

**AGREEMENT BETWEEN**

**SBC GLOBAL SERVICES, INC.**

**AND**

**COMMUNICATIONS WORKERS**

**OF AMERICA**

**DISTRICT 4**

**Effective April 8, 2012 through April 11, 2015**

## TABLE OF CONTENTS

ARTICLE		PAGE
	Agreement .....	1
1	Recognition .....	2
2	Non-Discrimination .....	2
3	Union Security .....	3
4	Deduction of Union Dues and Fees .....	4
5	Time Off For Union Business .....	6
6	Information Furnished to the Union .....	8
7	Bargaining Procedures .....	9
8	Management Rights .....	9
9	Work Done By Management .....	9
10	Contracting of Work .....	9
11	Distribution of Agreements .....	10
12	Disciplinary Meetings .....	10
13	Grievance Procedure .....	11
14	Arbitration Procedure .....	13
15	No Strikes or Lockouts .....	17
16	Amendments to Job Titles and Classifications .....	17
17	Seniority .....	18
18	Wage Progression Treatment .....	19
19	Hours .....	19
20	Overtime .....	20
21	On-Call/Call-Up .....	21
22	Temporary Work Location .....	22
23	Meals and Relief Periods .....	23
24	Mileage Payment .....	24
25	Recognized Holidays .....	24
26	Vacations .....	25
27	Excused Work Days .....	27
28	Absences .....	28
29	Severe Weather .....	29
30	Work Force Adjustment Procedure .....	30
31	Relocation .....	30
32	Service Leader .....	31
33	Bulletin Boards .....	31
34	Training .....	32
35	Career & Personal Development Plan .....	32
36	Term of Agreement.....	34

## TABLE OF CONTENTS

### APPENDIX

### PAGE

A	Memorandums of Agreement	
	Exhibit 1 – Term Employees .....	37
	Exhibit 2 – Part Timing .....	38
	Exhibit 3 – Four Day Work Week Trial .....	39
	Exhibit 4 – Employment Opportunities .....	41
	Exhibit 5 – Monitoring .....	42
B	Wages	
	Wage Schedules.....	44
C	Memorandums of Agreement	
	Benefits.....	46
	Success Sharing Plan (SSP).....	59

## AGREEMENT

This AGREEMENT is made and entered into this 7th day of April, 2012 by and between SBC Global Services, Inc. hereinafter called the "Company" and the Communications Workers of America, hereinafter referred to as the "Union." The Company and the Union may also be referred to as the "Parties."

### WITNESSETH

That the Company and the Union recognize that it is in the best interest of the Parties and the employees that all dealings between them continue to be characterized by mutual responsibility and respect. To ensure that this relationship continues and improves, the Company and the Union, and their respective representatives at all levels will apply the terms of this Agreement fairly and in accord with its intent and meaning. Each Party shall bring to the attention of all employees in the unit, including new hires, their purpose to conduct themselves in a spirit of responsibility and respect. Therefore, with the objective that the Company and the Union may be benefited, the Parties hereto contract and agree with each other as follows:

## **ARTICLE 1**

### **RECOGNITION**

The Company hereby recognizes the Union as the sole and exclusive bargaining agent for employees in the bargaining unit with the title of Customer Operations Specialists in Michigan performing work under contracts.

This bargaining unit shall be a single bargaining unit for purposes of collective bargaining with respect to pay, wages, hours of work and other terms and conditions of employment.

## **ARTICLE 2**

### **NON-DISCRIMINATION**

#### **Section 1.**

In a desire to restate their respective policies, neither the Company nor the Union shall unlawfully discriminate against any employee because of such employee's race, color, religion, sex, national origin, age, sexual orientation or because the employee is disabled, a disabled veteran, or a veteran of the Vietnam era or other protected classification recognized by applicable Federal, State or local law.

#### **Section 2.**

It is mutually agreed that no discrimination shall be practiced by the Company or the Union, against any employee because of membership or non-membership in the Union, or by the Company against any member or officer of the Union because of lawful activities on behalf of the Union that are not in violation of this Agreement.

#### **Section 3.**

The use of masculine or feminine gender in pronominal references or titles in this Agreement shall be construed as including both genders and not as sex limitations unless this Agreement clearly requires a different construction.

**ARTICLE 3**  
**UNION SECURITY**

**Section 1.**

- A. Each employee shall, as a condition of employment, either become a member of the Union or pay to the Union amounts which are the equivalent of periodic Union dues and initiation fees applicable to members. The employee shall tender to the Union such payments effective thirty (30) days following the effective date of this Agreement, or in the case of employees entering the bargaining unit on or after the effective date, for the period from the thirtieth (30) day following the effective date or the date of entrance, whichever of those dates is later, until termination of this Agreement. For purpose of this Article, "employee" shall mean any person entering into the bargaining unit. (SEE NOTE)
- B. For purposes of this Article, the effective date of this Agreement shall be the date on which the Union notifies the Company that this Agreement has been ratified.
- C. Any employee in the bargaining unit who does not tender dues, or amounts equal to dues, to the Union, for a period of sixty (60) days, shall be terminated by the Company within thirty (30) days of the Union's written request, if the employee still has failed to make the full payment of delinquent dues, unless the Union has agreed to make other arrangements.

**Section 2.**

The condition of employment specified above shall not apply during periods of formal separation from the bargaining unit by any such employee, which shall include transfers out of the bargaining unit, removal from the payroll of the Company, leaves of absence of more than one (1) month duration, and disability cases of more than one (1) year duration, but shall reapply to such employee from the thirtieth (30th) day after his return to the bargaining unit until the termination of this Agreement.

**Section 3.**

The provisions of this Article shall not be effective if inconsistent with Federal, State or Municipal law or regulation.

**Section 4.**

An obligation to maintain dues or amounts equal to periodic dues under this Article shall be suspended for the duration of any period a dues deduction authorization is discontinued by the Company under Article 4.

**Section 5.**

The Company will inform employees and applicants for employment of their rights and obligations under the provisions of this Article.

**NOTE:** It is recognized that the employee dues obligation, to the Union, is effective on the thirty-first (31<sup>st</sup>) day following entrance into the bargaining unit.

**ARTICLE 4**

**DEDUCTION OF UNION DUES AND FEES**

**Section 1.**

The Company agrees to make deductions of appropriate amounts of monthly Union membership dues or amounts equal to Union membership dues, hereinafter referred to as "dues," each payroll period and initiation fees from the pay of an employee, upon receipt of a dues deduction authorization card, signed by such employee, and to pay to the Union each payroll period the amount thus deducted. Dues deductions will begin as soon as possible after receipt of the signed authorization card in accordance with the Company's normal payroll procedures.

**Section 2.**

If, for any reason, the Company fails or is unable to make the authorized deduction from pay in any payroll period, the Company will deduct the accumulated authorized deduction in an ensuing payroll period or periods the employee's pay is sufficient. In case the accumulated amount exceeds the amount of authorized deductions, the deductions shall be made in an ensuing payroll period or periods at up to four (4) times the authorized amount until the accumulated amount is deducted.

**Section 3.**

When an employee is granted a leave of absence or disability leave, any authorization for deduction of dues shall be automatically suspended. Such suspended authorizations shall be automatically resumed if an individual on leave is placed on the payroll within fifty-three (53) weeks from the date the leave became effective. When the period of the leave of absence exceeds fifty-three (53) weeks, the authorization shall be automatically canceled.

**Section 4.**

When an employee who has authorized the Company to deduct Union dues is temporarily promoted or transferred to a non-bargained-for position for a period of one (1) full week or more, the dues deduction authorization will continue in effect until the temporary promotion or transfer exceeds four (4) full weeks. However, such deduction shall not exceed the amount deducted immediately prior to the temporary promotion or transfer. If such temporary promotion or transfer exceeds this four (4) week period, any authorization for the deduction of Union dues shall be automatically suspended. Should the temporary promotion or transfer be terminated by return to a bargained-for position within one (1) year of the date of such promotion or transfer, dues deductions shall be automatically reinstated without requiring a new authorization from the employee.

**Section 5.**

The rate or amount of the dues deduction for employees covered by the provisions of this Agreement may be changed for a given Local by the Union notifying the Company in writing of the dues change. Such notice shall include the area of application and old and new rates and amounts, and should it apply to less than the entire Company, the names and Social Security numbers of the employees involved. Following notice from the Union, such changes in dues amounts will be deducted from future wage payments in accordance with the Company's regular payroll practice.

**Section 6.**

The Union agrees to notify the Company of mass changes of dues deduction amounts ninety (90) days or more prior to the month in which such changes are to occur.

**Section 7.**

The Parties agree that the payroll deduction of initiation fees and dues shall be in lieu of campaigns or other organized activities on Company premises for the purpose of raising Union funds or funds for purposes sponsored by the Union.

**Section 8.**

The Union agrees that it will indemnify and save the Company and hold it harmless from all claims, damages, costs, fees, and charges of any kind on account of or in connection with changes in dues deductions or dues deduction procedures, including continued recognition of any dues deduction authorization cards received by and on file with the Company prior to the effective date of this Agreement.

**ARTICLE 5**

**TIME OFF FOR UNION BUSINESS**

**Section 1.**

- A. Authorized Union representatives, who are Company employees, shall be compensated so that they do not lose pay for time spent in grievance meetings with the Company.
- B. Joint grievance meetings and meetings for purposes other than the processing of grievances may be held between authorized representatives of the parties at any reasonable time upon mutual agreement. Time spent by Union representatives in such meetings will not be paid for by the Company unless the appropriate representative of the Company agrees, in advance, to such payment.
- C. No employee shall engage in any Union activity during working hours except when in collective bargaining with the Company or otherwise meeting with the Company in joint conferences or when handling grievances.
- D. Authorized representatives of the Union shall be excused without pay or shall be granted leaves of absence without pay, for the purpose of handling Union business, provided service requirements permit, up to a maximum of ninety (90) working days during any calendar year.
- E. Insofar as business needs permit authorized representatives of the Union will notify the Company at least two (2) business days in advance, when possible, when non-compensated time is required for Union business during working hours.

- F. Excused time off for Union business on either the scheduled work day immediately preceding and/or the scheduled work day immediately following any Recognized Holiday shall be considered as time worked for the purposes of Article 25 Section 3 of this Agreement.
- G. Such paid excused time above shall be considered as time worked for the purpose of computing overtime pay.

**Section 2.**

- A. Requests for excused time off for Union business for one (1) employee for one (1) day or a lesser period within a work week may be verbally requested by the Union of the employee's immediate supervisor, at least two (2) business days in advance, when possible. Such requests will not be unjustly denied.
- B. Requests for excused time off for Union business for more than one (1) employee and/or for an employee or employees for more than one (1) day must be made in writing by the Union to the Vice President Human Resources or designee at least one (1) week in advance. The Company shall not unjustly deny requests so received.
- C. No more than two (2) employees or five percent (5%), whichever is greater, of the bargaining unit will be allowed to be off for Union business at any one time.

**Section 3.**

- A. A Union representative, upon return from excused time off or a leave of absence for Union business, shall be re-engaged at work generally similar to that in which he was engaged last prior to the absence.
- B. No physical or occupational examination shall be required as a prerequisite of re-employment except where an obvious physical or mental condition exists which requires medical advice regarding job placement or fitness for work. Any such case not satisfactorily adjusted with the Company through the Grievance Procedure may be submitted to Arbitration.
- C. A representative of the Union who returns to the job at the expiration of a leave of absence granted in accordance with the terms of this Article will have the period of such leave counted in determining his seniority, and will accrue, during such period of leave, any rights and/or benefits associated with or determined by seniority.
- D. A representative of the Union who returns to duty in accordance with the terms of this Article, shall be placed on the payroll at the wage rate received when such leave of absence was granted, adjusted for any change in the wage schedule which took place during the period of absence.

**Section 4.**

Up to four (4) authorized representatives of the Union, who are Company employees and in the bargaining unit, will be compensated so that they do not lose pay during collective bargaining with the Company. Any such time spent will be considered as excused time off under this Article.

**ARTICLE 6**

**INFORMATION FURNISHED TO THE UNION**

**Section 1.**

The Company shall furnish the Union a monthly statement including the following information for each employee having dues or fees deduction authorization on file:

- (A) Amount of dues or fees deducted.
- (B) Bargaining Unit employees for whom the Company has not made a dues or fees deduction and an appropriate explanation.

In addition, the statement will include a list of employees engaged by the Company who are assigned to the Bargaining Unit job title, such statement shall show the employee's Name, Title, NCS Date, Local Number, Rate of Pay, Employee Classification, Responsibility Code, Report Location, Social Security Number and Mailing Address.

**Section 2.**

The information listed above will be taken from Company records and will be furnished on a timely basis; however, the Union recognizes that errors and delays may and will occur and, in using the information furnished, assumes all risks associated therewith.

**Section 3.**

The Union and the Company shall keep each other currently informed of their respective duly authorized representatives and promptly notify each other of any change of such representatives.

## **ARTICLE 7**

### **BARGAINING PROCEDURES**

All collective bargaining in respect to rates of pay, wages, commissions, hours of work, and other terms and conditions of employment shall be conducted by duly authorized representatives of the Union and the Company respectively. Agreements reached as a result of bargaining shall become effective when executed by authorized representatives of the Parties except as otherwise provided therein.

## **ARTICLE 8**

### **MANAGEMENT RIGHTS**

The Company hereby reserves all prerogatives and rights regarding the management of its business and the direction of its work force including the right to establish reasonable rules and regulations, except where those rights are specifically limited by the actual terms of this Agreement.

The Union reserves the right to discuss any rules that they may consider unreasonable.

## **ARTICLE 9**

### **WORK DONE BY MANAGEMENT**

Management employees may engage in any activity that contributes to the operation of the business, provided that nothing herein shall be used to deprive a bargaining unit member of their normal work.

## **ARTICLE 10**

### **CONTRACTING OF WORK**

The Company will not contract out the work regularly and primarily performed by employees in the bargaining unit if it currently and directly cause the layoffs of Regular Employees in the bargaining unit.

## **ARTICLE 11**

### **DISTRIBUTION OF AGREEMENTS**

The Company will prepare the Agreement. The Company will furnish, to the Union, enough copies for all existing employees, with extra copies for anticipated new hires.

In the event more employees are hired during the term of this Agreement, the Company will furnish additional copies of the Agreement to the Union, upon request.

The Union will distribute copies of the Agreement to the current employees and new hires.

It is the Company's intent to notify the Union of each new hire on the first day of employment or within a reasonable amount of time and will allow a Union representative a reasonable amount of time, not to exceed thirty (30) minutes, to confer with the new employee, and to distribute the Agreement.

## **ARTICLE 12**

### **DISCIPLINARY MEETINGS**

#### **Section 1.**

At any investigatory meeting between a representative of the Company and an employee in which the employee reasonably believes might result in disciplinary action, a Union representative may be present if the employee so requests. The Company shall advise the employee when there is a possibility of disciplinary action. For the purpose of this Article, discipline includes warnings which are to be recorded in the personnel file, suspensions, demotions, or discharges. An employee Union Representative called in to attend a disciplinary meeting will not lose pay for work time spent in such meeting. The Union will cooperate with the Company in designating a steward with due consideration for travel time and work requirements.

#### **Section 2.**

The Company shall notify the Union of any disciplinary action regarding written warnings, suspensions, demotions or discharges as soon as possible.

**Section 3.**

The Company agrees that it will act with just cause in any disciplinary action, including the dismissal, suspension, or demotion of any employee covered by this Agreement.

**ARTICLE 13**

**GRIEVANCE PROCEDURE**

**Section 1.**

Should an employee have a complaint that he has been unfairly treated or should any difference arise between the Company and the Union or the employees with respect to the meaning and application of the provisions of the Agreement, or should any trouble of any kind arise resulting from alleged violation of this Agreement, an earnest effort shall be made to settle such differences in the following manner.

Before resorting to the formal steps of the Grievance Procedure, any employee, or Union representative of an employee or group of employees, having a grievance, making a claim, or alleging a dispute, shall first take the matter up with a Supervisor who will attempt to resolve the issues giving rise to the complaint.

**Section 2.**

**STEP 1.** A Grievance shall be submitted in writing on a form provided by the Union. A Grievance must be filed with the Supervisor within fourteen (14) calendar days of the initial occurrence or within fourteen (14) calendar days of the grievant's awareness of the initial occurrence, or it shall be deemed untimely and dismissed without further proceedings on that grievance. A grievance regarding matters that are documented by Company record may be filed within thirty (30) calendar days of the initial occurrence or within thirty (30) calendar days of the grievant's awareness of the initial occurrence, or it shall be deemed untimely and dismissed without further proceedings. The Company will issue a decision in writing within fourteen (14) calendar days of the filing of a grievance. If the Company fails to respond in the time limits set forth in this Section, the grievance shall be considered denied by the Company and the Union may appeal to the next step.

**STEP 2.** If the Company's STEP 1 answer is not satisfactory to the Union, the matter may be appealed to STEP 2 by a written notice to the Company. This written notice must be received by the appropriate Operations Manager or designee within fourteen (14) calendar days of the date of the Company's STEP 1 response or the grievance will be dismissed without further proceedings on that grievance and the matter resolved based on the Company's last answer. If the Company fails to respond in the time limits set forth in this Section, the grievance shall be considered denied by the Company and the Union may appeal to the next step. Grievances appealed to STEP 2 will be discussed in a meeting between the Company and the Union Representative at a mutually convenient

and reasonable date, time, and place. The Company will issue a decision in writing within fourteen (14) calendar days of this STEP 2 meeting.

**STEP 3.** If the Company's STEP 2 answer is not satisfactory to the Union, the matter may be appealed to STEP 3 by a written notice to the Company. This written notice must be received by the Vice President Labor Relations or designee within thirty (30) calendar days of the date of the Company's STEP 2 response or the grievance will be dismissed without further proceedings on that grievance and the matter resolved based on the Company's last answer. If the Company fails to respond in the time limits set forth in this Section, the grievance shall be considered denied by the Company and the Union may appeal to the next step. Grievances appealed to STEP 3 will be discussed in a meeting between the Company and the Union representatives at a mutually convenient and reasonable date, time and place. The Company will issue a decision in writing within fourteen (14) calendar days of this STEP 3 meeting. If the grievance is not resolved to the satisfaction of the Union it may be referred to Arbitration as provided in Article 14.

### **Section 3.**

Time limitations set forth in this Article may be extended upon mutual consent of a Company manager and an officer of the Local Union or designee. In no manner may a grievance which is concluded as a result of default of the time limitations set forth in this Article be utilized as a precedent in any future grievance or court proceeding.

### **Section 4.**

Upon mutual agreement of the Parties, any single grievance may be heard originally at the third step of the grievance procedure without having been heard at either Step 1 or 2, however, in no event shall Step 3 be omitted or bypassed.

### **Section 5.**

The Union agrees to limit the number of union representatives negotiating employee grievances with Company representatives to two (2), except that one (1) additional Union representative may be present, when unusual circumstances warrant, and the Company representatives at whose level the grievance is being heard agreed in advance.

The Company and Union shall determine the number of aggrieved employees who may attend the grievance meeting.

At all steps of the grievance process, the time, date and location of all meetings shall be mutually agreed upon. Such meetings shall be scheduled so that it may reasonably be expected that the Local Union representative would be able to attend the full meeting during his scheduled shift.

## ARTICLE 14

### ARBITRATION PROCEDURE

#### Section 1.

The right to invoke arbitration shall extend only to matters which involve:

1. The interpretation or application of any of the terms or provisions of this Agreement, unless excluded by specific provisions of this Agreement.
2. The discipline of an employee with six (6) or more months of net credited service.

#### Section 2.

An arbitrable matter shall be submitted to arbitration at the request of either Party, provided the Party seeking arbitration has notified the other Party, by letter, within thirty (30) calendar days of the date of the final decision rendered at Step 3 under the Grievance Procedure.

#### Section 3.

Within seven (7) working days of the Company's receipt of the Union's request for arbitration, the Parties will select an arbitrator by alternately striking names from a randomly assigned panel of arbitrators. The method for determining which Party will strike first shall be a flip of a coin. There will be ten (10) such panels each consisting of five (5) arbitrators who are members of the National Academy of Arbitrators and who have been selected to serve on a panel. The panels will be created by both the Company and Union each submitting twenty-five (25) names. The Company and the Union will make blind selections from the pool. The first five (5) names will comprise Panel 1, and so on for each subsequent panel until all fifty (50) names are used. In the event an arbitrator is selected from each of the ten (10) panels, the fifty (50) names will be reordered in a random manner for the creation of ten (10) new panels. The selected arbitrator shall conduct an appropriate hearing concerning the grievance, and render a decision, thereby resolving the grievance. The number of panels provided for in this paragraph may be increased by mutual agreement.

#### Section 4.

Hearings shall commence as quickly as possible following the designation and availability of the arbitrator and shall be carried to conclusion without unnecessary delay. The Company and the Union shall attempt to agree upon and reduce such issue or issues to writing at or before the commencement of the hearings. The hearing and decision of the arbitrator shall be confined to the issue or issues presented in accordance with Section 1 of this Article.

### **Section 5.**

The arbitrator shall render the decision in writing within thirty (30) calendar days following receipt of the Parties' briefs and the record in the case is closed. The award of the arbitrator shall be final and binding upon the Parties, subject to law, and the Company and the Union agree to abide by the decision of the arbitrator.

### **Section 6.**

A grievance which the Union has elected to submit to arbitration under the provisions of this Article will be deemed to have been withdrawn if not submitted for final decision and processed within the time limitations prescribed in this Article. The time limitation set forth in this Article may be extended by mutual agreement.

### **Section 7.**

The arbitrator shall be empowered, except as his powers are limited below, to make a decision in cases of alleged violations of rights expressly accorded by this Agreement. The limitations on the powers of the arbitrator are as follows:

- A. The arbitrator shall have no power to add to, subtract from, or modify any of the terms of this Agreement.
- B. When a claim of wrongful discharge, discipline or layoff is allowed either by management or through Arbitration, recovery for such claim shall be limited to the amount of wages and benefits the employee would otherwise have earned from his employment with the Company during the period of said discharge, discipline, or layoff less the following:
  - 1. All unemployment compensation received by the employee.
  - 2. Earnings the employee has earned outside the Company during the period the employee was off, excluding the amount of earnings received from any outside employment which he held prior to the date of suspension, layoff or discharge and continued to hold during this period.

It is further recognized that an employee who loses his job or loses time from work due to any action by the Company has an affirmative obligation to mitigate any damages that employee may have.

### **Section 8.**

The compensation and expenses of the arbitrator and the general expenses of the arbitration, such as transcripts, hearing rooms, etc., shall be shared equally by the Company and the Union. Each Party shall bear the expense of its representatives and witnesses.

## **Section 9.**

In lieu of the procedures specified in normal arbitration, any grievance involving the suspension of an individual employee, except those which also involve an issue of arbitrability, contract interpretation, or work stoppage (strike) activity and those which are also the subject of an administrative charge or court action shall be submitted to arbitration under the expedited arbitration procedure hereinafter provided within fifteen (15) calendar days after the filing of a request for arbitration as set forth in Section 1 of this Article. In all other grievances involving disciplinary action which are specifically subject to arbitration, as specified above, both Parties may, within fifteen (15) calendar days after the filing of the request for arbitration, elect to use the expedited arbitration procedure hereinafter provided. The election shall be in writing and, when signed by authorized representatives of the Parties, shall be irrevocable. If no such election is made within the foregoing time period, the arbitration procedure specified above shall be followed.

- A. As soon as possible after this Agreement becomes final and binding, a panel of seven (7) umpires shall be selected by the Parties. Each umpire shall serve until the termination of this Agreement unless his services are terminated earlier by written notice from either Party to the other. The umpire shall be notified of his termination by a joint letter from the Parties. The umpire shall conclude his services by settling any grievance previously heard. A successor umpire shall be selected by the Parties. Umpires shall be assigned cases in rotating order designated by the Parties.
- B. The procedure for expedited arbitration shall be as follows:
  - 1. After the Parties agree to expedited arbitration, jointly they will contact the umpire to determine a hearing date. A joint Company/Union confirmation letter stating date, time and location will be forwarded to the umpire.
  - 2. Prior to the hearing, the Parties may submit to the umpire a written stipulation of all the facts not in dispute.
  - 3. The hearing shall be informal without rules of evidence and without a transcript. However, the umpire shall be satisfied that the evidence submitted is of a type on which he can rely, that the hearing is in all respects a fair one, and that all facts are reasonably obtainable and necessary to a fair decision are brought before the umpire.
  - 4. Within five (5) working days after the hearing, each Party may submit a brief written summary of the issues raised and arguments supporting its position. The umpire shall give his decision within five (5) working days after receiving the briefs. He shall provide the Parties a brief written statement of the reasons supporting his decision.

5. The umpire's decision shall apply only to the instant grievance, which shall be settled thereby. It shall not constitute a precedent for other cases or grievances and may not be cited or used as a precedent in other arbitration matters between the Parties unless the decision or a modification thereof is adopted by the written concurrence of the representatives of each Party at the third step of the grievance procedure.
6. In emergency situations only, the time limits in one (1) and four (4) above may be extended by agreement of the Parties or at the umpire's request. Such extension shall not circumvent the purpose of this procedure.
7. In any grievance arbitrated under the provisions of this Section, the Company shall under no circumstances be liable for back pay for more than six (6) 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 disciplinary action. Delays requested by the Union in which the Company concurs shall not be included in such additional time.
8. The umpire shall have no authority to add to, subtract from, or modify any provisions of this Agreement.
9. The decision of the umpire will settle the grievance and the Company and the Union agree to abide by such decision. The compensation and expenses of the umpire and the general expenses of the arbitration shall be borne by the Company and the Union in equal parts. Each Party shall bear the expense of its representatives and witnesses.

#### **Section 10.**

Grievances must be submitted to Arbitration individually and must be heard individually by an arbitrator unless the Parties specifically agree to submit more than one (1) grievance to Arbitration at one time or to present more than one (1) grievance to an arbitrator.

## **ARTICLE 15**

### **NO STRIKES OR LOCKOUTS**

#### **Section 1.**

During the life of this Agreement, the Union shall not cause, call or sanction any strike, work stoppage, boycott, or slowdown which interferes with the Company's production or business in protest of alleged unfair labor practices or for any other reason. In the event of any violation of this paragraph, in addition to any other remedy, the Company may discontinue all payroll deductions of Union dues and amounts equal to Union dues, initiation fees and general special assessments as provided in this Agreement.

#### **Section 2.**

In the event of a violation of Section 1 above, the Company will not hold the Union responsible for such violation if the Union does not sanction or participate in the violation or incite, aid, encourage or support in any way employees engaged in such violation, and if the following step is taken by the Union: The Union shall promptly and in writing advise its members taking part in such interference to resume normal operations at once.

#### **Section 3.**

The Company retains the right to discipline up to and including discharge any employees engaged in, participating in, or encouraging any action as described in Section 1 of this Article.

#### **Section 4.**

The Company agrees that there will be no lockouts during the duration of this Agreement.

## **ARTICLE 16**

### **AMENDMENTS TO JOB TITLES AND CLASSIFICATIONS**

#### **Section 1.**

The Company continues to reserve the right to create new occupational job titles and/or job classifications or make changes thereto. The Company agrees to notify the Union of all such amendments. Following such notification, the Company may proceed to staff such job titles. The initial wage rates shall be classified as temporary until the procedures as outlined in this Article have been completed.

**Section 2.**

The Union shall have the right to initiate negotiations with the Company concerning the wages resulting from any amendments described in Section 1 above, if such request is received by the Company within thirty (30) calendar days of its notification to the Union. Any agreement resulting from these negotiations shall be applied retroactively to the date of the establishment of the new occupational job title and/or job classification. All such negotiations under this Section shall commence within thirty (30) calendar days after the Company's receipt of the Union's request. If the Union and the Company do not reach agreement on the wage rate for any change made under this Section, the issue shall be submitted to a neutral third Party following procedures set forth in Article 14 (Arbitration Procedure).

**ARTICLE 17**

**SENIORITY**

**Section 1.**

Seniority shall be determined by the net credited service of the employee affected. Where two or more employees have the same seniority date, the employee who has the higher last four digits of his social security number shall be considered to be the more senior.

**Section 2.**

Net credited service shall mean "term of employment" as set forth in the pension plan applicable to employees covered by this Agreement.

**Section 3.**

A new employee shall be considered as a probationary employee until he has completed six (6) months of service with the Company. If retained thereafter, the probationary employee shall become a "regular employee." The Company shall have the right to separate from its employ, at will, any such probationary employee at any time during the probationary period of employment, and such termination shall not be subject to Arbitration, although the reasons for said termination may be subject to the steps of the Grievance Procedure.

## **ARTICLE 18**

### **WAGE PROGRESSION TREATMENT**

#### **Section 1.**

An employee shall progress to the maximum rate for his job title in accordance with the wage table in Appendix B. Employees will progress on the wage schedule in Appendix B at six (6) month intervals until reaching the maximum rate.

#### **Section 2.**

Employees above the maximum wage rate of the Wage Schedule shall receive no future wage increases until the maximum wage rate in Appendix B catches up to the employees' wage rate, at which time said employees would receive the maximum weekly wage rate.

## **ARTICLE 19**

### **HOURS**

#### **Section 1.**

The regular work week shall normally consist of five (5) days, eight (8) hours per day, beginning at 12:01 a.m. Sunday and ending at 12:00 a.m. (midnight) Saturday. To facilitate meeting customer requirements, the Company may establish alternative schedules. The Union will be notified as far in advance as possible of the Company's intent to establish alternative schedules.

#### **Section 2.**

Any regularly scheduled tour or shift which begins before 6:00 a.m. or ends after 8:00 p.m. shall be compensated at one dollar (\$1.00) per hour above the employee's regular hourly rate, for such hours worked outside of 6:00 a.m. and 8:00 p.m. This rate does not apply to the on-call person or to employees working overtime hours before 6:00 a.m. or after 8:00 p.m. on a given day.

#### **Section 3.**

The Company shall specify the starting and quitting time for all operations. The employees shall be notified as far in advance as possible of any changes in the regular starting and quitting time.

## ARTICLE 20

### OVERTIME

#### Section 1.

Employees may be required to work overtime and during non-scheduled periods when necessitated by the needs of the business. Management shall authorize all overtime. When an employee is required to work overtime, he will be given notice as soon as possible by the supervisor, or designee. Management may excuse employees with reasonable cause from the overtime requirement.

#### Section 2.

- A. For calculating overtime, the work week shall run from Sunday through Saturday, inclusive.
- B. Employees will be compensated for time worked in excess of forty (40) hours in a work week at a rate of one and one-half (1 ½) times the regular hourly rate of pay.
- C. Effective January 1, 2006, employees will be compensated for time worked in excess of eight (8) hours in a work day at a rate of one and one-half (1 ½) times the regular rate of pay. For the purpose of this subsection, work day shall mean a twenty-four (24) hour period beginning at 00:01 and ending at 24:00. When continuous overtime hours worked extends from one day to the next, such continuous time worked after midnight shall also be paid at the appropriate overtime rate.
- D. Employees will be compensated at a rate of one and one-half (1 ½) times the regular hourly rate of pay for all hours worked on Recognized Holiday, plus eight (8) hours holiday pay, as provided in Article 25, Recognized Holidays of this Agreement. The time worked in excess of eight (8) hours on a Recognized Holiday shall be paid at a rate of two and one-half times (2 ½) the regular hourly rate of pay.
- E. No combination of overtime and/or any other payments for time worked and/or any payments for time not worked, may produce an effective rate of pay greater than two and one-half (2 ½) times an employee's regular hourly rate of pay.

#### Section 3.

The Company will assign overtime as business needs dictate. When an employee is contacted outside of his/her regularly scheduled shift for immediate reporting, the employee shall be compensated for actual time worked.

## ARTICLE 21

### ON-CALL/CALL-UP

#### Section 1.

Management shall solicit volunteers to be part of the semi-annual on-call pool. Management will assign said qualified volunteers to the on-call schedule. The assignment shall be rotated weekly. If, at the discretion of the Company, there is an insufficient number of volunteers, the Company may assign qualified employees to on-call duty by inverse order of seniority. The employee must be available to report for duty as required by the Company at any time from 08:00 a.m. Monday through 07:59 a.m. Monday of the following week.

#### Section 2.

- A. An employee assigned to the on-call duty shall be compensated for each week so worked at the rate of \$70.00 per week.
- B. If an emergency prevents the employee from fulfilling his on-call responsibilities, the employee must immediately inform his supervisor. Compensation will be adjusted for the time the employee was unable to be on-call.
- C. On-call employees actually called out to work, shall be paid at the appropriate rate for all time worked, including travel time.
- D. In any case where an employee is authorized to use his own vehicle for on-call assignment, he shall be compensated for all reasonable mileage traveled in connection with the assignment at the IRS rate.

#### Section 3.

Employees who are not on the on-call assignment but who are called in for duty by their supervisor, or designee, shall be paid for all time actually worked, including reasonable travel time, for each call out. The minimum payment for such assignment shall be an amount equal to three (3) hours at the straight time rate.

#### Section 4.

When a telephone call is made by or approved by a supervisor or an authorized individual to an employee during periods the employee is not on work time, the employee shall be compensated for the work time associated with the telephone call, including the telephone call itself, if the call meets all of the following criteria:

- A. The call is made outside of the employee's normal work hours (before or after a scheduled tour, on a non-scheduled day, or on a Recognized Holiday);

- B. The employee uses his job knowledge and skill; and
- C. The call was not necessitated by error or omission by the employee.

**Section 5.**

An employee who meets the criteria set forth above shall be compensated as follows:

- A. Call-up work shall be rounded up to the nearest fifteen (15) minute increment and paid at the appropriate wage rate.
- B. When more than a single call is involved, the compensation for each call shall be as described above, however, the total compensation for all of the calls shall not be greater than that to which the employee would have been entitled to had the employee been continuously performing call-up work for the combined duration of the work associated with all of the calls.

**ARTICLE 22**

**TEMPORARY WORK LOCATION**

**Section 1.**

A temporary work location is a work or training assignment that is more than fifty-five (55) road miles from an employee's regular work location or residence (which ever is less). A regular work location is any work location designated by the Company at which an employee normally works.

The Company may assign any employee to start and/or end his work day at a location other than his regular work location. The employee will be given, when possible, at least seven (7) days notice for training assignments.

**Section 2.**

The Company shall pay reasonable travel time and mileage or common carrier expense to and from a temporary work location. The supervisor will authorize overnight lodging at the temporary work location and transportation to and from the temporary work location, when appropriate. The Company shall pay for the employee's lodging and reimburse an employee for expenses in connection with a temporary assignment as follows:

- A. When overnight lodging is required, the Company shall reimburse the employee for meal expenses incurred by paying a Daily Meal Allowance of thirty dollars (\$30.00), or a flat allowance of seven dollars (\$7.00) for breakfast and twenty-three (\$23.00) for dinner. Such payments shall only be made when said meals are

not included in the price of the arranged board and lodging or otherwise provided upon receipt received.

- B. When the supervisor authorizes overnight lodging for the temporary work assignment, the authorized lodging and common carrier expenses shall be paid by the Company.
- C. The employee may elect to take a forty dollar (\$40.00) per diem instead of Company paid lodging and meal allowance.
- D. A telephone call home each day, not to exceed fifteen (15) minutes, shall be included as part of the employee's authorized expense. The Company recognizes that due to extenuating circumstances, there may be times where a fifteen (15) minute telephone call may not be sufficient, (i.e. family emergencies). These situations will be treated on a case-by-case basis and may be approved by the employee's supervisor.
- E. If the Company authorizes travel via public transportation, the employee shall be paid an allowance of nineteen dollars (\$19.00) for each day on such assignment. This transportation allowance shall not be made in cases where the Company has provided a rental car.

### **Section 3.**

When an employee is on a temporary work or training assignment for more than three weeks, the Company shall pay reasonable travel time and mileage or authorized common carrier fare for a week-end trip home for each two-week period. Week-end trips will normally be made on Friday, following the training or work assignment. The employee must return to the temporary work or training assignment by the start of the next scheduled day of training or work.

## **ARTICLE 23**

### **MEALS AND RELIEF PERIODS**

#### **Section 1.**

A full work day shall include a paid 15-minute relief period in the first half of the scheduled shift, a paid 15-minute relief period in the second half of the scheduled shift. Relief periods may not be taken any sooner than one (1) hour after the start of the work day or any later than one (1) hour before the end of the work day.

Employees shall not work through the lunch period except as specifically authorized by his manager.

**Section 2.**

An unpaid thirty to sixty (30 - 60) minute lunch period, as approved by the Company, shall normally be taken between 11:30 a.m. and 1:30 p.m.

**ARTICLE 24**

**MILEAGE PAYMENT**

**Section 1.**

Employee shall receive the approved I.R.S. non-taxable mileage compensation, for authorized incidental use of his personal vehicle when engaged in Company business.

**Section 2.**

Employees shall maintain automobile insurance coverage against normal risks and in such amounts as may be required to operate a motor vehicle. The Company may request a copy of the employee's insurance policy and/or certificate of insurance. Employees shall take all reasonable measures to insure the safekeeping of the Company equipment and material.

**ARTICLE 25**

**RECOGNIZED HOLIDAYS**

**Section 1.**

During the term of this Agreement, the following days will be observed as Recognized Holidays:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Friday immediately following Thanksgiving Day
- Christmas Day
- \*Three (3) Floating Holidays

- \* The Company recognizes the desire of some employees to request Martin Luther King Jr.'s Birthday or Good Friday as a Floating Holiday, and will attempt to allow as many employees as possible to schedule those days as Floating Holidays, subject to the needs of the business.

If a Recognized Holiday falls on the weekend, the Company will designate the Friday preceding the Recognized Holiday or the succeeding Monday to be observed as the holiday, or, designate the holiday as a floating holiday in advance. If so designated, the Company will determine the day to be observed.

A Recognized Holiday is the period from midnight to midnight on the day observed as the holiday.

**Section 2.**

Employees who are regularly assigned to a customer, and such customer observes different holidays, the employee will then be eligible for the Company recognized holidays not observed by the customer. In no case will an employee be eligible for more than or less than ten (10) paid holidays in a calendar year.

**Section 3.**

Employees will be compensated with eight (8) hours pay for observance of the Recognized Holidays identified in Section 1 or 2 above as long as they work on the scheduled work days preceding and succeeding the holiday or are excused by the Company from working on those days.

Employees who work on the above Recognized Holidays shall be compensated as provided by Article 20 of this Agreement.

**ARTICLE 26**

**VACATIONS**

**Section 1.**

Employees shall be granted annual vacation with pay based on seniority, as defined in Article 17 of this Agreement, as follows:

- A. One (1) week vacation after the completion of six months of service. If completion of six months of service falls on or after December 1, such vacation may be carried into the following year, provided it is completed no later than the last full calendar week of March and prior to granting of any of the current year's vacation.
- B. Two (2) weeks vacation during each calendar year in which the first to sixth year anniversary date falls. If an employee completes six (6) months of service and the first service anniversary fall within the same year, only two (2) weeks of vacation shall be granted. The first week may be granted anytime after the completion of

six (6) months of service, and the second week granted after the completion of twelve (12) months of service.

- C. Three (3) weeks vacation during each calendar year in which the seventh to fourteenth year service anniversary falls.
- D. Four (4) weeks of vacation during each calendar year in which the fifteenth to twenty-fourth service anniversaries fall.
- E. Five (5) weeks of vacation during each calendar year in which the twenty-fifth and subsequent service anniversaries fall.

## **Section 2.**

Vacation must be scheduled and taken in the vacation year granted, except as provided in section 1A above.

The selection of vacation dates shall be made on the basis of seniority. The number of employees in any group who are permitted to be on vacation at the same time shall be governed by the needs of the business and the needs of the employee shall be considered.

In the event an employee selects a vacation week which begins during the last week of December of the vacation year, any portion of such vacation week which falls in the next vacation year shall be treated as though it occurred in the vacation year in which the week began for purposes of vacation scheduling.

## **Section 3.**

Vacation pay shall be based on the employee's basic weekly wage rate in effect at the time of vacation, including any wage increase which normally would be made effective during the vacation period. Vacation time shall be considered as time worked in the calculation of overtime.

## **Section 4.**

When a Recognized Holiday, as defined in Article 25 of this Agreement, falls within an employee's paid vacation period, the employee shall be granted a day off with pay in lieu of the holiday. Such day off may be scheduled by the employee, with Company approval within the same vacation year of the holiday and shall not necessarily be continuous with any vacation period.

## **Section 5.**

When an absence due to sickness or disability begins during an employee's scheduled vacation and the employee notifies the Company within the calendar week in which the sickness or disability begins, such week shall be treated as vacation and any subsequent

consecutive weeks of scheduled vacation shall be treated as sickness or disability, as appropriate.

**Section 6.**

When an absence due to sickness or disability begins prior to an employee's scheduled vacation and continues into such scheduled vacation period, the time off shall be treated as sickness or disability, as appropriate. When the employee's sickness or disability is terminated and he returns to work, the employee shall reschedule his vacation from remaining time available in the current vacation year, or if no time is available, the employee will be paid in lieu of remaining vacation. If such employee does not return to work in the same vacation year, the employee will be paid in lieu of any remaining vacation from the prior vacation year upon return to work.

**Section 7.**

An employee who leaves the service of the Company shall receive payment in lieu of any unused portion of the vacation for which he is eligible.

**Section 8.**

The Company may require employees to utilize available vacation, excused work days floating holidays, and/or excused non-paid time for which the employee is eligible in the event a customer enacts a "shutdown" of a facility or operations. The employee maintains the choice of which of the above days are to be used during a "shutdown".

**Section 9.**

The vacation year is the period beginning on December 31 and ending the following December 30.

**ARTICLE 27**

**EXCUSED WORK DAYS**

**Section 1.**

Each employee who has at least twelve (12) months of service on January 1 of each calendar year shall be eligible for four (4) paid Excused Work Days and one (1) non-paid Excused Work Day. Employees who do not have twelve (12) months of service on January 1 of a calendar year shall be eligible for two (2) paid Excused Work Days to be taken after they have attained twelve (12) months of service.

Employees shall be paid for the Excused Work Days as if for a normal or standard eight (8) hour day worked.

All Excused Work Days will be considered as time worked for purposes of overtime compensation.

Employees who resign or are discharged will not be paid for unused Excused Work Days. Excused Work Days must be used during the current calendar year and cannot be "carried over" to the following year.

### **Section 2.**

If an employee agrees to work on a day he has requested as an Excused Work Day and the Company determines that the day cannot be rescheduled, the employee shall be paid for all time worked at his basic hourly wage rate in addition to regular pay for the Excused Work Day.

### **Section 3.**

One (1) paid Excused Work Day in each calendar year may be designated by the Company. When the Company designates one (1) Excused Work Day, it shall inform the employees of such designation no later than January 31<sup>st</sup> of the current year. Employees who are not eligible for a paid Excused Work Day shall be shown as excused not paid for such designated day.

## **ARTICLE 28**

### **ABSENCES**

#### **Section 1.**

Employees who are not probationary may be paid up to five (5) work days during an absence due to illness. Payments for absence due to such illness shall be as follows:

#### YEARS OF SERVICE

5 AND OVER  
2 BUT LESS THAN 5  
1 BUT LESS THAN 2  
LESS THAN 1

#### PAYMENT STARTS

1ST FULL WORK DAY OF ABSENCE  
2ND FULL WORK DAY OF ABSENCE  
3<sup>RD</sup> FULL WORK DAY OF ABSENCE  
NOT APPLICABLE

The first regularly scheduled work day (excluding a sixth day) on which an employee does not report for duty because of illness shall be considered as the first day of absence for disability and pay purposes. All such time is considered as "unexcused" time off from work. Time so paid will not be counted in the calculation of overtime.

**Section 2.**

In the event of a death in the immediate family of an employee, who is not considered probationary, he shall be granted time off with pay for his regularly scheduled shifts (excluding a sixth shift) to make arrangements for the funeral and attend the same. Such time off shall not normally exceed three (3) work days, however, if the funeral is held more than two hundred (200) miles away from the employee's normal work location, such time shall not exceed four (4) work days.

Immediate family is defined as spouse, child, step-child, parent, step-parent, brother, sister, mother-in-law, father-in-law, grandparent, grandchild, brother-in-law, sister-in-law, Legally Recognized Partner or any relative living in the same house with the employee.

Paid time off for the above reason shall be considered "excused" time off and shall be counted as time worked for overtime calculations.

**Section 3.**

An employee who is not considered as probationary and who is required to appear in court for jury service on any day on which he has a regularly scheduled shift shall be excused from work with pay for such day so served. Employees are required to report to their work assignments if they are excused from jury duty at a time that will permit returning to work part or all of their scheduled work time.

Employees must present to their supervisor their jury summons for payment authorization. Jury duty will be considered "excused" time off from work and shall count as time worked for the calculation of overtime.

**ARTICLE 29**

**SEVERE WEATHER**

**Section 1.**

During periods of severe weather, employees will be required to be available for such work as may be necessary to meet the needs of the business. Employees who do not report for work or who arrive late for work, due to severe weather, shall not be paid for the time not worked. However, if work is available, tardy employees will be allowed to make up tardy time during the same calendar week and paid at the straight time rate. If working conditions permit, the supervisor may allow employees to take the day as a day of vacation, paid Excused Work Day, unpaid Excused Work Day, or unpaid excused absence.

**Section 2.**

During periods of severe weather, the Company may, at its sole discretion, release some but not necessarily all of its employees on an early release basis. Employees who are released early will be paid for the balance of their scheduled work day on a straight time basis. Such time shall not be used in the overtime calculation.

**ARTICLE 30**

**WORK FORCE ADJUSTMENT PROCEDURE**

**Section 1.**

The Company may make any force adjustments and transfers necessary to balance the workforce or meet the needs of the business.

**Section 2.**

In the event the Company deems it consistent with the needs of the business, it may implement a layoff. In such case, the Company will advise the affected employee(s) and the Union with as much advance notice as reasonably possible.

The Company shall identify positions to be laid off by customer specific work groups, work functions and/or work locations. Within the aforementioned criteria, employees shall be laid off in inverse order of seniority in the following order:

1. Term Employee
2. Employees who have not established seniority
3. Regular Part-Time Employees
4. Regular Full-Time Employees.

**ARTICLE 31**

**RELOCATION**

**Section 1.**

An employee transferring at the Company's request to a new location, fifty-five (55) road miles further from his residence than was the old location, may elect to relocate his principal residence to the new location and shall be eligible for the following move treatment:

- \$3,500 to an employee who owns his principal residence;
- \$2,500 to an employee who rents his principal residence.

**Section 2.**

The above payments will be grossed up for taxes and are contingent upon the employee moving his principal residence within one (1) year from the effective date of the change to the new work location and the employee remaining on the payroll for the same period of time. If the employee does not report for work, the payment shall be reimbursed to the Company or the Company may withhold the amount of the payment from any monies otherwise due to the employee.

**Section 3.**

In addition to the above payments, the employee shall be excused with no loss of basic pay for a maximum of three (3) scheduled days to perform tasks associated with relocation.

**ARTICLE 32**

**SERVICE LEADER**

**Section 1.**

The Company may, as it determines necessary, appoint a qualified non-management employee who volunteers to act as a Service Leader. In the event, there are no qualified volunteers or an insufficient number of qualified volunteers to act as a Service Leader, the Company may appoint a Service Leader. The Service Leader will have the responsibility for directing the efforts of the work group while at the same time performing his normal duties. When an employee is appointed by the Company to perform the duties of a Service Leader for one or more days in a week, he shall be paid a Service Leader differential of sixteen dollars (\$16) for each day so worked.

**Section 2.**

An employee acting as a Service Leader shall not take or recommend disciplinary action against another employee.

**ARTICLE 33**

**BULLETIN BOARDS**

The Company agrees to install a bulletin board for the exclusive use of the Union in Company facilities at which Union represented employees normally report.

The Union agrees to post only notices concerning elections, meetings, reports and other official Union business, and notices of social and recreational activities. The Union

agrees, further, that it will post no matter which is against the interest of the Company's operations or the service.

## **ARTICLE 34**

### **TRAINING**

Both the Company and the Union recognize the benefit of offering product and technical training to employees. The Company shall, at its sole discretion, offer such training to its regular employees, at Company expense. The Company shall give due consideration to the employee's ability, job performance, request for training, seniority and skills, in addition to the needs of the business, and training availability, when selecting employees for training.

## **ARTICLE 35**

### **CAREER & PERSONAL DEVELOPMENT PLAN**

#### **Section 1.**

Employees may become eligible for the Company's educational assistance in accordance with certain provisions of the Career & Personal Development Plan (CPDP).

The CPDP shall include the following:

- Assessment of employee's aptitude/skills through a counseling process;
- aid to employees returning to school (including where to focus formal education and how to develop a support network at the school);
- assist in sharpening training skills, studying and testing; and
- assessment of prior formal and informal education for college credit.

Each employee eligible for and participating in CPDP will be eligible for any or all portions of the Plan, provided a CPDP counselor finds such portions of the Plan appropriate for the employee.

## **Section 2.**

Those employees eligible for CPDP must be:

- Classified as full-time employee, excluding full-time employees classified as Term;
- on the active payroll;
- in possession of at least one (1) year net credited service; and
- not concurrently enrolled in any Company-sponsored tuition reimbursement program.

## **Section 3.**

Eligibility to remain in the Program will be forfeited by those who have not shown evidence that they completed the course within 60 days of the scheduled completion date on record. In addition, employees will forfeit eligibility if they on two (2) occasions fail a course during their participation in CPDP, fail to complete a course while participating in CPDP and/or fail to submit or maintain a Payroll Deduction Authorization Form at the time of request. Disability or business reasons may be grounds to waive such ineligibility at the Company's discretion. Employees dropped from the Program may be reinstated to the Program after waiting for at least one (1) academic year.

## **Section 4.**

Enrollment by employees in CPDP will be voluntary and time spent by employees in the Program will be outside of scheduled working hours and not paid or considered as time worked for any purpose.

## **Section 5.**

Employees eligible for CPDP may receive counseling, testing and Company pre-paid tuition assistance.

## **Section 6.**

Selected educational institutions will be utilized to deliver services, courses and programs. The Company reserves the right to approve institutions, services, courses and programs.

**Section 7.**

Employees participating in CPDP will be reimbursed for fifty percent (50%) of textbook costs annually upon successful completion of approved courses and programs. Participants will also be reimbursed for one hundred percent (100%) of fees up to a maximum of two hundred fifty dollars (\$250) annually upon successful completion of approved courses and programs.

**Section 8.**

The amounts of any refunds, charges for negligence, and outside assistance (grants, remissions, scholarships, veteran's assistance, etc.) shall be deducted from the Program payments.

**Section 9.**

In no event will the cost to the Company for each employee's direct CPDP expenses (i.e. tuition, books, fees, workshops, counseling) exceed three thousand five hundred dollars (\$3,500) annually. Employees participating in the Program at the time this cost figure is reached will be able to complete the course in which they are currently enrolled.

**Section 10.**

The Company will make payments for any courses, testing and/or counseling that begins before the expiration of this Agreement.

**ARTICLE 36**

**TERM OF AGREEMENT**

**Section 1.**

This Agreement shall become effective as of 12:00 a.m., Central Standard Time, on April 8, 2012 and shall remain in effect until 11:59 p.m., Central Standard Time, on April 11, 2015.

**Section 2.**

No later than sixty (60) days prior to the expiration of this Agreement, either Party may serve upon the other a written notice of its desire to negotiate changes to this Agreement. No bargaining with respect to a new collective bargaining agreement shall commence earlier than sixty (60) days prior to the expiration of this Agreement. Unless extended by mutual consent, this Agreement will terminate at the end of the period specified in Section 1 above.

**Section 3.**

If, pursuant to Section 1 above, the Successor Agreement is of sufficient length that this Agreement remains in effect after the Third Anniversary Date, then employees covered by this Agreement will receive the same percentage wage increase(s) received by employees covered by the Successor Agreement at the same time for any subsequent year(s) of the Successor Agreement.

**Section 4.**

This Agreement is agreed upon in final settlement of all demands and proposals made by either Party during recent negotiations, and the parties intend thereby to finally conclude contract bargaining throughout the duration of this Agreement. However, this Agreement may be amended at any time by mutual consent of the Company and the Union.

**Section 5.**

If any provisions of this Agreement shall be held invalid because of legislation or court decree or order, the remainder of this Agreement shall not be affected thereby.

**AGREED:**

**FOR THE UNION:**

  
Jerry W. Schaeff  
CWA Assistant to the Vice-President

April 8, 2012  
Date

**FOR THE COMPANY:**

  
William J. Helwig  
Director Labor Relations

April 8, 2012  
Date

# **APPENDIX A**

**MEMORANDUM OF AGREEMENT**

**TERM EMPLOYEES**

The Parties understand that the needs of the business may require the hiring of employees for specific customers for a specific period of time. The Parties further understand that the Company may hire Term Employees specifically for this reason.

For the purpose of this Memorandum, a Term Employee is an employee engaged for a specific customer, up to a maximum of three (3) years (on a full-time or part-time basis) with an understanding that his employment is to terminate upon completion of the designated term of employment.

The Company may assign Term Employees to multiple customers.

This Memorandum of Agreement will remain in effect through the term of the 2012 Collective Bargaining Agreement between the Parties.

**AGREED:**

**FOR THE UNION:**

  
\_\_\_\_\_  
Jerry W. Schaeff  
CWA Assistant to the Vice-President

April 8, 2012  
Date

**FOR THE COMPANY:**

  
\_\_\_\_\_  
William J. Helwig  
Director Labor Relations

April 8, 2012  
Date

**MEMORANDUM OF AGREEMENT  
BETWEEN  
SBC GLOBAL SERVICES, INC.  
(THE COMPANY)  
AND  
COMMUNICATIONS WORKERS OF AMERICA  
(THE UNION)**

**PART TIMING**

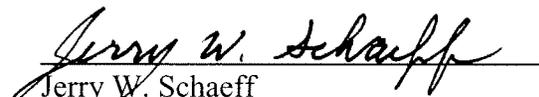
The Company and the Union agree that during the term of the 2009 Collective Bargaining Agreement it may become beneficial to the Parties to open discussions regarding the hiring of part-time employees.

To this end, the Company and the Union agree that if either Party requests opening such discussions, the discussions shall commence as soon as practicable.

This Memorandum of Agreement will remain in effect through the term of the 2012 Collective Bargaining Agreement between the Parties.

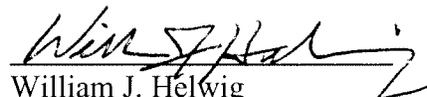
**AGREED:**

**FOR THE UNION:**

  
Jerry W. Schaeff  
CWA Assistant to the Vice-President

April 8, 2012  
Date

**FOR THE COMPANY:**

  
William J. Helwig  
Director Labor Relations

April 8, 2012  
Date

**MEMORANDUM OF AGREEMENT  
BETWEEN  
SBC GLOBAL SERVICES, INC.  
(THE COMPANY)  
AND  
COMMUNICATIONS WORKERS OF AMERICA  
(THE UNION)**

**FOUR DAY WORK WEEK TRIAL**

The Union and Company recognize that in certain work groups it may be beneficial to the employee and in the best interest of the business to establish a four (4) day schedule as the normal work week. Accordingly, in a work group where local management and the local agree, the number of hours which presently constitute a regular five (5) day work week will be scheduled in equal amounts over four (4) days.

The work groups selected for such four (4) day work weeks will be solely at the discretion of the Company. The local management and the local union will discuss the process by which the number of employees who volunteer will be assigned their shifts and work days within the calendar week. It is further agreed that if the needs of the business require the Company to discontinue the four day work week, the Company will notify the Union in advance.

Four (4) day work weeks will be scheduled in advance as full work weeks. No daily overtime payment shall be made for any of the scheduled hours worked which constitute the normal four (4) day work week.

Subject to the above, and before implementing a four (4) day schedule in any work group, the local management and the local union will establish the parameters and implementation procedures for such four (4) day work weeks. Unless otherwise agreed, the following will apply:

1. Weeks in which a Recognized Holiday falls will revert to a normal five (5) day work week.
2. Employees scheduled for a week of vacation will have their tours revert to the normal five (5) day work week.
3. Employees pre-scheduled for Excused Work Days, Vacation, Floating Holiday or jury duty will revert their work week to normal five (5) day work week. Non-scheduled Floating Holidays, Excused Work Days, or Vacation within a week in which the employee's work week is four (4) ten (10) hour days will be treated as ten (10) hour days. Employees may take no more than four (4) ten (10) hour unscheduled

days (i.e. forty hours) on a day-at-a-time basis. These unscheduled days include Floating Holidays, Excused Work Days, or Vacation days.

4. Payment will be based upon a ten (10) hour day for employees who are absent because of sickness or accident disability during the course of the four (4) day work week. If the disability continues into the next week, the employee's work week will revert to the normal five (5) day work week.

This Memorandum of Agreement will remain in effect through the term of the 2012 Collective Bargaining Agreement between the Parties.

**AGREED:**

**FOR THE UNION:**

  
Jerry W. Schaeff  
CWA Assistant to the Vice-President

April 8, 2012  
Date

**FOR THE COMPANY:**

  
William J. Helwig  
Director Labor Relations

April 8, 2012  
Date

**MEMORANDUM OF AGREEMENT**  
**EMPLOYMENT OPPORTUNITIES**

The parties to the 2012 Collective Bargaining Agreement agree that employees covered under the job title of Customer Operations Specialist will have the opportunity to be considered for available positions under the AT&T Midwest (“Core”) Collective Bargaining Agreement. These employees shall be subject to all applicable qualifications and selection criteria under the “JOBS” process. Based on the staffing levels effective January 1, 2012 a maximum of three percent (3%) of the employees each calendar year, equally distributed every quarter, will be allowed to accept a position under the AT&T Midwest (“Core”) Collective Bargaining Agreement.

This Memorandum of Agreement will remain in effect through the term of the 2012 Collective Bargaining Agreement between the Parties.

**AGREED:**

**FOR THE UNION:**

  
Jerry W. Schaeff  
CWA Assistant to the Vice-President

April 8, 2012  
Date

**FOR THE COMPANY:**

  
William J. Helwig  
Director Labor Relations

April 8, 2012  
Date

## MEMORANDUM OF AGREEMENT

### MONITORING

The Company and the Union acknowledge that there is a responsibility to provide high quality service to customers and the need to be in a position to effectively compete in today's increasingly competitive communications industry. It is the intent to develop overall performance to provide service to customers in an efficient, courteous and responsive way.

Monitoring is a tool to evaluate the on-line effectiveness of employees to reach and maintain quality service.

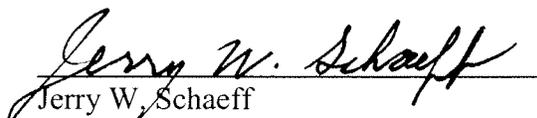
The Company's goal is to review monitoring results with the employee within two (2) business days after the monitoring has taken place. Other managerial steps, such as training sessions, visual observations, individual discussions and coaching may be used in addition to monitoring to evaluate and improve an employee's performance.

To administer monitoring, the Company will set guidelines on the monthly number of calls to be monitored.

This Memorandum of Agreement will remain in effect through the term of the 2012 Collective Bargaining Agreement between the Parties.

#### AGREED:

#### FOR THE UNION:

  
Jerry W. Schaeff  
CWA Assistant to the Vice-President

April 8, 2012  
Date

#### FOR THE COMPANY:

  
William J. Helwig  
Director Labor Relations

April 8, 2012  
Date

# **APPENDIX B**

## WAGE SCHEDULES

### CUSTOMER OPERATIONS SPECIALISTS

	<u>EFFECTIVE</u> <u>04/08/2012</u>	<u>EFFECTIVE</u> <u>04/07/2013</u>	<u>EFFECTIVE</u> <u>04/06/2014</u>
<b>START 0-6</b>	\$637.86	\$637.86	\$637.86
<b>07 - 12</b>	\$663.64	\$665.44	\$667.41
<b>13 - 18</b>	\$690.46	\$694.21	\$698.33
<b>19 - 24</b>	\$718.36	\$724.23	\$730.68
<b>25 - 30</b>	\$747.39	\$755.55	\$764.53
<b>31 - 36</b>	\$777.60	\$788.22	\$799.95
<b>37 - 42</b>	\$809.02	\$822.30	\$837.01
<b>43 - 48</b>	\$841.72	\$857.86	\$875.79
<b>49 - 54</b>	\$875.74	\$894.95	\$916.36
<b>55 - 60</b>	\$911.13	\$933.65	\$958.82
<b>MAX 61+</b>	\$947.95	\$974.02	\$1,003.24

1. Basic weekly wage rates will be increased 2.25% at the maximum rate, exponentialized with no change in the start rate. The effective date of this wage increase will be April 8, 2012, provided that this Agreement is ratified on or before August 17, 2012. Retroactive wages will be paid to employees on the payroll as of the date of ratification as soon as practicable after ratification.
2. Effective April 7, 2013, basic weekly wage rates will be increased 2.75% at the maximum rate, exponentialized with no change in the start rate.
3. Effective April 6, 2014, basic weekly wage rates will be increased 3.0% at the maximum rate, exponentialized with no change in the start rate.

# **APPENDIX C**

## MEMORANDUM OF AGREEMENT

### BENEFITS

This Memorandum of Agreement (“MOA”) is entered into as of the date of ratification of the 2012 Labor Agreement between Communications Workers of America, District 4, (“CWA” or the “Union”) and SBC Global Services, Inc., hereinafter called the (“Company”) applicable to the Customer Operations Specialist job title (“Contract”). This MOA confirms our understanding concerning benefits for union represented employees covered by the Contract.

The means for fulfilling the terms of this MOA may be the Company’s adoption of its own plan(s) and associated plan document(s) or participation in equivalent plan(s) having plan document(s) that include, for bargained-for employees, the benefits agreed to be provided pursuant to this MOA and substantially the terms, provisions and conditions under which such benefits are to be provided. The sole remedy for issues with respect to the validity or amount of any claim for benefits is the claim and appeal process as defined in the individual benefits plans and programs. The Parties agree to the plans and programs described below. Copies of the plan documents, Summary Plan Descriptions (“SPDs”) and Summary of Material Modifications (“SMMs”) of these plans, policies and programs have been and/or will be provided within a reasonable period of time to the Union upon reasonable request. If there is any difference between these SPDs and the ERISA plans or programs (including amendments thereto), the plan texts shall govern. No change shall be made in the terms of these plans, programs and policies, which would reduce or diminish the benefits or privileges provided thereunder as they apply to employees represented by the Union without the consent of the Union.

For purposes of this MOA only, including Attachment A:

- The term “Midwest Region COS Bargained Employees” means employees covered by the Contract;
- Midwest Region COS Bargained Employees hired/rehired on or before August 8, 2009 shall be referred to as “Current Employees”;
- Midwest Region COS Bargained Employees hired/rehired or transferred into the 2009 Labor Agreement between Communications Workers of America, District 4 and SBC Global Services, Inc. applicable to the Customer Operations Specialist job title (“2009 Contract”) (including transfers pursuant to the National Transfer Plan) after August 8, 2009 and on or before August 17, 2012 shall be referred to as “2009 New Hires”. In addition, “2009 New Hires” shall also include individuals who were classified as Term Employees as of August 8, 2009 and who were

subsequently reclassified to Regular Employee status on or before August 17, 2012;

- Midwest Region COS Bargained Employees hired/rehired or transferred into the Contract (including transfers pursuant to the National Transfer Plan) after August 17, 2012 shall be referred to as “2012 New Hires”;
- Current Employees, 2009 New Hires and 2012 New Hires shall be referred to collectively as “Employees”; and
- Employees who terminate employment during the term of this MOA and who meet the applicable requirements to be eligible for post-retirement benefits are referred to as “Eligible Retired Employees”.

Section 4 of this MOA provides specific rules regarding benefits for Employees who move among job titles or move pursuant to the National Transfer Plan. The provisions of Section 4 take precedence over the other provisions of this MOA with respect to Employees addressed in Section 4.

#### 1. HEALTH AND WELFARE BENEFIT PLANS

- (A) Effective January 1, 2013, Current Employees, 2009 New Hires and 2012 New Hires shall be eligible to participate in the benefit plans, programs and policies identified in the chart below by an X, with the plan terms, conditions and provisions which were in effect on April 7, 2012, as described in the applicable SPDs and SMMs, except as noted herein.

<b>Plan/Program/Policy</b>	<b>Current Employees</b>	<b>2009 New Hires</b>	<b>2012 New Hires</b>
Ameritech Comprehensive Health Care Plan	X	X	X
AT&T Dental Plan (management provisions)	X	X	X
Ameritech Vision Care Program	X	X	X
AT&T CarePlus – A Supplemental Benefit Program	X	X	X
AT&T Medical and Group Life Insurance Plan – Group Life Insurance	X	X	X
AT&T Supplementary Group Life Insurance Program	X	X	X
AT&T Dependent Group Life Insurance Program	X	X	X
AT&T Consolidated Long-Term Care Insurance Plan (closed to new entrants as of 5/1/2012)	X	X	
AT&T Flexible Spending Account Plan	X	X	X
AT&T Midwest Disability Benefits Program	X	X	X
Midwest Leaves of Absence Policy	X	X	X
AT&T Commuter Benefit Program	X	X	X
AT&T Adoption Reimbursement Program	X	X	X
AT&T Employee Assistance Plan	X	X	X
AT&T Voluntary Benefits Platform*	X	X	X

\* The Company may unilaterally modify the AT&T Voluntary Benefits Platform from time-to-time or discontinue without further discussions with the Union.

- (B) Employees, including newly eligible Employees, and Eligible Retired Employees (as provided for in Section 1(D)) shall continue to participate in the same benefit plans, programs and policies on the same terms and conditions which were in effect on April 7, 2012 until the benefits identified in Section 1(A) above become effective, subject to changes to benefits resulting from the operation of existing plan provisions and amendments necessary to comply with changes in the law.
- (C) Effective January 1, 2013, AT&T CarePlus – A Supplemental Medical Plan will be renamed “AT&T CarePlus – A Supplemental Benefit Program” and restructured to include additional benefits determined by the Company to be beneficial to the plan participants as those additional benefits may change from time to time. The Company may unilaterally modify or discontinue any additional benefits without further discussions with the Union.
- (D) Employees who terminate employment with the Company during the term of this MOA and are eligible for post-retirement medical coverage under the terms of the medical program the Employee was eligible for as an active Employee as of the date of termination, will be eligible, during the term of this MOA, for coverage under the Ameritech Comprehensive Health Care Plan, AT&T CarePlus – A Supplemental Benefit Program, AT&T Dental Plan, AT&T Medical and Group Life Insurance Plan – Group Life Insurance, AT&T Retiree Vision Care Program, and AT&T Consolidated Long-Term Care Insurance Plan (current participants only), subject to changes to benefits resulting from the operation of existing plan provisions and amendments necessary to comply with changes in the law, and with the exceptions identified in Attachment A. Nothing in this Section 1(D) shall be construed to provide benefits for any period subsequent to the term of the Contract or for any employee other than those referenced above who terminate employment during the term of this MOA.
- (E) Attachment A provides a summary of certain plan, program and/or policy terms, conditions and provisions, including any which are exceptions to terms, conditions and provisions described in the applicable SPDs and SMMs as well as any which differ among groups of employees eligible to participate in a particular plan, program or policy, such as the applicable deductible or copayment amount. If there are discrepancies between the specific information provided in Attachment A and the plan documents, SPDs or SMMs, the information provided in Attachment A will govern. It is understood that certain benefits are subject to change to comply with implementation of the Patient Protection and Affordable Care Act (PPACA) and associated regulations and agency guidance. The Company will notify the Union of the changes the Company makes to conform the benefits under this MOA with final regulations and guidance under PPACA and any amendment determined to be necessary due to changes in the law. Should any of these changes require bargaining, all other terms and provisions of the Contract will remain in effect through expiration.

2. PENSION PLANS

- Current Employees shall continue to participate in the AT&T Pension Benefit Plan – Bargained Cash Balance Program (the “BCB Program”) on the same terms and conditions which were in effect on April 7, 2012.
- 2009 New Hires and 2012 New Hires shall continue to participate in the AT&T Pension Benefit Plan – Bargained Cash Balance Program #2 (the “BCB2 Program”) on the same terms and conditions which were in effect on April 7, 2012.
  - Effective January 1, 2013, the basic benefit credits added to the cash balance account will be increased by increasing the age credit factor by 1% such that the age credit factor shall be as follows:

Age	Age Credit Factor
Less than 30	1.77%
30-36	2.27%
37-43	2.78%
44-49	3.28%
50 and older	4.04%

3. SAVINGS PLANS

- Effective January 1, 2013, Current Employees shall be eligible to participate in the AT&T Retirement Savings Plan (“ARSP”). In addition, these Employees will not be eligible to participate in the AT&T Savings and Security Plan and will have their prior AT&T Savings and Security Plan account balances transferred to the AT&T Retirement Savings Plan as soon as administratively feasible thereafter.
- 2009 New Hires and 2012 New Hires shall continue to participate in the AT&T Retirement Savings Plan on the same terms and conditions as in effect on April 7, 2012.

4. BENEFIT RULES FOR MOVEMENT OF EMPLOYEES AND RECLASSIFICATION OF EMPLOYEES

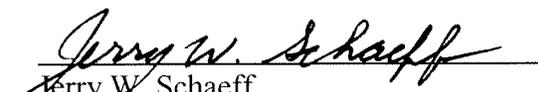
- General Provision. Any individual who moves after August 17, 2012 into a job title under the Contract will be treated, for benefit plan purposes, like a 2012 New Hire as of the date of transfer into such job title, except where the circumstances of the move are specifically accounted for in the following paragraph.
- Treatment of Inter-Region Transferred Current Employees

- *Definition of Inter-Region Transferred Current Employee:* An “Inter-Region Transferred Current Employee” means an individual who was employed as of August 8, 2009 in one of the 2009 Core CWA Collective Bargaining Agreements and immediately preceding such movement was being treated as a “current employee” for benefit plan purposes under the transferring applicable collective bargaining agreement.
- *Applicable Benefit Plans:* Inter-Region Transferred Current Employees will be eligible to participate in the same plans, programs and policies on the same terms and conditions as will be provided under this MOA to Current Employees.
- *Subsequent Movement:* If an Inter-Region Transferred Current Employee subsequently moves during the term of this MOA to any other job title under the Contract, the benefits available to the individual will continue to be the benefits provided to Current Employees pursuant to this MOA.
- Treatment Of Inter-Region Transferred 2009 New Hire Employees
  - *Definition of Inter-Region Transferred 2009 New Hire Employee:* An “Inter-Region Transferred 2009 New Hire Employee” means an individual who hired or rehired after August 8, 2009 and on or before August 17, 2012 in a job title in one of the 2009 Core CWA Collective Bargaining Agreements and who moved pursuant to the National Transfer Plan into any job title under the Contract.
  - *Applicable Benefit Plans:* Inter-Region Transferred 2009 New Hires will be eligible to participate in the same plans, policies and provisions on the same terms and conditions as will be provided to 2009 New Hires under this MOA.
  - *Subsequent Movement:* If an Inter-Region Transferred 2009 New Hires subsequently moves during the term of this MOA to any other job title under the Contract, the benefits available will continue to be the benefits provided to 2009 New Hires under this MOA.

This Memorandum of Agreement will remain in effect through the term of the 2012 Collective Bargaining Agreement between the Parties

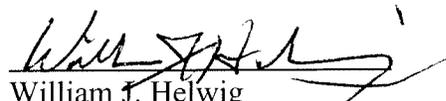
**AGREED:**

**FOR THE UNION:**

  
Jerry W. Schaeff  
CWA Assistant to the Vice-President

April 8, 2012  
Date

**FOR THE COMPANY:**

  
William J. Helwig  
Director Labor Relations

April 8, 2012  
Date

## Midwest CWA COS Benefits Outline Summary

Provision	Current Employees, 2009 New Hires and 2012 New Hires																																								
<b>Active Employees</b>																																									
Effective Date(s)	Health & Welfare: 1/1/2013																																								
<b>Eligibility</b>																																									
For Medical, Dental, Vision, CarePlus, and Life Insurance (unless otherwise specified)	<p><u>2012 New Hires, 2009 New Hires &amp; Current Employees</u> Follow provisions of the applicable plan:</p> <p>Medical – No change from current plan Dental – AT&amp;T Dental Plan (management provisions) Vision – No change from current plan Disability – AT&amp;T Midwest Disability Benefits Program CarePlus &amp; Life Insurance - No change from current plan</p>																																								
<b>Medical</b>																																									
Plan	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan except as provided below:</p>																																								
Dependent Eligibility	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan except as provided below:</p> <p>Elimination of Sponsored Child Classification.</p>																																								
Eligibility for Company Subsidy	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.</p>																																								
Active (Full-Time) Monthly Contributions	<p><u>2012 New Hires</u></p> <p><u>Contribution Amounts For Those Hired after 8/17/2012 and through 12/31/2013</u></p> <table border="1"> <thead> <tr> <th></th> <th>2013</th> <th>2014</th> <th>2015</th> </tr> </thead> <tbody> <tr> <td>Ind</td> <td>\$ 130</td> <td>\$135</td> <td>\$ 79</td> </tr> <tr> <td>Fam</td> <td>\$ 270</td> <td>\$290</td> <td>\$163</td> </tr> </tbody> </table> <p><u>Contribution Amounts For Those Hired on or after 1/1/2013</u></p> <table border="1"> <thead> <tr> <th></th> <th>2013</th> <th>2014</th> <th>2015</th> </tr> </thead> <tbody> <tr> <td>Ind</td> <td>\$130</td> <td>\$135</td> <td>\$135</td> </tr> <tr> <td>Fam</td> <td>\$270</td> <td>\$290</td> <td>\$300</td> </tr> </tbody> </table> <p><u>2009 New Hires and Current Employees</u></p> <table border="1"> <thead> <tr> <th colspan="4">Contribution Amounts</th> </tr> <tr> <th></th> <th>2013</th> <th>2014</th> <th>2015</th> </tr> </thead> <tbody> <tr> <td>Ind</td> <td>\$38</td> <td>\$ 58</td> <td>\$ 79</td> </tr> <tr> <td>Fam</td> <td>\$81</td> <td>\$121</td> <td>\$163</td> </tr> </tbody> </table>		2013	2014	2015	Ind	\$ 130	\$135	\$ 79	Fam	\$ 270	\$290	\$163		2013	2014	2015	Ind	\$130	\$135	\$135	Fam	\$270	\$290	\$300	Contribution Amounts					2013	2014	2015	Ind	\$38	\$ 58	\$ 79	Fam	\$81	\$121	\$163
	2013	2014	2015																																						
Ind	\$ 130	\$135	\$ 79																																						
Fam	\$ 270	\$290	\$163																																						
	2013	2014	2015																																						
Ind	\$130	\$135	\$135																																						
Fam	\$270	\$290	\$300																																						
Contribution Amounts																																									
	2013	2014	2015																																						
Ind	\$38	\$ 58	\$ 79																																						
Fam	\$81	\$121	\$163																																						
Active (Part-Time) Monthly Contributions	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan including the following, based on scheduled hours per week:</p> <ul style="list-style-type: none"> <li>• If greater than or equal to 25 hours, same as Full-Time</li> <li>• If at least 17 but less than 25 hours, 50% of Premium Equivalent Rate *</li> <li>• If less than 17 hours, 100% of Premium Equivalent Rate *</li> </ul> <p>* Premium Equivalent Rate are subject to annual adjustment</p> <p>Note: Calculation of the full cost of coverage is subject to change from time to time at the Company's discretion.</p>																																								
Definition of Pay	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.</p>																																								
Annual Deductibles	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <table border="1"> <thead> <tr> <th></th> <th>Network/PPO and ONA</th> <th>Non-Network/Non-PPO</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>		Network/PPO and ONA	Non-Network/Non-PPO	Ind	\$ 500	\$1,300	Fam	\$1,000	\$2,600																															
	Network/PPO and ONA	Non-Network/Non-PPO																																							
Ind	\$ 500	\$1,300																																							
Fam	\$1,000	\$2,600																																							
General Copay/Coinsurance	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.</p>																																								
Office Visit Copay / Coinsurance	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.</p>																																								

## Midwest CWA COS Benefits Outline Summary

Provision	Current Employees, 2009 New Hires and 2012 New Hires																																				
Urgent Care Facility/Professional Services Copay / Coinsurance	<u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.																																				
Emergency Room Facility/Professional Services Copay / Coinsurance	<u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.																																				
Hospital Inpatient/Outpatient Facility/Professional Services Copay / Coinsurance	<u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.																																				
Tests (all tests including x-ray, radiology, lab test, etc) Copay / Coinsurance	<u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.																																				
Mental Health/Substance Abuse (MH/SA) Copay / Coinsurance	<u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.																																				
Annual Out-of-Pocket Maximums (OOP)	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p style="text-align: center;">Out-of-Pocket Maximum Amounts (excluding Annual Deductible)</p> <table border="1"> <thead> <tr> <th></th> <th><u>2013</u> <u>Network/ PPO and ONA</u></th> <th><u>2013</u> <u>Non- Network/ Non-PPO</u></th> <th><u>2014</u> <u>Network/ PPO and ONA</u></th> <th><u>2014</u> <u>Non- Network/ Non-PPO</u></th> <th><u>2015</u> <u>Network/ PPO and ONA</u></th> <th><u>2015</u> <u>Non- Network/ Non-PPO</u></th> </tr> </thead> <tbody> <tr> <td>Ind</td> <td>\$1,500</td> <td>\$4,500</td> <td>\$1,700</td> <td>\$ 5,100</td> <td>\$2,000</td> <td>\$ 6,000</td> </tr> <tr> <td>Fam</td> <td>\$3,000</td> <td>\$9,000</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>2013</u> <u>Network/ PPO and ONA</u>	<u>2013</u> <u>Non- Network/ Non-PPO</u>	<u>2014</u> <u>Network/ PPO and ONA</u>	<u>2014</u> <u>Non- Network/ Non-PPO</u>	<u>2015</u> <u>Network/ PPO and ONA</u>	<u>2015</u> <u>Non- Network/ Non-PPO</u>	Ind	\$1,500	\$4,500	\$1,700	\$ 5,100	\$2,000	\$ 6,000	Fam	\$3,000	\$9,000	\$3,400	\$10,200	\$4,000	\$12,000															
	<u>2013</u> <u>Network/ PPO and ONA</u>	<u>2013</u> <u>Non- Network/ Non-PPO</u>	<u>2014</u> <u>Network/ PPO and ONA</u>	<u>2014</u> <u>Non- Network/ Non-PPO</u>	<u>2015</u> <u>Network/ PPO and ONA</u>	<u>2015</u> <u>Non- Network/ Non-PPO</u>																															
Ind	\$1,500	\$4,500	\$1,700	\$ 5,100	\$2,000	\$ 6,000																															
Fam	\$3,000	\$9,000	\$3,400	\$10,200	\$4,000	\$12,000																															
Prescription Drug Program (Rx)	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p><b>Deductible:</b> <b>None.</b></p> <p><b>Out-of-Pocket Maximum:</b> <u>2013-2015</u></p> <table border="1"> <tbody> <tr> <td>Ind</td> <td>\$ 900</td> </tr> <tr> <td>Fam</td> <td>\$1,800</td> </tr> </tbody> </table> <p><b>Retail – Network Copays:</b> (Up to 30-day supply, limited to 2 fills for maintenance)</p> <table border="1"> <thead> <tr> <th></th> <th><u>2013</u></th> <th><u>2014</u></th> <th><u>2015</u></th> </tr> </thead> <tbody> <tr> <td>Generic</td> <td>\$10</td> <td>\$10</td> <td>\$10</td> </tr> <tr> <td>Formulary</td> <td>\$20</td> <td>\$20</td> <td>\$30</td> </tr> <tr> <td>Non-Formulary</td> <td>\$40</td> <td>\$40</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><b>Mail Order Copays:</b> (Up to 90-day supply)</p> <table border="1"> <thead> <tr> <th></th> <th><u>2013</u></th> <th><u>2014</u></th> <th><u>2015</u></th> </tr> </thead> <tbody> <tr> <td>Generic</td> <td>\$20</td> <td>\$20</td> <td>\$ 20</td> </tr> <tr> <td>Formulary</td> <td>\$40</td> <td>\$40</td> <td>\$ 60</td> </tr> <tr> <td>Non-Formulary</td> <td>\$80</td> <td>\$80</td> <td>\$120</td> </tr> </tbody> </table> <p><b>The following provisions will continue to apply:</b></p> <ul style="list-style-type: none"> <li>• Mandatory mail order for maintenance Rx – Applies after second fill at retail.</li> <li>• Specialty pharmacy program</li> <li>• Personal Choice – 100% participant-paid</li> <li>• Mandatory Generic</li> </ul> <p>Current Smoking Cessation benefits will continue to apply.</p>	Ind	\$ 900	Fam	\$1,800		<u>2013</u>	<u>2014</u>	<u>2015</u>	Generic	\$10	\$10	\$10	Formulary	\$20	\$20	\$30	Non-Formulary	\$40	\$40	\$60		<u>2013</u>	<u>2014</u>	<u>2015</u>	Generic	\$20	\$20	\$ 20	Formulary	\$40	\$40	\$ 60	Non-Formulary	\$80	\$80	\$120
Ind	\$ 900																																				
Fam	\$1,800																																				
	<u>2013</u>	<u>2014</u>	<u>2015</u>																																		
Generic	\$10	\$10	\$10																																		
Formulary	\$20	\$20	\$30																																		
Non-Formulary	\$40	\$40	\$60																																		
	<u>2013</u>	<u>2014</u>	<u>2015</u>																																		
Generic	\$20	\$20	\$ 20																																		
Formulary	\$40	\$40	\$ 60																																		
Non-Formulary	\$80	\$80	\$120																																		

Employee Assistance Plan (EAP)

## Midwest CWA COS Benefits Outline Summary

Provision	Current Employees, 2009 New Hires and 2012 New Hires																		
<b>Plan</b>	<u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.																		
<b>Visit Limit</b>	<u>2012 New Hires, 2009 New Hires and Current Employees</u> Up to 5 EAP visits per person per issue.																		
<b>Disability</b>																			
<b>Plan</b>	<u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.																		
<b>Short Term Disability (STD)</b>	<u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.																		
<b>Long-Term Disability (LTD)</b>	<u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.																		
<b>Leaves of Absence (LOAs)</b>																			
<b>Plan</b>	<u>2012 New Hires, 2009 New Hires and Current Employees</u> Midwest Leaves of Absence Policy with the addition of the Company Initiated Leave of Absence.																		
<b>Types of LOAs</b>	<u>2012 New Hires, 2009 New Hires and Current Employees</u> No change except for the addition of the Company Initiated Leave of Absence.																		
<b>Dental</b>																			
<b>Plan</b>	<u>2012 New Hires, 2009 New Hires and Current Employees</u> AT&T Dental Plan (management provisions) <ul style="list-style-type: none"> <li>Dental PPO</li> <li>DHMO (available at the discretion of the Company)</li> </ul>																		
<b>Eligibility</b>	<u>2012 New Hires, 2009 New Hires and Current Employees</u> Company subsidy begins on first day of the month in which 6 months net credited service (NCS) is attained (also referred to as term of employment (TOE)).																		
<b>Active (Full-Time) Monthly Contributions</b>	<u>2012 Current Hires, 2009 New Hires and Current Employees</u> Dental PPO or DHMO (if available): <table border="0" style="margin-left: 40px;"> <tr> <td></td> <td style="text-align: center;"><u>2013-2015</u></td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;"><u>Contribution</u></td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;"><u>Amounts</u></td> <td></td> </tr> <tr> <td>Ind</td> <td style="text-align: center;">\$ 3</td> <td></td> </tr> <tr> <td>Ind +1</td> <td style="text-align: center;">\$ 9</td> <td></td> </tr> <tr> <td>Fam</td> <td style="text-align: center;">\$16</td> <td></td> </tr> </table>		<u>2013-2015</u>			<u>Contribution</u>			<u>Amounts</u>		Ind	\$ 3		Ind +1	\$ 9		Fam	\$16	
	<u>2013-2015</u>																		
	<u>Contribution</u>																		
	<u>Amounts</u>																		
Ind	\$ 3																		
Ind +1	\$ 9																		
Fam	\$16																		
<b>Active (Part-Time) Monthly Contributions</b>	<u>2012 New Hires, 2009 New Hires and Current Employees</u> Based on Scheduled hours/week: <ul style="list-style-type: none"> <li>Greater than or equal to 20 hours = 50% of Premium Equivalent Rate.*</li> <li>Less than 20 hours = 100% of Premium Equivalent Rate*.</li> </ul> <p>* Note: Premium Equivalent Rate is subject to annual adjustment.</p>																		
<b>Deductible</b>	<u>2012 New Hires, 2009 New Hires and Current Employees</u> Network and ONA: \$25 per individual per year Non-Network: \$50 per individual per year																		
<b>Annual Maximum Benefit</b>	<u>2012 New Hires, 2009 New Hires and Current Employees</u> Network and ONA: \$1,750 per individual* Non-Network: \$1,300 per individual*  *Not to exceed \$1,750 combined Network/Non-Network																		
<b>Orthodontic Lifetime Maximum</b>	<u>2012 New Hires, 2009 New Hires and Current Employees</u> Network and ONA: \$2,000 per individual* Non-Network: \$1,400 per individual*  *Not to exceed \$2,000 combined Network/Non-Network																		

## Midwest CWA COS Benefits Outline Summary

Provision	Current Employees, 2009 New Hires and 2012 New Hires
<b>Coverage Levels</b>	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>Dental PPO Coinsurance</p> <p>Class I (Diagnostic/Preventive): Network and ONA*: 100%, Ded. Waived Non-Network**: 100%, Ded. 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>
<b>Outside Network Area (ONA)</b>	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <ul style="list-style-type: none"> <li>• ONA benefit provided to employees who reside in a zip code which does not meet the network standards.</li> <li>• ONA benefits are equivalent to PPO Network benefits.</li> <li>• Enrollees who are in Network will be offered the PPO option only.</li> <li>• Enrollees who are located outside the Network zip code criteria will be offered the ONA option only.</li> </ul>
<b>Vision</b>	
<b>Plan</b>	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>No change from current plan.</p>
<b>Eligibility</b>	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>No change from current plan.</p>
<b>Active (Full-Time) Monthly Contributions</b>	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>No change from current plan.</p>
<b>Active (Part-Time) Monthly Contributions</b>	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>No change from current plan.</p>
<b>Coverage Levels</b>	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>No change from current plan.</p>
<b>Flexible Spending Account (FSA)</b>	
<b>Plan</b>	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>No change from current plan, except those that are mandated by healthcare reform legislation (PPACA).</p>
<b>Contribution Minimum/Maximums</b>	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>No change from current plan, except those that are mandated by healthcare reform legislation (PPACA).</p>
<b>CarePlus</b>	
<b>Plan</b>	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>Change name to "AT&amp;T CarePlus – A Supplemental Benefit Program"</p>
<b>Monthly Contributions</b>	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>No change from current plan.</p>
<b>General Benefits</b>	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>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>
<b>Life Insurance</b>	
<b>Plan</b>	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>No change from current plan.</p>

## Midwest CWA COS Benefits Outline Summary

Provision	Current Employees, 2009 New Hires and 2012 New Hires
<b>Active Benefits</b>	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>No change from current plan except as provided below:</p> <p>Accelerated Death Benefit - Available when life expectancy is 24 months or less. Minimum Distribution: 25% of total life insurance benefit. Maximum Distribution: lesser of 75% of total life insurance benefit or \$1M.</p> <p>Note: Contribution amounts are subject to annual adjustments.</p>
<b>Definition of Pay</b>	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>No change from current plan.</p>
<b>Long-Term Care</b>	
<b>Plan</b>	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>AT&amp;T Consolidated Long-Term Care Insurance Plan</p>
<b>Coverage</b>	<p><u>2012 New Hires</u> Not available; closed to new entrants as of 5/1/2012.</p> <p><u>2009 New Hires and Current Employees</u> Participants currently enrolled may remain in the plan; closed to new entrants as of 5/1/2012.</p>
<b>Adoption</b>	
<b>Plan</b>	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>No change from current plan.</p>
<b>Coverage</b>	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>No change from current plan.</p>
<b>Commuter</b>	
<b>Plan</b>	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>No change from current plan.</p>
<b>Coverage</b>	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u></p> <p>Pre-tax deductions for parking and mass transit. 2012 Internal Revenue Service (IRS) limits: \$240 parking; \$125 mass transit.</p> <p>Eligible expense and monthly limits follow IRS Code Section 132 Regulations.</p> <p>Note: Annual adjustments apply.</p>

## Midwest CWA COS Benefits Outline Summary

Provision	Eligible Retired Employees
<b>Retiree Provisions</b>	Effective 1/1/2013: Applicable for the term of the Agreement to Eligible Retired Employees who terminate during the term of the Agreement.
<b>Medical</b>	
<b>Plan</b>	Eligible Retired Employees shall be eligible to participate in the Ameritech Comprehensive Health Care Plan, the same plan as similarly situated active Current Employee, 2009 New Hire or 2012 New Hire except as noted in the sections below.
<b>Eligible Retired Employees (Full-Time) Monthly Contributions</b>	<p><u>2012 New Hires</u></p> <ul style="list-style-type: none"> <li>Eligible Retired Employees who are Non-Medicare eligible will pay 100% of full cost of coverage* with no Company subsidy.</li> <li>Eligible Retired Employees who are Medicare eligible are ineligible for coverage.</li> </ul> <p><u>2009 New Hires</u></p> <ul style="list-style-type: none"> <li>Eligible Retired Employees who are Non-Medicare eligible will pay 50% of full cost of coverage*.</li> <li>Eligible Retired Employees who are Medicare eligible are ineligible for coverage.</li> </ul> <p>*Note: Calculation of the full cost of coverage is subject to change from time to time at the Company's discretion.</p> <p><u>Current Employee</u> The contribution shall be the same as for a similarly situated active Current Employee.</p>
<b>Eligible Retired Employees (Part-Time) Monthly Contributions</b>	<p><u>2012 New Hires</u></p> <ul style="list-style-type: none"> <li>Eligible Retired Employees who are Non-Medicare eligible will pay 100% of full cost of coverage* with no Company subsidy.</li> <li>Eligible Retired Employees who are Medicare eligible are ineligible for coverage.</li> </ul> <p><u>2009 New Hires</u></p> <ul style="list-style-type: none"> <li>Eligible Retired Employees who are Non-Medicare eligible will pay 50% of full cost of coverage*.</li> <li>Eligible Retired Employees who are Medicare eligible are ineligible for coverage.</li> </ul> <p>*Note: Calculation of the full cost of coverage is subject to change from time to time at the Company's discretion.</p> <p><u>Current Employees</u> The contribution shall be the same as for a similarly situated active Current Employee.</p>
<b>Medicare Part-B Premium Reimbursement</b>	<p><u>2012 New Hires and 2009 New Hires</u> Not Eligible.</p> <p><u>Current Employees</u> No change from current plan.</p>
<b>Definition of Pay</b>	<u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.
<b>CarePlus</b>	
<b>Plan</b>	Change name to "AT&T CarePlus – A Supplemental Benefit Program"
<b>Monthly Contributions</b>	Eligible Retired Employees shall be eligible to participate in AT&T CarePlus – A Supplemental Benefit Program at the same contribution level as active Current Employees, 2012 New Hires and 2009 New Hires.
<b>General Benefits</b>	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.
<b>Dental</b>	
<b>Plan</b>	Eligible Retired Employees shall be eligible to participate in the same plan as similarly situated active Current Employees, 2009 New Hires, or 2012 New Hires except as noted in the sections below.
<b>Eligible Retired Employee (Full-Time) Monthly Contributions</b>	<p><u>2012 New Hires</u></p> <ul style="list-style-type: none"> <li>Eligible Retired Employees who are Non-Medicare eligible will pay 100% of full cost of coverage* with no Company subsidy.</li> <li>Eligible Retired Employees who are Medicare eligible are ineligible for coverage.</li> </ul> <p><u>2009 New Hires</u></p> <ul style="list-style-type: none"> <li>Eligible Retired Employees who are Non-Medicare eligible will pay 50% of full cost of coverage*.</li> <li>Eligible Retired Employees who are Medicare eligible are ineligible for coverage.</li> </ul> <p>*Note: Calculation of the full cost of coverage is subject to change from time to time at the Company's discretion.</p> <p><u>Current Employees</u> The contribution shall be the same as for a similarly situated active Current Employee.</p>

Midwest CWA COS Benefits Outline Summary

Provision	Eligible Retired Employees
<b>Eligible Retired Employees (Part-Time) Monthly Contributions</b>	<p><u>2012 New Hires</u></p> <ul style="list-style-type: none"> <li>Eligible Retired Employees who are Non-Medicare eligible will pay 100% of full cost of coverage* with no Company subsidy.</li> <li>Eligible Retired Employees who are Medicare eligible are ineligible for coverage.</li> </ul> <p><u>2009 New Hires</u></p> <ul style="list-style-type: none"> <li>Eligible Retired Employees who are Non-Medicare eligible will pay 50% of full cost of coverage*.</li> <li>Eligible Retired Employees who are Medicare eligible are ineligible for coverage.</li> </ul> <p>*Note: Calculation of the full cost of coverage is subject to change from time to time at the Company's discretion.</p> <p><u>Current Employees</u> The contribution shall be the same as for a similarly situated active Current Employees.</p>
<b>Life Insurance</b>	
<b>Eligible Retired Employees Basic Life (Company Paid)</b>	<p><u>2012 New Hires</u> \$15,000 Retiree Basic Life</p> <p><u>2009 New Hires</u> \$15,000 Retiree Basic Life</p> <p><u>Current Employees</u> 1X Annual Pay</p> <p>Note: For the purposes of Retiree Basic Life only, Annual Pay: Is the Employee's Rate of Pay as of 12/31/2009. Includes base wages, targeted commissions, team award, individual discretionary award, and miscellaneous pay, where applicable.</p>
<b>Supplemental Life (Retiree Paid)</b>	<p><u>2012 New Hires</u> Employees eligible for Supplemental Life coverage may add 1x annual pay to Supplemental Life coverage in effect at termination to replace the Basic Life coverage no longer available upon termination of employment.</p> <p><u>2009 New Hires</u> Employees eligible for Supplemental Life coverage may add 1x annual pay to Supplemental Life coverage in effect at termination to replace the Basic Life coverage no longer available upon termination of employment.</p> <p><u>Current Employees</u> No change from current plan.</p>
<b>Definition of Pay</b>	<p><u>2012 New Hires, 2009 New Hires and Current Employees</u> No change from current plan.</p>
<b>Vision</b>	
<b>Eligible Retired Employees Vision Plan</b>	<p><u>2012 New Hires</u> Eligible Retired Employees shall be eligible to participate in the AT&amp;T Retiree Vision Care Program.</p> <p><u>2009 New Hires</u> Eligible Retired Employees shall be eligible to participate in the AT&amp;T Retiree Vision Care Program.</p> <p><u>Current Employees</u> Eligible Retired Employees shall be eligible to participate in the AT&amp;T Retiree Vision Care Program.</p>
<b>Eligible Retired Employees Monthly Retiree Contributions</b>	<p><u>2012 New Hires</u></p> <ul style="list-style-type: none"> <li>Eligible Retired Employees who are Non-Medicare eligible will pay 100% of full cost of coverage* with no Company subsidy.</li> <li>Eligible Retired Employees who are Medicare eligible are ineligible for coverage.</li> </ul> <p><u>2009 New Hires</u> Eligible Retired Employees will pay 100% of full cost of coverage* with no Company subsidy.</p> <p>*Note: Calculation of the full cost of coverage is subject to change from time to time at the Company's discretion.</p> <p><u>Current Employees</u> Eligible Retired Employees will pay 100% of full cost of coverage* with no Company subsidy.</p> <p>*Note: Calculation of the full cost of coverage is subject to change from time to time at the Company's discretion.</p>
<b>Provision</b>	<b>Current Employees, 2009 New Hires, 2012 New Hires and Eligible Retired Employees</b>
<b>Voluntary</b>	
<b>Discretionary Program</b>	AT&T Voluntary Benefits Platform (products offered as they may change from time to time).

**MEMORANDUM OF AGREEMENT  
BETWEEN  
SBC GLOBAL SERVICES, INC.  
(THE COMPANY)  
AND  
COMMUNICATIONS WORKERS OF AMERICA  
(THE UNION)**

**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") based on AT&T stock price appreciation and dividend rates ("Award").

**A. Plan Components**

1. Success Units

Employees will be awarded 150 success units at the beginning of each award year reflected in the table in Section A.2. below ("Award Year"). 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 Award 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
2013 (October 1, 2012 to September 30, 2013)	October 1, 2012 closing AT&T stock price	September 30, 2013 closing AT&T stock price
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

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



**Total Award for 2014 Award Year:**

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

**C. Award Distribution**

The Award will be made available as soon as practicable after the Award Year and will normally occur by the first day of December. Eligible Lump Sum Candidates will usually receive their Award on the payday of the last full pay period in November. Eligible HRA

Candidates will have their Award credited to their HRA account at a date to be determined by the Company ("HRA Crediting Date")

**B. Eligible Employees**

Eligible employees may receive either: (A) an annual lump sum credited to a Health Reimbursement Account ("HRA") established under an employee benefit plan sponsored by the Company, pursuant to the Internal Revenue Code and applicable regulations, or (B) an annual lump sum cash payment, as provided herein. Eligibility for an Award in the form of HRA crediting or a cash lump sum payment is determined as of July 1, 2012. A Midwest Region Core Bargained Employee (as defined in Article 16) who is enrolled in a Company sponsored medical plan on July 1, 2012 and any employee who is hired, rehired or transferred to a position in the Midwest Region Core Bargaining unit on or after July 1, 2012 ("HRA Candidate"), are only eligible for an Award in the form of HRA crediting. A Midwest Region Core Bargained Employee who is employed on July 1, 2012 and not enrolled in a Company sponsored medical plan on July 1, 2012 ("Lump Sum Candidate") is only eligible for an Award in the form of a cash lump sum payment.

An HRA Candidate is only eligible for an Award as described above in the form of annual crediting to an HRA for each Award Year if he/she is a regular, temporary or term employees who (A) is on the payroll on both the beginning and ending dates of the Award Year, (B) works for a minimum of three (3) months within the Award Year in a position covered by this Collective Bargaining Agreement, and (C) is enrolled in a Company-sponsored medical plan on the HRA crediting date for that Award Year. An HRA Candidate who does not satisfy the foregoing conditions for an Award Year is not eligible for an Award for that Award Year.

A Lump Sum Candidate is eligible for an Award as described above in the form of a cash lump sum payment if he/she is a regular, temporary or term employee who is on the payroll on both the beginning and ending dates of the Award Year and who works for a minimum of three (3) months within the Award Year in a position covered by this Collective Bargaining Agreement.

HRA Candidates and Lump Sum Candidates (collectively "Eligible Employees") who are on approved leaves of absence or short-term disability absence and meet the other eligibility requirements shall receive an Award in the form provided above, provided they return to active duty on or before December 31 of the calendar year in which the Award Year ends and, if the Award is in the form of HRA crediting, are enrolled in the Company sponsored medical plan on the HRA Crediting Date.

Any Eligible Employee who transfers between AT&T Companies offering an SSP will be eligible to receive an Award under the terms of the SSP applicable to the Eligible Employee's current bargaining unit at the time of the Award, so long as the combined service in both AT&T Companies satisfies the above eligibility provisions.

**C. Part-Time Employees**

Eligible Employees classified as part-time employees will receive a prorated Award based on their part-time classification (or "part-time equivalent work week") on the ending date of the Award Year.

**D. Benefits Treatment**

A cash lump sum Award paid to a Lump Sum Candidate will be recognized as eligible compensation under the following benefit plans:

- Medical
- Life Insurance
- Pension
- Savings Plan

**E. Taxes, Personal Allotments**

A cash lump sum Award paid to a Lump Sum Candidate is subject to state and local taxes, Federal Income Tax, Social Security Tax, Medicare Tax, and any state disability deductions at the time of payment, and union dues will be deducted at the same rate as they are deducted for wages. Eligible Employees with 401(k) pre-tax elections will not have State or Federal Income Taxes deducted from that portion of their cash lump sum Award.

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.

This Memorandum of Agreement will remain in effect through the term of the 2012 Collective Bargaining Agreement between the Parties.

**AGREED:**

**FOR THE UNION:**

  
Jerry W. Schaeff  
CWA Assistant to the Vice-President

April 8, 2012  
Date

**FOR THE COMPANY:**

  
William J. Helwig  
Director Labor Relations

April 8, 2012  
Date

# **Outside the Contract**

**MEMORANDUM OF AGREEMENT  
BETWEEN  
SBC GLOBAL SERVICES, INC.  
(THE COMPANY)  
AND  
COMMUNICATIONS WORKERS OF AMERICA  
(THE UNION)**

**AMENDMENT TO MODIFY THE FORMULA FOR CALCULATING THE 2009  
SUCCESS SHARING PLAN**

This Amendment to the Memorandum of Agreement Success Sharing Plan (“2012 SSP Amendment”) provides for an acceleration of a payment that might otherwise be due under the terms of the 2009 Collective Bargaining Agreement’s Memorandum of Agreement Success Sharing Plan between SBC Global Services, Inc. and the Communications Workers of America (“Union”) (collectively “Parties”) identified therein and which are signatories hereto subject to the following terms:

1. Ratification of a Successor CBA: This 2012 SSP Amendment is contingent on the necessary ratification of the 2012 Collective Bargaining Agreement no later than 11:59 PM CST August 17, 2012.
2. Accelerated Payment: Eligible Employees in the 2009 Collective Bargaining Agreement as of the ratification date (August 17, 2012) shall receive an Accelerated Payment of One Thousand Three Hundred and Twenty-Three Dollars (\$1,323.00) issued in the form of contributions into a Health Reimbursement Account (“HRA”) established under an employee benefit plan sponsored by the Company pursuant to the Internal Revenue Code and applicable regulations representing the Stock Appreciation Value and the Dividend Rate Value as those terms are used and defined in the 2009 Collective Bargaining Agreement’s Memorandum of Agreement Success Sharing Plan, measured by the difference between the June 29, 2012 closing AT&T stock price and the October 3, 2011 closing AT&T stock price, plus the Dividend Rate Value for December 2011, March 2012, and June 2012 (Accelerated Payment).

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

- a. Reasonable Time to Issue Payment: Payment of the Accelerated Payment will be made as soon as practicable after the ratification of the 2012 Collective Bargaining Agreement.
- b. Eligibility: Employees eligible for payments as described above (“Eligible Employees”) are those regular, temporary and term employees who were on the payroll October 3, 2011 and on August 17, 2012 and who work for a minimum of three (3) months within the award year in a position covered by the 2009 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 ratification date shall receive a payment, provided they return to active duty on or before August 31, 2012. Those employees not returning by this date shall receive the ordinary distribution under the

terms of the 2009 Collective Bargaining Agreement's Memorandum of Agreement Success Sharing Plan if they satisfy the eligibility conditions.

- i. Part-time Employees: Eligible Employees who are otherwise eligible under the terms of the 2009 Collective Bargaining Agreement's Memorandum of Agreement Success Sharing Plan who work regular part-time assignments will receive prorated payments based on their part-time classification (or "part-time equivalent work week") on the ratification date.
  - ii. 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 2012 SSP Amendment applicable to the employee's current bargaining unit at the time of payment, so long as the combined service in both AT&T Companies satisfies the eligibility provisions applicable Success Sharing Plan.
3. Remaining SSP Payment: This 2012 SSP Amendment does not amend or modify the terms provided by the 2009 Collective Bargaining Agreement's Memorandum of Agreement Success Sharing Plan for the payment terms (HRA Funding) provided for the period October 3, 2011 through September 28, 2012 (2012 Award Year), provided, however, that the dividend rate value for the 2012 Award Year payout (i.e., HRA Funding) shall only include the value of the September dividend, if any, that was not already paid, and the portion of the 2012 Award Year payout attributable to the Stock Appreciation Value shall be reduced by the value of the Accelerated Payment attributable to the Stock Appreciation Value on June 29, 2012.
4. No Other Modifications: Except as expressly provided herein, all other terms of the 2009 Collective Bargaining Agreement's Memorandum of Agreement Success Sharing Plan shall remain in effect as provided therein.

This Memorandum of Agreement will remain in effect through December 31, 2012.

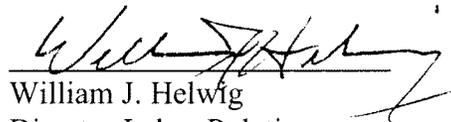
**AGREED:**

**FOR THE UNION:**

  
Jerry W. Schaeff  
CWA Assistant to the Vice-President

April 8, 2012  
Date

**FOR THE COMPANY:**

  
William J. Helwig  
Director Labor Relations

April 8, 2012  
Date