

AGREEMENT

BETWEEN

**CENTRAL TELEPHONE COMPANY
EMBARQ MID-ATLANTIC TELECOM**

AND

**COMMUNICATIONS WORKERS OF
AMERICA**

HICKORY & MADISON

North Carolina Districts

Effective: June 1, 2008

Expiration: May 31, 2011

**APPLICABLE IN THE COMPANY'S
HICKORY & MADISON
CUSTOMER SERVICES, MARKETING,
NETWORK SUPPORT, AND
NETWORK ENGINEERING &
CONSTRUCTION DEPARTMENTS**



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AGREEMENT
Between
COMMUNICATIONS WORKERS OF
AMERICA
And
CENTRAL TELEPHONE COMPANY, dba
EMBARQ

THIS AGREEMENT, made this 31st day of May, **2008**, by and between the Communications Workers of America, herein called Union, and the Central Telephone Company, **Embarq** Mid-Atlantic Telecom, **or its successors or assigns**, herein called the Company:

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WHEREAS, the majority of employees of the Company's Hickory District Customer Services, Marketing, Network Support, and Network Engineering & Construction Departments, except supervisors, confidential employees, janitors and temporary employees at a secret ballot election, conducted by the National Labor Relations Board, designated the Communications Workers of America A.F. of L. - C.I.O. as their exclusive collective bargaining representative (per N.L.R.B. CERTIFICATION dated December 10, 1964); and

WHEREAS, the majority of employees in the Company's Madison District (formerly a part of Lee Telephone Company) Customer Services, Marketing, Network Support, and Network Engineering & Construction Departments, except managerial and confidential employees, guards, professional employees and supervisors as defined in the Act, at a secret ballot election, conducted by the National Labor Relations Board, designated the Communications Workers of America, A.F. of L. - C.I.O. as their exclusive collective bargaining representative (per N.L.R.B. CERTIFICATION dated June 16, 1967); and

WHEREAS, the majority of the employees of the Company's Hickory and Madison Districts except employees of the Customer Services, Network Support, Network Engineering & Construction, Accounting, Engineering, Equipment Installers, Personnel, and Public Relations Departments, professional employees, confidential secretaries, guards and supervisors as defined in the Act, at a secret ballot election, conducted by the National Labor Relations Board, designated the Communications Workers of America, A. F. of L. - C.I.O. as their exclusive collective bargaining representative (per N.L.R.B. CERTIFICATION dated August 30, 1973);

WHEREAS, the Union and the Company now desire to enter into an Agreement with respect to the recognition of the Union as the certified exclusive bargaining representative of the employees within said unit, and for other purposes hereinafter set out;

NOW, THEREFORE, the parties do agree as follows:

WITNESSETH:

The Company hereby recognizes the Union, for the purposes of collective bargaining with respect to wages, hours of employment, and other conditions of employment, as the exclusive bargaining representative of all employees of the Hickory, North Carolina District Customer Services, Marketing, Network Support, and Network Engineering & Construction Departments, but excluding guards, supervisors, professional employees as defined in the Act, the group plant supervisor's confidential secretary, and all other confidential employees, and janitors, and temporary employees in Hickory, Valdese, Hildebran, Granite Falls and Catawba; and

All employees of the Madison, North Carolina District Customer Services, Marketing, Network Support, and Network Engineering & Construction Departments, including all construction, installation, maintenance and building service employees, including Customer Services and Network Engineering & Construction clerical employees, employed by the Employer in the Employer's Customer Services, Marketing, Network Support, and Network Engineering & Construction Departments, but excluding managerial and confidential employees, guards, professional employees and supervisors as defined in the Act, as amended, and all other employees in Danbury, Quaker Gap, Madison, Sandy Ridge, Stoneville, Walkertown and Walnut Cove, North Carolina; and

The provisions of this Agreement shall not, except as to occupational wage rates and working hours, apply to any employee hereafter employed who has not had at least ninety (90) days or more of continuous service with the Company.

The Union and the Company, in consideration of mutual covenants herein contained, agree that during the effective life of this Agreement the following provisions shall govern the relationship between the parties.

ARTICLE 1 DEFINITIONS

1.01 Calendar Week - A consecutive period of seven (7) days, the first day of which is Sunday.

1.02 Call-Out

- A. "Call-Out"-Contacting an employee to report immediately to perform non-scheduled work for the Company, except work defined as connecting work in Section 1.03.
- B. Call-out time shall include travel time to and from the employee's residence, or its equivalent. Each call-out shall be considered separately in the computation of time and payment.

1.03 Connecting Work - Any overtime work which connects with the beginning or end of scheduled time.

1.04 Contract Work - Services provided to a **Embarq** communications company by non-**Embarq** company employees.

1.05 Headquarters – An exchange, location, or town designated by Company as place of reporting.

1.06 Holiday Work - Any work which begins on an authorized holiday.

1.07 Normal Tour - A normal tour for full-time employees shall consist of eight (8) working hours and shall consist of two (2) work sessions divided by a lunch of one hour or **one half hour in length based on service requirements.**

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1.08 Overtime Rate, Pay - Except Sundays and Holidays. Overtime rate of pay is one and one-half (1-1/2) times the basic rate of pay plus such other differential increment as required under the terms of the Fair Labor Standards Act in effect on the date of this Agreement.

A. Effective May 27, 1998, all hours worked in excess of sixty (60) hours per week shall be paid for at the rate of two (2) times the employee's basic hourly rate. All hours worked in accordance with Article 1, Paragraph 1.09, and 1.10, shall not be used in the computation of excess weekly overtime.

1.09 Overtime Rate, Pay – Sundays - The Customer Services, Marketing, Network Support and Network Engineering & Construction Department Sunday overtime rate of pay is one and one-half (1-1/2) times the basic rate of pay for all hours worked. Scheduled hours worked on Sunday shall be included in computation of the forty (40) hour workweek for overtime purposes. All applicable differentials shall be paid for any work on Sunday.

1.10 Overtime Rate, Pay – Holidays - The holiday overtime rate of pay is two and one-half (2-1/2) times the basic rate of pay plus such other differential increment as required under the terms of the Fair Labor Standards Act in effect on the date of this Agreement.

1.11 Promotions and Transfers - Any new assignment will be filled from within the bargaining unit provided there is a qualified bidder. If no bids or letters of transfer are on file the company reserves the right to fill this position.

- 1.12 Regular Employee** - One who is employed for more than three (3) months.
- 1.13 Scheduled Hours** - Hours falling within an employee's scheduled tour.
- 1.14 Scheduled Tour** - Any of the tours which are officially posted on the weekly work schedule for a particular employee.
- 1.15 Service Requirements** - Whenever used in the Agreement, "Service Requirements" means such service requirements as determined by the Company, but such determination shall be subject to the grievance procedure set out in Article 17, and a charge of bad faith, or arbitrary action shall be subject to the arbitration procedure set out in Article 18.
- 1.16 Session** - One of the two parts into which a tour is divided (or assumed to be divided when the nature of the employee's assignment requires constant attention on duty). A session shall not be less than three (3) hours.
- 1.17 Sunday Pay, Customer Services, Marketing, Network Support and Network Engineering & Construction Department** - One and one-half (1-1/2) times the basic rate of pay for all hours worked. Scheduled hours worked on Sunday shall be included in computation of the forty (40) hour workweek for overtime purposes. All applicable differentials shall be paid for any work on Sunday.

- 1.18 Temporary Employee** - One whose term of employment is intended not to be more than three (3) months, or who is hired for a special project involving not more than a six (6) month period.
- 1.19 Part-Time Employees** - Employees who normally work a specified schedule of less than eight (8) hours per day and forty (40) hours per week on a regular basis throughout the year. Part-time employees shall accrue vacation pay and holiday pay on a pro rata basis (taking into consideration their actual hours worked).
- 1.20 Wage Length of Service (Wage Experience Credit)** - Period credited to an employee in the application of the wage schedule for his job classification. Generally, the wage length of service of an employee whose entire service has been continuously in the same job will be his total length of service. If one is employed at a starting rate higher than the normal starting rate on account of previous telephone or other experience or special training, the wage length of service will include such credit as is given at the time of employment or reemployment, plus service accumulated thereafter except as **limited by Section 10.05**.
- 1.21 Weekend Work** - Employee whose turn through rotation to work Saturday or Sunday, may be offered a day off during the same normal work week.
- 1.22 Work Day** - The period of time between 12:00 midnight preceding and 12:00 midnight ending any day. Any tour, call-out, **or other non-scheduled time** is a part of the work day on which such tour, callout, **or other non-scheduled time begins**. Any

connecting time which precedes a tour is a part of the work day on which the connecting time begins. Any connecting time which follows a tour is a part of the work day on which the tour begins, even though such connecting time continues until the beginning of a subsequent tour.

1.23 Work Group - A group of employees who work under the same first line supervisor and who regularly interchange on work assignments and regularly relieve each other.

1.24 Working Leader - A non-supervisory employee on productive work who is assigned to coordinate the work activities of a group of workers and who contributes to the training of employees.

ARTICLE 2 HOURS OF WORK AND BASIS OF COMPENSATION

2.01 Work Schedules and Choice of Tours

- A. Work schedules for all employees shall be posted by 3:00 P.M. on Thursday to show for each such employee his scheduled or assigned tours for the next calendar week.
- B. Work schedules shall stipulate the starting and ending time of such tours, together with the starting and ending time of each session. Intervals between sessions shall not be shifted more than one (1) hour at the instance of the Company, except as necessary to meet service requirements.

- C. Employees shall have the opportunity to exercise their seniority for choice of tours for which they are qualified each four (4) weeks.
 - 1. Employees returning from leaves of absence, layoff, or employees coming in by transfer shall be granted choice of tours in accordance with their seniority and qualifications at the next revision of the schedule, per above.

2.02 Scheduling Tours

- A. Insofar as service requirements permit, the Company shall assign tours in accordance with the preference of employees, for tours for which they are qualified, in the order of their seniority.
- B. Tours may fall on any day of the week necessary to meet service requirements, except that the tours and part tours which make up the normal work week may not be spread over more than six (6) days of the calendar week.
 - 1. Scheduled time is comprised of tours and/or part tours and the scheduled time for any work day shall not exceed the length of a normal tour.
- C. No employee shall be scheduled to work more than thirteen (13) consecutive days, except where acute service conditions develop.

- D. Insofar as service requirements will permit, a minimum time interval of twelve (12) hours shall elapse between the scheduled ending time of one tour and the scheduled starting time of the next tour, except when a shorter interval between tours results from an employee exercising his seniority for choice of tours.
- E. Insofar as service requirements and employee's qualifications permit, holiday assignments shall be rotated among employees having the same job classification within a particular work group.
- F. Changes from officially posted weekly work schedules may be made (without changing the total scheduled hours for the week) to provide for changes in hours, work days, or off-days in accordance with the following:
 - 1. At the request of the Company in order to meet service requirements.
 - 2. At the request of employees.
 - a. If an employee requests time off for personal reasons he may be permitted to work one (1) non-scheduled day in the same work week at his regular wage rate, plus applicable differentials.
 - b. If the Company contacts an employee in connection with a shift of his tour and if the employee agrees to the shift, the shift shall not be considered to be made at the request of the employee.

G. **Four-Day Work Week**

1. General

It is agreed a four-day work week may be implemented which will replace the normal five-day schedule, to all classifications whenever practicable, depending on service requirements and work load. It is mutually agreed that deriving incidental or indirect benefits, not specifically addressed, because of the implementation of a four-day work week is not in keeping with the intent and spirit of this agreement and any such efforts to derive such benefits will not be supported by either the Company or the Union.

When implemented, the four-day work week generally should apply to all eligible employees of the work group. Work Group shall consist of “a group of employees who work under the same first line supervisor and who regularly relieve each other.”

Implementation of the four-day work week shall be voluntary and shall be mutually agreed upon between the employee and supervisor.

2. Work Day

For employees normally scheduled forty (40) hours per week, each tour will be of ten (10) hours duration. A session - one of the two parts into which a tour is divided - shall not be less than three (3) hours. One fifteen (15) minute relief period shall be assigned or allowed as near to the midpoint of each session as practicable. Utilizing a four-day work week will not change weekend or holiday rotation.

For employees on a ten (10) hour work day, all work performed over ten (10) hours in any one day, or over forty (40) hours in any one week, shall be paid for at the employee's overtime rate of one and one-half (1 1/2) times the employee's regular rate, provided the employee works the remainder of the scheduled work week, unless the company authorizes otherwise.

3. Evening and Night Differentials

For four-day work week employees, the payment of evening and night differentials shall be based upon work tours which fall wholly or partly between 8:00 p.m. to 6:00 a.m.

4. Meal Allowance

Meal allowances shall be paid in accordance with Section 2.08 C. of the labor agreement.

5. Holidays

For four-day work week employees, the schedule for weeks containing a fixed, core, personal or floating holiday will revert to a normal five day schedule with the employee either scheduled and excused or scheduled to work on the holiday.

6. Vacations

For vacation purposes, those employees assigned a four-day work week will be reassigned to a five-day work week and treated in accordance with Article 4 of the labor agreement.

7. Absences excused with pay

All leaves of absence (union activity time, jury duty, funeral leave) paid or unpaid, will be made on the basis of a five-day work week.

8. Reverting to a five-day schedule

It is recognized that various conditions, other than those specifically addressed in this Section, may necessitate the temporary reverting of four-day work week employees to five-day schedules (e.g. formal schools, temporary transfers, other employees in work group on vacation, other employees in work group on A&S, Worker's Compensation, jury duty).

2.03 Relief Periods

- A. A relief period of fifteen (15) minutes shall be provided for all employees once each uninterrupted-work session, provided that -
1. Central office employees shall be assigned such relief periods as near the midpoint of the session as practicable, but in no event shall they be assigned to start less than one (1) hour from the beginning or end of each session unless a service emergency develops.
 2. Customer Service Technicians, Business Service Technicians and Cable Splicers shall whenever possible, take their relief periods between jobs. Otherwise they may leave a job, or their truck at a point en route during their relief periods, provided they take precautions, commonly recognized under the circumstances for the protection of the service and the safety of the public and return to work promptly at the end of the relief period.
 3. Crew employees shall take their relief periods at times to be determined by the Foreman, or his designated representative, who shall take into consideration the work and service conditions, location, and also that it is desirable for the relief periods to be taken near the middle of the work session.

Crew employees may leave a job, or their truck at a point en route, during their relief periods, provided they take precautions, commonly recognized under the circumstances, for the protection of the service and the safety of the public and return to work promptly at the end of the relief period.

4. Customer Contact Department employees shall be assigned such relief periods as near the midpoint of the session as practicable, but in no event shall they be assigned to start less than one (1) hour from the beginning or end of each session unless a service emergency develops.

2.04 Pay for Work on a Week Day (Other than an Authorized Holiday)

- A. Employees working on a week day shall be paid at their regular rate for all scheduled time worked, except as otherwise provided in this section.
- B. When the Company assigns an employee to work a regular work day or half-day portion thereof on a day on which the employee had not been scheduled to work, or on a day on which the employee had been scheduled to work half of a regular work day, the employee's work time on another day in the same calendar week may be reduced to the extent of the additional assignments, provided that:

1. The employee is notified of the change as long in advance as practicable and not less than twenty-four (24) hours prior to the beginning of the additional or decreased assignment - whichever is earlier.
2. If the employee is not notified of the change by the Company within the time limits prescribed above, then the employee may - at the time of receiving such non-scheduled assignment - elect to work out the hours of this previously scheduled work week in addition to the added assignment which on this basis would be paid for as overtime.

2.05 Pay for Authorized Holiday

- A. All regular employees shall be paid eight (8) hours time at the employee's basic hourly rate, including applicable differentials, for all holidays, whether or not they perform work (except as provided in Paragraph 2.05 C) and in addition thereto they shall be paid -
 1. For the first eight (8) hours worked on holidays - at one and one-half (1-1/2) times the employee's basic hourly rate, plus applicable differentials;
 2. For all hours worked over the first eight (8) hours worked on holidays - at the employee's holiday overtime rate of two and one-half (2-1/2) times the employee's basic hourly rate, plus applicable differentials.

- B. Holiday time within an employee's scheduled work week, whether worked or excused, shall be used in the computation of weekly overtime (except as provided in Paragraph 2.05 C).
- C. Employees failing to report for scheduled work on a holiday, or on either of the days which immediately precede or follow the holiday shall receive no holiday allowance or other holiday pay unless excused by the Company.

2.06 Overtime Work, Call-Outs - Employees shall be paid at their overtime rate for all non-scheduled time worked subject to the following:

- A. For call-outs, a minimum of **two (2)** hours pay at the employee's basic rate of pay plus applicable differentials. R
- B. **Due to technological improvements, employees may be able to handle and resolve a call-out from home that does not require travel to the report center or to the customer location. In this situation, the employee will be paid a one (1) hour minimum at the employee's overtime rate of pay, to resolve the problem at home. If the time worked exceeds one (1) hour, then the actual time worked to resolve the problem will be paid at the overtime rate.** N

2.07 Non-Compounding of Overtime - Notwithstanding any other provisions of this Agreement, employees shall not be paid for work on week days, or holidays at any rate in excess of

the overtime rate, except where necessary to meet the minimum pay requirements under the terms of this Agreement, and neither shall an employee be paid both daily and weekly overtime for the same overtime hours worked.

2.08 Differential Payments and Meal Allowance

- A. Customer Services, Marketing, Network Support, and Network Engineering & Construction employees shall be paid, in addition to their basic rates, an hourly differential for each hour worked on tours which fall wholly or partly within the period 7:00 P.M. to 7:00 A.M. Night and evening shift differentials to be paid for each hour worked on regular scheduled evening or all night tours - \$.75.
- B. Customer Contact employees shall be paid, in addition to their basic rates, an hourly differential, as provided in Schedules “3”, “4” and “5” for each hour worked on scheduled tours which fall wholly or partly within the period of 7:00 P.M. to 7:00 A.M. Night and evening shift differential to be paid for each hour worked on regular scheduled evening or all night tours -\$.75.
- C. When an employee is required to continue to work more than two (2) hours immediately following his regular day's work, or is called out to work more than two (2) hours immediately preceding his regular work day, he shall be paid

a meal allowance of \$3.75, and at intervals of four (4) hours thereafter until the start of his next regular work day, or until he is released from duty - whichever is earlier.

- D. If an employee is requested by the Company to fill a temporary vacancy in a job calling for a higher wage rate than is paid for his regular job, for one (1) session or more, he shall receive the higher wage rate for such time as he works on the higher rated job. Upon return to his regular job, he shall again receive his regular rate. If the rate for the job to which he is temporarily assigned is lower, the employee's rate of pay shall not be reduced. Working Leader Differential (no change in title involved) – for each hours worked on such assignment, for one (1) session or more - \$.50.

- E. All employees shall be paid every two (2) weeks. Unless prevented by circumstances beyond the Company's control, paychecks shall be available to the employee at or before the end of his/her regular shift of the Friday following the end of the two (2) week pay period through direct deposit. Failure of an employee to forward his/her daily work reports in a timely manner shall disqualify said employee from the rights under this Section. **All pay advices will be accessed on-line and may be printed by the employee.**

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2.09 Stand-By Technicians

In order to provide a level of service that meets the expectations and demands of our customers, the Company and the Union hereby agree to institute the following “Stand-By Program” for Business Service Technicians and other classifications as designated by the Company.

The Company may designate work groups where the “Stand-By Program” will be utilized. Employees who are used or designated as “Stand-By Technicians” will be utilized within the area where he is qualified to perform the work and must participate in the Home Garage Program during the stand-by period.

The “Stand-By Technician” will initially be voluntary and will be rotated within the affected work group by seniority among qualified volunteers. Should there be an insufficient amount of volunteers, it will be rotated within the affected work group by seniority among qualified employees.

The “Stand-By Technician” will first be contacted by telephone, and if no one answers they will be paged. The technician will be available to respond to the trouble within an hour. This will fulfill Central Telephone Company’s commit time for a two (2) hour response contained in a number of our current contracts with businesses in the area.

It is the responsibility of all technicians on call out to report completion of a case of trouble. This will clear the technician for additional call outs in the system, and allow the customer to be given a status of trouble reported if required.

The “Stand-By Technician” shall be available within one (1) hour for non-connecting call outs. The designated technicians shall be equipped with pagers to facilitate call out and to provide them freedom of travel during stand-by hours. The technicians will be paid \$210.00 for being on Stand-by for the week. If the technician is assigned Stand-By for week-end only the payment will be \$100.00. This payment will be in addition to any call out pay the technician may earn.

Occasional stand-by periods for other lengths of time may be required under unusual, special circumstances or upon service requirements. The assignment of stand-by periods will be at the discretion of the Company.

2.10 Pay For Performance Compensation Plan And Other Incentive Programs

1. Effective with the first calendar day of the month following contract ratification, the Pay for Performance Compensation Plan (“PFP”) will be implemented for service representatives, who shall then have the opportunity to begin receiving earnings pay-outs according to the terms and conditions of the Plan.

For purposes of Pension and Savings, service representatives covered by PFP will be treated under the Benefits Rate Schedule attached as Appendix B to this Agreement.

Employees will receive a daily schedule of incentive eligibility earnings that can be used to track monthly sales objectives and earnings. For tax purposes, incentive dollars are to be treated as regular income (and not grossed up). Incentive earnings will be taxed at the applicable tax rate. Employees will receive incentive earnings under PFP in the second paycheck of the month following their sales.

Unless otherwise specifically noted above, the parties agree that the Company may unilaterally modify, delete, or change any terms, conditions, criteria, or parameters of PFP (including objectives, product line categories, qualifiers, thresholds, or any other provisions). If the Company discontinues PFP at any time during the term of this Agreement, service representatives will be paid under the Benefits Rate Schedule attached as Appendix B to this Agreement. Any modifications made to PFP will not affect money already earned under such Plan. The Company further agrees to notify the Union of any modifications to the Plan at least fourteen (14) calendar days in advance of the effective date of such modifications.

The Company further agrees during the term of this Agreement to meet, upon request by the Union, on a quarterly basis with designated Union representatives to a maximum number of three (3) to discuss sales objectives and other PFP-related matters.

2. The Company, at its sole discretion, may unilaterally develop, implement, administer, modify, or delete other incentive programs. The Company will notify the Union at least fourteen (14) calendar days in advance of the implementation or deletion of such plans.

ARTICLE 3 HOLIDAYS

3.01 Authorized Holidays. (Effective January 1, 2006)

Legal holidays within the meaning of this Agreement shall be:

New Year's Day
Memorial Day - (Last Monday in May)
Fourth of July
Labor Day
Thanksgiving Day
Christmas Day

The number of personal holidays granted per year will be based upon length of service as indicated below:

*0 to 2 years service: 6 personal holidays
Over 2 years service: 8 personal holidays

3.02 Holidays Falling on Saturday or Sunday –

When an authorized holiday falls on Sunday, the following Monday shall be recognized and observed as the holiday. Authorized holidays falling on Saturday shall be observed on the preceding Friday. The Saturday and/or Sunday shall be considered the same as any other Saturday or Sunday.

3.03 Holidays Within Vacation Period -

When an authorized holiday falls within an employee's vacation period, either an additional day's regular pay in lieu of vacation or an additional day of vacation shall be provided. The employee and his supervisor will mutually agree before the start of the employee's vacation which of these will be applicable.

3.04 An employee may select his/her personal holidays each calendar year. Initial selections may be made by seniority after vacation schedules are selected. After initial selections are made, remaining selections will be made subject to the following conditions:

1. Selection will be on a first-come, first-served basis.
2. A minimum of one (1) week, if practicable, notice must be given to the employee's immediate supervisor (outside the Bargaining Unit); however, all selections must be made prior to October 1. Any personal holiday(s) not selected prior to October 1, will be assigned by the Company.

3. Premium Pay days may not be selected.
4. The Company will make a reasonable effort to grant the employee's selection, but service requirements of the Company shall prevail. Any changes in selection will be subject to the needs of the business and with the concurrence of management.
5. All personal holidays must be used for all incidental absences including but not limited to the first five days of illness/injury.
6. If the employee has exhausted all his/her personal holidays, vacation days or unpaid time may be used for all incidental absences including but not limited to the first five days of illness/injury.

* In the first year of employment, employees hired between January 1st and June 30th will be granted six (6) personal holidays; employees hired between July 1st and September 30th will be granted four (4) personal holidays; employees hired between October 1st and December 1st will be granted two (2) personal holidays.

ARTICLE 4 VACATIONS

4.01 Vacation Eligibility - Regular employees will be granted vacation with pay in and for each calendar year on the following basis:

A. New hires employed after 12/31/xx or in the following calendar year will be eligible to earn one day (8 hrs) vacation on a monthly basis according to the following schedule:

(i) Hire date 01/01/xx through 01/15/xx...
Earn a max of 10 days

Hire date 01/16/xx through 02/15/xx...
Earn a max of 9 days

Hire date 02/16/xx through 03/15/xx...
Earn a max of 8 days

Hire date 03/16/xx through 04/15/xx...
Earn a max of 7 days

Hire date 04/16/xx through 05/15/xx...
Earn a max of 6 days

Hire date 05/16/xx through 06/15/xx...
Earn a max of 5 days

Hire date 06/16/xx through 07/15/xx...
Earn a max of 4 days

Hire date 07/16/xx through 08/15/xx...
Earn a max of 3 days

Hire date 08/16/xx through 09/15/xx...
Earn a max of 2 days

Hire date 09/16/xx through 10/15/xx...
Earn a max of 1 day

Hired 10/16/xx through 12/31/xx... Earn
a max of 0 days for current year

In general, if employees are hired on or before the 15th day of the month they will earn their vacation for that month. If they are hired after the 15th of the month, they are not eligible to earn their vacation day for that month. It follows that employees who terminate after the 15th of the month have earned their day of vacation for that month.

- B. Employees who have been employed for twelve (12) consecutive months will be granted a two (2) week vacation;
- C. Employees who have been employed for five (5) consecutive years will be granted a three (3) week vacation;
- D. Employees who have been employed for fifteen (15) consecutive years will be granted a four (4) week vacation;
- E. Employees who have been employed for twenty-five (25) consecutive years will be granted a five (5) week vacation. Vacation eligibility for employees transferred into Central Telephone Company's Hickory and Madison Districts from any place in the Central Telephone Company and affiliated Companies System, will be determined on the basis of the employee's full service within such System.
- F. Employees may take vacation in one-half (1/2) day increments based on the work load and supervisory approval.

G. If the employee has exhausted all his/her personal holidays, vacation days or unpaid time may be used for all incidental absences including but not limited to the first five days of illness/injury.

4.02 A week of vacation shall mean a period of seven (7) consecutive days, including Saturdays, Sundays and holidays.

4.03 Employees on leave of absence for any full calendar year will not be eligible for a paid vacation during that year.

4.04 **Vacation Pay** - Payments per week of vacation will be equal to the employee's basic hourly wage rate (including applicable differentials) times the hours the employee is regularly scheduled to work in a normal work week.

4.05 **When Vacation may be taken.** Employees whose first service anniversary date falls within the current calendar year shall be eligible to take the vacation for which their service makes them eligible at any time after their service anniversary date, subject to their seniority rights, and work and service conditions permitting, provided that -

A. If the employee's service anniversary date occurs on or after October first (1st) the Company will make arrangements for such employee's vacation to be taken prior to his service anniversary date, but not earlier than October first (1st) of the current calendar year.

4.06 Employees who have completed one (1) or more years of consecutive service may take their

vacations at any time during the year that work and service conditions and their seniority will permit.

4.07 An employee covered by this agreement will be allowed to carry over up to one week (40) hours of vacation with management approval to the next calendar year. Such carryover vacation must be taken by March 31 of the succeeding year.

4.08 **No later than November** of each year, **the Company will allow employees the opportunity to select vacation through the designated automated vacation scheduler process that will determine** the vacation allowance which each employee at the particular location will be eligible for in the succeeding calendar year.

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4.09 Work load, service requirements and other requirements of the business permitting, the vacation schedules shall be prepared in such a manner as will permit a maximum number of vacations to be taken during the more desirable vacation periods.

4.10

A. Employees shall in the order of their seniority be entitled to express preference as to the time of taking their vacations, provided:

1. Employees eligible for more than one (1) week of vacation electing to take their vacations in segments will only be entitled to, in the order of their seniority, express preference of one (1) segment at a time; and

2. No segment shall be less than one (1) week.

- B. Vacation selections must be completed no later than December 31st and** any employee who fails to indicate a choice of vacation period will be construed to have waived whatever right he may have had to choose his vacation period(s).

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- 4.11** The Company will establish the vacation time schedule for all employees who will be eligible for vacations in the succeeding calendar year. In so doing, the Company will give consideration to each employee's seniority and expressed choice of vacation period or periods insofar as the available vacation periods established under Paragraph 4.09 will permit.
- 4.12** An employee who leaves the employ of the Company before his vacation is completed shall be granted pay in lieu of such vacation, or remainder thereof, if any, as he is entitled to in conformity with the foregoing provisions. In the event a newly hired employee is permitted to take vacation time prior to accruing it, and then resigns from the Company, this time will be deducted from the final pay check.
- 4.13** Employees who are eligible for two or more weeks of vacation may, at their option and in accordance with the present vacation scheduling practice, schedule a one week portion of such vacation as a tentative vacation week. This tentative vacation week will consist of five paid vacation days that may be scheduled on a day-at-a-time basis.

If the employee has not taken all five days of the tentative vacation week on a day-at-a-time basis prior to the employee's scheduled tentative vacation

week, those vacation days remaining will be taken during the scheduled tentative vacation week.

The employee shall submit his request for such day (or days) of vacation to his immediate supervisor (outside the bargaining unit) not later than the Monday of the week preceding the week in which he desires to take a day (or days) of vacation as described above.

Such days of vacation will be granted to employees upon request, service requirements permitting.

ARTICLE 5 ABSENCES FROM DUTY

5.01

I. LEAVES OF ABSENCE

- A. It is the Company's and Union's intention that the leave policy set forth in this Article comply in all respects with the Family and Medical Leave Act.
- B. Leaves of absence granted under this Article shall be in one of the following categories:
 - 1. Family and medical leave including:
 - a. Leave due to illness or accident to the employee;
 - b. Leave to care for a newborn or newly adopted or newly placed foster child;
 - c. Leave to care for an employee's spouse, child or parent with a serious health condition.

- d. **Leave to care for a spouse, son, daughter, parent or next of kin who is a Covered Service member and has a serious injury or illness (Service member Family Leave).**
- e. **Leave for any qualifying urgent need arising out of the fact that a spouse, son, daughter or parent is on active duty or has been notified of an impending call or order to active duty in the Armed Forces in support of a contingency operation.**

2. Leave for union business.

II. AUTHORIZED LEAVES:

- A. Working for another employer or becoming otherwise gainfully employed during a leave of absence, except as provided in subparagraph B. without the written sanction of the Company, or failure to return to work at the end of the leave of absence, shall be deemed as a termination of employment with the Company;
- B. If an employee is elected to fill a term of office with the Local Union which requires absence from duty with the Company, and both the Union and the employee request, in writing, as far in advance as possible (normally not less than sixty (60) days), that the employee be granted a leave of absence, then the Company will grant a leave of absence not to exceed three (3) years.

No more than one (1) Customer Services employee, one (1) Customer Contact employee, one (1) Marketing employee, one (1) Network Support employee and one (1) Network Engineering & Construction employee shall be on leave of absence for Union business at one time.

No more than one (1) employee from any one job classification or three (3) employees in total shall, at any one time, be excused, unless in special cases, other arrangements are made and agreed upon between the Company and Union a reasonable period in advance.

C. Employees on a Family Leave of Absence will be paid for any holidays that fall during the leave.

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D. Company accumulated service and Union seniority will continue to accrue for a maximum of six (6) months from the date that the Family Leave of Absence commences.

E. All other Company benefits shall be determined on the basis of individual plan provisions.

F. An employee returning from a Family Leave of Absence shall be reinstated to his or her former position if the position has not been filled or eliminated. If the position has been filled or no longer exists, the employee will be placed in a position that is commensurate in pay and level to the employee's former position.

G. An employee shall not be gainfully employed by another employer while on Family Leave of Absence.

- H. Failure to return to work at the end of a Family Leave of Absence shall be justification for immediate termination.

5.02 Military Leaves.

- A. Leaves of absence will be granted to all regular employees entering the Armed Forces of the United States under any law now in effect, or which may be enacted. Such leaves, hereinafter referred to as military leaves, will be for the initial period of the employee's military service and of any hospitalization continuing after discharge for a period of not more than one (1) year.
- B. Employees granted such military leaves shall continue to accrue seniority during such leave.
- C. Following discharge under honorable conditions from military service, any such employee shall be reinstated in accordance with the reemployment rights as provided under the Vietnam Era Readjustment Assistance Act, as now or hereafter amended.
- D. If at the time of application for reemployment by an employee who has been in military services, no vacancy exists, one may be created by discharge or layoff. Any layoff shall be made in accordance with procedure outlined in Paragraph 6.01.
- E. Effective May 27, 1999, employees on annual military active duty or active duty training will be paid their basic hourly rate for up to two (2) weeks per year (up to eighty (80) hours), and

allowed to retain any military pay received. Employees who are to be gone for more than two (2) weeks during any one (1) year will be allowed to use available vacation time, or will be granted an unpaid leave of absence. All arrangements should be discussed with the immediate supervisor as far in advance as possible.

5.03 Absences Excused with Pay

A. In the case of death in the family of a regular full time employee with 90 days of continuous service, excused time off, with pay for scheduled time, will be granted as follows:

- Up to five days of paid leave for a death in the immediate family, defined as:

Spouse

Parents (including step-parents)

Child (including step-children)

Sibling (including stepbrother or stepsister)

Grandchild

- Up to three days of other covered relatives defined as:

Aunt

Uncle

Niece

Nephew

Grandparent

In-law (including mother, father, son, daughter, brother, sister, grandparents)

Such time off will begin on the day of the death to and including the day after the funeral. If a death or funeral of a member of the employee's immediate family occurs during the employee's vacation, the

employee will be allowed to use funeral leave and reschedule the remainder of his/her vacation if time and service requirements permits.

An employee selected to serve as pallbearer for the funeral of a deceased active employee will be given time off without pay, not to exceed four (4) hours and such time off will not be charged against the employee's attendance record.

- B. Any regular employee lawfully summoned to report for jury service, or subpoenaed to appear as a witness in court, and who actually performs jury service, or appears as a witness, will be paid by the Company at his straight time rate of pay for such regular time he is required to be absent from duty provided that -
1. Such employee notifies his immediate supervisor of the receipt of such summons or subpoena on the employee's first working day following receipt of such summons or subpoena -- unless prevented from so doing by conditions beyond the employee's control -- and is assigned, or reassigned, to a regular 8:00 a.m. to 5:00 p.m. shift for the period of such service, and is assigned or reassigned to a Monday to Friday period.
 2. Any such employee who on any day is excused from such jury or witness duty, at a time that will permit him to return to work for a part of the day, shall communicate with his immediate supervisor (outside the Bargaining Unit) for such assignment as is reasonable under the circumstances.

3. Employees may keep the jury duty stipend received from the court.

5.04 Absence for Union Business - Service and other business conditions permitting, any employee who is an authorized representative of the Union and whose Union assignment requires that he be absent from the Company will, upon request by the employee to his immediate supervisor (outside the Bargaining Unit) be excused without pay.

All requests for excused absences shall be made as far in advance as possible and the Company shall act promptly upon each request. Such excused absences shall not exceed twenty-five (25) consecutive calendar days, or a total of forty-five (45) working days in any calendar year; except in the case of the Local Union President when such excused absences shall not exceed a total of sixty (60) working days in any calendar year.

No more than two (2) employees from the Customer Service Technician classification, or three (3) employees in total shall, at any one time, be excused, unless in special cases, other arrangements are made and agreed upon between the Company and Union a reasonable period in advance.

ARTICLE 6

FORCE ADJUSTMENTS

6.01 Section 1 - Reduction in Force

- A. Whenever the Company deems it advisable to part-time or lay off regular employees, such force adjustments as it may deem advisable shall be made effective among employees performing essentially the same type of work in the district, through part-timing or layoffs or both, subject to the following conditions:
1. Temporary employees shall be laid off first.
 2. Next in order, employees with less than two (2) years' seniority shall be declared surplus in the inverse order of seniority.
 3. After the steps as outlined in paragraph 1 and 2 above have been taken and further reductions in the work force are advisable, the Company may either part-time all employees after notifying the Union of its proposal to part-time including the applicable reduction in hours, or it may declare employees surplus in the inverse order of seniority.
- B.
1. Employees who are designated as surplus shall be offered reassignment to available jobs in the same or lower pay levels within the district affected, provided they are qualified to perform such jobs.

2. Employees who are surplus shall be offered transfer to the jobs in paragraph 1 above in order of their seniority.
3. If there are no jobs available in the district as provided in paragraph 1 above or the employees refuse the offer, then the employees shall be laid off.

Section 2 - Technological Displacements

- A. A technological displacement occurs when the job of a regular employee or group of regular employees is no longer considered necessary due to a technological change in the type of plant or equipment used, or a change in operating procedures reducing the total number of employees considered necessary to provide the same service. Technological change shall be defined as any change in equipment, material and/or methods after the date of this Agreement which results in any reduction in the number of bargaining unit employees. This is to be distinguished from a force surplus due to lack of work covered in Section 1. above.
- B. When regular employees are displaced by a technological change, such employees shall be offered continuing employment with the Company in accordance with the following conditions:
 1. Employees displaced shall be offered the opportunity for reassignment to available jobs within the district affected. Such employees shall take precedence over employees who seek a transfer under Article 10. Employees exercising their

option for reassignment under this Section who are unable to qualify for the job or who the Company determines fails to perform his/her job satisfactorily in the new assignment will be laid off under Section 3. below.

2. The offering of reassignment shall be in order of seniority.
3. Employees who are technologically displaced may in order of seniority displace employees in similarly rated jobs or lower rated jobs for which they are currently qualified.
4. Employees offered, but not accepting reassignment in the district and in a similarly rated job or not displacing an employee as described in paragraph 3. above shall be retired, if eligible, or considered terminated. In either case, the employee will have eligibility for Supplemental Income Protection benefits as shown in Article 30.
5. If an employee is transferred to a job title having a lower wage guide, his/her rate of pay, if above the maximum for the new job title, shall be reduced to that maximum.

Section 3 - Layoff Procedure

- A. Layoffs because of lack of work for employees who perform essentially the same type of work (within the employee's assigned district) shall be made in the inverse order of seniority, provided:

1. Employee's who have not established seniority hereunder, such as temporary employees, shall first be terminated.
2. Regular employees shall be offered reassignment to work, according to service requirements, in classifications which they have previously performed and are currently qualified to perform, provided further:
 - a. If a regular employee refuses to accept such reassignment, offered in order to preserve his/her employment, to such available work at the prevailing wage rate for that classification, he/she may be laid off without regard to his/her seniority.
 - b. If a regular employee accepts such reassignment, offered in order to preserve his/her employment, to such available work at the prevailing wage rate for that classification and is later reassigned to his/her former classification, his/her Wage Experience Credit in his/her former classification shall be the same as it would have been had he/she remained in his/her former classification.
3. The Company shall give the Union and employee a minimum thirty (30) day notice prior to implementing the layoff procedure.

Section 4 - Reassignment Classification

Senior qualified employees may be offered reassignment, according to service requirements, to one of the following classifications:

Utilityperson
Warehouseperson
Public Access Technician

Such reassignment may cause the displacement of the least senior employee within the classification to which a senior employee (per above) has been offered reassignment.

6.02 Recall and Rehire after Layoff

- A. The seniority of an employee temporarily laid off through no fault of his own, and recalled within twelve (12) months after layoff shall continue to accrue during such layoff period; provided that when the laid-off employee is notified to return to work such notice shall be mailed not less than two (2) weeks in advance of the date on which he is directed to report for work. Such notice shall be sent by Registered Mail, Return Receipt Requested, to the employee's last known address and it shall be his duty to inform the Company by Registered Mail, Return Receipt Requested, within ten (10) days after the date on which the Company's notice was mailed, whether he will return to work on the date stated in the Company's notice.

- B. An employee who fails to send the Company such notice, or who fails to report, as directed, shall be deemed to have terminated. An employee laid off shall keep the Company informed at all times of his current mailing address.

- C. When adding to the forces, employees most recently laid off or reassigned within the past **eighteen (18)** months on account of curtailment of work shall, in accordance with the employee's seniority, be the first to be reassigned or re-employed to his original job classification if available, qualifications being sufficient, and provided he is physically qualified to return to work and has previously performed and is still qualified to perform the type of work available and to which he is to be assigned.

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ARTICLE 7

TRANSFERS AND EXPENSES

7.01 Cost of Transfers - Employees transferred from one (1) permanent location to another permanent location, shall suffer no loss in regular pay (basic hourly rate for hours normally worked - no overtime) for necessary and reasonable time off to arrange for moving his household furnishings.

Such employees shall also upon presentation of receipted bills, or other evidence of payment, be reimbursed for necessary moving expenses (subject to a maximum of \$10,000 for homeowners and \$5,000 for renters at the time of transfer) consisting

of reasonable costs of transportation, meals and lodging for himself and members of his immediate family who regularly reside with him, including drayage cost of moving the employee's furnishings for his household;

Provided that the employee secures Company approval in advance of taking any time off for these purposes, or contracting any such expense.

ARTICLE 8 TRAVEL TIME - TRANSPORTATION - BOARD AND LODGING

- 8.01 Travel Time** - All traveling at the request of the Company shall be done on time paid for by the Company, as provided below:
- A. **If the employee travels as a passenger on one of his regular work days**, and sleeping accommodations are provided during normal sleeping hours, then such travel time will only be counted and paid for as time worked to the extent that when combined with the time actually worked by the employee on that day it will not exceed the hours of his normal work day.
 - B. **If the employee travels as a passenger on a day on which he normally would not work**, and sleeping accommodations are provided during normal sleeping hours, then such travel time will only be counted and paid for as time worked to the extent that the actual travel time does not exceed the hours of his normal work day.

8.02 Transportation and Board and Lodging

- A. Employees shall, when required to travel, be reimbursed for necessary reasonable board, lodging and other expense, upon presentation of properly receipted bills, vouchers or other evidence of payment.
 - 1. An employee entitled to receive such expenses may elect to make his own living arrangements. In cases where the travel requires an overnight stay away from the employee's home, the employee will be paid an allowance of \$75.00 per night in lieu of such expenses for those meals, lodgings, and other expenditures which would otherwise be payable on an actual expense basis.
 - a. In the case of training schools or group movements of employees for emergency reasons, the Company may make suitable arrangements for lodging and/or meals for employees involved.
 - 2. If the employee is away from his temporary location over the weekend, he shall be reimbursed for transportation and meals enroute to his home location and return, however, such expenses shall not exceed a total of \$125.00.
 - 3. Any employee entitled to receive expenses incurred during a temporary transfer may elect to travel on his own time to and from his regularly established home. In this event, the employee shall be paid a commuting allowance of \$25.00 per day or

part day worked. Such employee may be directed or permitted to ride one way in a Company vehicle without depriving him of his allowance. This commuting allowance is payable only for round trips from the location of the temporary assignment to the employee's home and return, and only on occasions which would have required an overnight stay had the employee not elected to return home.

- a. An employee on actual expenses or receiving the allowance of \$75.00 per day who returns to his regularly established home overnight shall be considered to be on a commuting status for that day on which the trip home begins and shall be paid the commuting allowance of \$25.00 for that day.
- b. In instances where the assigned work location is remote from the employee's regularly established home and the temporary transfer covers an extended period of time, the Company shall pay all necessary and reasonable expenses enroute, including transportation, for the employee to visit his established home over the weekend. Such company sponsored weekend visits shall be at the discretion of the department head and will be agreed upon in advance of the work assignment.

- c. If not otherwise handled by the Company, each employee being reimbursed for travel expenses will be required periodically to submit an individual expense account. Employees are required to abide by the National Finance Program and may be required to use credit cards and/or a corporate card. Revisions will be explained to the Local Union President.

- d. The Company will designate the mode of transportation, and there may be times when an employee will be required to drive a Company vehicle to the work or training assignment on Company time. The employee will be reimbursed at the rate **Embarq** allows per mile if authorized to drive his personal vehicle.

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8.03 Interim Returns for Employees Attending Long Duration Training Schools

In the event an employee is sent out of town (to a location requiring commercial airline transportation) for a training school for long durations, the Company agrees to implement a program that, at the request of the employee, would allow the employee to return home at specific intervals.

The Company will provide commercial airline transportation from the distant location to the employee's place of residence, with the mode of transportation to be designated by the Company. The following is a schedule of those returns:

<u>Weeks away from home</u>	<u>Number of returns</u>	<u>Time of returns</u>
5 weeks	1 return	end of third week
6 weeks	1 return	end of third week
more than 6 weeks	1 plus	end of each third week period

During all these return trips, the Company would not pay the employee for travel time. It is expected the employee would leave at the end of the scheduled training week and return in time to commence his next scheduled training week. The purchase of tickets for these interim return trips would be handled by the employee's immediate supervisor at the time arrangements are made for the employee to report for his training class. It should be understood by the employee that in order to return in accord with this practice, he or she must utilize the method of transportation provided by the Company and he or she would not receive any meal allowance for any days that he or she does not remain at the training site.

ARTICLE 9

SENIORITY

- 9.01** Seniority shall mean any right of preference accruing to a regular employee upon the basis of the employee's length of accrued time worked within the Bargaining Unit subsequent to the last date upon which he entered the employ of the Central Telephone Company's Hickory and Madison, North Carolina Districts, less deductions of any time when seniority does not accrue as set forth in other provisions of this Agreement.
- 9.02** Insofar as practical and consistent with rendering good telephone service, seniority shall apply as follows whenever more than one (1) employee has the requisite ability and qualifications and is capable of performing the work:
- A. Selection of employees for promotion to positions of higher rank within the Bargaining Unit.
 - B. Selection of scheduled work tours - in conformity with Article 2 - within the work group.
 - C. Selection of vacation periods - in conformity with Article 4 - within the work group.
 - D. For the purpose of layoffs, those employees who perform essentially the same type of work (within the employees' assigned district), and in conformity with 6.01.
 - E. Voluntary transfers and involuntary transfers.

F. Temporary assignments to higher rated jobs.

9.03 Application of the provisions of 9.02 B and 9.02 C, in any case where seniority is equal, shall be on a rotation basis.

Effective June 1, 2008, seniority for new employees hired on the same day will be determined by using the last four digits of the employees' social security numbers with the higher number being more senior.

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9.04 Employees granted military leaves in conformity with Paragraph 5.02 B shall continue to accrue seniority during such leaves.

9.05 Employees transferred, or promoted, to a position within the Company, but outside of the Bargaining Unit, shall retain their seniority as accrued. Such employees returning to the Bargaining Unit will be granted their accrued seniority upon completion of three years of Bargaining Unit service.

9.06 The Company agrees that during the term of this Agreement if any employee is transferred into any area covered by this Agreement who is covered by an **Embarq** Mid-Atlantic Telecom collective bargaining agreement that has a reciprocal provision shall have their seniority honored subject to the following conditions:

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1. Only time accrued within a bargaining unit will be credited for seniority purposes.
 - A. An employee returning to the bargaining unit will have their previous bargaining unit seniority bridged after three (3) years.

9.07 Effective 5-27-99, regular full-time bargaining unit employees who terminate employment (for reasons other than “cause”) who are subsequently re-hired by Centel will be eligible for bridging of prior Centel bargaining unit seniority once they have been continuously reemployed by Centel for three (3) years since their most recent date of hire.

9.08 The Company will, within one hundred twenty (120) days after the date of this Agreement, and annually thereafter, prepare a seniority roster of employees covered by this Agreement and copies thereof will be furnished to the Union. Such roster will show:

- A. The names of all regular employees;
- B. The classification, District and Department in which each listed employee is employed.
- C. The last date upon which the employee entered the Company's employ within the Bargaining Unit;
- D. Seniority on the "as of" date of the roster; and
- E. Footnote explanations relative to any periods subsequent to the last date on which the employee entered the Company's employ within the Bargaining Unit when seniority did not accrue.

9.09 The first roster so prepared shall be subject to review and correction for a period of ninety (90) days, after which time it shall become the official seniority roster, except as to any corrections, if any, to be made through the elimination of inaccuracies

presented before the end of said ninety (90) day period, subject only to additions, removals and changes made between the date of the first such roster and the dates of any roster prepared thereafter.

ARTICLE 10 JOB VACANCIES

10.01 Prior to posting a job and when the company determines a vacancy exists and is going to post such a position, employees within the same classification as the position vacancy will be polled by seniority to determine if there is any interest in the vacancy. The qualified senior employee will be allowed to fill the vacancy and the resulting vacancy will be posted.

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10.02 The Company will determine the methods and procedures used for posting jobs. Such notice shall include the title and location of the job, the qualifications needed for the job, the closing date for submission of interest and the process for submitting interest. Only those job vacancies which the Company has declared to be a job vacancy will be available for employee bids. The Company will provide a copy of the posting to the union.

The Company may post vacancies as fully qualified. When the company posts a job as fully qualified, it does not restrict interested and qualified employees from submitting a bid for the fully qualified position. Employees must submit interest through the methods and procedures determined by the Company within the timeframe indicated on the

posting. If two or more employees meet the fully qualified requirements, then seniority shall prevail.

If the employee is not selected, the Company will meet and discuss with the employee the necessary skill sets and qualifications that are required. The Company will discuss and suggest avenues by which the employee can pursue in an effort for the employee to fill future job openings.

10.03 Notice as to whom was selected to fill the vacancy will be posted on the bulletin boards and copy of such notice will be furnished the Local Union President. The selection to fill a job shall be posted within thirty (30) days after the posted job has been taken down. Any employee aggrieved by the selection shall have the right to present their grievance in accordance with the provisions of Article 17, Grievance Procedure. An employee selected to fill a vacancy under this article shall be placed in the new job within thirty (30) days of being notified of the award. The thirty (30) days may be extended by mutual agreement of the Company and Union.

10.04 Until the above outlined posting provisions have been satisfied, the Company may fill the vacancy or newly created job on a temporary basis, provided that - service conditions permitting - the Company will select for assignment to fill such vacancy or newly created job the senior qualified employee available for the work assignment.

10.05 In the absence of any application being submitted to the Company, as a result of such posting, by an employee who possesses the requisite skills and abilities the Company may hire a new employee to fill the vacancy. No new employee will be hired to

fill a job within the classifications covered herein for which a current employee is qualified and available.

10.06 When an employee is transferred or promoted in accordance with the provisions of Paragraph 10.02 through 10.04, he shall be given a trial period not to exceed six (6) months in his new assignment. With the mutual consent of the Company and Union, this trial period can be lengthened. If the employee shows that he is unable to efficiently perform the work of his new assignment within such trial period, he shall be returned to his former job classification at his former wage rate, or a similar position, if one is available. If the former job or a similar position is not available, the Company may demote the employee to another classification if the employee is qualified and a position is available. (This determination will first be discussed between the Human Resources Department and the President of the local Union, or his designated representative.)

Wage rate application of an employee so transferred in accordance with 10.02 through 10.04 shall be as follows:

- A. The employee transfers, or is reassigned, or is promoted into Schedules “3”, “4” or “5”, the employee will be placed in such wage progression schedule in accordance with his total Wage Experience Credit. If the employee’s total Wage Experience Credit does not entitle him to the maximum wage rate for his new assignment, he shall be placed in progression schedule for his new assignment and continue to progress through such progression schedule.

- B. The employee transfers, or is promoted, or reassigned into Schedules “8”, “9” or “10” from Schedules “3”, “4” or “5”, the employee will be placed in such progression schedule in accordance with his total Wage Experience Credit, not to exceed the 37th to 42nd month progression level. The employee shall continue to progress through the progression schedule.
- C. The employee transfers, or is promoted or reassigned from the positions within Schedules “2” (Garageperson, and Warehouseperson) or Schedule “6” (Frameperson) to a higher rated position within Schedules “8”, “9” or “10”, and
1. he is not receiving the maximum wage rate for his current position or has been receiving such maximum wage rate for less than six (6) months he will be placed in the wage progression schedule for his new assignment in accordance with his total Wage Experience Credit and progress through the new progression schedule.
 2. he has been receiving the maximum wage rate for his current position for six (6) months or more, he will be placed in the progression schedule for his new assignment in accordance with his total Wage Experience Credit, not to exceed the 37th to 42nd month progression level. (43rd to 48th month progression level for Frameperson). The employee shall continue to progress through the progression schedule.

- D. The employee transfers, or is promoted or reassigned from Schedule “8” (Lineperson, and Mechanic) to Schedules “9” or “10”, and;
 - 1. he is not receiving the maximum wage rate for his current position, he will be placed in Schedule “9” or 10” progression schedule at his present wage rate and progress through the new progression schedule.
 - 2. he has been receiving the maximum wage rate for his current position, upon assignment to the Schedule “9” or “10” position, he shall continue to receive his present rate for six (6) months before progression to the Schedule “9” or 10” maximum rate.

- E. The employee transfers, or is reassigned from Schedules “9” or “10” to Schedule “8”, and
 - 1. he is not receiving the maximum wage rate for his current position, he will be placed in the new Schedule “8” progression schedule at the applicable rate in accordance with his total Wage Experience Credit and progress through the new progression schedule.
 - 2. he has been receiving the maximum wage rate for his current position, his wage rate shall be reduced to the applicable maximum Schedule “8” wage rate upon assignment.

10.07 The Company will not be required to consider an application for transfer by an employee who has been promoted during the preceding eighteen (18)

months unless mutually agreed between the Union and the Company.

The Company will not be required to consider an application for transfer by an employee who has been transferred during the preceding eighteen (18) months unless mutually agreed between the Union and the Company.

10.08 Anti-Nepotism Policy

- A. This is to outline **Embarq** Mid-Atlantic Operations' (SMAO) procedures where situations exist or are subject to occur in which an employee has supervisory authority over a relative which may lead to charges of favoritism, animosity among employees, and complaints of unlawful employment discrimination. R
- B. This policy will outline SMAO's procedures on the hiring, transferring, and promotion of relatives.
- C. This policy will outline SMAO's procedures with respect to employees who marry while employed by SMAO.
- D. This policy applies to all categories of employment at **Embarq** Mid-Atlantic Operations including regular, part-time, occasional **Embarq** temporaries, and all other temporary or contractual employees. R
- E. SMAO permits the employment of qualified relatives of employees as long as such employment does not, in the opinion

of the Company, create actual or perceived conflicts of interest.

- F. SMAO will permit individuals who are related by blood or marriage to work in the same Company facility, provided no direct reporting or supervisory/management relationship exists.
- G. SMAO will not permit relatives to work in the same department, chain of command (reporting to the same supervisor), or in any other positions in which the Company believes an inherent conflict of interest may exist.
- H. Employees who marry while employed by SMAO will be treated in accordance with this policy. If a conflict arises as a result of the marriage, one of the employees should be transferred at the earliest practical time.
- I. Implementation of this policy is not intended to cause the termination of employment or immediate transfer of relatives of regular, part-time, occasional, or **Embarq** temporary employees. Departments should identify situations described in this policy, and, when opportunities arise, recommend transfers in order to correct these situations.
- J. The Employment Manager in concert with impacted Directors will be responsible for ensuring compliance with this policy.

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K. Exceptions to this procedure must be approved by the Vice President – Human Resources.

L. Definitions:

1. Relative is defined as a spouse, child, parent, sibling, grandparent or corresponding in-law or “step” relations for any of these or grandchild, aunt or uncle.
2. Chain of command is defined as having a direct influence (reporting to the same supervisor) over the work responsibilities, salary, evaluation, discipline, or career progress of an employee.

ARTICLE 11

JURISDICTION OF WORK

11.01 Contract Work

- A. The Company agrees that it will not use contract labor to the degree that it will cause part-timing or layoff of its regular employees.
- B. Nothing in this section is to be interpreted as restricting the right of the Company to use contractor’s labor to perform any work which can be done by unskilled or temporary employees. Also, it is not to be interpreted as restricting the rights of the Company to contract out any work during an emergency.

11.02 Non-performance of Craft Work by Supervisors

The Company agrees that it will not work supervisory employees on work ordinarily performed by non-supervisory employees, except for purposes of instruction or to meet emergency conditions.

11.03 The Company may work employees across Union jurisdictional lines without overtime restrictions, providing that the Company will not use any provisions of this Article to supply craft employees to areas served by another Union in the event of a strike by that Union.

It is agreed that this agreement is covered by collective bargaining agreements which have a similar reciprocal provision covering this matter.

11.04 The prohibition described under Article 11 of the Labor Agreement shall not apply to the consolidation or transfer of work to other **Embarq** work groups. In such cases the Company shall advise the Union of its intention to consolidate or transfer work prior to implementing such changes.

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**ARTICLE 12
HEALTH AND SAFETY**

12.01 The Company will pay a one time amount of \$185 towards the purchase of safety footwear for those employees in positions which are required under OSHA regulations to wear such footwear. Any additional expense will be the responsibility of the employee.

- A. The Company will make the determination of which employee classifications will be required to wear safety footwear.
- B. The Company will determine what is considered acceptable safety footwear with respect to appearance and functionality.
- C. Safety footwear for this purpose must meet the current ANSI Z41.1 Class 75 safety requirements.

12.02

- A. When employees report for duty and because of inclement weather, are, in the opinion of the supervisor, unable safely to perform their regular work, they shall be assigned such other work as may be available in order that their time may be profitably utilized.
- B. The maintenance of proper health and sanitary conditions and the observance of all laws relating to fire protection and safety are of mutual concern to the Company and the Union.
- C. Safety rules and regulations issued by the Company, or local, state and federal governments for the health and safety of employees and the public shall be strictly complied with. The Union and the Company shall cooperate in enforcing all such measures.

- D. Any question regarding matters referred to in this article shall be subject to the grievance procedure but shall not be subject to arbitration. Any Union complaint of unfair treatment under this Article shall, however, be subject to final review by the General Personnel and Public Relations Manager of the Company and the Western North Carolina Director of the Union.

ARTICLE 13

UNION FUNCTIONS

13.01 Bulletin Boards

- A. The Company may provide space for use of the Union on the Company's bulletin boards, or the Union shall have the right to mount and maintain bulletin boards at its own expense upon the Company's property at such locations and of such construction as may from time to time be mutually agreed upon (for the particular location) in advance between the Company and the Union.
- B. The Union's use of these bulletin boards shall be solely for notices of Union meetings; Union appointments, nominations and election of Union officers; social, education or recreational affairs of Union; and such other notices as may be mutually agreed upon between the parties. Material posted shall not contain anything derogatory or controversial, or anything reflecting unfavorably upon the Company or its personnel.

- C. No material shall be posted upon these Union bulletin boards, except by a properly authorized representative of the Local Union. The Union agrees to keep all material posted neat in appearance at all times.

13.02 Union Activity On Company Property

- A. Neither the Union, its representatives, nor its members shall carry on union activities on Company premises, or on Company time, except that Union officers and members, who are also employees, and other authorized Union representatives may carry on legitimate Union activities outside of working periods of all employees participating, in space where no Company operations or other work is performed, provided that:
 - 1. Such activity shall be limited to small groups of not to exceed six (6) employees; and
 - 2. Shall not interfere with the business of the Company or the use of such space for the purpose for which the space is intended; and
 - 3. Arrangements for the use of such space are made in advance with appropriate supervisor (outside of the Bargaining Unit).
- B. The Company and the Union agree to cooperate in the inspection of working conditions and in the investigation of circumstances surrounding any alleged grievance.

ARTICLE 14

TOOLS

- 14.01** The Company will furnish all tools necessary to provide and maintain telephone service, including suitable rain protective equipment for employees required to work out of doors in inclement weather.
- 14.02** Whenever these tools are worn out or become unsafe, in the judgement of the Management, the Company will exchange them for new ones at no cost to the employee.
- 14.03** Such tools and equipment furnished by the Company shall be signed for by the employee who shall be held responsible for their return in good condition, reasonable wear and tear expected.
- 14.04** In cases of excessive loss or damage by unnecessary abuse of tools and equipment referred to in this Article, the employee must replace the tools or equipment with like kind, meeting approved standards.

14.05 UNIFORM PROGRAM

The Company and the Union recognize the importance of our employees presenting a professional image to our customers and the general public. In order to assure consistency in dress and present a professional image, the Company and the Union agree to the following uniform policy. The Company may designate those classifications that will be covered by the uniform program.

The Company will determine color, style, and material blend of clothing. The Company logo will be required on the shirts, hats and/or jackets. **A pin not to exceed 1 ½ inches in diameter designating affiliation with the CWA and not derogatory of the company or its personnel, may be worn on a company shirt and will not cover the company logo.**

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Employees new to the program will be provided an initial vendor credit of \$475.00 to purchase uniforms from the Official Uniform Program catalog. In the years following the initial uniform purchase, an annual credit of **\$220.00** will be provided to program participants for replacement garments. Employees will receive a vendor cost adjustment as necessary. Clothing needing replacement as a result of work related damage will be the responsibility of the Company. For all employees in the program, any credits must be used during the year in which they are provided. Employees will be responsible for the full Company cost of replacing uniform garments should they be lost, stolen, or damaged through neglect.

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Additional uniform items may be purchased from the Official Uniform Program catalog at catalog prices at the employee's expense.

Employees will be required to wear the approved uniforms while on Company business. Individual exceptions to the Company's uniform policy may be allowed in unusual circumstances with management approval.

The Company shall provide shorts as an option for employee selection as designated by business unit. Both the Company and the Union recognize that Company safety rules and obligations will not be lessened in any degree to accommodate employee wearing of the shorts.

Regular and all appropriate maintenance of an employee's Company clothing is the responsibility of the employee. Company uniforms that have been in the care of an employee who is terminating from the Company must be returned on the employee's last working day. Should the employee fail to do so, they will be responsible for the full cost of the uniforms issued to them.

The Company and the Union are committed to working together on the Uniform Program and to discussing problems of mutual concern.

The Uniform Program will become effective on January 1, 2003.

14.06 Home Garage

In order to meet the needs of the business in the most efficient manner, the Company, at its sole discretion, may institute a program of home garaging. This program will permit affected employees to keep their vehicles at their home locations and be dispatched directly to the customer's location each morning. **The Company retains the right to modify, alter or delete this program based on business conditions.**

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Listed below are some guidelines for the program:

1. The company will determine which departments and towns will be eligible to participate.
2. Participation will be optional.
3. Employees in the following job titles may be eligible to participate providing the nature of the work being performed by the employees in the group is (a) other than at the same company owned/maintained facility on a regular basis, (b) is such that the employees can be dispatched and report directly to the work location at the beginning of the work day, and (c) it would not be necessary for the employee to first report to a company owned/maintained facility prior to his/her going to the work location.

Cable Splicer
Customer Service Technician
Central Office Installer
Business Service Technician
Public Access Technician

4. Individuals not electing to participate in “Home Garage” will continue to report as previously assigned.
5. The program must be flexible in that there may be times certain employees will be required to report to the work center to complete assigned projects.

6. In work groups (or reporting locations) with five or more eligible employees, a 50% or better participation level will be required for home garaging to be implemented. Exceptions to this policy will be addressed individually.
7. Employees should be at the first assignment at the scheduled starting time of the tour and at the last assignment at the scheduled ending time of the tour, unless overtime is required, then, the paid time ceases when the job is completed at the work site. If the first assignment is beyond 25 miles from the designated reference point, the Company will allow 30 minutes travel time at the beginning of the tour. If the last assignment is beyond 25 miles from the designated reference point, the Company will allow 30 minutes travel time. These rules apply to call out.
8. Call outs will not be contingent upon “Home Garage” employee but by current procedures.
9. Employees must live within a radius of 25 air miles of a physical reference point to participate in the home garage program unless agreed to by the company.

“Home Garage” will be optional. Changes in the employee option may be coordinated with the immediate supervisor. Generally, a two-week notice will be required when options are changed.

No non-company passengers allowed on vehicle.

Employees will not use the company vehicle for personal activities.

No alcohol or illegal drugs will be allowed on company vehicle.

No weapons will be allowed on company vehicle.

Liability of secured vehicle will be company's responsibility, i.e., vandalism, theft, and Act of God.

Location of vehicle during employee vacation at discretion of local management.

Employees will notify immediate supervisor should their address change.

Vehicle maintenance - routine and repair - at discretion of local management, on company time.

Scheduled and unscheduled meetings will be handled by local management. (safety, training, information, quality, uniform exchange.)

Employees participating in home garage will not report to the work center at start and stop time.

Employee should be at first assignment at the scheduled starting time of the tour and at last assignment at the scheduled ending time of the tour, unless overtime is required, then, the paid time ceases when the job is completed at the work site. If the first assignment is beyond 25

miles from the designated reference point, the Company will allow 30 minutes travel time at the beginning of the tour. If the last assignment is beyond 25 miles from the designated reference point, the Company will allow 30 minutes travel time.

Accidents incurred (personal injury and vehicle) while enroute to and from work are covered by the company.

Call outs will not be contingent upon home garage employees but by current procedures.

Company vehicles during off hours should be parked on employee's personal property, however, will allow street parking where zoning permits.

Employees must live within a radius of 25 air miles of a physical reference point to participate in home garage unless agreed to by the company.

Construction splicers and Business Service Technicians may be included on a job-to-job basis wherever practicable.

ARTICLE 15 RECORDS

15.01 Personnel Records. Upon the development of a grievance condition where necessary to develop pertinent facts having to do with the presentation or resolving of such a grievance, the personnel record of any employee shall be subject to inspection by a

properly authorized Union representative, when accompanied by the employee, on the Company's premises, following delivery to the Company of such employee's written consent.

- 15.02** When entries are made to an employee's personnel record which may affect his employment, the employee shall be so advised. When such an entry is to be made in a personnel record it shall be made within ten (10) working days of the occurrence to which the entry refers, or as soon thereafter as it becomes known to the Company.

ARTICLE 16

UNION-MANAGEMENT CONFERENCES

16.01 Joint Conferences

- B. All meetings between representatives of the Union and the representatives of the Company shall be held at the request of either party following reasonable advance notice.
- C. The Company and the Union will give adequate notice in writing to each other of their respective duly authorized representatives and of matters to be discussed.
- D. The Union and the Company also agree to certify to each other the names of their respective officers and representatives who are authorized to represent them at each step of the grievance procedure.

ARTICLE 17

GRIEVANCE PROCEDURE

17.01 If any grievance or difference arises between the Company and the Union, or any employee or employees covered by this Agreement, as to any alleged unjust treatment in connection with matters adversely affecting the protection during the working hours of the health and safety of employees generally, or the application or interpretation, or alleged violation of the provisions of this Agreement, such grievance or difference shall be processed in accordance with the following procedure:

Note: “Days” as used in this Article shall not include Saturdays, Sundays, or holidays as specified in this Agreement. “Employee” as used under this heading shall mean “Employee” or “Employees”.

Step 1. The grievance shall first be submitted in writing, stating the issue, the Article and the Section allegedly violated and first be discussed by the aggrieved employee who may be accompanied by a Union representative for the unit in which the aggrieved employee is employed, with the immediate supervisor (or his designated representative). If the aggrieved employee is accompanied by a properly authorized Union representative, no Company representative shall, thereafter, discuss the grievance with the employee involved, pending final disposition of the matter, without first notifying the Union’s properly authorized representative and giving him the opportunity to be present. The aggrieved employee may be present at this step of the grievance procedure only. If more than one aggrieved

employee is involved, participation of more than one aggrieved employee shall be by mutual agreement. If the grievance is not adjusted or disposed of within five (5) days, then the matter shall, at the request of the employee or the Union representative (authorized to act with regard to the grievance at this level), be submitted under Step 2. If not settled at Step 1, it should be submitted in writing stating the issue or the Article(s) and the Section(s) allegedly violated prior to Step 2 meeting.

Step 2. The Company's District Department Head (or his/her designated representative) and the Local Union President (or his/her designated representative) shall then attempt to settle the grievance or difference. The District Department Head (or his/her designated representative) shall provide any response to the grievance in writing.

If the grievance or difference is not adjusted or disposed of within seven (7) days, it shall, within four (4) additional days, be submitted in writing with the second step grievance form attached to Step 3. Requisite conformed copies shall be submitted by the Local Union President to the CWA Representative to whom the Local Union has been assigned and by the Company's District Department Head to the Company's designated Human Resources department representative.

Step 3. The Company's designated Human Resources department representative and the Union's Representative (authorized to act with regard to the grievance at this level), shall then attempt to settle the grievance.

If a satisfactory adjustment or withdrawal of the grievance or difference is not obtained within fifteen (15) days - or any extension of this period mutually agreed upon and confirmed in writing - after such grievance or difference was first submitted under Step 3., then either party shall, subject to the provisions of Article 18, have the right to, at any time within the next following thirty (30) days, submit the grievance or difference to arbitration by delivering to the other, by certified mail, written notice of its intention to do so effective ten (10) days after the date of delivery of such notice unless satisfactory adjustment or withdrawal is obtained in the interim.

17.02

1. The time limits specified in any of the foregoing steps may be extended with respect to the particular grievance or difference by mutual consent of the parties hereto and confirmed in writing.
2. Grievance Meetings. As mutually agreed, to expedite grievance management, the meetings may be conducted via conference call or video conference. It is agreed that all meetings or conferences under this grievance procedure at Steps 1, 2 and 3 shall be conducted during regular business days (Monday – Friday) and during regular business hours (8 am – 5 pm) unless otherwise mutually agreed. Employees attending grievance meetings at Step 1, 2 and 3 shall suffer no loss of pay provided such meetings coincide with the employees' regular scheduled work hours. In no case will overtime be paid to attend meetings or any additional compensation result from attending meetings.

- 17.03** Any grievance shall be presented as soon as practicable after the last occurrence, but in no event later than fifteen (15) days thereafter. Failure to submit a grievance within such a period shall constitute a bar to further action thereon, unless it is shown that such failure was due to causes beyond the control of the employee, or that neither the employee nor the Union knew that the cause of the grievance existed.
- 17.04** The aggrieved employee and the employee acting as authorized representatives of the Union, may without loss of pay and following reasonable advance notice, discuss and investigate grievances when accompanied by a Company representative during their respective scheduled work days.
- 17.05** In addition, if the aggrieved employee and/or his representative employed by the Company or other employees are requested by the Company to leave their normal working area in the handling of an alleged grievance or difference, the Company will reimburse the employee and/or his representative (employed by Company) or other employees for their reasonable board, lodging and transportation expense incurred in connection therewith.

ARTICLE 18

ARBITRATION PROCEDURE

Note: "Days" as used under this heading shall not include Saturdays, Sundays or holidays as specified in this Agreement. "Employee" as used under this heading shall mean "Employee" or "Employees".

18.01 The provisions for arbitration under this Agreement applies to only those matters which are referred to in subparagraph A. and B. below:

- A. Any grievance or difference involving the alleged unjust discharge, or the interpretation, or alleged violation of any of the provisions of this Agreement, except those which by their own terms are excluded from arbitration; or
- B. Any particular grievance or difference not included in the preceding subparagraph A. may be submitted to arbitration by mutual agreement of the parties hereto.

18.02 The procedure for arbitration shall be as follows:

- A. The parties agree to select an impartial arbitrator from a list of names submitted by the Federal Mediation and Conciliation Service. Each party shall alternately strike one name each until one name remains. The person so named shall be the arbitrator for the case being arbitrated.
- B. The arbitrator shall receive testimony and evidence from the parties and shall render a decision after the conclusion of the hearing.

The arbitrator shall find the facts, render his/her decision and award in writing, and sign same.

- C. An arbitrator may hear only one grievance at a time unless otherwise agreed to in writing by both parties.
- D. The decision of the arbitrator shall be final and binding upon each of the parties hereto and they will abide thereby.

18.03 The Arbitrator appointed in accordance with the foregoing provisions shall have no power to alter, amend, annul, or disregard any of the terms or provisions of the Agreement.

18.04 Each of the parties shall bear the expense of its own representatives and witnesses; and the parties hereto shall jointly bear any general expenses of the Arbitration, including the expense of providing the Arbitrator.

18.05 No employee shall be paid by the Company for any time lost while acting on behalf of the Union during arbitration proceedings.

18.06 **The Company and the Union agree to the timely disposition of all arbitration cases and believe it is in the best interests of both parties to avoid delays in hearing cases. After demanding arbitration in accordance with Section 17.01 Step 3, the case should be heard no later than 18 months from the date of filing.**

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Any delays or postponements must be mutually agreed to between the parties. In absence of any delays or postponements, if the case has not begun within the 18 month timeframe, the case shall be deemed dropped and no further action to compel arbitration for the instant case shall be brought.

ARTICLE 19 PAYROLL DEDUCTIONS

19.01 The Company agrees that during the term of this Agreement it will, if furnished a written individual payroll deduction authorization form, voluntarily executed by a regular employee covered by the terms of this Agreement, deduct from the wages of such employee, the amount of monthly Union dues (not including initiation fees or any other fees or charges) to be paid to the Union, provided that - -

- A. Each such payroll deduction authorization shall:
- (1) be made on forms approved by the Company;
 - (2) be dated;
 - (3) indicate the amount of “my regular monthly Union dues as certified to the Company by the Secretary-Treasurer of the Communications Workers of America” to be deducted regularly each month;
 - (4) provide that the authorization can be terminated by the employee on December 31, of any year by written notice delivered to the Company not later than December 1, of that year; and
 - (5) that the employee will also furnish the Union with a copy of any notice to the Company terminating such authorization;

- B. All such payroll deductions shall be made from checks issued to cover the second bi-weekly payroll period of each month;
- C. An employee's payroll deduction of Union dues authorization shall be automatically cancelled as of the date his employment within the Bargaining Unit terminates, except only when such termination is temporary and results from the employee being temporarily assigned to a management position;
- D. The total sum of Union dues so deducted for the purpose indicated, shall be forwarded by the Company to the Secretary-Treasurer of the Union as soon after the deductions have been made as in the ordinary course of carrying on the business of the Company is possible, accompanied by a statement showing the Local Union Number 3672 and indicating which employee's dues are being remitted and the amount thereof per employee;
- E. The Company assumes no responsibility in connection with the Union dues deducted, except that of forwarding monies so deducted to the Union's Secretary-Treasurer as indicated under D. above;
- F. The Union will keep the Company informed, at all times - by letter - as to who the Secretary-Treasurer of the Union is and of his official address;
- G. Execution of a payroll deduction of Union dues authorization form shall in no event be a condition of employment by the Company.

**ARTICLE 20
GROUP HEALTH AND
WELFARE BENEFITS**

20.01 Flexible Benefits Plan

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Effective **January 1, 2009**, and continuing for the life of this Agreement, the Company agrees, subject to the limitations described below, to include employees subject to this agreement in the **Flexible Benefits Plan** as it is applicable to non-represented employees of the Company. The components of the **Flexible Benefits Plan** available to employees subject to this agreement **may include, but not limited to** the following benefit options: Medical, Prescription Drug, Dental, Vision Care, **Supplemental Long-Term Disability**, Health Care Reimbursement Account, Dependent Day Care Reimbursement Account, Employee Life Insurance, Dependent Life Insurance and Accidental Death and Dismemberment Insurance. The Company **also** agrees to provide eligible employees with Basic Long-Term Disability coverage and to pay the cost for such coverage.

The annual price tags for the medical, prescription drug, and dental coverage options under Flex will be the same as those applicable to non-represented employees of the Company. On an annual basis, employees will be credited with benefit dollars the same as those applicable to non-represented employees of the Company.

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The Company, at its sole discretion, shall designate the insurance carrier(s) and the agent(s) for processing claims and other transactions for the **Flexible Benefits Plan** and the individual components thereof. The Company may change the insurance carrier(s) and/or the claims administrator(s) at any time provided that the Company first provides notice to the Bargaining Unit thereof. As provided in the various Summary Plan Descriptions, which were presented to the Bargaining Unit, the Company reserves the right to amend or terminate any one of the various components of the FlexCare Plan at any time, including changing the deductible, co-payment, and maximum out-of-pocket amounts for certain health care options so long as the changes are uniformly applied to all eligible employees, both non-represented and bargaining unit employees.

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A. Voluntary Benefits Program

Effective January 1, 2009 and continuing for the life of this Agreement, the Company agrees, subject to the limitations described below, to include employees in the Voluntary Benefits program as it is applicable to non-represented employees of the Company. The components of the Voluntary Benefits program available to employees may include, but not be limited to, Automobile Insurance, Homeowners Insurance, Long Term Care Insurance, Pet Insurance, Universal Life Insurance, Critical Illness Insurance coverages, and Legal Services.

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It is understood that employees will be responsible for the entire cost for each component of the Voluntary Benefits program.

At its sole discretion, the Company may permit employees to have the required costs withheld through payroll deduction.

In addition, at its sole discretion, the Company shall designate the insurance carrier(s) and/or the agents(s) for the various components of the Voluntary Benefits program. The Company may change the insurance carrier(s) and/or the agents(s) at any time provided sufficient notice is given. The Company will provide the insurance carrier(s) and/or the agent(s) with all applicable employee information needed to offer the program. The Company also reserves the right to modify or terminate any one of the various components of the Voluntary Benefits program at any time so long as the changes are uniformly applied to all eligible employees, both non-represented and bargaining unit employees.

20.02 Retiree Medical Plan for Bargaining Unit Employees FlexCare

Bargaining unit employees participating in the Flexible Benefits Program and subsequently retiring become participants in the **Embarq** Retiree Medical Plan (the “Retiree Medical Plan”), subject to the terms and conditions of the Retiree Medical Plan. Coverage in the Retiree Medical Plan begins on the first day of the month following the day the bargaining unit employee retires.

The Company, at its sole discretion, shall designate the insurance carrier(s) and the agent(s) for administering claims and other transactions for the Retiree Medical Plan and other components thereof. The Company may change the insurance carrier(s) and/or the claims administrator(s) at any time provided that sufficient notice is given.

As provided in the various Summary Plan Descriptions, the Company expects to continue the Retiree Medical Plan indefinitely. However, the Company reserves the right to amend or terminate any one of the various components of the Retiree Medical Plan at any time, including changing the level of Company contributions, retiree contributions, deductible, co-payments, and maximum out-of-pocket amounts for certain health care options. These changes will be uniformly applied to all eligible retirees.

20.03 Short-Term Disability

The Short Term Disability (STD) Plan provides income protection when you cannot work at your usual job due to an injury or illness incurred either on or off the job. The Summary Plan Description (SPD) describes the benefits and coverage requirements for the benefits. The Plan is effective January 1, 2006.

Employees are covered by the plan if they are a regular, full-time employee, or a regular, part-time employee scheduled to work 20 or more hours per week.

Employees hired on or after January 1, 2006 will meet the Plan's service requirement when they have completed one year of continuous service.

If you are covered under the Plan, you are entitled to benefits when you meet all of the following criteria:

- You cannot work due to an illness or injury you incur either on or off the job
- Your absence due to that illness or injury is for more than 40 consecutive scheduled work hours (Waiting Period)
- You must comply with the Claims Procedure and satisfy all Plan requirements for documentation, reporting and compliance including an Independent Medical Examination (IME) if required.

If your employment is involuntarily terminated (i.e., someone other than you ends your employment) while you are receiving STD benefits, you may continue receiving benefits until (i) your benefits are exhausted, (ii) your health care provider indicates you could have otherwise returned to work, with or without restrictions, or a health care provider providing an IME indicates you could have otherwise returned to work, with or without restrictions.

If you can not return to work when you are no longer eligible for benefits under the Plan, it is your responsibility to contact management and Human Resources to discuss your continued employment. Employees who exhaust Short Term Disability benefits for non-industrial illness/injury may request an unpaid leave of absence not to exceed two (2) months. The employee must be able to

provide medical documentation establishing he/she can return to their former position with no restrictions.

Benefits under the Plan are based upon your length of service. The Plan provides benefits up to a maximum of 26 weeks according to the following STD Benefit Payment Schedule.

STD Benefit Payment Schedule

If your length of service is:	Then benefits at 100% of Base Salary are paid for::	And benefits at 60% of Base Salary are paid for:
Less than 1 year	None	None
One year of service or more	Two weeks of STD benefits at 100% of your Base Salary for each full year of service up to a maximum of 26 weeks	26 weeks of STD benefits at 60% of your Base Salary, less the number of weeks the benefits at 100% of your Base Salary

Proof of sickness or disability may be required of all employees receiving benefits under this plan. Sickness disability hereunder must be certified as rendering the employee unable or unfit to work by an accredited physician of the employee’s choice acceptable to the Company.

STD benefits are based upon your Base Salary on your last day worked. Your Base Salary is your hourly rate times your regularly scheduled weekly work hours. Payments such as overtime and shift differentials, are not included in your Base Salary for purposes of this Plan.

Your Plan benefits will not begin until after the Waiting Period described in section 20.03 unless:

- You are entitled to Plan benefits the second time due to the same illness or injury that caused you to be entitled to Plan benefits the first time; and
- You returned to work for 30 calendar days or less.

If you return to work for less than 182 calendar days, your previous STD benefits will be considered in determining the amount and maximum period of benefits. In other words, you will continue on the STD Benefit Payment Schedule described above based on your service at the first time you became entitled to Plan benefits.

If you return to work for at least 182 calendar days, your previous STD benefits will not be considered in determining the amount and maximum period of benefits.

If you are eligible to receive Workers Compensation benefits under state law and STD benefits under this Plan, your STD benefits will be coordinated with any Worker's Compensation benefits you receive such that the employee will receive the maximum payment available under this plan or the workers' compensation state statute, but not the total sum of both benefits. Your Plan benefits will be limited such that the sum of your Plan benefits and your Workers Compensation benefits will not exceed 85% of your Base Salary, unless otherwise required by state Workers Compensation laws.

Social Security disability benefits and benefits under the Plan are also coordinated. You receive the maximum benefits available under this Plan and Social Security, but not the total sum of both benefits. Your Plan benefits will be limited such that the sum of your Plan benefits and your Social Security disability benefits will not exceed 100% of your Base Salary, unless otherwise required by Social Security laws.

You must apply for STD benefits by completing and signing all forms required by the Plan within **twenty-two (22)** days of your first date of absence qualifying for benefits under the Plan.

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If you submit all completed, required forms within **twenty-two (22)** days from your first day of absence that qualifies you for STD benefits, your Plan benefits will begin retroactive to the first day after your Waiting Period. If you submit all completed, required forms after **twenty-two (22)** days from your first day of absence that qualifies you for STD benefits, your Plan benefits will begin prospectively on the date the Plan Administrator receives all the completed, required forms under the Plan unless the Plan Administrator determines that the submission was late due to matters beyond your control.

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20.04 Temporary Alternate Duty (TAD)

1.0 Purpose

- 1.1 To establish guidelines regarding temporary alternate duty assignments for employees who are unable to perform their normal job duties due to a temporary disability.

2.0 Temporary Alternate Duty Assignment

- 2.1 Temporary alternate duty means the temporary assignment of available work which can be performed without undue risk of injury to the employee (including aggravation of an existing condition) or to co-workers.
- 2.2 Temporary alternate duty assignments may include some of the job duties within the employee's regular job classification and/or some or all of the job duties within another job classification.
- 2.3 The Company will not be required to create work not otherwise available or to lay-off or terminate any other employee in order to make a temporary alternate duty assignment available to an employee with a disability.

3.0 Responsibility

- 3.1 The supervisor/manager for each department shall be responsible for informing employees of this procedure. The Loss Prevention Coordinator will, in coordination with the department managers/supervisors, be responsible for determining whether TAD assignments are available and ensure compliance with the procedure set forth below.

4.0 Procedure

- 4.1 This procedure shall apply whenever (a) the Company determines that a TAD assignment is available for an employee unable to perform his/her normal job duties, and (b) the attending physician of such an employee advises the Company that the employee is able to perform other duties.
- 4.2 If it is determined that a TAD assignment is available, the Loss Prevention Coordinator will inform the employee and his/her attending physician of the job duties and physical requirements of the assignment.
- 4.3 If the attending physician advises the Company that the employee can perform the assignment without undue risk of injury (including aggravation of an existing condition) to the employee or co-workers, the employee will be assigned to the alternate duty.
- 4.4 While assigned to TAD, the employee will be paid at the wage rate for his/her regular job classification. Time worked on such assignment shall be included for purposes of wage progression in that classification.
- 4.5 While assigned to TAD, the employee's service and seniority shall accrue for benefits as identified in the appropriate labor contract.

- 4.6 While assigned to TAD, the employee may be required to participate in (a) a rehabilitation program that may assist in recovery from his/her disability and/or (b) Company provided or sponsored training classes related to the employee's regular job classification. These requirements shall be waived if the employee's attending physician advises the Company in writing that the employee's disability prevents such participation.
- 4.7 Temporary alternate duty assignments shall not be more than 90 days (3 months) in duration unless extended by the Company and the treating physician. TAD may be discontinued at any time if the Company determines that work is no longer available or that the employee is unable to perform the work in a satisfactory manner.
- 4.8 TAD assignments shall not be considered "active full-time employment" for purposes of separating successive disabilities due to the same cause under the Accident and Sickness Benefit Plan ("A&S Plan"). Any A&S Plan benefits for which the employee is eligible at the commencement of his/her TAD assignment shall be frozen while the employee is on alternate duty. If the employee completes temporary alternate duty and is then unable to perform his/her normal job duties, the employee's A&S Plan benefits will resume from the point at which they

were frozen and continue as if the employee had never been on TAD.

- 4.9 If the attending physician of an employee on TAD advises the Company in writing that it is unlikely the employee will recover sufficiently to resume his/her normal job duties, the case will be reviewed by the Disability Review Committee regarding further status.

ARTICLE 21 COOPERATION - DISCRIMINATION

21.01 The Company and the Union agree: (a) that they will, at all times, cooperate in an effort to promote harmony and efficiency among the Company's employees; and (b) that no coercion, intimidation, or discrimination of employees - because of Union membership or non-membership - will be permitted.

21.02 Management Rights

Section 1. It is understood and agreed that the Company has all customary and usual rights, functions, and authority of management.

Section 2. The Company shall have the exclusive right to:

- A. Direct and supervise the Company's plant and business operations and policies;

- B. Assign, modify or change work duties or requirements (The Company will provide advance notice when it reassigns work from one classification to another);
- C. Establish and maintain rules for safe and efficient operations;
- D. Move a facility or operation to another location or another facility, or close or liquidate a facility;
- E. Discontinue, temporarily or permanently, in whole or in part, the conduct of its business or operations;
- F. Install, remove, or change machinery and equipment and introduce new or improved methods, materials and facilities;
- G. Determine the qualifications for and make the selection of its managerial, supervisory, professional and administrative personnel;
- H. Determine, administer, rearrange and change methods, materials, equipment, work and safety standards, or reasonable performance requirements needed in any job or area;
- I. Decide the number of employees needed at any particular time or place and be the sole judge of the quality and acceptability of the communication service rendered to the public.
- J. To discipline with just cause.

Section 3. It is further understood and agreed that all rights heretofore exercised by, or inherent in the Company, not modified or restricted by the terms of this Agreement, are retained solely by the Company.

ARTICLE 22 RESPONSIBLE – COMPANY RELATIONSHIP

22.01 The Union Business Manager and/or a designated representative and a Human Resource representative will participate jointly in a new employee orientation. Such overview will provide information relative to the employee's rights under the law, and related Union issues. The overview will also address the Union/Management relationship. The meeting should last no longer than 30 minutes.

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22.02 The Company and the Union recognize that it is in the best interests of both parties, the employees, and the public that all dealings between them continue to be characterized by mutual responsibility and respect. To insure that this relationship continues and improves, the Company and the Union and their respective representatives at all levels will apply the terms of this Agreement fairly in accord with its intent and meaning and consistent with the Union's status as exclusive bargaining representative of all employees in the Unit. Each party shall bring to the attention of all employees in the unit, including new hires, their purpose to conduct themselves in a spirit of responsibility and respect and of the measures they have agreed upon to insure adherence to this purpose.

22.03 The Company shall provide the responsible CWA Staff Representative a complete “DRAFT” copy of new contracts within thirty (30) days after ratification by Local(s) membership.

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Upon receipt, the Union will have thirty (30) days to review the “DRAFT” copy and return the new contract back to the Company.

ARTICLE 23 WAGES

23.01 The wage rates to be paid under the terms of this Agreement shall be those appearing in Schedules “1”, “2”, “3”, “4”, “5”, “6”, “7”, “8”, “9”, and “10”, attached hereto and made a part hereof, shall be effective as indicated in said schedules. In no event, however, will these wage rates be made effective prior to the dates indicated in said schedules, nor will they exceed the wage rates provided for by said schedules.

Any other forms of additional remuneration provided for by this Agreement including, but not necessarily limited to, holiday pay, insurance improvements, accident and sickness insurance and any other “fringe” benefits shall be effective as agreed to, but in no event will these fringe benefits be effective earlier than June 1, **2008** or as elsewhere indicated in this Agreement.

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ARTICLE 24

DURATION OF AGREEMENT

24.01 This Agreement shall become effective on June 1, **2008**, and continue in effect through May 31, **2011**, and thereafter until either party serves written notice on the other party of its desire to terminate the Agreement, in which case the termination shall become effective as provided in such notice but not earlier than sixty (60) days after the date of delivery of such notice.

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24.02 Negotiation. Either party may, not earlier than sixty (60) days prior to June 1, **2011**, request in writing, negotiation of modifications or amendments to this Agreement. If such a written notice is submitted (and the other party has not terminated the Agreement) the parties shall negotiate on modifications and amendments as proposed by either party and this Agreement shall continue in effect unless replaced by a new or amended Agreement or until terminated by either party giving at least sixty (60) days written notice of termination to the other party.

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24.03 Any provisions of this Agreement may be amended, modified or supplemented at any time by mutual consent of the parties hereto. Such Amendments shall be reduced to writing, state the effective date of the Agreement, and be executed in the same manner as is this Agreement.

ARTICLE 25

FEDERAL AND STATE LAWS

25.01 Nothing in this Agreement shall be construed to require either party to act contrary to any State or Federal Law or regulation having the effect of law. In the event such condition arises, this Agreement shall be modified in respect to either or both parties to the extent necessary to comply with such law or regulation.

25.02 Consistent with the other provisions of this Agreement, the Company and the Union agree to continue to support their policies of avoiding discrimination against any employee regarding the terms or conditions of employment because of age, sex, race, color, religion, or national origin. The Company will comply with the applicable provisions of the Vietnam Era Veterans' Readjustment Act of 1974, as amended, and the Rehabilitation Act of 1973.

The Company and the Union will comply with the Americans with Disabilities Act.

25.03 Any reference to either male or female gender in this Agreement is intended to include both genders and is not to be considered as a limitation on either sex.

ARTICLE 26 SERVICE BRIDGING

26.01 All regular, full time employees of the Company, including predecessor or acquired companies, who successfully completed the probationary period and left in good standing are eligible for service bridging **in accordance with the Bridging of Service Policy, a copy of which was provided to the union on May 30, 2008. The Company reserves the right to make changes to the policy as long as they are uniformly applied.**

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Bridging only applies to service prior to the most recent break, and, or combination of service and bridged service prior to the most recent break.

Bridging of prior service will apply to the following:

- A. Eligibility for **Short Term Disability.**
- B. Vacation eligibility.
- C. Service awards.

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ARTICLE 27 PENSION AGREEMENT

27.01 The Company has adopted the **Embarq** Retirement Pension Plan (the “Retirement Pension Plan”) and agrees to include employees covered by this Agreement as members of such Retirement Pension Plan in accordance with the Pension Agreement, which by reference thereto is

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incorporated herein and made a part of this Agreement. Said Pension Agreement shall be continued without modification for the life of this Agreement; provided, however, the Company (and for this purpose only, “Company” shall include **EMBARQ Corporation**) retains the right to make such changes in the Retirement Pension Plan, in its sole discretion, as may be required to obtain a ruling from the Commissioner of Internal Revenue that the Retirement Pension Plan qualifies under section 401(a) of the Internal Revenue Code of 1986, as amended from time to time, and that the Trust implementing the Retirement Pension Plan is exempt from taxation under section 501(a) of said Code, to satisfy any applicable state or federal statute, regulation, ruling, court decision or other law applicable to said Retirement Pension Plan, or to administer said Retirement Pension Plan in an orderly and efficient manner. Any such action taken by the Company in its sole discretion with respect to the Retirement Pension Plan shall apply to all similarly situated employees of the Company in a uniform manner. The Company pays all contributions to the Retirement Pension Plan.

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RETIREMENT PENSION AGREEMENT

Section 1. Embarq Retirement Pension Plan

The Employer agrees to provide Covered Members, through the **Embarq** Retirement Pension Plan (the “Retirement Pension Plan”), the benefits hereinafter specified in this Agreement effective June 1, **2008**.

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All terms defined in the **Embarq** Retirement Pension Plan, including Appendix MM, shall have this meaning specified therein unless the context of this Pension Agreement clearly indicates otherwise.

Covered Member shall mean an employee of Central Telephone Company, **Embarq** Mid-Atlantic Telecom represented by Local Union No. 3672 of the Communications Workers of America who is a member of the Retirement Pension Plan pursuant to Article 2 of the Retirement Pension Plan.

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The provisions of the Retirement Pension Plan, other than Sections 3.1, Retirement Allowance General, and 3.2, Retirement Allowance on Termination of Employment or Retirement, including the rights of the Board of Directors of **EMBARQ** Corporation to make such amendments as it deems advisable with respect to all of the provisions of the Retirement Pension Plan other than those referred to specifically in this document, are incorporated herein by reference and shall be in full force and effect provided that continuous service and credited service shall be determined in accordance with provisions of Article IX, Definitions; and Paragraphs I, Continuous Service, and J, Credited Service, respectively, of Appendix MM of the Retirement Pension Plan, except as specifically provided to the contrary herein.

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Anything contained in the Retirement Pension Plan to the contrary notwithstanding, the tables of monthly benefit per year of service hereinafter described shall apply to a Covered Member until revised by a subsequent Pension Agreement. This Pension Agreement shall terminate when the contract between the Employer and the Bargaining Unit terminates. Upon the termination of this Pension Agreement, if as of such a date a subsequent Pension Agreement between Central Telephone Company, **Embarq** Mid-Atlantic Telecom and the Local Union No. 3672 of the Communications Workers of America is not in force, the retirement allowance of any Covered Member shall be determined as of such date and shall not increase for any reason until the effective date of a subsequent Pension Agreement. No credited service shall be earned following such date. Continuous service shall continue to be earned in accordance with Article IX and Paragraph I of Appendix MM of the Retirement Pension Plan. A Covered Member may retire as provided in the Retirement Pension Plan following such termination date and receive the retirement allowance determined as of the termination date, provided, that such allowance shall be adjusted as provided in the Retirement Pension Plan if it is paid in a form other than a life annuity or commences on a day other than the Covered Member's Normal Retirement Date, as defined in the Pension Plan.

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Section 2. Eligibility for Benefits

- a. Effective May 26, 1999, the benefit accrued by a Centel Bargaining Unit Employee covered by this Agreement shall be frozen with regard to determining the benefit ultimately payable under Article VII, Paragraph C, Centel Special Early Retirement, of Appendix MM of the Retirement Pension Plan (the “60/30 Provision”) in the manner described in Section 2(b). The 60/30 Provision shall not apply to any Centel Bargaining Unit Employee who has no continuous service under the Pension Plan on or before May 26, 1999.

- b. For each Centel Bargaining Unit Employee covered by this Agreement as of May 26, 1999, the retirement allowance of such employee who has a termination of employment prior to his or her attainment of age 65 and on or after the attainment of age 60 and 30 or more years of service, shall be the greater of:
 1. The benefit accrued as of May 26, 1999, as if such employee had a termination of employment as of that date under the 60/30 Provision, i.e., the accrued benefit shall not be reduced for early retirement, or

 2. The benefit accrued as of the date the Centel Bargaining Unit Employee actually terminates employment reduced by the early retirement factors in effect at that time.

c. Effective May 27, 1999, the Special Early Retirement Allowance, as defined in Section **1.55** of the Retirement Pension Plan, and the Special Early Retirement Date, as defined in Section **1.56** of the Retirement Pension Plan shall be extended to a Centel Bargaining Unit Employee. The determination of a benefit under the Special Early Retirement Allowance shall be made in accordance with Section 7.6(b) of the Retirement Pension Plan.

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ARTICLE 28

RETIREMENT SAVINGS PLAN

AGREEMENT

28.01 The Company has adopted the Centel Retirement Savings Plan for Bargaining Unit Employees (the “Retirement Savings Plan”) and agrees to include employees covered by this Agreement as members of such Retirement Savings Plan as soon as administratively feasible following ratification of this Agreement, in accordance with the Retirement Savings Plan Agreement as included below. In addition, the Company agrees to withhold employee contributions as provided in said Retirement Savings Plan Agreement and to make Company contributions thereto. Said Retirement Savings Plan Agreement shall be continued without modification for the life of this Agreement; provided, however, the Company (and for this purpose only “Company” shall include **EMBARQ** Corporation) retains the right to make such changes in the Retirement Savings Plan, in its sole discretion, as may be required to obtain a ruling from the Commissioner of Internal Revenue that the

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Retirement Savings Plan qualifies under section 401(a) and 401(k) of the Internal Revenue Code of 1986, as amended from time to time, and that the Trust implementing the Retirement Savings Plan is exempt from taxation under section 501(a) of said Code, to satisfy any applicable state or federal statute, regulation, ruling, court decision or other law applicable to said Retirement Savings Plan, or to administer said Retirement Savings Plan in an orderly and efficient manner. Any such action taken by the Company in its sole discretion with respect to the Retirement Savings Plan shall apply to all similarly situated employees of the Company in a uniform manner.

Section 1. Centel Retirement Savings Plan for Bargaining Unit Employees

The Company agrees to provide a means for employees to save for their retirement on a tax-deferred basis through the Centel Retirement Savings Plan for Bargaining Unit Employees (the “Retirement Savings Plan”). Employee and Company contributions to said Retirement Savings Plan are specified in this Agreement. All terms defined in the Retirement Savings Plan shall have the meaning specified therein unless the context of this Retirement Savings Plan Agreement clearly indicates otherwise.

Section 2. Employee Contributions

- a. Each Participant shall be allowed to contribute on a bi-weekly basis up to an amount equal to eighty percent (80%) of the Participant’s wage. Such bi-weekly wage

deductions shall be in increments of one percent (1%) and shall be contributed to the Participant's account. The first sixteen-percent (16%) may be contributed on a pre-tax basis, after-tax basis, or both. An additional sixty-four percent (64%) may be contributed on a pre-tax basis only.

- b. The first six percent (6%) of the Participant's wage made on a bi-weekly basis shall be known as "Basic Contributions". The minimum Basic Contribution shall be one percent (1%) of a Participant's wage, but not to exceed eighty percent (80%).
- c. Participant Contributions made in excess of Basic Contributions, contributions greater than six percent (6%) of wages, shall be known as "Supplemental Contributions".
- d. Catch-Up Contributions

Effective June 1, 2005, each eligible Participant shall be permitted to make Catch-Up Contributions as defined in the plan document. Upon attainment of age 50, a participant may contribute an additional amount per year to the extent provided by Section 414(v) of the Internal Revenue Code and under procedures established by the Embarq Employee Benefits Committee.

A Participant's "wage" means base pay and approved incentives earned during a payroll period and shall not include overtime pay, shift differential pay, disability benefits,

severance pay or any other extra pay or compensation.

Section 3. Company Contributions

- a. The Company shall contribute a Company matching contribution equal to **twenty-five percent (25%) of the Participant's bi-weekly Basic Contribution.**

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ARTICLE 29 SEVERANCE PAY

29.01 Severance Pay

The Company will grant severance pay to regular employees who are laid off under the provisions of Article 6, Force Adjustments, at their straight time hourly rate, at a rate of one (1) week per year of continuous service to a maximum of 40 weeks.

Employees will receive severance pay at the time of service termination. Such severance pay shall be in addition to earned pay and vacation pay to which the employee may be eligible and without regard to unemployment benefits. Such severance pay shall begin within one (1) month of layoff and shall be payable for the eligible number of weeks indicated in paragraph A. above, at regular pay roll periods, until paid in full or the employee is recalled by the Company or rehired by a **Embarq** System Company, whichever occurs first. At the Company's discretion, severance pay may be paid in a lump sum.

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Employees who have once received severance pay, and have later been re-employed or recalled, must complete one (1) full year of employment before being eligible for severance pay for a subsequent layoff, and the amount of such severance pay shall be based on the period of employment between the date of the employee's most recent reemployment or recall and the subsequent layoff.

ARTICLE 30

SUPPLEMENTAL INCOME PROTECTION PLAN

30.01 Supplemental Income Protection Plan

- A. If during the term of this Agreement, the Company notifies the Union in writing that technological change (defined as changes in equipment or methods of operation) has or will create a surplus in any job title in the district which will necessitate layoffs or involuntary permanent reassignments of regular full-time employees to different job titles involving a reduction in pay or to locations requiring a change of residence, or if a force surplus necessitating any of the above actions exists for reasons other than technological change and the Company deems it appropriate and in the exercise of its sole discretion, employees in the affected job titles and work area who have at least ten (10) years of continuous service and whose age is at least 55 years as of the date of the Company's notice to the Union, may elect, in the order of seniority, and to the extent necessary to relieve the surplus, to leave the service of the Company and receive

Supplemental Income Protection benefits described in paragraph B. of this Agreement subject to the following conditions:

1. The Company shall determine the job titles and work area in which a surplus exists, the number of employees in such titles and areas who are considered to be surplus, and the period during which the employee may, if he or she so elects, leave the service of the Company pursuant to this Agreement. Neither such determinations by the Company nor any other part of this Agreement shall be subject to arbitration.
2. The number of employees who may make such election shall not exceed the number of employees determined by the Company to be surplus.
3. An employee's election to leave the service of the Company and receive Supplemental Income Protection benefits must be in writing and transmitted to the Company within thirty (30) days from the date the Company makes notification of any such change or surplus in order to be effective and such election may only be revoked within such thirty (30) day period.
4. Employees who elect to receive benefits under the provisions of this Agreement shall not be entitled to other severance pay benefits or other benefits which may be provided to laid-off employees but shall be entitled to receive these benefits

applicable to retirees, if the employee elects to retire. No employee shall be required to retire in order to receive Supplemental Income Protection Plan payments.

- B. Supplemental Income Protection payments for employees who so elect to leave the service of the Company in accordance with paragraph A. shall begin within one month after such employee has left the service of the Company to continue until forty-eight (48) payments have been made.
- C. For employees who so elect in accordance with paragraph A., the Company will pay monthly as Supplemental Income Protection payments, \$8.50 for each year of continuous service plus 45% of the employee's final basic weekly or equivalent wage rate but, in no case to exceed in aggregate a total of **\$525.00** per month. The maximum amount of Supplemental Income Protection benefits payable shall in no event exceed a total of **\$25,200**.
- D. In no event shall the total of the Supplemental Income Protection payments exceed the equivalent of twice the employee's annual compensation at the basic wage rate (or its equivalent) received during the year immediately preceding the termination of service.
- E. As used in this Agreement, "annual compensation at the basic weekly rate (or its equivalent)" or "basic weekly wage rate (or its equivalent)" do not include tour or temporary

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differentials, overtime pay, or other extra payments.

- F. Payments hereunder shall cease upon the employment of a recipient by the Company or any affiliated or subsidiary companies of **Embarq**. R
- G. In the event of the death of a recipient of Supplemental Income Protection payments before all of the monthly payments to which he/she is entitled have been made, the remaining amount shall be paid to the individual's estate.
- H. When the surplus is not relieved by a sufficient number of employees accepting the Company's offer under provisions of this Article, the Company may lay off employees as provided under other provisions of this Agreement.
- I. The provisions of the Plan shall govern in all matters pertaining to the Supplemental Income Protection Plan.

ARTICLE 31 CONCESSION

31.01 Concession

Subject to Company policy, regular employees (full and part-time) with six (6) or more months of service are eligible for the **Embarq telephone concession plan**. R

It is recognized that the Company has the exclusive right to amend, modify wholly or in part this plan.

ARTICLE 32

NO STRIKE – NO LOCKOUT

32.01 No Strike – No Lockout

It is understood between the parties that the services to be performed by the employees covered by this Agreement are essential to the operation of the Company and to the health, safety, and welfare of the public, and the Union agrees that it will not authorize or promote any strike, slowdown, picketing or other interference with the normal operations of the business. It is understood that the Union will not condone employee participation in a sympathy strike in conjunction with personnel outside of the Bargaining Unit. The Company agrees that it will not lock out its employees during the term of the Agreement. The Union shall cooperate with the Company throughout said period in continuing operations in a normal manner, and shall actively discourage and endeavor to prevent or terminate any violation of this Article. Any employee who violates the provisions of this Article may be subject to disciplinary action, including discharge.

In the event any violation of this Article hereof occurs, the Local Union President (or the appropriate Union representative if the Local Union President is not available) shall promptly order the employees involved to cease the violation and return to work at once. If any employee involved fails to obey such order promptly, or if any

employee fails to report to work in the course of any action prohibited by this Article hereof, that employee shall be deemed to have violated this Article hereof unless such failure is due to circumstances beyond the employee's control.

If it is contended that any employee was improperly discharged or otherwise disciplined under this Article hereof, a grievance may be filed under Article 17 of this Agreement.

ARTICLE 33 INCENTIVE/RECOGNITION PROGRAM

33.01 Nothing in this Agreement shall affect or limit the right of the Company to develop and implement, modify or delete such recognition programs, incentive programs as it chooses; or to pay such individual bonuses or commissions in such amounts or percentages as it may desire, to reward employees for improved performance or efficiencies or otherwise. Such programs may include, but not be limited to, cash payments and may be, at the individual and/or group level. The Company will notify the Union in advance of any newly developed or modified recognition/incentive programs, however, both parties mutually agree to the above mentioned unilateral Company right. Nothing in any such plan may penalize, or in any way disadvantage any employee for not achieving any of the incentives offered and participation shall be voluntary.

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IN WITNESS WHEREOF, Communications Workers of America and The Central Telephone Company's Hickory and Madison, North Carolina Districts, have caused this Agreement to be executed by their respective officers and agents thereunto duly authorized, all as of the day first above written.

CENTRAL TELEPHONE COMPANY-**EMBARQ** MID-ATLANTIC TELECOM

By: Joseph A. Basile
Employee Relations Manager

By: Debbie Bradberry
Committee person

By: Carson Robinson
Committee person

COMMUNICATIONS WORKERS OF AMERICA

By: Willie Leggett
CWA Representative

Ratified by Union Membership Representatives of 3672

James E. Davis

Norman F. Grogan

**CENTRAL TELEPHONE COMPANY
HICKORY AND MADISON, NORTH CAROLINA**

WAGE RATES

Schedule 1 (208)	Mos.	Eff 6/1/08	Eff 6/1/09	Eff 6/1/10
Utility Person (OP450)				
	0	9.40	9.59	9.78
	6	10.41	10.62	10.83
	12	11.57	11.80	12.04
	18	12.84	13.10	13.36
	24	14.27	14.56	14.85

**CENTRAL TELEPHONE COMPANY
HICKORY AND MADISON, NORTH CAROLINA**

WAGE RATES

Schedule 2 (204)	Mos.	Eff 6/1/08	Eff 6/1/09	Eff 6/1/10
Garageperson (N/A)				
Warehouse Person (CR463)	0	6.83	6.97	7.11
	6	7.14	7.28	7.43
	12	7.58	7.73	7.88
	18	8.19	8.35	8.52
	24	8.91	9.09	9.27
	30	9.81	10.01	10.21
	36	10.85	11.07	11.29
	42	12.02	12.26	12.51
	48	13.36	13.63	13.90
	54	14.86	15.16	15.46

**CENTRAL TELEPHONE COMPANY
HICKORY AND MADISON, NORTH CAROLINA**

WAGE RATES

Schedule 3 (207)	Mos.	Eff 6/1/08	Eff 6/1/09	Eff 6/1/10
Service Representative (CL453)				
	0	7.10	7.24	7.38
	6	7.41	7.56	7.71
	12	7.86	8.02	8.18
	18	8.49	8.66	8.83
	24	9.25	9.44	9.63
	30	10.18	10.38	10.59
	36	11.26	11.49	11.72
	42	12.50	12.75	13.01
	48	13.88	14.16	14.44
	54	15.42	15.73	16.04

**CENTRAL TELEPHONE COMPANY
HICKORY AND MADISON, NORTH CAROLINA**

WAGE RATES

Schedule 4	Mos.	Eff 6/1/08	Eff 6/1/09	Eff 6/1/10
Plant Clerk (205) (CL451)				
Commercial Clerk (206) (CL452)	0	8.17	8.33	8.50
	6	8.49	8.66	8.83
	12	9.03	9.21	9.39
	18	9.71	9.90	10.10
	24	10.62	10.83	11.05
	30	11.68	11.91	12.15
	36	12.90	13.16	13.42
	42	14.33	14.62	14.91
	48	15.91	16.23	16.55
	54	17.69	18.04	18.40

**CENTRAL TELEPHONE COMPANY
HICKORY AND MADISON, NORTH CAROLINA**

WAGE RATES

Schedule 5 (210)		Eff 6/1/08	Eff 6/1/09	Eff 6/1/10
Teller (CL454)				
	0	8.28	8.45	8.62
	6	8.62	8.79	8.97
	12	9.17	9.35	9.54
	18	9.90	10.10	10.30
	24	10.79	11.01	11.23
	30	11.86	12.10	12.34
	36	13.12	13.38	13.65
	42	14.56	14.85	15.15
	48	16.18	16.50	16.83
	54	17.96	18.32	18.69

**CENTRAL TELEPHONE COMPANY
HICKORY AND MADISON, NORTH CAROLINA**

WAGE RATES

Schedule 6 (203)	Mos.	Eff 6/1/08	Eff 6/1/09	Eff 6/1/10
Frameperson (CR461)				
	0	8.88	9.06	9.24
-	6	9.28	9.47	9.66
	12	9.87	10.07	10.27
	18	10.63	10.84	11.06
	24	11.61	11.84	12.08
	30	12.74	12.99	13.25
	36	14.11	14.39	14.68
	42	15.66	15.97	16.29
	48	17.41	17.76	18.12
	54	19.32	19.71	20.10

**CENTRAL TELEPHONE COMPANY
HICKORY AND MADISON, NORTH CAROLINA**

WAGE RATES

Schedule 7 (211)	Mos.	Eff 6/1/08	Eff 6/1/09	Eff 6/1/10
Public Access Technician (UN240)				
	0	11.12	11.34	11.57
	6	11.62	11.85	12.09
	12	12.34	12.59	12.84
	18	13.31	13.58	13.85
	24	14.51	14.80	15.10
	30	15.97	16.29	16.62
	36	17.66	18.01	18.37
	42	19.59	19.98	20.38
	48	21.77	22.21	22.65
	54	24.19	24.67	25.16

**CENTRAL TELEPHONE COMPANY
HICKORY AND MADISON, NORTH CAROLINA**

WAGE RATES

Schedule 8 (202)		Eff 6/1/08	Eff 6/1/09	Eff 6/1/10
Lineperson (CR458)				
Mechanic (CR460)	0	11.60	11.83	12.07
Storekeeper-Repairperson (CR459)	6	12.09	12.33	12.58
	12	12.84	13.10	13.36
	18	13.86	14.14	14.42
	24	15.12	15.42	15.73
	30	16.63	16.96	17.30
	36	18.40	18.77	19.15
	42	20.39	20.80	21.22
	48	22.65	23.10	23.56
	54	25.17	25.67	26.18

**CENTRAL TELEPHONE COMPANY
HICKORY AND MADISON, NORTH CAROLINA**

WAGE RATES

Schedule 9 (200)		Eff 6/1/08	Eff 6/1/09	Eff 6/1/10
Cable Splicer (UN224)				
Facility Assigner (CR464)	0	11.94	12.18	12.42
Testperson (CR454)	6	12.48	12.73	12.98
	12	13.27	13.54	13.81
	18	14.31	14.60	14.89
	24	15.59	15.90	16.22
	30	17.17	17.51	17.86
	36	18.97	19.35	19.74
	42	21.07	21.49	21.92
	48	23.40	23.87	24.35
	54	25.99	26.51	27.04

**CENTRAL TELEPHONE COMPANY
HICKORY AND MADISON, NORTH CAROLINA**

WAGE RATES

Schedule 10 (201)		Eff 6/1/08	Eff 6/1/09	Eff 6/1/10
Business Service Technician I (CR465)				
Central Office Installer (CR467)	0	12.34	12.59	12.84
Central Office Technician (CR469)	6	12.88	13.14	13.40
Communications Surveillance Analyst (CR455)	12	13.68	13.95	14.23
Customer Service Technician (CR466)	18	14.76	15.06	15.36
	24	16.12	16.44	16.77
	30	17.71	18.06	18.42
	36	19.58	19.97	20.37
	42	21.73	22.16	22.60
	48	24.14	24.62	25.11
	54	26.83	27.37	27.92

**SCHEDULES OF PENSION BANDS
CENTRAL TELEPHONE COMPANY – NORTH
CAROLINA**

**LOCAL 3672 – COMMUNICATIONS WORKERS
OF AMERICA**

Band 1

Commercial Clerk
Frameperson
Garageperson
Plant Clerk
Service Representative
Utility Person
Warehouse Person
Teller

Band 2

Cable Splicer
Communications Surveillance
Analyst
Central Office Technician
Customer Service Technician
Lineperson
Mechanic
Business Service Technician
Facility Assigner
Storekeeper-Repairperson
Testperson
Central Office Installer
Public Access Technician

Schedule of Retirement Incomes
Central Telephone Company of North Carolina

Local 3672, Communications Workers of America

Normal/Late Retirement Benefits

BAND	Year 1 6/1/08	Year 2 6/1/09	Year3 6/1/10
1	\$38.91	\$39.69	\$40.48
2	\$55.44	\$56.55	\$57.68

Early Retirement Benefits

Employees who retire after attaining age 55 but prior to age 65 will have their normal monthly retirement benefit (which equals the applicable age 65 band amount multiplied by years of credited service) reduced in accordance with the following early retirement factors:

<u>Age at Retirement</u>	<u>*Early Retirement Adjustment Factors (5% Per Year From Age 65)</u>
64	95%
63	90%
62	85%
61	80%
60	75%
59	70%
58	65%
57	60%
56	55%
55	50%

*Factors will be incrementally increased for each full month an employee's age at early retirement exceeds the early retirement ages shown above.

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