

**AGREEMENT BETWEEN
DEX ONE SERVICE, INC.**

AND

**COMMUNICATIONS WORKERS
OF AMERICA**

**EFFECTIVE September 15, 2012
THROUGH March 18, 2016**

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PREAMBLE

This Agreement, together with the Letters of Agreement appended hereto, between the Communications Workers of America, hereinafter referred to as the “Union”, and Dex One Service, Inc., hereinafter referred to as the “Company,” represents the full and complete agreement between the parties. This Agreement supersedes any and all prior agreements, past practices, policies, procedures, both oral and written, between the parties. No modification to this Agreement shall be effective unless signed by the above mentioned parties.

ARTICLE 1

CONTRACT CONDITIONS

AGREEMENT

Section 1.1 The parties hereto agree that collective bargaining shall be carried on between the authorized representatives of the Company and the Union concerning the terms and conditions of employment applicable to employees identified in Section 1.3 of this Article, for whom the Union is the recognized bargaining agent on the effective date of this Agreement.

No agreement shall be effective and binding upon the Company or the Union unless and until it is signed by the authorized representatives at the Company and the national level of the Union.

The Company agrees to bear the cost for the printing and distribution of the Collective Bargaining Agreement (“CBA”) and to provide additional copies requested by the Union at the time of printing. Further, all employees shall be furnished one (1) printed copy of the CBA. In addition the Company shall have available on

their intranet site an electronic version of the full and complete CBA.

MUTUAL RESPONSIBILITY

Section 1.2 The Company and the Union recognize that it is in the best interest of the parties, the employees, and the public, that all dealings between them continue to be characterized by mutual responsibility and respect. To ensure that this relationship continues and improves, the Company and 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 covered by this Agreement. Each party shall bring to the attention of all employees covered by this Agreement, including new hires, their purpose to conduct themselves in a spirit of responsibility and respect and to the measures they have agreed upon to ensure adherence to this purpose. The Company will introduce new employees to the designated local union representative within the first thirty (30) days of employment.

RECOGNITION

Section 1.3 With respect to rates of pay, wages, hours of employment, and other conditions of employment, the Company hereby recognizes the Union as the exclusive bargaining agent for Clerical and Production employees (hereinafter referred to as "Operations employee[s]"), Marketing Consultants, Account Executives, and Account Representatives-Mail who are in units represented by the Union at the time this Agreement is negotiated.

Whenever conditions are considered by the Company to warrant outsourcing or relocation of bargaining unit work, the Company agrees to give the Union ten (10) working days advance notice of the proposed decision. Upon request, the Company will meet with the Union to consider any input or suggested alternatives. The Company's decision shall be final and not subject to Union approval or arbitration.

This recognition does not extend to any new employee unit or work not currently being performed by members of the bargaining unit.

The Company agrees for the term of this Agreement that it will not directly outsource the servicing of then existing customers/accounts that thereby directly results in the layoff of existing Premise Marketing Consultants or Digital Sales Account Executives and replacement with third party employees. Such agreement does not include layoffs for any other reason, including layoffs caused by reductions in revenues, losses or reductions of customers or changes in channel cuts pursuant to the Company's Market Assignment Guidelines. Nor does it include layoffs of existing Premise Marketing Consultants or Digital Sales Account Executives that the Union may contend are an indirect effect of the use of third parties to supplement the Company's sales efforts. Telephone Marketing Consultant work will not be offshored. Except as expressly provided above, the parties agree that during the life of this contract conditions may warrant the use of vendors, third party sources and/or outsourcing options. The Company agrees to give the Union ten (10) working days advance notice of the proposed decision. Upon request, the Company will meet with the Union to discuss the details and consider the Union's input or suggested alternatives, including discussion of issues such as concurrent selling, how renewal sales will be handled, impact of overlapping sales to common customers, etc. It is further understood that markets/accounts created as a result of these efforts shall be the subject of discussion for possible future assignment to the bargaining unit. Thereafter, the Company may proceed with the use of such vendors, third party sources, and/or outsourcing options. All disputes under this paragraph shall be subject to the grievance procedure, but the Company's final decision shall not be subject to Union approval or arbitration.

In the event the Company elects to have any new or additional work assigned to the bargaining unit, the Company will give the Union reasonable notice of its decision. If the Company and the Union cannot reach agreement within ten (10) working days after

the Company gives notice to the Union, the Company may proceed to staff such work.

In the event the Company elects to establish any new products, which it desires to be sold by bargaining unit employees, the Company will proceed to establish such products under the terms and conditions it deems appropriate. The Company will give the Union reasonable notice of its decision to establish new products. If the Company and the Union can reach agreement regarding representation issues within ten (10) working days after the Company gives notice to the Union, the work will be assigned in whole or in part within the bargaining unit. If the Company and the Union cannot reach agreement regarding representation issues within the ten (10) working days, the Company may proceed to assign such work as it deems appropriate. The time in this item may be adjusted by mutual agreement.

LEGAL COMPLIANCE

Section 1.4 Should any provision of this Agreement contained herein at any time during its term be declared to be invalid, unenforceable or in violation of any federal or state law by a court of competent jurisdiction or an authoritative governmental agency, then such provision shall continue in effect only to the extent permissible under law; however, all other provisions of this Agreement shall continue in full force and effect.

NON-DISCRIMINATION

Section 1.5 The Company and the Union agree that neither party shall unlawfully discriminate against any employee because of that employee's race, national origin, religion, age, sex, sexual orientation, marital status, disability, military/veteran status or to any other extent prohibited by law.

TITLES AND REFERENCES

Section 1.6 The titles of the Articles are for assistance and ease of location of the contents of this Agreement and shall have no other meaning or substantive value.

TERM OF ARTICLES

Section 1.7 These Articles shall become effective September 15, 2012 unless otherwise noted within the Agreement, and shall remain in full force and effect until 6:00 p.m. on March 18, 2016. This Agreement will terminate on its expiration date.

SUCCESSORSHIP

Section 1.8 In the event of a merger or acquisition of Dex One Service, Inc. whereby a controlling interest in Dex One Service, Inc. is obtained by another company, or in the event of the sale to, or the acquisition by, another company of substantially all the assets of Dex One Service, Inc. the parties agree that such company shall become the successor to Dex One Service, Inc., shall be bound by the terms and conditions of this Collective Bargaining Agreement between Dex One Service, Inc. and the Union, and shall assume all other duties and responsibilities of a successor (as that term is construed under the National Labor Relations Act). Dex One Service, Inc. agrees to require any such successor to accept the terms of this Collective Bargaining Agreement by written notice. A copy of such notice shall be provided to the Union at least thirty (30) days prior to the effective date of any sale, transfer or assignment.

PERSONNEL RECORDS

Section 1.9 Employees may inspect their personnel records upon request. When an employee is counseled or receives a warning of suspension, demotion or discharge that is to be recorded in the employee's personnel file, the employee will be afforded an opportunity to read and review the entry.

NO STRIKE - NO LOCK OUT

Section 1.10 The Union and the employees it represents agree that there shall be no strikes, sympathy strikes, slowdowns, or stoppages of work or any other action that would curtail or impede any of the operations of the Company, and that all disputes arising during the term of this Agreement shall be settled through the grievance and arbitration provisions. Should any such interference occur, the Union agrees to immediately order such action to cease. The Company agrees it will not lockout during the term of this Agreement.

ARTICLE 2

DISPUTE RESOLUTION

GRIEVANCE PROCEDURE

Section 2.1 It is agreed that neither the Union, its representatives nor members, shall attempt by means other than the grievance procedure and, where applicable, the arbitration procedure, to bring about the settlement of any issue which is a subject for disposition through the grievance or arbitration procedure. The Union agrees, in advance of a problem solving meeting, to advise the Company of the subject.

PROBLEM SOLVING STEP

Section 2.2 The Company and Union agree that it shall be the objective of both parties to settle all problems at the lowest appropriate level. Every effort will be made to resolve the problem locally between the employee and his/her manager prior to initiation of the formal grievance procedure.

Prior to filing a formal grievance a problem solving meeting may be held locally unless waived by mutual agreement of both parties. In cases of termination, either party may elect to skip this

step. At this step, an employee, group of employees, or a union representative will meet with the immediate manager to discuss relevant issues, share information, and seek a mutually acceptable resolution of the problem. If resolution is reached at this step, it shall not be considered as precedent-setting. A union representative may be present if requested by the employee(s).

GRIEVANCE STEP 1

Section 2.3 If a mutually satisfactory resolution of the problem is not reached in the problem solving meetings or if such meeting has been waived, a grievance shall be put in writing and formally presented to the manager within twenty-eight (28) calendar days after the date the employee first had knowledge of the circumstance that led to the grievance. The written grievance shall state the nature of the grievance and the specific portion of the Agreement allegedly violated. It shall be a mutual responsibility to meet to consider the grievance within fourteen (14) calendar days after it is presented. The Company will provide the union with a written response to the grievance within fourteen (14) calendar days after the Step 1 meeting.

GRIEVANCE STEP 2

Section 2.4 If satisfactory settlement of the grievance is not reached at Step 1, the union may appeal. The appeal will be sent to the appropriate Director. The grievance will be considered at a meeting with the appropriate Director or their designated representative.

This appeal must be made in writing within fourteen (14) calendar days after receipt of the Company's written response at Step 1 or twenty-eight (28) days after the Step 1 grievance meeting if no company response is made. It shall be a mutual responsibility to meet within fourteen (14) calendar days after it has been appealed to Step 2. A written response will be provided by the Company within fourteen (14) calendar days after the Step 2 meeting.

GRIEVANCE STEP 3

Section 2.5 If the grievance is not satisfactorily settled in Step 2, the Union may appeal. The grievance will be considered at a meeting with the Director-Labor Relations of the Company or his/her designate. This appeal must be made in writing within fourteen (14) calendar days after receipt of the Company's written response to Step 2. It shall be a mutual responsibility to meet to consider the grievance within fourteen (14) calendar days after the appeal to Step 3 has been made. The Company, as soon as practical but normally within fourteen (14) calendar days following conclusion of discussions at Step 3, shall submit a final written response of its position on the grievance to the Union. If the grieved matter is subject to arbitration, the Union may request in writing that the matter be arbitrated. The written notification of arbitration must be received by the Company within twenty-eight (28) calendar days after notification of the Company's response at Step 3. The case will be closed if the notification of arbitration is not received by the Company within twenty-eight (28) calendar days.

The grievance procedures outlined shall be followed in all circumstances unless specific deviation has been agreed to in writing by both the Company and the Union. The Company shall be under no obligation to process any grievance not submitted in compliance with the provisions of this section. The total time elapsed between the presentation of the written grievance at Step 1 and the Company's final response at Step 3 shall not exceed six (6) months or the grievance shall be considered closed.

On an individual grievance-by-grievance basis and by mutual agreement in writing, the parties may agree to waive either the problem solving meeting, Step 1 or Step 2 in the grievance procedure, but in no event shall Step 3 be omitted or bypassed.

The Company and the Union may mutually agree in writing to extend the time limits specified in the grievance procedure, provided such agreement is limited to a specific grievance and a new date is established.

After an employee or employees have referred a grievance to the Union and the Union representative has formally presented the Company with the grievance, the Company will not discuss (except in the course of any investigation conducted by the Company) or adjust such grievance directly with said employee or employees.

ARTICLE 3

DEMOTION, DISCHARGE, SUSPENSION OR OTHER DISCIPLINE

Section 3.1 In the event the Company demotes, disciplines, suspends, or discharges any employee, the union may appeal such action pursuant to the provisions of the grievance and arbitration procedure of this Agreement. The Union will be notified when the Company has administered a formal warning, suspends or discharges an employee. Failure to notify or have the union retain a copy of the notice does not negate the discipline.

Section 3.2 For employees in the Marketing Consultant, Account Executive, and Account Representative-Mail functions, the employees must have twenty four (24) months or more of credited service before such action is subject to arbitration. However, the Company and the Union may agree in writing to extend the time period.

Section 3.3 At any meeting between a representative of the Company and an employee in which discipline (including warnings which are to be recorded in the personnel file, suspension, demotion, or discharge for cause) is to be announced, a union representative may be present if the employee so requests. At any investigatory interview between a representative of the Company and an employee, wherein the employee reasonably believes that the information obtained may be used as the basis for disciplinary action against the interviewed employee, a union representative may be present if the employee so requests.

In discipline cases subject to arbitration, the arbitrator shall determine whether the discipline was for just cause.

ARTICLE 4

ARBITRATION

If the grievance procedure does not result in settlement of the dispute, either party may institute proceedings pursuant to this article.

ELECTION TO ARBITRATE

Section 4.1 Within twenty-eight (28) calendar days from the date of the written decision at Step 3, either party may elect to submit a grievance, which is otherwise subject to arbitration under the terms of this Agreement, to arbitration. The election shall be by written notice. The written notice shall state the specific grievance and issue to be arbitrated, the contractual provision(s) involved and the remedy sought.

The parties will mutually attempt to select an arbitrator. If the parties are unable to mutually select an arbitrator, the parties shall jointly request a list of seven (7) arbitrators from the Federal Mediation and Conciliation Services ("FMCS"). If the list is not satisfactory to either party, a new list can be requested. Each party is limited to requesting one (1) additional list. The parties shall each strike one (1) name from the list until one (1) name remains and that person shall arbitrate the dispute. If no application has been made to the FMCS within ninety (90) calendar days from the date of the written decision at Step 3, the dispute will be considered closed and the grievance shall not be arbitrable.

The compensation and expenses of the arbitrator and the general administrative expenses of the arbitration shall be borne equally by the Company and the Union. Each party shall be responsible

for payment for time consumed by and the expenses of its representatives and witnesses.

CONDUCT OF HEARING AND DECISION OF ARBITRATOR

Section 4.2 The hearing shall be held as soon as practicable following the selection of an arbitrator, but in no event later than one hundred twenty (120) calendar days following such selection. If the selected arbitrator is unable to meet this time requirement, another arbitrator who is available to hear the matter within such time period shall be selected by the same procedure as set forth above.

The arbitration shall be confined to the issues submitted for decision, and shall not, as a part of any decision, impose upon the parties thereto any obligation to arbitrate on a subject that is not arbitrable pursuant to the terms of this agreement as subject for arbitration.

The arbitrator shall not have authority or jurisdiction: (1) to add to, subtract or modify, or disregard any provision of this Agreement, and only has authority to decide matters expressly included in this Agreement; or (2) to establish or determine any new wage rate, job classification or job differential.

The arbitrator shall render a decision within forty-five (45) calendar days after the hearing is closed (if the parties mutually agree to waive briefs) or forty-five (45) days after briefs are filed and the record in the case is closed, unless the parties thereto mutually agree to an extension of such time for a decision.

The decision of the arbitrator on any matter submitted and decided in accordance herewith shall be in writing and shall be final and binding on the parties hereto as to the particular case submitted, subject to law.

ARTICLE 5

WORKING PROCEDURES

ASSIGNMENT OF WORK

The assignment of a particular title to an employee will not limit the type of work an employee may be required to perform. The Company may assign the work an employee will perform.

Section 5.1 If an Operations employee is temporarily assigned to a higher rated classification for any period of time during the day the employee will be paid at the wage step that would result in at least a five percent (5%) increase. If an Operations employee is temporarily assigned to a lower rated classification, that employee will be paid at his/her normal rate of pay for that day.

ASSIGNMENT OF ACCOUNTS

Section 5.2 The Company retains all rights to assign accounts to Marketing Consultants, Account Executives, and Account Representatives-Mail, and to implement any practices, policies or procedures regarding the assignment of accounts ("Market Assignment Guidelines"). The Company will notify the Union as to any changes to the Market Assignment Guidelines. The Company will establish Market Assignment Guidelines on a fair and unbiased basis. The Company will consider input from the Union. If the Company and the Union do not review the changes within ten (10) working days after the Company gives notice to the Union, the Company may proceed with implementation. The Company decision on any changes shall be final and shall not be subject to Union approval or arbitration. It is the Company's intent to abide by its Market Assignment Guidelines as modified from time to time. Issues regarding enforcement of the Market Assignment Guidelines and their impact shall be through the grievance and arbitration provisions of this Agreement. The parties recognize, however, that it is not

possible for the Market Assignment Guidelines to address all issues and circumstances that the general nature of the Market Assignment Guidelines can involve issues of interpretation, and that strict adherence to the terms of the Market Assignment Guidelines may not be appropriate in a particular circumstance. The Company's decisions on such matters and their impact shall be entitled to deference provided they are not arbitrary.

WORK SCHEDULE

Section 5.3 Work schedules for force groups in which:

All employees in the force group are not scheduled the same hours Monday through Friday; or

Some of the employees in the force group are scheduled to work days other than Monday through Friday; shall be prepared and posted by the Company or communicated in some other manner by local agreement. The days and hours of work of each employee shall be communicated as soon as reasonable in advance of the effective date.

Full-time employees in force groups for whom schedules must be communicated shall have a choice of hours on weekdays (Monday through Friday except holidays), based on their seniority not less often than once per calendar year.

It is agreed that work schedules may be changed subject to the following provisions:

The Company may grant employees' requests for change of days or hours. If the Company changes the hours of an employee's work schedule, the Company will give the employee as much notice of the change as reasonably feasible under the circumstances.

FOUR DAY WORK WEEK AND FLEXTIME

Section 5.4 The Company retains all rights to schedule four (4) day work weeks or other variable work schedules and flextime and to implement any practices, policies, or procedures regarding the scheduling of four (4) day work weeks and flextime. The Company will notify the Union as to its practices, policies, and procedures on scheduling four (4) day work weeks or other variable work schedules and flextime. The Company will consider input from the Union, but the Company's decisions shall be final. The Company decision and implementation shall not be subject to Union approval or arbitration.

Flexible work arrangements are those varying work schedules that may be developed mutually between the Company and the local union that will provide opportunities to meet the evolving and changing needs of both the Company and the employees. Listed below are some categories of flexible work arrangements:

- A. Flex-Time: Is a work scheduling method in which starting/end times can vary.
- B. Variable Work Week Schedules: Is a method of scheduling the assigned work hours within the calendar week.

MACHINE FAILURE

Section 5.5 When employees report for duty and, due to unforeseen problems such as computer failure, are unable to perform their regular duties, they may be assigned other available work. If the affected employees are sent home early or allowed to leave before the completion of their scheduled shift, they will be paid for hours worked or a minimum of two (2) hours, whichever is greater. If the above situation occurs on overtime hours employees may be relieved of the assignment and be paid for hours worked or a minimum of two (2) hours, whichever is greater.

MANAGEMENT REPLACEMENT

Section 5.6 Any employee who is authorized to temporarily replace a management employee will receive a differential of twenty-five dollars (\$25.00) for each day assigned.

In addition to temporary management replacement this differential will be paid when an employee is formally assigned to training responsibilities such as instructor-led classroom training or when an individual is specifically instructed to train another employee(s) on the functions of the job.

This differential will not apply to the general sharing of knowledge, (being asked to show someone how to do a particular task), responding to questions asked by coworkers, or when an employee is informally observing or coaching another in the performance of his/her work functions.

LEASED WORKERS

Section 5.7 No leased worker who is performing work that is performed by bargaining unit employees shall perform work for the Company for longer than 1,040 hours in any twelve (12) month period. At the option of the Union, leased worker situations will be discussed with the Company but the use of leased workers by the Company shall not be subject to Union approval or arbitration. The Company will provide the Union a quarterly report of the number of leased workers and the hours worked by each leased worker, currently performing bargained for work for the Company.

CALL TO WORK

Section 5.8 When an employee is called into work that requires his or her immediate services outside of the scheduled tour, the following shall apply:

- A. The employee will be paid no less than the equivalent of two (2) hours pay at the basic rate of pay. Travel time from

the departing locations to the work locations is considered work time.

B. The minimum payments do not apply when:

- 1) the time worked is a continuation of the employee's scheduled tour; or;
- 2) the employee is called to work before the start of the employee's scheduled tour for the day and continues to work all or part of the scheduled tour.

ARTICLE 6

REIMBURSEMENT OF EXPENSES, AUTOMOBILE EXPENSES AND WIRELESS PHONE EXPENSES

REIMBURSEMENT OF EXPENSES

Section 6.1 Employees who have been assigned to work away from their designated work location will be reimbursed for travel and lodging expenses as authorized by management. The amount of reimbursement will not exceed the amount authorized by management.

An employee who stays overnight will receive a per diem allowance for meals and incidental expenses, as authorized by management. The allowance will be paid on days when the employee travels to an assignment and is authorized to stay overnight, each full day at the location, and on days when the employee returns to his/her designated work location. The only personal expense not included in this per diem amount is travel between locations and lodging.

The per diem allowance will be paid on a city-by-city basis according to Federal per diem rates issued annually. Locations not listed will be paid at the Federal standard rate.

No per diem allowance will be paid if transportation, lodging and meals are provided by the Company.

When an employee is authorized to use his/her personal automobile on an incidental basis for Company business he/she will be reimbursed at the Internal Revenue Service established mileage rate.

REIMBURSEMENT OF AUTOMOBILE EXPENSES

Authorized Use of Personal Automobile

Section 6.2 The Company will reimburse each authorized Premise Marketing Consultant and Account Executive for the use of his/her personal automobile. Pre-tax reimbursement for gas and routine maintenance (per mile reimbursement) will be based on data and information provided by Runzheimer International. This will be determined by the Premise Marketing Consultant or Account Executive's zip code for their office. Premise Marketing Consultants and Account Executives shall maintain mileage logs of actual miles driven. Mileage reimbursement shall be submitted weekly and will be reimbursed monthly upon approval by management. Mileage reimbursement rates will be adjusted monthly. Monthly ownership costs will be based on a Buick LaCrosse. Monthly ownership cost reimbursement will take into consideration, location for depreciation and other maintenance and must meet the IRS regulations contained in section 463 to qualify for auto ownership reimbursement. Should the Premise Marketing Consultant's and Account Executive's vehicle cease to qualify for reimbursement under the IRS regulations section 463, the Premise Marketing Consultant and Account Executive will be notified in advance in order to take the appropriate action necessary to remain in compliance. If they do not do so they will not receive the monthly ownership cost reimbursement. The monthly ownership cost reimbursement amount will be adjusted no less than once per year based on miles driven and cost of ownership data as provided by Runzheimer. Nontaxable reimbursement for total automobile expenses cannot exceed the IRS rate as identified in

the IRS code section 463. In the event this occurs any reimbursement over the IRS rate will be considered taxable income to the Premise Marketing Consultant and Account Executive

An employee receiving short-term disability benefits will not be eligible to receive the monthly ownership cost reimbursement.

An employee will continue to receive the monthly ownership cost reimbursement during periods of paid TOP time.

REIMBURSEMENT OF WIRELESS COMMUNICATIONS EXPENSES

Section 6.3 Premise Marketing Consultants and Account Executives will be reimbursed for mobile phone and data package expenses incurred up to a maximum of one hundred dollars (\$100.00) per month, with no carry over from one month to the next. Reimbursement requests must be submitted within thirty (30) days of receipt of the monthly invoice. In order to be eligible for reimbursement under this section, employee must have actually worked at least one full day during the billing cycle.

ARTICLE 7

WORK SPACE

WORK SPACE ALLOCATION

Section 7.1 The Company reserves the exclusive right to determine employee work space allocation and location, including shared work space and personal residence offices.

REIMBURSEMENT FOR PERSONAL RESIDENCE OFFICE

Section 7.2 In the event the Company determines it appropriate for a Marketing Consultant to work from his/her

personal residence on an on-going basis, the Marketing Consultant will be compensated a one-time reimbursement of up to seven hundred and fifty dollars (\$750.00), paid with receipts supporting the purchase, to be used in the establishment of a work space. In the event a Marketing Consultant terminates employment (Forced Adjustment excluded) within twelve (12) months of receipt of reimbursement, they will be required to repay the seven hundred and fifty dollars (\$750.00) upon exiting the business. Office supplies will be provided in accordance with standard company policies.

ARTICLE 8

OPERATIONS COMPENSATION

WAGE GROUP COMPENSATION

Section 8.1 Operations employees will be paid according to the progression steps of the wage schedules appropriate to their classification at six (6) month intervals. When an employee completes a period of service entitling the employee to an increase in the basic hourly salary, the increase will be handled as follows:

- A. If the progression date falls within the first calendar week of a payroll period, the increase will become effective at the beginning of the pay period.
- B. If the progression date falls within the second calendar week of a payroll period, the increase will become effective at the beginning of the next pay period.

The terms "Basic Hourly Wage" and "Basic Rate of Pay" shall mean the salary or fixed portion of compensation throughout this Agreement.

WAGE GROUP COMPENSATION

Section 8.2

Wage Group 1 Basic Hourly Wage

| <u>STEP</u> | <u>[first pay period after ratification]</u> | <u>September 22, 2013</u> | <u>September 21, 2014</u> | <u>September 20, 2015</u> |
|--------------------|-------------------------------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| <u>1</u> | <u>18.82</u> | <u>19.20</u> | <u>19.58</u> | <u>19.97</u> |
| <u>2</u> | <u>19.61</u> | <u>20.01</u> | <u>20.41</u> | <u>20.81</u> |
| <u>3</u> | <u>20.41</u> | <u>20.81</u> | <u>21.23</u> | <u>21.66</u> |
| <u>4</u> | <u>21.20</u> | <u>21.62</u> | <u>22.06</u> | <u>22.50</u> |
| <u>5</u> | <u>21.99</u> | <u>22.43</u> | <u>22.88</u> | <u>23.34</u> |
| <u>6</u> | <u>22.78</u> | <u>23.24</u> | <u>23.70</u> | <u>24.18</u> |

Wage Group 2 Basic Hourly Wage

| <u>STEP</u> | <u>[first pay period after ratification]</u> | <u>September 22, 2013</u> | <u>September 21, 2014</u> | <u>September 20, 2015</u> |
|--------------------|-------------------------------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| <u>1</u> | <u>15.85</u> | <u>16.17</u> | <u>16.49</u> | <u>16.82</u> |
| <u>2</u> | <u>16.20</u> | <u>16.53</u> | <u>16.86</u> | <u>17.19</u> |
| <u>3</u> | <u>16.56</u> | <u>16.89</u> | <u>17.23</u> | <u>17.57</u> |
| <u>4</u> | <u>16.91</u> | <u>17.25</u> | <u>17.59</u> | <u>17.95</u> |
| <u>5</u> | <u>17.26</u> | <u>17.61</u> | <u>17.96</u> | <u>18.32</u> |
| <u>6</u> | <u>17.62</u> | <u>17.97</u> | <u>18.33</u> | <u>18.70</u> |
| <u>7</u> | <u>17.97</u> | <u>18.33</u> | <u>18.70</u> | <u>19.07</u> |
| <u>8</u> | <u>18.33</u> | <u>18.69</u> | <u>19.07</u> | <u>19.45</u> |

ARTICLE 9

TEAM AWARD

TEAM AWARD

Section 9.1 Operations employees in Wage Groups 1 and 2 who are on the active payroll on December 31 will be eligible for a Team Award with a target payout of 3% and a maximum payout of 3.75%, payable by March 31 of the following year. The Team Award will be paid based on the team meeting or exceeding the same corporate performance measures and goals defined in the Short-term Incentive Plan as modified by the Company from time to time, but based upon sales revenue within the CenturyLink West footprint. The Team Award will be calculated by multiplying the award percent against an eligible employee's annual compensation, which includes pay for regular hours worked, overtime, differentials, commissions, individual performance bonus, excused non-paid Union time, and all paid time.

This payment will be subject to deductions for union dues, savings plan participation, and all other deductions required by law.

Company decisions regarding Team Award implementation and administration are not subject to the grievance or arbitration provisions of this Agreement.

The Company will meet with the Union to discuss any individual employee appeals or disputes arising under the Team Award plan. Said employee appeals shall only be allowed for issues regarding employee eligibility or regarding the amount of the employee's award, and for no other purpose. Employee appeals shall be to the Director of Labor Relations of the Company or his/her designee, and the Director's decision shall be final and not subject to the grievance or arbitration provisions of this agreement.

ARTICLE 10

OVERTIME/TRAVEL TIME/SHIFT DIFFERENTIAL

OVERTIME

Section 10.1 Operations employees in Wage Groups 1 and 2 and Account Representatives-Mail will be paid overtime at a rate of one and one-half (1 1/2) times the basic rate of pay for time worked in any one (1) calendar week in excess of forty (40) hours. For each hour worked over forty-nine (49) in any one (1) calendar week, overtime will be paid at a rate of two (2) times the basic rate of pay.

For purposes of computing overtime, the definition of time worked will include all paid time except paid time off for benefits. Hourly paid employees will be paid travel time during normal working hours or after hours at the appropriate rate.

To the extent practical, overtime needs will be fulfilled by use of volunteers. Overtime can be required based on the needs of the business. The Company will consider the individual circumstances of the employee when requiring overtime. The local management and union representative will discuss the ongoing process to be used for the assignment of overtime.

SHIFT DIFFERENTIAL

Section 10.2 A daily shift differential of ten percent (10%) for each day worked will be paid to employees who are required to work regularly scheduled hours which start before 6 a.m. or end after 7 p.m. The shift differential of ten percent (10%) will also be paid to employees for each Saturday or Sunday worked as part of the scheduled forty (40) hour work week. A differential will not be paid for hours worked under flexible scheduling or four-day work week.

ARTICLE 11

SALES COMPENSATION

The following compensation plan will be effective the first full pay period following the ratification of this Collective Bargaining Agreement.

SALARY

Section 11.1

Marketing Consultants and Digital Sales Executives shall be compensated as follows:

Basic annual salary shall be paid according to the following:

Salary Structure

| <u>Title</u> | <u>Salary</u> |
|-------------------------------------------------|-----------------|
| <u>Senior Marketing Consultant - (SMC)</u> | <u>\$31,100</u> |
| <u>Premise Marketing Consultant - (PMC)</u> | <u>\$27,900</u> |
| <u>Telephone Marketing Consultant - (TMC)</u> | <u>\$25,400</u> |
| <u>Digital Sales Account Executive - (DSAE)</u> | <u>\$40,000</u> |

COMMISSIONS

Section 11.2

The appropriate sales commission rate for all advertising resold, or increased by Marketing Consultants and Digital Sales Executives for all products shall be those rates that apply to their designated office locations. Those commission rates are shown in the Commission Rates Table #1 (A-C). Accounts associated with the main account will be treated as one (1) advertiser account.

Such account treatment will include sales to associated new connects.

Commissions shall be paid on all advertising sold to non-advertisers and new connects, unless associated with existing advertisers, at the "new" commission rate. Those commission rates are shown in the Sales Commission Rate Table #2 (A-D).

Commissions will be calculated as total contract value multiplied by the appropriate commission rate as shown in Table #2. In the event the Company extends a print directory cycle, commissions will be limited to a print directory cycle of twelve (12) months.

When market is reassigned from a commissioned employee due to approved attendance at extended training (ten [10] consecutive business days or longer), and/or participation in joint process improvement teams, out of market pay will be calculated at a rate of forty cents (\$0.40) times the revenue reassigned. The out of market pay is subject to approval by the Sales Director.

When an existing directory or directories are rescoped or discontinued and these marketplace adjustments change the primary coverage area for the customer, the Book on the Street ("BOTS") in the existing directory will be the basis for determining all commissions and calculations in the replacement or rescoped directory or directories as follows:

- A. If the advertising contract rates in the existing directory are less than or equal to the rates of the replacement or rescoped directory, there will be no adjustment to existing BOTS.
- B. If the advertising contract rates in the existing directory are more than the rates in the replacement or rescoped directory and the amount resold is less than the original BOTS, the BOTS will be adjusted to equal Next Issue Street Directory (NISD).

- C. When duplication of advertising occurs as a result of a directory rescope, commissions will be paid at the package level as indicated in Item 2, above.

If the directory is new and new advertising is not associated to an existing account all commission calculations will be paid as new. If the directory is new and advertising sold is associated to an existing account, all commission calculations will be paid on the account package.

Commissions will be computed on an account-by-account (includes all ad sales generated at the customer level) basis.

The Company will charge back credited or paid commission amounts in the following situations:

- A. If contracted advertising is not published.
- B. Errors within the realm of the salesperson's responsibility.
- C. If the National sales channel supersedes local sales advertising prior to the NYPS close date.

COMMISSION DEBIT PRORATION

In the event of a commission charge back exceeding \$100, the amount to be debited in any one pay period will not exceed 50% of earned commissions that were to be paid for that pay period.

RECURRING AD SALES RATE BANDS

The applicable recurring ad sales rate bands for each specific sales channel (SMC, PMC, TMC, DSAE) in each designated office will be determined annually by the Sales Planning and Operations department. This calculation will take place prior to the start of the first sales canvass aligned to the new compensation cycle each year. These rate bands will be used to determine appropriate total contract value ("TCV") commission rates to be applied for recurring advertising to be published or fulfilled in that

compensation cycle year. As the new ad sales rate bands are being determined, they will be reviewed and discussed with the Union within five (5) business days of notice, and then finalized.

TABLE #1 (A-C)
COMMISSION RATE TABLE

Senior Marketing Consultant (SMC)
Table #1A

| <u>Rate Band</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> |
|--------------------------|-------------------|-----------------------|-----------------------|-----------------------|-------------------|
| <u>Assignment Ranges</u> | <u>>\$400K</u> | <u>\$350 - \$400K</u> | <u>\$300 - \$350K</u> | <u>\$250 - \$300K</u> | <u><\$250K</u> |
| <u>Commission Rates</u> | | | | | |
| <u>0 - 74.99%</u> | <u>0.012</u> | <u>0.014</u> | <u>0.016</u> | <u>0.019</u> | <u>0.023</u> |
| <u>75% - 99.99%</u> | <u>0.013</u> | <u>0.015</u> | <u>0.018</u> | <u>0.021</u> | <u>0.025</u> |
| <u>100% - 104.99%</u> | <u>0.015</u> | <u>0.017</u> | <u>0.020</u> | <u>0.024</u> | <u>0.029</u> |
| <u>105% - 114.99%</u> | <u>0.018</u> | <u>0.020</u> | <u>0.023</u> | <u>0.028</u> | <u>0.034</u> |
| <u>115% - 124.99%</u> | <u>0.021</u> | <u>0.024</u> | <u>0.028</u> | <u>0.033</u> | <u>0.040</u> |
| <u>125% - 149.99%</u> | <u>0.025</u> | <u>0.028</u> | <u>0.033</u> | <u>0.038</u> | <u>0.047</u> |
| <u>> 150%</u> | <u>0.029</u> | <u>0.033</u> | <u>0.038</u> | <u>0.045</u> | <u>0.055</u> |

Premise Marketing Consultant (PMC) and Digital Sales
Account Executive (DSAE)
Table #1B

| <u>Rate Band</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> |
|--------------------------|------------------|---------------------|---------------------|---------------------|------------------|
| <u>Assignment Ranges</u> | <u>>\$95K</u> | <u>\$85 - \$95K</u> | <u>\$75 - \$85K</u> | <u>\$65 - \$75K</u> | <u><\$65K</u> |
| <u>NISD/ BOTS Result</u> | | | | | |
| <u>0 - 74.99%</u> | <u>0.029</u> | <u>0.032</u> | <u>0.037</u> | <u>0.042</u> | <u>0.049</u> |
| <u>75% - 99.99%</u> | <u>0.030</u> | <u>0.034</u> | <u>0.038</u> | <u>0.044</u> | <u>0.051</u> |
| <u>100% - 104.99%</u> | <u>0.032</u> | <u>0.036</u> | <u>0.041</u> | <u>0.047</u> | <u>0.055</u> |
| <u>105% - 114.99%</u> | <u>0.037</u> | <u>0.039</u> | <u>0.044</u> | <u>0.050</u> | <u>0.059</u> |
| <u>115% - 124.99%</u> | <u>0.038</u> | <u>0.043</u> | <u>0.048</u> | <u>0.055</u> | <u>0.065</u> |
| <u>125% - 149.99%</u> | <u>0.042</u> | <u>0.047</u> | <u>0.053</u> | <u>0.061</u> | <u>0.071</u> |
| <u>> 150%</u> | <u>0.047</u> | <u>0.052</u> | <u>0.059</u> | <u>0.068</u> | <u>0.079</u> |

Telephone Marketing Consultant (TMC)

Table # 1C

| <u>Rate Band</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> |
|---------------------------------|---------------------------|------------------------------------|------------------------------------|-------------------------------------|---------------------------|
| <u>Assignment Ranges</u> | <u>>\$52.5K</u> | <u>\$47.5 - \$52.5K</u> | <u>\$42.5 - \$47.5K</u> | <u>\$37.5K - \$42.5K</u> | <u><\$37.5K</u> |
| <u>Commission Rates</u> | | | | | |
| <u>0 - 74.99%</u> | <u>0.022</u> | <u>0.024</u> | <u>0.028</u> | <u>0.032</u> | <u>0.037</u> |
| <u>75% - 99.99%</u> | <u>0.023</u> | <u>0.026</u> | <u>0.029</u> | <u>0.033</u> | <u>0.039</u> |
| <u>100% - 104.99%</u> | <u>0.025</u> | <u>0.028</u> | <u>0.032</u> | <u>0.036</u> | <u>0.042</u> |
| <u>105% - 114.99%</u> | <u>0.028</u> | <u>0.031</u> | <u>0.035</u> | <u>0.040</u> | <u>0.046</u> |
| <u>115% - 124.99%</u> | <u>0.031</u> | <u>0.035</u> | <u>0.039</u> | <u>0.045</u> | <u>0.052</u> |
| <u>125% - 149.99%</u> | <u>0.035</u> | <u>0.039</u> | <u>0.044</u> | <u>0.050</u> | <u>0.058</u> |
| <u>> 150%</u> | <u>0.040</u> | <u>0.045</u> | <u>0.050</u> | <u>0.057</u> | <u>0.066</u> |

COMPENSATION CYCLE

For compensation purposes only, a compensation cycle will be used to calculate the commissions, conversion bonus and quarterly bonus payouts. The compensation cycle is defined to include all advertising that publishes/fulfills within each quarter.

BOOK ON THE STREET (“BOTS”)

BOTS is defined as a customer’s total ad sales associated with current published/fulfilled products (print, digital, awareness, etc.) attached to a single compensation cycle (total customer spend).

NEXT ISSUE STREET DIRECTORY (“NISD”)

NISD is defined as a customer’s total ad sales associated with next published/fulfilled sold products (print, digital, awareness, etc.) attached to a single compensation cycle (total customer spend).

NEW

Commission rate paid on all dollars sold to new customers and non-advertisers not associated with an existing account.

NEW SALES CONVERSION PREMIUM INCENTIVE RATE

New sales commissions rate of pay will be based upon the Designated Office New Sales Rate Band Table #2A & C. New Sales commission rates would increase upon an individual exceeding established dollars Level as shown in Table # 2B & D.

All New Sales dollars made during each Compensation Cycle will be counted on an ongoing basis. Once each Level is exceeded, the new commission rate would be used to recalculate new sales commissions for all previously sold new sales. Any additional new sales dollars made from that point up to the next dollar Level would also be paid at the recalculated commission rate.

NEW SALES RATE BANDS

The applicable new sales rate bands for each specific sales channel (SMC, PMC, TMC) in each designated office will be determined annually by the Sales Planning and Operations department. This calculation will take place prior to the start of the first sales canvass aligned to the new compensation cycle each year. These rate bands will be used to determine appropriate total contract value (TCV) commission rates to be applied for new sales advertising to be published or fulfilled in that compensation cycle year. As the new sales rate bands are being determined, they will be reviewed and discussed with the Union within five (5) business days of notice, and then finalized.

**Senior Marketing Consultant and Premise Marketing
Consultant New Sales Incentive Rate Band Table (#2 A & B)**

Table #2A

| <u>Rate Band</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> |
|-------------------------|---------------------------------------|----------------------------------|----------------------------------|---------------------------------|--------------------------------|
| | <u>Annual New Sales Levels</u> | | | | |
| <u>Level 1</u> | <u><=\$35,988</u> | <u><=\$32,388</u> | <u><=\$28,788</u> | <u><=\$25,188</u> | <u><=\$21,588</u> |
| <u>Level 2</u> | <u>\$35,989 - \$59,988</u> | <u>\$32,389 - \$53,988</u> | <u>\$28,789 - \$47,988</u> | <u>\$25,189 - \$41,988</u> | <u>\$21,589 - \$35,988</u> |
| <u>Level 3</u> | <u>\$59,988 - \$83,988</u> | <u>\$53,989 - \$75,588</u> | <u>\$47,989 - \$67,188</u> | <u>\$41,989 - \$58,788</u> | <u>\$35,989 - \$50,388</u> |
| <u>Level 4</u> | <u>\$83,989 - \$119,988</u> | <u>\$75,589 - \$107,988</u> | <u>\$67,189 - \$95,988</u> | <u>\$58,789 - \$83,988</u> | <u>\$50,389 - \$71,988</u> |
| <u>Level 5</u> | <u>\$119,989 - \$137,988</u> | <u>\$107,989 - \$124,188</u> | <u>\$95,989 - \$110,388</u> | <u>\$83,989 - \$96,588</u> | <u>\$71,989 - \$82,788</u> |
| <u>Level 6</u> | <u>\$137,989 - \$155,988</u> | <u>\$124,189 - \$140,388</u> | <u>\$110,389 - \$124,788</u> | <u>\$96,589 - \$109,188</u> | <u>\$82,789 - \$93,588</u> |
| <u>Level 7</u> | <u>>=\$155,989</u> | <u>>=\$140,389</u> | <u>>=\$124,789</u> | <u>>=\$109,189</u> | <u>>=\$93,589</u> |

Table #2B

| <u>Rate Band</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> |
|-------------------------|--------------------------------|-----------------|-----------------|-----------------|-----------------|
| | <u>Commission Rates</u> | | | | |
| <u>Level 1</u> | <u>0.100</u> | <u>0.111</u> | <u>0.125</u> | <u>0.143</u> | <u>0.167</u> |
| <u>Level 2</u> | <u>0.117</u> | <u>0.130</u> | <u>0.146</u> | <u>0.167</u> | <u>0.194</u> |
| <u>Level 3</u> | <u>0.133</u> | <u>0.148</u> | <u>0.167</u> | <u>0.190</u> | <u>0.222</u> |
| <u>Level 4</u> | <u>0.150</u> | <u>0.167</u> | <u>0.188</u> | <u>0.214</u> | <u>0.250</u> |
| <u>Level 5</u> | <u>0.167</u> | <u>0.185</u> | <u>0.208</u> | <u>0.238</u> | <u>0.278</u> |
| <u>Level 6</u> | <u>0.183</u> | <u>0.204</u> | <u>0.229</u> | <u>0.262</u> | <u>0.306</u> |
| <u>Level 7</u> | <u>0.200</u> | <u>0.222</u> | <u>0.250</u> | <u>0.286</u> | <u>0.333</u> |

Telephone Marketing Consultant New Sales Incentive Rate

Band Table
(#2 C & D)

Table #2C

| <u>Rate Band</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> |
|---------------------------------------|------------------------------------|------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| <u>Annual New Sales Levels</u> | | | | | |
| <u>Level 1</u> | <u><=\$25,788</u> | <u><=\$23,388</u> | <u><=\$20,988</u> | <u><=\$18,588</u> | <u><=\$16,488</u> |
| <u>Level 2</u> | <u>\$25,789 - \$42,888</u> | <u>\$23,389 - \$38,988</u> | <u>\$20,989 - \$35,088</u> | <u>\$18,589 - \$31,188</u> | <u>\$16,489 - \$27,288</u> |
| <u>Level 3</u> | <u>\$42,889 - \$59,988</u> | <u>\$38,989 - \$54,588</u> | <u>\$35,089 - \$49,188</u> | <u>\$31,189 - \$43,788</u> | <u>\$27,289 - \$38,088</u> |
| <u>Level 4</u> | <u>\$59,989 - \$85,788</u> | <u>\$54,589 - \$77,988</u> | <u>\$49,189 - \$70,188</u> | <u>\$43,789 - \$62,388</u> | <u>\$38,089 - \$54,588</u> |
| <u>Level 5</u> | <u>\$85,789 - \$98,688</u> | <u>\$77,989 - \$89,688</u> | <u>\$70,189 - \$80,688</u> | <u>\$62,389 - \$71,688</u> | <u>\$54,589 - \$62,688</u> |
| <u>Level 6</u> | <u>\$98,689 - \$110,688</u> | <u>\$89,689 - \$101,388</u> | <u>\$80,689 - \$91,188</u> | <u>\$71,689 - \$80,988</u> | <u>\$62,689 - \$71,088</u> |
| <u>Level 7</u> | <u>>=\$110,689</u> | <u>>=\$101,389</u> | <u>>=\$91,189</u> | <u>>=\$80,989</u> | <u>>=\$71,089</u> |

Table #2D

| <u>Rate Band</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <u>Commission Rates</u> | | | | | |
| <u>Level 1</u> | <u>0.102</u> | <u>0.113</u> | <u>0.125</u> | <u>0.141</u> | <u>0.161</u> |
| <u>Level 2</u> | <u>0.119</u> | <u>0.131</u> | <u>0.146</u> | <u>0.164</u> | <u>0.188</u> |
| <u>Level 3</u> | <u>0.136</u> | <u>0.150</u> | <u>0.167</u> | <u>0.188</u> | <u>0.214</u> |
| <u>Level 4</u> | <u>0.153</u> | <u>0.169</u> | <u>0.188</u> | <u>0.211</u> | <u>0.241</u> |
| <u>Level 5</u> | <u>0.170</u> | <u>0.188</u> | <u>0.208</u> | <u>0.234</u> | <u>0.268</u> |
| <u>Level 6</u> | <u>0.188</u> | <u>0.206</u> | <u>0.229</u> | <u>0.258</u> | <u>0.295</u> |
| <u>Level 7</u> | <u>0.205</u> | <u>0.225</u> | <u>0.250</u> | <u>0.281</u> | <u>0.321</u> |

QUARTERLY BONUS

Section 11.3 A Quarterly Bonus will be paid at the conclusion of each compensation quarter. The bonus will be based upon the results of advertising sold into directories that publish and digital sales that fulfill in that compensation quarter. (First quarter directories that publish in January, February, and March; second quarter directories that publish in April, May and June, etc.) The targeted performance standard is defined as NISD equals BOTS. Performance at this level will result in a targeted performance standard payout calculated as shown in Table 3A, which will align with the total BOTS (print and digital) worked for that compensation quarter. The targeted bonus amount for each quarter will be allocated based on the percent of the prior year's ad sales worked in each quarter for each specific sales channel and office. This calculation will take place prior to the start of the first sales canvass aligned to the new compensation cycle each year. The actual bonus payout will be determined based on actual sales performance above or below the targeted performance standard. For purposes of the quarterly bonus, final NISD results will be determined as of the bonus calculation date and will not be subject to subsequent adjustment.

The actual bonus amount earned would be based on the scale contained in Table #3B. Bonus payouts for levels of performance between those shown in Table #3B will be calculated on a pro-rata basis rounded to the nearest one-tenth percent (1/10%). There will be no float (adjustments) given on any account for the purposes of calculating NISD results for a quarter. There will be a minimum threshold of eight-five percent (85%) of NISD divided by BOTS; results exceeding eighty-five percent (85%) will qualify for a quarterly bonus. Maximum bonus payout in any one quarter will not exceed three hundred percent (300%) of the targeted bonus performance payout.

In the event revenue is reassigned away from a Marketing Consultant for work flow issues, the Marketing Consultant will not be eligible for the Quarterly Bonus.

TABLE #3A

Quarterly Bonus Opportunity (% of BOTS worked)

| | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> |
|--------------------------------------|----------|----------|----------|----------|----------|
| Senior Marketing Consultant (SMC) | 3.5% | 4.0% | 4.6% | 5.5% | 6.7% |
| Premise Marketing Consultant (PMC) | 10.0% | 11.1% | 12.5% | 14.3% | 16.7% |
| Telephone Marketing Consultant (TMC) | 9.1% | 10.0% | 11.1% | 12.5% | 14.3% |

**TABLE #3B
BONUS PAYOUT SCALE**

| | <u>TMC</u> | <u>PMC</u> | <u>SMC</u> |
|--------------------------|---------------------------------|---------------|---------------|
| NISD/BOTS Results | Quarterly Bonus Payout % | | |
| <u>85%</u> | <u>0.0%</u> | <u>0.0%</u> | <u>0.0%</u> |
| <u>90%</u> | <u>20.0%</u> | <u>20.0%</u> | <u>20.0%</u> |
| <u>95%</u> | <u>50.0%</u> | <u>50.0%</u> | <u>50.0%</u> |
| <u>100%</u> | <u>100.0%</u> | <u>100.0%</u> | <u>100.0%</u> |
| <u>105%</u> | <u>125.0%</u> | <u>125.0%</u> | <u>125.0%</u> |
| <u>110%</u> | <u>150.0%</u> | <u>150.0%</u> | <u>150.0%</u> |
| <u>115%</u> | <u>200.0%</u> | <u>200.0%</u> | <u>200.0%</u> |
| <u>120%</u> | <u>250.0%</u> | <u>250.0%</u> | <u>250.0%</u> |
| <u>125%</u> | <u>300.0%</u> | <u>300.0%</u> | <u>300.0%</u> |

DIGITAL SALES ACCOUNT EXECUTIVE (DSAE) NEW SALES COMMISSIONS

The applicable total contract value (TCV) commission rates for new sales made by DSAE's are shown in Table #5. These rates are for achievement in new sales made in each distinct quarter. These rates will increase upon an individual exceeding established Levels show in Table #5. Once each Level is exceeded, the new commission rate will be used to recalculate new sales commissions for all previously sold new sales during that quarter. Any additional new sales made from that point until the next Level will also be paid at the recalculated commission rate.

TABLE #4
Digital Sales Executive Office Tiers

| <u>Tier 1</u> | <u>Tier 2</u> |
|----------------------------------|-----------------------------|
| <u>Seattle/Tacoma, WA</u> | <u>Beaverton, OR</u> |
| <u>Maple Grove, MN</u> | |
| | |

TABLE #5
Digital Sales Account Executive TCV New Sales Commission
Rates

| <u>Tier 1</u> | | <u>Tier 2</u> | | <u>Tier 3</u> | |
|---------------------------------------------------------|------------------------------------------------------------------|---------------------------------------------------------|------------------------------------------------------------------|---------------------------------------------------------|------------------------------------------------------------------|
| <u>Quarterly TCV Target Achieved</u> | <u>TCV Commissi on Rate inc Retro Pay</u> | <u>Quarterly TCV Target Achieved</u> | <u>TCV Commissi on Rate inc Retro Pay</u> | <u>Quarterly TCV Target Achieved</u> | <u>TCV Commissi on Rate inc Retro Pay</u> |
| <u>\$0 - \$49,968</u> | <u>\$0.060</u> | <u>\$0 - \$40,920</u> | <u>\$0.073</u> | <u>\$0 - \$34,848</u> | <u>\$0.086</u> |
| <u>\$49,969 - \$74,592</u> | <u>\$0.080</u> | <u>\$40,921 - \$61,380</u> | <u>\$0.098</u> | <u>\$34,849 - \$52,272</u> | <u>\$0.115</u> |
| <u>\$74,593 - \$99,936</u> | <u>\$0.100</u> | <u>\$61,381 - \$81,840</u> | <u>\$0.122</u> | <u>\$52,272 - \$69,696</u> | <u>\$0.143</u> |
| <u>\$99,937 - \$109,930</u> | <u>\$0.114</u> | <u>\$81,841 - \$90,024</u> | <u>\$0.139</u> | <u>\$69,697 - \$76,667</u> | <u>\$0.163</u> |
| <u>\$109,931 - \$124,920</u> | <u>\$0.120</u> | <u>\$90,025 - \$102,300</u> | <u>\$0.147</u> | <u>\$76,668 - \$87,120</u> | <u>\$0.172</u> |
| <u>>= \$124,921</u> | <u>\$0.133</u> | <u>>= \$102,300</u> | <u>\$0.163</u> | <u>>= \$87,120</u> | <u>\$0.191</u> |

DIGITAL SALES ACCOUNT EXECUTIVES (DSAE)
RECURRING AD SALES COMMISSIONS

The applicable total contract value (TCV) commission rates for recurring ad sales made by DSAE's are shown on Table #1B above. The commission rates used for the DSAE's will be the same as is used by the PMC sales channel in that same designated office.

ACCOUNT REPRESENTATIVE-MAIL COMPENSATION

WAGES

Section 11.4 Employees shall be paid a basic weekly salary according to the schedule in Table #6 with progression increases at six (6) month intervals. When an employee completes a period

of service entitling the employee to an increase in the basic weekly salary, the increase will be handled as follows:

- A. If the progression date falls within the first calendar week of a payroll period, the increase will become effective at the beginning of the pay period.
- B. If the progression date falls within the second calendar week of a payroll period, the increase will become effective at the beginning of the next pay period.

TABLE #6
ACCOUNT REPRESENTATIVE-MAIL SALARY

| <u>Step</u> | <u>Weekly Salary</u> |
|--------------------|-----------------------------|
| <u>1</u> | <u>\$664.00</u> |
| <u>2</u> | <u>\$690.00</u> |
| <u>3</u> | <u>\$718.00</u> |
| <u>4</u> | <u>\$746.00</u> |
| <u>5</u> | <u>\$777.00</u> |

Account Representatives-Mail will be paid overtime at a rate of one and one-half (1 and 1/2) times the basic rate of pay for time worked in any one (1) calendar week in excess of forty (40) hours. For each hour over forty-nine (49) in any one (1) calendar week, overtime will be paid at a rate of two (2) times the basic rate of pay.

Overtime hours must be pre-authorized by management and may be required based on the needs of the business.

QUARTERLY BONUS

Section 11.4a

Bonus opportunities for individual Account Representatives-Mail will be based on the following categories for each quarter:

- A. Total Sales Percent (Revenue)
- B. Customer Account Retention Percent

At target, the quarterly amounts available for payout will be \$700 for Total Sales Percent and \$300 for Customer Account Retention Percent. The Customer Account Retention Percent component will be an accelerator and only paid if the Total Sales Percent reaches a quarterly minimum of 85%.

A bonus target will be identified for each of the categories. The same Target Percent will be used for all quarterly payout opportunities.

| | <u>Qtr. 1</u> | <u>Qtr. 2</u> | <u>Qtr. 3</u> | <u>Qtr. 4</u> | <u>Total</u> |
|---------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| <u>Total Sales Percent (Revenue)</u> | <u>\$700</u> | <u>\$700</u> | <u>\$700</u> | <u>\$700</u> | <u>\$2,800</u> |
| <u>Customer Account Retention Percent (Accelerator)</u> | <u>\$300</u> | <u>\$300</u> | <u>\$300</u> | <u>\$300</u> | <u>\$1,200</u> |
| <u>Total Bonus Amount</u> | <u>\$1,000</u> | <u>\$1,000</u> | <u>\$1,000</u> | <u>\$1,000</u> | <u>\$4,000</u> |

Results for the quarterly bonuses will be based on results of all customers assigned to an Account Representative-Mail for all Directories that publish, or Digital that fulfills in the respective quarter.

There will be no interpolation of factors in determining payout amounts.

Bonus Calculations and payout

Total Sales Percent Calculations:

Total Sales percent targets will be used to base the bonus payout for each quarter.

Percent Total Sales = Total NISD Revenues ÷ Retired Revenue

* Boosted Revenue is included in both the Total NISD Revenue and the Retired Revenue figures.

The Total Sales Percent bonus opportunity is as follows:

| Percent Total Sales | % Payout | \$ Payout |
|----------------------------|-----------------|------------------|
| 95% + | 200% | \$1,400 |
| 93% - 94.99% | 175% | \$1,225 |
| 91% - 92.99% | 150% | \$1,050 |
| 89% - 90.99% | 125% | \$875 |
| 87% - 88.99% | 100% | \$700 |
| 85% - 86.99% | 50% | \$350 |

Customer Account Retention Calculations percent:

Customer Account Retention targets will be established for each quarter. The base number of customers will be taken from kGen and reflect the number of customers assigned to each individual Account Representative-Mail.

Retention Percent = # of Accounts Retained ÷ # of Accounts Assigned

* Boosted Accounts are included in both the total # Accounts assigned and the Accounts retained figures.

The customer Account Retention bonus opportunity is as follows:

| <u>Percent Total Sales</u> | <u>% Payout</u> | <u>\$ Payout</u> |
|----------------------------|-----------------|------------------|
| 95% + | 200% | \$600 |
| 93% - 94.99% | 175% | \$525 |
| 91% - 92.99% | 150% | \$450 |
| 89% - 90.99% | 125% | \$375 |
| 87% - 88.99% | 100% | \$300 |
| 85% - 86.99% | 50% | \$150 |

A review of the performance of the Account Representative-Mail channel may be conducted quarterly. The scope of review will be to determine trends, effectiveness and overall performance of the channel. An annual review will be conducted to determine whether or not it is appropriate to adjust future Total Sales percent targets and Customer Account Retention percent targets based upon the overall performance of the channel for the previous twelve (12) months.—Targets may be adjusted up or down; however, they will be no higher than those reflected in the above Tables. After considering input from the Union, the Company will make the final binding decision.

ACCOUNT EXECUTIVE BASIS OF COMPENSATION

Section 11.5 Account Executives will be compensated as follows:

ANNUAL SALARY: \$53,440.00

ACCOUNT EXECUTIVE BONUS OPPORTUNITY:

A bonus of five hundred fifty dollars (\$550.00) will be paid for every one percent (1%) of net sales increase on advertising revenue handled in each thirteen (13) consecutive payroll periods not to exceed five thousand five hundred dollars (\$5,500.00). To be eligible for the bonus, the employee must complete an entire interval of thirteen (13) payroll periods.

OVERTIME FOR DIRECTORY ADVERTISING CONSULTANTS– TELEPHONE CHANNEL

Section 11.6 Telephone Marketing Consultants channel will be paid overtime at a rate of time and one-half (1 and 1/2) times their basic hourly rate for time worked in any one (1) calendar week in excess of forty (40) hours.

For the purposes of calculating overtime pay, an employee's basic hourly rate will be the average hourly pay earned over the preceding twenty-six (26) payroll periods. The basic hourly rate calculation will be the total salary, commissions, conversion bonus and quarterly bonus received divided by the total hours worked for the preceding twenty-six (26) payroll periods. For the purpose of calculating this basic hourly rate, short-term disability benefits pay and time, and overtime pay are excluded.

If an individual has been assigned to a Telephone Marketing Consultant channel position for less than twenty-six (26) full pay periods, the basic hourly rate calculation shall be based on the earnings and paid hours after a minimum of six (6) payroll periods have been completed in the position.

Time paid for but not worked shall be excluded in determining the number of overtime hours worked in excess of forty (40) hours in a week.

Overtime hours must be pre-authorized by management and may be required based on the needs of the business.

In the event of legislative, judicial, or administrative clarification that the Company would not otherwise be required to pay overtime premiums to Telephone Marketing Consultants channel, this overtime premium will be discontinued.

There shall be no overtime paid to Premise Marketing Consultants or Account Executives.

TRANSITION PAY

PREMISE AND TELEPHONE MARKETING CONSULTANTS

Section 11.7a Employees who are newly assigned to the Telephone Marketing Consultant channel will be paid a weekly transition salary equivalent to two (2) times the weekly basic wage. This weekly transition salary will be paid for the first six (6) pay periods completed after assignment to the Telephone Marketing Consultant. The weekly transition salary will be extended to cover, if applicable, a period of initial training. For Telephone Marketing Consultants channel who work hours in excess of forty (40) during a calendar week while an employee is subject to the transition salary, overtime will be paid at a rate of one and one-half (1 and 1/2) times the basic hourly rate. The basic hourly rate for these purposes shall be the weekly transition salary divided by the number of hours worked in that week.

Sales compensation for the transition period will be calculated based on the basic weekly wage, commissions, conversion bonus, and quarterly bonus listed within this Article 11 on compensation. If sales compensation calculated for the pay period exceeds the transition salary received, the employee will be paid the difference in the next pay period or as soon as practical. Where applicable, this will include an appropriate adjustment to overtime pay if any overtime hours were worked during the transition period.

Section 11.7b The transition pay for the Premise Marketing Consultant is intended only for those employees that are new to a commissioned sales position. Employees who are newly assigned to the Premise Marketing Consultant will be paid a weekly transition salary equivalent to two (2) times the basic weekly salary. This weekly transition salary will be paid for the first six (6) pay periods completed after assignment to the Premise Marketing Consultant position. The weekly transition salary will be extended to cover, if applicable, a period of initial training. For purposes of calculating Premise Marketing Consultant sales compensation for each transition pay period, sales compensation will be calculated based on the basic weekly wage, commissions,

conversion bonus and quarterly bonus listed in Article 11. If sales compensation calculated for the pay period exceeds the transition salary received, the employee will be paid the difference in the next pay period or as soon as practical.

Section 11.7c The transition pay for the Digital Sales Account Executives (DSAE) is intended only for those employees that are new to a commissioned sales position. Employees who are newly assigned to the DSAE position will be paid a weekly transition salary equivalent to one and one half (1.5) times the basic weekly salary for the first four (4) weeks, one and one third (1.33) times the basic weekly salary for the next four weeks, and one and one sixth (1.165) times the basic weekly salary for the final four weeks. For purposes of calculating DSAE sales compensation for each transition pay period, sales compensation will be calculated based on the basic weekly wage and commissions. If sales compensation calculated for the pay period exceeds the transition salary received, the employee will be paid the difference in the next pay period or as soon as practical.

Section 11.7d At the end of the transition pay periods described above in 11.7(a),(b) and (c), the salary will be adjusted to the basic weekly salary listed under Compensation Section 11.1.

ARTICLE 12

PAY FOR TEMPORARY WORK ASSIGNMENTS

Section 12.1 Marketing Consultants who are assigned to work markets outside their normal designated office location as defined in Table #1 shall be paid those rates which apply to the designated office location to which they are re-assigned.

If an Account Representative-Mail or Account Executive is loaned to a Sales Position with a different basic rate of pay and incentive compensation opportunity, earnings shall be calculated in the following manner:

- A. During the temporary assignment the employee will continue to be paid their basic rate of pay from their regular position.
- B. For the work completed during the temporary assignment, earnings shall be calculated based on the pay plan for the temporary position (salary, commission, conversion bonus and Quarterly Bonus).
- C. At the end of the temporary assignment the employee will be compensated based on the calculations from A or B above which provide the higher earnings during the temporary assignment.

If an employee in a commissioned sales position (Marketing Consultant) is temporarily assigned to a Sales position with a different basic rate of pay and incentive compensation opportunity, earnings shall be calculated in the following manner:

For the work completed during the temporary assignment, earnings shall be calculated based on the pay plan for the temporary position (salary and commission, conversion bonus and Quarterly Bonus).

ARTICLE 13 TIME OFF

TIME OFF WITH PAY (TOP)

Section 13.1 Full-time employees shall be eligible to receive annual TOP in accordance with the following provisions:

| Service Bands | Maximum Annual Accrual | Accrual Schedule | Accrual per Pay Period |
|--------------------------|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| 0 through 4 full years | 20 Days (160 hours) | Accrual begins on hire date and appears in first pay period check following the start date. Employee remains in this band through four (4) full years of service. | 6.15 hours |
| 4+ through 8 full years | 25 Days (200 hours) | Accrual begins when the employee has completed four (4) full years of service. Employee remains in this band through eight (8) full years of service. | 7.69 hours |
| 8+ through 16 full years | 30 Days (240 hours) | Accrual begins when the employee has completed eight (8) full years of service. Employee remains in this band through sixteen (16) full years of service. | 9.23 hours |
| More than 16 years | 35 Days (280 hours) | Accrual begins when the employee has completed sixteen (16) full years of service. Employee remains in this band until he/she leaves the organization. | 10.77 hours |

Part-time employees scheduled to work at least 20 hours a week will be eligible for 50% of the full-time benefit for TOP. Example: A full-time employee with 8 to 16 years of service receives 30 TOP days. A part-time employee scheduled to work at least 20 hours per week with 8 to 16 years of service receives 15 TOP days. Part time employees scheduled to work less than 20 hours a week are not eligible for TOP.

Employees will be paid their basic rate of pay for TOP.

SCHEDULING TIME OFF WITH PAY

Section 13.2 The Company shall prepare TOP schedules prior to December of the preceding calendar year. Management will indicate work force requirements and time available for selection of TOP and individual days off for each designated office location.

Employees will then be allowed to schedule full weeks of TOP by Term of Employment. Upon completion of full week selections, employees will be allowed to schedule individual days off in the same manner.

TOP time scheduling must be completed by a date mutually agreeable in each designated office. The failure of an employee to make his/her selection within the established selection period shall result in that employee being placed at the bottom of the TOP time schedule.

Employees may reschedule time off if reasonable notice is given to the Company and the needs of the business can be met.

Any portion of TOP that is interrupted by an illness that results in benefits may be rescheduled.

TOP may not normally be carried over from one (1) calendar year to the next calendar year. In the event of extenuating business reasons should an employee be unable to use all of his/her TOP, his/her director may approve no more than five (5) days/forty (40) hours of TOP to be carried over from one (1) calendar year to the next, and must be taken by March 31st of the following year. Any carryover time must be used by March 31st of the following year and is not eligible for payout of the carryover should the employee leave the Company.

Time not scheduled by December of the previous year may be scheduled with reasonable notice by an employee (ten [10] business days).

Employees may use TOP before it is accrued up to the amount of the annual accrual. If an employee should decide to leave the Company, the amount of TOP used in excess of what has been accrued will be deducted from his/her final pay, where allowed by law.

In cases of illness or personal emergency, up to a maximum of seven (7) TOP days each year may be taken without advance scheduling provided the employee notifies his/her immediate supervisor at least one (1) hour before the scheduled work shift begins. When the immediate supervisor is not available, notice may be given to any manager in the office.

TOP must be scheduled in no less than eight (8) hour increments, except that up to thirty-two (32) hours of TOP may be taken in a minimum of one (1) hour increments.

Employees are required to use all accrued TOP for any part of the twelve (12) weeks of approved Family Medical Leave Act ("FMLA") leave prior to being placed on unpaid leave. Additionally, employees may elect, in advance of the leave, to use all or a portion of their maximum current year's annual accrual of TOP. Employees will continue to accrue TOP during an approved FMLA leave and will be credited this accrual only upon reinstatement to active status.

For illness, the use of TOP is required before the use of unpaid leave. If an employee's illness requires an absence of greater than five (5) consecutive business days (forty [40] hours), the employee may apply for Short-term Disability (STD) benefits. The first five (5) business days (forty [40] hours) are considered a "waiting period" under the STD benefit. The time used during the "waiting period" will be deducted from the employee's TOP balance.

Employees must use all accrued TOP before a Child Care Leave or Personal Leave of Absence can be granted. TOP cannot be saved for use after these leaves of absence. Employees will receive a pro-rated amount of TOP (up to a maximum of one calendar month's accrual) at the expiration of a Child Care or Personal Leave of Absence and upon reinstatement to active employment. If the employee does not return to work at the end of these leaves, TOP will not be credited.

TOP will be used to cover wages not paid during the waiting period under workers' compensation. Employees may not use TOP to supplement workers' compensation pay beyond the waiting period. The waiting period before workers' compensation pay begins varies according to state regulations.

The Company reserves the right to determine the number of employees off on TOP at any given one time based on business needs.

Employees who resign and give fourteen (14) calendar days notice shall be entitled to payment of all accrued, but unused TOP hours. Employees who resign with less than fourteen (14) calendar days notice or who are terminated for cause shall not be entitled to payment of unused TOP upon termination.

HOLIDAYS

Section 13.3 The following holidays are authorized and will be observed each year.

| | |
|------------------------|---------------------------|
| New Year's Day | January 1 |
| Martin Luther King Day | Third Monday in January |
| Memorial Day | Last Monday in May |
| Independence Day | July 4 |
| Labor Day | First Monday in September |
| Thanksgiving Day | Fourth Thursday in |
| November | |
| Day after Thanksgiving | Day after Thanksgiving |
| Christmas Day | December 25 |

Company Designated Holiday
Company Designated Holiday

Holidays falling on Sunday will be observed the following Monday.
Holidays falling on Saturday will be observed on the preceding Friday.

Regular employees who do not work will be paid their basic rate of pay for the day a holiday is observed.

When authorized, employees who work on a holiday, in addition to the holiday allowance, will be paid one and one-half (1 and 1/2) times their basic rate of pay for all hours worked.

APPROVED ABSENCES

Military Leave

Section 13.4a The Company will comply with all applicable laws concerning military service, reinstatement thereafter, and reservists' rights.

Voting

Section 13.4b Employees will be excused with pay for such time as is required by law, but not to exceed two (2) hours, to vote at a general election (State or National). Permission will be given by managers. When employees are able to vote outside of working hours, no time off will be granted.

Funerals

Section 13.4c An employee may be permitted to be absent with pay at his/her basic rate of pay due to a death in the immediate family. Time will be determined by the relationship to the deceased. Paid time off will not exceed five (5) consecutive working days due to the death of an "immediate family member" and up to three (3) consecutive working days for "other covered relatives." Immediate family includes parents, spouse, domestic

partner, sibling (natural or adopted), legal guardian, children (natural or adopted), grandparents and grandchildren. Other covered relatives are in-laws (mother, father, sister, brother, daughter, son, grandparent), aunt, uncle, niece and nephew. Consideration should be given to extraordinary relationships beyond the immediate family. Compensation for funeral leave will be calculated at the employee's basic rate of pay only for the time that falls on regularly scheduled workdays. It does not include overtime or any special forms of compensation such as incentives, commissions, or bonuses. Additional days of bereavement leave for deaths of immediate family members or other covered relatives will be charged to the employee's TOP. Upon request, employees may be asked for proof of relationship and documentation of the family member's death.

Jury Duty and Legal Proceeding Appearance

Section 13.4d The Company will compensate eligible employees at their normal basic rate of pay when they are summoned to jury duty on a federal, state or local court, up to four (4) weeks, not to exceed twenty (20) business days. Employees working evenings or nights shall be rescheduled to day shifts during required jury duty. If an employee's jury duty ends four (4) hours prior to completion of shift, the employee shall return to work. Payment should not exceed the employee's basic forty (40) hour work week. Employees serving on juries may receive compensation from the state for their service. Employees serving on trials of one (1) week or more will have their pay adjusted for juror service compensation received.

On occasion, an employee may need to appear in a legal proceeding for personal business such as traffic tickets, personal lawsuits or adoption proceedings. For these types of situations, an employee should use available paid time off to attend to personal business, in accordance with the terms of the TOP program, or if not available, then without pay.

When an employee is requested or subpoenaed to appear in a legal proceeding on behalf of the Company the employee will be

paid at his/her normal basic rate of pay. In all other cases, the employee will not be paid by the Company.

PERSONAL LEAVES OF ABSENCE

Section 13.4e Unpaid personal leaves of absence of up to six (6) months may be granted at the discretion of the Company. The Company cannot guarantee reinstatement following a personal leave. Health and life insurance benefits terminate at the end of the month in which the leave begins. Health insurance benefits may be continued for the duration of the leave in accordance with COBRA. Disability and business travel accident insurance coverage terminate the day the leave begins.

CHILD CARE LEAVE

Section 13.4f As a supplement to the FMLA Leave provided below, the Company shall provide Child Care Leaves of Absence to eligible employees to care for a newborn or newly adopted child. This unpaid leave may be for a period of up to twelve (12) weeks. Employees granted a Child Care Leave will be entitled to guaranteed reinstatement to a job within the same wage schedule and/or title unless the employee's position is eliminated during the leave. Medical and dental benefits will be provided during the leave if the employee pays their required premium contributions. Life insurance benefits terminate at the end of the month in which the leave begins. Disability and business travel accident insurance coverage terminate the day the leave begins. To apply for this leave, the employee must present documentation, expected duration and the reason employee's involvement, to the satisfaction of the Company. Such leave must be taken for the same event and immediately following the exhaustion of FMLA leave.

FAMILY MEDICAL LEAVE ACT

Section 13.4g The Company shall provide leaves of absence in accordance with the Family Medical Leave Act or state equivalent (collectively "FMLA") to eligible employees as set forth in

Company policy, as amended by the Company from time to time. Any such leave shall run concurrently with any other leaves provided for in this agreement.

As a supplemental contractual benefit under this Agreement, an employee will be provided with an equivalent FMLA leave without regard to the FMLA geographic eligibility provisions (work site where 50 or more employees are employed by the employer within 75 miles of the worksite), provided the employee meets all other FMLA eligibility requirements.

ARTICLE 14

POST AND BID

POST AND BID PLAN

Section 14.1 Employees who have acceptable performance and attendance will have the opportunity to bid on any job within the bargaining unit after they have completed the following service requirements in their current position. The Company may waive these service requirements based on the needs of the business. The Company will give notice to the union if these service requirements are waived.

| | |
|----------------------------|-----------|
| Sales Positions In Channel | 24 months |
| Wage Group 1 | 24 months |
| Wage Group 2 | 12 months |

When the Company has an opening, all qualified employees who post a bid will be considered. In filling such openings, the Company shall, in making the selection, adhere to the principle that qualifications will be determined without regard to race, national origin, religion, age, sex, or sexual orientation, marital status, military/veteran status or to any other extent prohibited by law. Where the qualifications of two (2) or more candidates are

determined by the Company to be equal, seniority shall govern the selection.

When a job vacancy exists, it will be filled through the post and bid process the following steps shall apply:

- A. All qualified candidates for the vacancy will be placed by seniority on a roster.
- B. Selection instruments, where appropriate, will be administered by qualified personnel designated by the Company. Positions may require interviews by the receiving department as a part of the selection process.
- C. Qualified employees may test two (2) times for positions requiring assessments. The second assessment will be allowed only after a minimum of twelve (12) months following the first assessment and with proof of developmental activities or training specific to areas identified as needing improvement.
- D. Unsuccessful candidates will be notified prior to the announcement that the job is filled.
- E. A former employee, who was separated from the company involuntarily due to a reduction in force who files an application for re-employment and meets the standards established by the company, will be given priority consideration for a period of two (2) years from the date of separation over other off the street applicants if all qualifications are equal.

If an employee refuses a job offer that matches a bid that is on file, that bid shall be canceled and it, or any other bid that would include the same job title, work group, and location, may not be resubmitted for a period of one (1) year from the date of refusal.

When an employee is selected for a position through the Post and Bid Process, the employee will be released from his/her current

job within a reasonable period of time. An employee cannot be refused a job based on release date negotiations.

An employee may elect to retreat to his/her former job within six (6) months following placement if an opening exists. Following any retreat, the employee must complete six (6) months' service before he/she is eligible to post another bid.

The Company, in its sole discretion, may retreat an employee due to unsatisfactory performance within twenty-four (24) months. Following such retreat, the employee shall not be eligible to post a bid for six (6) months.

PAY TREATMENT ON MOVEMENT

Section 14.2 There will be no change in basic rate of pay for Operations employee movement between job titles within the same wage schedule.

Operations employee movement from one wage schedule to a different wage schedule shall be treated as follows:

- A. If the employee is promoted to a higher wage schedule, he/she will move to the wage step that would result in at least a five percent (5%) increase.
- B. If the employee moves to or is demoted to a lower wage schedule, he/she will move to the wage step which is nearest (rounding down) to the participant's current rate of pay.

RELOCATION

Section 14.3 The Company shall pay employees who are permanently moved to another location at the request of the Company, a relocation payment up to six thousand dollars (\$6,000.00) when supported by receipts. Subject to Company policy and the terms of this section, employees may receive an advance payment for relocation expense.

When an employee posts a bid to move from one location to another all expenses of the move will be paid by the employee.

ARTICLE 15

FORCE ADJUSTMENTS

Section 15.1 Whenever conditions are considered by the Company such as to warrant layoffs, part-timing, reclassifications, or a combination thereof, the Company agrees to give the Union thirty (30) calendar days notice (or the number of days notice required by law, if greater) of its intended plan, together with a description of designated work location(s) and job title(s) (including levels within channels) and Wage/Skill Groups (see Section 15.7) so affected as determined by the Company.

Reclassifications resulting in Marketing Consultants being reassigned to a lower rated job level within the same channel shall be implemented according to the deployment guidelines contained in the Market Assignment Guidelines with the employee being selected based on qualifications. When the qualifications of two (2) or more employees are determined by the Company to be equal, seniority shall govern in the selection.

ADJUSTMENT GROUPS

Section 15.1(a) The Company shall determine the Wage/Skill group(s) or title(s) to be force adjusted (the "Adjustment Group"). The Adjustment Group will include all regular employees having the same title who are within the location.

The Company may expand the Adjustment Group to other titles in the Wage/Skill group who have employees performing essentially the same type of work. Combined work locations are defined below.

COMBINED WORK LOCATIONS

ARIZONA

Phoenix/Mesa

UTAH

Murray/Clearfield

COLORADO

Denver Metro

WASHINGTON

Seattle/Silverdale/Tacoma

OREGON

Beaverton/Vancouver,
WA

All other work locations stand alone.

METHOD OF FORCE ADJUSTMENT

Section 15.1(b) When force adjustment becomes necessary in any Adjustment Group, the Company shall first discontinue or reduce the use of any Leased Worker or Term employees within the Adjustment Group where the force is to be reduced, to the extent that such termination of services does not impact the Company's ability to meet the demands of service or force adjustment transition process.

Employees in the Adjustment Group may submit a bid for Dex One Service, Inc. positions.

Employees in the Adjustment Group that post a bid will receive priority consideration for selection involving downgrade (lower Wage Groups) or lateral (same Wage Groups) placement opportunities, based on Term of Employment (TOE) date from among those employees in the Adjustment Group(s) who meet the qualifications (includes any test/skill/assessment requirements) to perform the duties of those positions.

However, based on the needs of the business, the Company may find it necessary to reserve the right to select a candidate that is

better qualified. Such occurrences will be discussed with the Union at the bargaining agent level before the final selection.

If the Company determines there are lateral positions available, Force Adjustments shall first be made in order of Term of Employment (TOE) among the employees within an established Adjustment Group, affording members of the Adjustment Group, if qualified, the opportunity to volunteer for lateral moves. If the surplus is not resolved, qualified employees in the Force Adjustment Group(s) may be involuntarily reassigned in inverse order of seniority to a lateral position within the surplus location.

Any employee who declines an involuntary reassignment to a lateral position within the location will not be eligible for any further benefits under this Article and in effect has resigned.

TRANSFER OF WORK

In the event the work is being transferred to another city, each employee in the Adjustment Group being force-adjusted may have the option to be moved by the Company with the employee's work:

- A. To the extent required to meet the needs of the transfer of work; and
- B. The movement of such employee does not create a force surplus in the same title and function in the location to which the work is being transferred.

DOWNGRADES

Section 15.2 Employees who are reassigned to lower paying jobs due to force adjustment will retain their basic rate of pay from the higher rated job according to the following schedule:

The reductions in the basic rate of pay are effective for the periods following reassignment as shown below, and are based on the

difference in the appropriate basic rates of pay for the old and new job.

Reassignment Pay Protection

Less Than 10 Years of Service

| Periods | Reduction |
|----------------------|------------------|
| Weeks 1 through 12 | No reduction |
| Week 13 & thereafter | Full reduction |

10 to 14 Years of Service

| Periods | Reduction |
|----------------------|------------------|
| Weeks 1 through 38 | No reduction |
| Week 39 & thereafter | Full reduction |

15 or More Years of Service

| Periods | Reduction |
|----------------------|------------------|
| Weeks 1 through 78 | No reduction |
| Week 79 & thereafter | Full reduction |

When an employee is reassigned to a lower rated or lateral job by the Company because of force reduction, the employee will not be required to meet the time in title requirements to be eligible to post a bid.

VOLUNTARY SEPARATION PAYMENT PLAN

Section 15.3 The Company may offer regular employees within an Adjustment Group the alternative choice to elect voluntary separation payments under the Voluntary Separation Payment Plan ("VSPP"). This offer will be in order of TOE.

The offer will be subject to the following:

- A. The number of employees who make such election shall not exceed the number of employees determined by the Company to be surplus.

- B. The Company may elect to expand the VSPP election to a Wage Group/Skill Group or job title(s) (levels within channels) not affected by the force adjustment, as an additional method to reduce an Adjustment Group.
- C. Employees who elect to leave the service of the Company as a participant in the VSPP may receive, in combination with such benefits, a retirement service pension (if eligible for such pension) plus compensation for any accrued, unused TOP to which the employee is entitled at the time of leaving the Company.
- D. The Company will set the separation date(s) that are applicable to employees electing to separate as a VSPP participant.

An employee's election to leave the service of the Company and receive voluntary separation payments must be in writing and delivered to the Company within ten (10) working days from the date of the Company's offer (or such longer time as the Company may permit) in order for the employee to be accepted as a participant under the provisions of the VSPP.

The VSPP and its administration are not subject to the arbitration provision of this Agreement.

**VOLUNTARY SEPARATION PAYMENT PLAN
VSPP TABLE**

| TERM OF EMPLOYMENT (TOE) | DOLLAR PAYMENT |
|-------------------------------------|-----------------------|
| < or = to 1 | \$1,000.00 |
| 2 | 2,000.00 |
| 3 | 3,000.00 |
| 4 | 4,000.00 |
| 5 | 5,000.00 |
| 6 | 6,000.00 |
| 7 | 7,000.00 |
| 8 | 8,000.00 |
| 9 | 9,000.00 |
| 10 | 10,000.00 |
| 11 | 11,000.00 |
| 12 | 12,000.00 |
| 13 | 13,000.00 |
| 14 | 14,000.00 |
| 15 or more | 15,000.00 |

LAYOFFS

Section 15.4 After other appropriate force adjustments have been made by the Company, and when force surplus conditions are considered by the Company to warrant laying off regular employees, such layoffs shall be made effective among employees in inverse order of TOE within the defined Wage/Skill group. A leased worker performing bargained for work as of the date of a proposed layoff in the location will be replaced by an impacted employee if the employee has the appropriate training and skills to perform the work.

INVOLUNTARY SEPARATION PAYMENT

Section 15.5 Regular employees who are declared surplus by the Company and who are involuntarily separated due to lack of work are entitled to an Involuntary Separation Payment.

INVOLUNTARY SEPARATION PAY ISP TABLE

| TERM OF EMPLOYMENT (TOE) | DOLLAR PAYMENT |
|-----------------------------|---------------------------------------------------|
| < or = to 1 | \$2,000.00 |
| 2 | 4,000.00 |
| 3 | 6,000.00 |
| 4 | 8,000.00 |
| 5 | 10,000.00 |
| 6 | 12,000.00 |
| 7 | 14,000.00 |
| 8 | 16,000.00 |
| 9 | 18,000.00 |
| 10 | 20,000.00 |
| 11 | 22,000.00 |
| 12 | 24,000.00 |
| 13 | 26,000.00 |
| 14 | 28,000.00 |
| 15 | 30,000.00 |
| 16 | 32,000.00 |
| 17 | 34,000.00 |
| 18 | 36,000.00 |
| 19 | 38,000.00 |
| 20 | 40,000.00 |
| 21 | 42,000.00 |
| 22 | 44,000.00 |
| 23 | 46,000.00 |
| 24 | 48,000.00 |
| 25 | 1 yr. base salary but no less than \$48,000.00 |

In addition to separation benefits payment based on the aforementioned schedules, a lump sum payment, less applicable deductions, for outstanding TOP, when applicable, will be paid in full during the normal payroll period immediately following the date of separation.

Receipt of any severance pay pursuant to this Article shall be conditioned upon the employee signing a release of any and all claims in a form satisfactory to the Company.

SEPARATION BENEFITS

The provisions of Separation Benefits do not apply in case of:

- A. Forced reclassification of level within the same channel;
- B. An employee voluntarily leaving the Company (except under provisions of VSPP);
- C. An employee on leave of absence; or
- D. An employee who is dismissed.

REPAYMENT OF SEVERANCE

Section 15.6 As a condition of rehire, employees returning to work after a separation period of less than twelve (12) months must repay a prorated portion of the severance pay. The individual will be entitled to retain the portion of severance allocated to the number of full months he/she was without employment. The repayment of severance will be calculated as follows:

- A. Monthly severance amount = amount of severance ÷ twelve (12) months.
- B. Payback = total severance amount - (months laid off x monthly rate).

The gross amount of any separation benefits paid to employee in excess of the amount which may be retained must be repaid to

the Company prior to the employee being placed on the Company payroll or the amount to be repaid to the Company may be repaid by the employee in twenty-six (26) equal installments within twelve (12) months of rehire. If repayment is not made at the time of rehire, employee must, as a condition of rehire, sign a written agreement authorizing deductions for the installment payments from compensation due to the employee, including a deduction from employee's final paycheck of any remaining installments, should the employee terminate employment prior to completing repayment.

WAGE GROUP/SKILL GROUP DEFINITION

Section 15.7

| | Wage Group | Skill Group |
|-------------------------------------------|-----------------------|------------------------|
| Commissions Analyst II | 1 | 1 |
| Credit Representative | 1 | 1 |
| Assignment Specialist | 1 | 3 |
| Billing and Collections Representative | 2 | 1 |
| Customer Service Representat | 2 | 1 |
| Commissions Analyst I | 2 | 2 |
| Co-op Representative | 2 | 2 |
| Sales Support Administration | 2 | 4 |

EMPLOYEE CLASSIFICATIONS

Section 15.8 The Company in its sole discretion has used and will continue to use the following employee classifications:

- A. "Regular full-time employee" is an employee who is employed to work at least forty (40) hours per calendar week for an indefinite period of time.
- B. "Regular part-time employee" is an employee who is employed to work less than forty (40) hours per calendar week for an indefinite period of time.

- C. "Regular term employee" is an employee who is employed for a specific project or for a limited period of time with the definite understanding that such an employee's employment will terminate upon completion of the project or at the end of the specified period of time. A regular term employee will work at least forty (40) hours per calendar week and will normally be hired for a period of up to two (2) years.
- D. "Part-time term employee" is an employee who is employed for a specific project or for a limited period of time with a definite understanding that such employee's employment will terminate upon completion of the project or at the end of the period of time. A part-time term employee works less than forty (40) hours per calendar week and shall normally be hired for a period of up to two (2) years.

These are the only classifications of employees currently used by the Company. These employee classifications do not alter the terms and conditions of the benefit plans available to eligible employees.

ARTICLE 16

BENEFITS

Section 16.1 For information on the Dex Media, Inc., Pension Plan, the Dex Media, Inc. Employee Savings Plan, and the Dex Media, Inc. Group Benefit Plan for Bargained-For Employees, employees should consult each Summary Plan description. The subjects of the benefit agreement are:

Dex Media, Inc. Group Benefit Plan for Bargained-For Employees

Dex Media, Inc. Pension Plan

Dex Media, Inc. Employee Savings Plan

Employee Assistance Plan

All the listed Plans (including the successors to these Plans, as amended) are the only subjects of bargaining agreed upon between the Union and the Company.

Following the effective date of the agreements between the Company and the Union described above, there will be no reductions in the level of benefits of any of the plans listed above during the life of this Agreement without the consent of the Union, except as provided in Section 16.2, 16.3, 16.4, 16.5, 16.6, and 16.7 below. Any increases in the level of benefits will be discussed with the Union before implementation.

The Plans listed above, their administration or their terms are not subject to the grievance procedure and arbitration terms of this Agreement.

SHORT TERM DISABILITY BENEFITS

Section 16.2 Short term disability benefits ("STD") shall be provided to all eligible employees.

The Company reserves the right to change or modify these short-term disability benefits, including but not limited to, the right to change insurance carriers or administrators, the benefit amount and length, and the initial eligibility period provided that any changed, modified or substituted benefits will not be less than what is offered to the employees' managers and the STD benefit period will not be less than 12 weeks.

For Marketing Consultants, short-term disability benefits will be paid in two separate components:

- A. Percentage of base salary
- B. Percentage of average commission earnings – calculated as average commissions paid in the last twenty-six (26)

pay periods (pro-rated for employees with less than one [1] year of service in a commissioned sales position).

PENSION PLAN

Section 16.3 Benefit accruals under the Dex Media, Inc. Pension Plan ceased effective December 31, 2009 such that service or compensation beyond December 31, 2009 will not enhance any employee's pension benefit. Participants will continue to receive Term of Employment service credit for vesting and service pension eligibility for service after December 31, 2009, but will not receive any further Pension Calculation Service (PCS) credit. Balances under the Account Balance Formula as of December 31, 2009 will continue to accrue interest credits as provided in the Pension Plan until pension benefits are distributed to each participant following termination.

During the term of this Agreement, including any extension, all vested employees will have the option to receive their pension benefit in a lump sum payment following separation from service, subject to limitations imposed by law, including Section 436 of the Internal Revenue Code. Lump sums for benefits under the Account Balance Formula will equal the account balance. Otherwise, the lump sum will be calculated using the same method used to calculate lump sum payments under the Old Management formula as defined in the Pension Plan currently in effect.

MEDICAL/DENTAL/VISION BENEFITS

Section 16.4 The Company agrees to provide medical, dental and vision benefits for all full-time and part-time employees scheduled to work at least twenty (20) hours per week. These benefits will be provided in accordance with the Dex Media, Inc. Group Benefit Plan for Bargained-For Employees.

The Company reserves the right to change or modify the Dex Media, Inc. Group Benefit Plan for Bargained-For Employees including, but not limited to, the right to change insurance carriers

or administrators, the benefit types and levels, the amount of employee contribution for individual and dependent coverage, and the initial length of employment eligibility period; provided that any changed, modified or substituted plan will be the same as offered to the employees' managers.

SUPPLEMENTAL AND DEPENDENT LIFE INSURANCE

Section 16.5 As part of Dex Media, Inc. Group Benefit Plan for Bargained-For Employees, the Company will offer employees the opportunity to participate in the Supplemental and Dependent Life Insurance benefits program.

The Company reserves the right to change or modify these benefits, including but not limited to, the right to change insurance carriers or administrators, the benefit amount and options, and the initial eligibility period provided that any changed, modified or substituted benefits will not be less than what is offered to the employees' managers.

EDUCATIONAL ASSISTANCE PROGRAM

Section 16.6 The Company agrees to provide educational assistance benefits to all full-time employees scheduled to work forty (40) hours per week as provided in the Company's Educational Assistance Program. The Company reserves the right to change or modify the benefits provided under the Educational Assistance Program, including but not limited to setting eligibility periods, reimbursement levels, and the approval process, provided that any changed, modified or substituted plan will be the same as offered to the employees' managers.

EMPLOYEE SAVINGS PLAN

Section 16.7 The Company agrees to provide a 401(k) savings plan for eligible employees. Employees shall be eligible to participate in the Dex Media, Inc. Employee Savings Plan as provided in the terms of the plan.

Effective January 1, 2010 through December 31, 2012, each eligible Transition Group participant shall receive a Transition Contribution based on the participant's age and Pension Calculation Service (PCS) on December 31, 2009, subject to the Section 401(a)(17) limits:

| Age + Years of PCS | Percentage of Compensation |
|---------------------------|-----------------------------------|
| 70 – 74 | 2% |
| 75 – 84 | 4% |
| 85 or more | 6% |

The Company reserves the right to change or modify the Dex Media, Inc. Employee Savings Plan at any time during the term of this Agreement including, but not limited to, the right to change administrators, investment options, contribution limits, matching formula, enrollment and vesting provisions, and the initial length of employment eligibility period; provided that any changed or modified plan will be the same as offered to the employees' managers.

ARTICLE 17

UNION SPECIFICS

AGENCY SHOP AND COLLECTION OF DUES

Section 17.1 Where permitted by law, each bargaining unit member is obligated to tender to the Union amounts equal to periodic dues from the effective date of this Agreement until the termination of this Agreement. Employees entering into the bargaining unit after the effective date shall have thirty (30) days to tender to the Union amounts equal to periodic dues until the termination of this Agreement. The condition of employment specified above shall not apply during periods of formal separation.

The Company agrees that upon receipt of an acceptable union dues deduction authorization card signed by an employee, that it will deduct the amount of union dues (excluding initiation fees, fines and special assessments) certified to the Company by the Union. Deductions shall continue until written cancellation is provided to the Company.

The Company will make deductions in such manner as is most convenient to the established payroll system and pay to the Union the amount of these deductions once per month.

The Company will supply the Union with an updated list of the employees in the bargained-for unit on a monthly basis. The list will include the employee's name, home address, social security number, and the term of employment.

The Union agrees to indemnify and hold the Company harmless in all respects for deductions made and all employee information provided in accordance with the provisions of this section.

TIME OFF FOR UNION ACTIVITIES

Excused Paid Time - Union-Management Meetings

Section 17.2 When the Company agrees, authorized employees will be allowed excused time, paid at the employee's basic rate of pay, for the purpose of meeting with the Company's representatives on matters pertaining to the administration of this Agreement, or the relationship between the Company and the Union.

Authorized union representatives may attend grievance meetings without loss of pay, but shall be limited in number to those required for the meeting at any given step. In no case shall the number of paid union representatives exceed three (3) at Step One, two (2) at Step Two and none (0) at Step Three of the grievance procedure. These employees shall be paid for actual time spent traveling to and from grievance meetings during

regularly scheduled tour, up to a maximum of two (2) hours at Step One and up to a maximum of four (4) hours at Step Two.

EXCUSED NON-PAID TIME

Section 17.3 The Company will grant to any employee designated by the Union (except full-time union officers) the total aggregate time off, without pay up to a maximum of thirty (30) consecutive days or a total of four hundred eighty (480) hours in any calendar year to handle Union business. Excused absences granted to full-time union officers shall not exceed thirty (30) consecutive calendar days or a total of seven hundred (700) hours in a consecutive year to handle union business. The Company shall be given reasonable notice of such absences. The needs of the Company and the union will be considered in granting the above non-paid time off.

UNION LEAVES OF ABSENCE

Section 17.4 Upon a written notice from the Union, authorized union representatives shall be allowed an unpaid leave of absence when said absence for union activities exceeds or is to exceed thirty (30) consecutive calendar days. Each leave of absence shall not exceed one (1) year without a written notice from the Union requesting an extension of said leave of absence. The total of all such leaves and extensions granted an employee shall not exceed eighteen (18) years during his/her employment with the Company.

In computing the employee's net credited service for all purposes except wage progression, full credit shall be allowed for the period of leaves of absence for union activities. When the leave of absence for union activities is used to compute an employee's net credited service, the employee shall retain eligibility according to term of service for death benefits and sickness disability benefits.

UNION ACTIVITY ON COMPANY PREMISES

Section 17.5 Employees who are authorized local union representatives or union members may conduct lawful union activities on Company premises only during non-working time in non-working areas, and in a manner that will not interfere with the operation of the business or the rights of individual employees.

Union representatives or members who are not employees may enter upon Company premises after obtaining approval from a management representative of the Company.

AUTHORIZED UNION REPRESENTATION

NOTICES REGARDING UNION ORGANIZATION

Section 17.6 The Union agrees that its District Vice President or a person duly empowered to act in the District Vice President's behalf shall keep the Director – Labor Relations, or his/her designee, currently advised, in writing, of the representatives of the national Union who are authorized to deal with the Company regarding employees in the bargaining unit, and regarding such matters as designating the locals that have been established, designating the officers or other authorized representatives of such locals, and indicating the jurisdiction of such locals and their representatives. The Union agrees further that such notifications and authorizations shall designate the union representative or representatives to whom notices, information, certifications and services by Company representatives, as are provided for in this agreement, shall be directed or furnished.

PROMOTION, TRANSFER ASSIGNMENT OF UNION OFFICERS

Section 17.7 The Company shall give the Union notice, as soon as practical, of a union officer or steward's promotion to a management position or transfer to another office or work group.

BULLETIN BOARDS ON COMPANY PREMISES

Section 17.8 The Company agrees to provide the union with space for bulletin boards at each work location. These bulletin boards are for the purpose of providing employees with union announcements and notices. In keeping with responsible Union/Company relations, only materials in good taste will be posted.

CWA POLITICAL ACTION FUND

Section 17.9 The Company will continue to permit Union represented employees to contribute to the CWA Political Action Fund through payroll deductions.

Payroll deductions authorized pursuant to this agreement will be transmitted to the Vice President of District 7 on a monthly basis.

ARTICLE 18

COMMITTEES

The Company recognizes that employees have valuable experience and skills enabling them to make significant contributions to the success of the business. The Company wants to encourage employees to contribute to decision-making that improves their daily work. The Union and the Company will jointly develop and support the following committees to discuss issues of mutual interest and concern:

LABOR MANAGEMENT COUNCIL

Section 18.1 A Labor Management Council (LMC) will be formed for the purposes of continuing discussion about issues which may come up during the period of time covered under this contract. The Council core team shall jointly be chaired by the CWA and Company bargaining agents and shall be composed of up to eight (8) additional members, four (4) from management and

four (4) who are Union designated. The Council will meet at mutually agreeable times and places to determine its structure, agenda and operations. The Council will have a Company-wide focus and will discuss issues such as, but not limited to, competition, customer service, product quality, safety & health, training, technology changes and its impacts, force adjustments, Career Initiatives, telecommuting, occupational job evaluations, sales compensation administrative practices, and electronic data gathering. In addition, the committee will encourage and support employee involvement committees.

The Labor Management Council may appoint other joint committees as needed to work on special issues of mutual interest and concern.

LOCAL MARKET ASSIGNMENT COMMITTEES

Section 18.2 Local committees of managers and Union-designated representatives will discuss local market assignment issues and develop market channeling recommendations. It is also agreed that no aspect of these discussions shall supersede or alter any provision of the contract, including, but not limited to, Section 5.2.

ARTICLE 19

SIGNATURES

In witness whereof, the Union and the Company have caused this contract covering Dex One Service, Inc. and Operations and Sales employees to be signed.

By:

Dex One Service, Inc.

**Communications Workers of
America**

| | | | |
|--------------------------|------|------------------|------|
| Bruce R. Anderson | date | Jana Smith-Carr | date |
| Director Labor Relations | | Bargaining Agent | |

| | | | |
|--------------------------------|------|------------------|------|
| James J. DeSantis | date | Michael Buchanan | date |
| Senior Manager – Customer Care | | Local 7400 | |

| | |
|-------------------------------|------|
| Robert Bickmire | date |
| AVP Sales Planning & Strategy | |

September 15, 2012

Jana Smith-Carr
District 7 Dex Bargaining Agent
8085 E. Prentice Ave
Greenwood Village, CO 80111

Subject: Sales Channel Transition Plan

Dear Jana:

The new sales compensation plan will be effective with the first pay period beginning after contract ratification. Prior to such time, the employees in each respective office will be paid under the compensation plan set forth in the 2009-2012 collective bargaining agreement.

Within 180 days after ratification of the collective bargaining agreement, the Union, the Director of Labor Relations, and the Assistant Vice President of Sales Operations and Planning and/or their designees will engage in discussion on transition and ongoing topics including, but not limited to:

- Discussing modifications to the Market Assignment Guidelines (in accordance with Article 11.2) based upon the new compensation plan, including details of its implementation and items such as initial assignments and reassigns.
- Determining the initial rate band by office and channel/level as calculated by the Sales and Operations Planning department.
- Modeling of budgeted headcount requirements by office/channel/level.
- Management relief scenarios.
- Migration of PA's and PC's to regular Premise channel (PMC).

Sincerely,

Concur

Bruce R. Anderson
Director Labor Relations

Jana Smith-Carr
District 7 Dex Bargaining Agent

September 15, 2012

Jana Smith-Carr
District 7 Dex Bargaining Agent
8085 E. Prentice Ave
Greenwood Village, CO 80111

Subject: Seattle's Paid Sick Time and Safe Time Ordinance

Dear Jana:

Seattle's Paid Sick Time and Safe Time Ordinance (Seattle Municipal Code 14.16), which goes into effect on September 1, 2012, provides paid sick time and safe time to employees who work in Seattle, Washington.

The Company and the Union have a bona fide collective bargaining agreement that covers employees who are also covered by Seattle's Paid Sick Time and Safe Time Ordinance. The Company and the Union expressly agree to waive their rights and obligations under the Paid Sick Time and Safe Time Ordinance in accordance with SMC 14.16.120

Sincerely,

Concur

Bruce R. Anderson
Director Labor Relations

Jana Smith-Carr
District 7 Dex Bargaining Agent

September 15, 2012

Jana Smith-Carr
Staff Representative
Communications Workers of America
District 7
8085 East Prentice Avenue
Greenwood Village, CO 80111

Subject: Client Solution Specialist

Dear Ms. Smith-Carr:

Both the union and the Company recognize the competitive environment the Company faces. The results of the current sales channel are not achieving essential growth. To support improved performance the Company plans to introduce the concept of team selling utilizing a new position called a Client Solution Specialist (CSS).

This trial is intended to establish a partnership with the sales organization to provide consistent customer and prospect growth, standardized customer contact, product expertise and overall content management and fulfillment resulting in increased revenue, product penetration and overall customer satisfaction. The position will manage ongoing client relationships while partnering with the Marketing Consultant. The Client Solutions Specialist will be required to demonstrate a high level of expertise in our products to enhance consultative value with customers while providing additional product selling opportunities. They will be communicating regularly with customers and marketing consultants to enhance the relationship, while providing expertise in digital and emerging product effectiveness.

COMPENSATION

The Client Solution Specialist (CSS) will receive a basic annual salary of \$35,000.

Transition pay for the Client Solution Specialist is intended only for those employees that are new to a commissioned sales position. Employees who are newly assigned to the CSS position will be paid a weekly transition salary equivalent to one and one half (1.5) times the basic weekly salary for the first four weeks, one and one third (1.33) times the

basic weekly salary for the next four weeks, and one and one sixth (1.165) times the basic weekly salary for the final four weeks. For purposes of calculating CSS sales compensation for each transition pay period, sales compensation will be calculated based on the basic weekly wage and commissions. If sales compensation calculated for the pay period exceeds the transition salary received, the employee will be paid the difference in the next pay period or as soon as practical.

At the end of the transition pay period described above the salary will be adjusted to the basic weekly salary.

COMMISSIONS

Commissions will be earned based on the percent to sales target achieved as shown in Table 1. The annual sales target will be evenly divided into 4 quarterly sales reporting periods during the year. The sales targets are for all CSS markets worked during a period. Commissions are paid using total contract value calculations (Contract value = # of contract months * monthly sales \$). Commissions will be paid on an “as sold” basis and must be query free. The applicable commission rates will be paid based on the quarter that the advertising sale publishes or goes live. Variable term contracts are sold and paid individually. Cancellations prior to product fulfillment will result in a reversal and recalculations to \$ zero dollars of all previously paid commissions on that sale.

Under certain circumstances, the advertising accounts assigned to the Marketing Consultants and upsold by the Client Solution Specialist (resulting in an increase in TCV) will also result in commissions paid to the assigned Marketing Consultant in accordance with Article 11.

SALES TARGETS

Sales Targets shown in Table 1 are for all up-sells, support sales, new business sales, net renewals, business lead sales, & potential bad debit handling. Occasionally a separate project may be paid with a separate compensation plan

| | | | | | |
|---------------------|---------------|--------------------|-------------|---------------------------|------------------|
| | | | | Annual | Quarterly |
| Sales Target | | | | \$300,000 | \$75,000 |
| Actual Sales | Annual | Qtr. Period | | Commissions Earned | |
| | | | Rate | | |

| | | | | | |
|-----------------------------|------------------|-----------------|--------------|------------------------|-----------------------|
| <u>Up to 50% of Target</u> | <u>\$150,000</u> | <u>\$37,500</u> | <u>9.5%</u> | <u>\$14,250</u> | <u>\$3,563</u> |
| <u>Next 25% of Target</u> | <u>\$75,000</u> | <u>\$18,750</u> | <u>13.0%</u> | <u>\$9,750</u> | <u>\$2,438</u> |
| <u>Next 25% of Target</u> | <u>\$75,000</u> | <u>\$18,750</u> | <u>15.0%</u> | <u>\$11,250</u> | <u>\$2,813</u> |
| <u>Above 100% of Target</u> | <u>\$300,000</u> | <u>\$75,000</u> | <u>18.0%</u> | | |
| | | | | | |
| <u>Total Payout</u> | | | | <u>\$35,250</u> | <u>\$8,813</u> |

An annual review may be conducted to adjust future sales targets. Those adjusted targets will be no higher than those reflected in the above Table 1. The Company's decision and implementation of any such revisions to the commission plan shall not be subject to Union approval or arbitration.

COMMISSION PAYOUT DETAILS

Commission payments will be paid each pay period. Commission payments will be made on an "as sold" basis. Sold products must be fulfilled or published to retain commission payment. Claims charged to CSS's will result in a chargeback of previously paid commissions. If a pending contract is reworked with different products, only net increase in the customer contract value will count as support type sales activity. The Company may "advance pay" commissions in process for the next pay period for specific business reasons and will always require true up net payments to actual earned commissions.

YEAR END COMMISSION TRUE UP

The timing of customer contract retirement will be reconciled at year end. In that reconciliation the total sales made vs. total sales target will be used to calculate the final maximum payout. A comparison will be done of the CSS's bi-weekly commission payouts to the final year end performance to target. Favorable variances will be paid at year end. Negative variances will be reviewed. Transition pay will count as commissions paid in the year end true up calculation.

MID-TERM CHANGE OF COMPENSATION PLAN DESIGN

After one (1) year from the implementation of a new sales compensation plan, Dex One Services, Inc. reserves the right to revise the sales

compensation plan design one (1) time during the remaining term of the Agreement. The Company will provide notice to the union with respect to any significant changes and the opportunity to discuss for up to (30) days prior to making any changes. Thereafter the Company may unilaterally proceed with implementation. Upon completion of sixty percent (60%) of the sales cycle, an analysis would be conducted where the previous sales compensation plan design would be applied to actual results. This would be compared to current earnings in order to determine if there is more than a ten percent (10%) reduction in total earnings. If so, then the Company will reconcile the earnings to within 90% as estimated under the previous plan within ninety (90) days after the conclusion of the analysis. This same review would take place again at the end of the sales cycle, after which the new sales comp plan will apply according to its terms without further reconciliation of earnings. Changes to sales compensation plans will not be subject to bargaining, grievance and arbitration or other legal challenge except as provided in this Letter of Agreement. Any claim of failure to comply with this Letter of Agreement shall be subject to arbitration of which the sole remedy, if a violation is established, shall be an order to comply with this Letter of Agreement.

TERM OF LETTER OF AGREEMENT

This Letter of Agreement will expire with our current contract on September 16, 2016 or when it is superseded by a new Letter of Agreement, whichever is sooner. However, the company may, at its discretion, end the trial at any time. The company will periodically provide the Union with updates on the trial.

Sincerely,

Concur

Bruce R. Anderson
Director Labor Relations

Jana Smith-Carr
District 7 Dex Bargaining Agent

September 15, 2012

Jana Smith-Carr
District 7 Dex Bargaining Agent
8085 E. Prentice Ave
Greenwood Village, CO 80111

Subject: Operations Employees Red-Circle Rates

Dear Jana:

As a supplement to the successor collective bargaining agreement, the parties agree to the following additional terms:

1. Clerical and Production employees ("Operations employees") hired on or before October 2, 2009 ("Grandfathered Operations employee"), will continue to be Red-Circled at their basic rate of pay existing on October 2, 2009.
2. Grandfathered Operations employees will receive either his/her Red-Circled rate of pay or the new wage rate, set forth under Section 8.2 of the successor agreement, whichever is higher.
 - a. To the extent an employee is subsequently demoted or voluntarily transfers to a position in a lower wage group, he/she will no longer be Red-Circled. In such cases, the employee's new wages will be adjusted to reflect the new wage group as set forth in Article 8.
 - b. To the extent an employee is subsequently promoted or temporarily assigned to a position in a higher wage group, he/she will receive either his/her Red-Circled wage rate or the new wage rate for the promotion or temporary assignment, whichever is higher. To the extent that promotion or temporary assignment to a higher wage group exceeds the highest step within the wage group, sections 6.1 and 14.2A do not apply.
 - c. In the event an employee moves into a position outside of the bargaining unit, he/she will no longer be Red-Circled.

Sincerely,

Concur

Bruce R. Anderson
Director Labor Relations

Jana Smith-Carr
District 7 Dex Bargaining Agent

September 15, 2012

Jana Smith-Carr
District 7 Dex Bargaining Agent
8085 E. Prentice Ave
Greenwood Village, CO 80111

Subject: Call recording and monitoring

Dear Jana:

The Company and the Union recognize that the ability to record/monitor internal and external customer calls, when done in the spirit of trust and respect, is a valuable tool that benefits both the customer and the employee. In an effort to provide accurate and efficient service and courteous treatment of our customers, the parties have agreed to the following:

- Recording/monitoring will not be used to harass an individual or group of employees in the workplace.
- Recording/monitoring will be used by the Company primarily for training, coaching, confirming agreements with the customer, and settlement of disputes/litigation with customers.
- No discipline will be taken as a result of call recording/monitoring unless:
 - There is gross customer abuse, or
 - An employee is in violation of the policy of business conduct.

The Company will continue to comply with any applicable laws regarding recording of conversations between company representatives and their customers.

Sincerely,

Concur

Bruce R. Anderson
Director Labor Relations

Jana Smith-Carr
District 7 Dex Bargaining Agent

September 15, 2012

Jana Smith-Carr
District 7 Dex Bargaining Agent
8085 E. Prentice Ave
Greenwood Village, CO 80111

Subject: Ratification Incentive Agreement

Dear Jana:

The Company and the Union have reached a tentative agreement on a new Collective Bargaining Agreement. The Union and its employee bargaining committee have agreed to recommend ratification of the new Agreement and the Company agrees to provide the following ratification bonus:

1. All employees actively on the payroll as of the ratification date will receive a bonus as listed below, less applicable payroll deductions and withholdings:
 - o Red-Circled employees: \$1750.00
 - o Employees at the top step in their Wage Group: \$1250.00
 - o All other employees: \$750.00
2. The Company and the Union agree the No Strike-No Lock Out clause and the Dispute Resolution (Grievance Procedure) and Arbitration clauses will remain in full force and effect during the ratification process.
3. This ratification incentive is contingent upon the Agreement being ratified on the first vote and no later than October 19, 2012. Should such ratification occur, the Company and the Union agree the effective date of the new Agreement will be September 15, 2012. Should such ratification not occur, this Ratification Incentive Agreement will be considered automatically withdrawn and will not be offered again.

Sincerely,

Concur

Bruce R. Anderson
Director Labor Relations

Jana Smith-Carr
District 7 Dex Bargaining Agent