

COLLECTIVE AGREEMENT

Between

THE DAILY OBSERVER

And

**THE COMMUNICATIONS, ENERGY, AND PAPERWORKERS
UNION OF CANADA, CEP Local 87M- 45.3
(Office Unit)**

June 12, 2012 to June, 11, 2016

COLLECTIVE AGREEMENT

ARTICLE 1- PREAMBLE

This Agreement made and entered into this **10th day of April, 2013** between The Daily Observer, a Division of Sun Media, through its authorized representative, hereinafter referred to as the "Publisher" and The Communications, Energy and Paperworkers Union of Canada, **CEP Local 87M- 45.3** (Office), hereinafter referred to as the "Union".

The purpose of this Agreement is to facilitate collective bargaining between the Publisher and the Union; to encourage cooperative and expeditious resolutions of workplace issues; and to facilitate the efficient production of the newspaper.

Irrespective of the date upon which this agreement comes into effect, its terms will be implemented effective on the date of ratification, unless mutually agreed otherwise.

ARTICLE 2 - DURATION AND COVENANT

Witnesseth - That this agreement is in effect from and after **June 12, 2012** and ending **June 11, 2016**; and thereafter until a new agreement is affected.

The parties agree that there shall be no strike, slowdowns, stoppages of work, or lockout while this agreement is in force in accordance with the Labour Relations Act of Ontario.

ARTICLE 3 - DEFINITIONS

The following definitions shall apply to all clauses in the collective agreement unless mutually agreed otherwise:

[a] Regular Employees

- have their hours regularly scheduled
- have completed probation
- maintain continuous employment
- if working more than 24 hours/week but less than 37.5 hours/week on a regular basis, may work part of a shift or part of a week
- this shall not be taken to mean that regular employees are guaranteed payment of hours not worked in the week, unless pay for time-not-worked is required elsewhere in this contract.

[b] Temporary Employees

- replace regular employees when absent or are employed for special projects or are employed for transient purposes

- if working more than 24 hours/week but less than 37.5 hours/week, may work part of a shift or part of a week
- are employed for no longer than six months unless replacing for extended sick leave, long term disability, approved leave of absence or unless mutually agreed to by the Publisher and the Union.

[c] Work Week

- excluding weeks in which a statutory holiday[s] falls, the normal work week for employees shall consist of up to 37.5 hours/week within a period of seven calendar days
- the normal work week in which a statutory holiday[s] falls shall consist of up to 37.5 hours/week within a period of seven calendar days, less the hours paid but not worked

[d] Benefits

- benefits referred to in this collective agreement are life insurance, major medical, dental, hospital, long term disability.

[e] Day

- unless otherwise specified in this collective agreement, all references to days shall be working days, excluding statutory holidays and rotation days.

ARTICLE 4 - MANAGEMENT RIGHTS

The Union recognizes that, subject to the terms of the Collective Agreement, it is the exclusive right of the Publisher to manage its enterprise and, without restricting the generality of the foregoing, to plan, direct and control its operations, facilities, systems and procedures, to maintain order, discipline and efficiency, to hire, retire, assign duties, promote, classify, reclassify, create, combine or eliminate classifications, fill and determine vacancies, layoff, recall, demote, appoint, transfer, discharge, suspend or otherwise discipline for just cause employees who have completed their probationary period, to determine complement and number of employees required, to schedule working hours, to extend, curtail or cease operations, to subcontract, to establish and enforce rules and regulations governing the conduct of the employee. The Publisher agrees that it will not exercise rights in a manner inconsistent with the terms of this Collective Agreement.

All matters concerning the operations of the Employer not specifically dealt with herein shall be reserved to the Employer and be its exclusive responsibility. Management agrees to exercise its rights in a reasonable and fair manner.

ARTICLE 5 - UNION RECOGNITION

[a] The Publisher recognizes the Union as the sole and exclusive collective bargaining agent for all employees of The Daily Observer, A Division of **Sun Media Corporation**, in the city of Pembroke, save and except manager, persons above the rank of manager, persons regularly employed for not more than twenty-four (24) hours per week (unless they are employed in the classification of Creative Ad Builder), and students employed during the school vacation period, and persons in bargaining units for whom any trade union held bargaining rights as of July 2, 1996.

[b] The Union agrees to furnish the Publisher with a list of names of employees who have been elected or appointed Union Officers and Stewards authorized to represent the Union, and the Union will keep this list up to date.

[c] It is understood that the Publisher or his/her designate is the authorized representative of the Company

[d] Stewards, members of committees and Union Officers will be required to perform their regular duties and will not leave or otherwise interrupt their regular duties to attend to Union business without first obtaining the permission of the supervisor or his/her designated representative. Permission to attend to legitimate Union business will not be unreasonably withheld. When a Steward leaves or otherwise interrupts his/her regular duties to attend to Union business, he/she shall be paid for time worked up to the point of leaving or otherwise interrupting his/her regular duties to attend to Union business, unless the Steward is attending a Company/Union meeting regarding issues of contract administration in which case there shall be no loss of regular pay.

[e] In the event the Employer creates a new position or enlarges an existing position, the parties shall discuss the issue of inclusion or exclusion from the bargaining unit. If the parties cannot agree as to the issue of inclusion or exclusion from the bargaining unit, the issue will be referred to the Ontario Labour Relations Board for "determination of employee status".

(f) Restrictions on Performing Bargaining Unit Work

The Employer shall not assign bargaining unit work to any employee outside the Bargaining Unit except to the extent that has been previously assigned as of January 1, 2009.

(g)The Employer agrees to provide the required space to accommodate meetings between Union officer and or stewards and members, including Union elections, subject to availability of space and operational requirements.

ARTICLE 6 - UNION MEMBERSHIP

All new employees hired after the effective date of this Agreement shall authorize the Publisher to deduct from their wages the regular monthly union dues. Upon completion of their probationary period, employees shall be required, as a condition of employment, to become members of the Union and to remain members in good standing during the term of this Agreement.

ARTICLE 7 - DUES CHECK-OFF

The Publisher agrees to deduct from the earnings of each employee in the bargaining unit, whether or not the employee is a member of the Union, and pay any dues or assessments, as specified by the Union. Such dues shall be deducted in accordance with a written schedule furnished by the Union to the Publisher at least one month prior to its intended implementation. The schedule shall be used by the Publisher in calculating dues and assessments until the Union gives written notice of amendment. Such amendment shall be furnished by the Union to the Publisher at least one month prior to its intended implementation.

Deductions shall be made from each pay and remitted to the Union monthly. The Union agrees to indemnify and save the Publisher harmless against all claims or other forms of liability resulting from deductions made or payments made in accordance with this Article.

In consideration for the Employer making deductions in accordance with this Article, the Union shall indemnify and save harmless the Employer, including agents and persons acting on its behalf, from any liability, claims or actions in any way connected with the deduction of Union dues.

Special Assessments

The Employer agrees to deduct general assessments as required by CEP, Local 87-M, Southern Ontario Newsmedia Guild and to remit the total of individual deductions by cheque to the Treasurer of the Union before the end of the month following the month in which the deductions are made. As with the remittance of regular union dues provided for in Article 7, the Employer shall, when remitting assessments, give the names of the employees from whose pay deductions have been made.

CEP Humanity Fund

- a) The Employer shall in each pay period, deduct \$0.01 per hour for all regular hours worked from the wages of employees covered by this Collective Agreement.
- b) The monies so deducted shall be remitted to the charitable foundation known as the CEP Humanity Fund no later than the 15th day of the month following the month in which the hours were worked. The Employer shall also include with the remittance the number of employees for whom contributions have been made.
- c) The first deduction for the Fund will be made in the fifth (5th) week following the ratification of the Agreement.

d) It is understood that participation in the program of deductions set out above is voluntary. Employees who do not wish to participate must so inform the Employer within thirty (30) days of the ratification of the Agreement or within thirty (30) days after being hired.

e) All such employee contributions to the CEP Humanity Fund shall be recorded on the employee's T4 Form.

ARTICLE 8 - INFORMATION

(a) The Publisher shall within thirty (30) calendar days of the ratification of this Agreement, and every six (6) months thereafter, supply the Union with a list containing the following information for all employees covered by this Agreement.

[i] Name

[ii] Date of Hiring

[iii] Classification

[iv] Wage Rate

(b) The Employer shall notify the Union (CEP local 87M) in writing once a month with respect to resignation, termination, deaths, leaves of absence and other revisions in the data listed in Article 8 (a) with effective dates. Within four (4) week of hiring a new employee, the Employer shall furnish the Union (CEP locai87M), in writing with the data specified in Article 8 (a) for each new employee. The employer further agrees to provide the union's unit chair at The Daily Observer or their designate during the first four weeks of hire, 30 minutes to meet with the new employee to provide information regarding the collective agreement.

ARTICLE 9 - GRIEVANCE AND ARBITRATION

[a] A grievance is defined for the purposes of this Article as an expressed difference or dispute between an employee and the Publisher, or the Union and the Publisher regarding the interpretation, application, administration or alleged violation of this Agreement. It is the mutual desire of the parties hereto that such grievances be adjusted and settled as quickly as possible without stoppage of work.

Within **fifteen (15)** working days of the occurrence of or date that the employee could have reasonably known of the occurrence or origination of the circumstances giving rise to the grievance, the employee shall take the matter to the immediate supervisor in the department concerned in order to achieve a mutually satisfactory resolution. Such employee may ask a union representative to accompany him/her when taking the matter to the immediate supervisor, in which case the immediate supervisor may have another member of management attend the meeting. If a satisfactory resolution is not reached within two (2) working days or within such longer period which may be mutually agreed upon, the grievance shall be taken up in the following manner and sequence provided it is

presented within **ten (10)** working days of the immediate supervisor's reply to the employee.

STEP 1

The Union Representative shall make a written presentation to the immediate supervisor setting forth the name[s] of the grievor[s], the date[s] of incident[s] occurred, the nature of the grievance, the Article[s] of the collective agreement alleged to have been violated and the relief sought. A meeting shall be held between the parties within **ten (10)** days of receipt of the written presentation to discuss the grievance. The **immediate Supervisor** shall give the Union Representative a decision in writing within two (2) workdays following the meeting.

STEP 2

Failing settlement of the grievance, the Union shall, within **ten (10)** work days of receiving the reply of the **immediate Supervisor** refer the matter in writing to Step 2 of the grievance procedure.

At Step 2 of the grievance procedure, a meeting shall take place between the Local Union Representative and the Employer Representative.

The Employer shall reply in writing within ten days of the meeting.

STEP 3

Should Step 2 of the grievance procedure fail to resolve the grievance, the grievance may be referred to a meeting between the Publisher and the National Union Representative. Such meeting shall be set up within **fifteen (15) working** days of the referral and such meeting shall occur at the earliest possible date but no later than (21) days after the referral [such time may be extended by mutual agreement]. If the grievance cannot be settled at this meeting, the Union may then refer the grievance to arbitration, in accordance with the terms and conditions of the Labour Relations Act of Ontario, within a further thirty (30) calendar days of completion of the steps outlined in this Article. The results of such arbitration shall be final and binding on both parties. In any grievance, the parties may by mutual written consent omit the referral to Step 2 or the meeting with the National Representative and refer the matter directly to arbitration.

[b] The parties agree, in the interest of cost-containment, that a single arbitrator constitutes a Board of Arbitration. Unless mutually agreed otherwise, the parties will use a single arbitrator when it becomes necessary to resolve a grievance through arbitration. The parties shall each share equally the cost of the services of the arbitrator, who shall be chosen on mutual agreement of the parties. The decision of the arbitrator shall be final and binding on the Union and the Publisher.

[c] The Arbitrator shall not be authorized to make any decision inconsistent with the provisions of this Agreement; nor to deal with any matter not covered by this Agreement nor to alter, modify or amend any part of this Agreement.

[d] Time limits set out in this Article are mandatory. Failure to comply with the time limits set out in this Article shall result in the grievance being deemed to be withdrawn and abandoned. Any grievance shall be deemed to have been withdrawn and abandoned if the grievance is not advanced through the grievance procedure in accordance with the time limits outlined in this Article. Time limits shall be extended only by mutual consent of the parties in writing.

[e] Employees shall have the right to have a shop steward present at any disciplinary meeting in which the employee is to be given a verbal or written warning, or a notice of suspension or letter of discharge. A copy of any written warning or notice of suspension or letter of discharge shall be given to the Employee and the Union. A written warning or notice of suspension or letter of discharge shall include the reason[s] for such discipline and shall be issued within five (5) days of the warning or suspension or discharge. **Copies of formal discipline shall be removed from the employee's personnel file after 18 months from date of issue, provided that there has been no discipline of a similar nature issued during the 18 month period.**

Notwithstanding the above, an employee may request the presence of a Union Representative at any meeting with management.

[f] It is agreed that the Company will not discipline or discharge an employee except for just cause. Step 1 of the Grievance Procedure may be omitted on mutual agreement in the case of discharge for just cause.

[g] A policy grievance shall proceed directly to Step 2 of the grievance procedure. A grievance by management shall be advanced in accordance with Article 9 [a - e] above, but shall proceed directly to Step 2 of the grievance procedure.

ARTICLE 10 - SENIORITY

[a] [i] Seniority, except for the purpose of accumulation of vacation and sick leave and vacation pay and sick pay, shall mean length of continuous employment with the Publisher.

[ii] Seniority for part-time employees shall be prorated based on hours worked as a percentage of hours worked by full-time employees if they are hired as a regular employee.

[b] Unless elsewhere provided in this contract, or legislatively required otherwise, time spent away from the workforce which is not wholly paid by the Publisher shall not be used in computing length of continuous employment with the Publisher for any purpose including, but not limited to, compensation, vacation, holidays, benefits or any other

entitlement under the contract which is dependent on seniority or length of continuous employment with the Publisher.

[c] Seniority once established for an employee shall be forfeited and the employee's employment shall be deemed to be terminated under the following circumstances:

- resignation
- retirement
- discharge for just cause without reinstatement through the grievance or arbitration procedure
- lay off for a period exceeding the period during which an employee has recall rights under the collective agreement
- absence from work for more than three [3] working days without providing a reasonable explanation which is substantiated
- absence from work beyond authorized leave or vacation without providing a reasonable explanation which is substantiated
- fails to report for work within seven [7] days after notification of recall to work following a layoff

[d] A regular employee will be considered on probation until s/he has completed ninety [90] workdays within any twelve (12) calendar months. The probationary period may be extended by another ninety [90] workdays by mutual agreement between the parties. A probationary employee shall be deemed to have no seniority. Upon successful completion of the probationary period an employee shall be deemed to have seniority from the date of his/her hiring.

[e] A probationary employee laid off before completion of the probationary period and subsequently rehired within twelve (12) months from the date of his/her original hiring shall be given credit for the number of days worked previously towards completion of his/her probationary period.

[f] The Publisher may dismiss a probationary employee for any reason, in its sole discretion, provided it does not act in bad faith and this shall constitute the lesser standard to be applied for the purpose of any hearing into the dismissal of a probationary employee.

[g] If a reduction in workforce is necessary, probationary, temporary and part-time employees in the affected group, as defined in Article 17[b] -Layoff Procedure, shall be laid off first.

ARTICLE 11 - TEMPORARY EMPLOYEES

[a] Temporary employees are included in all provisions of this agreement, except Article 14 - Benefits, Article 15 - Vacation, Article 16 - Statutory Holidays, Article 17 - Layoff Procedure, Article 18 [a & b] - Leave of Absence and Article 19[c] - Expenses. Temporary employees shall be eligible for statutory holiday pay and vacation pay in accordance with the formula in the Employment Standards Act.

[b] A temporary employee will not be hired where it would result in the layoff of a regular employee.

[c] The Employer may hire temporary employees up to six months or for the period of Maternity and/or parental leave, which may be extended on mutual agreement and only where existing part-time employees are not available to perform the work.

ARTICLE 12 - WAGES

[a] Employees shall advance along the following hourly wage scale according to hours worked within the classification held:

[i]

Advertising Department

	12-Jun-12	12-Jun-13	12-Jun-14	12-Jun-15
Start	11.78	11.90	12.08	12.26
Year 1	12.73	12.86	13.05	13.25
Year 2	13.62	13.76	13.96	14.17
Year 3	13.92	14.06	14.27	14.48
Year 4	14.19	14.33	14.55	14.77
Year 5	14.32	14.46	14.68	14.90
Advertising Clerk	13.63	13.77	13.97	14.18
Outside Sales Rep	10.82	10.93	11.09	11.26

[ii] Business Office Customer Service Clerk

	12-Jun-12	12-Jun-13	12-Jun-14	12-Jun-15
Start	11.78	11.90	12.08	12.26
Year 1	13.03	13.16	13.36	13.56
Year 2	14.18	14.32	14.54	14.75
Year 3	14.90	15.05	15.27	15.50
Year 4	15.17	15.32	15.55	15.78
Year 5	15.30	15.45	15.68	15.92

Effective **June 12, 2012** increase all hourly wage rates in the Collective Agreement by **0%**

Effective **June 12, 2013** increase all hourly wage rates in the Collective Agreement by **1%**

Effective **June 12, 2014** increase all hourly wage rates in the Collective Agreement by **1.5%**

Effective **June 12, 2015** increase all hourly wage rates in the Collective Agreement by **1.5%**

The Advertising Outside Sales Representatives shall earn 4.65% of their gross sales as commissionable sales.

[b] An employee temporarily required to work the duties of a higher classification shall receive the wage rate of the higher classification that is next higher to the wage rate the employee currently receives, unless the employee is currently being paid more than the starting rate in that classification, in which case there will be no change in the wage rate currently being received until the employee has worked sufficient hours to earn a step-up in the higher classification.

An employee required on a regular basis to work the duties of a higher classification shall receive the wage rate of the higher classification that is next higher to the wage rate the employee currently receives for all hours worked in that classification. It is understood that this clause does not apply to Outside Sales Reps doing Advertising clerk work.

[c] No employee shall be permitted to accumulate hours worked in two or more classifications simultaneously for the purpose of advancing in the wage scale, or for any other purpose under this contract.

[d] There shall be no reduction in wages as a result of implementation of this agreement.

[e] The Employer will notify the Union of any new job classification it establishes in the bargaining unit. If the rate of pay for the new classification is challenged by the Union, the parties shall meet and endeavour to resolve the issue. Any change agreed to shall be retro-active to the date the employee began work in the new job classification.

ARTICLE 13 - HOURS OF WORK AND OVERTIME

[a] The normal hours of work of an employee shall be 7.5 hours in the day and 37.5 hours in the week. Changes in the normal starting time shall be scheduled by the Publisher not later than one week prior to the day in which the work applies, provided, however, that changes may be made without notice on mutual agreement between the Publisher and the employee, or may be made by the Publisher at any time to meet an emergency.

An employee shall receive eleven (11) consecutive hours free from work each day in accordance with the applicable provisions of the Employment Standards Act of Ontario.

Upon ratification, hours worked between 6:00 p.m. and 6:00 a.m. shall be paid a premium of \$1.10 per hour worked.

[b] Where an employee (to include Advertising Outside Sales Representatives) is authorized by the Publisher to work in excess of forty (40) hours/week, the employee shall be paid for each hour worked in excess of forty (40) hours/week at an amount equal to one and one-half times the regular rate of the employee. Authorization for overtime will be treated in a fair and reasonable manner.

[c] Employees will be entitled to a paid break of fifteen (15) minutes during each four hour work period and an unpaid meal period of at least one-half hour to be scheduled by the Publisher, provided no employee is required to work longer than five (5) consecutive hours

without a meal period. The length of an employee's unpaid meal period may vary between one-half and one hour, at the discretion of the Publisher.

[d] The Publisher agrees to make reasonable efforts to schedule regular employees such that each regular employee receives two consecutive days off. Should weekend work become necessary for regular employees, the Publisher agrees to meet with the Union to attempt to devise a mutually acceptable rotation schedule. Should the parties fail to decide on a mutually acceptable rotation schedule within thirty (30) days, the Publisher reserves the right to implement a rotation schedule of his/her choosing.

ARTICLE 14 - BENEFITS

[a] The new FlexMedia benefit plan for all full-time employees of Sun Media will be applicable to all full-time employees covered by this collective agreement and these employees will participate in such plan, effective three months after ratification. The prior benefit program shall remain in place until Flex Media is implemented. The terms and conditions of the new benefits plan, including coverage of benefits, shall be no less than those described and disclosed to the union during negotiations.

The parties agree to cost protection as described in the memo from Chris Krygiel to Howard Law dated April 29, 2010, with attachments.

Part-time employees will continue to be covered under the prior benefit program (as outlined in the collective agreement having an expiry date of July 1, 2010, if they so qualify.

If, during the term of this collective agreement, a new benefit plan is introduced for all part-time employees of Sun Media, then that plan will be applicable to all part-time employees covered by this collective agreement and these employees will participate in such plan with the union's consent, which shall not be unreasonably withheld.

[b] Each of the benefits plans offered by the Publisher shall be subject to the terms and conditions of the insurance agreement with the companies concerned. The current benefit plans in effect shall continue for the life of this agreement.

[c] The Publisher shall, when requested by the Union, furnish a copy of the benefit plans, including copies of the master agreements with the carriers. The Publisher further agrees to take note of any suggestions or criticisms relating to such information from the Union.

[d] The Publisher's obligations expressed under this Article with respect to the provision of benefits refer to the payment by the Publisher only of premiums necessary to obtain said benefits. Any disputes regarding entitlement to benefits or the amount of benefits shall be adjusted directly between the employee and the insurer.

[e] Employees covered by this collective agreement shall be enrolled in The Sun Media Pension Plan for Unionized employees (LFP) effective thirty (30) days **after one year of service.**

ARTICLE 15 - VACATION

[a] Regular employees who have the following seniority as at **January 1** shall be entitled to vacation with pay as follows:

Less than one year's seniority	As per the Employment Standards Act
After one year's seniority	2 weeks paid vacation per year;
After four year's seniority	3 weeks paid vacation per year;
After nine year's seniority	4 weeks paid vacation per year;
After twenty year's seniority	5 weeks paid vacation per year.

[b] Regular employees who have been employed by the Publisher for less than one year shall be entitled to one day's vacation for each 26 days worked.

[c] Unless otherwise specified in the collective agreement, or legislatively required, time spent away from the workforce which is not wholly paid for by the Publisher shall not be used to accumulate or receive any entitlements under the collective agreement including, but not limited to, vacation. In such cases, regular employees shall be entitled to one day's vacation for each 26 days worked.

[d] Regular employees, who work more than 24 hours/week and less than 37.5 hours/week shall accrue vacation in accordance with hours worked in the preceding year with 1950 hours representing a full year's service.

[e] Regular employees working in Outside Sales positions in the Advertising Department shall receive vacation pay and vacation time in accordance with Article 15[a] above for their base rate given at the time of their vacation.

In addition, regular employees working in Outside Sales positions in the Advertising Department shall be paid an amount calculated at an equivalent percentage of the rates shown in Article 15[a] above multiplied by their commission for the pay period in which the commission shows. Said amount will be added on to the pay period in which the commission shows.

[f] The employer agrees it is management's responsibility to ensure that vacation entitlement is scheduled and used within the vacation year of January 1st to December 31st. With management approval, vacation up to five (5) days may be carried over to the next year providing it is used by March 31st.

[g] The time of year that each employee shall take vacation shall be arranged between the Publisher and the employee. Efforts will be made to accede to the employee's wishes, provided it does not interfere with operational requirements and scheduling requirements. In the event of conflicting applications, seniority within classification shall apply, provided first choice of vacation selection from June 15 to September 15, and over Christmas and

over March break shall be limited to two weeks (consecutive if requested) until all employees have had an opportunity for vacation during this period of time.

Employees who fail to indicate their vacation preferences by March 1 of each year may lose the privilege of the vacation selection to which their seniority would otherwise entitle them. The Employer shall post the vacation schedule no later than March 15th of each year.

[h] When a statutory holiday occurs during a vacation period an additional day off with pay shall be granted within a reasonable time from the date of such holiday.

[i] Employees, as of January 1, 2013 will begin taking vacation in the year in which it is earned. With a transition date of January 1, 2013, employees at the Daily Observer shall be entitled to one half (1/2) of the previous year's vacation entitlement to be added to their 2013 vacation entitlement. The employee will have a two year transition period to take these addition vacation days. The parties are of the understanding that if an employee leaves the Company for any reason, other than involuntary layoff, and has not earned all the vacation time they have taken, the Company will deduct such amounts from any outstanding monies. If the amount to be reimbursed is greater than the outstanding monies, the employee shall agree to reimburse the employer with terms that are mutually acceptable.

If an employee is involuntarily laid-off, and has taken more vacation in that year than is earned at the time of layoff, they will be required to reimburse the Company 50% of the unearned vacation from any outstanding monies, including severance pay.

[j] Vacation pay for each week of entitlement, accrued per Article 15[a], shall be a week's regular wage or two percent (2%) of the previous year's earnings, whichever is greater.

[k] With the exception of Article 15[f], it is understood and agreed that for the purpose of this Article, the previous year runs from July 1 to June 30 and that earnings shall mean wages, exclusive of taxable benefits.

ARTICLE 16 - STATUTORY HOLIDAYS

[a] The following shall be considered statutory holidays under the collective agreement: Christmas Day, New Year's Day, Family Day, Good Friday, Victoria Day, Canada Day, Labour Day, Thanksgiving Day, Boxing Day, Civic Holiday or any other holiday[s] provided for under the Employment Standards Act of Ontario.

[b] A regular employee who would have otherwise worked but received a day off in celebration of a statutory holiday shall be paid his/her regular straight time wages, provided the employee does not absent himself/herself from work without proper leave the

work day before or after the statutory holiday, except where the employee has been absent from work due to illness, which is substantiated.

[c] A regular employee whose day off falls on a statutory holiday shall receive a day off with pay at a time mutually agreed to by the employee and the Publisher.

[d] A regular employee required to work on a statutory holiday shall be paid one and one-half times the employee's regular hourly rate, and shall be given another day off with pay at a time mutually agreed to by the employee and the Publisher.

[e] It is understood and agreed that for the night shift, the statutory holiday, or the day celebrated as such, will be celebrated the evening or night prior to said holidays or days celebrated as such.

ARTICLE 17 - LAYOFF PROCEDURE

[a] In the event of layoff, employees shall receive notice of layoff or pay in lieu of notice as required by the Employment Standards Act. The union will be informed if employees receive notice of layoff.

[b] In the event of layoff, the following procedure shall apply: Within each department, employees shall first be grouped according to their status, and then according to their classification. Within each of those groups, layoffs, if any, shall be in inverse order of seniority, provided those remaining have the immediate qualifications, which includes skill, ability, knowledge, training and experience, to perform the work required within two weeks of bumping into the position.

It is understood that, in the application of the above, temporary and then part-time employees shall be laid off before regular full-time employees.

[c] Each employee laid off, other than a probationary employee or temporary employee, shall be placed on a rehiring list for **18 months** from date of layoff, during which time he/she shall have recall rights as outlined in [d]-[g] below.

[d] Should a vacancy occur, the following recall procedures shall apply:

The Publisher shall fill each vacancy in the bargaining unit with a person from the rehiring list, provided he/she is willing and has the immediate qualifications, which includes skill, ability, knowledge, training and experience, in all aspects, for the position within the prescribed two (2) week period, and further provided that the person to be hired shall be the one with the most seniority who was working as a regular employee until the layoff.

[e] To recall an employee, the Publisher shall send a written notice of recall by registered mail to the employee's last address on record with the Publisher. It shall be the

responsibility of the employee to ensure the last address on record with the Publisher is current and correct. If an employee should fail to do so, the Employer will not be responsible for failure of any notice to reach such employee and all recall rights are deemed to have been waived.

[f] An employee shall be struck from the rehiring list and shall be deemed to have resigned if:

- the employee fails to return to work within 7 calendar days when offered a position.
- the employee refuses to return to work within 7 calendar days when offered a position.
- the employee's recall letter is returned because he/she failed to file a correct address with the Publisher.

[g] An employee accepting recall into a lower classification than held prior to notice of layoff shall be paid the wage rate of the lower classification.

[h] While complying with the requirements of [d] to [f] above, a vacancy may be filled, at the discretion of the Publisher, with a temporary employee.

[i] Temporary lay-offs resulting from unexpected problems, equipment or power failures may be made without regard to seniority provided however that every reasonable effort will be made by the Publisher to provide work for employees in their own classification or in another classification in the workplace.

[j] Severance pay for any permanent lay off shall be at the rate of one (1) week's wages for each **six (6) months'** continuous service or a major fraction thereof, with a maximum of **fifty-two (52) weeks'** severance pay, shall be paid to employees.

[k] In the event the Publisher lays off an employee who works 37.5 hours/week, and said employee bumps another employee who works more than 24 hours/week but less than 37.5 hours/week, the hours of work per week for the employee initially laid-off shall be reduced to equal the number of hours normally worked per week by the employee being bumped. The employee initially laid-off shall be paid at the wage rate of the lower classification.

[l] The Employer will accept voluntary lay-offs from other employees in the classification(s) involved in lieu of those identified to be laid off provided those remaining are qualified (which may include skill, ability, knowledge, training and experience) and able to perform the work required. The number of layoffs will be reduced by the number of voluntary resignations from the classification.

ARTICLE 18 - LEAVE OF ABSENCE

[a] An employee who is unable to work due to illness or injury may receive leave of absence without pay. If an employee is hired to replace the employee on such leave of absence, he/she will be deemed to be a temporary employee. An employee on such leave of absence will accumulate seniority, for a period of up to one calendar year, as if he/she

had been working his/her regular schedule. Inability to work due to illness or injury must be substantiated.

[b] Upon return to work of an employee who has been on an authorized leave of absence because he/she is unable to work due to illness or injury, he/she will return to his/her former position, if the position still exists and if he/she is capable of performing the work (with accommodation to the point of undue hardship); otherwise he/she will be offered any other vacant position[s] if he/she is capable of performing the work (with accommodation to the point of undue hardship). If the employee is unable to perform the work of his/her former position or any vacant position[s], and accommodation to the point of undue hardship is not possible, the parties will explore and attempt to agree upon alternative accommodation on a case-by-case basis.

By mutual agreement between the parties, provisions of this collective agreement may be amended or waived to meet the requirements of the duty to accommodate.

[c] Regular employees who have a death in the immediate family, upon notification to the Publisher, shall be allowed time off without loss of regular pay for five (5) days to attend the funeral. If conditions warrant it, other arrangements may be made by mutual agreement. Immediate family will consist of **parents (to include step-parent)**, spouse (including common law or same sex partner) and children (**including step-children**).

Regular employees shall be allowed time off without loss of regular pay of three (3) days to attend the funeral in the event of the death of the employee's sister or brother and the employee shall be reimbursed at his/her regular straight time rate of pay.

Regular employees shall be allowed time off without loss of regular pay of two (2) days to attend the funeral in the event of the death of the employee's brother-in-law, sister-in-law, mother-in-law, father-in-law, grandparent or grandchildren and the employee shall be reimbursed at his/her regular straight time rate of pay.

If an employee is on sick leave, he/she shall receive only sick pay for such bereavement days as are allowed. If an employee is on leave of absence, s/he shall not receive bereavement leave.

[d] Each regular employee who works 37.5 hours/week shall be entitled to ten (10) days of paid sick leave at full pay in any calendar year. Up to twenty-two and one-half (22 ½) hours of this sick leave may also be used to care for a sick dependent or a doctor's appointment that cannot be scheduled otherwise.

Entitlement for regular employees who work more than 24 hours/week but less than 37.5 hours/week shall accrue sick leave in accordance with hours worked in the preceding calendar year, with 1950 hours representing a full year's service.

[e] When required by the Publisher, an employee on sick leave must furnish a medical certificate at the Publisher's expense signed by a duly qualified medical practitioner establishing that the employee is incapable of working. In the event that the medical certificate submitted by the employee is unacceptable to the Publisher, the Publisher shall have the right to require the employee to attend a medical practitioner of the Publisher's choice, at the Publisher's expense.

No sick pay will be paid for scheduled days off, vacation and statutory holidays. No sick pay will be paid for time lost due to alcoholism or drug abuse if treatment is refused. No sick pay will be paid if the employee refuses or fails to participate in a reasonable modified work program.

[f] An employee called in or is subpoenaed to testify before an administrative tribunal, court of law, coroner's inquest, parliamentary inquiry, or Royal Commission or called to serve in civil or criminal court as a juror will be granted leave of absence and shall receive the difference between the court rate and the amount of straight time earnings lost by reason of such service. To qualify, an employee must produce proof that his absence was in response to the above.

[g] Unless otherwise specified in the collective agreement, or legislatively required, employees who are away from the workforce on leave of absence shall not accumulate or receive any entitlements under the collective agreement including, but not limited to, seniority, compensation, vacation, statutory holidays, or benefits or any other entitlement under the contract.

[h] A leave of absence without pay, but without loss of benefits and seniority, shall be granted to one (1) employee who is a member of the Union's negotiating committee for any days spent negotiating with the Employer for a renewal collective agreement. The Unit Chairperson shall be entitled to be part of the negotiating committee under the same conditions. The Employer agrees to provide a copy of the collective agreement to each employee covered by this collective agreement.

[i] A leave of absence without pay, but without loss of benefits or seniority, of up to five (5) days per calendar year shall be granted for union business to employees covered by this collective agreement. This leave shall be subject to the operational requirements of the business as determined by the Employer, but shall not be unreasonably denied.

A leave of absence without pay, but without loss of benefits or seniority, up to a maximum of twenty-five (25) days per calendar year shall be granted to the unit chair for union business, provided ten (10) working days advance written notice is given to the Publisher. This leave shall be subject to the operational requirements of the business as determined by the Employer, but shall not be unreasonably denied.

It is agreed that the parties will meet to discuss reimbursement by the Union for any additional cost incurred by the Employer as a result thereof.

It is understood that the above twenty-five (25) days is for all bargaining units at The Daily Observer, and not per bargaining unit.

[j] Maternity and parental leave will be in accordance with the Employment Standards Act of Ontario, 2000.

[k] The Employer will grant an employee a leave of absence without pay or benefits to work in an official full-time capacity for the Union, the Canadian Labour Congress or the Ontario Federation of Labour. During this time period, the employee will continue to accrue bargaining unit seniority and advance wage grid. Pension plan service shall only accrue if the Employer's contributions are paid by the labour organization. The employee must give the Employer one (1) month notice in writing of such a leave, or of an election that may lead to the need for such a leave and, if operational concerns require it, up to two (2) weeks more notice after the election. No more than one (1) employee may be absent on this leave at any one time.

ARTICLE 19 - EXPENSES

[a] Upon submission of expense reports in the prescribed form and properly supported by vouchers, where obtainable, the Publisher shall pay all authorized expenses incurred by the employee in the service of the Publisher.

[b] The Employer shall provide for gas prices \$.99/litre or less a business mileage rate of 40 cents per kilometre, for gas prices \$.99/litre to \$1.24/litre a business mileage rate of 42 cents per kilometre, for gas prices \$1.25/litre to \$1.49/litre a business mileage rate of 43 cents per kilometre, for gas prices higher than \$1.49/litre a business mileage rate of 44 cents per kilometre to employees not already receiving car allowances or the use of an Employer gas card. This payment is only for those authorized to use their automobile in the service of the Employer and does not include travel to and from work. Employees who qualify for this payment must keep a log of their work-related mileage.

The kilometre scale slides up or down according to the price of gas. The rate will be established by checking the price of regular unleaded gasoline at three mutually agreeable Pembroke gas retailers. The price of each shall then be averaged and the average price will determine the kilometre rate for the next month. The price check will be made by the Publisher of The Daily Observer or his/her designate and the elected representative of the Union on the last Friday of the month to be applied for the following month.

[c] Regular employees who are required by the Publisher to wear safety boots shall be reimbursed up to \$120 every year. Such payments shall be made each calendar year to those employees who have provided appropriate receipts to the Publisher.

[d] Cell phones

The Company will provide a monthly allowance of \$25.00 to those employees using their cell phones for phone calls and text messaging on behalf of the Company. The Company, at its own expense, shall provide employees with any further electronic devices it deems necessary for the employee to perform their duties.

[e] Camera Equipment

The company shall provide and maintain appropriate professionally competitive cameras, video or other equipment, as determined by the employer.

ARTICLE 20 - NO DISCRIMINATION

The Employer and the Union agree that no employee will be discriminated against because of race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, age, record of offenses, marital status, family status or handicap contrary to the provisions of the Ontario Human Rights Code, nor will any employee be discriminated against for Union activity or lack of Union activity.

ARTICLE 21 – TECHNOLOGICAL CHANGE

The Employer agrees to notify the Union in writing not less than thirty (30) days in advance in the event of a reduction in staff due to the introduction of new equipment, or new work process, which will involve functions which have been done by employees covered by this agreement. This notice shall state the nature of the technological change, the date on which the Company proposes to effect the technological change, and the approximate number and classifications of employees likely to be affected by the technological change or reorganization.

The Employer will notify the Union of any new job classification it may establish in the bargaining unit, as a direct result of technological change. If the rate of pay for the new classification is challenged by the Union the parties shall meet and endeavour to resolve the issue of an appropriate rate based on the skill, ability, knowledge and responsibilities involved in the position. Should the parties be unable to agree on an appropriate rate, or on other issues directly related to the technological change, the equipment will be operated in accordance with the directions of the Employer and the matter resolved by arbitration.

ARTICLE 22 – PROMOTIONS AND TRANSFERS

[a] If a vacancy occurs in a department, and the Employer determines the need to fill the vacancy, the Employer shall post the vacancy for (6) publishing days. The job posting shall contain the qualifications required for the job.

[b] The Employer shall interview all employee applicants in the affected department.

[c] If employee applicants are being considered for the vacancy, the successful applicant shall be selected for the vacancy by the Employer on the basis of skill, ability, knowledge, training and experience. If the Employer deems that successful employee applicants are equal in skill, ability, knowledge, training and experience, the employee applicant with the greater seniority will be selected for the job.

[d] Unsuccessful employee applicants shall be advised of the reasons that they were not granted the position.

[e] The Employer shall provide a trial period for the successful employee candidate for thirty (30) calendar days. The trial period may be extended or waived, by mutual agreement between the Employer and the Union.

[f] During the trial period, the employer shall continue to provide on-the-job training for the employee.

[g] Relocation of an employee's residence shall not be a condition of promotion or transfer.

ARTICLE 23 - HEALTH AND SAFETY

The Employer agrees to furnish a clean, safe and healthy, properly ventilated and lighted environment for the performance of all work.

A joint Health and Safety Committee will continue to operate in accordance with the Occupational Health and Safety Act. The Committee Members representing employees covered by the Bargaining Unit shall be selected by the Union. The duties and responsibilities of the committee are set out in the legislation.

Where a pregnant employee who normally operates a VDT requests a transfer away from the VDT, the Employer shall reassign her to a classification that does not include the operation of a VDT, and such reassigned employee will be paid the prevailing rate of pay for the new classification. If the employee cannot be reassigned or accommodated, she shall be granted a leave of absence without pay.

ARTICLE 24 - OUTSIDE ACTIVITIES

An employee shall be free to engage in any activities outside of working hours provided such activities are not in competition with the Employer, do not result in any conflict of interest and do not exploit the employee's connection with the Employer.

ARTICLE 25- PUBLISHING DAYS

The sole right of the Employer to determine the specific days on which publication shall be maintained, the number of editions to be published and when other work shall be performed shall not be open to question and the Employer shall be the judge of the number of employees required in any capacity.

ARTICLE 26 - EMPLOYMENT STANDARDS

It is recognized and agreed that this collective agreement provides a greater right or benefit, whether viewed in the aggregate or on a benefit-by-benefit basis, than the Employment Standards legislation of Ontario.

ARTICLE 27 - RENEWAL

If, prior to the termination of this Agreement, either party hereto wishes to propose an amendment to this Agreement and a new agreement to take the place of this one upon its expiration date, it shall notify the other party in writing within ninety (90) calendar days prior to its expiration date. If notice is not given by one of the parties, as above described, it shall be construed as an automatic renewal of this Agreement for one year and the Agreement shall thereafter be automatically renewed for one year until opened for negotiations by the procedure above mentioned.

In witness hereof the parties have hereunto affixed their seals under the hands of their officers, duly authorized in that behalf, at the city of Pembroke on the **10th day of April, 2013.**

For the Publisher

For the Union

Letters of Understanding

1 - Merit Wages

Nothing within this collective agreement shall prohibit the Employer from granting, or an employee from receiving, merit wages in excess of the amounts set forth in Article 12 - Wages. Nothing shall prohibit the Employer, at its sole discretion, from discontinuing said merit wages at any time.

2 – Advertising Clerk

It is understood and agreed by the parties that the **Advertising Clerk** will perform her duties as an Outside Sales Representative for 20% of her work week and be paid for these hours, as well as 4.65% of her gross sales as outlined in Article 12- Wages, of the Office Unit collective agreement.

It is further understood that the remaining 80% of her work week will be compensated at the Advertising Clerk rate.

The blended rate for both duties has been established at \$13.03(to increase by the negotiated annual wage increases in Article 12) and the **Advertising Clerk** will then receive appropriate increases according to the terms of the collective agreement.

It is also understood and agreed that the percentage of time worked in each area will be revisited twice a year and her blended rate will be adjusted if necessary. The union shall receive written notice of changes to the blended rate.

3 - Advertising Sales Representatives

[A] The issues of granting leaves of absence, and employees covering off for other employees on vacation or medical absence were discussed during the recent negotiations.

1. A special leave of absence without pay for an outside sales representative must be approved by the employer. Any approval will take into consideration the unique nature of the request and will not serve as a precedent for all or any future requests.

An outside sales representative will only receive commission for sales that were completed and ready for publication prior to their absence. The commission paid on their client's activity during their absence will go to the person performing the work. This will include work performed for publication after the return of the absent employee if it meets the "ready for publication" criteria during the absence. Ready for publication means work that is 100 % complete and requires no further copy pickup, proofing, order writing, approval, attention or service of any kind.

2. The above does not affect the reciprocal arrangements of covering off ("buddy system") during vacations or short term medical absence. The employer will ensure the implementation of a "buddy system". The commission under the "buddy system" will be paid to the representative whose account it is.

If, for any reason, a reciprocal partner cannot be secured, the commission will only be paid to the representative whose account it is on work that is "ready for publication" during the absence.

[B] Although there are no defined geographic territories for outside sales representatives, appointments shall be approved prior to visiting new accounts beyond the local Pembroke - Petawawa area, unless the outside sales representative is already in the vicinity servicing his/her existing accounts.

4 – Outside Advertising Sales Representatives and Classified Sales Personnel

The employer reserves its right to alter or amend special incentive plans. However, the employer shall continue its current practice regarding special incentives for classified sales employees.

When the employer alters or amends the special incentive plans due to business needs, it will give sixty (60) days notice to the union and affected employees of any such alteration or amendment.

The parties shall work cooperatively to ensure client lists and incentive plans that are fair and reasonable. To this commitment, on a going forward basis and at the request of either party, the union and employer shall meet to maintain the intent, established in the November 2011 exercise, regarding equitable client list.

5 - Post Age 65 Employment

Notwithstanding Article 3(c), or any other Articles of this agreement, the parties agree that in the event that a full-time employee continues to work past the age of sixty-five (65), the following will apply for the duration of this collective agreement.

The employee shall continue to be covered under the FlexMedia plan referred to in **Article 14** under the terms of that plan, except he/she shall not be eligible for Long Term Disability coverage.

#6 - Technical Support

It is agreed by the parties that any employee shall be reimbursed \$15.00 for those authorized instances when they provide technical support / assistance over the telephone during their unscheduled work hours. If any employee is called into work to provide such support, they shall be paid a minimum of three (3) hours.

#7 - STD Plan/Casual Absenteeism

If an employee is absent for more than four consecutive days and has not completed a Short Term Disability form in anticipation of an absence longer than ten working days, he or she will be required to provide a doctor's note for those days. For purposes of clarity, legitimate (see below) casual illness or absenteeism prior to eligibility for Short Term Disability under the Flex plan will be paid at regular straight time pay for the time absent from work.

Those employees who are compensated by a variable compensation plan will have any STD payment based on the Benefit Base, which are the prior calendar year's total earnings.

For absences that fall outside the Short Term Disability Plan under Flex Media, employees may be required to provide a doctor's note to the employer to authorize their absence from work, as well as to qualify for payment of wages.

The request for the doctor's note will be based on reasonable criteria which are as follows:

- 1) the employee has an excessive record of absenteeism; or
- 2) the employee exhibits a pattern of absences; or
- 3) the employer has reasonable grounds to suspect that the illness was not legitimate; in which case the employee may be required by the Employer to provide a doctor's note.

#8 - Advertising Outside Sales Representatives

As per the minutes of settlement dated Oct. 7, 2010, the Company will provide the union a master list comprising of all the house / national accounts and a master list comprising all the individual accounts assigned to each OSR. The Company will provide this information to the union on a quarterly basis and will meet to present the information to them.

#9 Commission Sales Structures

Commission rates, territories and account lists for advertising employees upon ratification shall remain consistent with current practices. Territories and account lists shall be reviewed after the first three (3) months by a joint committee with a target for completing any changes within nine (9) months of ratification. The joint committee shall be comprised of three employer representatives selected by the employer and three union representatives selected by the union. The role of the committee will be to review and agree on territories and account lists that ensure a fair and equitable distribution for all employees in the Advertising group.

The committee will also be responsible for exploring and recommending an equitable means to shift from commissions on national accounts, sold by the national sales department, while ensuring no sales representative is negatively impacted by the committee's proposal. Any proposal recommended by the committee regarding national accounts will be subject to ratification of Local 87M 45.3.