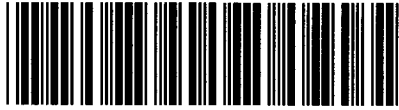


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**2014 WORKFORCE AND SUPPLIER DIVERSITY FORM**  
**WORKFORCE DIVERSITY**  
**XIT Rural Telephone Cooperative, Inc.**  
**Project No. 30240**

2014-01-12 PM 2:00

| Occupational Categories     | NUMBER OF TEXAS FULL-TIME EMPLOYEES FOR REPORTING YEAR |                |        |           |        |                  |        |          |        |       |        |                 |        |
|-----------------------------|--|----------------|--------|-----------|--------|------------------|--------|----------|--------|-------|--------|-----------------|--------|
|                             | Combined Total   | Company Totals |        | Caucasian |        | African American |        | Hispanic |        | Asian |        | American Indian |        |
|                             |  | Male           | Female | Male      | Female | Male             | Female | Male     | Female | Male  | Female | Male            | Female |
| Officials and Managers      | 8  | 5              | 3      | 5         | 3      |                  |        |          |        |       |        |                 |        |
| Professionals               | 0  | 0              | 0      |           |        |                  |        |          |        |       |        |                 |        |
| Technicians                 | 4  | 4              | 0      | 4         |        |                  |        |          |        |       |        |                 |        |
| Sales Workers               | 2  | 0              | 2      |           | 2      |                  |        |          |        |       |        |                 |        |
| Office and Clerical         | 12   | 1              | 11     |           | 7      |                  |        | 1        | 4      |       |        |                 |        |
| Craft Workers (Skilled)     | 10   | 10             | 0      | 9         |        |                  |        | 1        |        |       |        |                 |        |
| Operatives (Semi-skilled)   | 0  | 0              | 0      |           |        |                  |        |          |        |       |        |                 |        |
| Laborers (Unskilled)        | 0  | 0              | 0      |           |        |                  |        |          |        |       |        |                 |        |
| Service Workers             | 0  | 0              | 0      |           |        |                  |        |          |        |       |        |                 |        |
| <b>Previous Year Totals</b> | 35   | 19             | 16     | 18        | 12     | 0                | 1      | 1        | 3      |       |        |                 |        |
| <b>This Year Totals</b>     | 36   | 20             | 16     | 18        | 12     | 0                | 0      | 2        | 4      | 0     | 0      | 0               | 0      |

**NOTE:** Double-click on embedded Excel chart to open. Click on a cell or use arrow keys to select an occupational category and ethnic group to update workforce diversity numbers. Do not enter information in Combined Total and Company Totals columns or the This Year Totals row as these will update automatically. Cells left blank will be counted as zero. Click anywhere outside of chart to exit.

**WORKFORCE AND SUPPLIER DIVERSITY FORM**  
**HUB/SMALL BUSINESS PROCUREMENT AS A PERCENTAGE OF TOTAL COMPANY PROCUREMENT**

| <b>Actual % = [Total HUB(1) procurement + Total Small Business(2) procurement]/Total Company procurement</b> | <b>Actual % for Previous FY</b> | <b>Actual % for Current FY</b> | <b>Percentage Change</b> |
|--|---------------------------------|--------------------------------|--------------------------|
| Construction Contracts (3)   | 0.0000%                         | 78.4002%                       | %                        |
| Commodities Contracts (4)  | 0.0000%                         | 0.0000%                        | %                        |
| Other Services (5)   | 61.5100%                        | 2.0124%                        | <b>-96.73%</b>           |
| Professional Services Contracts (6)  | 8.5900%                         | 1.6366%                        | <b>-80.95%</b>           |
| Major Equipment (7)  | 0.0000%                         | 1.8507%                        | %                        |
| Other (8)  | 1.6467%                         | 1.1652%                        | <b>-29.24%</b>           |

**(1) HUB** -- Pursuant to Texas Government Code § 481.191(4), HUB means: (A) a corporation formed for the purpose of making a profit in which at least 51 percent of all classes of the shares of stock or other equitable securities is owned by one or more persons who are members of certain groups, including black Americans, Hispanic Americans, women, Asian Pacific Americans, and American Indians; (B) a sole proprietorship formed for the purpose of making a profit that is 100 percent owned, operated, and controlled by a person described by Paragraph (A) of this subdivision; (C) a partnership formed for the purpose of making a profit in which 51 percent of the assets and interest in the partnership is owned by one or more persons described by Paragraph (A) of this subdivision. Those persons must have proportionate interest and demonstrate active participation in the control, operation, and management of the partnership's affairs; or (D) a joint venture in which each entity in the joint venture is a historically underutilized business under this subdivision.

**(2) Small Business** -- Pursuant to Texas Government Code § 481.191(6), Small Business means a corporation, partnership, sole proprietorship, or other legal entity that: (A) is domiciled in this state; (B) is formed to make a profit; (C) is independently owned and operated; and (D) employs fewer than 100 full-time employees.

**(3) Construction** -- Construction done by general contractors and special trade contractors which includes new work, additions, alterations, reconstruction, installations, repairs, remodeling, renovating, and repair of office buildings. Heavy construction other than buildings such as pipelines, communication and power lines, sewer and water mains, asphalt and concrete construction of roads, trenching, cable laying, conduit construction, land clearing and leveling.

**(4) Commodities** -- All materials, goods or tangibles purchased to conduct business, not including fuel or purchased power contracts and major equipment purchases and rentals.

**(5) Others Services** -- All specialty work, special circumstances that required contract labor, special consultants or other non-defined services. Examples include audio/visual, staffing services, landscaping, forestry, tree trimming, art and decorative services, janitorial, travel/lodging, automotive repair, and photography.

**(6) Professional Services** -- Contracted professional services which include legal, consulting, health, engineering, accounting, advertising/marketing, architectural, real estate, computer services, research and analysis, education/training, insurance, surveying services, weather services, environmental, financial, etc.

**(7) Major Equipment** -- Includes all major equipment purchases and rentals including but not limited to transmission and distribution equipment, power plant equipment, substation equipment, heavy construction equipment, fleet requirements, etc.

**(8) Other** -- Any commodity or service not covered by the above categories.

**WORKFORCE AND SUPPLIER DIVERSITY FORM  
COMPANY INITIATIVES**

- (1) Describe the specific initiatives, programs, and activities undertaken under the plan during the preceding year:**

During 2014, there was no significant change in the diversity of XIT Rural Telephone Cooperative, Inc.'s (XIT or the Cooperative) workforce from the previous year. XIT continues to employ a diverse workforce, emphasizing local community employment.

- (2) Make an assessment of the success of each of the specific initiatives, programs, and activities listed above:**

XIT maintains a commitment to employ a diverse workforce with emphasis on recruiting, training, and employing individuals with the education and skill sets needs from within the local community.

XIT strives to utilize historically underutilized businesses (HUBs) for the procurement of goods and services, especially when the HUB is affiliated or located within its local or surrounding communities. XIT continues to look at the availability of certain products, services, and businesses that qualify under the HUB definition through community resource participation and involvement and through use of the state's HUB directory. XIT also aims to utilize small businesses other than those defined as HUBs in the procurement of goods and services. With XIT's emphasis on utilizing and promoting local or surrounding area business economic growth, XIT plans to continue its involvement in local, county, and state organizations that promote the use of small businesses.

- (3) Describe the initiatives, programs, and activities the utility will pursue during the next year to increase the diversity of its workforce and contracting opportunities for small and historically underutilized businesses:**

XIT plans to continue employing a diverse workforce, emphasizing local community employment. Also, XIT intends to maintain its focus on diversity with respect to local hiring and contracting, given the constraints of the Cooperative's rural environment and low turnover rate. While the Cooperative will continue to purchase goods and services based on competitive price, quality, and availability, where possible XIT will continue to do business with HUBs where we have existing relationships and will strive to develop new relationships with HUBs

- (4) State the specific progress made under the plan filed by the utility:**

There has been no significant change in the workforce diversity of the Cooperative from the previous year. XIT continues to utilize all local HUBs and small businesses to the extent possible in order to meet contracting and procurement needs.