

**Dex Media, Inc.**  
**And**  
**Communications Workers of America**

**FINAL OFFER FOR FULL SETTLEMENT**

**October 22, 2018**

This is the Final Offer for Full Settlement by Dex Media, Inc. of current labor negotiations with the Communications Workers of America (CWA) for collective bargaining agreements for Maryland/Virginia, New England, New Jersey, New York, Pennsylvania, and Connecticut Sales Offices. Dex Media, Inc. reserves the right to withdraw this offer for settlement in whole or in part if the CWA rejects any portion thereof. Proposals that are not hereinafter mentioned are dropped.

**MEMORANDUM OF AGREEMENT**  
**Between**  
**DEX MEDIA, INC.**  
**And**  
**COMMUNICATIONS WORKERS OF AMERICA**

The Communications Workers of America (CWA) represents multiple bargaining units of Dex Media, Inc. employees in Maryland/Virginia, New England, New York, New Jersey, Pennsylvania, and Connecticut covered by six (6) separate collective bargaining agreements which were due to expire on October 12, 2018. With the exception of Connecticut and New Jersey, these agreements were originally set to expire on October 13, 2017 but were extended for one year by mutual agreement of the parties.

The attached documents are model changes to be incorporated into each of the identified collective bargaining agreements, unless otherwise noted and agreed to between the parties. These CBAs become effective October 22, 2018, unless otherwise provided, pending notice of ratification by November 12, 2018. These CBAs expire October 25, 2020.

- Attachment 1 – Article 18 Union Business
- Attachment 2 – Business Tools (Company Proposal #1
- Attachment 3 – Sales Compensation Article 9.4
- Attachment 4 – Sales Annual Base Salary Adjustments
- Attachment 5 – Wellness and HSA (Retains Wellness language
- Attachment 6 – Clerical Wages and Annual Performance Bonus
- Attachment 7 – Benefits: Article 11
- Attachment 8 – Letters and Agreements
- Attachment 9 – Sales Compensation Plan Document

The parties will perform appropriate “housekeeping” consistent with the changes identified in this Memorandum of Agreement. Company will perform housekeeping changes throughout the contract to incorporate the legal entity name of Dex Media, Inc.

John S. Hancheck      Date Signed Dex Media, Inc. Bargaining Co-Chair	Tonya Moore                      Date Signed CWA Bargaining Chair District 1
Steve Flagler              Date Signed Dex Media, Inc. Bargaining Co-Chair	John D. Petrini                      Date Signed CWA Bargaining Chair, District 2-13

(Dex Media reserves the right to change, amend, modify, add to, and or delete proposals.)

## Attachment 1

### Union Representation

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- 18.13 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, or at any meeting with an employee for the purpose of conducting an investigatory interview which may lead to discipline of such employee, a Union Representative may be present if the employee so requests.
- 18.13.1 In all cases of penalties and dismissals or other penalties, the employee's supervisor will notify the appropriate **Local President**, or higher level union officer if the **Local President** is unavailable, prior to such action. If circumstances make this prior notification impossible, the supervisor will notify the **Local President** of the reason prior notification was not possible. In addition, the AVP-Labor Relations (or designee) shall notify the Union office in writing of any such action as soon as practicable with the exception of those releases which occur during the employee's first 12 months of service. The withholding of a scheduled wage increase will be reported to the Union office by the AVP-Labor Relations (or designee). The Company will notify the **appropriate Local President** of any and all disciplinary actions up to and including termination.

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**Attachment 2**

October 4, 2018

John D. Petrini

Or

Tonya Moore

Re: Business Tools and Resources

Dear

In order to provide the best possible service to its customers, the Company provides a wide variety of tools and resources for its sales representatives including, office space (where applicable), computers, and where applicable, transportation, communications and miscellaneous expense allowances. This letter will confirm the understanding between the Company and the Union concerning Company provided and/or subsidized automobiles, cellular telephones, and miscellaneous expense reimbursement and/or allowance(s) through the term of this Agreement.

Premise sales representatives will receive a taxable stipend of one hundred dollars (\$100.00) per bi-weekly payroll period to offset miscellaneous expenses, such as, mobile phone, data package, and office supplies. In order to be eligible for the stipend under this section, the employee must be on the active payroll.

Sales representatives eligible to participate in the automobile plan, in accordance with Dex Media, Inc. policy, will continue to participate in the plan. These sales representatives will have the option of selecting the Runzheimer FAVR automobile plan or its equivalent or a flat taxable transportation allowance of \$575.00 per month. Premise Marketing Consultants who choose the Runzheimer FAVR automobile plan ~~and~~ must also have Company-installed software for mileage capture on their IPADs. Expenses incurred for parking or tolls will be reimbursed in accordance with the Company's Expenditure Policy. Sales representatives will be reimbursed for other approved reasonable and necessary business expenses in accordance with Company policies. For example, sales representatives who have been assigned to work away from their designated virtual office location will be reimbursed for lodging expenses as authorized by management. An employee who stays overnight will receive a per-diem allowance for meals and incidental expenses. The allowance will be paid on days when the employee is authorized to stay overnight.

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.

Sincerely,

John S. Hanchek  
Company Chairperson

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## Attachment 3

### Sales Compensation

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**9.4** If, between six and nine months after the unilateral implementation of any significant change in the plan design (that is, after a reasonable stabilizing period), the Union identifies that the change has resulted in a significant diminution of earnings potential, as defined below, then the Company shall pay a remedy as described below. There shall be no other remedy.

**9.4.1** A significant diminution in earnings potential is defined as a five percent (5.0%) or more difference in average earnings (base pay plus incentive) for a sales job title across all CWA bargaining units of the Company's New England, New York, Mid-Atlantic, and Connecticut Sales Territories utilizing the Sales Compensation Plan for which the change has been made, from what would have been earned had the change not been made. To determine the percent change, average earnings for the most recent two (2) full plan quarters for the sales job title(s) and bargaining unit(s) affected by the change in plan design will be compared to average earnings which have been earned by the same population calculated utilizing the plan design prior to the change. For purposes of these calculations, only employees with six months or more in the sales job title at the beginning of the measurement period will be included. The parties acknowledge that comparisons of plans with different components may produce distortions which do not reflect changes in earnings potential. Adjustments will be made to any calculation to avoid any such distortions.

**9.4.2** If the calculation of the difference defined in 9.4.1 shows a decrease in average earnings of more than five percent (5.0%), then the Company will pay a total remedy, based on a maximum remedy of **\$ 1,000,000** to be distributed based on performance among the employees affected by the decrease and who are then on the payroll. The amount and distribution of the total remedy will be determined as follows:

1. The number of employees in the sales job title(s) and bargaining unit(s), where the change resulting in a significant decrease has been implemented, divided by the total number of sales representatives in all CWA bargaining units in the Company's New England, New York, Mid-Atlantic, and Connecticut Sales Territories utilizing the Sales Compensation Plan equals the percentage of affected employees. The number of employees/sales representatives will be determined as of the last day of the comparison period.
2. The percentage of affected employees multiplied by the maximum remedy of **\$ 1,000,000** equals the total remedy.
3. The total remedy will be distributed based on performance as follows:
  - a. Determine overall performance based on percent to goal during the measurement period for each individual in the affected job title(s) and then multiply each individual's percent to goal by 100.
  - b. Add all points.

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- c. Divide the total remedy dollars by the point total.
- d. Multiply each individual's point score by the dollars per point.

**9.4.3** In the event of a significant diminishment in earnings potential as defined in 9.4.1 above, the parties will negotiate over a further change. If no agreement is reached within thirty (30) days, the Company may implement a plan design it believes will not result in a significant diminishment of earnings potential. Once the plan is implemented then all the provisions of 9.4 will apply except that:

1. If the Union alleges that the implemented plan has resulted in a substantial diminishment in earnings potential, the calculations identified in 9.4.1 will apply utilizing the most recent plan design that did not cause a payment of remedy under 9.4.2 to compare earnings against the implemented plan.
2. The new total remedy to be divided will be the total remedy as determined in 9.4.2 (2) up to \$1 million plus the total actual earnings diminishment in excess of 5.0% for each group determined to have a significant diminishment under 9.4.1.

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## Attachment 4

### Sales Base Salary Adjustments

#### Dex Media Annual Base Salary Proposal – Sales

This confirms Dex Media proposal to CWA District 1 and District 2-13 that it will provide an adjustment to annual base salary on a one-time basis for the life of the agreement on the following basis:

- 1) This only applies to business advisors who are on payroll at the time the Company is notified by the Union that a successor agreement has been ratified
- 2) Changes become effective with the first full payroll period following notification from the Union
- 3) The Company will apply the following rationale in determining which business advisors will be provided with an adjustment to their current annual base salary:
  - a. Business advisors with five or more years of service with Dex Media will be provided with the “better-of”:
    - Brought to the mid-point of the base salary range they are placed in as identified under the sales compensation plan that is agreed to by the parties –OR–
    - be provided with a 2% increase in their annual base salary; not to exceed the maximum base salary for their assigned pay area
  - b. Business advisors with a minimum of one year of service but less than five years will be provided with a \$500 increase in their annual base salary
  - c. Business advisors with less than one year of service will not receive an adjustment to their annual base salary. They will instead receive a one-time \$300 “lump-sum payment” to be paid within 30 days of notice of ratification by the Union.
  - d. In no circumstance will business advisors be granted an increase in their annual base salary that would place them above the maximum base salary for the pay area they are identified in under the sales compensation plan that is agreed to by the parties.
  - e. Business advisors whose annual base salary is above the maximum base salary for the pay area they are identified in under the sales compensation plan that is agreed to by the parties will be permitted to remain at their base salary for the term of the agreement and are not eligible for an increase to that base salary.
  - f. Business advisors working in Connecticut who previously held the job title of Senior Account Manager but are now in the title of Business Advisor Premise are instead subject to the terms of the Memorandum of Agreement between the parties dated April 2, 2018.

In applying the above stated rationale, the Company identified a total value for this one-time adjustment to annual base salaries at \$280,000 and is committed to implement the full \$280,000 after receiving notice that the successor CBA has been ratified.

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## **Attachment 5**

### **Wellness Program & Health Savings Account – Added Company Contribution**

- The Company and the Union agree to continue to offer a Wellness Program for 2019. This Wellness Program is designed to encourage employees and their families to take an active role in managing health.

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**Attachment 6**

**Clerical Wages and Annual Performance Bonus**

**Wages**

- Clerical employees identified in the agreement will receive the following annual wage treatment during the life of the agreement:
  - Effective March 17, 2019, a General Wage Adjustment of 1.5% of the annualized base rate will be paid in a Lump Sum to each active employee on Wage Schedules A, B, C.
  - Effective March 15, 2020, a General Wage Adjustment of 1.5% of the annualized base rate will be paid in a Lump Sum to each active employee on Wage Schedules A, B, C.

**Performance Bonus Payments will occur as follows:**

<b><u>Pay-Out in March</u></b>	<b><u>For Performance Year</u></b>
<b>2019</b>	<b>2018</b>
<b>2020</b>	<b>2019</b>
<b>2021</b>	<b>2020</b>

**(Note: the Pay-Out schedule will be updated in the successor agreement to reflect the above schedule)**

## **Attachment 7**

### **Article 11 – Benefits**

#### **11.1.1**

It is expressly understood that health benefits will be provided to bargaining unit members during the term of this agreement.

If at any time during the term of this Agreement, the Company HSA contribution provided to management employees is increased, those greater values will be provided to Bargaining Unit employees.

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**Attachment 8**

**Letters of Agreement**

Letters and Agreements in the current respective CBAs will be retained unless otherwise stipulated.

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