

Memorandum of Understanding Between
McClatchy Newspapers Inc, Publisher of The Sacramento Bee (“Company”)

AND

Pacific Media Worker’s Guild
Local 39521 (“Guild”)

This Memorandum of Understanding (“MOU”) shall be incorporated into and become part of the Collective Bargaining Agreement (“CBA”) dated May 30, 2013 between The Company and the Guild. In the event of any conflict between any provision(s) of the CBA and any provision(s) of the MOU, the MOU shall control and supersede the provision(s) of the CBA.

Pursuant to Section 29.2 of the CBA, The Company and the Guild negotiated on Sections 4, 7, 10 and 23. The Company and the Guild agree that there would be no changes in the reopened sections except for the following revisions effective January 1, 2015.

1. Section 4.1(b) of the Agreement is to be revised as follows:

The merit increase pool will be the following for the period January 1, 2015 through December 31, 2015: 2%. It is agreed that there is no requirement that there be money put in the merit increase pool beyond 2015. It is understood by both parties that this provision does not override section 4.11.

2. Section 7.2 of the Agreement is to be revised as follows:

Vacations shall be arranged beginning with April 15 and ending with October 15 of each year, except that in the case of employees who have completed five years, but less than ten years of continuous employment as of January 1 of the year in which the vacation is taken, one week of their four weeks of vacation shall not be within the above period unless mutually agreed to. The Publisher shall arrange the vacations in the various departments in accordance with the needs of the office and shall give first consideration to length of service in assigning vacation periods during the initial sign-up period of October 1 to November 30 for the following calendar year. After November 30 in each assignment period, no employee may “bump” a less senior employee from a vacation period already assigned in accordance with this Agreement and the department’s individual practice. With the consent of the employee and the Publisher, the vacation may be split and/or scheduled outside the above designated time period. In those departments where it is impossible to schedule all employees to take vacation during the Thanksgiving, Christmas or New Year’s weeks, each employee shall have the option of

taking a vacation in one of those three periods at least once every three years notwithstanding seniority.

3. Section 10.6 of the Agreement is to be revised as follows:

10.6 (a) 1. If an employee is required to use a personal cell phone for Company business, The Company shall reimburse the expense, or where the expense is not itemized, a pro-rated amount of the plan in accordance with California State Law.

10.6 (a) 2. The Company may require an employee to use a Company cell phone for Company business.

10.6 (b) To receive reimbursement for a cell phone expense described in 10.6(a), the employee must submit a timely expense report seeking reimbursement.

10.6 (c) It is agreed that an expense report is considered timely if it is submitted no longer than 60 days after incurring the expense, or receipt of the corresponding billing statement.

4. Section 23 of the Agreement is to be revised as follows:

23.1(d) Revenue Calculation

Revenue is achieved and potential commission is earned when the actual advertisement runs. The employee must be an active employee at the time that the advertisement runs for there to be any potential commission due. Any advertisements that were scheduled or sold to run on dates after the employee's termination date shall not be included in the employee's revenue calculations since the commissions on such advertisements have not yet been earned.

At The Company's sole discretion, and commencing no sooner than July 1, 2015, Revenue Achievement for all interactive sales resulting from a joint sales effort of an Interactive Representative and a Sales Representative, shall be split with the allocation of 60% of the credit to the Interactive Representative and 40% of the credit to the Sales Representative. The Company shall provide 30 days notice to the Guild of this change prior to implementation to allow for discussion.

23.1 (g) Individual Revenue Goal Setting

1. The period revenue goal for each account manager shall be determined each period by The Company. On or before fifteen (15) days prior to each new quarter, the account manager shall meet with his or her supervisor to discuss his or her revenue goals for the next quarter. The account manager shall be informed on or before the fifteenth calendar day of each quarter of The Company's determination of his or her quarterly and corresponding period revenue goals. On or before the first day of the period, the second and/or third period goal may be adjusted. This period adjustment cannot be more than

thirty percent (30%) from the original period goal. If a period goal is adjusted in the quarter, the corresponding adjustment shall be made to the quarterly goal. If the account manager disagrees with the goal, he/she may appeal to the team coach. The decision of the team coach must be made within three (3) working days. If the employee still disagrees, he/she may appeal to the division director. The decision of the division director must be made within three (3) working days. If the employee still disagrees, he/she may appeal to the division V.P. The decision of the division V.P. shall be made within three (3) working days. The decision of the division V.P. on the goal appeal shall be final.

McClatchy Newspapers, Inc.
Publisher of The Sacramento Bee

Pacific Media Workers
Guild, Local 39521

By: _____

By: _____

Dated: _____

Dated: _____

By: _____

Dated: _____