

MEMORANDUM OF AGREEMENT

Section 1 - Agreement

1 This Memorandum of Agreement (hereinafter called "Memorandum" or "MOA") is made and entered into as of February 16, 2017, by and between DIRECTTV LLC (hereinafter referred to collectively in this MOA as the "Company"), and the COMMUNICATIONS WORKERS OF AMERICA (hereinafter referred to in this MOA as the "Union"). The Company and the Union (hereinafter referred to collectively in this MOA as the "Parties") agree as follows:

2 Applicable job titles and states:

Job Title	State
Administrative Support Assistant	MD
Office Coordinator	MD, NM, OR
Premise Technician	DE, MD, NM, OR
Warehouse Assistant	MD, NM, OR

3 This Memorandum contains the entire agreement between the Company and the Union with respect to all job titles/locations referenced in Section 1.2 herein, who are not represented by another Union and are not in another CWA bargaining unit, except that Articles 1 (Recognition), 2 (Collective Bargaining), 5 (Union Representation), 7 and Exhibit 1 (Agency Shop and Collection of Dues; Payroll Deduction Authorization), 8 (Non-Discrimination), 9 (Grievance Procedure), 10 (Arbitration), 17 (New Job Titles and Job Classifications), and the following Other Agreements contained in the 2015 AT&T Corp. bargaining Agreement between the Company and the Union (the "Contract"): CVS Caremark, Neutrality and Card Check, Memorandum of Agreement Excise Tax, National Transfer Plan (NTP) and Duration are incorporated as part of this MOA. Unless expressly incorporated in this section no provisions, agreements or terms and conditions not contained herein shall apply to job titles/locations covered by this Memorandum.

4 Where conflicts may exist or arise between provisions of this Memorandum and those of the above-referenced provisions of the Contract, the provisions of this Memorandum will prevail.

Section 2 - Classification of Employees

1 Regular Employee

One whose employment is expected to be indefinite. A regular employee may be either full-time or part-time.

2 Regular Limited Term Employee

One hired for a specific project or a limited period with the definite understanding that their employment will terminate or be converted to Regular Employee status upon the completion of the project or at the end of the period, and whose employment is expected to continue for more than one (1) year but, unless mutually agreed to by the Company and the Union, not longer than thirty-six (36) months as a Regular Limited Term employee. Regular Limited Term employees shall be excluded from the provisions in Section 8 – Force Adjustment of this Memorandum. If a Regular Limited Term employee covered by this MOA attains thirty-six (36) months of service, the employee shall either be work completed or converted to a Regular Employee at the Company's discretion. If the employee is converted to Regular Employee, the employee will continue to be covered by the terms, conditions and benefits provided by this MOA.

3 Temporary Employee

One hired for a specific project or a limited period with the definite understanding that their employment will terminate upon the completion of the project or at the end of the period, and whose employment is expected to continue for not more than twelve (12) months. Temporary employees shall be excluded from the provisions in Section 8 – Force Adjustment of this Memorandum.

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For the purposes of this Memorandum, all employees hired after the effective date of this Memorandum, unless otherwise specified by management, will be probationary. Employees will remain probationary for twelve (12) months.

Section 3 - Seniority

- 1** Seniority as used in this Memorandum shall mean Net Credited Service (NCS) (also known as Term of Employment (TOE)) with the Company as determined by the Pension Plan Administrator.

- 2** Where two or more employees have the same net credited service, the employee with the lowest last four digits of social security number shall be considered to be the most senior. In case there should be two or more employees with the same last four digits of the social security number, the lowest middle two digits will determine seniority. Should two or more employees have identical numbers to this point, the employee with the lowest nine digit social security number shall be considered as having the greater seniority.

Section 4 - Company-Union Relations

- 1 The Company and the Union recognize that it is in the best interest of both parties, the employees, the customers of the Company and the public 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 Memorandum fairly in accord with its intent and meaning and consistent with the Union's status as the exclusive bargaining representative of all employees covered by this Memorandum.
- 2 The Union agrees to furnish the Company with a list of the names of authorized Union representatives and their Union titles and provide updates to the list as changes are made.
- 3 Local agreements, other than those that are specifically provided for in this MOA, that violate the provisions of this MOA will be null and void immediately upon the effective date of this MOA. Other local agreements will continue to be in effect unless and until either party gives forty-five (45) days written notice of their termination. During the forty-five (45) day period, either party may initiate negotiations pursuant to Article 2 (Collective Bargaining) of the Contract. If no agreement is reached during that forty-five (45) day period, the local agreement will no longer be effective and binding upon either the Company or the Union.
- 4 **Unpaid Union Time**
Union representatives shall be excused from their work assignments without pay to perform Union activities subject to the following:
 - A. The Union recognizes that service requirements, as determined by the Company, must be taken into consideration in excusing Union representatives from work to perform Union activities.
 - B. Except for unusual circumstances, Union representatives shall give at least one (1) week notice, if possible, prior to the requested time off for Union activities.
 - C. Time off for Union activities will be limited to three hundred (300) hours per Union representative, per calendar year. Time off to engage in formal negotiations for collective bargaining agreements, including the current round of negotiations, shall not be included in determining the amount of time off for the purpose of this section. However, those identified by the Union may be granted additional time upon approval at the Company bargaining level.
 - D. Time off for Union activities shall not be deducted from the employee's seniority.
- 5 **Paid Union Time**
If attendance at any meeting or the performance of any Union activity is at the Company's request, the time involved shall be excused with pay at the straight time rate, subject to the following provisions:
 - A. Pay shall be allowed only if the employee has been excused from duty in advance by the employee's supervisor to attend the meeting or perform the Union activity.

- B. The meeting pertains to matters relating to employees of the Company represented by the Communications Workers of America.
- C. Paid time for joint union-management business is limited to the actual meeting time as well as associated travel time during an employees scheduled tour, and will be paid at the straight time rate, not to exceed eight (8) hours of pay.
- D. Under no circumstance, will an overtime rate be paid to employees as a result of attending a meeting with management or performing Union activities under this Section.

6 Union Activities On The Company's Premises

- A. Authorized representatives of the Union may be granted access to the Company's premises where employees covered by this MOA are located upon application to the appropriate Company representative, subject to the Company's practices and the requirements of Government regulations.
- B. The Union, or employees acting as its officers or agents, may conduct Union activities and distribute Union literature, on Company premises with notification to the appropriate Company Representative. Activities shall only be permitted on Company premises when both the employees performing the activity and the employees to whom the activity is directed are on non-work time (such as lunch periods, rest periods and before or after an employee's work time). Distribution of Union literature may take place only in areas where work is not performed and on the employee's non-work time. Union literature shall not contain anything controversial or anything derogatory to the Company or any of its employees. Should the Union distribute any Union literature that, in the judgment of the Company, is at variance with the spirit and intent of this Section, such literature shall be immediately collected by the Union upon notification by the Company.
- C. Union activities involving the solicitation of members on the Company's premises shall be carried on only in accordance with the following:
 - 1. Solicitation of employees shall only be made during periods when neither the Union representatives nor the employees being solicited are on Company time, excluding paid rest periods and lunch periods.
 - 2. Such solicitation shall not be carried on in space where the Company's operations or administrative work is being performed.
 - 3. Such solicitation shall be limited to small groups of employees (not to exceed four (4)), unless authorization for a larger group is obtained in advance from the appropriate Company representative.
 - 4. Such solicitation shall not interfere with the operations of the Company or the use of the space for the purposes for which the space was intended.

7 Union Orientation for New Employees

The Company and the Union agree that the Union will have the opportunity to meet with newly hired employees as part of the overall orientation process for the purpose of furnishing them with information about the Union. The Union's segment of this process will be limited to a maximum of thirty (30) minutes. Time spent during the basic scheduled work period for each employee will be paid as time worked.

In addition, the Company also agrees to introduce employees transferring into a different work group to the local union representative assigned to that area.

8 Bulletin Boards

- A. Upon written request from the Union, the Company agrees to install or move bulletin boards for the exclusive use of the Union. The number and location of the bulletin boards shall be determined jointly by the Company and the Union, with due regard to visibility and accessibility to employees.
- B. Unless agreed upon in advance by the Company, the Union agrees not to post Union material any place on the Company's premises other than on Union bulletin boards. Material posted on bulletin boards shall not contain anything controversial or anything derogatory to the Company or any of its employees. The Union assumes responsibility for compliance with the provisions contained herein. Should the Union post material that, in the judgment of the Company, is at variance with the spirit and intent of this section, such material shall be immediately removed by the Union upon notification by the Company.

9 No Strike/No Lockout

- A. During the life of this MOA, the Union agrees that it will not call, encourage or condone any strike, slow down or work stoppage against the Company.
- B. The Company agrees that there will be no lockout of employees covered by this MOA during the duration of this MOA.
- C. The Company and the Union agree that in the event of any work stoppage or delay and/or failure to reach a new collective bargaining agreement for employees covered by this MOA the Union will not promote, support, encourage, or request a work stoppage in any other bargaining unit with employees of an AT&T company or in any way impact the other collective bargaining agreements and/or relationships between the Union and any other AT&T company.

The Company and the Union further agree that any work stoppage or delay and/or failure to reach a new collective bargaining agreement for any other AT&T bargaining unit will not result in a work stoppage between the Union and the Company for employees covered by this MOA or in any way impact the collective bargaining agreement and/or relationship between the Union and the Company.

- D. In the event of a work stoppage in any other AT&T bargaining unit that is an occupant in the same building as employees covered by this MOA, the Company and the Union agree that a separate entrance will be established for the exclusive use of the employees in this MOA.

10 Management Rights

Except as specifically limited by provisions of this MOA, the Company reserves and retains, solely and exclusively, and without recourse to negotiations, all rights, powers, and authority, to operate its business, which include the right to establish, modify and enforce personnel policies, work rules, and regulations and standards for employee performance, including attendance policies, safety policies and disciplinary policies; as well as the right to make and enter into decisions to do any of the foregoing provided, however, that these rights shall not be exercised in violation of any of the other terms and provisions of this MOA.

11 Distribution

The Company agrees to have this MOA available electronically on the Company's intranet system within a reasonable time frame following its ratification and execution.

Section 5 – Time Off

- 1 Six (6) paid holidays shall be observed as follows:

New Year's Day
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Christmas Day

Holidays that fall on a Sunday will be observed on the following Monday. When a holiday falls on a Saturday, and an employee is not scheduled to work, employees will be given another day off in a subsequent week or a preceding week as determined by the Company.

Employees who work on a holiday will be paid eight (8) hours at their basic rate for the holiday and one and one half (1 1/2) times for all hours worked on the holiday.

2 **Holidays During A Vacation Week**

When a holiday falls during a week in which an employee is on vacation, the day will be treated as a holiday, not as a day of vacation.

3 **Vacation Year**

The vacation year is defined as a period of time beginning December 31st and ending on December 30th of the following year. Employees must be active on the payroll (not on a leave of absence or on disability) and must physically report to work for at least one (1) day in the vacation year to be eligible for Personal Days off and to be eligible to accrue vacation.

However, an employee may take vacation which (s)he will otherwise accrue in a vacation year without performing any work for the Company in that year provided they are not on a leave of absence or disability and such vacation is contiguous to and continues with their vacation for the preceding year; or such vacation begins during the first seven (7) days of the vacation year.

4 **Vacation Eligibility**

Employees shall be eligible to accrue annual vacation, based on their Net Credited Service (NCS)/Term of Employment (TOE) with the Company, as follows:

- A. One (1) week of vacation upon completion of six (6) months of service.
- B. Two (2) weeks of vacation upon completion of twelve (12) months of service. This provision cannot be combined with the above to result in more than two (2) weeks of vacation entitlement in the same vacation year.
- C. Three (3) weeks of vacation to any employee who could complete seven (7) years of service or more but less than fifteen (15) years of service within the vacation year.

- D. Four (4) weeks of vacation to any employee who could complete fifteen (15) years of service or more but less than twenty-five (25) years of service within the vacation year.
- E. Five (5) weeks of vacation to any employee who could complete twenty-five (25) years of service or more within the vacation year.

NOTE: After employees reach their initial six (6) months of net credited service, vacation days are accrued proportionately during the calendar year.

5 Vacation Selection

Employees may select their vacation in full weeks and on a day-at-a-time basis during the vacation selection process. Vacations shall be selected in a work group as determined by the Company, based on seniority. The Company shall determine periods available for selection and the number of employees allowed off on vacation.

6 Personal Days Off

Employees are allowed flexibility through the use of Personal Days Off to be off work with pay, subject to approval by management.

Each employee who has completed six (6) months of service will be eligible for eight (8) paid Personal Days Off each vacation year.

The Company may, at its discretion, place employees on Personal Days Off and require them to take Personal Days Off at a specified time. The number of Personal Days Off that management may place employees on, is limited to not more than two (2) in each vacation year. Should the need to place employees on a Personal Day Off occur, the Company will provide thirty (30) days' notice to the affected employee.

7 Selection Of Personal Days Off

All Personal Days Off shall be selected based on seniority within a workgroup as determined by the Company. The Company shall determine periods available for selection and the number of employees allowed off on Personal Days Off.

8 Jury Duty

Employees must give their supervisor advance notice when they are requested to appear for jury duty. Time off to comply with a summons for obligatory jury duty will be paid subject to court verification. The Company will grant unpaid time off for other court ordered processes. Employees are expected to notify their supervisors as soon as possible of the need for time off to comply with any court order.

9 Death In An Employee's Immediate Family/Household

Employees may elect up to three (3) paid days of excused time off due to a death in the employee's immediate family. Immediate family includes the employee's parents, stepparents, adoptive parents, children, stepchildren, adoptive children, brothers, stepbrothers, sisters, stepsisters, husband or wife (including Legally Recognized Partner), grandparents, grandchildren, mother-in-law or, father-in-law. If more time off is needed, an employee may request vacation time or unpaid time off, all of which is dependent on the needs of the business. In all cases, supervisory approval is required.

10 Personal Illness

Employees having one (1) or more years of NCS shall be paid at the basic wage rate for absences due to personal illness on scheduled workdays, up to five (5) paid days not to exceed forty (40) hours per calendar year. Employees must notify their supervisor before their scheduled start time that they will be absent from work.

11 Excused Time Required by Law

In the event any Federal, State, Municipal or Local law or regulation requires excused time off (paid or unpaid), the provision or provisions so affected shall be made to comply with the requirements of any such law or regulation. Otherwise, all other provisions in the MOA shall remain in full force and effect.

Section 6 - Working Conditions

1 Job Duties

Titles set forth in Section 1 – Agreement may be required to perform any and all work associated with offered products and services.

2 Work Apparel

The Company may, at its discretion, implement appearance standards and/or a dress code consistent with State and Federal laws. The Company may change the standards and code at its discretion.

For the employees in this MOA, participation in the AT&T Branded Apparel Program (BAP or Program) is mandatory.

The Company can modify or discontinue this Program or the appearance standards and/or dress code at its discretion. If the BAP is discontinued for the employees listed in this MOA, the Company will give those employees a minimum notice of thirty (30) days prior to such discontinuance.

3 Work Schedules

The Company will determine and post the work schedules. Employee's scheduled work hours may start at any time of the day, on any day of the week and may be spread over any number of the seven (7) days of the week. Work schedules will be posted for a minimum period of one (1) week and are subject to change, with forty-eight (48) hours' notice to the employee. However, work schedules will not be posted for employees who normally work the same hours Monday through Friday. If an employee is notified less than twelve (12) hours before the originally scheduled start time of a change in work hours, the affected employee will receive two (2) hours of pay at the straight time rate.

4 Split Work Days

The Company may schedule employees to work a split workday. A split workday is a divided workday, with hours off in between.

5 Cancellation Of Hours

If an employee begins the scheduled workday, management cannot cancel the employee' hours for the remainder of that workday.

6 Overtime

Employees may be required to work up to seventeen (17) hours of mandatory overtime per week subject to the needs of the business, except that this limitation will not apply in cases of emergency. Overtime hours worked in excess of forty (40) hours worked in a calendar week will be paid at the rate of one and one-half (1 ½) times the basic hourly wage rate and in accordance with applicable Federal and/or State Laws.

For purposes of crediting time not worked towards an employee's eligibility for overtime payments, only the following absences during a scheduled tour shall be considered:

- Unpaid Union Time (Section 4.4)
- Paid Union Time (Section 4.5)
- Visit to Medical Facility or Company-Designated Physician at Company's Request

7 Relief Differential

Employees will be paid a differential of eight dollars (\$8.00) when in addition to their normal duties they relieve or assist a manager for their entire daily tour. Relief Differential assignments specifically exclude administering discipline to other employees.

8 Working In A Different Title

The assignment of a particular title to an employee does not mean that the employee shall perform only the kind of work coming under his/her title classification, or that certain kinds of work shall be performed exclusively by certain classifications of employees in this MOA.

9 Home Garaging

The Company may, at its discretion, implement a mandatory Home Garaging Program. The Company may change the program at its discretion. Once implemented, the Company can cancel the program with thirty (30) days' notice.

10 Travel and Temporary Work Locations

- A. The Company will either furnish all means of transportation or specify what transportation shall be used for travel on Company business.
- B. Employees who are authorized and agree to use their personal vehicles for Company business will be reimbursed at the then current IRS reimbursement rate for mileage.
- C. Employees may be assigned to work at a temporary work location. When employees are assigned to work at a temporary work location, the employee will be reimbursed for travel time and transportation expenses to and from the temporary work location in excess of that required for the employee's normal commute.
- D. Transportation expenses include, but are not limited to, mileage, bridge toll, parking, airfare, and bus fare.

11 Contracting Out

It is the Company's objective to consider carefully the interests of both the customer and employee along with all other considerations essential to the management of

the business in a highly competitive and dynamic environment. While the Company believes it is in its best interests to utilize its own employees, the Company does use contractors as it deems necessary in order to respond to a highly unpredictable marketplace. For various reasons where the needs of the business require the Company may subcontract bargaining unit work.

12 Overnight Trips

If the Company determines that overnight travel is required, the employee will be reimbursed for expenses, which are supported by receipts as follows:

- A. Transportation expenses as described in Section 6.10(D) above.
- B. Lodging, approved in advance by the Company.
- C. Meals, not to exceed thirty-five dollars (\$35.00) per day, unless management approves a higher amount in advance.

13 Monitoring/GPS

The Company, at its discretion, may monitor employees in this MOA in accordance with State and Federal laws.

The Company, at its discretion, may use GPS technology with those employees in this MOA in accordance with State and Federal laws.

14 Discipline

A. Warnings

A warned employee is one who receives a written warning that is to be recorded in their personnel file, which includes an indication of possible future consequences and may be considered as a basis for future disciplinary action.

B. Demotions

A demoted employee, for the purpose of this MOA, is one who has been moved for disciplinary reasons, from one job title to another job title having a lower maximum weekly rate.

C. Suspensions

A suspended employee is one who has been denied work for disciplinary reasons for any period.

D. Dismissals

A dismissed employee is one whose service is terminated for any reason other than transfer, resignation, lay-off (or work completed for temporary or term employees), voluntary retirement or death.

E. In the event the Company warns, demotes, suspends, or dismisses any employee, the Union may appeal such action pursuant to the provisions of Article 9 (Grievance Procedure) of the Contract.

F. A grievance appeal concerning a demotion, suspension, or dismissal of an employee who has twelve (12) months or more of net credited service may also be reviewed pursuant to the provisions of Article 10 (Arbitration) of the Contract.

Section 7 - Compensation

1 Wage Schedules

The minimum time interval between steps will be six (6) months.*

Premise Technician (Time in Title/Location: 36/12 months)	
Wage Area (Albany, OR; Albuquerque, NM; Bend, OR; Denton, MD; Dover, DE; Hanover, MD; Medford, OR; Portland, OR; Wyoming, DE) (Zone A)	
Step	Weekly Wage
1	\$512.00
2	\$544.00
3	\$577.50
4	\$613.50
5	\$651.50
6	\$692.00
7	\$735.00
8	\$781.00
9	\$829.50
10	\$881.00
11	\$935.50

Premise Technician (Time in Title/Location: 36/12 months)	
Wage Area (Alamogordo, NM; Clovis, NM; Portales, NM) (Zone B)	
Step	Weekly Wage
1	\$384.50
2	\$419.50
3	\$457.00
4	\$498.50
5	\$543.50
6	\$592.50
7	\$646.50
8	\$704.50
9	\$768.50
10	\$838.00
11	\$913.50

Administrative Support Assistant (Time in Title/Location: 36/12 months)	
Wage Area (Hanover, MD) (Zone A)	
Step	Weekly Wage
1	\$449.50
2	\$461.50
3	\$474.00
4	\$487.00
5	\$500.00
6	\$513.50
7	\$527.50
8	\$541.50
9	\$556.00
10	\$571.00
11	\$586.50

Office Coordinator (Time in Title/Location: 36/12 months)	
Wage Area (Albany, OR; Albuquerque, NM; Hanover, MD) (Zone A)	
Step	Weekly Wage
1	\$500.00
2	\$516.50
3	\$533.50
4	\$551.50
5	\$569.50
6	\$588.50
7	\$608.00
8	\$628.00
9	\$649.00
10	\$670.50
11	\$692.50

Warehouse Assistant (Time in Title/Location: 36/12 months)	
Wage Area (Albany, OR; Albuquerque, NM; Bend, OR; Denton, MD; Hanover, MD; Medford, OR) (Zone A)	
Step	Weekly Wage
1	\$490.50
2	\$507.50
3	\$525.50
4	\$544.00
5	\$563.00
6	\$583.00
7	\$603.50
8	\$624.50
9	\$646.50
10	\$669.00
11	\$692.50

Warehouse Assistant (Time in Title/Location: 36/12 months)	
Wage Area (Alamogordo, NM) (Zone B)	
Step	Weekly Wage
1	\$420.00
2	\$439.00
3	\$459.00
4	\$479.50
5	\$501.50
6	\$524.00
7	\$548.00
8	\$572.50
9	\$598.50
10	\$625.50
11	\$654.00

***Note: No wage increase shall become effective during a period of disability which is continuous for eight (8) days or more.**

Employees will be paid on a bi-weekly basis. Payment of wages for each two-week period will be made no later than the Friday following the end of the pay-period.

2 General Wage Schedule Increases

The increase in the wage schedules set forth below shall be computed on an exponential basis.

- Effective April 9, 2017, wage schedules shall be increased by 3% on the Maximum Rates and by 0% on the Minimum Rates in effect on April 8, 2017.

3 Wage Credit/Changes

Start Rate

Management maintains the right to hire new employees at any step of the wage schedule.

4 Additional Cash Awards/Discretionary Lump Sum Payments

The Company may provide employees with additional cash awards or discretionary lump sum payments. The selection of employees and the amounts of the cash awards and lump sum payments will be made at the discretion of management.

5 Sunday Premium Payments

Employees who work on a Sunday shall receive the rate of one and one-half (1 ½) times the employee's base wages, up to a maximum of eight (8) hours per day. Employees who are excused from work with pay during scheduled hours on Sunday shall be paid at straight time for the excused absence. Such hours worked at the premium rate shall be used in the calculation of the forty (40) hour overtime threshold.

Section 8 – Force Adjustment

1 Transfers

The Company may, at its discretion, hire employees off the street or from outside of the bargaining unit to fill vacancies in this MOA. However, if the Company determines that a vacancy is to be filled from within the Contract, it will post a notice of the vacancy in the AT&T Transfer System (ATS).

Regular full-time employees covered under this MOA who have met time in title/time in location, unless waived by the Company, who have satisfactory attendance and work performance will have the opportunity to be considered for transfers to available positions in the AT&T Transfer System (ATS) for which they are qualified.

When an employee transfers to a job title covered by this MOA having a higher maximum weekly rate, the employee will move to the nearest wage step on the new wage schedule in effect that does not result in a lower weekly rate than the employee had on the old wage schedule.

When an employee transfers to a job title covered by this MOA having a lower maximum weekly rate, the employee will move to the same wage schedule step on the new wage schedule that the employee was at on the old wage schedule.

2 Relocation of Work

When work is to be relocated, the Company may, if it deems appropriate, offer the affected employees the opportunity to follow their work to the new location. Employees who elect to follow their work to the new location will be considered as employee initiated transfers.

3 Force Adjustment

Whenever force conditions as determined by the Company are considered to warrant a surplus and the possible layoff of employees, the Company shall notify the Union in writing, prior to notifying the affected employees. Employees will be laid-off in a process to be determined by the Company based on the needs of the business and all business needs being equal, such adjustments shall be made by inverse seniority. The surplus employees designated for layoff will be notified a minimum of two (2) weeks prior to the layoff date, unless otherwise provided by law.

4 Layoff Allowance

Employees who are laid off will be paid a layoff allowance based on their seniority and their base weekly wage rate in effect at the time of the layoff, in accordance with the following:

LENGTH OF SERVICE	LAYOFF ALLOWANCE
0 - 12 Months	1 week of pay
13 - 24 Months	2 weeks of pay
25 - 47 Months	3 weeks of pay
48 Months or More	4 weeks of pay

5 Priority Rehire

Employees who are laid off with satisfactory attendance and work performance and who apply for re-employment to the same position from which they were laid off, will receive priority consideration for re-hire over new applicants for twelve (12) months from his/her layoff date.

Section 9 - Benefit Plans

The means for fulfilling the terms of this Article may be the Company's adoption of its own plan and associated plan document or participation in an equivalent plan having a plan document that includes, for bargained-for personnel, the benefits agreed to be provided pursuant to this Article 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, and neither the plans or programs nor their administration shall be subject to grievance or arbitration.

The Parties agree to the plans and programs described below. Copies of the Benefit Plan Documents, Summary Plan Descriptions ("SPDs") and Summary of Material Modifications ("SMMs") 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.

For purposes of this Article:

- Bargained employees shall be referred to collectively as "Employees";
- Employees employed by DIRECTV LLC as of December 31, 2016 shall be referred to collectively as "DTV Employees";
- The term "Eligible Retired Employees" means Employees who terminate employment with the Company during the term of this Agreement and who meet the applicable requirements to be eligible for post-retirement benefits under the terms of the medical program the Employee was eligible for as an active Employee as of the date of termination;
- DTV Employees with a Term of Employment (TOE) date (as of January 1, 2017) which is on or before August 17, 2012, shall be referred to as "2009 New Hires".
- DTV Employees with a TOE date (as of January 1, 2017) which is after August 17, 2012 but on or before June 26, 2015, shall be referred to as "2012 New Hires".
- DTV Employees with a TOE date (as of January 1, 2017) which is after June 26, 2015 or any Employee with a hire, rehire, or transfer date which is on or after January 1, 2017, shall be referred to as "2015 New Hires".

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

1. HEALTH AND WELFARE BENEFIT PLANS

Employees and Eligible Retired Employees will continue to be eligible to participate in AT&T's non-bargained-level health and welfare and disability benefit plans, programs, and policies as they may change from time to time for non-bargained employees at the sole discretion of the Company without further bargaining or consent from the union. Eligible Retired Employees are required to pay 100% of the cost of coverage for the benefits outlined above.

Effective June 1, 2017, Employees and Eligible Retired Employees shall be eligible for health and welfare benefit plans as defined in Article 19 of the 2015 AT&T Corp.

bargaining Agreement for 2009 New Hires, 2012 New Hires, or 2015 New Hires as defined above.

The deductible and out-of-pocket dollars accumulated during 2017 for participants in the AT&T Medical Program self-funded benefit option, prior to the mid-year plan change, will apply toward the deductible and out-of-pocket maximums for those participants that enroll under the self-insured option under the AT&T Corp. Medical Program, provided the employee and dependents remain in the Company self-funded program option and the employee continues to be a Unit Employee as of May 31, 2017. If an employee changes their coverage option during the mid-year election period from self-funded to HMO or vice versa, the deductibles and out-of-pocket dollars accumulated prior to the change in options will not apply to the new coverage.

Nothing in this Section 1. shall be construed to provide benefits for any period subsequent to the term of this MOA. Nor shall anything in this Section 1. be construed to provide benefits for any former employee other than an Eligible Retired Employee.

2. PENSION AND SAVINGS BENEFIT PLANS

DTV Employees shall be eligible to participate in the benefit plans on the same terms, conditions and provisions in effect as of the effective date of this MOA as provided to similarly situated DIRECTV non-bargained employees, as described in the applicable SPDs and SMMs, except as noted herein.

- AT&T Retirement Savings Plan
- DIRECTV Program of the AT&T Pension Benefit Plan

Effective June 1, 2017, DTV Employees' DIRECTV Program benefit will not be credited with additional compensation or service. However, Interest Credits, where applicable, will continue to apply.

Employees who are not DTV Employees will be eligible to participate in the benefits plans and programs as provided to non-bargained employees.

Effective June 1, 2017, Employees shall be eligible to participate in the following benefits plans as defined in Article 19 of the 2015 AT&T Corp. bargaining Agreement for 2009 New Hires, 2012 New Hires, and 2015 New Hires.

- AT&T Retirement Savings Plan
- Bargained Cash Balance Program #2 of the AT&T Pension Benefit Plan

3. BENEFITS RULES FOR MOVEMENT OF EMPLOYEES

- A. General Provisions – Any individual who moves from a job title not covered by this MOA to a job title covered by this MOA, where the circumstances of the move are not

specifically accounted for in one of the following paragraphs, will be treated as a 2015 New Hire.

- B. A “Transferred Appendix A Current Employee” means an individual who was a Current Employee under Article 19 of the 2015 AT&T Corp. bargaining Agreement or any of the 2009 Core CWA Collective Bargaining Agreements in the East, West, Midwest, Southwest, and Southeast regions (“Core CWA CBAs”), excluding employees in one of the following appendices under the 2009 Core CWA CBAs: East Region Appendix F, West Region Appendix E, Midwest Region Appendix F, Southeast Network Addendum-Uverse Field Operations, or Southwest Region Appendix J, and who was transferred or transfers during the term of this MOA to an Appendix A job.
- C. A “Transferred Appendix A 2009 New Hire” means an individual who:
 - i. Hired or rehired after August 8, 2009 and on or before August 17, 2012 in a job title under Article 19 of the 2015 AT&T Corp. bargaining Agreement or any of the 2009 Core CWA CBAs, excluding employees in one of the following appendices under the 2009 Core CWA CBAs: East Region Appendix F, West Region Appendix E, Midwest Region Appendix F, Southeast Network Addendum-Uverse Field Operations, or Southwest Region Appendix J, who was transferred or transfers during the term of this MOA to an Appendix A job.
 - ii. Hired or rehired on or before August 17, 2012 in a job title under any of the 2009 Core CWA CBAs in one of the following appendices under the 2009 Core CWA CBAs: East Region Appendix F, West Region Appendix E, Midwest Region Appendix F, Southeast Network Addendum-Uverse Field Operations, or Southwest Region Appendix J, and who was transferred or transfers during the term of this MOA to an Appendix A job.
- D. A “Transferred Appendix A 2012 New Hire” means an individual who hired or rehired after August 17, 2012 and on or before June 26, 2015 in a job title under Article 19 of the 2015 AT&T Corp. bargaining Agreement or any of the 2012 Core CWA CBAs who was transferred or transfers during the term of this MOA to an Appendix A job.
- E. The following employee groups will be eligible to participate in the same plans, policies and provisions on the same terms and conditions as will be provided under Article 19 of the 2015 AT&T Corp. bargaining Agreement as specified below.

Employee Group	Benefit Treatment Of Initial Move	Benefit Treatment Of Subsequent Moves to Any Other Job Title Covered Under the Article 19 of the 2015 AT&T Corp. bargaining Agreement
Transferred Appendix A Current Employee	Current Employees 2009 New Hires (Pension /Savings)	Current Employees
Transferred Appendix A 2009 New Hire	2009 New Hires	2009 New Hires
Transferred Appendix A 2012 New Hire	2012 New Hires	2012 New Hires

Section 10 - Parties Demands

- 1** Since this MOA expresses the understanding of the parties in respect to all matters deemed by them to be applicable to the Memorandum, for the term of this MOA, the Company and the Union each voluntarily and unqualifiedly waive the right, and each agrees that the other shall not be obligated, to bargain collectively with respect to any subject or matter referred to or covered by this MOA, or with respect to any subject or matters not specifically referred to or covered by this MOA, even though such subjects or matters may not have been within the knowledge or contemplation of either or both of the parties at the time they negotiated or signed this MOA.

- 2** CWA further 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 Memorandum. Further, CWA will not, on the basis of this Memorandum or on the basis of any change in operations or practices as a result of this Memorandum, 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 any 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 CWA are a single bargaining unit, or are or should be otherwise altered in their scope or composition. This commitment on the part of CWA 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.

Section 11 – Conclusion

IN WITNESS WHEREOF, the Parties have caused this Memorandum to be signed this 16th day of February, 2017.

AGREED:

FOR THE UNION:

FOR THE COMPANY:

/s/Martha Flagge
CWA Representative

/s/John Andrasik
Director, Labor Relations

Date: 2/16/17

Date: 2/16/17

MEMORANDUM OF AGREEMENT - SUCCESS SHARING PLAN (SSP)

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

A. Plan Components

1. Success Units

Employees will be awarded 150 success units at the beginning of the award year (October 2, 2017). Those success units will only be valid for that award year and will not carryover to the next award year. A success unit is only used as a multiplier in the payout calculation and is not a share of stock nor has any other value.

2. Determining Award Value

Award Year	Beginning Award Value	Ending Award Value
2018 (October 2, 2017 to September 28, 2018)	October 2, 2017 closing AT&T stock price	September 28, 2018 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

For Award Year 2018, the Award will include a 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

For Award Year 2018

Employees will receive a total award 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 2, 2017 closing AT&T stock price \$33.00

Ending award value – September 28, 2018 closing AT&T stock price \$38.00

Payout – $\$38 - \$33 = \$5 \times 150 \text{ success units} = \750.00

Dividend Rate Value:

December 2017 declared dividend \$.47
March 2018 declared dividend \$.47
June 2018 declared dividend \$.47
September 2018 declared dividend \$.47

Total Declared Dividend \$1.88

Dividend Rate Value - \$1.88 x 150 success units = \$282.00

Total Award

\$750.00 stock appreciation value + \$282.00 dividend rate value = \$1,032.00

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

B. Eligibility

Employees eligible for payments as described above are those regular, temporary and term employees who are on the payroll on both the beginning and ending dates of the Award Year and who works 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 active duty on or before December 31 of the year in which the payment is made.

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

C. Part-Time Employees

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

D. Benefits Treatment

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

- Medical
- Life Insurance
- Pension
- Savings Plan

E. Taxes, Personal Allotments

Payments are subject to state and local taxes, Federal Income Tax, Social Security Tax, Medicare Tax, and any state disability deductions at the time of payment. Union dues will be

deducted at the same rate as they are deducted for wages. Employees with 401(k) pre-tax elections will not have State or Federal Income Taxes deducted from that portion.

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

F. Dispute Resolution

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