

AGREEMENT BETWEEN
The MCCLATCHY COMPANY, INC. PUBLISHER OF
THE FRESNO BEE
(“Company” or “Publisher”)
AND
PACIFIC MEDIA WORKERS GUILD, LOCAL 39521,
THE NEWSPAPER GUILD-CWA (“Guild”)

PREAMBLE

This Agreement entered into this 25th day of June, 2014, between The McClatchy Company, a corporation, Publisher of THE FRESNO BEE, hereafter referred to as the “Publisher” or the “Company,” and the PACIFIC MEDIA WORKERS GUILD, LOCAL 39521, THE NEWSPAPER GUILD-CWA hereinafter referred to as the Guild, for itself and on behalf of all covered employees of the Publisher in the Editorial Department of The Fresno Bee.

SECTION 1 – JURISDICTION AND RECOGNITION

1.1 The Guild’s jurisdiction is recognized as applying to the kind of work presently performed, or by established practice performed, by the employees in the unit covered by this Agreement, and any work which may supplant or substitute for such work presently performed. Any work or equipment which supplants the foregoing shall be assigned to employees covered by this Agreement.

RECOGNITION

1.2 The Publisher recognizes the Guild as the exclusive bargaining representative with respect to wages, hours, and other terms and conditions of employment of all full-time, part-time and on-call editorial employees employed by the Publisher, excluding the Executive Editor, Managing Editor, Online Editor, Assistant Managing Editors (2), Editor of the Editorial Page, Associate Editors (2), Metro Editor, Assistant Metro Editors (6), News Editor, Assistant News Editors (2), Feature Editor, Assistant Feature Editors (3), Sports Editor, Assistant Sports Editors (2), Design Editor, Picture Editors (2), Photo Editor, Systems Editor, Copy Desk Chiefs (2), Assistant to the Vice President, Administrative Assistant and Confidential Secretary.

(a) Upon forty-five (45) days notice to the Guild, any of the exclusions listed above which are or become vacant may be revised or retitled to cover a different position. The filling of any such new excluded position must be dictated by business needs and any such new excluded position must fall within the definition of a supervisory or managerial position under the National Labor Relations Act.

SUBCONTRACTING – ASSIGNMENT OF WORK

1.3 Notwithstanding the provisions of Section 1.1 above or any of the other provisions of this Agreement, the Company may do the following:

(a) There shall be no limitation on the Company’s right to use non-bargaining unit employees and employees of other entities owned by McClatchy Newspapers to perform editorial production work which includes the functions of design, layout, copy editing and pagination. Any full-time employee who is laid off as a result of the Company’s exercise of its rights set forth in the foregoing section shall be entitled to the following:

(1) If the laid off employee’s work is sent to another McClatchy entity and that entity has an open position in Editorial Production, at the time of the work transfer, the employee shall have the right to interview for the open position.

(2) If the laid off employee is hired by the entity and the base pay for the position is less than eighty (80) per cent of the laid off employee’s compensation at his prior

Company position, the laid off employee shall be entitled to a cash payment equal to 50% of their severance benefit as described in section 7.1 of this agreement.

(3) Any individual who is hired pursuant to (2) above and is then laid off within a year, shall have his/her severance payment, if any, reduced by the cash payment received pursuant to paragraph (2) above. It is understood that the initial severance calculation, if any, shall be determined by the terms of the severance program of the new McClatchy entity.

(4) The minimum severance payment for any employee who is laid off pursuant to section 1.3 (a) is eight weeks.

(b) In addition to its rights under paragraph (a) above, the Company shall have the following rights:

(1) The Company may use specialists from outside the bargaining unit for periodic columns or commentaries or assign work on non-news copy to subcontractors.

(2) Editorial employees of the Company who are not covered by this Agreement may perform work which is covered by Section 1.1 of the Agreement, provided that the performance of such work is consistent with past practice.

(3) The Company may utilize stringers and freelancers to perform work which is covered under Section 1.1 of the Agreement, provided that the performance of such work is consistent with past practice.

(c) In addition to assigning bargaining unit employees to produce work product for the Fresno Bee, the Company may assign any nonbargaining unit work to bargaining unit employees.

(d) Nothing in this Section 1.3 shall change the jurisdiction and description of the bargaining unit for collective bargaining purposes.

1.4 Employees covered by this Agreement shall have the right to belong or to not belong to the Guild and the right to pay or to not pay dues and/or fees to the Guild if they are not members.

1.5 Any employee who is, or voluntarily becomes, a Guild member during the term of this Agreement shall remain a member thereafter during the term of this Agreement, except as provided in the following sentence: All employees covered by this Agreement shall have the option to withdraw from the Guild without penalty or recourse and cease paying any dues and/or fees during the first full month after signing the Agreement and during the month of December of each year thereafter.

(a) At the time of hire, employees covered by this Agreement shall receive a form letter, which is attached hereto as Side Letter 1, explaining the resignation option. Employees covered by this Agreement who are on the Publisher's payroll at the time of the signing of the Agreement shall receive the same letter within thirty (30) days after signing of the Agreement.

(b) For the purpose of this Agreement, resignation from Guild membership shall be defined to mean written notification advising the Guild that the employee is resigning from Guild membership. Failure to do so shall mean continuation of membership. The employee may submit a copy of his/her said resignation to the Publisher.

SECTION 2 – PART-TIME, TEMPORARY AND ON-CALL EMPLOYEES

- 2.1** (a) Part-time, temporary employees and on-call employees will not be hired where the result is the layoff of a full-time employee who was employed on July 8, 2011.
- (b) Notwithstanding Section 2.1(a), the Company may during the term of this Agreement, replace up to three (3) full-time employees who were employed as of July 8, 2011 with part-time employees, with four weeks advance written notice to The Guild and affected employees. Any part-time position created as a result of the foregoing replacement shall be for at least 20 hours per week. Any full-time employee so replaced shall have the option either to fill the new part-time position or be laid off with the severance benefits set forth in Section 7 of this Agreement.
- (c) Any full-time employee replaced pursuant to 2.1(b) who opts to fill the new part-time position shall be entitled to a cash payment equal to one week of pay for each year of Company service up to a maximum of 13 weeks if the new part-time position is not comparable to the full-time position being replaced. A new part-time position is not comparable if (a) the number of working hours and base pay are not within eighty (80) percent of the replaced full-time position or (b) the job location of the part-time position is greater than fifty miles from the replaced full-time position. (Any employee who opted to fill a new part-time position pursuant to this paragraph and who was thereafter laid off prior to January 1, 2014, shall be treated as a full-time employee for severance pay purposes, less any severance amount already received as a result of this provision).
- (d) Prior to involuntarily replacing any full-time employees pursuant to 2.1(b), the Company shall first request volunteers. Whether or not to accept any volunteer is at the Company's discretion. Any volunteer whom the Company accepts shall count toward the three replacements allowed by 2.1(b).
- (e) If an employee initiates a request to be converted from full-time to part-time, and the Company grants the request, such a conversion shall not count toward the three replacements allowed by 2.1(b).

DEFINITIONS

- 2.2** The Publisher shall have the right to hire employees in the following classes of employment within the bargaining unit:
- (a) Full-time employee – A full-time employee is one who is regularly hired to work the regular work week provided for in Section 6 of this Agreement.
- (b) Part-time employee – A part-time employee is one who is hired and scheduled to work less than the normal work week provided for in Section 6.
- (c) Temporary employee – A temporary employee is an employee either full- or part-time for a special project or for a specified time, or hired to substitute for one or more absent employees, such employment not to exceed four (4) months (which time limit may be extended by mutual agreement between the Publisher, The Guild and employee). An employee who is hired to substitute for a particular employee absent on leave hereunder, may continue for the duration of the leave.

(d) On-call employee – An on-call employee is a part-time employee who is hired on a fill-in basis as work dictates, and except in substitution situations is not regularly scheduled to work. The Publisher is not required to hire an on-call employee for any minimum amount of hours. The on-call employee may accept or reject work opportunities as he/she pleases.

- 2.3 All of the above classes of employees within the bargaining unit are covered by all provisions of this Agreement except as otherwise expressly provided in this or other sections of the Agreement.
- 2.4 For all part-time employees, whether regular, temporary or on-call, the number of hours worked each week is at the sole discretion of the Publisher.

PART-TIME, TEMPORARY AND ON-CALL BENEFITS

- 2.5 Part-time, temporary and on-call employees shall be exempt from sections 6.1(a) (Four-Day Week); 6.1(b) (Flex Time); 6.3 (Days Off); 6.4 (Personal Time Off); 6.8 (Work Schedule Posting, except that no part-time employee will be required to work a seventh day at straight time); 6.10 (Sunday Work); 6.11 (Holidays, except that part-time employees shall be paid time-and-one-half for hours actually worked on a holiday); 8 (Vacations); 13.3 (Rehire from Layoffs); 13.4 (Reductions in Force); 13.5 (Layoff Notice); 14.2 (Sabbatical Leave); 14.3 (Leave for Guild Office); 14.4 (Bereavement Leave); 19.1 (Sick Leave, except as provided in Section 19.1); 20.4 (Transfers); and 21 (Health Insurance).

STUDENT JOBS

- 2.6 The Guild and the Publisher agree that the Publisher may employ up to six (6) employees in “student jobs” exclusive of the Sports Department. These positions shall be limited to individuals who are students in good standing and whose performance is satisfactory to the Publisher. At its discretion, the Company may continue the employment of an employee in a student job for up to three (3) months after the employee is no longer a student. The Guild shall be provided with notification of any such continuation.
- 2.7 The Guild and the Publisher agree that the Publisher may employ part-time employees, known as prep writers, in the Sports Department. Prep writers may be employed on or before the start of the school year and will terminate on or after the date of the close of the school year.
- 2.8 The rate of pay for any of the student jobs set forth above shall be set by the Company and may be changed at any time at the discretion of the Company. Employees in the student jobs set forth above may be dismissed with or without cause. Any such dismissal shall not be subject to the provisions of Section 9 of this Agreement nor shall the requirements of Section 13.5 and 13.8 of this Agreement apply to such dismissal.

SECTION 3 – GENERAL

- 3.1 The Publisher shall classify employees as to job titles and experience rating at the time of employment, transfer or promotion.
- 3.2 As soon as possible, and in any event within one week after the employee begins work at the Company, the Publisher shall furnish the Guild in writing the following information for each employee:

- (1) Name, address, personal phone number, birth date, gender, race and Employee ID number.
- (2) Date of hire or transfer
- (3) Contract classification, status (p/t, temporary or on-call)
- (4) Job title and experience rating
- (5) Job performance evaluation date
- (6) Salary
- (7) Place of work if not in main plant.

- 3.3 The Publisher shall notify the Guild in each case of the termination of an employee covered by this Agreement as soon as possible and in any event within one week of termination.
- 3.4 The Publisher shall notify the Guild in writing of any change in classification or job status other than changes resulting from operation of this Agreement.
- 3.5 The Publisher shall supply the Guild on request, but not more than twice a year, with a list containing the information listed in Section 3.2 for employees covered by this contract.
- 3.6 If the Guild requests any additional lists for other than bargaining purposes, the Guild will assume the administrative costs necessary to compile such information.

EMPLOYEE PROMOTIONS

- 3.7 Before new employees are hired for regular full-time positions covered by this Agreement, the Publisher agrees to give consideration to present employees who possess the necessary qualifications for the position to be filled and in accordance with the Publisher's employment practices in the Editorial Department. Particular consideration also will be given to the opportunities for employees in lower classifications to substitute in higher classifications during vacation absences where possible. No employee in any way shall be penalized for refusing to accept a promotion. Employees promoted to regular full-time positions shall be given a trial period of three (3) months. The Publisher shall have the option to extend the trial period for an additional three (3) months. During such trial period, the employee shall receive at least the minimum rate of pay for the higher classification. During such trial period, the Publisher will appraise the employee's performance and determine if the employee passes or fails the trial. If, at any time during the trial period, the Publisher determines the employee is failing the trial, or if the employee determines he/she is failing the trial, the Publisher will return the employee to his/her previous position and adjust his/her pay to what he/she was paid in that previous position. If the employee is judged to be competent in the new position, the trial period shall be included for all purposes in determining the length of service in the classification to which he/she is advanced.

JOB POSTING

- 3.8 The Publisher shall post open positions for at least seven (7) calendar days, and give consideration to current employees for promotions and/or lateral transfers prior to making a selection.

JOB CLASSIFICATIONS-NEW

- 3.9 Should the Publisher create a new job classification, it shall establish a salary for the classification and furnish the Guild with a job description. No later than forty-five (45) days thereafter, the Guild may request that the parties meet for the purpose of negotiating a new salary

for said classification. Pending the completion of these negotiations, the Company may implement its proposed salary for the new job classification.

SECTION 4 – SALARY DIFFERENTIALS

- 4.1** Any employee who is assigned to perform the work of Assistant Metro Editor, Wire Editor, Section Editor or Copy Desk Chief for fifty percent (50%) or more of a shift on a regular day off, temporary absence or vacation of the person regularly holding such positions shall receive a differential of \$9.00 in addition to his/her regular salary. The payment of a differential to any employee under this section shall not affect any compensation received by such employee while so substituting. This section shall not apply to learners, interns, summer replacements nor to persons who have not had at least thirty (30) days of experience in such position.

DIFFERENTIAL FOR NIGHT WORK

- 4.2** Any employee working a shift beginning or ending between 9:00 p.m. and 6:00 a.m. shall receive a differential of \$5.25.

SECTION 5 – SALARIES

PERFORMANCE REVIEWS

5.1 Employees covered by this Agreement who have completed the equivalent of one year of continuous full-time employment with the Publisher shall receive annual job performance reviews on or before their job performance review date.

- (a) All part-time employees shall receive at least one performance review per calendar year during the term of this Agreement.
- (b) On-call employees who work a minimum of 750 hours per year also shall receive one performance review per calendar year during the term of this Agreement.
- (c) Performance will be reviewed and employees shall receive at least the following minimum percentage of the agreed upon merit pool based upon their current weekly base rate and job performance reviews:

Class	Weekly base salary	Weekly base salary	Weekly base salary
1	<\$850.00	\$850.00 - \$1220.00	>\$1,220.00
2	<\$605.00	\$605.00 - \$725.00	>\$725.00
3	<\$415.00	\$415.00 - \$660.00	>\$660.00
4	<\$360.00	\$360.00 - \$560.00	>\$560.00
6	<\$1,000.00	\$1,000.00 - \$1,600.00	>\$1,600.00
7	<\$1,000.00	\$1,000.00 - \$1,600.00	>\$1,600.00

Rating	% of merit pool	% of merit pool	% of merit pool
Outstanding	200%	150%	75%
Commendable	150%	100%	50%
Acceptable	100%	67%	33%
Needs Improvement	0% <i>(Up to 33% on re-review)</i>	0% <i>(Up to 33% on re-review)</i>	0% <i>(Up to 33% on re-review)</i>

- (d) No money shall be put in the merit increase pool in 2014. It is agreed that there is no requirement that there be money put in the merit increase pool in any year beyond 2014.
- (e) Leaves of absence will extend the annual performance review date by the number of days on leave.
- (f) If there are monies put in the merit increase pool in a given year, the average percentage increase of those employees eligible to be considered for a merit pay increase in that year shall be at least 75% of the merit increase pool percentage for that year.
- (g) The following provisions of Section 5 shall not be subject to the provisions of Section 9 (Settlement of Disputes of the Agreement); 5.1(d), 5.2, 5.3, 5.4, 5.8, 5.11 and 5.12.

5.2 Merit increases shall be granted based upon job performance and shall go into effect on or before the effective date of the job performance review.

5.3 Any employee who receives a Job Performance Review may, within three weeks, appeal his/her performance review and/or salary increase determination.

- (a) The employee shall first take his/her appeal in writing to his/her immediate supervisor.

(b) Should the immediate supervisor fail to resolve the issue to the satisfaction of the employee within one week thereafter, the employee may appeal to the Executive Editor or his/her designee. The decision of the Executive Editor shall be final.

(c) Upon the request of the employee, the Guild may participate with the employee in the appeal process.

5.4 Any employee who does not receive a salary increase as a result of his/her annual Job Performance Review shall, upon request, be re-evaluated within three (3) months of his/her annual review or resolution of the appeal, whichever occurs later. This interim review shall be subject to the appeal process of Section 5.3 and its delivery date including salary increase, if any, shall become the employee's new Job Performance Review date.

5.5 (a) Salary increases granted pursuant to this Section 5 shall be in addition to the employee's base weekly or hourly rate.

(b) The term "base weekly salary" is understood to mean straight-time salary paid and does not include any overtime, differentials, allowances or other pay provided elsewhere.

(c) Notwithstanding 5.5(a) above, the Publisher may elect to pay merit increases, if any, in a lump sum to an employee who transfers from an exempt position, outlined in Section 1.2, into the bargaining unit. Said "red circled" employees will be eligible for their merit increase, if any, to be added to their base pay, when their base weekly salary falls below 120 percent of the median base salary within the applicable classification.

5.6 There shall be no reduction in the base weekly salary of any employee covered by this Agreement except as provided in this Section 5 and in Section 3.

(a) It is understood that the application of this provision shall provide that upon the request of the Publisher and with the consent of the employee, an employee may be transferred to any lower-paying job as specified in this Agreement. Under such circumstances the employee shall retain his/her salary at the time of transfer. If an employee requests to be transferred to a lower-paying job or his/her previously held job, and the Publisher agrees, the employee's salary at the time of transfer may be retained at the Publisher's option.

(b) In the event the Publisher demotes an employee to a lower-paying job for disciplinary reasons, the employee's salary shall be reduced to no less than the applicable salary (based on experience) for the lower-rated job. Such demotions must be made for just and sufficient cause.

CLASSIFICATIONS

5.7 Employees covered by this Agreement shall be assigned to the following classifications and shall be paid no less than the minimum base salary established herein for their classification:

Weekly minimum salaries

Class	Description	Beginning	Experienced
1	Reporters, Copy Editors, Desk Persons, Photographers, Artists, IM Content Producers, IM Programmers (Including On-Call Employees Working in Classification No. 1)	\$18.9469/ hour \$710.51/week	\$22.6279/hour \$848.54 per week (after six years)
2	Librarians (Including On-Call Employees Working in Classification No. 2)	\$12.81/hour \$480.44/week	\$16.08/hour \$603.14 per week (after four years)
3	Photo Techs, Info Aides, Receptionists, Agate Clerks, IM Content Coordinator (Including On-Call Employees Working in Classification No. 3)	\$11.05/hour \$414.49/week	NA
4	News Aides (Including On-Call Employees Working in Classification No. 4)	\$9.47/hour \$355.45/week	NA
5	Interns (Including On-Call Employees Working in Classification No. 1 on an intermittent basis)	\$12.36/hour \$463.50/week	NA
6	Columnist	\$25.56/hour \$958.59/week	N/A
7	Senior Writer	\$25.56/hour \$958.59/week	N/A

5.8 Newspaper, news or feature syndicate, press association, recognized news magazine or other relevant magazine experience and experience in other related fields shall be given first consideration in establishing starting pay levels for employees covered by this Agreement who write or edit news. In respect to establishing the starting pay level for photographers and artists, first consideration will be given to all regular employment on a newspaper, recognized news magazine or corresponding experience in comparable business or in another business in which they perform work similar in character to that required by the Publisher.

(a) Experience level for employees in Classification No. 1 shall be determined by the Publisher at the time of hire. Generally, full credit will be given for daily newspaper publications; half credit for weekly paid circulation newspaper publications; and a quarter credit for an internship or for a school year of service on a college or university newspaper.

(b) Experience levels for applicable employees that are covered by this Agreement who are on payroll as of the effective date of the Agreement shall be determined by the Executive Editor based on total regular hours worked in Classification No. 1 and information provided on the employee's employment application.

(c) Subsequent credit for experience shall be based upon total regular hours worked in Classification No. 1 and will only be granted for periods in which the employee has received a performance rating of acceptable or higher.

(d) Employees described in 5.8(b) may appeal their experience-level rating in writing to the Executive Editor. The decision of the Executive Editor shall be final.

5.9 Nothing in this Agreement shall prevent employees from bargaining individually for salary increases. Any salary increases granted pursuant to this provision shall be added to employee's then current base salary, and the sum shall be that employee's new base salary.

- 5.10** Nothing in this Agreement shall prevent the Publisher from conducting job performance reviews and granting merit increases on a more frequent basis than is outlined in this Agreement. Any salary increases granted pursuant to this provision shall be added to the employee's then current base weekly salary, and the sum shall be that employee's new base weekly salary.
- 5.11** It is understood that the wages of employees covered by this Agreement may be subject to freezes, delays or reduction of planned increases if non-bargaining unit employees and Management of the Company also experience any of these wage control actions due to economic reasons. It is understood that these wage actions will be at no greater magnitude than those experienced by non-bargaining unit employees and Management of the Company. The Company agrees to give the Guild at least thirty (30) days notice of the wage action to allow Guild and Company representatives to meet to discuss alternative solutions. The Publisher will make the final decision and has the sole authority to determine whether or not economic reasons exist.
- 5.12** The Guild shall have the right to verify any freeze, delay or reduction of planned increases through a mutually agreed upon independent auditor who will be allowed access to payroll records. It is understood that the independent auditor will only have access to Company payroll records.
- 5.13** Within one month of the payment of a merit increase, the Company will furnish the Guild with the name, classification, previous salary, merit increase and new salary of the eligible bargaining unit employee.
- 5.14** It is understood and agreed that columnist shall be exempt from sections: 4.1 Salary differentials for filling in for Asst. Metro Editors, wire editors, section editor or copy desk chief; 4.2 Night Differential; 6.1 Work week; 6.2 Work Day; 6.3 Days off; 6.4 Personal time off; 6.5 Overtime, comp time; 6.6 Callback; 6.7 Overtime record; 6.8 Work schedule posting and 6.9 Turnaround time.
- 5.15** A columnist shall have the right to remain in classification 1 or to return to that classification at any time. If the Publisher transfers a columnist to classification 1 for any other reasons, the employee shall retain his or her columnist salary at the time of said transfer. If a columnist who was previously in classification 1 requests to return to that classification, his or her salary shall be recalculated to apply all merit increases earned as a columnist to the employee's previous base pay in classification 1 or to the applicable contract minimum, whichever is higher, using the percentage applicable to classification 1 at the time the increases were earned.

SECTION 6 – HOURS

WORK WEEK, FOUR-DAY WEEK, FLEX TIME

6.1 The five-day, 37½ hour schedule shall be the normal work week for full-time employees.

(a) Notwithstanding any other provisions of this Agreement, by mutual agreement between the Publisher and the employee, any employee may be scheduled to work a four-day week consisting of the applicable total weekly hours specified in Section 6.1. The Publisher should notify the Guild within seven calendar days of any such agreement. Section 6.2 shall not apply to employees who work a four-day week.

(b) By mutual agreement between the Publisher and the employee, regular full-time employees may work a 37½-hour fluctuating workweek. The Publisher will notify the Guild of any such employee who works a fluctuating work week. Nothing in the above prohibits employees from returning to a normal work week upon four weeks (28 calendar days) notification to the Publisher.

WORK DAY

6.2 Seven and one-half (7½) hours within eight and one-half (8½) consecutive hours shall constitute a day's straight time work. An unpaid meal break of at least 30 minutes will be granted and must be taken no later than five (5) hours after the start of every shift longer than six hours. If the shift is to be completed in six hours, the employee may voluntarily waive the meal break provided that the employee receives prior management approval.

DAYS OFF

6.3 Days off shall be consecutive insofar as practicable which considers the efficiency of the department.

PERSONAL TIME OFF

6.4 If an employee is allowed time off during a regular work day to handle personal matters, the Publisher may require that this time be made up within the same week, but not on the employee's day off. If an employee requests and receives a day off, other than his/her regular day off, he/she shall make up such time by working a day assigned by the Publisher. The Publisher may not assign a day which would work a hardship on the employee. Agreement to any change for personal reasons is at the option of the Publisher, who shall not be penalized in terms of overtime, differentials, premiums or in any other form, for such agreement.

OVERTIME, COMP TIME

6.5 The Publisher shall have the right to compensate for all overtime at the rate of time and one half in cash or check. Overtime shall be defined as any hours actually worked in excess of eight (8) hours in a day or in excess of forty (40) hours in a work week. Until the Company implements the preceding sentence, overtime shall be defined as work beyond the unit of hours in the work day or work week.

(a) In lieu of overtime, the Publisher may provide compensatory time off provided that the affected employee opts for compensatory time off. Compensatory time off shall be paid at the

rate of time and one-half. Compensatory time off shall be taken within the same workweek as the overtime was worked.

CALLBACK

- 6.6** An employee required to return to work after the regular work day shall be paid for the time worked, but not less than two (2) hours plus time traveled to and from work, all at the overtime rate. Full-time employees called in to work on their days off shall not be called for less than a full shift at the overtime rate, provided employees called in to work on their days off because of illness on the staff shall not be called for less than two-thirds (2/3) of a shift, at the overtime rate.

OVERTIME RECORD

- 6.7** The Publisher shall cause a record of all overtime to be kept. Employees shall report all time worked on a daily basis and shall report all overtime worked within each payroll period. Such record shall be made available to the Guild in case of a dispute.

WORK SCHEDULE POSTING

- 6.8** Work schedules shall be posted one week in advance of the week for which they apply, and any work performed at hours not scheduled shall be considered overtime except as provided in this Section 6.8. In the case of illness, unanticipated jury duty, failure to report, or dismissal of an employee, another employee may have his/her starting time adjusted to cover the absence without payment of overtime. In addition, the work schedule for any employee may change at anytime without payment of overtime if the change is necessary to adjust for developments beyond the control of the Employer.

(a) An employee in any department may have the starting time for one shift a week changed prior to the conclusion of his/her current shift for the purpose of ensuring coverage of a major breaking news story or an unforeseen news event.

(b) Starting times also may be changed for an employee on an out-of-town assignment provided the employee is notified of such a schedule change prior to the conclusion of his/her current shift.

(c) Should use of the second paragraph of Section 6.8 exceed more than an average of once a week over a period of three months, the parties will discuss the matter at Guild request.

TURNAROUND TIME

- 6.9** That part of a shift worked within any period less than twelve (12) hours after the completion of the preceding regular shift shall be paid for at the overtime rate of time and one-half or with compensatory time off in accordance with Section 6.5 of the Agreement. An employee may request to waive the provisions of this Section twice a week.

SUNDAY WORK

6.10 Full-time employees scheduled to work on Sunday as one of their regular shifts in the five (5) day work week, shall receive two (2) consecutive days off or shall have the option of split days off, consistent with operational conditions.

HOLIDAYS

6.11 (a) The following holidays or the days observed as such shall be granted to all employees with full pay: New Year's Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas. Christmas shall be observed on December 25 and New Year's Day shall be observed on January 1.

(b) All regular full-time employees are entitled to a birthday holiday immediately following their date of employment. The birthday holiday must be taken within thirty (30) days of the actual birthday and must be prescheduled by mutual agreement with the employee's supervisor. In addition, all regular full-time employees are entitled to an annual Diversity Holiday. The Diversity Holiday must be in recognition of an event of cultural, ethnic, or religious significance to the employee, and must be prescheduled by mutual agreement with the employee's supervisor. Each year the Publisher will designate the "default" Diversity Holiday. Employees hired after that date will be eligible for a diversity holiday starting the following year. Birthday and Diversity holidays cannot be carried over from year to year and are not eligible for payment upon termination.

(c) No employee shall be forced to work both Christmas Eve and Christmas Day, or New Year's Eve and New Year's Day. The Publisher will make every effort to spread Christmas and New Year's holiday and eve work assignments when volunteers cannot be found. The Publisher will make every effort to ensure an employee will not be required to work more than one shift of the four discussed in this paragraph.

(d) The work week for any employee in which any of these holidays fall shall consist of four (4) days (or three (3) days pursuant to paragraph 6.1(a) of this Section) totaling the number of hours applicable to the employee as specified in paragraph 6.1, excluding the holiday. Any employee required to work on the holiday shall receive a minimum of a full day's pay at straight time, in addition to his/her base weekly salary. If an employee is required to work longer than two-thirds (2/3) of a full shift on any such holiday, he/she shall be paid for all time in excess thereof at the rate of time and one-half the regular rate. Part-time employees shall receive holiday pay on a pro rata basis.

6.12 The Publisher upon ninety (90) days notice to the Guild may change to a weekly or bi-weekly pay cycle. The Publisher will not make more than one pay-cycle change during the life of this Agreement.

6.13 Notwithstanding any other provisions of this agreement, the calculation of overtime (including double-time) shall be in accordance with all applicable laws.

6.14 (a) There shall be a senior writer classification. Effective upon the signing of the Agreement the Publisher may designate up to (2) senior writers. Effective January 1, 2015, the Publisher may designate a third senior writer. Senior Writers will be exempt from the following Sections of this Agreement: 4.1 Salary differentials for filling in for Asst. Metro Editor, wire editors, section editor or copy desk chief; 4.2 Night Differential, 6.1 Work week; 6.2 Work Day; 6.3 Days Off; 6.4 Personal time off; 6.5 Overtime, Comp time; 6.6 Callback; 6.7 Overtime record; 6.8 Work schedule posting and 6.9 Turnaround time. Senior writers shall be covered by the

other sections of this Agreement. At the time of designation the Publisher shall inform the designated employee of the salary which the employee will receive if the employee accepts the designation which salary shall be at least the minimum for a Senior Writer set forth in Section 5.7.

(b) The Guild shall be notified within ten working days of all such designations and the withdrawal of any such designations.

(c) Employees shall have the right to refuse such designations as senior writer.

(d) Upon thirty (30) days notice, the Publisher may withdraw an employee's designation as a senior writer. Further, upon thirty (30) days notice, an employee may opt to be removed from the senior writer classification.

(e) In the event the designation of an employee to senior writer is subsequently withdrawn by the Publisher, or the employee opts to be removed from the senior writer position, the employee shall be returned to the employee's former classification and there shall be no reduction in pay (such salary shall be red-circled and absorbed by subsequent pay increases). Any employee red-circled pursuant to this paragraph will be eligible for a merit increase, if any, when his/her weekly base salary falls below one hundred twenty-five percent (125%) of the salary range midpoint within the applicable classification.

SECTION 7 – SEVERANCE PAY

7.1 (a) Severance shall be paid to all full-time employees laid off in a sum equal to two weeks pay for every year of service or major fraction thereof, up to twenty six (26) weeks, such pay to be computed at the current weekly rate of salary received by the employee during service with the Publisher. Part-time employees hired after September 21, 1993, shall not be eligible for severance pay but shall receive two weeks notice in the event of layoff for economy in lieu thereof.

(b) Notwithstanding Section 7.1(a) all full-time employees employed as of July 8, 2011 and all regular part-time employees hired on or before September 21, 1993 shall be entitled to severance pay up to a maximum of forty (40) weeks in a lump sum equal to two (2) weeks pay for every year of full-time equivalent service (prorated for fractional years of service) which the employee had worked as of December 31, 2010. Employees who have thirteen (13) years of more of service as of December 31, 2010 shall not accrue any further service credit for severance pay purposes. Employees who have less than thirteen (13) years of service as of December 31, 2010 shall continue to accrue service credit for severance pay purposes until they reach thirteen (13) years at which point they shall accrue no further service credit for severance pay purposes. Severance pay for part-time employees pursuant to this paragraph shall be on a pro rata basis.

SEVERANCE FOR DISCHARGES

- 7.2 Severance pay need not be paid an employee discharged for just and sufficient cause or self-provoked discharge for the purpose of collecting severance pay, or to an employee who is retired from the Company, deceased or leaves of his/her own volition. The payment of severance in any of the above cases shall be optional with the Publisher.

SEVERANCE PAY-TAXES

- 7.3 From severance pay the Publisher may deduct any levy or tax to which the employee is subject under state or federal legislation.

SEVERANCE FOR RE-EMPLOYEES

- 7.4 A person re-employed who has received severance pay becomes a new employee of the Publisher as regards severance pay.

SECTION 8 - VACATIONS

- 8.1 (a) Regular full-time employees shall be entitled to an annual vacation with pay of three (3) weeks after a minimum of one (1) year of service.

Regular full-time employees who are eligible for vacation pursuant to Section 8.1(a) above shall accrue vacation at the rate of 2.17 hours per full straight-time week worked to an annual maximum of 112.50 hours.

- (b) Regular full-time employees shall be entitled to four (4) weeks vacation after five (5) years of service.

Regular full-time employees who are eligible for vacation pursuant to Section 8.1(b) above shall accrue vacation at the rate of 2.89 hours per full straight-time week worked to an annual maximum of 150 hours.

VACATION ACCRUAL AND SCHEDULING

- 8.2 Vacation credit shall begin with the date of employment. The Publisher shall arrange vacations in the editorial department in accordance with the needs of the office. Seniority shall apply during the initial sign-up only, which shall be during the month of November. No employee can link more than two holidays to a vacation without the approval of the department head. With the consent of the employee and the Publisher, the vacation may be split. Seniority notwithstanding, each employee shall have the right to take vacation during the summer school vacation period on a rotating basis, with preference going to those who have waited longest, and consistent with the operating needs of the department as determined by the Publisher. Seniority notwithstanding, each employee shall have the right to take one week's vacation during the public school Christmas or Easter vacation periods on a rotating basis, with preference going to those who have waited longest, and consistent with the operating needs of the department as determined by the Publisher. However, no employee will be bumped by a person with lesser seniority against his/her preference from Easter or Christmas more than two consecutive years.
- (a) Employees are strongly encouraged to take all their accrued vacation each year. The Company reserves the right to manage and mandate vacation usage and require its employees to

use all accrued vacation. Included in this right is the Company's right to schedule vacation for employees whom it is requiring to take vacation. If the Company mandates vacation usage for bargaining unit employees, it shall do so on the same basis as it mandates vacation usage for non-bargaining unit employees. The Company shall notify the Guild in writing at least thirty (30) days in advance of any mandating of vacation usage for bargaining unit employees. Even if the Company does not require an employee to take all his/her accrued vacation in a particular year, the maximum amount of vacation which an employee may accrue is one week over the employee's annual entitlement. An employee shall not earn vacation during the time the employee has the maximum vacation amount accrued.

(b) Employees may also take up to one week per year beyond their accrued vacation time. It is understood that this would result in a negative vacation balance, creating a payment advance for the employees. It is agreed that if an employee has a negative vacation balance at the time of his/her termination, the amount advanced by the Company to the employee, is subject to recovery from their final paycheck with written authorization from the employee.

(c) There shall be no advance payment for vacation time.

(d) Vacation is accrued on straight-time pay. No vacation is accrued during extended disability or long-term disability.

VACATION PAY DURING HOLIDAY WEEK

8.3 An employee whose vacation period includes one of the designated holidays shall receive an additional day off, the date of which shall be set by mutual agreement between the employee and the Publisher. Should such agreement not be reached, the day shall be added to the employee's vacation.

VACATION PAY-TERMINATION

8.4 Upon termination of employment, an employee (or the employee's heirs or estate in case of death) shall receive accrued vacation pay.

SECTION 9 – SETTLEMENT OF DISPUTES

9.1 It is agreed between the parties that fruitless controversies must be avoided and every effort be made to maintain a harmonious relationship. To this end both parties will, in every instance, give prompt attention to disputes and will in good faith endeavor to settle all differences by amicable discussions. However, only grievances as defined in Section 9.2 are subject to arbitration as provided in this Section.

9.2 For all purposes of this Agreement, a grievance is any dispute or controversy between the Publisher and the Guild, or between the Publisher and any of the employees covered by this Agreement, arising and filed during the term of this Agreement, involving the meaning, interpretation, application, or alleged violation of the provisions of this Agreement, or the discharge or other discipline of employees. All grievances brought by the Guild or an employee shall be handled as follows.

9.3 Any employee who believes he/she has a problem or complaint should bring it to the attention of his/her immediate supervisor as soon as possible after the alleged dispute or controversy arises.

Both parties agree that problems should be settled between the employee and immediate supervisor and/or through the normal chain of command whenever possible.

Any agreement reached during discussions in Section 9.3 shall be final and binding on the employee, the Guild and the Publisher provided such agreement does not ignore, add to, subtract from, alter, amend, change or nullify the terms of this agreement in any way, or which is in conflict with any of the provisions or the terms or the essence of this Agreement.

GRIEVANCE PROCEDURE

STEP 1

- 9.4** Should the procedure above fail to solve the problem and the Guild wishes to pursue the issue as a grievance, or if the grievance originates with the Guild, the unit chairperson (or other designated Guild official) shall notify the Executive Editor (or other designated Company official) of the grievance and request a meeting within twenty-one (21) calendar days after the action, inaction, occurrence or condition constituting the grievance, or twenty-one (21) calendar days after any of the above reasonably should have been known to the Guild with reasonable diligence. In the case of a discharge, the grievance would be handled as described in Section 9.8 upon proper notice as required in that Section.

Should the grievance originate with the Company, the Executive Editor (or other designated Company official) shall notify the Guild Unit Chairperson (or other designated Guild official) of the grievance and request a meeting within twenty-one (21) calendar days after the action, inaction, occurrence or condition constituting the grievance, or within twenty-one (21) calendar days after any of the above reasonably should have been known to the Company with reasonable diligence. The meeting will be held within twenty-one (21) calendar days of it being requested. The respondent, whether the Company or the Guild, must respond to the grievance within twenty-one (21) calendar days from the time the meeting is held.

STEP 2

- 9.5** If the grievance is not resolved, abandoned or withdrawn in Step 1, the Guild or the Company as the case may be shall have twenty-one (21) calendar days from the conclusion of Step 1 to make a written request to hold a meeting within twenty-one (21) calendar days. Such request will be in writing to the Executive Editor or the Guild Administrative Officer as the case may be and shall include the specific nature of the grievance and the particular provision(s) of the Agreement involved. After receipt of such request, two (2) representatives of the Publisher and two (2) representatives of the Guild will meet to attempt to settle the grievance. By mutual agreement either party may bring additional witnesses to provide information relevant to the grievance. The Publisher's representatives or the Guild's representatives shall respond in writing within twenty-one (21) calendar days of the date of the meeting.

Each party may request one extension per grievance up to twenty-one (21) calendar days to accommodate meeting schedules or further investigations provided such request is made within the time limits listed in this subsection.

- 9.6** If the grievance is not settled in accordance with the foregoing, the Guild or the Company as the case may be may refer the grievance to arbitration by written registered or certified mail notice to the other party to be received no later than twenty-one (21) calendar days after receipt of the response provided for in Section 9.5.

- 9.7** After timely written registered mail notice by the requesting party, the Publisher and the Guild will immediately attempt to agree upon an impartial arbitrator. The arbitrator shall be selected by mutual agreement, or by the striking procedure from the panel listed below. The party to make the first strike shall be determined by lot.

Joseph Gentile, Charles Askin, Alexander Cohn, John Kagel, Thomas Angelo.

The said arbitrator shall have no authority to ignore, add to, subtract from, alter, amend, change or nullify the terms of this Agreement in any way or to render an award which is in conflict with any of the provisions or the essence of this Agreement. The arbitrator's only jurisdiction is strictly limited to application and interpretation of this Agreement or the arbitrability of any such issue in accordance with existing law and to the facts of the particular grievance arising and filed during the term of this Agreement properly before him/her, and his/her decision and award shall be based solely upon his/her interpretation of the meaning or application of the terms of this Agreement to the facts of the grievance as presented.

- 9.8** The fees and expenses of arbitrator, court reporter, reporter's transcript for the arbitrator's use and other expenses attendant to the arbitration hearing shall be paid by the losing party. However, each party shall bear its own costs of advocacy, witnesses and a reporter's transcript for its own use. Each party shall have the right to appearance by counsel of its choice and to present evidence subject to the right of cross-examination. Each party shall have the right to present written arguments by briefs after the close of the evidence. The decision of the arbitrator shall be in writing and signed by the arbitrator.
- 9.9** In the event there is a dispute between the parties involving the discharge of employees covered by this Agreement, the parties agree that the Guild Administrative Officer or designee and the Publisher's Executive Editor or designee will meet within seven (7) calendar days following notice to the Guild of such discharge.

If the dispute is not settled within that seven (7) day period, the Guild may move to arbitration within twelve (12) calendar days following notice to the Guild of the discharge. The Guild and the Publisher will select an arbitrator within five (5) working days of the notice to move to arbitration by using the procedure and the panel provided in Section 9.7.

The arbitrator selected must agree to render a decision within ninety (90) days after receipt of all post hearing briefs by the arbitrator from all parties. In the event none of the arbitrators is willing to serve, the parties will contact the California State Mediation and Conciliation Service and request submission of a panel of five (5) qualified arbitrators who are willing to abide by the time limits provided. The parties shall select such arbitrator by the elimination procedure with the party making the first elimination to be determined by lot.

- 9.10** The maximum economic back-pay or fringe-benefit award, determination or obligation adverse to the Publisher or the Guild under this Agreement in any case shall not exceed sixty (60) calendar days except that in discharge cases only the maximum liability period shall not exceed one hundred eighty (180) calendar days.

In either instance, the parties agree that any economic, back-pay or fringe-benefit award shall be reduced by whatever remuneration, including but not limited to, unemployment compensation, workers' compensation, disability compensation or other employment compensation that is received by the grievant between discharge and reinstatement.

The one hundred eighty (180) calendar days (for discharge cases) will be extended for the duration of any continuance or extension that is obtained by the Publisher over written objection of the Guild provided that the Publisher's liability or obligation shall also be extended for the additional days obtained. Should the Guild obtain an extension over the written objection of the Publisher, then the Publisher's liabilities and obligations will not be extended.

- 9.11** Time is of the essence in all of the grievance and arbitration procedures in this Agreement. If the grieving party fails to comply with the time limits set forth for it in Section 9.4, then the grievance shall be considered waived. If either party fails to comply with the time limits set forth herein, the grievance proceeds to the next step of the grievance procedure, provided that no party will intentionally ignore the time limits.
- 9.12** The only burden of proof for any party is the "preponderance of evidence."
- 9.13** Renewal or extension of this Agreement, and the terms of any successor agreement are not subjects of any grievance or arbitration under this Agreement and are beyond the jurisdiction of any arbitrator.
- 9.14** Any decision, award, determination or other action by any arbitrator shall be subject to judicial review by courts of competent jurisdiction in accordance with applicable provisions of the law, including but not limited to those relating to vacating arbitration decisions and the interpretation and construction of agreements.

SECTION 10 – EXPENSE AND EQUIPMENT

EMPLOYEE EXPENSES

- 10.1** The Publisher shall pay all legitimate expense incurred by employees in the service of the Publisher.

PHOTOGRAPHIC EQUIPMENT

- 10.2** Photographic equipment required by the Publisher to be used by photographers shall be supplied and serviced by the Publisher.

VEHICLE INSURANCE

- 10.3** If an employee is required to use his/her automobile on a regular basis on the business of the Publisher, such automobile shall be covered by liability and property damage insurance, and the Publisher agrees to pay one-half of the amount.
- (a) If such automobile is already covered by liability and property damage insurance satisfactory to the Publisher, one-half of the pro rata premium for the unexpired term of the policy will be paid by the Publisher, on the basis of \$250,000/\$500,000/\$100,000 or \$500,000 combined single limit coverage.

(b) After such premium payment has been made by the Publisher, in the event of termination of employment of such employee, the Publisher shall be entitled to a refund of one-half the amount from any money which may be due and owing to the employee on said date.

- 10.4** Photographers and bureau reporters who are required to furnish their vehicles in the service of the Publisher shall receive a reimbursement of the same rate per mile received by non bargaining-unit employees, for 100 miles for each week during which they are at work (or a pro rata amount when less than a full week is worked) regardless of miles actually driven. They also shall receive the same rate per mile received by non bargaining unit employees for each mile driven over 100 miles in a week. They also shall continue to receive reimbursement for one-half (½) of the cost of their public liability and property damage insurance. In addition, a full-time photographer shall receive a stipend of ten (10) dollars for any week in which the photographer uses his car in the service of the Publisher for at least one mile.
- 10.5** Employees who use their vehicles in the service of the Publisher on a casual basis shall receive mileage reimbursement of the same rate per mile received by non bargaining-unit employees for all miles driven. Further, employees providing their vehicles in the service of the Publisher on a casual basis shall be paid a minimum of \$4.00 for the first trip in any given day and \$3.00 for the second trip on the same day, provided no such employee shall receive more than two (2) trip minimums for a total of \$7.00 in one day. If the rate for such employee based on actual miles driven for the day exceeds the limitation of the two-trip minimum, the employee shall be paid the mileage rate.
- 10.6** Employees shall continue to submit their actual parking expenses for reimbursement by the Publisher on the expense report form.

PHOTOGRAPHERS USE OF VEHICLES

- 10.7** The Publisher retains the right to require employees to use their personal vehicles on any given day; provided, however, that the Publisher shall not have the right to require Copy Editors, Desk Persons, Content Producers, Web Developers and Librarians to use their personal vehicles on any given day. Ownership of a vehicle remains a condition of employment for employees who are required by the Publisher to use their personal vehicle on the Publisher's business.

SECTION 11 – OUTSIDE ACTIVITY

EMPLOYEE FREE TIME ACTIVITY

- 11.1** Employees shall be free to engage in activities on their own time not performed by enterprises in competition with the Publisher or affiliated enterprises. Newsroom employees must have advance, written permission from the Publisher or its representative to perform any outside journalistic work, whether paid or unpaid. Their written request must include the following: name, date, brief description of the work and for whom it is to be performed, the frequency and duration, paid or unpaid, and whether company time or equipment is expected to be used. The company may provide a form for these requests. The response time for each request is to be two business days (48) hours or less or approval shall be automatic. Permission will be denied when the work in the question could constitute a conflict of interest, as defined in the Outside Employment section of the Code of Conduct.
- 11.2** All newsroom employees will review and sign this policy. Employees are prohibited from engaging in activities that would compromise the editorial integrity of the Company. Without permission from the Publisher, or its representatives, no employee shall use the name of the Publisher or his/her connections with the Publisher, or any feature title or other materials of the Publisher to exploit in any way his/her outside activities.

The Code of Conduct attachment hereto as Side Letter 4 shall be considered part of this agreement.

PRIVATE DETECTIVE WORK

- 11.3** Section 11.3 prohibits employees from engaging in private investigative work (commonly referred to as “private detective work”) of any kind. This section also prohibits employees from holding themselves out to the public as private investigators or private detectives.

SECTION 12 – NATIONAL EMERGENCY

- 12.1** Any employee who is required by the United States to enter into any branch of military or naval service or branch of industry which takes him/her out of the employment of the Publisher, or who enlists for not more than one term of military enlistment to fulfill his/her military obligation, or who, while the United States is at war, or is engaged in a military conflict, voluntarily enters any of the arms and services of the United States Army, Navy, Marine Corps, Air Force, Coast Guard, National Guard or Merchant Marine, shall be deemed to be an employee on leave of absence and shall resume his/her position or a comparable one without diminution in salary immediately upon return, with severance pay rating and other rights under this Agreement unimpaired. The period of such absence shall be considered employment time with the Publisher in computing severance pay and experience rating.
- 12.2** Application for resumption of employment must be made within ninety (90) days of termination of such service, plus reasonable allowances for return to The Fresno Bee.
- 12.3** In the event an employee on the resumption of his/her position is found to be physically incapacitated as a result of such service to the extent he/she is unable to carry on his/her former employment, the Publisher shall make all efforts to place him/her in other acceptable employment. In the event such other employment is not found, the termination of the services of

such employee shall be effected, as in other cases, with appropriate severance pay. In special cases of unquestioned or unchallenged incapacity, the application for resumption of employment in Section 12.2 and his/her reinstatement shall be deemed to have been made, and severance pay shall be paid as of the date of the employee's termination of service described in Section 12.1.

- 12.4** If an employee entering such service is covered by group life insurance carried by the Publisher, the Publisher agrees to pay the full cost of such insurance for up to 12 months during the employee's absence in such service.
- 12.5** An employee leaving for such service as herein described shall receive immediately his/her accrued vacation pay if requested by the employee.
- 12.6** An employee promoted to take the place of one entering such service may, upon the resumption of employment by such employee, be returned to his/her previous position and salary, but at not less than the then current minimum for that position. Any employee so promoted, and while such promotion is temporary, shall continue to receive credit for his/her employment in the experience rating in which he/she is classified. In the event of a subsequent permanent change in employment, and consequent change of classification, the employee shall receive full credit in his/her experience rating in such new classification for the period in which he/she already has been engaged in such new employment.
- 12.7** An employee hired as a replacement for one entering such service shall be covered by all provisions of this Agreement, except by this military service clause. Such replacement employee, however, on entering such service shall receive severance pay and prorated vacation pay.
- 12.8** Upon the return of an employee from military service, the temporary employee displaced by his/her return shall be given first consideration when a vacancy occurs.
- 12.9** Upon an employee's entering such service as hereinabove set forth during the lifetime of this Agreement, his/her rights under this Section shall become vested in him/her and shall survive the expiration of this Agreement.
- 12.10** Leaves of absence shall be granted to employees for required annual training service with the National Guard and the Army, Navy, Marines, or Coast Guard Reserves.
- 12.11** Employees called to duty in the National Guard as a result of a civil disturbance or other temporary emergency shall be compensated in accordance with the Publisher's policy outlined in Section 12.12.
- 12.12** Regular full-time or part-time employees who are called into active military service or National Guard service shall be granted leaves of up to twenty-six (26) weeks (130 working days) of integrated military pay. Employees on active military leave must notify their supervisor of their activation and the amount of military pay that will be received while actively serving in the military. Employees on integrated military pay will continue to be covered through The Fresno Bee's employee benefit package, for up to three (3) months, with the employee paying the applicable co-premium for their coverage. At the end of the twenty-six (26) weeks of integrated military pay, the employee may be placed on unpaid military leave.

SECTION 13 – SECURITY

JUST CAUSE

13.1 There shall be no dismissals, except for just and sufficient cause or to reduce the force. The term “reduce the force,” as used herein shall be construed as synonymous with layoff for economy.

PROBATION PERIOD

13.2 A newly hired employee shall be subject to a probationary period of six (6) months from the date of employment. By mutual agreement between the Publisher and the Guild, an employee’s probationary period may be extended. During this period, the employee may be dismissed with or without cause. Any such dismissal shall not be subject to the provisions of Section 9 of this Agreement. The requirements of Section 13.5 and 13.8 of the Agreement shall not apply to the dismissal of an employee during his/her probationary period.

REHIRE FROM LAYOFFS

13.3 When a vacancy caused by a layoff to reduce the force is filled within one year after said layoff, the Publisher shall fill the vacancy by going to the rehire list of laid-off employees. Such list of employees shall be given consideration for rehire based on the employee’s competence, previous job performance, other qualifications to match the work to be done and length of service. All of the above factors being equal, length of service shall be the determining factor. However, it is understood that the Company shall have an obligation to consider a laid-off employee for a vacant position only if the vacant position involves the same work which the laid-off employee was doing before he/she was laid off or involves other general work in the department in which the employee was employed.

(a) A laid-off employee shall notify the Executive Editor in writing, with a copy to the Human Resources Director, within seven (7) calendar days after he/she is notified of his/her layoff whether he/she wishes to have his/her name placed on a rehire list. The Publisher will notify the laid-off employee of this provision at the time of layoff.

(b) Laid-off employees who wish to be considered for rehire shall notify the Executive Editor in writing at least every 120 days of his/her availability, current address and telephone number.

(c) If a laid-off employee fails to notify the Publisher within 120 days, the Publisher shall notify the Guild in writing, which then will have two weeks to locate the employee before his/her name is taken off the list. If a laid-off employee declines to accept re-employment with the Publisher within seven (7) calendar days after he/she receives notice by registered mail of the Publisher’s intent to rehire him/her, then his/her name shall be removed from the rehire list.

(d) A laid-off employee who is rehired by the Publisher and who has not exhausted his/her severance benefit shall have the following options on the date he/she begins re-employment with the Publisher:

1. Repay the unused balance of the benefit to the Publisher. In this instance, the Publisher will provide credit to the rehired employee for the unused portion of the severance benefit.
2. Keep the unused balance of the benefit. In this instance, the employee will forfeit all previous severance credit and begin accruing severance credit from the date of rehire.

REDUCTIONS IN FORCE

- 13.4** Layoffs may be made as the needs of the Publisher require. When deciding on layoffs, consideration shall be given to employees' competence, previous job performance and length of service. If in the Publisher's judgment all of the above factors are equal, length of service shall be the determining factor.

Before laying off involuntarily, the Company shall request voluntary layoffs in the area(s) and/or position where the Company in its sole discretion determines that it can consider a voluntary election. However, at its sole discretion, the Company shall decide whether or not to accept the offer of any employee who volunteers to be laid off. Further, any decisions by the Company not to accept an employee's offer to voluntarily layoff shall not be subject to the grievance and arbitration procedure of this Agreement set forth in Section 9.

Employees on layoff and their eligible dependents covered under the Company's group health plan will be eligible to receive up to three months of company contributions toward COBRA coverage. The employee's portion of the premium and the cost of any remaining months of COBRA coverage will be at the employee's expense. The employee must complete COBRA enrollment documents within the required time limits to qualify for this benefit.

LAYOFF NOTICE

- 13.5** Upon dismissal an employee upon request shall receive a written notice from the Publisher or its agent stating the cause of dismissal, provided such demand is made within five (5) days after the employee is informed of the discharge, and the Publisher shall furnish a copy of such notice to the chairman of The Fresno Bee unit of the Pacific Media Workers Guild. In the event of a layoff, the Publisher shall give four (4) weeks' written notice to the employee and the Guild. In lieu of such notice, the Employer will pay each dismissed employee one (1) day's pay for each day the notice falls short of four weeks (20) days.

TECHNOLOGICAL CHANGE

- 13.6** The Publisher has the right to install and operate any new equipment or bring about technological change in any department covered by this Agreement upon at least 45 days written notice to the Guild. (If possible, the Publisher shall provide up to 90 days written notice to the Guild.) The Publisher endorses the policy of aiding in the retraining of displaced employees to the extent practicable as determined by management to minimize the reduced employment opportunities consistent with the efficient operation of the department. The Publisher will endeavor to find alternative work for employees who become unable to operate VDTs as a result of medically certified limitations.

Employees assigned to use new equipment or technology which substantially changes how the work is processed will be provided adequate training for the new equipment or technology and will not be evaluated on their proficiency in operating the new equipment or technology for the first 90 days after installation of the equipment or technology.

NOTICE OF DISCHARGES

- 13.7** The Publisher shall give the Guild notice of all discharges as soon as possible under the circumstances.

ADVANCE NOTICE – TERMINATIONS

- 13.8** Except in the case of a layoff, notice of which is provided for in paragraph 13.5 above, employees shall receive two (2) weeks' advance notice or pay in lieu thereof at the time of dismissal.

SECTION 14 – LEAVE OF ABSENCE

LEAVE FOR GOOD CAUSE

- 14.1** Upon request, the Publisher shall grant employees leave of absence, without pay, for good and sufficient cause. Such leaves shall include maternity and/or paternity leave for a period not to exceed six months. The taking of a leave pursuant to this subsection by an employee shall not constitute a break in continuity of service for the purpose of computing any benefits to which the employee upon returning from the leave is entitled under the Agreement. Vacation pay shall be proportionate to the time actually worked. The Publisher will consider requests for parental leave provided such leave does not unduly affect departmental operations.

SABBATICAL LEAVE

- 14.2** The granting of a sabbatical leave shall be at the sole discretion of the Publisher. After each five (5) years' service completed by an employee, that employee may request an unpaid sabbatical leave of absence of up to one (1) year. Said leave shall not constitute a break in service with the Publisher but the employee shall not accumulate any credits or benefits under this Agreement. Request for leave shall be submitted at least ninety (90) days in advance. However under special circumstances, requests may be accepted with shorter notice.

(a) Employees while on sabbatical leave shall not accept employment for compensation in Merced, Mariposa, Madera, Fresno, Kings and Tulare counties with any of the competing news media, advertising media, or with a public relations office of a business or government agency having a regular and direct relationship with the Company or with a supplier or contractor of the Company. If the Publisher expands home delivery into another county, then that county may be added to the list. Nothing in the foregoing shall be interpreted as prohibiting activity as provided in state law.

(b) Employees on sabbatical leaves of six (6) months to one (1) year shall notify the Publisher of their intent to return no later than sixty (60) days before the end of the leave. If notification is not received by the Publisher, the Publisher shall send a certified letter of inquiry to the employee's last known address and shall inform the Guild. If notification is not received within fifteen (15) days after the posting of said letter, it shall be the Publisher's option to determine that failure to provide notice constitutes resignation. For employees on leaves of less than six (6) months, notification of intent to return shall be provided to the Publisher no later than forty-five (45) days before the end of the leave.

(c) Employees on sabbatical leaves who wish to return prior to their anticipated return date may be required to wait to return to work until the expiration of their leave.

LEAVE FOR GUILD OFFICE

- 14.3** In the event an employee is elected or appointed to any Guild office or office of a local of the Guild or the Communications Workers of America or any AFL-CIO office, such employee upon request shall be given a leave of absence, without pay, for the terms of such office. The provisions of this Section shall apply to delegates selected to the Guild, CWA or AFL-CIO

conventions, international or district. The number of members of the staff who may receive leaves of absence for union activity at one time shall be no more than two (2), unless a greater number is mutually agreed upon. Any employee granted a leave under this Section shall be considered to have forfeited his/her leave if the employee publicly advocates a boycott of the Publisher's products or otherwise restricts or interferes with the operations of the Publisher. In addition, an employee may be subject to discipline under Section 13 for such misconduct.

BEREAVEMENT LEAVE

- 14.4** An employee shall be granted bereavement leave up to three working days with pay in the event of a death of a member of his/her family. For this purpose, an employee's family is defined to include a parent, spouse, child, sibling, grandparent, grandchild, mother-in-law, father-in-law, daughter-in-law, son-in-law, brother-in-law, sister-in-law, foster parent, foster child, step-parent, step-child, step-sibling, half-sibling, aunt, uncle, niece, nephew and cousin or individuals identified as domestic partners.

Time off with pay to attend the funeral of a close friend in the Fresno metropolitan area will be permitted only upon the approval of the department manager and the Executive Editor. The approval of a request to attend the funeral of a close friend in the Fresno metropolitan area shall not constitute and may not be used as a precedent in the consideration of any other such request.

- 14.5** Bargaining unit employees shall be governed by the same Family and Medical Leave Act Policy that applies to non-bargaining unit employees. Conflicts between this Agreement and federal or state leave regulations, e.g. 1993 Family Medical Leave Act, will be resolved in compliance with statutory requirements.

SECTION 15 – NO STRIKE

- 15.1** During the term of this Agreement the Guild and its agents will not cause, permit, condone, encourage, or sanction and no employee or employees of the Publisher will participate or engage in any strike – including sympathy strike or slowdown, sick-in, cessation of work, withholding of services, work stoppages, picketing, leafleting, hand billing, boycotting, or other restriction of or interference with operations of the Publisher or sale or distribution of its products directed against the Publisher at any location. Any employee or employees covered by this Agreement engaging in any such activity may be subject to either discipline up to and including discharge or permanent replacement at the Publisher's option. Any such misconduct will constitute just cause for discharge under this Agreement.
- 15.2** Without in any way diminishing or negating the other portions of this Section 15, the Publisher recognizes that in the event of a strike by another bargaining unit against the Publisher, individual Guild-covered employees may decide not to cross the other union's picket line. However, if they do so they will be subject to all of the provisions of this Section 15, including but not limited to the first paragraph of 15.1 and 15.3. The Publisher agrees that during the term of this Agreement it will not engage in any lockout of its employees covered by this Agreement.
- 15.3** Any alleged violation of this Section or any discharge under 15.1 above shall be subject to arbitration as provided in Section 9, provided the authority of the arbitrator under this Article is limited to deciding whether the alleged violation of the no-strike provision occurred, whether a particular employee or employees participated in the violation of the no-strike clause, whether the Guild and which, if any, of its agents participated in the violation of the no-strike clause, and

to order any violation to cease and enjoin any further violation, as well as award proper compensation to the aggrieved party.

SECTION 16 – NONDISCRIMINATION

16.1 The Publisher is committed to equal employment opportunities and to the absence of discrimination against qualified persons based on race, ancestry, color, national origin, religion, creed, sex, sexual orientation, gender identity, marital status, parental status, age, physical and mental disability or medical condition. This commitment applies to all persons employed by the Publisher and prohibits unlawful discrimination by all employees of the Publisher, including supervisors and co-workers.

To comply with applicable laws ensuring equal employment opportunities of qualified individuals with a disability, the Publisher will make reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or an employee unless undue hardship would result. A grievance filed after administrative or court action is initiated will not be entertained.

16.2 The Guild shall not discriminate against qualified persons in admission to membership based on race, color, ancestry, national origin, religion, creed, sex, sexual orientation, gender identity, marital status, parental status, age, physical and mental disability or medical condition.

16.3 There shall be no discrimination against any employee based on the employee's membership status or activity or lack of membership or activity in the Guild.

SECTION 17 – JURY DUTY

JURY DUTY PAY

17.1 Regular full-time and part-time employees required to serve on a coroner's inquest or trial jury and required to appear for service on a day or days they are scheduled to work will be paid their regular hourly rate for those hours during which their presence is required by the court up to the number of hours they are scheduled to work that day or seven and one-half (7.50) hours, whichever is less.

JURY DUTY – NIGHT WORK

17.2 The Publisher will, whenever possible, reschedule night workers to day work when such employees are on jury duty. If any employee serves five or more hours, including reasonable travel time and one hour for lunch, on jury duty, he/she will not be required to report to work except when a major news break requires his/her presence. If an employee is required to serve on jury duty fewer than five hours, he/she may be required to return to work. In any case, if an employee's presence is required on the job, the employee shall receive overtime for all hours worked beyond his/her combined total of 7.50 hours of work and jury duty.

SECTION 18 – HAZARDOUS ASSIGNMENT

REIMBURSEMENT FOR LOSS OR DAMAGE

- 18.1** An employee carrying out authorized work involving hazardous conditions shall be reimbursed by the employer for loss of or damage to his/her personal property, including his/her automobile, authorized for use on such assignments when such loss or damage is directly related to the hazardous condition.

ACCIDENT INSURANCE

- 18.2** An employee traveling on Company business will be covered by \$150,000 death and dismemberment accident insurance. Accident insurance shall be in addition to disability, life and other insurance benefits already provided by the Publisher and/or state and federal law. No employee will be required to fly, assuming notice of such refusal is given within a reasonable period of time after being given the assignment.

SECTION 19 – SICK LEAVE

ELIGIBILITY

- 19.1** Regular full-time employees are eligible for sick leave. Temporary and on-call employees are not eligible for sick leave. Effective January, 2015, part-time employees who have completed one year of service and have worked an average of 30 hours per week during that year shall be eligible for up to 37.50 hours of sick leave in any subsequent payroll year in which they work an average of 30 hours per week.

INCIDENTAL SICK LEAVE

- 19.2** Eligible employees shall be paid for up to ten (10) scheduled work days per payroll year for which they do not report to work as a consequence of illness or injury or sick dependent and with prior supervisor approval for family emergency.
- (a) To receive compensation for occasional sick days, employees must notify their supervisor before the start of the shift for which they will not report that they will not be able to report to work and must submit a completed absence form the day they return to work.
- (b) Regular full-time employees who begin work during the course of a calendar year will receive a proration of incidental sick leave benefits for the remainder of that year. Any regular full-time employee returning from a leave of absence after January 1 will receive a proration of incidental sick leave benefits for the remainder of that year. In such instances, prorated benefits will be calculated at the rate of one (1) day of incidental sick leave for every twenty-five (25) scheduled work days remaining in the year. On each January 1 thereafter eligible full-time employees shall have ten (10) incidental sick leave days.
- 19.3** An employee who is sick, injured or hospitalized and disabled for a non-work related injury for more than seven (7) consecutive calendar days must file a claim for State Disability Insurance.
- 19.4** Sick leave is provided on a non-cumulative basis only. The amount of sick leave not used by an employee in one payroll year cannot be carried over to the next year. Employees who terminate their employment with the Company are not entitled to receive payments for any unused sick leave.

SECTION 20 - MISCELLANEOUS

BYLINES

- 20.1** The Publisher shall be the sole judge of whether an employee's byline or credit line shall be used. The Publisher will consider an advance written request from an employee to withhold a byline or credit line, such request to be for professional reasons only. The Guild does not condone withholding of bylines as a protest.

BULLETIN BOARDS

- 20.2** The Publisher agrees to provide the Guild with bulletin boards in the Editorial Department. Any information posted on these boards must be approved in advance and signed by the Guild Unit chairperson or his/her designated representative. The Guild agrees to provide the Publisher with a copy of all material posted on these boards within twenty-four (24) hours of the material being posted.

COMBINATION PERSONS

- 20.3** (a) Reporters may be assigned desk personnel and/or photographer duties (this includes the use of any equipment able to capture images); photographers may be assigned desk personnel and/or reporter duties; and desk personnel may be assigned reporter and/or photographer duties (this includes the use of any equipment able to capture images.)
- (b) For all reporters employed on July 8, 2011, their competence shall not be judged on the basis of their performance of photographer or desk personnel duties. For all desk personnel employed on July 8, 2011, their competence shall not be judged on the basis of their performance of reporter or photographer duties. For all photographers employed on July 8, 2011, their competence shall not be judged on the basis of their performance of reporter or desk personnel duties.
- (c) For any employee hired after July 8, 2011, the Publisher shall have the right to assign to that employee reporter, desk personnel and/or photographer duties, and to evaluate that employee on the basis of his/her performance of those duties.
- (d) There shall be established a joint Guild/Management committee consisting of two Guild and two Management representatives. The committee shall meet for the purpose of discussing matters related to this Section 20.3. Any such discussion shall be consultative and the Company shall retain the right to make the final decision on any matters discussed.

COMPANY TRANSFERS

- 20.4** No regular employee shall be transferred to an associated enterprise without the employee's consent. If the employee seeks a transfer from the Publisher to another associated enterprise, he/she shall receive no expense reimbursement. If the Publisher asks a full-time employee to transfer to another associated enterprise and the employee consents, the employee shall receive transportation and traveling expense for himself/herself, family and household effects. Before an employee accepts such a reimbursable transfer, the Publisher will make clear to the employee what relocation expenses will be covered.

WORK RULES

- 20.5** The Publisher may prescribe rules, not in conflict with the provisions of this Agreement, affecting the conduct and work of its employees as the Publisher may deem it to be necessary or desirable in the regulation and operation of its business. Such rules shall be posted conspicuously in departments represented by the Guild.

The Publisher shall notify the Guild of any work rule which it plans to implement pursuant to this Section at least seven (7) calendar days in advance of the implementation.

COMPETENCY OF EMPLOYEES

- 20.6** Except as modified elsewhere in this Agreement, the Publisher is the sole judge of the competency and the number of employees required.

EMPLOYEE PERSONNEL FILES

- 20.7** With reasonable notice and at reasonable intervals, an employee may review the material in his/her personnel file relating to work performance by contacting the Human Resources Department for an appointment.

UNREASONABLE DUTIES

- 20.8** There shall be no imposition of unreasonable duties or unreasonable volume of work on employees covered by this Agreement. It is mutually agreed that the Publisher is entitled to reasonable productivity for the full unit of hours as prescribed in the Agreement constituting a day's or night's shift or week's work.

MANAGEMENT RIGHTS

- 20.9** The Publisher expressly retains the complete and exclusive rights, powers and authority to manage its operation and direct its employees except as the terms of this Agreement expressly and specifically limit said rights, powers and authority.

SECTION 21 – HEALTH AND WELFARE

- 21.1** The Company may change and/or eliminate any health and welfare plan and/or benefit and/or the terms and conditions of those plans and/or benefits, applicable to bargaining unit employees without bargaining with the Guild, as long as any such changes or eliminations are equally applicable to non-union employees. It is understood that future health insurance coverage may be provided through health care exchanges, pursuant to the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Tax Credit Reconciliation Act of 2010, including any future legislation that amends these laws/regulations.
- 21.2** The cost of providing such insurance shall be borne by the Publisher and the individual employee.

(a) The Publisher shall contribute each month toward the premium cost of the insurance package on behalf of bargaining unit employees the same amount the Publisher contributes each month towards the premium cost of the insurance package on behalf of non-bargaining unit employees. The Publisher may change the amount of its premium contribution on behalf of the bargaining unit employees without bargaining with the Guild, so long as such changes are equally applicable to non-bargaining unit employees. The Publisher's contribution shall at all times be expressed in dollar amounts and not percentages.

(b) The employee shall pay each month the difference between the cost of the insurance package under which the employee is covered and the amount which the Publisher contributes as set forth above.

21.3 The Publisher agrees to furnish the Guild annual premium rates for the Fresno Bee's plans, including estimated composite premiums upon request.

21.4 The Publisher agrees to offer the Guild an opportunity to meet and discuss any healthcare changes, rates, etc. prior to implementation during each calendar year. This meeting will be scheduled prior to October 15 of each year. However it is understood that the Publisher has no duty to bargain over these matters and that all decisions concerning these matters are within the sole discretion of the Company and as long as these changes are equally applicable to non-bargaining unit employees.

21.5 The spouse/domestic partner of an employee may receive primary coverage under the Company's health insurance plan under exactly the same circumstances as applicable to non bargaining-unit employees.

21.6 Domestic Partner Policy – Side Letter 3

SECTION 22 – RETIREMENT

The following programs are provided for the participation of employees covered by this Agreement in accordance with the eligibility rules of each program:

22.1 (a) Bargaining unit members who were participants in The McClatchy Company Retirement Plan (the "pension plan") through the freezing of the program in March 2009 will retain accrued benefits and continue to accrue time toward vesting. There will be no new entrants to the pension plan, nor will additional benefits be accrued under the plan.

(b) The McClatchy Company 401(K) Plan.

22.2 Eligible bargaining unit employees are entitled to participate in the programs listed in 22.1 above on the same terms and conditions as these programs are available to other eligible employees of the Publisher. The Publisher has the sole and exclusive discretionary right to at any time change, modify or eliminate any or all of the programs; and/or offer new or replacement programs; and/or transfer participants to new programs. If a program is eliminated, employees will retain all vested and/or accrued benefits. The Publisher shall notify the Guild in writing of any proposed change, modification and/or elimination at least sixty (60) days before the effective date of such change, modification and/or elimination.

SECTION 23 – COMPLETE AGREEMENT

- 23.1** This Agreement concludes all collective bargaining between the parties hereto during the term hereof and constitutes the sole, entire and existing agreement between the parties hereto, and supersedes all prior agreements between the Publisher and the Guild and expresses all obligations and restrictions imposed on each of the respective parties during its term.
- 23.2** The Publisher and the Guild, for the life of this Agreement, agree that the other shall not be obligated to bargain collectively with respect to any matter not specifically covered by the express terms of this Agreement. With respect to the negotiations leading to the execution of this Agreement, the fact that a proposal was made and withdrawn during the course of those negotiations shall not be used to prove that the party making the proposal had in any manner given up any rights granted to it elsewhere in the Agreement.

SECTION 24 – SAVINGS CLAUSE

- 24.1** Should any valid federal or state law or final determination of any administrative agency or court of competent jurisdiction require a change of any provision of this Agreement, the provision or provisions so affected shall be automatically conformed to the law or determination and otherwise this Agreement shall continue in full force and effect.

SECTION 25 – DRUG AND ALCOHOL POLICY

- 25.1** The Drug and Alcohol policy attached hereto as Attachment A shall be considered part of this Agreement. The Company may make changes in the policy without bargaining with the Union as long as any such change is equally applicable to non-represented employees. In the event that any future change(s) in this policy is in conflict with any other terms of this Agreement (including the just cause standard set forth in Section 13.1), such other terms of this Agreement shall supersede the changes in this policy.

SECTION 26 – UNPAID FURLOUGHS

- 26.1** The Publisher, at its discretion shall have the right to implement up to one week of unpaid furlough for bargaining unit employees in 2014, and up to one week of unpaid furlough for bargaining unit employees in each of the next two calendar years. In addition, the Publisher, at its discretion, shall have the right to implement another week of unpaid furlough in either 2014 or 2015 or 2016 for bargaining unit employees. The implementation of any of these unpaid furloughs shall be under the same terms and conditions as unpaid furloughs are implemented for non-bargaining unit employees (excepting certain Production employees for whom unpaid furloughs are not feasible and Advertising Department employees). Hourly employees may be allowed to take furlough time in one-day increments subject to departmental needs. Exempt employees must take all five days within a single workweek. The Publisher shall notify the Guild in writing 30 days in advance of any such implementation.

If the Publisher notifies the Guild of its intent to implement for non-bargaining unit employees an alternate cost reduction in lieu of unpaid furloughs, the Guild may turn down the alternate cost reduction measure. However, if the Guild turns down the alternate cost reduction measure,

the Publisher, may, at its discretion, implement the unpaid furlough program for bargaining unit employees while implementing the alternative cost reduction measure for applicable non-bargaining unit employees.

SECTION 27 – DURATION AND RENEWAL

- 27.1** This Agreement shall expire on midnight on December 31, 2016 and shall inure to the benefit and be binding upon successors and assigns of the Publisher. At anytime within (90) days immediately prior to the termination of this Agreement, the Publisher or the Guild may initiate negotiations for a new Agreement, by providing written notice to the other party.
- 27.2** Notwithstanding paragraph 27.1, there shall be the following reopeners. Either party may reopen negotiations in 2014 and/or 2015 on Section 5 Salaries and on a maximum of two other sections per year of its choosing. If a party wishes to exercise this option, it must notify the other party of the items on which it is reopening no later than November 1, 2014 or November 1, 2015 respectively. After a reopening request, negotiations shall commence within a reasonable period of time, but in no event shall negotiations commence sooner than October 1, 2014 or October 1, 2015 respectively.

DATED: _____ BY: _____

BY: _____

THE MCCLATCHY COMPANY, PUBLISHER OF THE FRESNO BEE (COMPANY)

DATED: _____ BY: _____

BY: _____

PACIFIC MEDIA WORKERS GUILD, LOCAL 39521, THE NEWSPAPER GUILD-CWA (GUILD)

SIDE LETTERS

The parties agree that the following side letters are part of this Agreement:

1. EMPLOYEE LETTER PURSUANT TO SECTION 1.5 (a)

The agreement between McClatchy Newspapers, publisher of The Fresno Bee and the Pacific Media Workers Guild, Local 39521, The Newspaper Guild-CWA, includes a provision that states that all employees covered by the agreement shall have the right to belong or not belong to the Guild. However, if you are a Guild member or decide to become a Guild member, you shall remain a member for the term of the agreement, unless you withdraw from membership during the first thirty (30) days of the agreement, or unless you withdraw as provided in the next paragraph.

If you are a member of the Guild and do not withdraw from membership during the first thirty (30) days of the Agreement, you will have additional opportunities to withdraw from membership during December of 2014 and during December of each year thereafter.

All resignations from the Guild must be submitted to the Guild in writing. You may also provide a copy of your Guild resignation to the Publisher.

2. LABOR MANAGEMENT COMMITTEE

A consultative committee shall be created consisting of three members of management and appointed by the Company and three bargaining unit members appointed by the Guild. The purpose of the committee shall be to discuss measures to increase employee skills and enhance the Company's ability to operate effectively and efficiently, particularly in light of the technological changes which have been and will be occurring in the newspaper industry. The committee's discussions and recommendations, if any, shall not be binding on either party.

3. DOMESTIC PARTNERS

Domestic Partners and Same Sex Spouses Benefit Coverage Policy (Revised Jan. 1, 2011)

Introduction

This revised policy is effective Jan. 1, 2011. The McClatchy Company reaffirms its continued commitment to diversity and equal employment by extending health plans and life plan coverage to domestic partners, same sex spouses, and their legal dependents on the same basis as they are made available to the spouses and dependents of other married employees.

Eligibility

This policy applies to all McClatchy employees eligible for benefits. All eligibility requirements with regard to hours, age, relationship and domestic partner/spousal eligibility for employees, spouses, domestic partners and dependents must be met before coverage is offered.

This benefit is subject to the collective bargaining process. For members of a collective bargaining unit, eligibility for this benefit is subject to agreement between the Company and the union.

Definition of Same Sex Spouses

Same sex spouses are defined as two adults of the same sex who are legally married in a state that recognizes such marriages.

Documentation of Same Sex Marriages

If a same sex couple is married in a state that recognizes such marriages, they must submit a copy of their legal marriage certificate in lieu of domestic partner documentation. If documentation is provided within thirty (30) days of the marriage, coverage for the same sex spouse will begin on the first of the month following receipt of the documentation. If documentation is provided beyond thirty (30) days after the marriage, the eligible same sex spouse can enroll in McClatchy's health care plans during the next Open Enrollment period.

Definition of Domestic Partners

Domestic Partners are defined as "two adults of the same or opposite sex who have chosen to share their lives in an intimate and committed relationship, reside together, and share a mutual obligation of support for the basic necessities of life.

Domestic Partner Criteria

To qualify as a domestic partner, the domestic partners must either have a domestic partner or civil union certification from a state or municipal authority or must certify to the following:

- both be at least 18 years of age;
- not be related by blood to a degree that would otherwise prohibit marriage;
- not be married to another person;
- be mentally competent to enter into a contract;
- have lived together at the same regular residence for at least twelve (12) months and intend to do so indefinitely;
- be engaged in a committed, mutually exclusive relationship for at least twelve (12) months;
- be financially interdependent and responsible for each other's debts; and be responsible for each other's common welfare.

To qualify as a domestic partner's dependent child under the domestic partner policy, the dependent must be your domestic partner's:

biological child; or legally adopted child; or foster child.

Dependent children under age 19 are eligible for medical, dental, vision and EAP coverage. Dependent children under age 26 are eligible for medical and EAP coverage only. However, a dependent child age 19 or older is not eligible for medical or EAP coverage if he or she is eligible for coverage through his or her own employer.

Domestic partners do not include roommates, siblings, parents, or other similar relationships.

Documentation of Domestic Partnership

All unmarried employees requesting domestic partner coverage will be required to complete a "Declaration of Domestic Partnership". In addition to this Declaration, the employee must submit two (2) of the items listed below which documents that the domestic partners have been in the committed relationship for at least twelve (12) months. The submitted documents must have been in existence for at least twelve (12) months:

- a) A joint mortgage or lease;
- b) Designation of domestic partner as beneficiary for life insurance;
- c) Designation of domestic partner as primary beneficiary in the employee's will;
- d) Assignment of durable property or health care power of attorney to domestic partner;
- e) Joint ownership of a motor vehicle, joint bank account, or joint credit account(s).

If an employee resides in a state or municipality where registration of domestic partnership is applicable, he/she must register with the appropriate government agency and provide proof of such registration in lieu of the "Declaration of Domestic Partnership".

Enrollment

Employees will be permitted to enroll their same sex spouses, domestic partners and legal dependent(s) of their same sex spouse/domestic partner annually at each Open Enrollment.

If a same sex spouse or domestic partner qualifies for coverage under The McClatchy Company's health care plans, but elects to enroll in coverage elsewhere or to waive coverage, the employee is encouraged to still submit the "Waiver of Insurance" form and the "Declaration of Domestic Partnership" or legal marriage certificate. This will allow the employee and same sex spouse/domestic partner to be eligible for the benefits listed under "Other Benefits".

New hires eligible for benefits, and current employees who become eligible for benefits due to a status change, will be permitted to enroll their same sex spouses/domestic partners and legal dependent(s) of their same sex spouses/domestic partners during the initial enrollment period if 1) they have met the domestic partner criteria and they have submitted the required domestic partner documentation, or 2) they have submitted a copy of a legal marriage certificate.

If a same sex spouse/domestic partner is eligible for medical and/or dental coverage with his/her employer, he/she must enroll in that coverage first and complete a "Domestic Partners/Spousal Eligibility" form, in order to be eligible for secondary medical or dental coverage with our Company.

If both members of the same sex marriage or domestic partner relationship are employed at the same location, both cannot be covered as dependents of each other.

Health Plans

The medical, dental, vision and employee assistance program (EAP) will be administered under the existing provisions found in the corresponding Evidence of Coverage/Summary Plan Description or employee handbook for all enrollees. Health plans and existing coverage are subject to change.

Life Plans

The employee's same sex spouse/domestic partner and eligible dependent(s) may elect coverage through the supplemental life insurance program. The supplemental life insurance program will be administered under the provisions found in the insurance brochure. Life plans and existing coverage are subject to change.

Contribution Schedules

The Company will pay the same percentage share of the premium costs for the coverage of an employee with a same sex spouse/domestic partner, or same sex spouse/domestic partner with dependent(s), as it pays toward the cost of coverage of an employee with an opposite sex spouse or opposite sex spouse with dependent(s).

The employee will be subject to the annual schedule of premium contributions for employee, employee plus child(ren), employee plus spouse, and employee plus family coverage. The scheduled premium contribution for the same sex spouse/domestic partner's and/or same sex spouse/domestic partner's dependent child(ren)'s benefits will be deducted from the employee's payroll checks on an after-tax basis.

Imputed Income

The Internal Revenue Service (IRS) has ruled that if an employee receives health and/or life insurance benefits for a same sex spouse/domestic partner or the same sex spouse/domestic partner's legally dependent child(ren), the employee must pay FICA, federal income, and state income (unless otherwise permitted by state law) taxes on the value of that benefit. The IRS defines this as the fair market value of the same sex spouse/domestic partner's health or life insurance coverage over the amount paid for the employee's own coverage. This amount may be added to gross income and taxed accordingly. If the same sex spouse/domestic partner is a legal tax dependent under IRC Section 152, imputed income may not apply. Imputed income will not count as income for purposes of the pension plan, 401(k) plan, Employee Stock Purchase Plan, short-term disability, long-term disability, life insurance, AD& PL, or any other benefit plan which calculates benefits on the basis of compensation.

Employees on an approved leave of absence, who pay their portion of the employee contribution schedule by check rather than payroll deduction, will be obligated to pay the amounts due for FICA tax and income tax withholding on imputed income. Income withholding tax rates will be calculated in accordance with the employee's specific W-4.

Termination of Same Sex Marriage

Legal documentation of dissolution of marriage must be provided to the Human Resources Department within thirty (30) days of the divorce.

Termination of Domestic Partnership

The employee will be required to notify the Human Resources Department in writing within thirty (30) days of the termination of a domestic partnership by completing the "Declaration of Termination of Domestic Partnership". This would occur when the employee's relationship with the domestic partner no longer satisfies the domestic partner criteria.

If the domestic partnership is terminated, active coverage for the domestic partner's child(ren) will be terminated. Coverage will terminate on the last day of the month when the eligibility terminates regardless of the date the employee notifies Human Resources. The employee will be reimbursed the domestic partner's and the domestic partner's dependent(s)' premium payments for any non-covered months already paid.

If an employee resides in a state or municipality where termination of domestic partnership is applicable, he/she must terminate the domestic partnership with the appropriate government agency and provide proof of such termination in lieu of the "Declaration of Termination of Domestic Partnership".

COBRA Continuation of Coverage Rights

Although there is no legal obligation to offer continued coverage to same sex spouses/domestic partners and legal dependent(s) of the same sex spouse/domestic partner, the company has chosen to extend COBRA coverage to same sex spouses/domestic partners and their eligible legal dependent(s).

This means that it is the employee's responsibility to inform the Human Resources Department if he/she has divorced his/her same sex spouse or, as noted above, terminated a domestic partner relationship. Notification must be made within 30 days of the event.

COBRA coverage will be extended on the same basis as is currently available to employees, opposite sex spouses and dependents. Periods of COBRA coverage for loss of health care coverage will be as follows:

Termination of coverage due to termination of employment:	18 months
Termination of coverage due to reduction in hours:	18 months
Termination of coverage due to retirement of employee:	18 months
Termination of coverage due to termination of domestic partnership:	36 months
Termination of coverage due to lose of dependent status:	36 months
Termination of coverage due to death of employee:	36 months
Termination of coverage due to Medicare eligibility:	36 months

All provisions of COBRA as outlined in the COBRA notification will apply. Same sex spouses or domestic partners electing COBRA may not add a new same sex spouse/domestic partner to their continuation of coverage.

Enrolling a New Domestic Partner

Following termination of a domestic partnership, and proper notification of termination of domestic partnership, there will be a waiting period of twelve (12) months after termination of coverage of the prior domestic partner or domestic partner's dependent child(ren) before the employee is allowed to enroll a new domestic partner or a domestic partner's dependent child(ren).

Other Benefits

Bereavement Leave, if offered, will be extended to include same sex spouses/domestic partners as immediate family members.

Sick Leave will be extended to include care for the same sex spouse/domestic partner or the same sex spouse/domestic partner's dependent child(ren).

Family Medical Leave Act (FMLA) will be extended to include same sex spouses/domestic partners and the same sex spouses/domestic partners' legal dependent child(ren).

In the event of an employee's death, the same sex spouse/domestic partner and any dependent child(ren) currently covered under the company's health and life plans, will be extended the current month's coverage plus two additional months of coverage, and then offered COBRA benefits. Survivor benefits for long-term disability will be extended to include same sex spouses/domestic partners. In the event of an employee's death, IRS regulations will not allow payment of the final pay check to the same sex spouse or domestic partner. Final pay will be issued to the employee's estate.

Same sex spouse/domestic partner benefits will **not** be extended to The McClatchy Company Retirement Plan (which includes the Knight Ridder Pension Plan), The McClatchy Company 401(k) Plan, or McClatchy's Premium Pass-through Plan or Flexible Spending Account Plans. Due to IRS regulations, the Health Care Reimbursement Plan and the Dependent Care Assistance Plan will **not** reimburse expenses for care of same sex spouses, domestic partners and their dependents, except those who meet the applicable IRS tax law definition of "dependent". Also, we **cannot** treat an employee with a same sex spouse or domestic partner as "married" for purposes of determining the employee's maximum allowable contribution to the Dependent Care Assistance Plan.

Beneficiary Designation

Employees may designate a same sex spouse or domestic partner as their beneficiary for life insurance or for The McClatchy Company 401(k) Plan.

Approval

This policy has been approved by:
Heather Fagundes
Vice President, Human Resources
Date: January 1, 2011

The McClatchy Company reserves the right to change, modify or discontinue the same sex spouse/domestic partner benefits at any time. Nothing in this document should be interpreted as a contractual obligation, either implied or expressed.

4. McCLATCHY COMPANY'S CODE OF BUSINESS CONDUCT & ETHICS

The Company and The Guild agree as follows:

- (1) The Code is attached hereto as Side Letter 4 and incorporated herein as part of the Agreement.
- (2) The Code is not intended to undermine or erode any of the rights and duties set forth in any other part of the Agreement.
- (3) In any event of any conflict between the Code and any other part of the Agreement, that other part of the Agreement shall take precedence.
- (4) Subject to the paragraphs 1 and 2, The Fresno Bee and The Guild agree that the Code shall apply to employees represented by the Guild.
- (5) Discipline for violations of the Code must meet the standards for discipline set forth in the Agreement.

THE McCLATCHY COMPANY CODE OF BUSINESS CONDUCT AND ETHICS

Our positions at The McClatchy Company cause our conduct to reflect on the Company and on its mission of full and fair dissemination of information. For this reason, we must maintain the highest standards of ethical conduct.

This Code of Business Conduct and Ethics applies to all of the Company's officers, directors and employees and provides guidelines to assist in measuring our conduct in a number of very important areas. The standards set forth are high in order to preserve the good reputation that the Company, through its employees, has built. We are each responsible for protecting that reputation. As each of us knows from our own experience, it is far easier to destroy a good reputation than it is to build one.

This Code of Conduct does not cover every issue that may arise, but it sets out basic principles and a methodology to help guide all employees in the attainment of this common goal. In some situations it will be clear that contemplated activity would violate this Code of Conduct and should be avoided. Where circumstances arise that do not fit neatly within these guidelines, you should err on the side of caution. The appearance of impropriety should be avoided, as well as improper conduct itself.

Compliance with this Code of Conduct is very important and you are expected to carry out your duties in accordance with the policies set forth in this Code of Conduct and with applicable laws and regulations. Any violation of applicable law or any deviation from the standards embodied in this Code of Conduct may result in disciplinary action up to and including termination. Disciplinary action also may apply to a supervisor who directs or approves the improper actions, or is aware of those actions but does not act appropriately to correct them. In addition to imposing its own discipline, the Company may also bring suspected violations of law to the attention of the appropriate law enforcement personnel.

If you have questions about this Code of Conduct or are uncertain about the best course of action in a given situation, you are encouraged to contact the senior Human Resources representative at the newspaper or operation where you are employed or the Company's General Counsel. Members of the Board of Directors should contact the Company's Chief Executive Officer or General Counsel. This Code of Conduct may be supplemented by additional policies, procedures and practices at the newspaper or operation where you are employed. Please check with your local Human Resources Department to obtain details regarding specific local policies applicable to you. If there is any conflict between local policies and this Code of Conduct, the provisions of this Code of Conduct will apply.

Patrick J. Talamantes
President and Chief Executive Officer

CONFLICTS OF INTEREST

It has been and continues to be the established policy of The McClatchy Company, together with its newspapers and other operations, that its officers, directors and employees avoid any situation that involves a conflict or potential conflict between their personal interests and the interests of the Company. A conflict of interest arises each time you allow a personal or outside interest to interfere with the performance of your duties and responsibilities in the best interest of the Company. Even the appearance of conflicts of interest should be avoided, as in situations in which your personal or outside interests would seem to interfere with job performance, even though no actual interference exists. The following are examples of situations that may give rise to conflicts of interest and the Company's policies that apply in those situations. These examples do not include every possible situation in which a conflict of interest could arise, and you must consider carefully any matter that interferes, or gives the appearance of interfering, with your performance for the Company.

Personal Investments

You should avoid entering into transactions where it appears that you or a member of your family would benefit personally from your relationship with the Company or from information obtained in the course of your work for the Company. You should refrain from having any outside investment or business relationship that would dilute your loyalty to the Company or impact the Company's position as a member of a free and impartial press. Situations that could have this effect include:

- holding a significant interest in any business enterprise that is or seeks to be an advertiser, supplier or customer of the newspaper or operation where you are employed, or which otherwise does business with the Company, where that investment is significant either to you or to the other person or company; or
- holding a significant investment in any business enterprise that competes directly with the Company, or purchasing any property or business that the Company would like to acquire or use in its business.

Editorial employees should also refrain from:

- investing in any company or property about which you have information not yet available to the general public (e.g., hold-for-release material, plans for stories, items that may affect prices of goods or services or projected advertising campaigns); or
- making investments or financial commitments that can be viewed as affecting the credibility or motive for any story, news item or advertisement appearing in a McClatchy newspaper or publication.

Hedging Transactions

Certain forms of hedging or monetization transactions, such as zero-cost collars and forward sale contracts, allow an investor to lock in much of the value of his or her stock holdings, often in exchange for all or part of the potential for upside appreciation in the stock. These transactions allow the investor to continue to own the covered securities, but without the full risks and rewards of ownership. When that occurs, the investor may no longer have the same objectives as the Company's other shareholders. Therefore, you are prohibited from engaging in any hedging transactions involving the Company's stock, any options to purchase the Company's stock, or stock appreciation rights related to the Company's stock.

Use of Influence – Gifts and Entertainment

Your position with the Company may not be used to influence public officials or others, including suppliers and advertisers, for personal benefit; nor may employment with the Company be used as leverage to gain favors from customers, news sources, suppliers or advertisers.

An area of potential conflict can occur when you offer to or accept gifts from a customer or supplier, or a person or company who would like to become a customer or supplier. Generally, you may not offer or accept, directly or indirectly, any gift, entertainment or reimbursement of expenses or any other item of more than nominal value or that exceeds customary courtesies, nor may you offer or accept, directly or indirectly, payment, loans, services (other than in normal business transactions on standard commercial terms offered to the public generally), employment or other benefits from or to any person who furnishes or seeks to furnish news, material, equipment, supplies, advertisements or services to the Company through you. You should check with your local Human Resources Department to determine if any additional rules or procedures have been adopted at your newspaper or operation.

Personal Interest in Transactions

You should not represent the Company in any transaction in which you, a relative, business associate or someone significant to you has a direct or indirect interest either in the transaction or otherwise with a person involved in the transaction, or from which you, a relative, business associate or someone significant to you, including domestic partners, may benefit without first disclosing that interest to the appropriate personnel. For example, you should not represent the Company in hiring a relative as a vendor or independent contractor to perform work for the Company unless you have made your supervisor aware of the situation as described below. Relatives includes your spouse, sister, brother, mother, father, daughter, son, grandparents, aunts, uncles, nieces, nephews, cousins, step relationships and in-laws.

If you are aware of any such related party transaction or potential related party transaction, you must fully disclose the transaction or potential transaction to your supervisor, or in the case of directors and executive officers, to the Board of Directors. Disclosure of all such relationships allows the Company to make a reasoned determination as to whether you will be able to impartially represent the Company in that transaction.

Loans

Loans to, or guarantees of obligations of, officers, directors, employees or members of their families are prohibited to the full extent required by applicable law or regulation or by the listing standards of The New York Stock Exchange.

Corporate Opportunities

Each officer, director and employee has a duty to advance the Company's legitimate interests when the opportunity to do so arises. Examples of prohibited conduct with respect to corporate opportunities include, but are not limited to, taking for yourself opportunities that are discovered through the use of Company property, information or position; using Company property, information or position for personal gain; or competing with the Company. If you have any doubt concerning your obligations with respect to any opportunity that presents itself to you, you should seek advice from your supervisor, the Publisher or President at your newspaper or operation, or the Company's General Counsel.

Outside Employment or Service

Officers and employees are expected to devote their full time and attention to the business of the Company during business hours. The Company is entitled to assume that the primary professional attention of its officers and employees is devoted to the interests of the Company and not to other activities, whether for-profit or charitable, except in ways and at times that do not conflict with the reasonable business needs of the Company. If other employment does or may present a potential conflict of interest, that employment must be approved in writing by the Publisher or President of your newspaper or operation. Employment will not be approved if it is considered to be in competition with the efforts of the Company, would reasonably be expected to subject the Company to criticism, will encroach on the standard Company work day, interfere with regular duties or necessitate long hours that may affect working effectiveness or otherwise create a conflict of interest. With respect to service as a director or trustee of any other company or charitable organization, requests for approval should be directed through regular reporting channels.

In order to avoid conflicts of interest, publishers and executive editors of the Company are required to obtain the approval of the Chief Executive Officer or a Vice President of Operations of McClatchy before accepting other employment or a position as a director or trustee of any other company or charitable organization. Officers of the Company must obtain the approval of the Chief Executive Officer.

CONFIDENTIAL INFORMATION

All information you obtain as an officer, director or employee of the Company is the property of the Company and must be treated accordingly. Information not generally available to the public about the Company, its partners, suppliers, associates, news sources, advertisers and customers, including information that might be of use to competitors or harmful to the Company or its customers if disclosed, is confidential information. In every case, the Company's confidential information may not be disclosed by you to any person outside (and sometimes inside) the Company, including family members, for any reason other than an appropriate business purpose in light of the nature of the information. The only exception to this rule is information released in the ordinary course of business, disclosures required by legal process and information otherwise specifically authorized for release by the Company, customers, advertisers or others.

We must take steps to protect the confidential nature of documents and information both on and off the Company's premises. We must take care to disclose confidential information only on a "need-to-know" basis. When it is necessary to carry sensitive information off the premises, due care must be taken to protect its security. Confidential information in written form should not be brought to or left in public places, must not be transmitted to locations where the fax could be intercepted, must not be transmitted via an unsecured cell phone, e-mail or electronic data transmission, and must never be posted on the Internet or an electronic bulletin board. Confidential or sensitive information also should not be discussed in public places, on elevators, at restaurants or other locations where it might be overheard. Similarly, confidential information must not be shared with family or friends, or you will be responsible for their behavior. It is your responsibility to safeguard, secure and properly dispose of confidential information in accordance with the record retention policy of your particular newspaper or operation. This obligation extends to confidential information of third parties.

Your obligations with respect to confidential information of the Company continue even after your employment with the Company terminates.

Use or Disclosure of Confidential Information and Insider Trading

You should never trade securities on the basis of confidential information. Federal law and Company policy prohibit you, directly or indirectly, from purchasing or selling Company stock while in possession of material non-public information concerning the Company. All non-public information about the Company should be considered confidential information. This same prohibition applies to trading in the stock of other publicly held companies, such as existing or potential customers, suppliers, advertisers, business associates and news associates, on the basis of confidential information. The “tipping” of others who might make an investment decision on the basis of this information is also illegal. The Company also strongly discourages you from giving trading advice concerning the Company to other people, even when you do not possess material non-public information about the Company.

A more complete description of the Company’s insider trading compliance policy can be obtained from the Company’s General Counsel. The consequences of prohibited insider trading or tipping can be severe for you and the Company. If you have any questions about whether information is material or non-public or whether a particular purchase or sale of a security is allowable, it is essential that you contact the Company’s General Counsel before entering into the transaction.

BUSINESS PRACTICES

Compliance with Laws, Rules and Regulations

The Company is committed to full compliance with the laws of the cities, states and countries in which it operates. This includes, for example, those relating to antitrust and promoting fair competition, preventing bribery, illicit payments and corruption, insider trading laws and labor laws and practices, among others. When faced with situations in which questions of compliance or knowledge of the law arise, you should seek advice from the Legal Department.

Fair Dealing

Our goal is to be regarded as a company that does business with integrity. Accordingly, each employee should endeavor to deal fairly with the Company’s customers, suppliers, competitors and employees. You should never take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practices. This type of conduct could subject the Company to civil and even criminal penalties.

Payments to Government Officials

It is the Company’s policy to comply fully with all applicable laws and regulations governing contact and dealing with government employees and public officials. There are very few circumstances in which it is permissible or legal for you or the Company to give, accept or exchange (or agree to give, accept or exchange) anything of value (even for example, meals of nominal value) to or from a United States federal, state, local or municipal government official, public employee or other representative of a government body agency or department. Accordingly such payments are prohibited and any exceptions to this general prohibition must have the prior approval of the Legal Department.

Political Campaigns and Contributions

Personal contributions to political parties, candidates or committees are a matter of individual choice. Political contributions may not be made, or represented to have been made, by the Company. This policy covers not only direct contributions but also tickets to fund-raising dinners, program advertising,

use of the Company's facilities, supplies, letterhead, corporate names, logos, trademarks or other intangible assets or use of working time and similar indirect assistance.

Editorial employees who participate in, or make contributions to, political campaigns or groups may compromise their standing as an objective journalist and/or create the appearance of a conflict of interest. For this reason, certain parameters or approval requirements may have been adopted by your newspaper or operation. If you are an editorial employee, you should check with your local Human Resources Department to determine if any such rules or procedures apply before participating in these types of activities.

PROTECTION AND USE OF COMPANY ASSETS

General

You should endeavor to protect the Company's assets and ensure their proper use. Company assets are to be used only for legitimate business purposes of the Company and only by authorized employees or their designees. This includes both tangible and intangible property. Intangible assets include, but are not limited to, intellectual property such as trade secrets, patents, trademarks and copyrights; business, marketing and service plans; designs; databases; Company records; salary information; and any unpublished financial data and reports. Unauthorized alteration, destruction, use, disclosure or distribution of these assets violates Company policy and this Code of Conduct. Any such action, as well as theft or waste of, or carelessness in using these assets has a direct impact on the Company's operations and profitability.

Company Funds

Every employee is responsible for all Company funds over which he or she exercises control. Company agents and contractors should not be allowed to exercise control over Company funds. Company funds must be used only for Company business purposes. Expense reports must be accurate and submitted in a timely manner.

RECORDS AND REPORTS

General

The integrity of the Company's record-keeping and reporting systems must be maintained and respected at all times. You are expected to record and report information accurately and honestly. This includes accurate reporting of time worked, business expenses incurred, production data and all other business-related activities. You should take care when preparing any Company document to ensure that it objectively and accurately reflects the facts of the situation.

Financial Records

Financial records of the Company must accurately reflect transactions and conform to generally accepted accounting principles and all applicable laws. No entry may be made or delayed on the Company's books and records that intentionally conceals, distorts or disguises the true nature of any transaction. No secret or unrecorded bank accounts, funds or assets may be established and no other practices may be used that could distort the records or reports of the Company's business, operating results or financial condition. Additionally, all documentation supporting a transaction should fully and accurately describe the nature of the transaction and be processed in a timely fashion.

SEC Reporting

All employees involved in the Company's reporting obligations as a publicly traded company are responsible for ensuring full, fair, accurate, timely and understandable disclosure in reports and documents filed or submitted by the Company to the Securities and Exchange Commission and in other public communications by the Company.

Record Retention

You should retain Company documents for the period of time specified in the record retention policy of your particular newspaper or operation and dispose of them in accordance with such policy.

Records on Legal Hold

A legal hold suspends all document destruction procedures in order to preserve appropriate records under special circumstances, such as litigation or government investigations. The Legal Department determines and identifies what types of Company records or documents are required to be placed under a legal hold. The Legal Department will notify you if a legal hold is placed on records for which you are responsible. You then must preserve and protect the necessary records in accordance with instructions from the Legal Department. Records or supporting documents that have been placed under a legal hold must not be destroyed, altered or modified under any circumstances. A legal hold remains effective until it is officially released in writing by the Legal Department. If you are unsure whether a document has been placed under a legal hold, you should preserve and protect that document while you check with the Legal Department.

COMPLYING WITH THE CODE OF CONDUCT

Reporting Suspected Violations

The Company's efforts to ensure observance of, and adherence to, the goals and policies outlined in this Code of Conduct require your cooperation. You are expected to bring any instance, occurrence or practice that you, in good faith, believe is inconsistent with or in violation of this Code of Conduct to the attention of your supervisor, the Publisher or President of your newspaper or operation or the Company's General Counsel. The following is an approach to dealing with potential problem situations.

Discussion of Possible Problems with Company Management. In the event you believe a violation of this Code of Conduct has occurred or you have observed or become aware of conduct which appears to be contrary to this Code of Conduct, you are encouraged to discuss the situation with your immediate supervisor. If it would be inappropriate to discuss the issue with your supervisor or the senior Human Resources representative, you should contact the Company's General Counsel, Karole Morgan-Prager, at kmorgan-prager@mcclatchy.com (or 916-321-1828). Members of the Board should contact the Company's Chief Executive Officer and/or General Counsel. If the matter concerns the Chief Executive Officer or the Chief Financial Officer or relates to accounting or auditing issues, concerns or reports of possible violation may be submitted in writing to the Chair of the Company's Audit Committee c/o the Board Secretary, P.O. Box 15779, Sacramento, California 95852-0779. Alternatively, you may use the confidential hotline number or email address that has been established by the Company. You can obtain the Hotline information at the Company's intranet website or from your local Human Resources Department. Information about the Hotline is also posted at your newspaper or operation.

Use of Common Sense and Good Judgment. You are expected to become familiar with and to understand the requirements of this Code of Conduct. If you become aware of a suspected violation,

don't try to investigate it or resolve it on your own. Prompt disclosure to the appropriate parties is vital to ensuring a thorough and timely investigation and resolution. A violation of this Code of Conduct is a serious matter and could have legal implications. Allegations of such behavior are not taken lightly and should not be made to embarrass someone or put him or her in a false light. Reports of suspected violations should always be made in good faith.

Internal Investigation. When an alleged violation of this Code of Conduct is reported, the Company shall take prompt, objective and appropriate action, which may involve an internal investigation. You are expected to cooperate in internal investigations of misconduct.

No Fear of Retaliation. It is a federal crime for anyone to intentionally retaliate against any person who provides truthful information to a law enforcement official concerning a possible violation of any federal law. In cases in which you report a suspected violation in good faith and are not engaged in the questionable conduct, the Company will attempt to keep its discussions and actions confidential to the greatest extent possible. In the course of its investigation, the Company may find it necessary to share information with others on a "need to know" basis. No retaliation shall be taken against you for reporting alleged violations while acting in good faith. If you feel you have been retaliated against in any way, you should contact the senior Human Resources representative at your newspaper or operation or the Company's General Counsel.

Publication of the Code of Business Conduct and Ethics

The most current version of this Code of Conduct will be posted and maintained on the Company's website.

Waiver of the Code of Business Conduct and Ethics

Any waiver of this Code of Conduct for executive officers or directors may be made only by the Board of Directors or a committee of the Board of Directors and will be promptly disclosed to shareholders.

ACKNOWLEDGMENT

I acknowledge that I have received and reviewed The McClatchy Company Code of Conduct.

Name (printed or typed)

Subsidiary or Division

Title

Signature

Date

5. SICK LEAVE

Ashley Wayte shall receive during any given year part-time sick leave benefits under Section 19 provided she works an average of at least twenty (20) hours per week during the prior year

6. ISSUES RELATED TO MOVE TO THE SACRAMENTO BEE OF CERTAIN EDITORIAL PRODUCTION WORK FROM THE FRESNO BEE

LETTER OF AGREEMENT

RE: ISSUES RELATED TO MOVE TO THE SACRAMENTO BEE OF CERTAIN EDITORIAL PRODUCTION WORK FROM THE FRESNO BEE

1. Any Fresno Bee ("Company") Editorial Production employee who is laid off ("laid off employee") because of the transfer of Company editorial production work to The Sacramento Bee shall be offered a job at The Sacramento Bee Editorial Production Center ("EPC"). The terms and conditions of that offer are set forth in the Letter of Agreement between The Sacramento Bee and the Pacific Media Workers Guild ("Guild").
2. The Company shall give at least ninety (90) days' prior notice to the Guild of its intention to begin the transfer editorial production work to the EPC, and shall give thirty (30) days' prior notice to an employee who is to be laid off due to the transfer of Company editorial production work to The Sacramento Bee.
3. Any laid-off employee who accepts an offer from The Sacramento Bee shall be eligible to receive reimbursement (up to a maximum of \$5,000) for actual moving expenses for relocating to the "greater Sacramento area" provided that the laid-off employee submits documentary evidence of the claimed moving expenses and moves within twelve (12) months of the transfer date to the Sacramento Bee.

4. Any laid-off employee who declines The Sacramento Bee's job offer shall be eligible for the following severance pay package, pursuant to the conditions set forth below.

- a) Regular full-time employees who stay through the established termination date (as determined by the Employer) shall be eligible to receive two (2) weeks' base pay for every year of full-time continuous service up to a maximum of forty (40) weeks of base pay, in accordance with the terms set forth in Section 7 - Severance Pay. The minimum severance pay allowance will be four (4) weeks.
- b) Regular part-time and on-call employees who stay through the established termination date (as determined by the Employer) shall be eligible to receive one (1) week of base pay for every year of continuous service up to a maximum of thirteen (13) weeks of base pay. The minimum severance pay allowance will be four (4) weeks.

If an employee had a break in service from the Company, continuous service shall be determined from the employee's most recent rehire date. Any residual partial year of service will be included in the severance pay allowance calculation on a rounded-up basis.

Base pay for full-time hourly employees shall be determined by multiplying their base hourly compensation rate on the established termination date by the standard number of weekly hours the employees are regularly scheduled to work. Base pay for part-time and on-call employees will be determined by multiplying the employee's regular hourly base compensation rate on the established termination date by the average number of weekly hours worked for the twenty-six (26) week period ending on the last full payroll period prior to termination. For all employees, base pay shall be computed at the employee's current rate of pay excluding any overtime pay, holiday pay, vacation pay, shift or job differentials or any other premium or additional compensation.

The severance pay allowance shall be paid in a lump sum and shall be subject to applicable federal and state withholding taxes.

- c) Eligible employees (and, if applicable, dependents) who are covered under The Fresno Bee's health care plans (medical, dental and/or vision) as of the employee's termination date may retain their coverage through the end of the month in which the termination occurs.

If the employee works through the established termination date and is eligible for the severance pay package, The Fresno Bee will pay the balance of the COBRA premium, for a maximum of three (3) months, provided the employee pays a portion equal to the active employee premium for the plans in which the employee is enrolled.

The Company's obligation to make COBRA premium payments shall cease immediately if the employee obtains other group health coverage before the end of the three (3) month period described above.

5. The severance pay allowance and the benefits set forth above shall be provided by the Company only if an employee meets all the requirements of the severance pay and benefits program, including signing and not revoking a Waiver and Release form provided by the Company within the time periods established in the severance plan. The employee is

responsible for complying with all terms and conditions of COBRA, including completing and returning the COBRA election form within the time period indicated.

6. (a) If the employee is re-employed by The Fresno Bee, The McClatchy Company or an affiliate employer in a regular, comparable position, reemployment is contingent upon the employee repaying the Company an amount equal to the difference between (a) the number weeks of severance pay allowance received, and (b) the number of weeks the employee has been separated from service. If the employee is re-employed in a regular, noncomparable position, the employee will be required to pay back half of the amount stated above. A "comparable position" is defined as a position for which the number of working hours and base pay are within eighty (80) percent of the working hours and base pay of the most recently held position.

(b) It is understood that an "affiliate employer" is a company that is 100 percent owned by The McClatchy Company.
7. An employee who is informed that he/she will be laid off on a certain date may resign and remain eligible for severance provided the employees fulfills the following conditions.
 - a) The employee's resignation is effective no more than thirty (30) days before the employee's layoff date; and
 - b) The employee provides the Company with at least two (2) weeks' prior notification of the effective date of the employee's resignation; and
 - c) The employee's reason for resigning is to assume immediately a new job or position with another employer or enterprise.
8. Any full-time laid-off employee who is offered and accepts a non-comparable position at The Sacramento Bee shall be eligible for one (1) week of severance for every year of service up to a maximum of thirteen (13) weeks, subject to all of the terms and conditions set forth above.
9. Any laid-off employee who accepts a position at The Sacramento Bee shall be eligible for one (1) week of transition bonus for every year of service up to a maximum of thirteen (13) weeks, subject to the same terms and conditions set for calculating and receiving severance benefits described in paragraphs 4, 5, 8 and 10.
10. Any laid-off employee who accepts a position at The Sacramento Bee may resign his/her position at The Sacramento Bee within the first sixty (60) days of employment and remain eligible to receive the severance benefits as described in paragraph 4 above that he/she would have received at the time the position was eliminated. If the resigning laid-off employee received a partial severance payment pursuant to paragraph 8, and/or a transition bonus pursuant to paragraph 9, he or she shall receive the difference between the full severance payment described in paragraph 4(a) and the partial payment described in paragraph 8 and/or transition bonus described in paragraph 9.
11. As to any laid-off employee, the Company shall inform the State Unemployment Office that the job was eliminated in Fresno and was moved to Sacramento. It is understood that the Company does not intend to challenge unemployment claims filed by laid-off employees.
12. The Company shall offer outplacement assistance to laid off employees. The nature of this assistance shall be at the Company's discretion.

13. Any laid-off employee may, upon request, receive a letter stating that the employee lost his/her job as a result of a layoff because of the transfer of certain work to The Sacramento Bee.
14. The Company shall make a good-faith effort, upon execution of this Letter of Agreement to work with any laid off Fresno Bee Editorial Production employee, upon request, to identify alternative positions at the Fresno Bee for which they might be qualified. This section shall not be subject to the grievance and arbitration provision of this Agreement set forth in Section 9.
15. Section 20.4 of the Agreement shall not apply to any employee covered by this Letter of Agreement.

7. SOCIAL MEDIA POLICY

LETTER OF AGREEMENT REGARDING SOCIAL MEDIA POLICY

This Letter of Agreement (“Agreement”) is entered into between The McClatchy Company Inc., Publisher of the Fresno Bee (“Company”) and Pacific Media Workers Guild, Local 39521, The Newspaper Guild-CWA (“Guild”). The Company and the Guild agree that the Agreement shall be considered a part of the Social Media Policy (“Policy”) and, in the event of a conflict between the Policy and this Agreement, the Agreement shall govern. Any dispute between the Company and the Guild over the interpretation or application of the Policy or this Agreement is subject to the grievance and arbitration procedure of the collective bargaining agreement between the Company and the Guild.

1. If the Company determines that it is necessary to change the Policy, it shall inform the Guild of the contemplated change(s). If the Guild does not accept the contemplated change(s), the Company and the Guild shall immediately enter into bargaining over the change(s). In that bargaining, each party reserves to itself any rights that it may possess under the National Labor Relations Act or any other applicable law if agreement is not reached during those negotiations.
2. Footnote 1 of the Policy is applicable to and an integral part of the entire Policy. As such, the Policy shall be interpreted consistently with Footnote 1, which reads as follows: “Nothing in this policy is intended to prohibit employees from communicating in good faith about wages, hours, or other terms and conditions of their or their co-worker’s employment.” This interpretation shall include, but not be limited to, the first bullet point on Page 1 (beginning with the words, “Abide by all company policies”); the fourth bullet point on Page 1 (beginning with the words, “Respect the confidentiality of those you work with”); and the first bullet point on Page 2 (beginning with the words, “Don’t use your newspaper’s or The McClatchy Company’s logos”).
3. The first paragraph under “General Guidelines for Use of Social Media” (beginning with the words, “Company-provided social media tools”) should be interpreted consistently with the following:

Personal Use

The Company’s information systems should be used for Company and business-related purposes. Although we understand and expect that from time to time employees may use the information systems for personal reasons, such use must be appropriate, in good taste

and limited in time, so it does not interfere with productivity or otherwise interfere with the workplace environment, violate Company policy, or violate the Code of Business Conduct and Ethics. Personal Web sites or business established on the Company's information systems are not permitted. If an employee is unsure about a specific type of personal use, the employee should request guidance from the department manager or human resources.

At the time of execution of this Agreement, the term "company-provided social media tools" refers specifically to Google products that are accessed through a company-provided email address. It is understood that the Company may provide other social media tools for employee use in the future.

4. The fifth bullet point on Page 1 of the Policy (beginning with the words, "You should not create social media accounts [e.g. Facebook and Twitter] using your work email address") should be interpreted as follows. Any employee currently using a work email address for social media accounts may continue to do so for those social media accounts already created, provided that such use has been authorized by their manager for business purposes and is otherwise consistent with the Policy. From the signing date of this Agreement forward, an employee shall not create personal social media accounts using his or her work email address.
5. The seventh bullet point on Page 1 of the Policy (beginning with the words, "If you are a journalist or work with advertisers of the public") should be interpreted as follows. Part of an employee's professional duties may include the communication through social media of relevant personal information that does not compromise the employee's professional duties.
6. The intent of the third bullet point on Page 2 of the Policy (beginning with the words, "Personal views on social media can be misinterpreted") is to maintain a responsible separation between personal and professional activity on social media. However, as stated above, part of an employee's professional duties may include the communication through social media of relevant personal information that does not compromise the employee's professional duties, including, but not limited to, perceptions of bias or conflicts of interest. It is not expected or required that an employee will attach a disclaimer to each individual message stating the view or information expressed therein is the employee's alone. It is understood, however, that an employee, when necessary, should ensure with a disclaimer, that the expression of a personal view is not misinterpreted as speaking on behalf of the company.
7. The eighth bullet point on Page 2 of the Policy (beginning with the words, "Personal information in social media profiles") should be interpreted consistently with the "Personal Use" explanation set forth above in Section 3 of this Agreement.
8. The ninth bullet point on Page 2 of the Policy (beginning with the words, "Social media networks such as "circles" and "friends") applies only to those social media networks in which the employee can exercise control over who joins. The intention of this section is to avoid perceptions of bias, and it is not intended to otherwise limit the inclusion in such networks of family, friends, acquaintances, sources, and others who have an interest in the employee or his or her work.

Attachment A DRUG AND ALCOHOL POLICY

Purpose

The Fresno Bee is committed to maintaining a safe and efficient workplace free of drugs and alcohol

and to discouraging drug, alcohol and substance abuse by its employees. Employees who are under the influence of drugs, alcohol or other substances on the job compromise The Fresno Bee's interests, and may endanger their own health and safety and the health and safety of others.

The Fresno Bee's goals are to avoid accidents, promote and maintain safe and efficient working conditions for its employees, and to protect its business, property, equipment and operations. To support these goals, The Fresno Bee has established this policy concerning the use of drugs, alcohol and other substances. As a condition of continued employment with The Fresno Bee, each employee must abide by this policy.

Definitions

For the purpose of this policy:

- (1) "Illegal drugs or other controlled substances" means any drug or substance that (a) is not legally obtainable; (b) is legally obtainable but has not been legally obtained; or (c) has been legally obtained but is being sold or distributed unlawfully.
- (2) "Legal drug" means any drug, including any prescription drug or over-the-counter drug, that has been legally obtained and that is not unlawfully sold or distributed.
- (3) "Abuse of any legal drug" means the use of any legal drug (a) for any purpose other than the purpose for which it was prescribed or manufactured; or (b) in a quantity, frequency or manner that is contrary to the instructions or recommendations of the prescribing physician or manufacturer.
- (4) "Substance" includes but is not limited to any inhalants, adhesives glues, paints or other substances used for the purpose of intoxication.
- (5) "Possession" means that an employee has the substance on his or her person or otherwise under his or her control.
- (6) "Drug and alcohol testing" means testing for drugs, whether illegal or legal, and/or alcohol as defined within the policy.

Prohibited Conduct

This policy applies to employees whenever the interests of The Fresno Bee or its employees may be adversely affected, including any time the employee is:

- (1) On The Fresno Bee's premises;
- (2) Conducting or performing Fresno Bee business, regardless of location;
- (3) Operating or responsible for the operation, custody or care of Fresno Bee equipment or other property;
- (4) Driving a Fresno Bee-owned, leased or rented vehicle or any other vehicle on behalf of The Fresno Bee, including a personal vehicle;
- (5) Responsible for the safety of others; or
- (6) Off-duty but using drugs, alcohol or other substances in a manner that in any way adversely affects The Fresno Bee or the employee's ability to perform his or her job.

Prohibited use of drugs, alcohol and other substances is described below:

Alcohol

The unauthorized use, possession, purchase, sale, manufacture, distribution, transportation or dispensation of alcohol or being under the influence of alcohol is strictly prohibited and subject to disciplinary action up to and including termination.

The only exception to this policy is for moderate consumption in connection with Fresno Bee-authorized events at which consumption of alcohol has specifically been approved, in places of public accommodation, or at business affairs designed to serve The Fresno Bee interest. Even in such circumstances, however, excessive use, intoxication or other abuse of alcoholic beverages is prohibited.

Illegal Drugs

The use, possession, purchase, sale, manufacture, distribution, transportation or dispensation of any illegal drug or other controlled substance, or being under the influence of any illegal drug or other controlled substance is strictly prohibited and subject to disciplinary action up to and including termination.

Legal Drugs

The abuse of any legal drug, or the purchase, sale, manufacture, distribution, transportation or dispensation of any legal prescription or drug in a manner inconsistent with law is strictly prohibited and subject to disciplinary actions up to and including termination.

Working while impaired by the use of any legal drug, including marijuana or other controlled substance used as part of a prescribed treatment program, whenever such use might (a) endanger the safety of the employee or others, (b) pose a risk of damage to The Fresno Bee property or equipment, or (c) substantially interfere with job performance or the efficient operation of The Fresno Bee's business or equipment also is prohibited. Employees under the influence of legal drugs that may cause such an impairment must notify The Fresno Bee's designated physician before reporting to work. This information will be treated confidentially. If it is determined that the employee cannot safely perform his or her duties while under the influence of the legal drug, he or she will not be permitted to return to work. The employee may use available sick leave and/or vacation time during his or her absence. The employee also may request time off during this period. Nothing in this policy is intended to diminish The Fresno Bee's commitment to employ and reasonably accommodate qualified, disabled individuals.

Substances

The abuse of any substance, or the purchase, sale, manufacture, distribution, transportation or dispensation of any substance in a manner inconsistent with law is strictly prohibited and subject to disciplinary action up to and including termination.

This applies to the use of inhalants, adhesives, glues, paints or other substances used for the purpose of intoxication.

Types of Testing

Applicant Testing

As part of The Fresno Bee's employment screening process, any applicant, including part-time or on-call employees, to whom an offer of employment is made must pass a drug test. This policy also applies to previous employees of The Fresno Bee who are rehired. The offer of employment (or reemployment) is conditioned on a negative test result. Applicants will be informed of The Fresno Bee's Drug, Alcohol and Substance policy during the employment application process.

Reasonable Suspicion Testing

If a supervisor or manager has reasonable suspicion that an employee is working in an impaired condition or otherwise engaging in conduct that violates this policy, the employee will be asked about the observed behavior and offered an opportunity to provide a reasonable explanation. If the employee is unable to explain the behavior, the Human Resources department will be consulted. With Human Resources approval, the employee will be required to take a drug and/or alcohol test in accordance with the procedures outlined below.

If the employee refuses to cooperate with the administration of drug and alcohol testing, the refusal will be handled in the same manner as a positive test result.

Examples of reasonable suspicion that will lead to drug and/or alcohol testing include but are not limited to:

- a. When an employee's actions during the course of employment cause or contribute to an injury of the employee or another person that required medical attention beyond first aid.
- b. When an employee driving a personal or a company-owned, leased or rented vehicle is involved in any vehicle accident during the course of employment that involves another vehicle, results in injury to any party involved, and/or results in vehicle or property damage of any kind.
- c. When an employee's actions during the course of employment result in unusual and/or significant property, material and/or equipment damage.
- d. When an employee is observed using alcohol or drugs during work hours.
- e. When there is reasonable suspicion in which a supervisor believes the actions, appearance and/or conduct of an employee's behavior is indicative of drug, alcohol or substance use. This includes but is not limited to suspicion that is based on specific personal observations such as an employee's manner, disposition, muscular movement, appearance, behavior, speech or breath odor; information provided to management by an employee, by law enforcement officials, by a security service or by other persons believed to be reliable; or a suspicion that is based on other surrounding circumstances.

An Observation of Behavior and Conduct form is provided as Exhibit A. Supervisors may use this form to document signs of possible impairment. When possible, two or more supervisors should complete copies of this form independently, and then consult to determine reasonable suspicion of impairment.

Exceptions to drug and alcohol testing for reasonable suspicion may occur in certain circumstances at the direction of any two of the following: the immediate supervisor, the department head or above, and/or the Human Resources director or above.

Employees are required to immediately report all incidents, accidents, property damage and/or injuries to a supervisor, manager or Human Resources. Any employee who fails to do so will be subject to disciplinary action up to and including termination. Furthermore, the supervisor and/or the Human Resources department will have sole discretion in determining if property damage is unusual and/or significant, and their decision will be binding.

Employees who are tested for reasonable suspicion may be suspended with or without pay until the test results have been confirmed or until the investigation is complete.

Random Testing

Random drug and alcohol testing only will be used when (a) required for certain positions in compliance with applicable laws or regulations; or (b) as part of the terms and conditions of a rehabilitation program or Return to Work Agreement.

Testing Procedures

The Fresno Bee has established procedures for when and how drug and alcohol testing should be conducted.

- a. Work injuries requiring medical treatment and drug/alcohol testing (Exhibit B)
- b. Reasonable suspicion drug/alcohol testing (Exhibit C)
- c. Vehicle accidents requiring drug/alcohol testing (Exhibit D)

The Fresno Bee-appointed medical staff will collect test samples. Urine samples will be used for drug testing, and breath analysis will be used for alcohol testing. Employees and applicants will have the opportunity to alert the medical staff to any prescription or non-prescription drugs being taken that may affect the outcome of test.

Drug test samples will be sent to an independent National Institute of Drug Abuse (NIDA)-certified medical clinic or laboratory for processing. All test results will then be read and interpreted by a Fresno Bee-appointed, certified physician acting as our Medical Review Officer (MRO).

If a drug test is positive, the results will be confirmed by an additional test, using gas chromatography/mass spectrometry. The MRO-certified physician will contact the applicant or employee to confirm the test data and discuss variables that may have affected the test. The Fresno Bee will pay the cost of the first drug test and the confirming gas/chromatography/mass spectrometry test. If the applicant or employee disagrees with a confirmed positive result after discussion with the physician, the applicant or employee may have the same sample sent by courier to any NIDA-certified lab to be tested at his or her own expense. This request must be made in writing within two working days of being advised of a positive test result.

If a breath analysis is positive, the test will be administered up to two more times within consecutive, fifteen-minute intervals. If an applicant or employee disagrees with the positive test results, the employee may elect to have a blood test conducted immediately at his or her own expense. Any attempts to tamper with or adulterate a sample will be grounds for immediate termination.

Positive Test Standards

Alcohol

Employees required to maintain a commercial driver's license will be held to applicable laws or regulations governing alcohol consumption and use. All other employees will be presumed to have a positive test for alcohol and to be "under the influence" when the test results meet or exceed a blood alcohol level of .08.

Drugs

Employees will be presumed to have a positive test result and to be "under the influence" of a drug and in violation of this policy when the test results meet or exceed the cutoff level established by the U.S. Department of Health and Human Services for the specific drug or substance in question.

Positive Test Results and Discipline

Applicants

If an applicant tests positive, the offer of employment will be revoked. The applicant may not reapply for at least twelve months from the date of the last drug test.

Employees

If an employee tests positive, or otherwise violates this policy, he or she may be disciplined up to and including termination.

Mandatory Referral to EAP

Any employee who tests positive for the presence of drugs and/or alcohol may be suspended with or without pay pending further review. Employees who test positive for the first time may be referred to the Employee Assistance Program (EAP) or be subject to disciplinary action up to and including termination. If an employee is referred to the EAP, the employee must contact the EAP provider within two working days. An employee who does not contact the EAP within this time period will be terminated.

As a condition of continued employment, an employee referred to the EAP must comply with all

recommendations of the EAP provider and must enter into a Return to Work Agreement before returning to work. The employee must meet and comply with all requirements of the Return to Work Agreement. These requirements will include (a) remaining drug, alcohol and substance abuse free, (b) being randomly tested for drugs and/or alcohol for a period of time as set forth in the Agreement, and (c) continuing to meet all job requirements and standards of his or her position. If the employee does not comply with these and all other requirements of the Return to Work Agreement, he or she will be terminated immediately.

An employee who is referred to the EAP in lieu of termination will receive a final written warning. If the employee tests positive for drugs and/or alcohol a second time, or in any other way violates this policy, he or she will be terminated.

Voluntary Referral to EAP

If an employee suspects he or she may have a drug, alcohol or substance abuse problem, he or she is encouraged to seek treatment before becoming involved in an incident that may lead to drug and alcohol testing or disciplinary action. Dependence on drugs, alcohol and/or other substances or participating in a rehabilitation program will not protect an employee from disciplinary action for unacceptable performance, continued abuse or from a policy violation that occurred before the employee seeks assistance.

Employees are provided with professional counseling and medical referrals through The Fresno Bee's Employee Assistance Plan (EAP) and through its Behavioral Health Care Plan. All information regarding referrals, evaluation and treatment of an employee who participates in an assistance program will be maintained in a private and confidential manner.

Employees who wish to voluntarily enter and participate in an approved drug or alcohol rehabilitation program are encouraged to contact the Human Resources director. The Human Resources director will determine whether The Fresno Bee can accommodate the employee by providing unpaid leave for the time necessary to complete participation in the program.

Acknowledgement and Consent

Any employee or applicant subject to testing under this policy will be asked to sign a form acknowledging the procedures governing testing, and consenting to (a) the collection of a urine and/or breath sample for the purpose of determining the presence of drugs and/or alcohol, and (b) the release to The Fresno Bee of medical information regarding the test results. If an applicant refuses to sign the agreement and consent form or to submit to the drug and/or alcohol test, the refusal will result in the revocation of an applicant's job offer. If an employee refuses to sign the acknowledgement and consent form or cooperate with the administration of the drug and alcohol test, the refusal will be handled in the same manner as a positive test result.

Confidentiality

All drug and alcohol testing records are kept confidential. Access to such information is limited to individuals who have a business need to know. In addition, disclosures made by an employee to his or her manager, The Fresno Bee's physician or the Human Resources director concerning use of legal drugs or participating in a drug program will be treated confidentially and will not be revealed to other managers or supervisors unless there is a work-related reason to do so.