

EARLY RESOLUTION CONCILIATION AGREEMENT

Between

**THE U.S. DEPARTMENT OF LABOR
OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS**

And

AT&T SERVICES, INC.

PART I. PRELIMINARY STATEMENT

The Office of Federal Contract Compliance Programs (“OFCCP”) is currently evaluating the following AT&T Inc. Function Affirmative Action Program (“Reviewed FAAP”): AT&T Communications Technical Field Services - West. OFCCP is alleging that AT&T Services, Inc. (“AT&T” or “Contractor”) was not in compliance with Executive Order 11246 as amended (“E.O. 11246” or “Executive Order”), and its implementing regulations at 41 Code of Federal Regulations (CFR) Sections 60-1 – 60-3. In the interest of resolving the violations without engaging in further legal proceedings and in exchange for sufficient and valuable consideration described in this document and the Functional Affirmative Action Plan signed on March 23, 2020, OFCCP and AT&T enter into this Early Resolution Conciliation Agreement (“Agreement”), and the parties agree to all the terms therein.

PART II. GENERAL TERMS AND CONDITIONS

1. In exchange for AT&T’s fulfillment of all obligations of the Agreement, OFCCP agrees not to institute administrative or judicial enforcement proceedings under E.O. 11246, based on the violations described in more detail in Part IV below. However, OFCCP has the right to initiate legal proceedings to enforce the Agreement itself or to correct and obtain relief for the violations described in Part IV if AT&T violates this Agreement. Nothing in this Agreement precludes OFCCP from initiating enforcement proceedings based on future compliance evaluations or complaint investigations, including during the exemption period for compliance evaluations if OFCCP deems that AT&T is in breach of the agreement. In exchange for AT&T’s fulfillment of all obligations in the Agreement, OFCCP further agrees not to initiate any new audits at the Reviewed FAAP until at least 60 days after AT&T submits the final progress report described in Part VI of this Agreement and the OFCCP confirms to AT&T that it has fully complied with the terms of this Agreement, and the exemption period available in the selection methodology has expired.
2. AT&T agrees that OFCCP may review its compliance with this Agreement. As part of such review, OFCCP may require written reports, inspect the premises, interview witnesses, and examine and copy documents as may be relevant to the matter under investigation and pertinent to AT&T’s compliance. AT&T will permit access to its

premises during normal business hours for these purposes and will provide OFCCP with all reports and documents required.

3. This Agreement does not constitute an admission by AT&T of violation of EO 11246, Section 503 of the Rehabilitation Act of 1973, as amended (“Section 503”), the Vietnam Era Veterans’ Readjustment Assistance Act of 1974 (“VEVRAA”) and their implementing regulations at 41 CFR Chapter 60. Nor has there been an adjudication on the merits regarding any such violation.
4. AT&T understands that nothing in this Agreement relieves AT&T of its obligation to fully comply with the requirements of EO 11246, Section 503, VEVRAA, their implementing regulations, and other applicable equal employment opportunity laws.
5. AT&T promises not to harass, intimidate, threaten, discriminate against, or otherwise retaliate against any individual because the individual benefits from this Agreement, or files a complaint or participates in any investigation or proceeding under EO 11246, Section 503, and/or VEVRAA, or engages in any activity listed at 41 CFR § 60-1.32(a).
6. OFCCP and AT&T (“the parties”) understand the terms of this Agreement and enter into it voluntarily.
7. This Agreement, including its attachments, constitutes the entire Agreement and represents the complete and final understanding of the parties. This Agreement contains all of the terms binding the parties and it supersedes all prior written and oral negotiations and agreements. Any modifications or amendments to this Agreement must be agreed upon in writing and signed by all parties. If an administrative error is found, OFCCP will work in good faith with all parties to make the corrections.
8. If one or more provisions of this Agreement are rendered unlawful or unenforceable, the remaining provisions will remain in full force and effect.
9. This Agreement becomes effective on the day it is signed by the Regional Director for the Pacific Region, Enforcement Director, or OFCCP career Deputy Director (the “Effective Date”).
10. This Agreement will expire sixty (60) days after AT&T submits the final progress report required in Part VI below, unless OFCCP notifies AT&T in writing prior to the expiration date that AT&T has not fulfilled all of its obligations under the Agreement, in which case the Agreement is automatically extended until the date OFCCP determines AT&T has met all of its obligations under the Agreement, or for at least three years, whichever is later (referred to herein as the “scheduling exemption period”). Furthermore, at the expiration of the scheduling exemption period, any AT&T establishment or FAAP selected for a compliance evaluation will be selected in accordance with the scheduling methodology in place at that time.

11. Each party shall bear its own fees and expenses with respect to this matter.
12. If AT&T violates the Conciliation Agreement,
 - A. The procedures set forth at 41 CFR § 60-1.34 will govern:
 - i. OFCCP will send AT&T a written notice stating the alleged violations and summarizing any supporting evidence.
 - ii. AT&T will have 15 days from receipt of such notice to demonstrate in writing that it has not violated the Conciliation Agreement, unless such a delay would result in irreparable injury to the employment rights of affected employees or applicants.
 - iii. If AT&T is unable to demonstrate that it has not violated the Agreement, or if OFCCP alleges irreparable injury, enforcement proceedings may be initiated immediately without issuing a show cause notice or proceeding through any other requirement for those establishments with an open review at the time of this agreement.
 - iv. In the event of a breach of this Agreement by the contractor, OFCCP may elect to proceed to a hearing on the entire case and seek full make-whole relief, and not be limited to the terms agreed to in the Agreement.
 - B. AT&T may be subject to the sanctions set forth in Section 209 of the Executive Order, and/or other appropriate relief for violation of this Agreement.
13. The parties understand and agree that nothing in this Agreement is binding on other governmental departments or agencies other than the United States Department of Labor, and cannot be used as evidence that AT&T is not in compliance with any applicable federal, state, or local laws, including but not limited to E.O. 11246, Section 503, VEVRAA, Title VII of the Civil Rights Act of 1964, and the Americans with Disabilities Act. Contractor and OFCCP agree that any release of claims required by this Agreement will only pertain to claims under E.O. 11246, Section 503, and/or VEVRAA.
14. This Agreement is limited to the facts of this case. Neither this Agreement, nor any part of the negotiations that occurred in connection with this Agreement, shall constitute admissible evidence with respect to either party's policies, practices, or positions in any lawsuit, legal proceeding, administrative proceeding, compliance evaluation or audit, except for legal or administrative proceedings concerning the enforcement or interpretation of this specific Agreement.
15. All references to "days" in this Agreement are calendar days. If any deadline for an obligation scheduled to be performed under this Agreement falls on a weekend or a Federal holiday, that deadline will be extended to the next business day.

16. This agreement is between OFCCP and AT&T (as collectively defined above) and does not confer any rights or benefits to any other parties, other than any current and former affiliates, parents, subsidiaries, predecessors, successors, directors, officers, employees, agents, and assigns of AT&T.

PART III. SPECIAL TERMS AND CONDITIONS

1. AT&T agrees to an in-depth review as outlined in part V below of the Reviewed FAAP to ensure non-discriminatory pay practices. AT&T agrees to implement corrective actions for all workers impacted by violations, consistent with the remedy provisions of this Agreement.
2. OFCCP will not schedule the Reviewed FAPP, for a compliance evaluation for a three-year period from the effective date of the Agreement.
3. The three-year scheduling exemption is limited to regularly scheduled compliance evaluations and OFCCP retains the right to investigate complaints of discrimination at FAAPs covered by the Agreement under E.O. 11246, Section 503, and VEVRAA.
4. If AT&T violates the terms of the Agreement, OFCCP reserves the right to bring an enforcement action under 41 CFR § 60-1.34 and the three-year scheduling exemption will be void.
5. This agreement will not relieve AT&T from its annual ongoing OFCCP requirements of equal employment opportunity through affirmative action and non-discrimination across its entire workforce, including the monitoring of an up-to-date AAP and internal pay equity.

PART IV. PRELIMINARY FINDINGS

1. Compensation Disparities

During the compliance evaluations at the Reviewed FAAP listed in Part I, OFCCP reviewed employment policies, practices, and records; interviewed employees; and analyzed individual compensation data. Based upon the information gathered during these activities, OFCCP evaluated and analyzed AT&T's compensation system and, through regression analysis, found statistically significant pay disparities based on gender in the Manager Network Services job title, even after controlling for legitimate explanatory factors. Such disparities indicate that AT&T violated Executive Order 11246 § 201(1), 41 CFR § 60-1.4(a)(1), and 41 CFR § 60-20.3, by failing to afford equal employment opportunity to female employees by paying them less than comparable male employees.

2. Identification of Problem Areas, Action-Oriented Programs, and Internal Auditing and Reporting

The Reviewed FAAP failed to conduct in-depth analyses of the total employment process, including evaluating compensation systems to identify the existence of gender-based pay disparities as required by (41 CFR §§ 60-2.17(b)-(d)). As a result, the Reviewed FAAP failed to develop and execute appropriate action-oriented programs designed to correct the pay disparities by gender. The Reviewed FAAP also failed to develop and implement an auditing system that periodically measures the effectiveness of the total affirmative action program, including identifying barriers to equal employment opportunity, particularly with regard to gender in the Manager Network Services job title.

PART V. FINANCIAL and NON-FINANCIAL REMEDY

1. Financial Remedies

A. Settlement Fund

- i. **Settlement Fund Account** - Within thirty (30) days after the Effective Date, AT&T will deposit a total of \$173,000.00 in a payroll account maintained by AT&T Services, Inc. designated for payment to the individuals listed in Attachment A. By the deadline set forth in the Timeline (Attachment C), Contractor will notify OFCCP when this action is complete and provide appropriate documentation, including records showing the name of the account, the account number for the settlement fund, the date of deposit, and the deposit amount. By the dates set forth in the Timeline, Contractor will provide OFCCP with copies of bank records showing the current balance of the account, list of transactions and the amount of accrued interest on the account. The settlement fund is a negotiated amount that represents estimated back pay and accrued interest. The Contractor's share of taxes on the portion representing back pay (such as federal, state and/or local taxes and FICA) is not part of the Settlement Fund. Contractor will be responsible for any banking account fees.
- ii. **Specific Settlement Fund Amounts** - The total Settlement Fund amount includes \$165,190.00 in back pay and \$7,810.00 in interest to resolve specific violations set forth above.

B. Notice Process

- i. **OFCCP and Contractor Obligations Under the Notice Process** - The Notice Process set forth in this Agreement is intended to provide the Affected Class Members identified in Attachment A with a meaningful opportunity to understand their rights and obligations and act on them in a timely manner. As specified in the Timeline and as otherwise necessary to fulfill this Agreement, AT&T and OFCCP will regularly meet and confer in person, by phone and/or by email on the notice process to determine how best to carry out the Notice provisions of this Agreement, and to decide whether any activity, deadline or document should be modified. OFCCP and AT&T agree not to unreasonably withhold consent to reasonable modifications proposed by either party.

- ii. **Notice Documents** – AT&T will distribute Notice, Verification, and Release Documents to Affected Class Members listed in Attachment A, consistent with the sample documents contained in Attachments B-1, B-2, and B-3 (“Notice Documents”). These documents will make clear the information about the settlement is being provided by or on behalf of the U.S. Department of Labor. OFCCP may also conduct independent efforts to communicate with Affected Class Members about this Agreement and provide updated information to Contractor.
- iii. **Timeline** - Attachment C sets forth the agreed Timeline for Notice and for the parties’ other obligations under this Agreement. The parties will meet and confer on any reasonable modifications to the Timeline proposed by either party.
- iv. **Distribution of Mail Notice to Affected Class Members** – AT&T will provide initial notice by regular first-class mail. AT&T will send copies of all of the Notice Documents as defined above, including a postage-paid return envelope, by first class mail to the best available mailing address for each Affected Class Member, by the date set forth in the Timeline. If envelopes from the initial mail notice are returned with forwarding addresses, AT&T will re-mail the Notice Documents within five (5) days of receipt of the forwarding address. For Affected Class Members who are still employed by AT&T, AT&T may elect to provide Notice Documents in person at work in addition to using first-class mail. In addition to first-class mailing, AT&T may also elect to send Notice Documents via email to last known email addresses.

Based on the response to the initial mail notice, the parties will meet and confer by the date set forth in the Timeline to assess the results of the initial mail notice and to ensure that the second round of mail notice maximizes the potential response rate. OFCCP may also conduct independent efforts to communicate with Affected Class Members about this Agreement and provide updated information to AT&T. A second mail notice will be sent to Affected Class Members with valid addresses who fail to respond to the first mail notice unless the parties agree otherwise.

- v. **Notice Deadline** - The final deadline for any Affected Class Member to respond to the notice is set forth in the Timeline. The parties will prominently display this deadline on all materials they distribute in paper or online form regarding this Agreement, and explain that failure to respond by this deadline will result in a forfeiture of any relief provided by this Agreement.
- vi. **Exchange of Information Regarding Affected Class Members** – AT&T and OFCCP will timely exchange information regarding Affected Class Members, including updated contact information and the results of any technical assistance provided.

- vii. **Final List of Eligible Employees** - The Final List will include all Affected Class Members who timely respond to the Notice by the deadline set forth in the Timeline and whose eligibility is verified by OFCCP (“Eligible Class Members”). The parties will establish the Final List by the date set forth in the Timeline. The parties will meet and confer on any outstanding issues or questions regarding the Final List. Either party may identify potentially employees who may have been erroneously excluded from the original Affected Class Member list in Attachment B or any subsequent list. OFCCP shall make the final determinations of eligibility but will make every effort to negotiate in good faith to resolve any dispute about the Final List. AT&T will provide to OFCCP any information necessary to determine the Final List.
- viii. **Contractor’s Expenses** - AT&T will pay all expenses associated with carrying out its duties pursuant to this Section, from funds separate and apart from the amount designated in this Agreement for the Settlement.

C. Allocation

- i. **Total Amount to be Allocated** - The back pay and interest amounts of the Settlement Fund, plus any additional interest that accrues, will be distributed among the eligible applicants or employees according to the terms of this Agreement. Individual shares will include appropriate deductions for each individual’s share of payroll deductions required by law on the portion representing back pay only, such as federal FICA/FUTA, state/local insurance premiums, or taxes.
- ii. **Affected Class Members Eligible to Receive Payments** - The Settlement Fund will be distributed to all Class Members who timely respond to the Notice Process as explained below, and whose eligibility is verified (hereinafter “Eligible Class Members”). These individuals will be listed on the Final List of Eligible Class Members (“Final List”). The process of determining the Final List is explained above under Notice Process.
- iii. **Payments to Eligible Class Members** – OFCCP will provide AT&T a list of the payment amount for each Eligible Class Member on the Final List by the date set forth on the Timeline established in Attachment C. AT&T will issue checks or make electronic payments to each Eligible Class Member in the stated amount, along with appropriate tax reporting forms (such as W-2 and IRS Form 1099) by the dates set forth on the Timeline. OFCCP will receive timely documentation of all payments made and any payments returned undelivered or any checks not cashed, as set forth on the Timeline. Any check that remains uncashed 120 days after the initial date the check was mailed to the Eligible Class Member will be void. With respect to any uncashed funds, AT&T will make a second distribution, evenly dividing the remaining funds to all Eligible Class Members who cashed their first check, unless the uncashed funds are less than \$500, in

which event AT&T shall use the uncashed funds toward compliance efforts related to this Agreement.

- iv. **Tax Payments, Forms and Reporting** – AT&T will pay the employer’s share of social security withholdings, and any other tax payments required by law from additional funds separate from the Settlement Fund. AT&T shall mail to each Eligible Class Member an IRS Form W-2 for that portion of the payment representing back pay, and an IRS Form 1099 for that portion of the payment representing interest. These IRS forms will be provided to the Eligible Class Members either at the time of electronic payment, or with the settlement checks, or at the end of the year. No Eligible Class Member will be required to complete a W-4 or W-9 in order to receive payments under this settlement.
- v. **Documentation of Payments** - By the deadline set forth in the Timeline, AT&T will provide OFCCP with copies of cancelled checks or electronic documentation of all payments to Eligible Class Members, including the amounts paid, the date payment was sent, the date payment was received or the check cashed, and any uncashed or returned checks. In the event of a second distribution, AT&T will provide a similar documentation on the second distribution.

2. Non-Financial Remedies

A. Current Compensation Analyses and Adjustments for position at issue - Within 60 days of this Effective Date of this Agreement, AT&T will conduct a compensation analysis for all persons within the Manager Network Services job title who are included within the Reviewed FAAP to determine if there are statistically significant disparities in current base pay by gender. The analysis will use the following regression model:

- i. **Dependent Variable** – Base Pay will be measured using the logarithm of annualized salary.
- ii. **Control Variables**
 - a. GeoZones
 - b. Time in Position
 - c. Other Time at AT&T
 - d. Prior Experience
 - e. Most recent performance rating
- iii. **Nesting** - In the event that there are less than five observations in any category of the control variables, such categories will be grouped with the next most logical category. For example, if there are two people who are too newly hired to have performance ratings, these two people would be given the average performance rating.

- iv. **Prospective pay adjustments** – Since the model stipulated here captures the major factors influencing pay (i.e. productivity proxies and geographical pay differences), AT&T agrees to materially eliminate any pay disparities that are statistically significant at a level of 1.96 SD (or .05 p-value), that cannot be explained by other valid reasons of business necessity. In making adjustments, AT&T will multiply the estimated percentage pay difference (b-weight) between the protected and favored class by the individual salary of the disfavored group to arrive at an adjusted amount.
- v. **Reporting** - AT&T will provide a copy of its analyses, the underlying data used to conduct the analyses, and evidence of any necessary pay adjustments by the deadline contained in Timeline (Attachment C).

B. Prospective Pay Analyses and Adjustments for all positions with the Reviewed FAAP – At least annually during the term of this Agreement, AT&T will analyze compensation for all positions at the Reviewed FAAP to ensure that AT&T's compensation practices are neutral with regard to employees' gender, race/ethnicity, disability status, and status as a protected veteran. These evaluations must analyze both the most current base pay and total pay as of the time of the analysis. AT&T will provide a copy of its analyses, the underlying data used to conduct the analyses, and evidence of any necessary pay adjustments by the deadline contained in Timeline (Attachment C). In conducting these analyses, AT&T will be guided by the following:

- i. **Pay Analysis Groups** - For purposes of grouping employees for analysis, AT&T will use employee job titles, exclusive of any nomenclature directly associated with pay grade. Thus, designations such as I, II, III, or Senior when added to a base title will be ignored if those designations are directly associated with a differences in pay grades.
- ii. **Methodology** - The type of analysis will depend on the size of the pay analysis group. Groups with 30 or more incumbents will be subject to regression analysis. Those with less than 30 will be subject to a cohort analysis.
- iii. **Dependent Variables** – Separate analyses will be conducted using annualized base pay and total compensation. Where regressions are conducted, the logarithm of annualized base pay and total compensation should be used.
- iv. **Regression Control Variables** – Where regression are conducted, AT&T will assess gender, race/ethnicity, disability status, and status as a protected veteran separately, and will use controls for:

- a. GeoZones
 - b. Time in Position
 - c. Other Time at AT&T
 - d. Prior Experience
 - e. Most recent performance rating
 - f. Any additional variables for which AT&T maintains data and which it can certify are non-discriminatory and directly relevant to differences in pay for the particular group under analysis
- v. **Nesting** - In the event that there are less than five observations in any category of the control variables, such categories will be grouped with the next most logical category. For example, if there are two people who are too newly hired to have performance ratings, these two people would be given the average rating. If nesting is not practicable due to the disparate nature of a particular control variable, the variable should be re-coded manually or dropped from the model for that pay analysis group.
- vi. **Controlling for Grade** – AT&T may include pay grade as a control variable in its regression analyses only if it also runs a regression without use of grade. If the regression without grade indicates a statistically significant disparity, but the regression including grade does not, then AT&T must assess whether its placement and promotions criteria are non-discriminatory both on their face and in their application as to the pay analysis group in question.
- vii. **Prospective pay adjustments** – Since the model stipulated here captures the major factors influencing pay (i.e. productivity proxies and geographical differences), OFCCP expects AT&T to materially eliminate any pay disparities that are statistically significant at a level of 1.96 SD (or .05 p-value), that cannot be explained by other valid reasons of business necessity. In making adjustments, AT&T will multiply the estimated percentage pay difference (b-weight) between the protected and favored class by the individual salary of the disfavored group to arrive at an adjusted amount.
- viii. **Model Adjustments** - If at any time during the term of this Agreement AT&T believes that it must modify the model outlined above in order to achieve an appropriate compensation analysis that reflects its compensation systems, AT&T will notify OFCCP of the changes it wants to make to the model and the reasons therefore. OFCCP and AT&T agree to work to arrive at a mutually acceptable alternative model that hews as closely as possible to the monitoring model stipulated in this Agreement.
- ix. **Reporting** – AT&T will certify as part of its annual progress reports that the analyses identified herein were conducted in accordance with this Agreement. It will also report the number of pay adjustments and the total dollar figure

associated with such pay adjustments if applicable. AT&T will provide the specific analyses for the Manager Network Services job title or its successor titles if no longer in use and include the underlying data used for these analyses. For the Third Progress Reports, AT&T will provide the actual analyses conducted on the entire workforce and copies of the underlying data used to conduct the analyses so that OFCCP may replicate and thereby verify the analyses. The deadlines for such reports are contained in the Timeline (Attachment C).

C. Limitations on Use of Statistical Model - The statistical models contained in this Agreement are to be used by the parties for these settlement purposes only, and it shall not be precedent in any future OFCCP investigations, proceedings, or other conciliation agreements.

D. Training – No later than 90 days after the Effective Date of this Agreement and annually thereafter during the term of this Agreement, AT&T will provide training to all individuals within the Reviewed FAAP who are involved in the compensation process, including human resources personnel, recruiters, compliance personnel, and managers.

- i. **Duration** - The training shall be no less than one hour in duration.
- ii. **Topics** - The training shall include at least the following topics:
 - a. AT&T's obligations as a federal contractor to ensure equal employment opportunity and affirmative action under E.O. 11246, VEVRAA, and Section 503
 - b. Pay transparency regulations
 - c. The need to guard against implicit bias and stereotypes as they relate to hiring, placement, promotion, performance evaluation, and compensation
- iii. **Format** – The training may be conducted in person or via electronic conferencing, but must allow for interactive discussion and question and answer sessions
- iv. **Documentation and Reporting** – AT&T will retain all outlines, PowerPoints, slides, or other materials used in the course of the training, as well as records of those in attendance by name and title. AT&T will provide this documentation to OFCCP within 90 days of the Effective Date of this Agreement and again as part of its annual progress reports.

PART VI. REPORTS REQUIRED DURING OFCCP MONITORING PERIOD

1. **Recordkeeping** - AT&T agrees to retain all records relevant to the Preliminary Findings cited in Part IV above, the Remedies outlined in Part V above, and all other reports created in accordance with this Agreement. These records include underlying data and information such as Human Resources Information System (HRIS) and payroll data, job applications and personnel records, and any other records or data used to generate the required reports. AT&T will retain the records until this Agreement expires or for the time period consistent with regulatory requirements, whichever is later.
2. **Submissions** - AT&T will submit reports by mail and electronic mail to:

Sean Ratliff
San Diego District Director
550 West C Street, Suite 900
San Diego, CA 92101
(b) (7)(C), (b) (5) @dol.gov

3. **Confidentiality** AT&T and OFCCP have a common interest in the information being provided in the reports pursuant to this Agreement. To the extent any of the reports AT&T provides in accordance with this Agreement are customarily kept private or closely-held, and AT&T believes they should remain confidential under Exemption 4 of the Freedom of Information Act (FOIA), AT&T will provide such reports to OFCCP marked as "Confidential". In the event of a FOIA request, OFCCP will also consider any such documents received as confidential documents.
4. **Specific Reporting Requirements** – AT&T agrees to furnish OFCCP with the following reports according to the Timeline contained in Attachment C
 - A. **First Report** – The first report shall contain:
 - i. A summary of the FAAP evaluated and the number of workers covered. Documentation of all analyses conducted and adjustments made in accordance with Part V.2.A above, include the underlying data used for the analyses;
 - ii. Documentation evidencing the training outlined in Part V.2.D above, including attendance records.
 - iii. A copy of the current written Functional Affirmative Action Programs for the Reviewed FAAP
 - B. **Second and Third Reports** – The second and third reports shall contain:
 - i. Documentation related to the compensation analyses as described in Part V.2.B above, including a summary of the FAAP evaluated and the number of workers covered.

- ii. Documentation evidencing the training outlined in Part V.2.D above, including the number of establishments trained and the number of attendee as evidence by attendance records.
- iii. A copy of the current written Functional Affirmative Action Programs for the Reviewed FAAP

PART VII. SIGNATURES

INTEGRATION CLAUSE: This Agreement represents the full Agreement between AT&T and OFCCP and this Agreement supersedes any other agreements, oral or written. In signing this Agreement, neither AT&T nor OFCCP relies upon any promise, representation of fact or law, or other inducement that is not expressed in this Agreement. This Agreement may be modified only by written agreement of the Parties affected and may not be modified by any oral agreement.

The person signing this Agreement on behalf of AT&T personally warrants that he or she is fully authorized to do so, that AT&T has entered into this Agreement voluntarily and with full knowledge of its effect, and that execution of this Agreement is fully binding on AT&T.

This Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and AT&T Services, Inc., 208 S Akard Street, 22nd Floor, Dallas, TX 75202.

(b) (6), (b) (7)(C)

Eric Mitchell
AVP Human Resources
AT&T Services, Inc.
Dallas, TX

DATE: 9/2/20

(b) (6), (b) (7)(C)

Jane Suhr
Regional Director
Pacific Region

DATE: 9/3/2020

Attachments

- A. List of Affected Class Members
- B. Notice Documents
 - B-1 Notice
 - B-2 Information Verification Form
 - B-3 Release Form
- C. Timeline

Attachment A: List of Affected Class Members

Number	Class Member ID
1	(b) (6), (b) (7)(C)
2	[REDACTED]
3	[REDACTED]
4	[REDACTED]
5	[REDACTED]
6	[REDACTED]
7	[REDACTED]
8	[REDACTED]
9	[REDACTED]
10	[REDACTED]
11	[REDACTED]
12	[REDACTED]
13	[REDACTED]
14	[REDACTED]
15	[REDACTED]
16	[REDACTED]
17	[REDACTED]
18	[REDACTED]
19	[REDACTED]
20	[REDACTED]
21	[REDACTED]
22	[REDACTED]
23	[REDACTED]
24	[REDACTED]
25	[REDACTED]
26	[REDACTED]
27	[REDACTED]

Attachment B-1 - Notice

You may be eligible to get money because of a legal settlement between AT&T and the U.S. Department of Labor

We are writing to provide information about a legal settlement between the U.S. Department of Labor and AT&T Services, Inc. (“AT&T”) that may benefit you. This settlement involves claims of disparities in compensation, and our records show that you may be one of the class members covered by the settlement. If you take the steps described in this Notice by the deadline below, you may be eligible for a payment of back wages and salary adjustment with AT&T.

ARE YOU AFFECTED?

Females who worked in the Manager Network Services job title within AT&T’s Network Field Operations – West Functional Affirmative Action Program as of February 1, 2019 are covered by this settlement.

WHAT IS THIS SETTLEMENT ABOUT?

The U.S. Department of Labor’s Office of Federal Contract Compliance Programs (OFCCP) conducted a review of AT&T’s compensation practices during the period February 1, 2019 through January 31, 2020. OFCCP is the government agency responsible for enforcing the nondiscrimination and equal employment opportunity obligations that apply to federal contractors. OFCCP alleges that AT&T paid Female employees in the Manager Network Services job title less than similarly situated males in the same positions. AT&T denies those claims. Ultimately, OFCCP and AT&T have agreed to resolve the issue through a Conciliation Agreement. A Conciliation Agreement is a legal document that explains the terms of an agreement between AT&T and OFCCP.

As a result, affected class members may be eligible for back pay and job offers.

WHAT DOES THIS MEAN FOR YOU?

Because you were employed as a Manager Network Services during the relevant time frame, this settlement may provide you with some specific benefits:

- (1) **You may be eligible to receive a payment of at least \$872.00** (before adjustments for taxes and payroll contributions). This amount represents your share of back wages and other payments AT&T is making to settle this matter. The final amount you will receive will be reduced by deductions for items such as income tax withholding and Social Security contributions.

To get these benefits, you will need to release or agree to give up certain legal claims, and sign the enclosed Release forms.

WHAT IS YOUR NEXT STEP?

You should read this Notice and the enclosed Interest and Release forms.

Please do not ignore these forms or throw them away. Otherwise, you could miss an opportunity to receive money from AT&T.

To be eligible for a payment, you must complete, sign, and return **both** the "Information Verification Form" and the "Release of Claims Under Executive Order 11246" (Release) to:

Angelica Willis – Lead Consultant Diversity, 308 S Akard St Room 1720.06, Dallas, TX 75202

DEADLINE: The forms must be received by [INSERT specific date for First or Second Notice deadline date in Attachment C]

You may receive some or all of these benefits only if these forms confirm that you are one of the individuals covered by the settlement. After correct completion and submission of these forms, a final decision will be made about your eligibility.

If you fail to return both of the required forms by the deadline above, or if your forms do not verify your eligibility, you will not be eligible to receive any money or any other benefits that are available to you by the settlement.

HOW CAN YOU GET MORE INFORMATION?

If you have any questions, you may contact Compliance Officer (b) (6), (b) (7)(E) at (619) (b) (6), (b) (7)(C) or the San Diego District Office main line at (619) 557-7400. You can also visit the U.S. Department of Labor Web site about this case at www.dol.gov/ofccp/cml.

Attachment B-2 – Information Verification Form

INFORMATION VERIFICATION FORM

You must complete this form in order to be eligible for the monetary payment under the terms of the Conciliation Agreement (Agreement) between AT&T Services, Inc. and the Department of Labor’s Office of Federal Contract Compliance Programs. Please print legibly, except for the signature.

Name: _____

Address: _____

Home Phone: _____ Cell Phone: _____

Work Phone: _____ Email: _____

For purposes of this settlement, it is necessary to verify your GENDER (select one):

Male [] Female []

Notify AT&T at the following address if your address, email address, or phone number changes within the next twelve (12) months.

(b) (7)(C) – Lead Consultant Diversity, 308 S Akard St Room 1720.06, Dallas, TX 75202

IF YOU FAIL TO COMPLETE AND RETURN THE ENCLOSED DOCUMENTS TO THE ADDRESS ABOVE BY [DATE CLASS MEMBERS MUST RESPOND], YOU WILL NOT BE ELIGIBLE TO RECEIVE A PAYMENT.

I, (print name) _____, certify the above is true and correct.

Signature

Date

Attachment B-3 - Release Form

RELEASE OF CLAIMS UNDER EXECUTIVE ORDER 11246

PLEASE CAREFULLY READ THE ENCLOSED NOTICE BEFORE COMPLETING THIS RELEASE. YOU MUST RETURN A SIGNED RELEASE TO RECEIVE MONEY FROM THE SETTLEMENT

This Release of Claims under Executive Order 11246 ("Release") is a legal document. The document states that in return for AT&T Services, Inc. paying you money, you agree that you will not file any lawsuit against AT&T Services, Inc., its current and former affiliates, parents (including AT&T Inc.), subsidiaries, predecessors, successors, directors, officers, employees, agents, and assigns (hereinafter referred to as "AT&T") for alleged compensation discrimination under Executive Order 11246. It also says that AT&T does not admit it violated any laws enforced by OFCCP. This Release says you had sufficient time to look at the document, to talk with others about the document, including an attorney if you choose, and that no one pressured you into signing the document. Finally, it says that if you do not sign and return the document by a certain date, you will not receive any money.

In consideration of payment of at least \$872.00 (less adjustments required by law) by AT&T Services, Inc. to me, which I agree is acceptable, I (print name) _____ agree to the following:

I.

By signing this Release, I agree that I have been made whole for any claim that could have been brought under Executive Order 11246 relating to AT&T's compensation practices during my employment with AT&T through the Effective Date of this Release. I hereby release AT&T, its current and former affiliates, parents (including AT&T Inc.), subsidiaries, predecessors, successors, directors, officers, employees, agents, and assigns from any claim for additional make whole relief obtained through any action based on or involving AT&T's compensation practices through the effective date of this Release that could have been brought under Executive Order 11246. Here, make whole relief is defined as the total earnings lost, and includes: salary or wages, overtime, premium pay and shift differentials, incentive pay, raises, bonuses, lost sales commissions, cost-of-living increases, tips, medical and life insurance, fringe benefits, pensions, stock options, and awards and any remedies that may arise from such a claim, including but not limited to, liquidated damages, work benefits, interest, costs of suit, and attorneys' fees.

II.

I understand that AT&T does not agree that it treated me unlawfully or unfairly in any way and that AT&T entered into a Conciliation Agreement with the U.S. Department of Labor, Office of Federal Contract Compliance Programs ("OFCCP") and agreed to make the payment described

above to resolve alleged disparities in hiring and to resolve the matter without further legal proceedings in the compliance reviews initiated by OFCCP related to the facility covered by the Conciliation Agreement. I further agree that the payment of the aforesaid sum by AT&T to me is not to be construed as an admission of any liability by AT&T.

III.

I declare that I have read this Release and that I have had a full opportunity to consider and understand its terms and to consult with my advisors and seek legal advice. I further declare that I have decided of my own freewill to sign this Release.

IV.

I understand that if I do not sign this Release and return it to AT&T, by the deadline listed on the Claim Form, I will not be entitled to receive any payment (less deductions required by law).

IN WITNESS WHEREOF, I have signed this document of my own free will.

Signature _____

Date: _____

Printed Name _____

Attachment C - Timeline

The dates and actions contained in the chart below provide the primary deadlines for taking necessary actions in accordance with the Early Resolution Conciliation Agreement (Agreement) entered into by AT&T Services, Inc. (AT&T) and the Office of Federal Contract Compliance Programs (OFCCP). For a complete list of all obligations, please refer to the Agreement itself. All deadlines are end dates. Either party is free to perform prior to the deadlines identified herein. Should AT&T or OFCCP wish to amend these deadlines, the parties will confer in good faith prior to initiating any enforcement proceeding. The “Effective Date” refers to the date that the Agreement is signed by the Regional Director for the Pacific Region, Enforcement Director, or OFCCP career Deputy Director

Required Action	Deadline
Deposit Settlement Funds	30 days from Effective Date
AT&T provides notice to OFCCP that Settlement Funds were deposited, with documentation	35 days from Effective Date
AT&T mails Affected Class Members Notice, Claims, and Release forms	14 days from Effective Date
AT&T provides OFCCP with the names of all individuals who did not respond to the first mailing or whose Notice Documents were returned in order to allow meet and confer	42 days from Effective Date
Second mailing - AT&T provides Notice Documents to all Affected Class members who did not respond to first mailing	56 days from Effective Date
AT&T Conducts Pay Analysis of current employees within Manager Network Services job title at Covered FAAPS	60 days from Effective Date
First Progress Report Due - See Agreement for details	90 days from Effective Date
AT&T provides OFCCP records of balance on Settlement Fund Account	90 days from Effective Date
Notice Deadline - date by which Affected Class Members must respond to Notice Documents	90 days from Effective Date
AT&T provide records for all Affected Class Members who returned Notice Documents	91 days from Effective Date

OFCCP provides Final List of Eligible Class Members with distribution amounts	98 days from Effective Date
AT&T issues checks to Eligible Class Members	125 days from Effective Date
AT&T provides copies of all payments made to Eligible Class Members	135 days from Effective Date
AT&T provides documentation of all cancelled checks, all uncashed checks, and checks returned as undeliverable	160 days from Effective Date
Second Distribution of any remaining funds	225 days from Effective Date
Second Progress Report Due - See Agreement for details of what must be provided	1 year and 90 days from Effective Date
Third Progress Report Due - See Agreement for details of what must be provided	2 years and 90 days from Effective Date