

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 the Technician, Warehouse Worker, and Clerical Employees Agreement are as follows:

DTV Technician, Warehouse Worker, and Clerical Employees

Wages

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

	Zone A	Zone B	Zone C
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.

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>
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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 2nd pair of glasses or contact lenses allowance after the first pair benefit is utilized, per 24 months. \$30 Copay.