

MEMORANDUM OF AGREEMENT

Transition of Newly-Represented DIRECTV LLC Employees

This Memorandum of Agreement ("MOA") is entered into as of September 27, 2016, between Southwestern Bell Telephone Company, SBC Advanced Solutions, Inc., AT&T DataComm, Inc., AT&T Operations, Inc., AT&T Services, Inc., SBC Telecom, Inc., and DIRECTV LLC (collectively "Company" or "Management") and the Communications Workers of America (hereinafter referred to in this MOA as "CWA" or the "Union"), and sets forth the terms and conditions agreed to by the Company and the Union (hereinafter referred to collectively in this MOA as the "Parties") regarding the transition of certain newly-represented Company employees into the 2013 CWA/AT&T Southwest Labor Agreements ("Agreements").

1. **Recognition.** Effective with ratification of this MOA, DIRECTV LLC ("DTV") shall be a participating employer in the Agreements. Per the Certification of Results issued on April 5, 2016 by the American Arbitration Association in Case No. 01-16-0001-1057 for the DTV/AT&T Southwest Technician, Warehouse, Administrative Support Unit, the Company recognizes the Union as the duly authorized bargaining agent for the titles listed below ("Unit Employees"):

Administrative Support Assistant
Installer
Installation Technician
Office Coordinator
Warehouse Assistant

2. **Term of Employment.** Effective January 1, 2017, Unit Employees' Term of Employment [(TOE), also known as Net Credited Service (NCS)] will be established based on the DIRECTV Workday Continuous Service date, and the TOE date will be subject to adjustments due to future employment events per the terms of the AT&T Pension Benefit Plan.
3. **Transfers to Job Titles.** Effective December 25, 2016 ("Effective Date"), Unit Employees referenced in paragraph 1 above shall be placed into Appendix J to the Agreements in the job titles of Administrative Support Assistant, Office Coordinator, Premises Technician and Warehouse Assistant as provided in Attachment 1 to this MOA.
 - A. The wage schedules for the titles in paragraph 3 above are listed in Attachment 2 to this MOA. The Parties agree that these titles are fully and finally established with no further steps required.
 - B. Until the Effective Date and except as provided specifically in this MOA, current terms and conditions of employment for Unit Employees will not change without discussion between the Company and the Union.

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- C. At the time of the Effective Date referenced above, the Agreements shall contain the entire agreement between the Parties with respect to all Unit Employees in titles referenced in paragraph 1 above, except that such Unit Employees: i) will maintain their current benefits until their benefits are replaced on January 1, 2017 and the benefits that will apply at that time are the benefits provided under this MOA rather than those provided in Appendix J; ii) shall not become eligible for any Appendix J paid or unpaid time off (e.g., vacation, holidays, personal days off, etc.) until January 1, 2017; and iii) will remain eligible for DTV Paid Time Off and holidays through December 31, 2016 subject to needs of the business. On the Effective Date, Unit Employees shall be subject to all policies that apply to employees covered by Appendix J to the Agreements. Such policies shall be implemented as soon as practicable after the Effective Date.
- D. Unit Employees shall be exempt from the test qualifications required for their new job title for purposes of their initial placement into such title.
- E. Unit employees who transition to the Premises Technician title may be sent to Pole Climbing training. Unit Employees who are unable to pass Pole Climbing training will be allowed to remain as Premises Technicians. Premises Technicians who are unable to pass Pole Climbing training that voluntarily transfer to another location or title that requires Pole Climbing will be required to pass Pole Climbing training to remain in the new position or location.
- F. Unit Employees' current DTV time-in-title and location will be credited toward their new Appendix J title.

4. Wages. The payment of wages to Unit Employees shall be made as follows:

- A. As soon as practicable after ratification of this MOA, Unit Employees will be placed into the wage schedule in Attachment 2 to this MOA that corresponds to their new title in Attachment 1 to this MOA.
- B. Unit Employees shall transition to the step of the corresponding wage schedule that is closest to but not less than the Unit Employee's then-current weekly wage rate. The date on which Unit Employees move to the wage schedules in Attachment 2 to this MOA in accordance with paragraph 4(A) above will be the start date for calculation of the wage progression interval.
- C. Those Unit Employees whose current wages are above the maximum weekly rate of the appropriate wage schedule in Attachment 2 to this MOA will have wages frozen at their current level until the corresponding wage schedule reaches their current rate of pay. Until such time, these employees will not be eligible for any wage increases. This paragraph will no longer apply to Unit Employees who initiate a transfer to another title or location.

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5. **Benefits.** Unit Employees covered by this MOA on January 1, 2017 shall be called "Original Unit Employees", unless they are subsequently terminated and rehired. Other employees covered by this MOA that are not Original Unit Employees shall be called "Other Unit Employees".

Effective January 1, 2017, Original Unit Employees and Other Unit Employees will be eligible for:

- AT&T's non-bargained-level health and welfare and disability benefit plans, programs, and policies as they may change from time to time.
- The following retirement benefits:
 - Pension
 - Original Unit Employees hired or rehired prior to January 1, 2016 will be eligible for the DIRECTV Pension Plan, which will become a component program under the AT&T Pension Benefit Plan, as similarly situated non-bargained employees.
 - Other Unit Employees, who were hired or rehired prior to January 1, 2016, will be eligible for the Bargained Cash Balance #2 Program of the AT&T Pension Benefit Plan.
 - Original Unit Employees and Other Unit Employees who were hired or rehired on or after January 1, 2016 will not be eligible to participate in any company sponsored pension plan as similarly situated non-bargained employees.
 - The AT&T Retirement Savings Plan as provided to similarly situated non-bargained employees.
- AT&T's non-bargained medical, dental, vision and life insurance programs for eligible former employees, subject to the terms of such programs, provided that nothing in this MOA shall be construed to provide benefits for any period subsequent to the term of this MOA or for any employee other than Unit Employees who terminate employment during the term of this MOA.

Effective June 1, 2017, Unit Employees will be eligible for the health and welfare, disability, savings, and pension benefit plans, programs, and policies as set forth in the Agreements. Employees will be eligible for benefits provided under the Agreements based on the employee's TOE date as of January 1, 2017 for Original Unit Employees and the hire, rehire or transfer date for Other Unit Employees as follows:

- If the TOE date is on or before August 8, 2009, these employees shall be referred to as "Current Employees", but treated like a "2009 New Hire".
- If the TOE date is after August 8, 2009 but on or before April 6, 2013, these employees shall be referred to as "2009 New Hires".
- If the TOE date is after April 6, 2013 but before January 1, 2017, these employees shall be referred to as "2013 New Hires".
- Any employee that is hired or rehired on or after January 1, 2017 shall be referred to as "2013 New Hires".
- Any employee that transfers into a Unit Employee job title on or after January 1, 2017 shall be treated as if they transferred into an Appendix J job title.

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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 bargained program, provided the employee and dependents remain in the Company self-funded benefits 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.

Original Unit Employees that transfer into a job title in the Agreements, or successor agreements, not covered by this MOA shall be treated as a "2009 New Hire" or "2013 New Hire" designation as defined above. Other Unit Employees that transfer into a job title in the Agreements not covered by this MOA shall be treated as if they transferred from an Appendix J job title.

The means for fulfilling the terms of this MOA 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 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 above. Copies of the plan documents, Summary Plan Descriptions (SPDs) and Summary of Material Modifications (SMMs) of these plans, policies and programs have been provided to the Union. If there is any difference between these SPDs and the ERISA plans or programs (including amendments thereto), the plan texts shall govern.

Benefit Rules for Movement

Any individual who moves after January 1, 2017 from a job title not covered by the Agreements, where the circumstances of the move are not specifically accounted for below will be treated as a 2013 New Hire.

DTV employees that are represented by the CWA, not covered by this MOA, that move pursuant to the National Transfer Plan ("NTP") to a job title covered by the Agreements will be defined as follows:

Move to:	TOE as of January 1, 2017 or subsequent rehire date is:	Treated as:
Any job title, except an Appendix J job title, covered by the Agreements	On or before April 6, 2013	Inter-Region Transferred 2009 New Hire Employee

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6. **Terms Effective Following Ratification.** Effective with ratification of this MOA but subject to the administrative limitations of Company systems, the following provisions of the Agreements will apply to Unit Employees:

A. Departmental Agreement

- Article I - Recognition
- Article II - Classification of Employees
- Article XII - Seniority
- Article XIX - Grievances
- Article XX - Union Representation
- Article XXIII - Notice of Promotion and Transfers of Union Officers, Elected Stewards, and Designated Representatives
- Article XXIV - Safety & Health
- Article XXVII -- Duration

B. Agreement of General Application

- Article I - Collective Bargaining Procedures
- Article II - Service Interruption
- Article IV - Arbitration
- Article VI - Leaves of Absence for Union Representatives on Union Business. Sections 1-3
- Article VIII - Responsible Union-Company Relationship
- Article IX - Nondiscrimination
- Article XIV - Duration

C. Appendix J:

- Supplemental Statement 2 - Basis of Compensation
- Supplemental Statement 10 - Relief Differential

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- Supplemental Statement 12 – Force Adjustment
 - Supplemental Statement 14 – Additional Payments
7. On the Effective Date, DTV will be a participating company in the NTP and Unit Employees will be eligible to participate in the NTP in agreements where DTV has been added as a participating company.
 8. Unit Employees moving into the Premises Technician title will be allowed to continue to participate in the DTV Home Garaging program until August 1, 2017.
 9. Accrued DTV Paid Time Off that has not been used by Unit Employees by December 31, 2016 will be paid out in cash in 2017.
 10. For the life of this MOA, staffing levels for the Administrative Support Assistant, Office Coordinator and Warehouse Assistant titles will not exceed the number of employees in each of the titles as of the date of ratification.
 11. The Union waives and releases any and all claims or potential claims against the Company relating to the recognition or transfer of Unit Employees into the Agreements.
 - A. The Union 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 as a result of this MOA. Further, the Union will not, on the basis of this MOA, on the basis of the negotiations that preceded this MOA, or on the basis of any change in operations or practices or assignments of work as a result of this MOA, in any pleading, petition, complaint, filing or proceeding before the National Labor Relations Board, an arbitrator or panel of arbitrators, or any court of competent jurisdiction, 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, other than by function of this MOA or the Agreements with respect to the employees covered by this MOA or the Agreements. This commitment, as well as the commitments made in the Logistics Agreement, on the part of CWA will survive the expiration of this MOA, unless and until such time as this commitment is terminated by the mutual written agreement of the Parties.
 - B. The Parties agree that this MOA sets forth the full and complete agreement between the Union and the Company regarding the transfer of Unit Employees into job titles in Appendix J to the Agreements as provided in Attachment 1 to this MOA. If there is any conflict between the provisions of this MOA and provisions in the Agreements, the MOA will prevail.

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12. Active regular full-time Unit Employees on the payroll as of the date of ratification and on the payout date will receive a single \$250 lump sum ratification bonus. Each Active regular part-time Unit Employee on the payroll as of the date of ratification and on the payout date will receive a prorated ratification bonus based on their part-time classification (or "part-time equivalent work week") on the ratification date. All ratification bonus payments will have appropriate deductions withheld. Such payments shall be made as soon as practicable following ratification.
13. This MOA is subject to ratification by the Unit Employees. For purposes of this MOA, the ratification date shall be the date that the Company receives written notification from an authorized representative of the Union that this MOA has been duly ratified by the Unit Employees. Said notification must be received prior to November 1, 2016. If such notification is not received prior to November 1, 2016, this MOA shall have no force or effect, and all proposals made by the Company up to that time are withdrawn.
14. This MOA shall expire on April 8, 2017 unless otherwise mutually agreed in writing by the Parties.

The Parties have caused this MOA to be executed by their respective representatives, duly authorized, as of the day and year first written below.

FOR THE UNION:

By: Claude Curran
Title: Vice President District 4
Date: 9/29/2016

FOR THE COMPANY:

By: Robert J. Zmover
Title: Executive Director Labor Relations
Date: September 29, 2016

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Attachment 1

CURRENT DTV TITLE	NEW APPENDIX J TITLE
Administrative Support Assistant	Administrative Support Assistant
Installer	Premises Technician
Installation Technician	Premises Technician
Office Coordinator	Office Coordinator
Warehouse Assistant	Warehouse Assistant

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**PREMISES
TECHNICIAN**

Minimum
After 6 Months
" 12 "
" 18 "
" 24 "
" 30 "
" 36 "
" 42 "
" 48 "
" 54 "
" 60 "

\$ 514.00
\$ 546.00
\$ 580.00
\$ 616.00
\$ 654.00
\$ 694.50
\$ 738.00
\$ 783.50
\$ 832.50
\$ 884.00
\$ 939.00

**WAREHOUSE
ASSISTANT**

Minimum
After 6 Months
" 12 "
" 18 "
" 24 "
" 30 "
" 36 "
" 42 "
" 48 "
" 54 "
" 60 "

\$ 490.50
\$ 507.50
\$ 525.50
\$ 544.00
\$ 563.00
\$ 583.00
\$ 603.50
\$ 624.50
\$ 646.50
\$ 669.00
\$ 692.50

**ADMINISTRATIVE
SUPPORT
ASSISTANT**

Minimum
After 6 Months
" 12 "
" 18 "
" 24 "
" 30 "
" 36 "
" 42 "
" 48 "
" 54 "
" 60 "

\$ 449.50
\$ 461.50
\$ 474.00
\$ 487.00
\$ 500.00
\$ 513.50
\$ 527.50
\$ 541.50
\$ 556.00
\$ 571.00
\$ 586.50

**OFFICE
COORDINATOR**

Minimum
After 6 Months
" 12 "
" 18 "
" 24 "
" 30 "
" 36 "
" 42 "
" 48 "
" 54 "
" 60 "

\$ 500.00
\$ 516.50
\$ 533.50
\$ 551.50
\$ 569.50
\$ 588.50
\$ 608.00
\$ 628.00
\$ 649.00
\$ 670.50
\$ 692.50

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