

Memorandum of Agreement Benefits

The means for fulfilling the terms of this Agreement may be the Companies' adoption of their own plans and associated plan documents or participation in equivalent plans having plan documents that includes, for bargained-for employees, the benefits agreed to be provided pursuant to this Agreement and substantially the terms, provisions and conditions under which such benefits are to be provided. The sole remedy for issues with respect to the validity or amount of any claim for benefits is the claim and appeal process as defined in the individual benefits plans and programs. The parties agree to the plans and programs described below. Copies of the plan documents, Summary Plan Descriptions (SPDs) and Summary of Material Modifications (SMMs) of these plans, policies and programs have been 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.

For purposes of this Agreement:

- Employees hired/rehired on or before August 8, 2009, excluding those in titles under Appendix D, shall be referred to as "Current Employees".
- Employees hired/rehired or transferred into the 2009 Collective Bargaining Agreement (CBA) (including transfers to a job title under Appendix E and transfers pursuant to the National Transfer Plan) after August 8, 2009 and on or before April 7, 2013, excluding those in titles under Appendix D, shall be referred to as "2009 New Hires". In addition, "2009 New Hires" shall also include individuals who were classified as Temporary or Term Employee as of August 8, 2009 and who were subsequently reclassified to Regular Employee status during the term of the 2009 CBA. In addition, "2009 New Hires" shall also include DIRECTV LLC ("DTV") employees whose Term of Employment (TOE) (as of January 1, 2017) is on or before April 7, 2013.
- Employees hired/rehired or transferred into the 2012 CBA (including transfers to a job title under Appendix E and transfers pursuant to the National Transfer Plan) after April 7, 2013 and on or before the date the 2016 CBA is ratified pursuant to the terms of such agreement ("Ratification Date"), excluding those in titles under Appendix D, shall be referred to as "2012 New Hires". In addition, "2012 New Hires" shall also include DTV employees whose TOE (as of January 1, 2017) or subsequent rehire or transfer date is after April 7, 2013 and on or before the Ratification Date.

- Employees hired/rehired or transferred into the 2016 CBA (including transfers to a job title under Appendix E and transfers pursuant to the National Transfer Plan) after the Ratification Date, excluding those in titles under Appendix D, shall be referred to as “2016 New Hires”.
- Current Employees who are laid off, excluding those in titles under Appendix D, who are recalled and whose service is immediately bridged will be treated as Current Employees. 2009 New Hires who are laid off, excluding Employees in titles under Appendix D, who are recalled and whose service is immediately bridged will be treated as 2009 New Hires. 2012 New Hires who are laid off, excluding Employees in titles under Appendix D, who are recalled and whose service is immediately bridged will be treated as 2012 New Hires. 2016 New Hires who are laid off, excluding Employees in titles under Appendix D, who are recalled and whose service is immediately bridged will be treated as 2016 New Hires.
- Current Employees, 2009 New Hires, 2012 New Hires and 2016 New Hires shall be referred to collectively as “Employees”.
- Employees who terminate employment during the term of this Agreement (beginning January 1, 2018 for DTV employees) and who meet the applicable requirements to be eligible for post-retirement benefits are referred to as “Eligible Retired Employees”.
- The term “Employees” for purposes of this Agreement is limited to those employee classifications specifically eligible for each benefit type as specified in the 2016 CBA.

Section 3 of this Agreement regarding 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 Section 3 take precedence over other provisions of this Agreement with respect to Employees addressed in Section 3.

1. HEALTH AND WELFARE BENEFIT PLANS

A. Effective January 1, 2018 unless noted otherwise, Current Employees, 2009 New Hires, 2012 New Hires and 2016 New Hires shall be eligible to participate in the benefit plans, programs and policies identified in the chart below by an x, with the plan terms, conditions and provisions which were in effect on April 9, 2016, as described in the applicable SPDs and SMMs, except as noted herein.

Plan/Program/Policy	Current Employees & 2009 New Hires	2012 New Hires	2016 New Hires
AT&T West Medical Program	x	x	x
AT&T Dental Program (Bargained Employees)	x	x	x
AT&T Vision Program (Bargained Employees)	x	x	x
AT&T CarePlus – A Supplemental Benefit	x	x	x

Program			
AT&T Group Life Insurance Program for Active Employees*	x	x	x
AT&T Consolidated Long – Term Care Insurance Plan (closed to new entrants 5/1/2012)	x		
AT&T Flexible Spending Account Plan	x	x	x
AT&T Health Reimbursement Account Program	x		
AT&T West Disability Benefits Program	x	x	
AT&T Disability Income Program**			x
AT&T West Bargained Employee Leave of Absence Policy	x	x	x
AT&T Commuter Benefit Policy	x	x	x
AT&T Adoption Reimbursement Policy	x	x	x
AT&T Employee Assistance Program	x	x	x
AT&T Voluntary Benefits Platform	x	x	x

* This program includes Supplemental Life Insurance and Dependent Life Insurance provisions.

** Effective on the day following Ratification Date.

- B. Employees, including newly eligible Employees and Eligible Retired Employees (as provided for in Paragraph 1.D) shall continue to participate in the same benefit plans, programs and policies on the same terms and conditions that apply on the date immediately prior to the date of ratification of this Agreement until the benefits identified in Paragraph 1.A above become effective, subject to changes to benefits resulting from the operation of existing plan provisions and amendments necessary due to changes in the law.
- C. The Companies may unilaterally modify or discontinue AT&T CarePlus - A Supplemental Benefit Program, AT&T Consolidated Long-Term Care Insurance and the AT&T Voluntary Benefits Platform without further discussions with the Union.
- D. Employees who terminate employment with the Companies during the term of this Agreement (beginning January 1, 2018 for DTV employees) and are eligible for post-retirement medical coverage under the terms of the medical program the Employee was eligible for as an active Employee as of the date of termination (an "Eligible Retired Employee") will be eligible, during the term of this Agreement, for coverage under the AT&T West Eligible Former Bargained Employee Medical Program, AT&T Eligible Former Employee CarePlus – A Supplemental Benefit Program, AT&T Regional Eligible Former Employee Dental Program (Program), AT&T Eligible Former Employee Group Life Insurance Program for Bargained Employees, AT&T Eligible Former Employee Vision Program, and AT&T Consolidated Long – Term Care Insurance Plan (current participants only), subject to changes to benefits resulting from the operation of existing plan provisions and amendments necessary to comply with changes in the law, and with

the exceptions identified in Exhibit 1. Nothing in this Paragraph 1.D shall be construed to provide benefits for any period subsequent to the term of this Agreement or for any employee other than those referenced above who terminate employment during the term of this Agreement.

- E. Exhibit 1 provides a summary of certain plan, program and/or policy terms, conditions and provisions, including any which are exceptions to terms, conditions and provisions described in the applicable SPDs and SMMs as well as any which differ among groups of employees eligible to participate in a particular plan, program or policy, such as the applicable deductible or copayment amount. If there are discrepancies between the specific information provided in Exhibit 1 and the plan documents, SPDs or SMMs, the information provided in Exhibit 1, as applicable will govern.

It is understood that certain benefits described in Exhibit 1 are subject to change to comply with implementation of the PPACA and associated regulations and agency guidance. The Companies will notify the Union of the changes the Companies make to conform the benefits under this Agreement with final regulations and guidance under PPACA and any amendment determined to be necessary due to changes in the law. Should any of these changes require bargaining, all other terms and provisions of the 2016 CBA will remain in effect through expiration.

- F. The Companies will continue to offer fully-insured coverage options, such as HMOs, at the Company's discretion. Exhibit 2 contains provisions applicable to the Kaiser HMO option available to Employees who reside in California under the AT&T West Medical Program.

2. PENSION AND SAVINGS BENEFIT PLANS

- A. Current Employees, 2009 New Hires, 2012 New Hires and 2016 New Hires shall be eligible to participate in the benefit plans, programs and policies, with the plan terms, conditions and provisions which were in effect on April 9, 2016, as described in the applicable SPDs and SMMs, except as noted herein.

- B. Current Employees

Except as provided below, Current Employees, but excluding those working in Appendix E (other than Surplus Appendix E Employees (Current Employee) as defined in Section 3), shall continue to participate in the following pension and savings benefit plans, programs, and policies on the same terms and conditions which were in effect on April 9, 2016.

- West Program of the AT&T Pension Benefit Plan (the "West Program")

i. Current Employees that continue to participate in the West Program will be eligible for the following pension band increase:

- 1.0% effective January 1, 2017
- 1.0% effective January 1, 2018
- 1.0% effective January 1, 2019
- 1.0% effective January 1, 2020

• AT&T Retirement Savings Plan (“ARSP”)

i. Effective January 1, 2018, Current Employees shall be eligible to participate in the ARSP. The Company will match employee contributions in the ARSP at a rate of 80% of Basic contributions in Company stock. In addition, these Employees will not be eligible to participate in the AT&T Savings and Security Plan and will have their prior AT&T Savings and Security Plan account balances transferred to the ARSP as soon as administratively feasible thereafter.

C. Current Employees working in Appendix E, 2009 New Hires, 2012 New Hires, and 2016 New Hires

Except as provided below, Current Employees working in Appendix E (other than Surplus Appendix E Employees (Current Employee) as defined in Section 3), 2009 New Hires, 2012 New Hires, and 2016 New Hires shall continue to participate in the following pension and savings benefit plans, programs, and policies on the same terms and conditions which were in effect on April 9, 2016.

- Bargained Cash Balance Program #2 of the AT&T Pension Benefit Plan (the “BCB2 Program”)
- AT&T Retirement Savings Plan

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

A. General Provision – Any individual who moves after the Ratification Date from a job title not covered by the 2016 West Core CWA CBA to a job title covered by the 2016 West Core CWA CBA, where the circumstances of the move are not specifically accounted for in one of the following paragraphs, will be treated as a 2016 New Hire under this Agreement. Any Employee who moves from an Appendix D job title, where the circumstances of the move are not specifically accounted for in one of the following paragraphs, to a non-Appendix D job title will be treated as a 2016 New Hire under this Agreement. Any “Moved Employee” (former employee in Appendix D) who subsequently moves to another job under this Agreement will be treated as a 2016 New Hire under this Agreement. Any Employee who moves into any of the 2016 CBAs after April 9, 2016

and prior to the Ratification Date will be governed by the movement provisions of the 2012 CBAs.

B. Definitions

- i. Surplus Appendix E Employee (Current Employee): A “Surplus Appendix E Employee (Current Employee)” means an individual who was a Current Employee under this Agreement and who was transferred or transfers to an Appendix E job title pursuant to the Force Adjustment Surplus Process from a job title under Appendix A of the 2009, 2012, or 2016 West Core CWA CBAs.
- ii. Surplus Appendix E Employee (2009 New Hire): A “Surplus Appendix E Employee (2009 New Hire)” means an individual who was a 2009 New Hire under this Agreement and who was transferred or transfers to an Appendix E job title pursuant to the Force Adjustment Surplus Process from a job title under Appendix A of the 2009, 2012 or 2016 West Core CWA CBAs.
- iii. Surplus Appendix E Employee (2012 New Hire): A “Surplus Appendix E Employee (2012 New Hire)” means an individual who was a 2012 New Hire under this Agreement and who was transferred or transfers to an Appendix E job title pursuant to the Force Adjustment Surplus Process from a job title under Appendix A of the 2012 or 2016 West Core CWA CBAs.
- iv. An “Inter-Region Transferred Converted Temp/Term Employee” means an individual who was classified as a temp or term employee as of August 8, 2009 in one of the 2009 Core CWA Collective Bargaining Agreements in the East, Midwest, Southwest, Southeast and Legacy T regions (“Core CWA CBAs”) who was subsequently reclassified to “regular employee” status during the term of such applicable 2009 Core CWA and then moved pursuant to the National Transfer Plan to any job title, except a job title under Appendix D covered by the 2016 West Core CWA CBA.
- v. A “Transferred Appendix E Current Employee” means an individual who was a Current Employee under this Agreement or employed as of August 8, 2009 in any of the 2009 Core CWA CBAs, excluding employees in one of the following appendices under the 2009 Core CWA CBAs: Midwest Region Appendix F or Southwest Region Appendix J, and who was transferred or transfers during the term of this Agreement, excluding transfers pursuant to the force adjustment surplus process, to an Appendix E job, and immediately preceding such movement was being treated as a “current employee” for benefit purposes.

- vi. An “Inter-Region Transferred Appendix Employee” means an individual who was employed as of August 8, 2009 in a job title in Appendix E under this Agreement or one of the following appendices under any of the 2009 Core CWA CBAs: Midwest Region Appendix F or Southwest Region Appendix J and while in such job title did not have economic protections as a result of a surplus and then moved pursuant to the National Transfer Plan to any job title, except a job title under Appendix D, covered by the 2016 West Core CWA CBA.

- vii. A “Transferred 2009 New Hire Employee” means an individual who was:
 - o hired or rehired after August 8, 2009 and on or before April 7, 2013 in a job title in one of the 2009/2012 Core CWA CBAs who moved pursuant to the National Transfer Plan into any job title, except a job title under Appendix D, covered by the 2016 West Core CWA CBA,

 - or

 - o hired or rehired after August 8, 2009 and on or before April 7, 2013 in a job title under this Agreement and who was transferred or transfers during the term of this Agreement, excluding transfers pursuant to the force adjustment surplus process, to an Appendix E job,

 - or

 - o a DTV employee whose TOE (as of January 1, 2017) is on or before April 7, 2013 in a job title in one of the 2015/2017 Core CBAs who moved pursuant to the National Transfer Plan into any job title, except a job title under Appendix D covered by the 2016 West Core CWA CBA. For employees who move to DTV, benefits provided under this Agreement will begin on January 1, 2018.

- viii. A “Transferred 2012 New Hire Employee” means an individual who was:
 - o hired or rehired after April 7, 2013 and on or before the Ratification Date in a job title in one of the 2012/2013/2015 Core CWA CBAs who moved pursuant to the National Transfer Plan into any job title, except a job title under Appendix D, covered by the 2016 West Core CWA CBA,

 - or

- hired or rehired after April 7, 2013 and on or before the Ratification Date in a job title under this Agreement and who was transferred or transfers during the term of this Agreement, excluding transfers pursuant to the force adjustment surplus process, to an Appendix E job,

or

- a DTV employee whose TOE (as of January 1, 2017) or subsequent rehire date is after April 7, 2013 and on or before the Ratification Date in a job title in one of the 2015/2017 Core CBAs who moved pursuant to the National Transfer Plan into any job title, except a job title under Appendix D, covered by the 2016 West Core CWA CBA. For employees who move to DTV, benefits provided under this Agreement will begin on January 1, 2018.

- ix. An "Inter-Region Transferred Current Employee" means an individual who was employed as of August 8, 2009 in one of the 2009 Core CWA CBAs other than one of the following appendices under the 2009 Core CWA CBAs: Midwest Region Appendix F or Southwest Region Appendix J, who moved pursuant to the National Transfer Plan into any job title covered by the 2016 West Core CWA CBA (except a job title under Appendix D or Appendix E) and immediately preceding such movement was being treated as a "current employee" for benefit plan purposes under the transferring applicable CBA.

- C. 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 the Benefit Agreement as specified below.

Employee Group	Benefit Treatment Of Initial Move	Benefit Treatment Of Subsequent Moves to Any Other Job Title Covered Under the 2016 CBA
Surplus Appendix E Employee (Current Employee)	Current Employees	Current Employees
Surplus Appendix E Employee (2009 New Hire)	2009 New Hires	2009 New Hires
Surplus Appendix E Employee (2012 New Hire)	2012 New Hires	2012 New Hires
Inter-Region Transferred Converted Temp/Term Employee	2009 New Hires	2009 New Hires
Transferred Appendix E Current Employee	Current Employees 2009 New Hires (Pension /Savings)	Current Employees (if subsequent move is to a job title outside Appendix E)
Inter-Region Transferred Appendix E Employee	2009 New Hires	2009 New Hires
Transferred 2009 New Hire Employee	2009 New Hires	2009 New Hires
Transferred 2012 New Hire Employee	2012 New Hires	2012 New Hires
Inter-Region Transferred Current Employee	Current Employee	Current Employee (if subsequent move is to a job title outside Appendix E)

For movement into an Appendix D job title, reference the 2016 West Appendix D MOA.

Effective date/language: With ratification

Termination date/language: With expiration of the 2016 Collective Bargaining Agreement

Applies to:

Pacific Bell Telephone Company
(Except Appendix E) X SBC Global Services, Inc. _____

Nevada Bell Telephone Company
(Except Appendix E) X Appendix E _____ X

AT&T Services, Inc. X

Communications Workers of America

AT&T West

Agreed: Ellen West
Ellen West
Area Director - CWA

Agreed: Jon Ireland
Jon Ireland
Director – Labor Relations

Date: 10-14-2017

Date: 9/14/2017