



Frequently Asked Questions Bargained Employees Transitioning to DIRECTV

Originally Published: February 25, 2021
Updated: March 2, 2021

This document is meant only for AT&T bargained employees impacted by the agreement signed by AT&T and TPG to form a new entity, DIRECTV, which will own and operate AT&T's U.S. video unit consisting of DIRECTV (consumer and business satellite services), AT&T TV and U-verse TV (excluding U-verse network assets), collectively, the "Acquired Businesses". This document is not applicable to any other employees. The information in this document is only a high-level summary of certain AT&T benefit plans, programs and policies. It is not meant to address every situation or question. The terms of the official AT&T plans, programs and policies will govern in all cases. This document is not an AT&T official plan, program or policy nor is it an amendment to any such documents. AT&T continues to reserve any unilateral right(s) to amend, modify or terminate any of its plans, programs or policies at any time for any reason, even with respect to previously retired or terminated employees. Nothing in this document should be construed as or deemed to confer any rights, including a right to lifetime or unchanged benefits or a right to continued employment under any circumstances.

For purposes of this document, "Affected Employees" means those AT&T employees who are in-scope to transition with the Acquired Businesses to DIRECTV at the closing. "Transitioned Employees" means those Affected Employees who remain employed with AT&T until the closing and transition with the Acquired Businesses to DIRECTV at the closing. "Closing" means the date of the closing of the transaction between AT&T and TPG.

Affected Employees who decide to resign, retire or otherwise terminate employment from AT&T prior to the Closing would not transition with the Acquired Businesses and will be deemed to be terminating their employment with AT&T. Such employees will not be eligible for severance benefits from AT&T.



Frequently Asked Questions Bargained Employees Transitioning to DIRECTV

Contents

1. [What is Happening](#)
2. [Transition Questions](#)
3. [General HR/Benefit Questions](#)
4. [Health and Welfare \(i.e., dental, vision, disability, life insurance\) Benefits](#)
5. [Compensation](#)
6. [Pension](#)
7. [Savings Plan](#)
8. [Tuition Aid](#)
9. [Employee Discounts](#)
10. [Payroll](#)
11. [General Questions](#)
12. [Doing My Job: Processes, Systems, Etc.](#)



Frequently Asked Questions Bargained Employees Transitioning to DIRECTV

1. What is Happening

1.1 Updated 3-1-21: What are the details of the transaction?

AT&T and TPG signed an agreement to form a new entity, DIRECTV, which will own and operate AT&T's U.S. video unit consisting of DIRECTV (consumer and business satellite services), AT&T TV and U-verse TV (excluding U-verse network assets). AT&T TV NOW and AT&T Watch are also included in the deal. At Closing, DIRECTV's common equity will be wholly owned by AT&T (70%) and TPG (30%). DIRECTV will be jointly governed by a board with two representatives from each of AT&T and TPG, as well as a fifth seat for the CEO, which at Closing will be Bill Morrow, CEO of AT&T's U.S. video unit. DIRECTV's management team will oversee the day-to-day operations of DIRECTV. AT&T will continue to own and operate WarnerMedia's HBO Max streaming platform and Vrio, its Latin American video operations. Among other items not included in the transaction are AT&T's regional sports networks, U-verse network assets and operations, and AT&T's Sky Mexico investment. When the transaction closes, all existing content deals, including NFL SUNDAY TICKET on DIRECTV, will be part of DIRECTV. You can find more detail on the deal [here](#).

1.2 When will Closing occur?

Subject to customary closing conditions and regulatory reviews, we expect the transaction to close in the second half of 2021. In the meantime, the day-to-day operations of our U.S. video business will not change as we continue to focus on delivering a simple experience for our customers and improving the overall value proposition.

1.3 Updated 3-2-21: Why is AT&T transferring its U.S. video operations?

This agreement aligns with AT&T's investment and operational focus on connectivity and content, and the strategic businesses that are key to growing its customer relationships across 5G wireless, fiber and HBO Max while continuing to offer live TV service to its wireless and internet customers who want bundled services. The expected cash proceeds support AT&T's plans to continue to invest in growth, sustain the dividend at current levels and focus on debt reduction.

The new entity's structure will provide DIRECTV with greater focus, flexibility and resources to best position the business to succeed in the long term and deliver on its commitment to customers, employees and shareholders. DIRECTV has the opportunity to take the business forward to continue to offer a competitive video service with best-in-class content.

We've seen that with more autonomy following the reorganization of our U.S. video business, while still facing industry disruption, the U.S. video unit has improved its operational and financial trends over five consecutive quarters and AT&T/DIRECTV advanced from #2 to tie #1 nationally in J.D. Power's 2020 Residential Television Customer Satisfaction Study. Since DIRECTV is not joining an existing company or predetermined culture, it will have more opportunity to define how it operates in this new entity to continue this success.



Frequently Asked Questions Bargained Employees Transitioning to DIRECTV

1.4 Why is TPG investing in DIRECTV?

TPG has an established reputation for helping companies operate more efficiently and effectively to deliver stronger results. TPG has a significant track record of investing in businesses deemed non-core to their current corporate owners. TPG provides capital, expertise, and resources to transform and execute on the long-term growth opportunities in these businesses. Despite several years of decline in AT&T's U.S. video business due to shifts in the broader consumer media environment, TPG has indicated it is confident in DIRECTV's competitive position as a pureplay video services provider. Even as the video market rapidly evolves, TPG has said it sees market opportunity and demand for AT&T's video services, particularly in the streaming video service. Video remains a core service for tens of millions of households: DIRECTV product and content are best-in-class and TPG sees a strong opportunity and demand for AT&T TV and DIRECTV. AT&T and TPG believe the new structure will allow DIRECTV to focus its available investment capital solely on video customers. DIRECTV is expected to offer consumers an enhanced video service with best-in-class content.

1.5 Updated 3-1-21: What employees are impacted by this transaction?

Generally speaking, management and bargained employees who work in the U.S. video organization are expected to move to DIRECTV, including our U.S. video organization leadership team.

We know that some functional staff support team members, i.e. Finance, Legal, Human Resources, etc., will move to DIRECTV as well. In some cases, those functions, roles and individuals have been finalized and employees were notified at the same time as the video organization. In other cases, this information has not yet been finalized and as it is, updates will be provided directly to Affected Employees.

1.6 During the period of time between the announcement and Closing, who is my employer?

Affected Employees will continue to be employees of an AT&T company and continue to be subject to AT&T's policies and practices. Affected Employees should continue to operate "business as usual" and focus on delivering great video services and customer service.

1.7 After Closing, who is my employer?

After Closing, the Acquired Businesses will be owned by a new entity formed between TPG and AT&T known as DIRECTV, with DIRECTV or one of the Acquired Businesses becoming your new employer. The Acquired Business will no longer be wholly owned subsidiaries of AT&T, Inc., which will impact your existing AT&T benefits as summarized throughout this document and in future communications.



Frequently Asked Questions Bargained Employees Transitioning to DIRECTV

1.8 Where can I go if I have additional questions?

You can talk to your supervisor and leadership team if you have additional questions. Affected Employees can submit questions not answered in these Frequently Asked Questions (FAQs) to the “DIRECTV - Bargained Transitioning” mailbox g15555@att.com and your question will be sent to the appropriate person for handling.

2. Transition Questions

2.1 When will I transition to DIRECTV?

If you are one of the Affected Employees that will transition to DIRECTV, you will transfer upon completion of the transfer of the Acquired Businesses, which is referred to as “Close”. Subject to customary closing conditions, we expect the transaction to close in the second half of 2021.

2.2 Will the provisions of my bargaining contract apply after Close?

DIRECTV has agreed to assume and honor obligations under the applicable impacted collective bargaining agreements. Any potential changes will be discussed with your union.

2.3 Will I have to complete an application or submit a resume?

You will transfer to DIRECTV without submitting an application or resume.

2.4 Will I have to interview for my current position?

You will not be required to interview for your current role.

2.5 Who will I be reporting to after Closing?

Currently we believe most employees that are transitioning to DIRECTV will keep their existing reporting structure. If your structure is changing, you will be informed through your new leadership.

2.6 Will I have a choice to move to DIRECTV or stay with AT&T?

You will move to DIRECTV if your role is designated to move as part of the transaction. However, you are free to seek an opportunity with other AT&T business units in accordance with all current applicable bargained provisions and AT&T staffing policies and procedures, provided that candidate selections are made and the effective date occurs on or before Closing.



Frequently Asked Questions Bargained Employees Transitioning to DIRECTV

2.7 What will happen to my job with AT&T if I decide not to transfer to DIRECTV?

Affected Employees who do not find another position within AT&T (see prior question) and are designated to be transitioned to DIRECTV but decline to transfer to DIRECTV will be treated as resigning from their employment. This designation will be applied across all applicable AT&T plans, programs and policies.

3. General HR/Benefit Questions

3.1 Where can I go to get my general HR questions answered?

HR OneStop (<https://hronestop.web.att.com>) is the online gateway to HR and benefits information. On this website you will find the most up-to-date information and resources to help you understand your benefits. You can find the current Bargained Labor Contracts at <https://hronestop.web.att.com/group/hr-onestop/bargained-comp>.

For general HR questions regarding the transition to DIRECTV, the [DIRECTV employee website](#) will house these FAQs which will be updated as more information is known. Affected Employees can submit questions not answered in the FAQs to the “DIRECTV - Bargained Transitioning” mailbox g15555@att.com and your question will be sent to the appropriate person for handling.

3.2 If I have chosen to resign or retire from AT&T prior to the date of Closing, will I be impacted by the deal?

The pending transaction with TPG will have no impact on Affected Employees who resign or retire and leave AT&T payroll prior to Close.

3.3 Will Affected Employees or Transitioned Employees be eligible for severance or termination benefits pay from AT&T at the time of Closing?

Affected Employees or Transitioned Employees are not eligible for severance or termination benefits on account of the transaction.

3.4 **UPDATED 2-26-21:** Will my years of service recognized by AT&T be recognized at DIRECTV? If so, for what purposes?

If you are a Transitioned Employee, your AT&T years of service recognized by AT&T (at the time of Closing) will be recognized for participation, vesting and benefit accrual in the DIRECTV plans and policies offered at DIRECTV. Examples of such plans or policies are paid time off, pension and savings plans. Seniority, from a collective bargaining agreement perspective, will not be affected.



Frequently Asked Questions Bargained Employees Transitioning to DIRECTV

3.5 Will my years of service at DIRECTV, on or after the date of Closing, count under any of the AT&T benefit plans for any reason?

Your service with DIRECTV, starting on the date of Closing, will not be counted or recognized under any AT&T benefit plans or programs for any reason.

3.6 I have prior service under the Mandatory Portability Agreement (MPA). When may I transfer that service?

Any MPA requests initiated by you (including the initial call to the Fidelity Service Center at 800-416-2363) through the day before Closing will be accepted and reviewed by the AT&T pension plan. With respect to MPA requests initiated on and after Closing, we do not anticipate that DIRECTV will be an Interchange Company and therefore would not be subject to MPA. If this occurs, requests on and after Closing would not be subject to MPA and you would have no MPA rights. Since we can't predict the exact date of Closing, we encourage you to initiate a request as soon as possible to maintain your MPA rights.

3.7 If I am rehired by AT&T after I transfer to DIRECTV, will my prior AT&T service bridge at AT&T?

Any rehiring by AT&T will be managed in accordance with agreed upon requirements of the deal between TPG and AT&T. After these requirements are met, if you are rehired by AT&T any eligible service that you had with AT&T will be subject to AT&T's established bridging rules, found in your AT&T pension plan Summary Plan Description (SPD), in effect as of the effective date of your rehiring. In no event would service earned while employed by DIRECTV be recognized or eligible for bridging.

4. Health and Welfare (i.e., dental, vision, disability, life insurance) Benefits

4.1 Where can I go to get my general benefit questions answered?

HR OneStop (<https://hronestop.web.att.com>) is the online gateway to HR and benefits information. On this website you will find the most up-to-date information and resources to help you understand your benefits.

For general HR questions regarding the transition to DIRECTV, the [DIRECTV employee website](#) will house these FAQs which will be updated as more information is known. Affected Employees can submit questions not answered in the FAQs to the "DIRECTV - Bargained Transitioning" mailbox g15555@att.com and your question will be sent to the appropriate person for handling.

4.2 Does anything change with regard to my health & welfare benefits between now and Closing?

As an AT&T bargained employee you will continue to be covered under the AT&T health and welfare benefit programs, subject to all plan provisions.



Frequently Asked Questions Bargained Employees Transitioning to DIRECTV

4.3 **Updated 3-1-21: What information can you share with Affected Employees about the health and welfare benefits they may be offered as employees of DIRECTV?**

As previously stated, DIRECTV will assume and honor the obligations under the applicable collective bargaining agreements for the remaining term of those agreements. As part of this transition, it is expected that monies paid by an employee towards their AT&T plan deductibles and out of pocket maximums during 2021 but prior to Closing would carry over and apply towards the benefits provided for the rest of the 2021 calendar year.

4.4 **If an Affected Employee is on an approved AT&T leave of absence or an approved short term disability benefit at Closing, will they transition to DIRECTV?**

An Affected Employee who is on an AT&T approved leave of absence or on an approved short term disability benefit at Closing will transition to DIRECTV and remain on a leave of absence or disability until released to return to work or until the expiration of their approved leave, as managed by and subject to DIRECTV's policies and procedures.

4.5 **If I transition to DIRECTV upon Closing, what happens to my Flexible Spending Account (FSA)?**

Transitioned Employees will continue to receive health and welfare benefits through AT&T benefit plans as part of a transition services agreement between AT&T and DIRECTV, even though they are no longer considered employees of AT&T from a health and welfare plan perspective. We will provide more information as it becomes available. As such, your current year (2021) FSA election, balance, and plan terms will continue after Closing, through the end of the year. You will be allowed to make a new election for 2022, during Annual Enrollment in the Fall of 2021.

4.6 **If I choose to leave AT&T prior to Closing, what will happen to my Flexible Spending Account (FSA)?**

You will not be eligible to *contribute* to your AT&T Flexible Spending Account Plan (FSA Plan) on a pre-tax basis *after* your employment with AT&T terminates. When you cease to be an eligible employee, you are no longer an active participant in the AT&T FSA Plan and no additional contributions to your FSA will be allowed.

However, you may continue to submit claims which you incurred while you were an active participant in the AT&T FSA Plan from the remaining balance of your Medical and/or Dependent Care FSA until the balance in your account is depleted or until March 31st of the following year, whichever occurs first. You may continue to view your account status on the AT&T Benefits Center website found via: <https://hronestop.web.att.com/user> and you will continue to receive an Explanation of Benefits that details your account status each time you submit claims for reimbursement. You can also call the AT&T Benefits Center for more information at 877-722-0020.



Frequently Asked Questions Bargained Employees Transitioning to DIRECTV

Remember that you will forfeit any money left in your account after eligible expenses for the year have been paid. If you are participating in the Health Care FSA, you will receive COBRA (Consolidated Omnibus Budget Reconciliation Act) information regarding continuing participation through after-tax contributions.

Note: Electing to continue Health Care FSA contributions on an after-tax basis through COBRA may allow you to avoid forfeiture of your Health Care FSA funds.

4.7 If I transition to DIRECTV upon Closing, what happens to my Health Savings Account (HSA)?

Again, as part of a transition services agreement between AT&T and DIRECTV, Transitioned Employees will continue to receive health and welfare benefits through AT&T benefit plans for a period of time after Closing. As such, your current year (2021) HSA election will continue after Closing, through the end of the year. Your HSA balance is always yours to keep – unlike a Flexible Spending Account (FSA), it is not forfeited at the end of the plan year if not used. You will be allowed to make a new election for 2022, during Annual Enrollment in the Fall of 2021.

4.8 If I choose to leave AT&T prior to Closing, what will happen to my Health Savings Account (HSA)?

Your HSA balance is always yours to keep and use to pay for eligible healthcare expenses. At termination, you will no longer be able to contribute to the account through payroll deductions. You may leave your funds in your HSA at Fidelity or roll your funds over to another qualified HSA plan. You can contact the Fidelity Service Center for more information at www.netbenefits.com/att or 800-416-2363.

4.9 I am enrolled in one of the offerings provided by Voluntary Benefits. Will this transition to DIRECTV when I become a DIRECTV employee?

Your eligibility for Voluntary Benefits will not terminate at Closing because of a transition services agreement between AT&T and DIRECTV.

4.10 If I choose to resign from AT&T prior to Closing, will my AT&T health benefits coverage continue through the end of the month in which my employment with AT&T terminates?

If you resign from AT&T, upon termination of your employment from AT&T, your health benefits coverage will continue until the end of the month. However, other AT&T benefits end on your last day of employment based on the terms of the applicable plans and programs.



Frequently Asked Questions Bargained Employees Transitioning to DIRECTV

- 4.11 Related to the above question, when my AT&T coverage terminates, I will be switching to my spouse's medical plan through his/her company. My spouse's company is asking for something that states when I lost coverage. What should I do?**

Following termination of your AT&T coverage, you will receive a COBRA election notice advising you of your coverage termination date that you can share with your spouse's company. This is the only formal communication you will receive from AT&T and should arrive within fourteen days of the termination date.

5. Compensation

- 5.1 Does anything change with regard to my compensation between now and Closing?**

As an AT&T bargained employee your wages will continue to be administered in accordance with your bargained labor agreement for the remaining term of that agreement.

- 5.2 Will my wages change when I transition to DIRECTV?**

The provisions of your current labor agreement will be assumed and honored by DIRECTV.

- 5.3 Will DIRECTV have quotas for sales or customer service employees? Will we be given new quotas? If so, when?**

Management at DIRECTV will provide you details as appropriate.

- 5.4 What type of premium pay is available (e.g., work on holiday)? Does DIRECTV have shift differential, bilingual differential, stand by pay, call out pay, etc.?**

Compensation items specified by the labor agreement will remain in place post Closing for the remaining term of the agreement.

- 5.5 If I transition to DIRECTV as a Transitioned Employee, how and when will incentives be paid?**

AT&T will continue to administer incentive programs until Closing. At Closing, incentive programs will be addressed by DIRECTV in accordance with the applicable labor agreement.



Frequently Asked Questions Bargained Employees Transitioning to DIRECTV

6. Pension

6.1 I currently participate in the AT&T pension plan, what will happen to my AT&T pension benefits?

Any accrued, vested pension benefits will remain in the AT&T pension plan, subject to all applicable plan provisions. Accrued benefits will not be transferred to DIRECTV as part of this transaction. Your active participation in the AT&T pension plan will end on your last day with AT&T. Pension benefits for a small group of Transitioned Employees may be handled differently. We are working through these details and will provide more information when it is available. View your available distribution options on the NetBenefits site at www.netbenefits.com/att or contact the Fidelity Service Center at 800-416-2363 for assistance.

6.2 Will there be a new pension plan at DIRECTV?

DIRECTV, which has agreed to assume and honor obligations under the applicable impacted collective bargaining agreements, will replicate union represented pension programs for those employees who are eligible for pension benefits, creating a separate but similar pension plan that DIRECTV will manage. Transitioned Employees, who are eligible for pension benefits, would accrue benefits under the new DIRECTV plan starting at the time of Closing. More information about DIRECTV's pension plan will be provided prior to Closing.

6.3 I'm currently retirement eligible with AT&T including being eligible for subsidized health care. Would it be advantageous for me to retire before Closing in order to secure my pension and post-employment health and welfare benefits with AT&T?

Retirement is a personal decision that you should make after weighing all factors. You may want to discuss retirement with your financial adviser. You should keep in mind; however, that if you transition with the Acquired Businesses to DIRECTV at Closing, from a pension, savings, and health and welfare plan perspective, you will be treated as retired from AT&T as of your last day with AT&T (assuming you are retirement eligible as of such time). Thus, you would still be eligible for any AT&T post-employment/retirement benefits for which you are otherwise eligible, subject to the terms and conditions of the applicable AT&T plans, programs and policies.



Frequently Asked Questions Bargained Employees Transitioning to DIRECTV

7. Savings Plan

7.1 How will my savings plan change?

Your vested AT&T savings plan account balances are non-forfeitable. DIRECTV, which has agreed to assume and honor obligations under the applicable impacted collective bargaining agreements, will replicate savings plan benefits, creating separate but similar savings plans that DIRECTV will manage. Transitioned Employees, who are eligible for savings benefits, would accrue benefits under the new DIRECTV plans starting at the time of Closing. More information about DIRECTV's savings plan will be provided prior to Closing.

7.2 What happens if I am not vested in my savings plan account as of my last day with AT&T?

You are always 100% vested in your own contributions.

If you are a Transitioned Employee, company matching contributions that are not vested will NOT be forfeited when employment with AT&T terminates but will become fully vested for those employees who transition to DIRECTV and become Transitioned Employees.

If you decide to resign or retire before Closing, you will forfeit any unvested Company matching contributions in the savings plan as of your termination of employment from AT&T.

7.3 What happens to my outstanding loan balance?

If you have an outstanding loan balance upon your last day with AT&T, you may elect to continue to make loan repayments via coupon or by ACH (direct debit) from your bank account until your loan is repaid. If you take a distribution of your account (including a rollover of your account to another employer's plan or an IRA) prior to the full repayment of your loan, or if you do not make timely loan payments, the unpaid amount of the loan will be considered a taxable distribution.

7.4 Can I leave my savings plan with AT&T?

If the value of your account is greater than \$1,000, you may leave your account in the savings plan or you may request a distribution based on the applicable savings plan terms and provisions. If you leave your account balance in the plan, your account balance will remain subject to all applicable plan provisions. If the value of your account is less than \$1,000 and you do not request a distribution, your account balance will be distributed to you (taxes will be withheld, and penalties may apply). For additional information, contact the Fidelity Service Center at 800-416-2363 or visit www.netbenefits.com/att.

7.5 Will I still have access to my AT&T savings account after I transition to DIRECTV?

If your AT&T savings plan account balance exceeds the plan minimum (currently \$1,000), you may keep your funds in the plan. All normal plan provisions will continue to apply with respect to your account while it remains in the AT&T savings plan.



Frequently Asked Questions Bargained Employees Transitioning to DIRECTV

7.6 Can I roll over my savings account balance to a DIRECTV savings plan following my transition?

You will need to consult with DIRECTV for details on a rollover into a DIRECTV savings plan.

7.7 Will AT&T allow me to roll my AT&T pension into my AT&T savings plan after I terminate?

The ability to rollover your AT&T pension to your AT&T savings plan is subject to the terms of your applicable savings plan. Consult your Summary Plan Description for details.

8. Tuition Aid

8.1 Will a tuition aid policy be available to employees who transition to DIRECTV?

We anticipate that eligible Transitioned Employees will have access to a tuition aid policy through DIRECTV, similar to the existing AT&T tuition aid policy. More information will be provided once available.

8.2 For employees currently taking advantage of the AT&T Tuition Aid policy, will courses that are currently in progress still be eligible for reimbursement?

We anticipate that courses currently in progress under the AT&T Tuition Aid policy will remain eligible for reimbursement, pursuant to a transition services agreement between AT&T and TPG. More information will be provided once available.

9. Employee Discounts

9.1 How will the AT&T Employee Discount Program be impacted by this transaction?

Prior to Closing, employees will continue to enjoy the terrific products and services that are part of the AT&T Employee Discount Program.

We expect at Closing those transitioning to DIRECTV will continue to enjoy the video product discounts as they exist today. For internet and wireless, there will continue to be a discount although it may change from the currently discounted price. Once those details are finalized, Affected Employees will be informed. While few DIRECTV employees participate in these following offerings, if you do receive a discount today on wireline, VOIP, Digital Life, and/or wireless home phone, those discounts will stop at Closing. For products no longer available at Closing, the employee will remain financially responsible for the account(s) and any contracts and other terms and conditions attached to the account(s). The employee discount will be removed within 1-2 billing cycles, and the account(s) will be billed at the regular consumer rate(s). If you meet retirement eligibility as of Closing, you will receive the employee discounts a retiree receives and more information may be found [here](#). Additionally, more information about the terms and conditions of the AT&T Employee Discount Program may be found [here](#).



Frequently Asked Questions Bargained Employees Transitioning to DIRECTV

and general program information may be found [here](#).

10. Payroll

10.1 What payroll services that I'm accustomed to using through AT&T will still be available after Closing?

For all Affected Employees who are paid through **eLink**, there will be a transition services agreement between AT&T and DIRECTV until DIRECTV is able to develop and move onto its own systems. Under this agreement, for example, **eLink** will continue to issue pay and, in general, these things will not change:

- Pay dates
- Your direct deposit participation
- On-line access to your pay stub information
- Your W-4 tax withholdings elections
- Most deductions
- Entitlement balances (vacation, PDO)
- Who you contact (your Group Time Reporter and Supervisor) with questions regarding time reporting

Employees will be notified in advance of when the move to DIRECTV payroll systems will take place upon the conclusion of the transition services agreement.

11. General Questions

11.1 Will I be able to stay in my current work location?

You should assume business as usual.

11.2 I currently work from home. Will I be able to maintain this status?

You should assume business as usual. Changes after Closing will be at the discretion of DIRECTV in accordance with applicable bargaining agreements.

11.3 Will we lose parking privileges at AT&T Company-owned parking facilities once we transition to DIRECTV?

Generally speaking, the policy on parking at an AT&T work location is locally governed. Employees transitioning to DIRECTV should identify and follow the local policy and park accordingly. That said, in general, we expect that parking assignments or access changes will not occur initially post Closing and any changes that may need to happen later will be

Frequently Asked Questions Bargained Employees Transitioning to DIRECTV

decided upon based on the needs of that property. If there were to be changes, DIRECTV employees would be informed of any required action. Questions about parking may be directed to your supervisor or local Corporate Real Estate Property Manager.

11.4 I currently participate in the WageWorks program for parking. Will this transition to DIRECTV when I become a DIRECTV employee?

Your eligibility for commuter benefits through WageWorks will continue post Closing as part of a transition services agreement between AT&T and DIRECTV. Employees will be notified of changes, if any, to this program at the conclusion of the transition services agreement.

11.5 How will this transition to DIRECTV affect my vacation and sick days accumulated to date? Will those transfer completely?

The provisions of your current labor agreement will be assumed and honored by DIRECTV with no changes to vacation or sick time accrual. Your balance at Closing will transfer over to DIRECTV.

11.6 If I had previously scheduled vacation that will take place after Closing, will I be able to take this time off?

You will be able to take any approved vacation/PTO already on the schedule in accordance with the provisions of your labor agreement.

11.7 Will I have to take any training after transitioning to DIRECTV?

Your leadership at DIRECTV will advise you of any additional training requirements at the appropriate time.

11.8 How does the performance evaluation process work at DIRECTV?

Your leadership at DIRECTV will provide you with information about performance evaluations after the transaction closes.

11.9 Since AT&T's ownership of DIRECTV will be less than 100%, will our participation in AT&T Employee Groups, referring to both Employee Resource Groups and Employee Networks, be discontinued after Closing?

Transitioned Employees may continue as members of an AT&T Employee Group after Closing as "associate members" but cannot vote, hold office or have access to proprietary information. You can contact your Employee Group regarding any additional guidelines for associate members.



Frequently Asked Questions Bargained Employees Transitioning to DIRECTV

11.10 What if I have a service anniversary before Closing. Am I still eligible to receive my service anniversary award and hold my recognition event?

If your service anniversary occurs prior to Closing, you will be entitled to receive the award and hold the recognition event prior to Closing. If you do not hold the recognition event for your career milestone/service anniversary prior to Closing, it will be forfeited.

If you reach a milestone anniversary prior to Closing, and are retirement eligible, you can hold a combined career milestone (formerly known as a service anniversary) and retirement award recognition event up to 14 days prior to your retirement date. If you do not get an opportunity to hold a combined event before Closing, you have up to six months from your retirement date to hold the combined event or it will be forfeited.

Should your supervisor also be transitioning to DIRECTV at the same time, an alternative active AT&T management employee must be present at the recognition event and be responsible for placing expenses on a corporate credit card. The alternate AT&T manager may be a peer of the supervisor or a next level active manager or above. The alternate AT&T manager must be within the same subsidiary as the employee. If they are in a different department, the alternate AT&T manager will need to ensure that expenses for the event are charged to the appropriate organization. You can find the *myService* Program (formerly the Career Milestone Policy) here: <https://hronestop.web.att.com/group/hr-onestop/policies-employee-rewards>

11.11 What if I am a Transitioned Employee and am retirement eligible at Closing, am I eligible for a retirement award and event?

If you are retirement eligible at Closing you are eligible for a retirement award and event as outlined in the *myService* Program. As outlined in the policy, a retirement award must be ordered within 180 days of your retirement date or it will be forfeited. The recognition event can be held up to 14 days prior to your retirement date. If you do not get an opportunity to hold an event before Closing, you have up to six months, 180 days, from your retirement date to hold the event or it will be forfeited.

Should your supervisor also be transitioning to DIRECTV at the same time, an alternative active AT&T management employee must be present at the recognition event and be responsible for placing expenses on a corporate credit card. The alternate AT&T manager may be a peer of the supervisor or a next level active manager or above. The alternate AT&T manager must be within the same subsidiary as the employee. If they are in a different department, the alternate AT&T manager will need to ensure that expenses for the event are charged to the appropriate organization. You can find the *myService* Program (formerly the Career Milestone Policy) here: <https://hronestop.web.att.com/group/hr-onestop/policies-employee-rewards>

Frequently Asked Questions Bargained Employees Transitioning to DIRECTV

11.12 Will DIRECTV have a career milestone policy?

It is anticipated that DIRECTV will not have a career milestone policy. More information will be provided once available.

11.13 What happens if I have a referral into you Refer on Closing but the referral is not yet closed? Will I get credit for it?

Referrals must be closed with sales credit before Closing for awards for such referrals to be considered earned and deposited to your **my Rewards** account. Referrals closed on or after close are not eligible for awards.

If you have an active **my Rewards** debit card account it will remain active at least until the card expiration date, which is three years after the card issuance date. If you use your card during the 6-month period prior to the expiration date and a balance remains on the account, a new card will be issued. If a replacement card is not issued and the account is still open, you can contact Bank of America Merrill Lynch at 888-373-5801 to request a replacement card. If the account has been closed with a balance, you can request a check for the balance from the bank.

11.14 How should I respond to family and friends who inquire about the transaction?

AT&T agreed to form a new entity with TPG to operate its U.S. video business unit. The new entity, DIRECTV, is expected to bring more to TV customers!

- Opportunity for more innovation, accelerating the best possible TV products
- Greater focus on delivering a best-in-class customer experience
- More autonomy, running as a separate business
- More focus on TV content & delivery.

The services transferring to DIRECTV will include:

- DIRECTV
- AT&T TV
- U-verse TV
- Content deals, including NFL SUNDAY TICKET.

AT&T will continue to own and operate WarnerMedia's HBO Max streaming platform and Vrio, its Latin American video operations. Among other items not included in the transaction are AT&T's regional sports networks, U-verse network assets and operations, and AT&T's Sky Mexico investment.

AT&T will retain majority interest in DIRECTV after Closing.

What does the customer need to know?

- Their TV service will not be affected
- No action is needed on their part



Frequently Asked Questions Bargained Employees Transitioning to DIRECTV

- Existing TV customers with AT&T broadband and/or wireless bundles will be able to keep those bundles and associated discounts, at Closing.
- DIRECTV video subscribers will continue to have access to HBO Max.

We expect the transaction to close in the second half of 2021.

12. Doing My Job: Processes, Systems, Etc.

12.1 Will I lose access to my AT&T email after Closing?

AT&T email will still be available to Transitioned Employees as part of a transition services agreement between AT&T and DIRECTV.

12.2 Post Closing, what happens to employee's AT&T PCs, other devices, home VPN, etc.?

Equipment that is utilized by Affected Employees before Closing will remain available as part of a transition services agreement between AT&T and DIRECTV.

12.3 Post Closing, how will I get IT support with AT&T PC or system issues?

IT support services will remain the same as today as part of a transition services agreement between AT&T and DIRECTV.

12.4 **Updated 3-1-21:** I am an active user of AT&T tSpace, Q, and other collaboration tools. Will my access be cut-off post close?

These collaboration tools will remain available as part of a transition services agreement between AT&T and DIRECTV, and it is expected that you will continue to have access to your AT&T colleagues through these tools as you do today.

12.5 In booking travel post Closing, should I still use the AT&T processes and preferred vendors?

Travel services will remain the same as today as part of a transition services agreement between AT&T and DIRECTV.

12.6 What happens to my AT&T corporate credit card (AMEX and/or Citibank Purchasing cards) as well as any AT&T expense reporting post close?

The use of AT&T corporate credit cards and the expense reporting process will remain the same as today as part of a transition services agreement between AT&T and DIRECTV.



Frequently Asked Questions Bargained Employees Transitioning to DIRECTV

The document is applicable only to Affected Employees, as defined above. This document was written for easy readability. Therefore, it may contain generalizations and colloquialisms, such as “AT&T employees,” rather than precise legal terms. Also, this document is intended only as a high-level summary of certain AT&T and DIRECTV benefit plan, policy and program provisions and the impact of the transaction between AT&T and TPG on those provisions.

Also, this document only summarizes benefits and individual situations may vary. For full details, including eligibility, you should consult the summary plan descriptions, summary of materials modification, or the official plan documents. In all cases, the official plan documents govern and are the final authority on the terms of the plans. This document is not an official plan document nor an amendment to an official plan document.