

## SUCCESS SHARING PLAN

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

### A. Plan Components

#### 1. Success Units

Employees will be awarded 150 success units at the beginning of each award year (October 1, 2009, October 1, 2010 and October 3, 2011). Those success units will only be valid for that award year and will not carryover to the next award year. A success unit is only used as a multiplier in the payout calculation and is not a share of stock nor has any other value.

#### 2. Determining Stock Appreciation Award Value

Award Year	Beginning Award Value	Ending Award Value
2010 (October 1, 2009 to September 30, 2010)	October 1, 2009 closing AT&T stock price	September 30, 2010 closing AT&T stock price
2011 (October 1, 2010 to September 30, 2011)	October 1, 2010 closing AT&T stock price	September 30, 2011 closing AT&T stock price
2012 (October 3, 2011 to September 28, 2012)	October 3, 2011 closing AT&T stock price	September 28, 2012 closing AT&T stock price

The stock price used in establishing the award value will be the closing AT&T stock price on the New York Stock Exchange.

The award value will be adjusted proportionally to reflect any stock split.

#### 3. Determining Dividend Rate Value

For Award Year 2012, the payout will include a dividend rate value. This value will be determined by adding each AT&T declared quarterly dividend during the award year (December 2011, March 2012, June 2012, and September 2012) and multiplying this total by 150 success units.

#### 4. Payout

A. For Award Years 2010 and 2011:

Employees will receive a total payout based on the difference between the ending award value and the beginning award value for the award year times 150 success units. For example:

**Stock Appreciation Value:**

Beginning award value – October 1, 2009 closing AT&T stock price \$25.00

Ending award value – September 30, 2010 closing AT&T stock price \$30.00

Total Payout –  $\$30 - \$25 = \$5 \times 150$  success units = \$750.00

B. For Award Year 2012:

Employees will receive a total payout based on the difference between the ending award value and the beginning award value for the award year times 150 success units plus the dividend rate value. For example:

**Stock Appreciation Value:**

Beginning award value – October 3, 2011 closing AT&T stock price \$25.00

Ending award value – September 28, 2012 closing AT&T stock price \$30.00

Payout –  $\$30 - \$25 = \$5 \times 150$  success units = \$750.00

**Dividend Rate Value:**

December 31, 2011 dividend           \$.41

March 31, 2012 dividend           \$.41

June 30, 2012 dividend           \$.41

September 30, 2012 dividend       \$.41

Total Dividend                       \$1.64

Payout -  $\$1.64 \times 150$  success units = \$246.00

**Total Payout**

$\$750.00$  stock appreciation value +  $\$246.00$  dividend rate value =  $\$996.00$

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

B. Eligibility

Employees eligible for payments as described above are those regular, temporary and term employees who are on the payroll on both the beginning and ending dates of the award year and who works for a minimum of three (3) months within the award year in a position covered by this Collective Bargaining Agreement. Eligible employees who are on approved leaves of absence or short-term disability absence and meet the other eligibility requirements on the ending date of the award year shall receive a payment, provided they return to duty on or before December 31 of the year in which the payment is made.

C. Part-Time Employees

Eligible part-time employees will receive prorated payments based on their part-time classification (or “part-time equivalent work week”) on the ending date of the award year.

D. Benefits Treatment

SSP payments will be recognized as eligible compensation under all benefit plans, as applicable.

E. Taxes, Personal Allotments

Payments are subject to state and local taxes, Federal Income Tax, Social Security Tax, Medicare Tax, and any state disability deductions at the time of payment. Union dues will be deducted. Employees with 401(k) pre-tax elections will not have State or Federal Income Taxes deducted from that portion.

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

F. Dispute Resolution

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