

## MEMORANDUM OF AGREEMENT

### National Internet Contract

This Memorandum of Agreement (the "Agreement") is made and entered as of April 25, 2019 by and between the Communications Workers of America (the "Union") and AT&T Services, Inc. and DIRECTV, LLC (collectively the "Company") whereby and notwithstanding any agreements to the contrary, the Company and the Union (collectively the "Parties") agree as follows;

1. This Agreement is subject to ratification by the employees covered by the 2016 National Internet Contract together with its Memorandums of Agreement (collectively the "2016 NIC Labor Agreement"). For purposes of this Agreement, the ratification date shall be the date the Company receives written notification from the Union this Agreement has been duly ratified by the employees. If notification is not received by the Company on or before June 14, 2019, the Parties acknowledge this Agreement is withdrawn and shall have no force or effect.
2. Except as specifically modified in this Agreement the Parties agree to extend the 2016 NIC Labor Agreement until 11:59 p.m. CST on July 22, 2023.
3. Active regular full-time employees covered by this Agreement and who are on the payroll as of the date of ratification and on the payout date will receive a single \$1,000 lump sum ratification bonus. All ratification bonus payments will have appropriate deductions withheld. Such payments shall be made as soon as practicable following ratification.
4. Employees covered by this Agreement shall receive wage increases as follows:
  - a. A 3% general increase to the top step of the wage schedule, effective August 18, 2019. Increases to be applied exponentially.
  - b. A 2.25% general increase to the top step of the wage schedule, effective August 16, 2020. Increases to be applied exponentially.
  - c. A 3% general increase to the top step of the wage schedule, effective August 15, 2021. Increases to be applied exponentially.



- d. A 2.5% general increase to the top step of the wage schedule, effective August 14, 2022. Increases to be applied exponentially.
- e. Employees whose current wages are above the maximum weekly rate of the appropriate wage schedule for their title will have wages frozen at their current level until the wage schedule reaches their current rate of pay. Until such time these employees will not be eligible for any wage increases.
5. The National Transfer Plan is modified as set forth in Attachment A.
6. The Success Sharing Plan is modified as set forth in Attachment B.
7. Article 1, Section 1.02 is amended to include the Technical Support Specialist title.
8. Article 11, Section 11.02 and Appendix A are amended to include Wage Schedule 4(A) for the Technical Support Specialist title.
9. The Parties agree to extend the terms of the "Memorandum of Agreement – Benefits" in the 2016 NIC Labor Agreement through December 31, 2023.
10. If there is any conflict between the provisions of this Agreement and the 2016 NIC Labor Agreement, this Agreement will prevail.
11. Unless the Parties otherwise agree in writing this Agreement shall expire on July 22, 2023.

**FOR THE UNION:**

By:   
Lisa Bolton  
Vice President – CWA T&T

Date: April 25, 2019

**FOR THE COMPANY:**

By:   
Robert G. Zurovec  
Assistant Vice President - Labor Relations

Date: April 25, 2019

**MEMORANDUM OF AGREEMENT**

**NATIONAL TRANSFER PLAN (NTP)**

The Company agrees to modify the current external job posting system to provide for employees who chose to participate in the attached National Transfer Plan as an IMF or CSE participant as follows:

- Positions will advertise in the system for a minimum of seven (7) calendar days
- Employees will have the ability to indicate their interest in the position as an IMF or CSE candidate via the online system
- The system will be accessible to employees from both inside and outside of the AT&T firewall.
- Employees will have the ability to contact the regional employment office to determine the status of a position for which they indicated interest.

The parties to this agreement further agree that if during subsequent Core Collective Bargaining or through other agreement the National Transfer Plan is modified or terminated, then such changes to the National Transfer Plan will also apply to this AT&T Services, Inc. bargaining unit (NIC).

The parties to this agreement further agree that IMF Section 4 and CSE Section 7 of the NTP shall not apply to employees transferring to this AT&T Services, Inc. bargaining unit (NIC); instead, employees otherwise covered by those sections shall be covered by IMF Section 6 or CSE Section 9, as applicable.

The parties to this agreement further agree to participate with those AT&T affiliate companies that may be added from time to time to the National Transfer Plan as participants as a result of collective bargaining or other agreements between CWA and an AT&T affiliate company.

In response to the CWA's concern for its members' employment security and its expressed interest in removing impediments to movement between various AT&T Companies identified in the attachments to this Memorandum, the Company agrees to extend the Intersubsidary Movement (IMF) process and the CWA Surplus Exchange (CSE) process with the following modifications:

**IMF:**

1. Eligible employees will receive priority placement before external hires after regional contract processes for any bargaining unit job for which they qualify. The qualification criteria utilized will be the same qualification criteria utilized for the regional contractual processes.
2. In situations where there are equally qualified employees eligible and interested in the same position at the receiving Company, eligible employees will be offered the position in order of seniority. If needed, the tie breaker for employees with the same seniority will be the last four digits of their social security number with the higher number being the more senior.
3. When a bargained-for employee moves among bargaining units of the Company covered by this Memorandum of Agreement treatment of vacation time, the Designated Holiday (DH), Floating Holidays (FHs), and Excused Work Days (EWDs) or their equivalent (covered time) will be treated as follows:
  - A covered employee will be eligible for covered time for the current vacation year at the new entity based on the existing labor agreements at that entity. Any covered time already taken at the former entity will be deducted from equivalent covered time for which the employee is eligible at the new entity; the remaining covered time will be scheduled at the new entity subject to needs of the business.
  - Covered time carried over from the prior vacation year must be disposed of, i.e., paid in lieu of or taken at the former entity.
  - In no case will an employee's movement from one entity to another result in the double payment for covered time.
4. Employees who have held the Premises/Wire Technician job title, or any job title in an agreement or appendix to an agreement that provides for the terms and conditions of employment for Premises/Wire Technicians ("Premises/Wire Technician Agreements"), are eligible for IMF, but shall be treated as provided in this paragraph. Any employee who has ever held a position in a Premises/Wire Technician Agreement will be treated by any receiving company that is party to this IMF agreement and that also is party to a Premises/Wire Technician Agreement as if they were received from their own Premises/Wire Technician Agreement for all purposes. If the receiving company does not have a Premises/Wire Technician Agreement, then employees transferring to that company shall receive the benefits applicable to other bargained-for employees

with similar service in the receiving company, except for pension and post-retirement medical and dental benefits; instead, 1) such employees shall participate in the Bargained Cash Balance Program 2 and 2) if such employee meets the eligibility requirements for post-retirement benefits upon termination, the former employee will pay contributions equal to 50% of the total cost of coverage for post-retirement medical and dental coverage if the former employee is not Medicare eligible and will not be eligible for medical or dental post-retirement coverage if Medicare eligible.

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

**CSE:**

1. Surplus employees who express interest in available positions in participating companies will receive priority placement before external hires after regional contract processes for any bargaining unit job for which he/she qualifies. The qualification criteria utilized will be the same qualification criteria utilized for the regional contractual processes.
2. Employees who are declared surplus and subsequently involuntarily laid off who express interest in available positions in participating companies will receive priority placement before external hires after regional contract processes for any bargaining unit job for which he/she qualifies for a period of twelve (12) months following their involuntary lay off. The qualification criteria utilized will be the same qualification criteria utilized for the regional contractual processes.
3. In situations where there are equally qualified employees eligible and interested in the same position at the receiving Company, eligible employees will be offered the

position in order of seniority. If needed, the tie breaker for employees with the same seniority will be the last four digits of their social security number with the higher number being the more senior.

4. Any CWA-represented regular employee covered by a CWA Labor Agreement held by a participating company whose work is moving from that company to another participating company may be offered the opportunity to follow their work. Such offer will be subject to the need for additional employees at the receiving Company and all applicable qualifications and selection criteria at the receiving Company. Employees who select this option in lieu of any severance payment and who are placed at and report to, the receiving Company, will receive payment for Relocation Allowance per the applicable terms and conditions of the collective bargaining agreement at their former Company. This Relocation Allowance will be paid when 1) the employee relocates his/her home residence as a result of following the work; and 2) the employee's new place of reporting is fifty (50) miles or greater road miles by the most direct route farther from their residence than was the old report location.
5. Any CWA-represented regular employee covered by a CWA Labor Agreement held by a participating company who becomes surplus and is offered a job, through the CSE process, in another participating company, will receive payment for Relocation Allowance per the applicable terms and conditions of the collective bargaining agreement at their former Company. Employees who accept a job offer in lieu of any severance payment and who are placed at and report to, the new location will receive payment for this Relocation Allowance when 1) the employee relocates his/her home residence; and 2) the employee's new place of reporting is fifty (50) miles or greater road miles by the most direct route farther from their residence than was the old report location.
6. When a bargained-for employee moves to another bargaining unit of the Company covered by this Memorandum of Agreement treatment of vacation time, the Designated Holiday (DH), Floating Holidays (FHs), and Excused Work Days (EWDs) or their equivalent (covered time) will be treated as follows:
  - A covered employee will be eligible for covered time for the current vacation year at the new entity based on the existing labor agreements at that entity. Any covered time already taken at the former entity will be deducted from equivalent covered time for which the employee is eligible at the new entity; the remaining covered time will be scheduled at the new entity subject to needs of the business.
  - Covered time carried over from the prior vacation year must be disposed of, i.e., paid in lieu of or taken at the former entity.
  - In no case will an employee's movement from one entity to another result in the double payment for covered time.

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

**Order of Consideration:**

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

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

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

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



**CURRENT PARTICIPATING COMPANIES  
COVERED BY INTERSUBSIDIARY MOVEMENT**

AT&T Billing Southeast, LLC  
AT&T Corp.  
AT&T Customer Services, Inc.  
AT&T Mobility Services, LLC  
AT&T Mobility Puerto Rico Inc.  
AT&T Services, Inc.  
AT&T of the Virgin Islands, Inc.  
BellSouth Telecommunications, LLC  
DIRECTV, LLC  
Illinois Bell Telephone Company  
Indiana Bell Telephone Company, Incorporated  
Michigan Bell Telephone Company  
Nevada Bell Telephone Company  
The Ohio Bell Telephone Company  
Pacific Bell Telephone Company  
SBC Global Services, Inc. (Midwest, West Region)  
Southwestern Bell Telephone Company  
Teleport Communications America, LLC  
Wisconsin Bell Inc.

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

AT&T Billing Southeast, LLC  
AT&T Corp.  
AT&T Customer Services, Inc.  
AT&T Mobility Services, LLC  
AT&T Mobility Puerto Rico Inc.  
AT&T Services, Inc.  
AT&T of the Virgin Islands, Inc.  
BellSouth Telecommunications, LLC  
DIRECTV, LLC  
Illinois Bell Telephone Company  
Indiana Bell Telephone Company, Incorporated  
Michigan Bell Telephone Company  
Nevada Bell Telephone Company  
The Ohio Bell Telephone Company  
Pacific Bell Telephone Company  
SBC Global Services, Inc. (Midwest, West Region)  
Southwestern Bell Telephone Company  
Teleport Communications America, LLC  
Wisconsin Bell Inc.

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## SUCCESS SHARING PLAN (SSP)

The Company and the Communications Workers of America (Union) agree to the following concerning the Success Sharing Plan (SSP) for all titles:

Eligible employees may receive annual lump sum cash payments based on AT&T stock price appreciation and AT&T dividend rate.

### Plan Components

#### 1. Success Units

Employees will be awarded 150 success units at the beginning of each award year (October 1, 2019, October 1, 2020, October 1, 2021 and October 3, 2022). Those success units will only be valid for that award year and will not carryover to the next award year. A success unit is only used as a multiplier in the payout calculation and is not a share of stock nor does it have any other value.

#### 2. Determining Award Value

Award Year	Beginning Award Value	Ending Award Value
2020 (October 1, 2019 to September 30, 2020)	October 1, 2019 closing AT&T stock price	September 30, 2020 closing AT&T stock price
2021 (October 1, 2020 to September 30, 2021)	October 1, 2020 closing AT&T stock price	September 30, 2021 closing AT&T stock price
2022 (October 1, 2021 to September 30, 2022)	October 1, 2021 closing AT&T stock price	September 30, 2022 closing AT&T stock price
2023 (October 3, 2022 to September 29, 2023)	October 3, 2022 closing AT&T stock price	September 29, 2023 closing AT&T stock price

The stock price used in establishing the award value will be the closing AT&T stock price on the New York Stock Exchange. The award value will be adjusted proportionally to reflect any stock split.

#### 3. Determining Dividend Rate Value

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

#### 4. Payout

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

#### **Stock Appreciation Value:**

Beginning award value – October 1, 2019 closing AT&T stock price \$30.00  
Ending award value – September 30, 2020 closing AT&T stock price \$35.00  
Payout –  $\$35 - \$30 = \$5 \times 150$  success units = \$750.00

**Dividend Rate Value:**

December 2019 dividend	\$ .51
March 2020 dividend	\$ .51
June 2020 dividend	\$ .51
September 2020 dividend	\$ .51
Total Dividend	\$2.04
Payout - $\$2.04 \times 150$ success units	= \$306.00

**Total Payout**

\$750.00 stock appreciation value + \$306.00 dividend rate value = \$1,056.00

Payment of the award will be made as soon as practicable after the award year and will normally occur the payday of the last full pay period in November. An overtime true-up will be paid in accordance with applicable Federal and/or State laws.

**Eligibility**

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

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

**Part-Time Employees**

Eligible part-time employees will receive prorated payments based on actual hours worked during the prior calendar quarter on the ending date of the award year.

**Benefits Treatment**

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

- Medical
- Life Insurance
- Pension
- Savings Plan

**Taxes, Personal Allotments**

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

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

**Dispute Resolution**

The Company determinations 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.