to employees if employees either refuse or violate the terms of this Agreement, or if the employee is about to be or has been dismissed.

2. In cases where the Payroll Office becomes aware of an overpayment, the Company will provide express written notice to the employee at least thirty (30) calendar days before the first payroll deduction to recoup such overpayment occurs. The notice will include the percentage of gross wages that will be deducted from each paydraft until the overpayment is recovered, a statement informing the employee how to request review of the overpayment determination, and a statement informing the employee that he/she may contact the Company to request alternate payment arrangements no later than ten (10) days prior to the first scheduled deduction. The notice will also include the telephone number of a Company representative who will handle the employee's request. If the employee requests review of the overpayment determination by no later than ten (10) days prior to the first scheduled deduction, no payroll deduction, if any, shall begin until ten (10) days after the administrative decision in response to the request for review. The parties hereby acknowledge and agree that the review provided for in this paragraph 2. shall be in addition to, and not in lieu of, any right the employee may have to appeal a benefit determination under the provisions of any applicable employee welfare or pension benefit plan, and/or under applicable law, including but not limited to the Employee Retirement Income Security Act (ERISA). The parties also acknowledge and agree that the initial determination by the Company of an overpayment, and the administrative decision in response to an employee's request for review under this paragraph 2. are not, and shall not be construed as, employee welfare or pension benefit plan determinations under ERISA or any similar law or regulation of the United States or any other jurisdiction.

3. In any case, the maximum amount of wages the Company may withhold through an arrangement created by this Agreement shall be as follows:
- (a)(1) If the total amount of the overpayment is four thousand dollars (\$4,000) or less, the greater of one hundred dollars (\$100) or ten percent (10%) of the employee's gross wages, per pay period, until the overpayment is recouped.
 - (a)(2) If the total amount of the overpayment is more than four thousand dollars (\$4,000), the greater of one hundred dollars (\$100) or twenty percent (20%) of the employee's gross wages, per pay period, until the overpayment is recouped.
 - (b) If the employee requests alternate payment arrangements as described in paragraph 2., above, such alternate arrangements may be agreed to by the Company, as management determines to be appropriate and reasonable under the circumstances of each case. The employee may be represented by the Union in discussing alternate payment arrangements with the Company. The Company's final determination will not be subject to the grievance or arbitration provisions of any collective bargaining agreement between the Company and the Union, although all employees retain their existing rights to appeal benefit determinations according to the applicable plan terms and governing law.

FOR THE UNION:

FOR THE COMPANY:

By: _____
Claude Cummings Jr.
Vice President, District 6

By: _____
Joe Croci
Vice President-Labor Relations

MEMORANDUM OF AGREEMENT
MONITORING

Southwestern Bell Telephone Company, SBC Advanced Solutions, Inc., AT&T DataComm, Inc., AT&T Operations, Inc., AT&T Services, Inc., and SBC Telecom, Inc. (collectively referred to as the "Company" or "Management") and the Communications Workers of America ("CWA" or the "Union") recognize that joint involvement of Management and Union is essential for mutual benefit and quality of work life. In that spirit, the parties have mutually agreed to enter into this Memorandum of Agreement. This Agreement supersedes the Memorandum of Agreement entered into April 5, 2009 as set forth in the 2009 Settlement Agreement, and shall be effective April 7, 2013 through April 8, 2017, unless otherwise mutually agreed in writing by the parties.

1. Voice Monitoring

In an effort to provide courteous responses, accurate information, and superior service, customer calls are subject to monitoring. These efforts are focused on:

- training and development of employees;
- identification of customers' needs;
- identification of procedural problems; and
- overall improvement of the Company processes that involve direct interaction with the customer.

Voice Monitoring may be characterized as either:

- Employee Development Monitoring, or
- Service Measurement Monitoring.

A. Employee Development Monitoring

When Employee Development Monitoring (EDM) is conducted, it will be performed using consistent standards established by the organization.

The following parameters will be adhered to when conducting EDM:

- 1) Individual notification will be given to employees to be monitored the day the EDM is to take place.
- 2) Employees will have the option of "remote" or "side-by-side" EDM, where facilities exist.

- 3) Feedback from EDM efforts will be provided to employees by the end of the employees' next tour, unless unusual circumstances warrant otherwise.

Exception: Parameters (1) and (2) above are applicable once an employee has six (6) months' on-job experience after completion of formal training.

Where an employee demonstrates difficulty meeting established performance expectations (except in the areas of adherence, attendance, and safety), he/she may lose the privileges outlined in (1) & (2) above. If the employee loses these privileges, he/she will be notified. The loss of privileges will remain in effect until performance expectations are met on a consistent basis.

B. Service Measurement Monitoring

Service Measurement Monitoring (SMM) will be conducted for the purpose of ensuring consistent application of standards, evaluation of customer acceptance of new or changed procedures, or isolation of possible causes of a problem, such as fluctuation of work times, or an increase in customer complaints. The following parameters will be adhered to when conducting SMM:

- 1) No advance notification will be given to employees prior to monitoring since these efforts are oriented toward overall office performance rather than individual performance.
- 2) SMM will be conducted "remotely," where facilities exist.
- 3) SMM feedback may be documented and given to the monitored employees for developmental/diagnostic purposes.
- 4) During SMM, when an employee demonstrates an inability to consistently meet standards established by the organization, privileges of advance notification and choice of side-by-side or remote EDM may be revoked.

If an employee loses these privileges, he/she will be notified. This loss of privileges will remain in effect until performance expectations are met on a consistent basis.

It is not intended that this loss of privilege would be arbitrarily and routinely used.

- 5) Employees will not be evaluated for appraisal purposes on calls sampled through SMM.

C. Disciplinary Restrictions

No employee may be disciplined as a result of voice monitoring except for any of the following conditions:

- 1) When gross discourtesy or abuse of a customer is observed.
- 2) Attempts to defraud the Company through misuse of service and equipment are observed.
- 3) The employee violates privacy of communications or demonstrates integrity problems.
- 4) An employee fails to meet established performance expectations, as identified through EDM.

2. Electronic Monitoring

Electronic monitoring is defined as follows:

The collection, storage, analysis, and reporting about employee activities by means of computer observation and supervision.

All employees will be pre-notified of electronic monitoring reports and the intended use of such reports within their work group. The local Union president (or designee) will be notified of electronic monitoring reports prior to their use for appraisal or disciplinary purposes.

3. This Agreement does not preclude the Union's right of grievance procedure and/or arbitration as set forth in the 2013 Labor Agreements between both parties.

FOR THE UNION:

FOR THE COMPANY:

By: _____
Claude Cummings Jr.
Vice President, District 6

By: _____
Joe Croci
Vice President-Labor Relations