

IMPORTANT DIRECTV NEGOTIATIONS SUMMARY

July 19, 2016

After several weeks of negotiations a tentative agreement has been reached with AT&T for all newly organized Technicians, Warehouse Workers, Clerical Workers and Call Center Employees. The details of both Agreements are as follows:

DTV Technicians, Warehouse Workers, and Clerical Employees

Wages

A full wage schedule was established with Top Wage Rates set as follows:

| | <u>Zone A</u> | <u>Zone B</u> | <u>Zone C</u> |
|--------------------|---------------|---------------|---------------|
| Prem Tech | \$26.11 | \$23.39 | \$22.78 |
| Warehouse | \$18.99 | \$17.31 | \$16.35 |
| Admin Supp Asst | \$16.10 | \$14.66 | \$13.70 |
| Office Coordinator | \$19.22 | \$17.31 | \$16.35 |

Employees will be slotted to the closest wage rate that results in a wage increase. Employees in progression (not at the top wage rate) will move up on the wage schedule every 6-month period after ratification, until they reach the top rate. This will result in significant wage increases for employees in this category; in many cases over 20% during the term of the collective bargaining agreement. Employees above the maximum wage rate are pay-protected until the top rate catches up to them.

The wages are based on 3 different wage zones:

- Zone A
- Zone B
- Zone C

- **Effective 9/2/17 - 3% wage increase exponentialized.**
- **Effective 9/2/18 - 2.25% wage increase exponentialized.**

Contract Ratification Bonus & Success Sharing – Technicians, Warehouse Workers, and Clerical Employees covered by this Agreement will receive a \$250 signing bonus and participate in the Success Sharing Plan which pays out annually based on AT&T's stock price and dividends.

Benefits - Dramatic improvements as described in Benefit Section.

Job Security - We were able to secure language that prevents a layoff caused by subcontracting.

“Just Cause” - Must exist before any employee can be disciplined.

Union/Management Review Panel - To be held at Union's request before any employee with 12 months or more can be terminated.

Grievance and Arbitration - Process to challenge unjust discipline or other violations of the contract.

Mandatory OT - Limit on mandatory OT to 17 hours per week.

Seniority - Credit with AT&T for time worked with DIRECTV.

Sunday Premium - Premium rate of 1.5 times an employee's base wage rate for up to 8 hours worked on Sunday.

Guaranteed Weekend Off – Employees will be guaranteed one weekend off per month.

Guaranteed Personal Time Off – Employees have the ability to take a vacation day or personal day on demand to care for personal responsibilities.

Holiday Premium – 2.5 times an employee's wage rate for up to 8 hours worked on a holiday.

10 Paid Holidays

| | |
|------------------|---------------------|
| New Year's Day | Thanksgiving Day |
| Memorial Day | Christmas Day |
| Independence Day | 4 Floating Holidays |
| Labor Day | |

Vacations

- 1 week for 6 months of service
- 2 weeks for 12 months of service
- 3 weeks for 7 years of service
- 4 weeks for 15 years of service
- 5 weeks for 25 years of service

Personal Days Off - 4 Personal Days Off with 6 months of service.

Sick Days – Up to 5 Paid Sick Days for employees with 1 year of service or more.

Call Center Employees

Wages

Top Wage Rates:

Client Support Specialist \$18.90

Customer Service Rep-\$17.59

Employees will be slotted to the closest wage rate that results in a wage increase. Employees in progression (not at the top wage rate) will move up on the wage schedule every 6 month period after ratification until they reach the top rate. This will result in significant wage increases for employees in this category, in many cases over 20% during the term of the collective bargaining agreement. Employees above the wage rate are pay protected until the top rate catches up to them.

- **Effective 9/2/17 - 3% wage increase exponentialized.**
- **Effective 9/2/18 - 2.25% wage increase exponentialized.**

Note: Employees above the top rate in call center will receive an annual lump sum of the wage increase in lieu of an increase in rate.

Signing Bonus - Call Center employees will receive a \$1,000 signing bonus.

Scheduling - 6 months tour scheduling strictly by seniority.

Exchange Time - Allows employees to take time off during a scheduled shift to be made up during the week.

Benefits - Dramatic improvements as described in Benefit Section.

Personal Days - Can take on an emergency basis **on the same day if approved.**

Shift trade capability.

“Just Cause” - Must exist before any employee can be disciplined.

Union/Management Review Panel - To be held at Union’s request before any employee with 12 months or more can be terminated.

Grievance and Arbitration - Process to challenge unjust discipline or other violations of the contract.

Differentials

- 1.5 OT paid in excess of 11+ hours worked in a day
- 1.5 OT paid on worked Holidays
- Night pay differential 10%
- Temporary Assignment Differential 5%
- Manager Relief Differential 10%
- Bi-lingual pay differential \$5 daily

Time off

- Up to 4 Excused Days with Pay
 - *May be used for unforeseen personal time in lieu of incurring an absence*
- 10 Paid Holidays some of which are Floating
- 3 Paid Sick Days
- AT&T vs. Legacy DTV

- 1 Year Employee +2 days off
- 10+ year employee +2 days off
- 20+ year employee +2 days off

Job Security Protections

- Language to protect subcontracting in the event of a layoff.
- Language to allow for bargaining and mediation if necessary for new titles in unit.
- Language to protect effects bargaining.

DTV Technicians, Warehouse Workers, Clerical, and Call Center Employees
BENEFIT SUMMARY

Pensions

Although the Company discontinued pensions for new hires on 1/1/16, we were able to get all employees, as well as any new hires, into the AT&T BCB2 Pension Plan (same as the Core Prem Techs).

401k

AT&T Retirement Savings Plans (ARSP)-401k that offers 80% Company match for the first 6% contributed which equates to a 20% increase for those employees who contribute at the maximum contribution level.

Disability Benefits

Employees will now be covered under a comprehensive disability plan, so employees will no longer be required to purchase separate disability insurance.

Medical

DIRECTV employees will have the option of selecting one of 2 Medical options. The plan itself is the same plan that covers employees working under the SCT-3 collective bargaining agreement we have with AT&T and represents one of the best benefit programs in the industry. Option 1 offers lower deductibles out-of-pocket maximums, and co-insurance percentage. Option 2 has higher deductibles, out-of-pocket maximums and co-insurance percentage, but offers lower premium amounts. In addition, the new contract provides benefit protection language meaning that the Company cannot diminish benefits during the term of the contract.

Option # 1 Network/ONA/PPO

Co-Insurance pays 90%/10% meaning that the plan pays 90% of the costs and the employee pays the remaining 10%. For example, for a \$100 doctor's office visit, the plan pays \$90, the employee pays \$10.

Deductibles Network/ONA/PPO

| | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|------------|-------------|-------------|-------------|
| Individual | \$500 | \$600 | \$700 |
| Family | \$1,000 | \$1,200 | \$1,400 |

Monthly Premiums

| | Current Employees | | |
|------------|-------------------|-------------|-------------|
| | <u>2017</u> | <u>2018</u> | <u>2019</u> |
| Individual | \$155 | \$169 | \$177 |
| Family | \$335 | \$365 | \$382 |

Out-of-Pocket Max

| | Network/ONA/PPO | | |
|------------|-----------------|-------------|-------------|
| | <u>2017</u> | <u>2018</u> | <u>2019</u> |
| Individual | \$2,500 | \$3,000 | \$3,500 |
| Family | \$5,000 | \$6,000 | \$7,000 |

Prescriptions (RX)

RX Out Of Pocket Max for 2017, 2018, 2019

| | |
|------------|---------|
| Individual | \$1,200 |
| Family | \$2,400 |

RX Copays

| | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|-----------|-------------|-------------|-------------|
| Generic | \$10 | \$10 | \$10 |
| Preferred | \$35 | \$35 | \$35 |

| | | | |
|---------------|------|------|------|
| Non-Preferred | \$60 | \$60 | \$70 |
|---------------|------|------|------|

RX Mail Order for 90-Day Supply

| | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|---------------|-------------|-------------|-------------|
| Generic | \$20 | \$20 | \$20 |
| Preferred | \$70 | \$70 | \$70 |
| Non-Preferred | \$120 | \$120 | \$140 |

Option # 2 Network/ONA/PPO

Co-Insurance pays 80%/20% meaning that the plan pays 80% of the costs and the employee pays the remaining 20%. For example, for a \$100 doctor's office visit, the plan pays \$80, the employee pays \$20.

Deductibles Network/ONA/PPO

| | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|------------|-------------|-------------|-------------|
| Individual | \$1,300 | \$1,300 | \$1,500 |
| Family | \$2,600 | \$2,600 | \$3,000 |

Monthly Premiums Current Employees

| | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|------------|-------------|-------------|-------------|
| Individual | \$58 | \$79 | \$84 |
| Family | \$138 | \$186 | \$196 |

Out-of-Pocket Max Network/ONA/PPO

| | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|------------|-------------|-------------|-------------|
| Individual | \$6,450 | \$6,450 | \$6,550 |
| Family | \$12,900 | \$12,900 | \$13,100 |

Prescriptions (RX)

Deductible and Out Of Pocket Max integrated with medical

RX Copays

| | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|---------------|-------------|-------------|-------------|
| Generic | \$9 | \$9 | \$9 |
| Preferred | \$35 | \$35 | \$35 |
| Non-Preferred | \$70 | \$70 | \$70 |

RX Mail Order for 90 Day Supply

| | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|---------------|-------------|-------------|-------------|
| Generic | \$18 | \$18 | \$18 |
| Preferred | \$70 | \$70 | \$70 |
| Non-Preferred | \$140 | \$140 | \$140 |

Dental PPO

Monthly Contributions

| | <u>2017-2019</u> |
|--------------|------------------|
| Individual | \$7 |
| Individual+1 | \$14 |
| Family | \$23 |

Deductible

| | <u>2017-2019</u> |
|-------------|------------------------------|
| Network/ONA | \$25 per Individual per Year |
| Non-Network | \$50 per Individual per Year |

Annual Maximum Benefit (Not to exceed \$1,750 combined Network and Non-Network)

| | <u>2017-2019</u> |
|-------------|------------------------|
| Network/ONA | \$1,750 per Individual |
| Non-Network | \$1,300 per Individual |

Orthodontic Lifetime Max (Not to exceed \$2,000 combined Network and Non-Network)

| | |
|-------------|------------------------|
| | <u>2017-2019</u> |
| Network/ONA | \$2,000 per Individual |
| Non-Network | \$1,400 per Individual |

Coverage Levels

| | |
|--|------------------------|
| Class I (Diagnostic/Preventive) | |
| | 100% Deductible waived |
| Class II (Basic Restorative – fillings, extractions, periodontal treatment/maintenance) | |
| Network/ONA | 90% after Deductible |
| Non-Network | 70% after Deductible |
| Class III (Major restorative – Crowns, dentures, bridgework) | |
| Network/ONA | 80% after Deductible |
| Non-Network | 50% after Deductible |
| Class IV (Orthodontia) | |
| Network/ONA | 80% after Deductible |
| Non-Network | 50% after Deductible |

Vision

Monthly Contributions

| | |
|--------------|------------------|
| | <u>2017-2019</u> |
| Individual | \$2 |
| Individual+1 | \$5 |
| Family | \$8 |

Coverage Levels

| | |
|---|--|
| Exam: 1 per 12 months | |
| Network | \$0 Copay |
| Non-Network | \$28 Allowance towards cost |
| Frame: 1 pair per 12 months | |
| Network | \$130 Allowance towards cost |
| Non-Network | \$30 Allowance towards cost |
| Lenses Allowance: 1 set per 12 months | |
| Network | \$0 Copay (Std. plastic lenses, Single, Bifocal, Tri-focal, Lenticular, Progressive) |
| Non-Network | \$30-\$80 Allowance towards cost |
| Contact Lenses Allowance: per 12 months | |
| Network | \$150 Allowance |
| Non-Network | \$150 Allowance |
| 2nd Pair Benefit: | |
| Network Only: Allows for a 2 nd pair of glasses or contact lenses allowance after the first pair benefit is utilized, per 24 months. \$30 Copay. | |

