

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 this Letter of Agreement between The Sacramento Bee and the Pacific Media Workers Guild ("Guild").
2. The Company has provided ninety (90) days' prior notice to the Guild of its intention to begin the transfer of editorial production work to the EPC. The Company 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 (i) the number weeks of severance pay allowance received,

and (ii) 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 fulfill 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 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 the collective bargaining agreement.
15. Section 20.4 of the Agreement shall not apply to any employee covered by this Letter of Agreement.
16. **2015 Virtual Reporting Structure**

It is agreed that the 2015 transfer of Fresno Bee's Editorial Production work to The Sacramento Bee and change of employer will create a Virtual Reporting Structure and will not be considered a lay off or otherwise be deemed a severance event. This transfer of work will not require current Fresno Bee Editorial Production employees to relocate and physically work in The Sacramento Bee's newsroom.

It is understood that this transfer of work and change of employer for designated Fresno Bee Editorial Production employees, shall not trigger provisions described in items 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15.

However, it is also understood that this transfer of work and change of employer for designated Fresno Bee Editorial Production employees shall trigger provisions described in items 1 and 2.

Both parties agree that the 90 day notice requirement of the Company's intent to transfer employees to The Sacramento Bee has been met and that the Company shall give at least 30 days notice to each employee prior to their actual transfer to The Sacramento Bee.

17. ***Should The Company, in its discretion, determine that the Virtual Reporting Structure is not operating efficiently or effectively, The Company shall give the Guild 90 days notice of its intent to require former Fresno Bee Editorial Production Employees to relocate to the Sacramento area and work in The Sacramento Bee newsroom, thus triggering the provisions described in items 3, 4, 5, 6, 7, 8, 9,10, 11, 12, 13, 14 and 15.***

The Fresno Bee

Date

Pacific Media Workers Guild

Date