

MEMORANDUM OF AGREEMENT

Transition of Newly-Represented DIRECTV Customer Services, Inc. Employees

This Memorandum of Agreement (“MOA”) is entered into as of December 19, 2016, between AT&T Mobility, LLC, AT&T Mobility Services LLC, DIRECTV Customer Services, Inc., (“DTV”) AT&T Services, Inc. (“AT&T Services”) (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 2014 Regional Labor Agreement (“Agreement”).

1. **Recognition.** Effective with ratification of this MOA, DTV and AT&T Services shall be a participating employer in the Agreements. Per the Certification of Results issued by the American Arbitration Association in the following case,

Call Center	Certification Date	Election No.
Huntsville, Alabama	March 14, 2016	01-16-0000-8747

the Company recognizes the Union as the duly authorized bargaining agent for the titles listed below (“Unit Employees”):

- CSR 1,
- CSR 2, and
- CSR 3.

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 February 5, 2017 (“Effective Date”), Unit Employees referenced in paragraph 1 above shall be placed into the Agreement in the job titles of Customer Service Representative I and Client Service Specialist as provided in Attachment 1 to this MOA.
 - A. The wage tables 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. Unit Employees will follow non-bargained policies, as they may change from time to time, until the Effective Date. Thereafter, Unit Employees shall be subject to all policies that apply to bargained-for employees working for AT&T Mobility Services LLC that perform similar work and such policies shall be implemented as soon after the Effective Date as administratively practical.

- C. At the time of the Effective Date referenced above, the Agreement 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 the Agreement; and ii) will remain eligible for DTV Paid Time Off and holidays through December 31, 2016 subject to needs of the business.
- 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' current DTV time-in-title and location will be credited toward their new Agreement title.

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

- A. At the time of the Effective Date, Unit Employees will be placed into the wage table 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 table that is closest to but not less than the Unit Employee's then-current weekly wage rate. The Effective Date 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 table in Attachment 2 to this MOA will have wages frozen at their current level until the corresponding wage table 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.

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 continue to be eligible for the DIRECTV Pension Plan, now a

- component program under the AT&T Pension Benefit Plan, as similarly situated DIRECTV non-bargained employees.
- Original Unit Employees who were hired or rehired on or after January 1, 2016 and Other Unit Employees will not be eligible to participate in any company sponsored pension plan.
 - The AT&T Retirement Savings Plan as provided to similarly situated DIRECTV 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 disability, savings and pension plans, programs and policies as set forth in the Agreement for "2015 New Hires". Original Unit Employees will be eligible for health and welfare benefit plans, programs and policies as set forth in the National Bargained Benefit Plan (NBBP) for "Current Employees". Other Unit Employees will be eligible for health and welfare benefit plans, programs and policies as set forth in the NBBP for "New Hires". Eligible Retired Employees are required to pay 100% of the cost of coverage.

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.

Unit Employees that transfer into a job title in the Agreement not covered by this MOA shall continue to be treated as defined above.

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.

6. On the Effective Date, Unit Employees will become eligible for any Agreement paid or unpaid time off (e.g., vacation, holidays, personal days off, etc.). Any Paid Time Off (PTO) used while a Unit Employee was Non-Bargained will be deducted from the Unit Employee's new Bargained vacation balance. If the Bargained vacation balance is not enough to cover PTO time taken, left over hours will be deducted from any EWP balance available.
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. 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.
9. The Union waives and releases any and all claims or potential claims against the Company relating to the acquisition of the Company by AT&T Inc., or the recognition or transfer of Unit Employees into the Agreement.
10. 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 the Agreement as provided in Attachment 1 to this MOA. If there is any conflict between the provisions of this MOA and provisions in the Agreement, the MOA will prevail.
11. The Company reserves the right to substitute another corporate entity into the Agreement to replace DTV and/or AT&T Services without further bargaining provided the substitution is accomplished prior to September 3, 2017.
12. 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 December 30, 2016. If such notification is not received prior to December 30, 2016, this MOA shall have no force or effect, and all proposals made by the Company up to that time are withdrawn.
13. Active regular full-time Unit Employees on the payroll as of the date of ratification and on the payout date will receive a single \$500 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.
14. No later than 60 calendar days following ratification of this MOA, the Union may commence the grievance process as outlined in Article 7 of the Agreement at the last step of the process on behalf of any Unit Employee whose name is listed on Attachment 3. Failure to submit a grievance as described above and within 60 calendar days following ratification shall be construed to be a waiver by the employee and the Union of the grievance. The Parties

acknowledge that following full completion of the last step grievance procedure, the Union may request arbitration in accordance with the provisions of Article 9 of the Agreement.

15. The Parties hereby acknowledge Unit Employees are being placed into the Agreement pursuant and subject to the terms of the November 17, 2016 letter agreement between Richard Honeycutt and Neil Keith, the terms of which survive the expiration of this MOA.
16. This MOA shall expire on February 9, 2018 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:

FOR THE COMPANY:

Billy ODell
Administrative Director
CWA District 3

Steve Frost
Executive Director
AT&T Labor Relations

Date: _____

Date: _____

December 19, 2016

Attachment 1

CURRENT DTV TITLE	NEW TITLE UNDER AGREEMENT
CSR 1	Customer Service Representative I
CSR 2	Customer Service Representative I
CSR 3	Client Service Specialist

2014 MOBILITY BLACK LABOR AGREEMENT			
Client Service Specialist		Customer Service Rep I	
Step	Effective 2/7/16	Step	Effective 2/7/16
1	513.00	1	420.50
2	530.00	2	439.00
3	548.00	3	458.50
4	566.00	4	478.50
5	585.00	5	500.00
6	604.50	6	522.00
7	624.50	7	545.00
8	645.50	8	569.00
9	667.00	9	594.50
10	689.00	10	620.50
11	712.00	11	648.00
12	736.00	12	676.50
13	760.50	13	706.50