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June 17, 2015

Kathleen "Kat" Stewart Anderson
Pacific Media Workers Guild
433 Natoma St., 3rd Floor
San Francisco, CA 94103

Re: Editorial Production Agreement

Dear Kat,

Enclosed is a fully executed copy of the Editorial Production Agreement for your files.

Sincerely,

Jeri Smith

Jeri Smith
Administrative Assistant to
Linda Brooks, Vice President, Human Resources
The Sacramento Bee
2100 Q St.
Sacramento, CA 95816
(916) 321-1645
jsmith@sacbee.com

AGREEMENT BETWEEN

MCCLATCHY NEWSPAPERS, INC., PUBLISHER OF

THE SACRAMENTO BEE ("Company" or "Publisher")

EDITORIAL PRODUCTION AGREEMENT

BETWEEN

THE COMPANY

AND

PACIFIC MEDIA WORKERS GUILD

LOCAL 39521 ("Guild")

Contract term: January 1, 2015 to December 31, 2017

PREAMBLE

This Agreement is effective January 1, 2015 between McClatchy Newspapers Inc., Publisher of the SACRAMENTO BEE ("Company"), and the PACIFIC MEDIA WORKERS GUILD, LOCAL 39521, 433 Natoma, San Francisco, CA 94103 ("Guild") for itself and on behalf of all the employees in editorial production who are represented by the Guild.

SECTION 1 RECOGNITION

1.1 (a) 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 that supplants the foregoing shall be assigned to employees covered by this Agreement.

1.1 (b) During the term of this Agreement and its successor agreement, the Company agrees that it will not challenge the appropriateness of the bargaining unit covered by this Agreement and will not unilaterally withdraw recognition of the Guild as the bargaining representative of employees covered by this Agreement.

1.2 This Agreement covers the positions and departments in Editorial Production Center ("Center"). It is understood that the organizational structure of the center is still being defined. Both the Guild and the Company agree that the goal is for all non-exempt employees primarily involved in Center to be in this unit. This also includes possible "Hybrid roles." At this time these positions include: Multiplatform Copy Editor I, Multiplatform Copy Editor II, Multiplatform Copy Editor III, Multiplatform News Designer I, Multiplatform News Designer II, Multiplatform News Designer III, Senior Multiplatform Copy Editor, Senior Multiplatform News Designer, Digital Specialist I, Digital Specialist II, Digital Specialist III, Sports Clerk, Multiplatform Wire Editor and Production Center Intern.

1.3 (a) The following positions are excluded from the application of this Agreement. It is understood that the organizational structure of the center is still being defined. Both the Guild and the Company agree that the goal is not to increase the number of excluded positions within Editorial, but to identify which excluded positions are involved in Editorial

production. At this time these positions include: Director, California McClatchy Multiplatform Desk, Center Deputy Director (1), Team Leader I (9), Team Leader II (1), and any other supervisor as defined by the National Labor Relations Act, plus Interactive Division and Editorial Board.

1.3 (b) Due to the evolving nature of the Editorial Production Center, it is understood that the Company may change some of the managerial titles in Section 1.3 of this agreement, and will provide that the Guild be kept informed of these changes within 10 days of the change. It is agreed that this will not result in an increase in the number of excluded positions that are in Editorial.

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.

SECTION 2 PART-TIME AND TEMPORARY EMPLOYEES

2.1 (a) Part-time and temporary employees shall not be hired where the result is the layoff of any full-time employee who was employed as of March 12, 2007.

(b) Not withstanding 2.1(a) The Company may during the term of this agreement, replace up to four (4) full time employees who were employed as of March 12, 2007, with part time employees, with four weeks advance written notice being given to The Guild and affected employees. 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 6 of this agreement. Any part time position created as a result of the forgoing replacement shall be scheduled for at least the minimum number of hours per week which would qualify the employee holding the part time position and working the scheduled hours for health insurance coverage.

(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 severance 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, 2015, 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 four (4) 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 four (4) replacements allowed by 2.1 (b).

2.2 Part-time Employees

(a) A part-time employee is one who is employed and scheduled to work less than the normal work week (37.5 hours) provided for in Section 5. Experience credit for all part-time employees shall be determined on a pro-rata basis.

(b) All part-time employees shall be covered by all provisions of this Agreement except as expressly provided here or elsewhere in this Agreement. Among the provisions which shall not apply to regular and occasional part-time employees hired before the date of signing this Agreement are the following: Sections 5.3, 5.11, 5.14, 7, and 14.2. Among the provisions which shall not apply to regular part-time employees hired after the date of signing this Agreement are the following: Sections 5.3, 5.11, 5.14, 7, 13.4, 13.5, 13.7, 13.8, 14.2 and 19. Among the provisions which shall not apply to occasional part-time employees hired after the date of signing of this Agreement are the following: Sections 5.3, 5.11, 5.14, 6, 7, 13.3, 13.4, 13.5, 13.7, 13.8, 14.2, 17.

(c) All part-time employees shall be paid on an hourly basis equivalent to the salary provided for their classification and experience.

2.3 Temporary Employees

(a) A temporary employee is one employed for a special project or for a specified time, or hired to substitute for one or more employees on vacation, such employment not to exceed six months (which time limit may be extended by mutual agreement) or an employee who is hired to substitute for a particular employee absent on leave hereunder, in which case the employment may continue for the duration of the leave.

(b) Temporary employees are covered by all provisions of this Agreement, except as otherwise expressly provided in this Agreement. Full-time temporary employees also shall receive credit for time worked for the purpose of determining experience under Section 4.7. However, temporary employees shall not be entitled to severance pay other than as provided in Section 12.7. Full-time temporary employees are eligible for holiday benefits. In addition, full-time temporary employees are eligible to earn vacation after six months of employment and sick leave after three months of employment. Part-time temporary employees are not eligible for **holidays and vacations**.

2.4 This section, and the provisions of this Agreement, shall not apply to part-time or temporary employees such as election workers, or employees doing work not regularly done by staff members, nor shall this section apply to contractors.

2.5 For all part-time and temporary employees, the number of hours and/or shifts worked each week is at the sole discretion of the Publisher.

SECTION 3 GENERAL

3.1 (a) The Publisher may assign bargaining unit work to individuals holding the excluded positions set forth in 1.2 and to other non-bargaining unit individuals, providing that the assignment of such work does not result in the layoff of any full-time employee who was employed as of March 12, 2007.

Notwithstanding the foregoing sentence or any other provision of this Agreement, 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 sentence 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 6.1 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 3.1 (a) is eight weeks.

(b) The Company may assign any nonbargaining unit work to bargaining unit employees.

(c) Nothing in this Section 3.1 shall change the jurisdiction and description of the bargaining unit for collective bargaining purposes.

3.2 (a) As soon as possible, and in any event within ten (10) working days after the employee begins work at The Sacramento Bee, the Publisher shall furnish the Guild in writing the following information for each new employee:

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

(b) 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 the date of termination.

(c) The Publisher shall notify the Guild monthly in writing of changes in classification other than changes resulting from operation of this Agreement.

(d) The Publisher shall supply the Guild on request, but no more than twice a year, with a list containing the following information for employees covered by this Agreement:

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

3.3 Before new full-time employees are hired for 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. An employee may refuse a promotion without penalty. Employees promoted shall be given a trial period of six (6) months. During such trial period, the Publisher will appraise the employee's performance and determine if the employee passes or fails the trial period. The parties by mutual consent may extend this trial period. The Publisher shall determine the appropriate pay classification and experience rating to establish the employee's pay rate. Said pay rate shall not be less than the employee was paid during the trial period. If, at any time during the trial period, the Publisher determines the employee is failing the trial, the Publisher will attempt to return the employee to his/her original classification. If the employee is returned to a lower classification, the Publisher will determine the experience rating, and the employee's pay rate will be red-circled at the rate he/she was making before he/she was originally promoted.

3.4 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 ninety (90) days thereafter, the Guild may request that the parties meet for the purpose of negotiating a new salary for said classification, and in the event of disagreement, the Guild may submit the controversy regarding the appropriate salary to final and binding arbitration under Section 9. However, the arbitrator shall have jurisdiction to decide the appropriate salary only, and his/her ruling is limited to selection of either the Company's last offer or the Guild's last offer.

3.5 Notification to the Guild as required under this Agreement shall be satisfied by first class mail to 433 Natoma Street, San Francisco, California 94103, unless otherwise agreed to between the parties.

3.6 The Publisher agrees to post all job openings, for no less than seven (7) days, and shall give first consideration to present employees who possess the necessary qualifications, for such openings. The date of the posting will be included on the posting.

SECTION 4 SALARIES

4.1 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 their job performance review date.

(a) Performance will be rated and employees will receive at least the

following minimum merit increase based upon comp ratio and job performance reviews:

MERIT INCREASE GUIDE CHART FOR *2015*
COMP-RATIO

Rating	60% - 79%	80% - 94%	95% - 105%	106% - 125%	126+%
Consistently Exceeds	5%	4%	3%	2.5%	Lump Sum
Frequently Exceeds	3.5%	3%	2%	2%	Lump Sum
Meets Standards	2%	2%	1.5%	1.5%	0%
Fails to Meet Standards	0%	0%	0%	0%	0%

(b) Provide for a 2% merit increase pool for 2015 to be effective ***12/29/14*** and that 4.1 (a) is effective through 12/27/15. It is agreed that there is no requirement that there be money put in the merit increase pool in any year beyond ***2015***.

(c) Unpaid leaves of absence of more than thirty (30) days will extend the annual performance review date by the number of days on leave. Paid leaves of absence of more than sixty (60) days will extend the annual performance review date by the number of days beyond sixty days, except in accordance with FMLA.

(d) If there are monies put in the merit increase pool in a given year, the average percent increase of those employees eligible to be considered for a merit pay increase in that year shall be at least 95% of the merit increase pool percentage for that year.

(e) The following provisions of Section 4 shall not be subject to the provisions of Section 9 (Grievance and Arbitration) of this Agreement: 4.2, 4.3, 4.4, 4.8, 4.11, 4.12.

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

4.3 Any employee who receives a Job Performance Review may, within four 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, depending on the department in which he/she works, 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.

4.4 Any employee who does not receive a salary increase as a result of his/her annual Job Performance Review shall 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 4.3 and its delivery date, including salary increase, if any, shall become the employee's new Job Performance Review date.

4.5 (a) Salary increases granted pursuant to this Section 4 shall be in addition to the employee's base weekly or hourly rate, except when a lump sum payment is authorized pursuant to section 4.1(a).

(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 4.5 (a) above, the Publisher may elect to pay merit increases, if any, in a lump sum to an employee whose comp ratio is above 125%. Said "red circled" employee will be eligible for his/her merit increase, if any, to be added to his/her base pay, when his/her weekly base salary falls below 125% of their salary range's midpoint.

(d) Employees eligible for a lump sum merit increase, as defined in section 4.1(a), shall receive a 2% lump sum in ***2015***. If employee continues to be eligible each year, these merit increases shall be given as follows: year (1) applicable lump sum, year (2) applicable lump sum, year (3) applicable increase to base salary, based on comp ratio of 124%.

4.6 There shall be no reduction in the base weekly salary of any employee covered by this Agreement except as provided in this Section 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 established minimum for the lower rated job. Such demotions must be for just cause only.

(c) During a trial period covered in Section 3.3, the employee shall receive at least the minimum salary for the higher classification.

4.7(a) 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.

***2015* Ranges**

Title	**Minimum**	**Midpoint**	**Maximum**
Digital Specialist I	$15.00	$20.00	$25.00
Digital Specialist II	$20.00	$28.13	$35.16
Digital Specialist III	$25.00	$35.93	$44.94
Multiplatform Copy Editor I	$15.00	$20.00	$25.00
Multiplatform Copy Editor II	$20.00	$28.13	$35.16
Multiplatform Copy Editor III	$25.00	$35.93	$44.94
Senior Multiplatform Copy Editor	$1287.50/wk	$1736.18/wk	$2170.23/wk
Multiplatform News Designer I	$15.00	$20.00	$25.00
Multiplatform News Designer II	$20.00	$28.13	$35.16
Multiplatform News Designer III	$25.00	$35.93	$44.94
Senior Multiplatform News Designer	$1287.50/wk	$1736.18/wk	$2170.23/wk
Multiplatform Wire Editor	$25.00	$35.93	$44.94
Sports Clerk	$10.25	$13.68	$17.10
Production Center Intern	$12.17	$16.23	$20.29

4.7 (b) The Company shall have the right to designate an employee's classification. In the event that the employee disagrees with the Company's decision on his or her classification, the employee may appeal that decision in the same manner as the procedure to appeal an experience level decision as set out in section 4.8.

4.8 Employees may appeal their job classification assignment in writing to the Executive Editor. The decision of the Executive Editor shall be final.

4.9 (a) Nothing in this Agreement shall prevent employees from bargaining individually for salary increases. Any salary increases granted pursuant to this provision may, at the Publisher's option, be paid either in a lump sum or as an addition to the employee's then current base salary. Such raises shall not delay or extend the employee's annual performance review date.

(b) It is understood that the Publisher may offer an employee more than is contractually required when promoting them into a higher job classification. The resulting promotional increase may also include an early annual merit increase based upon the employee's last annual performance review rating. If the annual merit increase is given early with a promotional increase that raises the employee's salary by more than 5%, the employee's next annual review may at the Publisher's discretion be re-set for one year from the effective date of the promotion.

4.10 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 may, at the Publisher's option, be paid either in a lump sum or as an addition to the employee's then current base salary. Such raises shall not delay or extend the employee's annual performance review date.

4.11 It is understood that the wages of employees covered by this Agreement may be subject to freezes, delays or reduction of planned increases if the non-bargaining unit employees and Management of The Sacramento Bee 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 Sacramento Bee. The Publisher agrees to give the Guild at least thirty (30) days notice of the wage action to allow Guild and Publisher 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.

4.12 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 Sacramento Bee payroll records.

4.13 Within ten (10) working days of payment of a merit increase, the Publisher will furnish the Guild with the name, classification, job title, previous salary, merit increase, merit increase percentage and new salary of the eligible bargaining unit employee.

4.14 The Company shall offer direct deposit of employee's earnings on a voluntary basis.

SECTION 5 HOURS

5.1 (a) The five-day thirty-seven and one-half (37 1/2) hour week shall obtain for all full-time employees.

(b) Telecommuting - By mutual agreement between the Publisher and the employee, regular full-time employees may work a 37.5-hour workweek from locations other than the Publisher's Sacramento facility. The Publisher will notify the Guild of any employee who enters into an arrangement of this type. Upon four weeks (28 calendar days) prior notification to the Publisher, the employee working under this arrangement may return to the normal work location arrangement. Upon four weeks (28 calendar days) prior notification to the Guild and employee working under this arrangement, the Publisher may end the arrangement and return the employee to the normal work location arrangement. The granting or denial of a telecommuting request by the Publisher shall not constitute a precedent for any other such requests and the Publisher shall have the complete discretion to decide whether or not to grant any such request.

5.2 Seven and one-half (7 1/2) hours within eight and one-half (8 1/2) consecutive hours shall constitute a day's straight time worked.

5.3 If an employee is allowed time off during a regular workday 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, except by mutual consent. If an employee requests and receives a day off other than his/her regular day off to handle personal matters, the employee shall make up the time by working a day as assigned by the Publisher, provided the employee is given at least 24

hours advance notice of the date on which the time is to be made up. 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. If the Publisher gives its permission, the employee may deduct the day off from his/her vacation time up to a maximum of five (5) vacation days in a calendar year.

5.4 (a) The Publisher shall compensate for all overtime at the rate of time and one-half. Overtime shall be defined as work beyond the unit of hours in the workday or workweek.

(b) In lieu of overtime, the Publisher may offer compensatory time off provided that the affected employee opts for the compensatory time off. Compensatory time off shall be at the applicable overtime rate and must be taken during the same work week as the hours worked.

5.5 Any employee required to return to work after his/her regular working 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. Except as modified by other parts of this Section 5, full-time employees who are called in to work a sixth day (fifth day in a holiday week) or seventh day (sixth day in a holiday week) shall be paid a minimum of five (5) hours at the overtime rate. Working a seventh day shall be by mutual consent.

5.6 The Publisher shall cause a record of all overtime to be kept and employees shall report all overtime worked within each payroll period. Such record shall be made available to the Guild in case of a dispute. An employee must receive prior authorization for working overtime from the appropriate management representative.

5.7 (a) Work schedules for full-time employees shall be posted one week in advance of the week for which they apply. Except as modified elsewhere by this Agreement, any work performed at hours not scheduled shall be considered overtime. It is understood that in the case of illness, unanticipated jury duty, failure to report, or dismissal of an employee, the Publisher has the following among its options without incurring any overtime or other penalty:

(1) Changing the days off and/or starting times of other employees to cover the absence.

(2) Requiring part-time employees to work additional days and/or hours up to a limit of 7.5 hours in a day, 37.5 hours in a week at

the regular rate of pay.

(b) The Publisher may change the starting times of employees for any shift in a workweek for the purpose of ensuring the coverage of major breaking news or the changed schedules of events to be covered, provided that the affected employees are given notice prior to the conclusion of their current shift.

(c) The Publisher also may adjust the starting times and/or days off for employees on overnight out-of-town assignments, provided the affected employees are notified of such starting time or schedule change prior to the conclusion of their current shift.

5.8 (a) The Publisher may designate up to a maximum of three (3) senior copy editors and three (3) senior page designers, who will be exempt from Sections 5.1, 5.2, 5.3, 5.4, 5.5, 5.6, 5.7, 5.9, 5.11, 5.12, 5.13 and 5.15 but shall be covered by other provisions of this Agreement.

(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 designation as senior copy editor or senior page designer.

(d) In the event the designation of an employee, senior copy editor or senior page designer, is subsequently withdrawn by the Publisher, the affected employee and the Guild shall be given forty-five (45) days notice. In the event of such withdrawal there shall be no reduction in pay (such salary shall be red-circled and absorbed by subsequent pay increases). If the employee requests to be removed from this designation, and the Publisher agrees in writing, the employee's pay may be red-circled at the Publisher's option. 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 percent (125%) of the salary range midpoint within the applicable classification.

5.9 Except in an emergency or as modified elsewhere by this Agreement, the Publisher will provide full-time employees with consecutive days off insofar as practicable. Full-time employees regularly scheduled to work on Sunday shall receive two consecutive days off unless otherwise mutually agreed to by the Guild and the Publisher, or the employee shall have the option to split days off, one of which shall be Saturday.

5.10 That part of a shift worked within any period less than twelve (12) hours after the completion of the preceding shift shall be paid for at the rate of time and one-half. By mutual consent, this section may be waived up to twice a week per employee.

5.11 Any employee working straight time shifts beginning or ending between 8:00 p.m. and 6:00 a.m. shall receive a differential of $5.50 per shift.

5.12 (a) The following holidays, or the days observed as such, shall be granted to all employees with full pay: New Year's Day, Diversity Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas. In addition to the above eight (8) holidays there shall be an additional holiday, which shall be on the employee's birthday (or another mutually agreeable holiday including Martin Luther King Jr. Day and Caesar Chavez's Birthday) in accordance with the present practice.

(b) Diversity Day will be celebrated to coincide with Martin Luther King Day. If an employee wishes to select an alternate day, they must do so in writing during open enrollment. Selection of an alternate day is subject to supervisor approval. If an employee selects an alternative date and the Company is unable to grant that request for the employee, that alternative date and corresponding work week will be treated per section 5.14(c). Diversity Day is not a floating holiday and it may not be used as an extension of vacation, sick leave, another holiday or any other form of paid time off. The Company reserves the right to deny a paid day off for a requested Diversity Day if business needs necessitate or if the selected day does not coincide with a religious, ethnic or diversity event. If an employee is hired after Martin Luther King Day has occurred, he or she will not be eligible for Diversity Day until the following calendar year. If an employee leaves employment prior to celebrating his or her Diversity Day, the employee will not be paid for the holiday.

(c) If an employee wants time off for a religious holiday not listed above, the employee, with reasonable advance notice, may request time off for such a holiday. The Company, as in the past, shall make a good-faith effort to grant the request with some arrangement that is consistent with business necessity. There is no requirement either that the Company grant the request, or that if it does grant the request, the time off be with pay. The granting of any request shall not constitute a precedent for the granting of any other request.

(d) The work week for any employee in which any of these holidays falls shall consist of four (4) days or three (3) days pursuant to Section 5.1(b) totaling the number of

hours applicable to him/her as specified in Section 5.1, excluding the holiday. Any employee required to work on the holiday shall receive a paid day off during that same work week. If an employee is required to work longer than two-thirds (2/3) of his/her 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, in addition to all other pay to which he/she is entitled under this Agreement.

5.13 Calculation of weekly overtime (hours worked in excess of 37.5) shall be based on actual hours worked, except that paid time off for vacation or compensatory time off shall be considered as time worked, for purposes of the calculation of weekly overtime.

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

SECTION 6 SEVERANCE PAY

6.1 (a) Severance pay shall be paid to regular full-time employees, in a lump sum equal to two (2) weeks' pay for every year of full-time equivalent service (prorated for fractional years of service), up to a maximum of twenty-six (26) weeks. Such pay shall be computed at the employee's current rate of pay excluding any overtime, holiday pay, vacation pay, shift or job differentials or any other premium or additional compensation.

(b) Severance pay shall be paid to part-time employees in a lump sum equal to two (2) weeks pay for every year of full-time equivalent service (prorated for fractional years of service) up to a maximum of four (4) weeks. Such pay shall be computed at the employee's current rate of pay excluding any overtime, holiday pay, vacation pay, shift or job differentials or any other premium or additional compensation.

6.2 Severance pay need not be paid to an employee discharged for just cause (excepting incompetence), self-provoked discharge for the purpose of collecting severance pay, to an employee who is retired from The Sacramento Bee or who leaves of his/her own volition. The payment of severance in any of these cases shall be optional with the Publisher.

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

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

SECTION 7 VACATIONS

7.1 Vacation credit for regular full-time employees shall be granted on the following basis:

(a) During an employee's first five years of service, the employee shall earn .0575 hours of vacation time for each hour of straight time paid up to a maximum of three (3) weeks per year.

(b) During an employee's sixth and subsequent years of service, the employee shall earn .0767 hours of vacation time for each hour of straight time paid, up to a maximum of four (4) weeks per year.

(c) Vacation accrual shall begin on the employee's first day of employment.

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

7.3 An employee whose vacation time includes a holiday shall receive an additional day of vacation at a time to be mutually agreed upon by the employee and the Publisher.

7.4 Upon termination of employment, an employee (or his/her estate in case of death) shall receive accrued vacation pay.

7.5 Employees may accrue vacation up to an amount which equals one week over the employee's annual entitlement. Accrual of unused vacation beyond one week over the annual entitlement shall only be by mutual agreement between the Publisher and the employee.

7.6 For former Neighbors employees, McClatchy Newspaper experience before September 1, 2002 will not be recognized for the purposes of vacation scheduling priority.

7.7 Employees are strongly encouraged to take their accrued vacation each year. 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 if an employee has a negative vacation balance at the time of their termination, the amount advanced by the Publisher to the employee, is subject to recovery from their final paycheck with written authorization from the employee.

7.8 In any calendar year, the Company may require employees to use some or all vacation accrued in a given year and/or some or all of the vacation balance that the employee carried into the given year. Employees will be given 30 days notice prior to vacation use being mandated, although employees may begin scheduling vacation as soon as reasonable. The Company will attempt to accommodate any employee vacation requests in accordance with business needs. However, the Company shall make the final decisions on vacation request and scheduling.

SECTION 8 SICK LEAVE

8.1 ELIGIBILITY:

(a) Full-time employees will receive sick leave benefits in accordance with this Section after one month of employment and may use the hours available in their accrual balance.

(b) Part-time employees will be eligible for sick leave benefits in accordance with California State Law.

8.2 INCIDENTAL SICK DAYS: Eligible employees shall be paid for up to ten (10) scheduled workdays per payroll fiscal year for which they do not report to work as a consequence of illness or injury or sick dependent, with prior supervisor approval, for family emergency.

(a) To receive compensation for incidental 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.

(b) In the first year of employment, or upon transfer to full-time status, employees will receive a prorated sick leave balance after one month of service.

(c) At the beginning of the fiscal year immediately following hire date and at the beginning of each payroll fiscal year thereafter, eligible full-time employees shall have ten (10) occasional sick days.

8.3 SHORT-TERM DISABILITY: Eligible employees may receive up to 25 weeks of Short-term disability (STD) pay, subject to approval by the plan administrator, within an 18 month period from the Company, while certified disabled by a doctor, are unable to work and are qualified for state disability. Eligibility and maximum benefit period is determined by the Publisher's STD plan administrator. While on medical leave, total pay for eligible employees will be sixty (60) percent of normal base pay. This is a combination of Company short-term disability pay and state disability pay. For sales personnel covered by a commission plan, base pay is defined as their weekly base pay plus a weekly average of their direct sales commission earned in the prior year.

At the employee's option, available incidental sick days and/or vacation pay can be used to supplement STD pay, not to exceed 100% of base pay. Incidental Sick Leave or vacation pay can be used for time preceding the employee's eligibility date for disability pay and Extended Sick Leave pay.

8.4 LONG-TERM DISABILITY: Eligible employees whose qualifying illness or injury exceeds a 180-day waiting period from the first day of disability before LTD begins, are eligible to apply for long-term disability benefits through the Publisher's insurance carrier. Eligibility for long-term disability benefits and the maximum benefit period are determined by the insurance carrier. Long-term disability benefits are integrated with other disability payments including State Disability, Workers' Compensation and Social Security to provide fifty (50) percent of an employee's base pay.

Eligible employees may elect to purchase additional long-term disability coverage under the Publisher's policy to bring total compensation to sixty (60) percent of base salary.

8.5 An employee who is absent from work due to a medical condition for more than seven (7) consecutive calendar days must file a claim for State Disability Insurance.

8.6 Regular full-time employees who are eligible for but do not use any of their sick leave (Incidental or Extended Sick Leave) during designated six-month periods, will be granted one wellness day at the end of each period.

(a) To be eligible for the program, the employee must meet the following criteria during the entire six-month period.

1. Regular full-time status.
2. Active status (no leave of absence), and
3. Must be eligible to receive sick leave benefits.

(b) Each designated six-month period shall be determined by the Publisher, based on the year's payroll calendar.

(c) An employee may maintain up to two (2) wellness days at any time. During the time that an employee has two (2) unused wellness days, the employee shall not be eligible to earn additional wellness days.

SECTION 9 GRIEVANCE AND ARBITRATION PROCEDURE

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 employee 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 (a) 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.

(b) 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 essence of this Agreement.

9.4 STEP 1 OF GRIEVANCE PROCEDURE

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 in writing the Executive Editor (or other designated Company official) in the case of an Editorial Department grievance, or the Advertising Director (or other designated Company official) in the case of an Advertising Department grievance, of the grievance and request a meeting within twenty-one (21) working days after the action, inaction, occurrence or condition constituting the grievance, or within twenty-one (21) working 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 9.9 upon proper notice as required in that Section. Should the grievance originate with the Company, the Executive Editor (or other designated Company official) or the Advertising Director (or other designated Company official) shall notify in writing the Guild Unit Chairperson (or other designated Guild official) of the grievance and request a meeting within twenty-one (21) working days after the action, inaction, occurrence or condition constituting the grievance, or within twenty-one (21) working 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) working days of it being requested. The respondent, whether the Company or the Guild, must respond to the grievance within twenty-one (21) working days from the time the meeting is held.

The written notification of grievance referred to above shall include a detailed description of the dispute or controversy constituting the grievance (including the specific nature of the grievance and the specific provision of this Agreement involved).

9.5 STEP 2 OF GRIEVANCE PROCEDURE

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) working days. Such

request will be in writing to the Publisher's Director of Human Resources, or the Guild Administrative Officer as the case may be. 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) working days of the date of the meeting.

9.6 Any agreement reached during Step 1 or Step 2 shall be final and binding on the employee, the Guild and the Publisher.

9.7 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) working days after receipt of the response provided for in Section 9.5. After timely written registered or certified 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:

Charles Askin	Thomas Angelo
Alexander Cohn	David Weinberg

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. An arbitrator selected hereunder shall have the final authority to rule upon all matters pertaining to the preparation and presentation of each party's case or other procedural matters, in accordance with existing law, which results in differences between the parties.

9.8 The fees and expenses of arbitrator shall be paid by the losing party. However, each party shall bear its own costs of advocacy and witnesses. If both parties wish to have a transcript of the hearing, the costs of the court reporter, transcripts for each party, and a reporter's transcript for the arbitrator's use shall be shared. If only one party wishes to have a transcript of the hearing, the other party shall not be required to share in the cost, but shall not have access to the transcript. 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 Director of Human Resources 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 twenty-one (21) calendar days following notice to the Guild of the discharge. The Guild and the Publisher will select an arbitrator within ten (10) 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 seventy-five (75) 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 day maximum liability

period (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. 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 any of the time limits set forth herein, then the grievance shall be considered waived. If the party against whom the grievance is filed fails to comply with any of the time limits set forth herein, then the grievance proceeds to the next step of the grievance procedure. The time limits set forth herein may be extended by written mutual agreement between the Guild and the Publisher. Neither the Publisher nor the Guild shall be arbitrary or capricious in denying written requested extensions of the time limits set forth herein.

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

10.1 The Company shall pay all legitimate expenses incurred by the employees in the service of the Publisher.

10.2 Photographic equipment required by the Publisher shall be supplied and insured by the Publisher. Damage to photographic, recording or new media equipment which is owned by the employee shall be reimbursed if the equipment is damaged while the employee is working; or if the equipment is damaged while such equipment is authorized to be stored on Company premises.

10.3 If an employee is required to use his/her automobile regularly on the business of the Publisher, such automobile shall be covered by liability and property damage insurance on the basis of $250,000/500,000/100,000 coverage, and the Publisher agrees to pay one-half of the

amount. If such automobile is already covered by liability and property damage insurance satisfactory to the Publisher, one-half 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 coverage. After such premium payment has been made by the Publisher, in the event of a termination of employment of such employee, the Publisher shall be entitled to a refund of one-half the amount of any unearned premium on such liability insurance existing at the date of termination, and the Publisher may deduct such amount from any money which may be due and owing to the employee on said date.

10.4 (a) The Internal Revenue Service ("IRS") rate shall be the basis for mileage reimbursement for employees who drive their automobile on Company business.

1. Photographers who furnish their automobiles shall be paid three dollars and 50 cents ($3.50) per week for the first 100 miles in addition to the mileage reimbursement at the IRS rate. All mileage in excess of the first 100 miles shall be paid at the IRS rate.
2. Other employees required to furnish their automobiles in the business of the Publisher shall be paid one dollar ($1.00) per week for the first 100 miles in addition to the mileage reimbursement at the IRS rate. All mileage in excess of the first 100 miles shall be paid at the IRS rate.
3. Employees using their automobiles in the business of the Publisher on a casual basis shall receive mileage reimbursement for all miles driven in accordance with the IRS rate.
4. Those employees who regularly furnish their automobiles in the business of the Publisher shall continue to receive reimbursement for one-half the cost of their public liability and property damage insurance, provided that they obtain public liability and property damage insurance in accord with the requirements of subsection 10.3 of this Agreement.
5. Adjustments in the mileage reimbursement rate will coincide with the effective date given by the IRS.

(b) Employees shall continue to submit their actual parking expenses for reimbursement by the Publisher on the expense report form.

(c) Other employees providing their automobiles in the business of the Publisher on a casual basis shall be paid a minimum of four dollars ($4.00) for the first trip in any given day and three dollars ($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 seven dollars ($7.00) in one day. If the rate for such employee based on actual miles traveled for the day exceeds the limitation of two trip minimum rates, he/she shall be paid the mileage rate. Employees reporting to the Publisher's facility at 2100 Q St. in Sacramento prior to reporting to a second office are to receive two dollars ($2.00) per day for automobile use.

(d) An employee may receive mileage reimbursement for driving his/her automobile on Company business under either 10.4 (a) or 10.4 (c) above, but not both. The employee may choose the subsection under which he/she shall be reimbursed.

10.5 (a) All employees required to use a car on Company business are required to have access to a non-Company car and have a current valid California State motor vehicle operator's license.

(b) Any employee receiving a weekly minimum automobile allowance as provided in Section 10.4 above shall be given at least four (4) months' notice, with a copy to the Guild, of any discontinuance of the use of his/her automobile in the Publisher's behalf, except in the case of resignation or discharge.

(c) If any employee should be required to furnish his/her own automobile, he/she shall receive no less than four (4) months' written notice, with a copy to the Guild. A different period of notice in any individual case may be established between the Publisher and the Guild.

(d) The Publisher may require all employees to furnish their own cars for Company business (excluding newsroom photographers).

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

2. The Company may require an employee to use a Company cell phone for company business.

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

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

SECTION 11 OUTSIDE ACTIVITY

11.1 (a) Employees shall be free to engage in activities on their own time not performed by enterprises in competition with The Bee, SacBee.com, Sacconnect.com, Sacramento.com or any other enterprises related to the Company. The Publisher or its representative shall reasonably determine what is considered competition. Employees are prohibited from engaging in activities that would compromise the editorial integrity of The Sacramento Bee. Without written permission from the Publisher, or its representatives, no employee shall use the name of the Publisher or his/her connection with the Publisher or any feature title or other materials of the Publisher to exploit in any way his/her outside activities.

(b) It is recognized that an employee may engage in some activities or work restricted by (a) above, provided the employee has informed the Publisher and the Publisher or its representative have approved of the proposed activity or service in advance. Approved representatives include the Executive Editor, the Managing Editor and the Senior Editors.

(c) If, with the approval of the Publisher, an employee enters into an agreement to appear on any broadcast or cable television station or radio station or on-line publication as part of such agreement, the employee shall request that he/she be introduced during such appearances as an employee of the Publisher.

SECTION 12 NATIONAL EMERGENCY

12.1 Any employee who serves and/or enlists in the Armed Forces, Reserves, National Guard, other uniformed services as defined by state or federal law, or any other category of service designated by the President in time of war or national emergency which takes him or her out of the employee of The Publisher for five years or less, shall be deemed to be an employee on leave of absence and shall resume his/her position for 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 as directed by state and federal law, which requires (1) for periods of service less than 31 days that the employee report back to work no later than the beginning of the first full regularly-scheduled work period on the first full calendar day following the completion of the period of service; (2) for periods of service from 31 days to 180 days that the employee submit an application for reemployment with the employer not later than 14 days after completing service; and (3) for periods of service more than 180 days that the employee submit an application for reemployment within ninety (90) days of termination of such service, plus reasonable allowances for return to The Sacramento 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 An employee leaving for such service as herein described shall receive immediately his/her accrued vacation pay.

12.5 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.

12.6 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.

12.7 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.

12.8 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.

12.9 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.

12.10 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.

12.11 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 Sacramento Bee's health insurance plan for up to three (3) months, conditioned upon 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

13.1 The Publisher shall not use the signing of this Agreement as grounds for the dismissal of any employee subject to its terms.

13.2 There shall be no dismissals, except for just cause or to reduce the force. The term "reduce the force", as used herein, shall be construed as synonymous with layoff for economy.

13.3 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 for up to three months. 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 13.7 shall not apply to the dismissal of an employee during his/her probationary period.

13.4 (a) Layoffs to reduce the force may be made as the needs of the Publisher require. The Publisher shall decide when and how many employees shall be laid off and its decisions on those matters shall not be subject to the provision of Section 9 of this Agreement. The Publisher will give the Guild four (4) weeks notice of any layoff and will meet with the Guild to discuss the layoff at the Guild's request. When deciding on layoffs, the Publisher shall give consideration to the work to be done and the competency, efficiency, skills, ability, previous job performance, seniority, attendance record, training and other qualifications of employees covered by this Agreement. For former Neighbors employees, McClatchy Newspaper experience before September 1, 2002, will not be recognized for the purposes of layoff seniority. The Publisher is not required to layoff in inverse order of seniority. However, if all aforementioned qualifications are equal, the least senior employee shall be laid off.

(b) Employees laid off because of a reduction in force shall be afforded all rights accruing to them under the COBRA statute and its implementing regulations. It is understood that health care insurance coverage for employees laid off will continue through the end of the calendar month in which the layoff occurs. Eligibility for Company-paid COBRA benefits will be under the same terms and conditions applicable to non-bargaining employees.

(c) 1. At its sole discretion the Company may request voluntary layoffs before laying off involuntarily. If the Company does request voluntary layoffs it shall not be required to accept the offer of any employee who volunteers to be laid off.

2. Employees whose voluntary lay off requests pursuant to 13.4 (c)-1 are accepted, shall qualify for severance pay under Section 6, provided that they agree to sign a joint waiver and release of claims.

13.5 (a) Within seven (7) calendar days after the employee is notified of his/her layoff, the employee dismissed to reduce the force shall notify the Publisher in writing by registered mail whether he/she wants to have his/her name placed on a rehire list. Rehire lists shall be maintained by department (Editorial and Advertising), by classification within each department and employment status. An employee who places his/her name on a rehire list shall be placed on a list for a period of one (1) year. No other persons may be hired for the jobs

vacated until the laid off employee in that department, classification within that department and employment status are offered the job, unless the laid off employee fails to meet the qualification requirements specified in Section 13.3 or the laid off employees fail to accept such re-employment within fourteen (14) calendar days after notice by registered mail to his/her last know address appearing on the Publisher's records.

13.5 (b) It is understood when reviewing job classifications in terms of the rehire list, the review of rehire list job classifications will expand to allow laid off employees in level II or level III positions to be eligible for the lower level positions within their job classification at the time of their lay off. However, the level II, or level III employee must be willing to accept a possible lower starting wage than what they were receiving at the time of lay off.

13.5 (c) It is also agreed that if after the severance benefit has been paid, and the laid off employee accepts a comparable position with The Sacramento Bee, The McClatchy Company or an affiliate employer, any such reemployment is contingent upon repayment to The Publisher of an amount equal to the difference between (a) the number of weeks of severance pay received and (b) the number of weeks separated from service. If an employee accepts a non-comparable position, reemployment is contingent upon repayment to The Publisher of an amount equal to 50% of the formula 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 eligible employee's current working hours and base pay.

(d) It is understood that an "affiliate employer" is a Company that is owned 100% by The McClatchy Company.

13.6 Upon dismissal an employee upon request shall receive a written notice from the Publisher or its agent stating the cause of his/her dismissal, provided such demand is made within 72 hours after the employee is informed of his/her discharge, and the Publisher shall furnish a copy of such notice to the Chairperson of The Bee Unit of the Guild. In the event of an economy layoff, the Publisher shall give four (4) weeks written notice to the employee and the Guild.

13.7 New equipment. Upon ninety (30) days notice to the Guild, the Publisher has the right to install and operate any new equipment or bring about major technological change in any department covered by this Agreement. The Publisher endorses the policy of aiding in the retraining of displaced employees to the extent practicable to minimize the reduced employment

opportunities consistent with the efficient operation of the department affected. It is understood that this provision does not apply to routine software upgrades or to the replacement of existing equipment such as computers and associated devices.

(a) The Publisher is committed to providing a safe workplace with respect to ***computer*** safety, as agreed to between The Sacramento Bee and the Division of Occupational Safety and Health dated June 19, 1990, in the Joint and Voluntary Declaration set forth in the Injury and Illness Program ***Computer*** Code of Safe Practice.

(b) The Publisher agrees to maintain a training program designed to inform current and new ***computer*** users of ***computer*** safe practices, ***a computer*** eye glass reimbursement program and accessories as set forth in this Agreement.

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

(b) The discharge of an employee for just cause may be effective immediately without the two (2) weeks notice or pay in lieu thereof.

(c) The Publisher shall give the Guild notice of all discharges forthwith as soon as possible under the circumstances.

SECTION 14 LEAVES OF ABSENCE

14.1 (a) Upon request, the Publisher shall grant employees leaves of absence, including paternity leave, without pay, for good and sufficient cause subject to the reasonable requirements of the Publisher with respect to the efficiency and orderly operation of the department affected.

(b) Maternity and paternity leaves shall be granted for a period not to exceed six (6) months. Such leave is offered for the care of both natural and adopted children. Such leave shall be without pay.

(c) Upon return from a personal leave without pay, with an approved job guarantee, the returning employee shall have the seniority that he/she had immediately before commencing the leave. It is understood that the Publisher is not under any obligation to reinstate an employee who takes a personal leave without pay, and who does not have an approved job guarantee.

14.2 (a) After each five (5) years' service completed by an employee, said employee may take an unpaid sabbatical leave of absence of up to a one (1) year duration. Said leave shall not constitute a break in service with the Publisher, provided, however, that said leave shall be without pay and without accumulation of any credits or benefits under this Agreement. The number of employees to be on such leave at any one time shall be subject to the reasonable requirements of the Publisher with respect to the efficiency and orderly operation of the department affected, providing that the granting of an employee's leave hereunder may not be deferred for a period of more than twelve (12) months. Upon the employee's return, he/she shall be restored to his/her former job classification and salary but at not less than the current minimum for said classification. It is understood that the Publisher is not required to restore the employee to the job that he/she had before the leave. An employee temporarily promoted or receiving a salary increase over the minimum herein provided for his/her regular classification or salary for filling the vacancy created during said absent employee's leave may be returned to his/her previous position and salary, but at not less than the then current minimum for said position.

(b) Sabbatical leaves may not be taken for the purpose of changing jobs or professions. Any employee on sabbatical leave who subsequently applies for unemployment compensation shall automatically forfeit such leave and be considered as submitting a resignation.

(c) Employees while on sabbatical leave shall not accept employment for compensation with any of the competing news or advertising media or services or with a public relations office of a business or government agency having a regular and direct relationship with any McClatchy Enterprise. Nothing in the foregoing shall be interpreted as prohibiting employment in the nature of political activity as provided in state law.

(d) Employees taking sabbatical leave may continue to participate in the Publisher's group health insurance plan through the end of the month during which the leave begins. Thereafter, employees may continue their group health insurance in conjunction with federal COBRA guidelines.

14.3 In the event an employee is elected or appointed to any office of the Pacific Media Workers Guild or office of a local of the Pacific Media Workers Guild or any AFL-CIO office, such employee at his/her request shall be given a leave of absence, without pay, for a

period of up to one (1) year. Such leave, at the employee's request, shall be extended up to a maximum of three (3) years provided the Publisher is notified not less than sixty (60) days in advance of the extension. Guild leaves cannot be extended beyond three (3) years unless mutually agreed to by the Publisher and the Guild. Employees on Guild leaves of more than one (1) year shall notify the Publisher of their intent to return at least ninety (90) days before the end of the leave. Not more than two (2) employees shall be on leave any one time. The provisions of this section shall apply to delegates selected to the Pacific Media Workers Guild, or AFL-CIO conventions sector, international or district. The number of members of the staff who may receive leaves of absence for union conventions at one time shall be no more than three (3) unless a greater number is mutually agreed upon. Employees taking a leave under this paragraph may continue to participate in the Publisher's group health insurance plan through the end of the month during which the leave begins. Thereafter, employees may continue their group health insurance in conjunction with the Federal COBRA guidelines.

14.4 Employees on leaves of six (6) months to one (1) year shall notify the Publisher of their intent to return at least sixty (60) days before the end of the leave. Employees on leaves of less than six (6) months shall notify the Publisher of their intent to return at least forty-five (45) days before the end of the leave. If notification is not received by the Publisher, it shall be the Publisher's option to determine that failure to provide notice constitutes resignation. The Publisher will notify the affected employee in writing of the requirements of this Section before the employee begins the leave.

14.5 Employees who have had a death in the immediate family shall have up to three (3) days off with pay to make funeral/memorial service arrangements and/or attend the family/memorial service. If travel of more than 600 miles one way is required to attend the family/memorial service, the employee shall have up to five (5) days off with pay to make funeral/memorial service arrangements and/or attend the family memorial service. It is understood immediate family is parent, step-parent, spouse, child/step-child, sibling, grandparent, grandchild, mother-in-law, father-in-law, son-in-law, daughter-in-law, sister-in-law, brother-in-law, aunt, uncle, niece, nephew, or domestic partner as defined by the Publisher's policy, which is attached hereto as Attachment I.

14.6 Bargaining unit employees shall be governed by the same family and Medical Leave Act Policy that applies to non-bargaining unit employees (a copy of such policy is

attached hereto). Conflicts between this Agreement and federal or state leave regulations, i.e., 1993 Family Medical Leave Act, will be resolved in compliance with statutory requirements.

SECTION 15 MANAGEMENT RIGHTS

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

SECTION 16 NON-DISCRIMINATION

16.1 The Publisher and the Guild affirm their intentions to continue to adhere to and support a policy which affords equal opportunity to qualified individuals regardless of their race, creed, color, national origin, age, sex, religion, marital status, parental status, family care status, citizenship, sexual orientation, gender identity, medical condition, physical disability, mental condition, veteran status, or ancestry, or any other characteristic protected by local, state or federal law.

16.2 The Publisher and the Guild agree that there shall be no discrimination against any employee because of his/her membership or activity in the Guild or his/her lack of membership or activity in the Guild.

SECTION 17 JURY DUTY

17.1 Employees called on trial jury duty will be paid their regular weekly salary in addition to any jury duty pay. In no instance will an employee be paid on a sixth day in any one week when serving on a jury.

17.2 Employees are required to report for work during their regular scheduled working hours when their presence is not required for jury duty. The Publisher will allow, however, for reasonable travel time to and from the courtroom.

17.3 Employees called for jury duty for a full day who are scheduled for a night shift shall be excused from that night shift except when major news breaks require his/her presence. In such exceptions all work hours will be paid at the overtime rate.

SECTION 18 HAZARDOUS ASSIGNMENT

18.1 An employee carrying out authorized work involving hazardous conditions shall be reimbursed by the Publisher 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. A committee composed of two (2) representatives of the Publisher and two (2) representatives of the Guild will be established during the term of this Agreement to discuss measures satisfactory to the Publisher and the Guild for furthering the safety of employees while covering assignments under hazardous conditions.

18.2 An employee traveling on Company business will be covered by $150,000 death and dismemberment travel insurance. Travel 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 MISCELLANEOUS

19.1 An employee's byline and listing in a staff box, shall not be used over his/her advance protest, providing such protest is for professional reasons only.

19.2 The Publisher agrees to provide bulletin boards in the departments represented by the Guild for official business of the Guild.

19.3 Reporters may be assigned as photographers (this includes the use of any equipment able to capture images) and photographers may be assigned as reporters. For all reporters employed on the signing date of this Agreement, their competence shall not be judged on the basis of their work with a camera or other video equipment. For all photographers employed on the signing date of this Agreement, their competence shall not be judged on the basis of their reporting work. For any employee hired after the signing date of this Agreement, the Publisher shall have the right to assign that employee reporter and photographer duties and to evaluate that employee on the basis of his/her performance of the duties.

19.4 (a) No regular full-time employee shall be transferred to a McClatchy newspaper without the employee's consent. If an employee seeks a transfer from the Publisher to another McClatchy newspaper, he/she shall receive no expense reimbursement unless the Publisher and the employee seeking a transfer reach a mutual agreement on expense reimbursement. If the Publisher asks a regular full-time employee to transfer to another McClatchy newspaper and the employee consents, the employee shall receive transportation and traveling expense for himself or herself, family, and household effects.

(b) No employee shall be transferred to another city outside the newspaper's

final circulation delivery area without the employee's consent. Employees who consent to transfer to another city outside the newspaper's final circulation delivery area shall receive transportation and traveling expenses for himself or herself, family and household effects. Should the Publisher request the employee to return, the employee is entitled to the same rights and payments. An employee shall not be penalized for refusing to accept such transfer.

(c) Employees may be transferred over their objection within the final circulation area. The Company whenever possible will make every effort to give any affected employee at least two weeks notice prior to transfer. In addition, the Publisher will make every effort to first post the position for one week, to determine if an employee acceptable to the Company wants to apply for any particular transfer. It is understood that the Publisher will make the final determination of who will be transferred to the bureau. It is also understood that such transfers will not be used for disciplinary or punitive reasons.

(d) When an employee is transferred, the Guild shall be notified of any ongoing additional compensation paid to the employee.

(e) If an employee whose moving expenses were reimbursed by the Company leaves the Company's employ within one year of being hired, the employee shall be required to reimburse to the Company the entire amount of moving expenses paid by the Company. If the employee leaves the Company's employ at any time after the first year of employment and before the beginning of the third year of employment, the employee shall be required to reimburse to the Company half of the moving expenses paid by the Company.

19.5 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 the editorial and advertising departments.

19.6 Except as modified by the terms of this Agreement, the Publisher is the sole judge of the competency and number of employees required.

19.7 There shall be no imposition of unreasonable duties upon any employee constituting in fact a speed-up. It is mutually agreed that the Publisher is entitled to service for the full unit of hours as prescribed in this Agreement constituting a day's or night's or week's work.

19.8 With reasonable notice 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.

19.9 The day which is payday shall be at the Company's discretion.

SECTION 20 NO STRIKE/LOCKOUT

20.1 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, slowdown, sick-in, cessation of work, withholding services, work stoppages, picketing, 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 shall be subject to immediate discharge as said misconduct shall constitute just cause for discharge under this Agreement. In the event of a strike by another bargaining unit against the Publisher, the Guild shall not encourage the honoring of the other union's picket line, and shall advise its members in writing that honoring such picket lines may lead to permanent replacement.

20.2 During the term of this Agreement the Publisher agrees it will not engage in any lockout of its employees covered by this Agreement.

20.3 A violation of this Section, or a discharge under 20.1 above shall be subject to arbitration provided for in Section 9, provided the authority of the arbitrator for a grievance under Section 9 is limited to deciding whether the alleged violation of the no-lockout provision occurred, or whether the alleged violation of the no-strike provision occurred, and 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. The only burden of proof under this Section is the "preponderance of the evidence."

SECTION 21 RETIREMENT

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

21.1 (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

21.2 Eligible bargaining unit employees are entitled to participate in the programs listed in 21.1 above on the same terms and conditions as these programs are available to other eligible employees of The Sacramento Bee. 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 22 BENEFITS

22.1 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 the Company has no intention to eliminate Company-provided health insurance coverage for eligible employees and their eligible dependents through ***12/31/15***. Notwithstanding the forgoing, it is also 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.

22.2 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.

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

SECTION 23 SAVINGS CLAUSE

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 24 SOLE AND ENTIRE AGREEMENT

24.1 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 Guild or its employees, and expresses all obligations and restrictions imposed on each of the respective parties during its term.

24.2 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 agreed in this Agreement, regardless of whether such matter was or was not within the knowledge or contemplation of either or both of the parties at the time they negotiated 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 this Agreement.

SECTION 25 DRUG AND ALCOHOL TESTING

25.1 The Drug and Alcohol policy attached hereto as Attachment II 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-bargaining unit 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 13.2), such other terms of this agreement shall supersede the change(s) in this policy.

SECTION 26 VEHICLE ACCIDENT POLICY

26.1 The Sacramento Bee Vehicle Accident Policy attached hereto as Attachment III 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-bargaining unit 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 13.2), such other terms of this agreement shall supersede the change(s) in this policy.

SECTION 27 DURATION AND RENEWAL

27.1 This Agreement shall expire on midnight on December 31, 2017 and shall inure to the benefit and be binding upon successors and assigns of the Publisher. At anytime within ninety (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 ***2015 and/or 2016*** on Section 4 Salaries and on a maximum of two other sections 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, 2015 or November 1, 2016 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, 2015 or October 1, 2016 respectively.***

McClatchy Newspapers, Inc.,
Publisher of THE SACRAMENTO BEE

By: _____

Dated: 6/8/15

Pacific Media Workers
Guild, Local 39521

By: _____

Dated: 5-26-15

By: _____

Dated: 06-05-15

SIDE LETTER 1: MEMORANDUM OF UNDERSTANDING: STUDENT JOBS

1. The Guild and the Publisher agree that the Publisher may employ up to four (4) employees in "student jobs." These positions shall be limited to individuals who are students in good standing and whose performance is satisfactory to the Publisher.

2. The Guild and the Publisher agree that the Publisher may employ up to three (3) employees in "long-term college internships." These positions shall be limited to individuals who are ***in good standing*** and whose performance is satisfactory to the Publisher.

3. Not withstanding the limitations in paragraph one (1) and two (2), it is understood that the Publisher at its discretion, may employ up to seven (7) students in either category, as long as the total number of students does not exceed seven (7) in both categories.

3. The rate of pay for any of the student jobs and long-term college interns 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 and long-term college internship 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 the Agreement nor shall the requirements of Section 13 apply to such dismissal.

McClatchy Newspapers, Inc.,
Publisher of THE SACRAMENTO BEE

By: _____

Dated: 6/8/15

Pacific Media Workers
Guild, Local 39521

By: _____

Dated: 5-26-15

By: _____

Dated: 06-05-15

SIDE LETTER 2: MEMORANDUM OF UNDERSTANDING: McClatchy Code of Conduct

This Memorandum of Understanding dated this 1st day of January, 2015, by and between the Company and the Guild regarding the McClatchy Company's Code of Business Conduct and Ethics policy ("Code").

The Company and the Guild agree as follows:

1. The Code is not intended to undermine or erode any of the rights and duties set forth in this collective bargaining agreement.

2. In the event of any conflict between the Code and any other part of this collective bargaining agreement, that other part of the collective bargaining agreement shall take precedence.

3. Subject to paragraphs 1 and 2, the Company and the Guild agree that the Code shall apply to bargaining unit employees.

4. Description for violations of the Code must meet the standards for description set forth in the CBA.

McClatchy Newspapers, Inc.,
Publisher of THE SACRAMENTO BEE

By: _____

Dated: 6/8/15

Pacific Media Workers
Guild, Local 39521

By: _____

Dated: 5-26-15

By: _____

Dated: 06-05-15

SIDE LETTER 3: MEMORANDUM OF UNDERSTANDING: REASSIGNMENT

Notwithstanding any other provision of the Agreement, at its discretion, the Company, upon thirty days (30) notice to the employee, shall have the right to reassign any employee to a position in the bargaining unit or outside the bargaining unit if any of the following occurs:

1. The work performed by the bargaining unit employee is subcontracted; or
2. The work performed by the bargaining unit employee is transferred to another employee; or
3. The work performed by the bargaining unit employee no longer exists or is eliminated.

(a) Employees who are selected for reassignment outside the bargaining unit under this provision shall have the following options:

1. Employees may choose to be laid off and receive any severance benefits that they are entitled to under this agreement; or
2. In the event a bargaining unit employee accepts reassignment outside the bargaining unit, the individual shall be covered by the following terms and conditions of this Agreement; Section 6, Section 9 and Section 13.2

(b) All employees who are reassigned under this provision and opt to continue employment shall be eligible for the minimum of their new classification as defined in Section 4.7 or their current hourly rate, whichever is higher. Future merit increases will be subject to Section 4.5 of the Agreement.

(c) It is understood that the provision does not in any way limit the Company's right to change an employee's assignment or reporting beat.

(d) This side letter shall not apply to any employee who moves from the bargaining unit covered by this Agreement to the other bargaining unit represented by the Guild at The Sacramento Bee.

McClatchy Newspapers, Inc.,
Publisher of THE SACRAMENTO BEE

By: _____

Dated: 6/8/15

Pacific Media Workers
Guild, Local 39521

By: _____

Dated: 5-26-15

By: _____

Dated: 06-05-15

SIDE LETTER 4: FURLOUGHS

(a) The Publisher, at its discretion, shall have the right to implement up to four weeks of unpaid furloughs for bargaining unit employees during the period from the effective date of this agreement through December 31, ***2017***. There shall be no more than two (2) weeks of furlough in any calendar year. The implementation of each unpaid furlough shall be under the same terms and conditions **as the** unpaid furlough for non-bargaining unit employees (excepting certain Production employees for whom unpaid furloughs are not feasible and certain Advertising Department employees).

(b) It is understood that the term "certain Production employees" does not include the employees in the Editorial Production Center.

(c) If the Publisher notifies the Guild of its intent to implement for non-bargaining unit employees an alternate cost reduction measure in lieu of unpaid furloughs, if any given year, 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.

McClatchy Newspapers, Inc.,
Publisher of THE SACRAMENTO BEE

By: _____

Dated: 6/8/15

Pacific Media Workers
Guild, Local 39521

By: _____

Dated: 5-26-15

By: _____

Dated: 06-05-15

SIDE LETTER 5: SEVERANCE PAY

Notwithstanding Section 6 of the Agreement, the following full-time employees employed as of June, 23, 2010 and all regular part-time employees hired on or before March 6, 1987, 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 continuous equivalent service (pro-rated for fractional years of service) which the employee worked as of December 31, 2009. Employees who have thirteen (13) years or more of service as of December 31, 2009, shall not accrue any further severance credit for severance pay purposes. The computation of severance pay for part- time employees shall be as set forth in Section 6 of the Agreement.

Employee	Continuous Service Years as of 12/31/09	Severance Weeks
Bridewell, Donna	28.14	40.00
Campbell, Kenneth	16.91	33.82
Fishbein, Edward	18.84	37.69
Fitts, Raymond	27.70	40.00
Hellesen, Katherine	14.40	28.79
Knight, Kathleen	15.64	31.27
Liss, Caroline	15.53	31.06
Nishimura, Steve	29.16	40.00
Spengler, Margaret	18.26	36.53
2015 Fresno Transfer		
Reddin, Michael (Service @ 12/31/10)	**19.79**	**39.57**

McClatchy Newspapers, Inc.,
Publisher of THE SACRAMENTO BEE

By: Cheryl Dell

Dated: 6/8/15

Pacific Media Workers
Guild, Local 39521

By:

Dated: 5-26-15

By: Ed Fiddle

Dated: 06-05-15

SIDE LETTER 6 MODESTO TRANSFERS

1. (a) Any laid off employee who accepts the Company's job offer shall have no break in service and shall retain his/her continuous McClatchy seniority for the following purposes: vacation accrual, vacation scheduling, 401(k) supplemental contribution, sabbatical and layoff.

(b) Any laid off employee who accepts the Company's job offer shall retain his/her continuous McClatchy seniority for the purpose of calculating their length of service for severance purposes.

(c) ***Side letter 6 refers to the following former Modesto Bee employees: Wesley Riddle, Janice Nienhuis, Stuart Rosenberg, Joan Betschart, Jesse Chenault, Peter Hund, Jim Lawrence, Nancy Sohl, Robert Harris, and Emily Roysdon.***

McClatchy Newspapers, Inc.,
Publisher of THE SACRAMENTO BEE

By: _____

Dated: 6/8/15

Pacific Media Workers
Guild, Local 39521

By: _____

Dated: 5-26-15

By: _____

Dated: 06-05-15

SIDE LETTER 7 SOCIAL MEDIA POLICY

The Company and the Guild agree that this ***side letter*** shall be considered a part of the Social Media Policy ("Policy") and, in the event of a conflict between the Policy and this ***side letter***, the ***side letter*** shall govern. Any dispute between the Company and the Guild over the interpretation or application of the Policy or this ***side letter*** 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.

McClatchy Newspapers, Inc.,
Publisher of THE SACRAMENTO BEE

By: _____

Dated: 6/8/15

Pacific Media Workers
Guild, Local 39521

By: _____

Dated: 6-4-2015

By: _____

Dated: 06-05-15

SIDE LETTER 8 FRESNO TRANSFERS

1. Any Fresno Bee Editorial Production employee who is laid off ("laid off employee") due to the transfer of The Fresno Bee's editorial production work to The Sacramento Bee shall be offered a job in The Sacramento Bee ("Company") Editorial Production Center ("EPC").

2. Pursuant to Section 4.7(b) of this Agreement, the Company shall have the right to determine a laid off employee's temporary job classification at the time the laid off employee accepts the Company's job offer. In addition, the Company shall have until ninety (90) days after transfer, to make a final determination of the job classification to which the laid off employee shall be assigned. Pursuant to section 4.8, employees shall have the right, with or without Guild assistance to appeal their classification.

3. If a laid off employee's base rate of pay at The Fresno Bee is less than the minimum of the job classification to which the Company assigns the laid off employee, then the laid off employee's base rate of pay shall be increased to the minimum of the job classification to which the Company assigns the laid off employee.

4. If a laid off employee's base rate of pay at The Fresno Bee is more than the maximum of the job classification to which he/she is assigned, the laid off employee's base rate shall be "red circled" pursuant to Section 4.5 of this Agreement.

5. (a) Any laid off employee who accepts the Company's job offer shall have no break in service and shall retain his/her continuous McClatchy seniority for the following purposes: vacation accrual, vacation scheduling, 401(k) supplemental contribution, sabbatical and layoff.

(b) Any laid off employee who accepts the Company's job offer shall retain his/her continuous McClatchy seniority for the purpose of calculating their length of service for severance purposes.

6. Any laid off employee who accepts the Company's job offer shall have a sixty (60) day trial period in which to decide whether to remain with the Company. At anytime during the trial period, the laid off employee may resign and receive the severance benefits that he/she would

have been entitled to at the time the position was eliminated at The Fresno Bee, as described in the Letter of Agreement between The Fresno Bee and the Guild, provided that the laid off employee gives the Company at least two (2) weeks written notice of his/her intent to resign; agrees to enter into a waiver of claims with the Company and complies with all conditions outlined in the Letter of Agreement between The Fresno Bee and the Guild. If the resigning laid off employee received a partial severance payment and/or a transition bonus payment, he or she shall receive the difference between the full severance payment and the partial severance payment and/or transition bonus payment, as described in the Letter of Agreement between The Fresno Bee and the Guild.

7. (a) Any laid off employee who accepts an offer from the Company, 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 months of their transfer date to The Sacramento Bee.

(b) If the laid off employee described in 7(a) elects to resign during their sixty (60) day trial period, and has already received reimbursement for moving expenses from the Company, the employee shall be required to pay the entire amount of the moving expense reimbursement back to the Company. With the employee's written authorization, this repayment may be deducted from their paycheck. Otherwise, this reimbursement must be made within thirty (30) days of the employee's termination date.

(c) It is agreed that this one-time moving expense provision is not covered by the moving expense reimbursement provisions outlined in 19.4(e) of the CBA.

8. 2015 Virtual Reporting Structure

It is understood the 2015 transfer of Fresno's Editorial Production work to The Sacramento Bee 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 Production employees to relocate and physically work in The Sacramento Bee's newsroom.

It is also understood that this transfer of work and change of employer for designated Fresno Bee Editorial Production employees, shall not trigger the 60 day trial period or moving expense reimbursement as described in items 6 and 7.

However, it is understood that this transfer of work and change of employer for designated Fresno Bee Editorial Production employees shall trigger provisions described in items 1, 2, 3, 4 and 5.

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.

9. 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 Editorial Production employees to relocate to the Sacramento area and work in The Sacramento Bee newsroom, thus triggering the 60 day trial period and moving expense reimbursement provisions as described in items 6 and 7.

McClatchy Newspapers, Inc.,
Publisher of THE SACRAMENTO BEE

By: _____

Dated: 6/8/15

Pacific Media Workers
Guild, Local 39521

By: _____

Dated: 6-4-2015

By: _____

Dated: 06-05-15

ATTACHMENT I: DOMESTIC PARTNERS

Corporate, TNN and Three Bees
Domestic Partners Benefit Coverage Policy

Introduction

Effective January 1, 1999, The McClatchy Company will reaffirm its continued commitment to diversity and equal employment by extending health plans and life plan coverage to domestic partners and their legal dependents on the same basis as they are made available to the spouses and dependents of married employees.

This policy will apply to all eligible employees of The Sacramento Bee, The Fresno Bee, The Modesto Bee, The Newspaper Network, and the Corporate office. All eligibility requirements with regard to hours, age, relationship and partner/spousal eligibility for employees and their dependents for each of the above-specified locations must be met before coverage is offered. This policy does not apply to other properties of The McClatchy Company.

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 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:

- 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 dependent child under the domestic partner policy, the dependent must:

- be a biological dependent of the domestic partner, or must have a court-appointed legal relationship with the domestic partner or employee;
- be less than 19 years of age, or
- be less than 24 years of age and a full-time student;
- be unmarried;
- be primarily dependent upon the domestic partner or employee for financial support;
- not be enlisted in the military service;
- reside regularly with the employee and domestic partner, or
- qualify as the domestic partner's dependent for tax purposes, or
- the domestic partner is required to provide coverage for the child by a court order.

Domestic partners do <u>not</u> include roommates, siblings, parents, or other similar relationships.

<u>Enrollment</u>

The initial enrollment period for domestic partners will be conducted at the 1999 annual open enrollment. Thereafter, employees will be permitted to enroll their domestic partner and legal dependent(s) of their domestic partner annually at each open enrollment.

If the employee does not participate in the Premium Pass-through Program, he/she may enroll their domestic partner and legal dependent(s) of their domestic partner in the event of a family status change. Enrollment will be governed by the existing plan provisions. Otherwise, enrollment can only be done during the annual open enrollment period.

New hires eligible for benefits, and current employees who become eligible for benefits due to a status change, will be permitted to enroll their domestic partners and legal dependent(s) of their domestic partner during the initial enrollment period.

If a 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 a domestic partner qualifies for coverage, but elects coverage elsewhere, the employee should complete a Declaration of Domestic Partnership and waiver of coverage form for the domestic partner. This will prevent the need for evidence of insurability if the domestic partner is added at a future date, and allow the employee and domestic partner to be eligible for the benefits listed under "Other Benefits".

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

Health Plans

The medical, dental, vision, mental health and employee assistance program 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 domestic partner and eligible dependent(s) may elect coverage through the voluntary life program. The voluntary life program will be administered under the provisions found in the insurance brochure. Life plans and existing coverage are subject to change.

Contribution Schedules

The employer will pay the same percentage share of the premium costs for the coverage of an employee with an enrolled domestic partner or domestic partner with dependent(s) as it pays toward the cost of coverage of an employee with a spouse or spouse with dependent(s). The employee will be subject to the annual schedule of premium contributions for employee, employee plus one, and employee plus family coverage. The scheduled premium contribution for the domestic partner's and/or 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 domestic partner or the domestic partner's legally dependent child(ren), the employee must pay FICA federal income, and state income* taxes on the value of that benefit. The IRS defines this as the fair market value of the 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 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), Employee Stock Purchase Plan, long-term disability, life insurance, AD&D, 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.

*Eligible employees who have registered their domestic partnership with The State of California Secretary of State, are exempt from paying state income tax on the value of the benefit.

Documentation of Domestic Partnership

All 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 following items as documentation of domestic partnership:

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".

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. 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 unless there is a court order requiring the employee to provide benefit coverage. 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 noncovered months already paid.

If an employee resides in a state or municipality where termination of domestic partnership is applicable, then such termination form must be substituted for written notification.

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).

COBRA Continuation of Coverage Rights

Although there is no legal obligation to offer continued coverage to domestic partners and their dependent(s), the Company has chosen to extend COBRA coverage to domestic partners and their eligible dependent(s). This coverage will be extended on the same basis as is currently available to employees, 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 reaching the age of majority: 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. Domestic partners electing COBRA may not add a new domestic partner to their continuation of coverage.

Retirement

An employee who retires, and meets the eligibility requirements for retirement health care benefits and covers a domestic partner, may continue to cover the domestic partner and the domestic partner's dependent child(ren) if applicable. The benefits will be administered under the provisions of the retirement policy.

Other Benefits

Bereavement Leave will be extended to include domestic partners as immediate family members. Sick Leave will be extended to include care for the domestic partner or the domestic partner's dependent child(ren).

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

Domestic partners' dependent child(ren) will be allowed access to the subsidized day-care facility in accordance with the policies of the facility.

In the event of an employee's death, the 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 domestic partners. In the event of an employee's death, IRS regulations will not allow payment of the final pay check to the domestic partner. Final pay will be issued to the employee's estate.

Domestic partner benefits will **not** be extended to The Restated Retirement Plan for Employees of McClatchy Newspapers, the Money Shelter 401(k) plan, the Premium Pass-through Plan or the 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 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 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 domestic partner as their beneficiary for life insurance or the Money Shelter 401(k) plan.

The McClatchy Company reserves the right to change, modify or discontinue the domestic partner benefits at any time with 30 days notice.

Nothing in this document should be interpreted as a contractual obligation, either implied or expressed.

Approved:
Heather Fagundes, Vice President, Human Resources, McClatchy Newspapers

DECLARATION OF EMPLOYEE/DOMESTIC PARTNER UNDERSTANDINGS & RESPONSIBILITIES

The undersigned employee:

- Understands that the Declaration of Domestic Partnership shall be terminated upon the death of the domestic partner or by a change in the circumstances attested to in this declaration.
- Agrees to notify the Human Resources Department in writing if there is any change in the circumstances attested to in the Declaration of Domestic Partnership within thirty (30) days of that change.
- Understands that another Declaration of Domestic Partnership cannot be filed until twelve months after the termination of coverage of the prior domestic partner.
- Understands that the Internal Revenue Service currently treats the value of the health and life coverage provided to a domestic partner and legal dependents, if any, minus any contribution paid for the coverage, AS IMPUTED INCOME TO THE EMPLOYEE.

The undersigned domestic partner understands that:

- Benefit coverage may be terminated by the employee at any time even if the partnership is not terminated.
- If the domestic partnership is terminated, active coverage for the domestic partner's child(ren) will be terminated unless there is a court order requiring the employee to provide benefit coverage.
- Benefit coverage shall be terminated at the end of the month of death of the employee; and
- COBRA rights to continue coverage may be available in the event of termination.

Each of the undersigned understands that:

- Regardless of the date on which the termination notification is received by Human Resources, termination of coverage is the later of the date on which any one of the eligibility criteria are no longer satisfied, or the date coverage ends according to the terms of the plan.
- They shall be obligated to adhere to the provision of the health care plans' Evidence of Coverage/Summary Plan Descriptions or to the contracts that govern them.
- This information will be held confidential and will be subject to disclosure only upon our express written authorization or if otherwise required by law.
- This declaration of responsibility for common welfare and financial responsibility may have legal implication under California law.
- A civil action may be brought against either or both of the undersigned for any losses, including attorney's fees, because of any false statement(s) contained in this declaration.

Each of the undersigned certifies under penalty of perjury, under California state law, that the foregoing is true and correct. The undersigned employee understands that willful falsification of information on this declaration may lead to disciplinary action, up to and including discharge from employment. Each of the undersigned understands that nothing in this declaration should be construed as a contract of employment.

_____ _____

Employee Signature Date

_____ _____

Domestic Partner Signature Date

_____

Address City State Zip

THE SIGNATURE OF THE EMPLOYEE AND DOMESTIC PARTNER ON THIS FORM MUST BE NOTARIZED:

SUBSCRIBED AND SWORN BEFORE ME ON THIS _____DAY OF _____, 20__

–

_____

NOTARY PUBLIC

MY COMMISSION EXPIRES _____, ____

THE MCCLATCHY COMPANY RESERVES THE RIGHT TO CHANGE, MODIFY OR DISCONTINUE THE DOMESTIC PARTNER BENEFITS AT ANY TIME WITH 30 DAYS NOTICE.

DECLARATION OF DOMESTIC PARTNERSHIP

I, the undersigned employee,

_____

Please print: Name of Employee/Social Security Number

and I, the undersigned domestic partner,

_____

Please Print: Name of Domestic Partner/Social Security Number

declare we are domestic partners. We affirm that the effective date of the domestic partnership is _____ and that we meet all the following criteria of domestic partnership for
Date of Partnership coverage under The McClatchy Company's Employee Stock Purchase Plan. We affirm that all of the following are true and correct:

1. We have both reached the age of majority under California law or have, by court order, had the disabilities of minority removed:

2. We are not related by blood to a degree that would otherwise prohibit marriage;

3. We are not married to another person;
4. We are mentally competent to enter into a contract;
5. We have lived together under the same roof for at least twelve (12) months and intend to do so indefinitely;
6. We have been engaged in a committed, mutually exclusive relationship for at least twelve (12) months;
7. We are financially interdependent and responsible for each other's debts; and
8. We are responsible for each other's common welfare.

We understand we must sign a Declaration of Domestic Partnership (or Domestic Partner registration, if applicable in our state or city of residence). In addition, we understand we must show evidence of joint responsibility for each other's common welfare and financial obligations by providing two (2) of the following:

- A joint mortgage or lease;
- Designation of domestic partner as beneficiary for life insurance;
- Designation of domestic partner as primary beneficiary in employee's will;
- Durable health care power of attorney naming domestic partner as attorney-in-fact;
- Joint ownership of a motor vehicle, joint bank account, or joint credit account;

We understand that this declaration may have legal implications under California state law. We understand that a civil action may be brought against either or both of us for any losses, including costs and reasonable attorney's fees, because of a false statement contained in this Declaration.

We also certify under penalty of perjury, under California state law, that the foregoing is true and correct. The undersigned employee understands that willful falsification of information on this Declaration may lead to disciplinary action, up to and including discharge from employment.

_____ _____

Employee Signature Date

_____ _____

Domestic Partner Signature Date

_____

ADDRESS CITY STATE ZIP

The signature of the employee and domestic partner on this form must be notarized:

Subscribed and sworn before me this _____ day of _____, 20___

_____

Notary Public

My commission expires_____, _____

THE MCCLATCHY COMPANY RESERVES THE RIGHT TO CHANGE, MODIFY OR DISCONTINUE THE DOMESTIC PARTNER BENEFITS AT ANY TIME WITH 30 DAYS NOTICE.

State of California
Secretary of State

FILE NO: _____

This Space For Filing Use Only

Declaration of Domestic Partnership

IMPORTANT – Read instructions before completing this form.

We the undersigned, do declare that we meet the requirements of Family Code section 297, which are as follows:

- Neither person is married to someone else or is a member of another domestic partnership with someone else that has not been terminated, dissolved, or adjudged a nullity.
- The two persons are not related by blood in a way that would prevent them from being married to each other in this state.
- Both persons are at least 18 years of age, OR if one or both persons are under 18 years of age, a certified copy of the court order(s) granting permission to the underage person(s) to establish a domestic partnership is attached.
- Both persons are members of the same sex, **OR** one or both of the persons is over 62 years of age and one or both meet the eligibility criteria under Title II of the Social Security Act as defined in United States Code, title 42, section 402(a) for old-age insurance benefits or Title XVI of the Social Security Act as defined in United States Code, title 42, section 1381 for aged individuals.
- Both persons are capable of consenting to the domestic partnership.
- Both persons consent to the jurisdiction of the Superior Courts of California for the purpose of a proceeding to obtain a judgment of dissolution or nullity of the domestic partnership or for legal separation of partners in the domestic partnership, or for any other proceeding related to the partners' rights and obligations, even if one or both partners ceases to be a resident of, or to maintain a domicile in, this state.

The representations are true and correct, and contain no material omissions of fact to the best of our knowledge and belief. Filing an intentionally and materially false Declaration of Domestic Partnership shall be punishable as a misdemeanor. (Family Code section 298(c).)

PARTNER 1	PARTNER 2
Printed Name (Last) (First) (Middle)	Printed Name (Last) (First) (Middle)
Signature of Partner as Stated Above	Signature of Partner as Stated Above
OPTIONAL Name Changes:	OPTIONAL Name Changes:
New Last Name	New Last Name
New Middle Name	New Middle Name
Date of Birth (required for name change)	Date of Birth (required for name change)

Mailing Address City State Zip

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _____)

On _____ before me, _____
(insert name and title of the officer)

personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ **(Seal)**

DECLARATON OF TERMINATION OF DOMESTIC PARTNERSHIP

I, _____, declare under penalty of perjury, that
Please Print: Name of Employee/Social Security Number

the Declaration of Domestic Partnership attested to and signed by_____
Date of Declaration
is terminated as specified below.

1. Name of Covered Domestic Partner: _____
2. Name of Covered Domestic Partner's legal dependents, if applicable:

_____
3. Termination of Declaration of Domestic Partnership is due to:

Change of criteria attested to in Declaration of Domestic Partnership Date:_____
Termination of domestic partnership Date: _____
Death of domestic partner Date: _____
Marriage to domestic partner Date: _____

I acknowledge that it is my responsibility to furnish a copy of this signed statement to my surviving former domestic partner. I hereby declare, under penalty of perjury, that the foregoing statements are true and correct. I further understand that I will not be eligible to add a domestic partner or legal dependent(s) of another domestic partner until twelve (12) months following termination of coverage of the prior domestic partnership.

_____
Please Print: Employee Name Date

_____
Employee Signature

_____
Address City State Zip

The signature of the employee on this form must be notarized:

Subscribed and sworn before me this _____ day of _____, 20___

_____
Notary Public

My commission expires _____, 20___

THE MCCLATCHY COMPANY RESERVES THE RIGHT TO CHANGE, MODIFY OR DISCONTINUE THE DOMESTIC PARTNER BENEFITS AT ANY TIME WITH 30 DAYS NOTICE.

ATTACHMENT II: DRUG AND ALCOHOL TESTING

THE SACRAMENTO BEE
DRUG, ALCOHOL AND SUBSTANCE POLICY

Purpose

The Sacramento 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 Sacramento Bee's interests, and may endanger their own health and safety and the health and safety of others.

The Sacramento 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 Sacramento Bee has established this policy concerning the use of drugs, alcohol and other substances. As a condition of continued employment with The Sacramento 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 Sacramento Bee or its employees may be adversely affected, including any time the employee is:

(1) On The Sacramento Bee's premises;

(2) Conducting or performing Sacramento Bee business, regardless of location;

(3) Operating or responsible for the operation, custody or care of Sacramento Bee equipment or other property;

(4) Driving a Sacramento Bee-owned, leased or rented vehicle or any other vehicle on behalf of The Sacramento 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 Sacramento 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 Sacramento Bee-authorized events at which consumption of alcohol has specifically been approved or in places of public accommodation or at business affairs designed to serve a Sacramento 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 Sacramento Bee property or equipment, or (c) substantially interfere with job performance or the efficient operation of The Sacramento Bee's business or equipment also is prohibited. Employees under the influence of legal drugs that may cause such an impairment must notify The Sacramento 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 unpaid time off during this period. Nothing in this policy is intended to diminish The Sacramento 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 actions 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 Sacramento 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 Sacramento Bee who are rehired. The offer of employment (or reemployment) is conditioned on a negative test result. Applicants will be informed of The Sacramento 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:

- When an employee's actions during the course of employment causes or contributes to an injury of the employee or another person that requires medical attention beyond first aid.

- 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.

- When an employee's actions during the course of employment results in unusual and/or significant property, material and/or equipment damage.

- When an employee is observed using alcohol or drugs during work hours.

- 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.

However, 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

Test samples will be collected by The Sacramento Bee-appointed medical staff. 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 a 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 Sacramento Bee-appointed, MRO-certified physician.

If a drug test is positive, the results will be confirmed by a 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 Sacramento Bee will pay the cost of the first drug test and the confirming gas chromatography/ spectrometry. If the applicant or employee disagrees with a confirmed positive result after a discussion with the physician, the applicant or employee may have the same sample sent to any NIDA-certified lab to be tested at his or her own cost. 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 at his or her own cost. This test must be conducted immediately after the breath analyzer.

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 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

When an employee driving a personal or a Company-owned, leased or rented vehicle is involved in any vehicle accident during business hours and/or in the course of doing Company business and tests positive, the Employer shall have just cause under the Agreement to terminate the employee. In addition, when an employee driving a personal or a Company-owned, leased or rented vehicle during business hours and/or in the course of doing Company business is reasonably suspected of being under the influence of drugs or alcohol, and tests positive, the Employer shall have just cause under the Agreement to terminate the employee. At its sole discretion, the Employer may impose a lesser discipline than termination on an employee who tests positive under any of these circumstances. The exercise of the Employer's discretion to impose a lesser discipline than termination on an employee who tests positive under any of these circumstances shall not constitute a precedent or limit in any way the Employer's right to terminate immediately any other employee who tests positive.

Any employee who tests positive and is not covered by the foregoing paragraph may be disciplined up to and including termination.

All other violations of this policy will result in disciplinary action up to and including termination.

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.

Under the commercial Motor Vehicle Safety Act of 1986, drivers who are convicted of operating a motor vehicle under the influence of alcohol or drugs are disqualified from driving for one year. An employee who cannot perform his or her customary job duties may be terminated.

Employee Assistance Program and Rehabilitation

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 Sacramento 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 Sacramento 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 a breath sample for the purpose of determining the presence of drugs and/or alcohol, and
(b) the release to The Sacramento Bee of medical information regarding the test results.

Refusal to sign the agreement and consent form or to submit to the drug and/or alcohol test will result in the revocation of an applicant's job offer. If an employee refuses to sign the acknowledgment and consent 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 Sacramento Bee's physician or the Human Resources Director concerning use of legal drugs or participation 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.

ATTACHMENT III: VEHICLE ACCIDENT POLICY

THE SACRAMENTO BEE
Driver Safety / Accident Policy

SAFETY GUIDELINES

- Employees using Company vehicles or private vehicles during the course of business are expected to operate the vehicle legally and safely by observing all traffic laws and driving courteously.
- Company vehicles with mechanical or maintenance problems must be immediately reported to the department supervisor and/or fleet maintenance department.
- Employees are expected to follow all department rules for driving Company vehicles (see specific departmental guidelines).

PULL NOTICE PROGRAM (PNP)

Introduction

The Department of Motor Vehicles (DMV) Pull Notice Program (PNP) was implemented as Company policy effective December 19, 1994. The PNP provides The Sacramento Bee with a current printout of all included employees' driving records. It is the Company's intention that enrollment in the PNP will ensure all Company drivers are in compliance with the State DMV and Federal driving laws, as well as meeting Company safety policies.

Participation

All employees required to drive a Company or private vehicle as a routine part of their job duties are included in this program and must sign a release allowing the DMV to release copies of their driving records. Any employee who refuses to sign such a release will not be eligible to drive, and, subsequently, his or her employment may be terminated. If you have any questions about whether or not you are required to participate in this program, contact your department manager or Human Resources.

Process

The Bee will receive a DMV printout for each employee upon enrollment in the PNP, and then an updated printout semi-annually, thereafter. In addition, if an employee experiences activity such as a traffic citation or suspended license, the DMV will automatically generate an updated printout and send it to the Company. The PNP will identify employees currently driving with an expired or suspended driver's license, and all other convictions and accidents that may be considered when determining if an employee is eligible to drive as part of his or her duties, based on the Company's point system.

Point System

An employee's eligibility to drive for the Company will be determined by a point system. The point system will also be used to determine an applicant's eligibility for hire. An employee may be considered a NEGLIGENT OPERATOR of a motor vehicle and be subject to termination when his or her driving record shows the following "point count":

3 points in 12 months
5 points on record

Points on the Driving Record

The DMV keeps a public record of all traffic convictions and accidents for 36 months or longer depending on the type of conviction. Records of more serious convictions, like reckless or drunk driving, are kept for up to seven years. A traffic conviction for driving unsafe counts as one point. Any "at fault" accident also is normally counted as one point. Two points are charged against you if you are convicted of reckless driving, of driving under the influence of alcohol/drugs, of hit-and-run driving, of evading a peace officer, of driving while your license is suspended or revoked, or for driving on the wrong side of the road. This list is not all-inclusive. Any driver with too many "points" may lose his or her driver's license.

Serious Violation

Serious violations while driving a Company vehicle or a personal vehicle in the course of Company business that may result in immediate termination regardless of the points accumulated include but are not limited to:

- Driving under the influence of alcohol or a controlled substance.
- Involved in a criminal offense involving a motor vehicle.
- Driving while one's license or insurance is expired, suspended or revoked.
- Having an open container of alcohol in a motor vehicle.
- Reckless driving, drag racing or attempting to elude an officer.
- Leaving the scene of a collision in which you are involved.

Applicants/Transfers

No applicant with more than two points on a driving record will be considered for hire or transfer into a driving position. Likewise, applicants with a SERIOUS VIOLATION on their driving records will not be considered for hire.

Monitoring of Current Employees

Employees included in the PNP should report all work-related tickets, violations or accidents to their supervisor immediately. Additionally, employees are responsible for paying all traffic or parking tickets incurred while driving during the course of business. The Bee will cover tickets due to mechanical failure, which occur while driving a Company-owned vehicle.

Any current employee who meets or exceeds the established point counts will be considered a NEGLIGENT DRIVER and have his or her driving record reviewed. Depending on the severity of the violations, the employee may be issued a final written warning or be subject to immediate termination.

The Company will provide the employee with a copy of the DMV printout used in determining disciplinary action. The Company is not responsible for errors on an employee's driving record. If an employee believes his or her record is inaccurate, he or she will be given five (5) working days to correct the error. The employee may not drive during this period and may be placed on unpaid administrative leave. The employee will be responsible for:

1) providing an updated driving record and/or appropriate verification of the correction and
2) any costs incurred in correcting the driving record.

Employees with suspended or revoked licenses will not be allowed to drive for The Bee and may be suspended for five days without pay. If a valid license cannot be produced during that time, the employee will be subject to termination.

Employees with "Failure to Appear" (FTA) status will be given 30 days from date of notification to prove the FTA has been removed from their record. If the FTA has not been removed in the 30-day period, they will be subject to termination.

In all cases, employees subject to disciplinary action short of termination under this program must produce the following documents to continue working:

1) a valid California driver's license
2) acceptable driving record
3) * valid vehicle registration
4) * proof of current auto insurance, with minimum coverage amounts as set forth by the Company

(* if 3 and 4 are applicable).

Standards set forth in The Bee's Accident Policy (see below) and/or the Drug, Alcohol and Substance Policy supersede the Point System criteria of the PNP. For example, a first-time, at-fault major accident may not generate enough points in the PNP for an employee to become a NEGLIGENT DRIVER, however, under our existing Accident Policy, it could result in termination. In addition, any employee found to be driving under the influence of drugs, alcohol or illegal substances in the course of Company business will be subject to immediate termination.

Road Observations - **Within the Transportation Department, supervisors may perform road observations. A driver will be followed and monitored to see if he or she is driving in a safe manner and is observing all traffic laws as defined by the California Vehicle Code. All road observations will be shared with the employee and will be noted. Negative road observations may result in disciplinary action, and will have an impact on the annual performance appraisal. Any observation of flagrantly disregarding traffic laws (i.e., running a stop sign or light) will be treated as a serious safety infraction.**

Any employee who drives in the course of Company business must immediately notify either a supervisor or the Company's Occupational Physician if he/she is using a medication (either prescribed or over-the-counter) that may impair his or her ability to drive. Failure to do so may result in disciplinary action up to and including termination.
Information contained through the PNP will not be used in violation of any Federal or State equal opportunity law or regulation.

ACCIDENTS

All accidents, whether in a private vehicle driven on Company business or Company vehicle, must be reported to the supervisor before the end of the work shift in which the accident occurs.

Under The Bee's Drug, Alcohol, and Substance Policy, effective January 1999, an employee will be subjected to reasonable suspicion drug and/or alcohol testing when driving a personal or a Company-owned, leased or rented vehicle and 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. Any employee who refuses to take the drug / alcohol test will be subject to termination.

Accordingly, the supervisor must make arrangements through Human Resources and the Health Unit or outside drug testing service to have the employee tested. The employee will be suspended from driving until the results of the reasonable suspicion drug and/or alcohol test have been received.

All accidents, whether in a private vehicle driven on Company business or Company vehicle, are reviewed through either an **Administrative** ruling or an **Accident Review Committee** ruling. Administrative rulings will be made by the department manager and division director and may be appealed to the Accident Review Committee.

The Accident Review Committee consists of representatives from Human Resources, Finance, and the appropriate department manager. The committee will convene upon receipt of the CHP or police accident report, which will indicate whether or not the driver was at fault. The committee thoroughly reviews all facts regarding the accident and statements from the employee involved in the accident before determining the level of disciplinary action to be taken. Employees are paid their normal rate of pay for time spent before this committee. The following

guidelines will be used for accidents involving Company or private vehicles, driven during the course of business:

TYPE OF ACCIDENT	ACTION
Non-reported accident	**Administrative Ruling:** Disciplinary action up to and including termination
One accident – Non-Preventable **Major or Minor Damage**	**Administrative Ruling**: Record only
One Accident – Preventable **Minor Damage**	**Administrative Ruling** - Reprimand
One Accident – Preventable **Major Damage**	**Committee Ruling** – Disciplinary action up to and including termination
Second preventable accident (Major or minor within twelve months)	**Committee Ruling**: Disciplinary action up to and including termination.

THE SACRAMENTO BEE
Driver Safety / Accident Policy

I have received a copy of The Bee's Driver Safety / Accident Policy and understand the following:

- The Company has directly contracted with the Department of Motor Vehicles (DMV) to provide periodic printouts of employee driving records.
- The Company reviews applicant driving records prior to hire and then periodically to determine eligibility to drive a Company vehicle or a private vehicle in the course of Company business. The Pull Notice Program (PNP) also will generate additional printouts of driving records as convictions and/or accidents occur.
- If my driving record reveals that I am a Negligent Operator, or if I have a Serious Violation or accident, as defined in the policy, I will be subject to disciplinary action up to and including termination.
- I will be provided with a copy of my DMV printout if disciplinary action is being considered and prior to disciplinary action being taken. I understand I am responsible for correcting any errors on my record and also for any costs associated with a correction. I further understand that I will not be able to drive a Company vehicle or a private vehicle in the course of Company business until the correction has been made and appropriate verification has been provided.
- The PNP Policy does not supersede the Company's Accident Policy and/or the Drug, Alcohol and Substance Policy. Even if a violation does not generate enough points under the PNP Policy to support disciplinary action, I still will be subject to the terms and conditions of the other policies.
- I must notify my supervisor or the Company's Occupational Physician immediately if I am required to take any medications that may impair my ability to drive.

Furthermore, I release The Sacramento Bee from all claims, liability, and damages that may result should the Company act on incorrect information provided through the PNP. This release means I am waiving claims for negligence, wrongful termination, misrepresentation, emotional distress, invasion of privacy, interference with prospective business relations or contract, breach of contract, and any other negligent act based on any such action. If any portion of this release is held invalid, the balance will continue in full legal force.
I have read The Bee's Driver Safety / Accident Policy and understand and agree with each of its terms.

Employee Name: (please print)

_____

Employee signature:

_____ Date:_____

Department:_____ Supervisor:_____

ATTACHMENT IV: LEAVE OF ABSENCE POLICY

Rev 7/1/08 **Full-time Employee - Leave of Absence Request Form**

Employee Instructions

1. Have you notified your supervisor about the leave? ☐ Yes ☐ No
2. Is your illness or injury work-related? ☐ Yes ☐ No If yes, please complete the workers compensation paperwork in addition to this form.

This form must be completed by employees to request a leave of absence. Please complete and forward to your manager for signature and then to Human Resources department for further action.

After submitting the form, you must report your disability to Aetna *only if you are filing any type of disability and/or Family Medical Leave (FMLA)* either by phone or via Aetna's web portal.

Toll Free Number: 866-269-6241 (Hours of Operation: 8am to 8pm Eastern Time

Aetna's Workability Customer Intake Portal (WCP): Availability is 24 hours a day
URL: **https://www.wkabsystem.com**
Identifier: **THEMCCLATCHYCOMPANY**

EMPLOYEE INFORMATION: Name:_____ Employee ID:_____ ☐ Full-time ☐ Part-time

Department:_____ Job Title: _____ Regular Work Week schedule & hours_____

Home Phone Number:_____ Home Address:_____

Leave of Absence Information

Last Date of Work Prior to Start of Leave:_____ Start Leave Date:_____
Estimated Return To Work Date:_____

Intermittent Leave Dates (will be off):

_____

Reduced Schedule: Will work these days weekly: ☐ Monday ☐ Tuesday ☐ Wednesday ☐ Thursday ☐ Friday ☐ Saturday ☐ Sunday

Will work_____ hours/day Total hours per week anticipated to work;_____

TYPE OF LEAVE APPLYING FOR: (Check **all** applicable boxes)

- ⏲ **Private Medical Leave**
- ⏲ **Work-Related Medical Leave**
- ⏲ **FMLA - own illness/injury**
- ⏲ **FMLA – family illness & military**
- ⏲ **Pregnancy/Maternity/PFL**
- ⏲ **FMLA – newborn bonding**
- ⏲ **Sabbatical Leave**
- ⏲ **Military Leave**

⏲ **Personal Leave** - Personal leaves do not guarantee a position unless approved by your department manager and director.

_____**Employee will not** be guaranteed a position at the end of the personal leave.

_____**Employee will be** placed in the same or equivalent position upon return from the personal leave.

Director/VP Signature_____

Sick Pay Instructions starting:	**Vacation Pay Instructions:**
☐ Pay sick days for SDI or WC waiting period. ☐ Pay one sick day vacation/week starting _____(date) ☐ Pay two sick days/week starting_____ (date)	☐ Pay vacation days for SDI or WC waiting period. ☐ Pay one vacation day/week starting _____(date) ☐ Pay two vacation days/week starting _____(date)

EMPLOYEE DECLARATION FOR LEAVE TO CARE FOR A SPOUSE, DOMESTIC PARTNER, CHILD OR PARENT

I am applying for a leave of absence under The Sacramento Bee family and medical leave policy and the FMLA and/or CFRA policies to care for my spouse, registered domestic partner, child, or parent who has a serious health condition. I understand that the Company is not requesting proof of my relationship with the immediate family member whom I wish to care for during my leave through the production of marriage, domestic partner or birth certificates or any other means. Instead, by virtue of signing this document I am certifying that the request for leave is legitimate and meets the criteria for eligibility as defined in the first sentence of this paragraph. I understand that falsification of information on this Declaration may lead to disciplinary action, up to and including discharge from employment. **I have read The Sacramento Bee's Leave of Absence Policy/Benefits and the Employee Declaration for Leave to Care for a Spouse, Domestic Partner, Child or Parent on this form and understand my responsibilities.**

Employee Signature:_____ **Date:**_____

Leave Request Reviewed by

Employee Signature:_____ Date:_____

Manager Signature:_____ Date: _____

Personal and Sabbatical Leaves require Director/VP Signature

Director/VP Signature:_____ Date: _____

Rev 7/1/08
Full-Time Employee Leave of Absence Instructions

□ LEAVE OF ABSENCE POLICY

Medical & FMLA Leave Requests: In the event of an illness or medical condition that requires an absence of more than five (5) workdays, the Company will grant a medical leave of absence to eligible employees. The maximum period of time granted for a medical leave at any one time is six months. Consideration will be given for an extension of up to an additional six months at the Company's discretion. Leaves of absence cannot exceed twelve (12) months within any 24-month period.

Personal & Sabbatical Leave Requests: These leaves require Division Head & HR approval.

□ APPLYING FOR A LEAVE – EMPLOYEE RESPONSIBILITIES & PROCEDURES

1. You complete and sign a "Leave of Absence Request" form to initiate a leave of absence. The form must be completed by employees to request a leave of absence and forwarded to your manager for signature and then to Human Resources department for further action.
2. After submitting the form, you must report your disability to Aetna *only if you are filing any type of disability and/or Family Medical Leave (FMLA)* either by phone or via Aetna's web portal. Refer to the attached "McClatchy Company Disability and Family Leave Management" handout for instructions.

Toll Free Number: 866-269-6241 (Hours of Operation: 8am to 8pm Eastern Time

Aetna's Workability Customer Intake Portal (WCP): Availability is 24 hours a day

URL: **https://www.wkabsystem.com**

Identifier: **THEMCCLATCHYCOMPANY**

□ **Communication with your Manager/Supervisor:** You are also responsible for contacting your department to relay any changes to your estimated return to work date.

□ RETURN TO WORK REQUIREMENT - EMPLOYEE RESPONSIBILITIES & PROCEDURES

□ Returning from a Medical Leave

You are required to **contact Human Resources and your supervisor one week** prior to your stated return date to confirm your return or to request an extension. Failure to do so may constitute your voluntary resignation.

If you are released to return to work with **temporary** restrictions, you may be eligible to return to work in a position, which will accommodate your restrictions for a **temporary** period of time to be determined by The Bee. The accommodation of **temporary** restrictions is handled on a case-by-case basis.

If your doctor determines that as a result of your medical condition you have **permanent** restrictions which may impact your ability to perform the usual and customary functions of your position, The Bee will evaluate whether or not a reasonable accommodation can be made to permit you to continue working in your usual occupation or if there is another vacant position for which you might qualify. Again, the accommodation of **permanent** restrictions is handled on a case-by-case basis under the guidelines of applicable state and federal laws.

□ Returning from a Non-Medical Leave
If you were on a non-medical leave, you will not be required to see a physician prior to returning to work.

□ What Happens to My Job
The Bee will make every attempt to hold your job while you are on leave. However, if for business necessity, the Company cannot hold your position open until you return, the Company will make every attempt to return you to a similar or equivalent position. Personal leaves do not guarantee a position but you may apply for any open positions.

Employees that qualify for Family and Medical Leave, FMLA and the California Family Rights Act (CFRA) may take an unpaid family or medical leave of absence of up to 12 weeks in a 12-month period. Generally, upon return from Family/Medical Leave, employees will be reinstated to the same position or to an equivalent position with equivalent pay, benefits, and other employment terms, to the extent required by law. However, employees have no greater rights to reinstatement or to other benefits and conditions of employment than if they had not taken the Family/Medical Leave. As provided by law, under certain circumstances, reinstatement following Family/Medical Leave may be denied. In addition, any right to reinstatement terminates if an employee fails to return to work at the end of an approved leave and/or if you use up your 12-week FMLA/CFRA allowance, in accordance with applicable laws.
Rev 7/1/08

□ When you leave is covered under the FAMILY AND MEDICAL LEAVE ACT

The Sacramento Bee is in compliance with the guidelines of the Family and Medical Leave Act of 1993 (FMLA). FMLA requires The Bee to provide up to 12 weeks of unpaid, job-protected leave to "eligible" employees for certain family and medical reasons. Employees are eligible if they have worked for The Bee for at least one year, and for 1,250 hours over the previous 12 months. If you are applying for a medical leave or personal leave due to one of the reasons outlined below, and you may qualify for FMLA.

- the birth of a child, or the placement of a child for adoption, or foster care; or
- a serious health condition for which you need care; or
- a serious health condition affecting your spouse, child, or parent, for which you are needed to provide care.

If you are taking a medical leave of absence, your Short-Term Disability and FMLA/Pregnancy leave will run concurrently.

Except as explained below, under the Family and Medical Leave Act (FMLA) you are entitled to up to 12 weeks of unpaid leave in a 12-month period for the reasons listed above. Also, your health benefits must be maintained during any period of unpaid leave under the same conditions as if you continued to work. Also, you must be reinstated to the same or an equivalent job, with the same pay, benefits, and terms and conditions of employment on your return from leave. You

may be required to reimburse The Sacramento Bee for the Company's share of health insurance premiums paid on your behalf during your FMLA leave, .if you do not return to work for a reason other than:

1. the continuation, recurrence or onset of a serious health condition, which would entitle you to FMLA leave, or;

2. other circumstances beyond your control.

You will be required to furnish medical certification of a serious health condition. If required, you must furnish certification or we may delay the commencement of your leave until the certification is submitted.

If you are a "key employee" as described in 825.218 of the FMLA regulations, restoration to employment may be denied following FMLA leave on the grounds that such restoration will cause substantial and grievous economic injury to the Company.

Employees that qualify for Family and Medical Leave, FMLA and the California Family Rights Act (CFRA) may take an unpaid family or medical leave of absence of up to 12 weeks in a 12-month period. Generally, upon return from Family/Medical Leave, employees will be reinstated to the same position or to an equivalent position with equivalent pay, benefits, and other employment terms, to the extent required by law. However, employees have no greater rights to reinstatement or to other benefits and conditions of employment than if they had not taken the Family/Medical Leave. As provided by law, under certain circumstances, reinstatement following Family/Medical Leave may be denied. In addition, any right to reinstatement terminates if an employee fails to return to work at the end of an approved leave and/or if you use up your 12-week FMLA/CFRA allowance, in accordance with applicable laws.

□ PREGNANCY LEAVE

The Sacramento Bee is in compliance with the California Fair Employment and Housing Act (FEHA) guidelines governing pregnancy disability leave (PDL). If you are disabled due to pregnancy or childbirth, you are eligible to take a PDL. The PDL is for any period of actual disability caused by your pregnancy or childbirth up to 6 months. Your disability, or your inability to work, due to your pregnancy is determined by your treating physician. For a normal pregnancy, the treating physician may certify your disability period for 4 weeks preceding the due date of your baby and six weeks postpartum for a normal delivery or eight weeks postpartum for a cesarean delivery. If you are taking a medical leave of absence, your Short-Term Disability and FMLA/Pregnancy leave will run concurrently.

□ Americans with Disabilities Act

The Sacramento Bee is in compliance with the guidelines of the Americans with Disabilities Act of (ADA). If you request reasonable accommodation for a disability, the Company will request information from you and your doctor regarding your disability: the nature, severity and duration, its functional limitations, the activities it limits, and the extent to which it limits those activities, including whether these are short or long term limitations. You will be required to provide this information to the Human Resources Department, as well as an updated doctor's note that specifically addresses these areas. This information will enable The Bee to determine

what reasonable accommodations may be available to allow you to perform your essential job duties.

□ BENEFIT/SALARY INFORMATION

Employees on an approved Short Term Disability Leave have the option of voluntarily electing to use available sick and vacation time to supplement their STD benefit. This pay will be coordinated with the STD benefit and at no time will an employee receive a greater total payment than the employee's regular salary. Sick and vacation will be deducted from the employee's available balance in accordance with the sick and vacation policy.

Employees who do not elect to supplement their STD benefit with Sick and vacation time will only be paid the STD benefit amount. Employees may elect to start or stop the supplement at any time during the course of the approved disability leave. The supplement will be effective beginning the first pay period after the election form is received by Human Resources. Rev 7/1/08

□ SICK LEAVE PAY WHILE ON LEAVE

Sick Leave pay can be used to cover salary during the first week of medical leave of absence.

□ VACATION ACCRUAL AND VACATION PAY WHILE ON LEAVE

You will not accrue vacation while on a leave of absence. Vacation pay can be used to cover salary during the first week of your absence. You may elect to use up to two (2) days of vacation pay per week so supplement your short-term disability pay. This is elective and should be coordinated through your department and requested on the leave request form.

□ THE BEE's DISABILITY INCOME PROTECTION BENEFITS

Short-Term Disability Benefits:

Full-time employees may be eligible to receive up to 130 days of short-term disability pay from The Bee while certified disabled. Benefit determination is made by Aetna.

Long-Term Disability:

To protect your income and prevent potential financial hardship, The Bee offers a Long Term Disability Plan (LTD) to benefited employees. Benefit determination is made by Aetna.

□ CALIFORNIA STATE DISABILITY INSURANCE

The State Disability Insurance (SDI) provides protection for loss of income due to a non-work related illness or injury.

Contact Information:
1-800-480-3287
http://www.edd.ca.gov/Disability/Disability_Insurance.htm

□ CALIFORNIA STATE PAID FAMILY LEAVE BENEFITS

California State provides Paid Family Leave insurance benefits in the event you need to take time off from work to care for a seriously ill parent, child, spouse, or registered domestic partner.

Contact Information:
1-877-238-4373
http://www.edd.ca.gov

□ WORKERS COMPENSATION INSURANCE

As an employee of The Sacramento Bee you are covered under workers' compensation for medical expenses and compensation for wages lost due to work-related injuries and illnesses. The Bee reports the claim to Company's third party administrator, Claims Management, Inc. (CMI). CMI will contact you directly regarding the status of your claim.

Contact Information:
Claims Management Inc.
PO Box 3042, Sacramento, CA 95812-3042
Tel: 916 636-9720

□ GROUP HEALTH INSURANCE BENEFITS

If you are on a paid leave of absence: If you are taking a paid leave or an FMLA unpaid leave and you are enrolled in the Sacramento Bee's Group health insurance, your health benefits will continue at your current level of coverage during a paid leave of absence or for the duration of your CFRA/FMLA leave, whichever is greater

If you are on unpaid leave of absence: If you are enrolled in the Sacramento Bee's Group health insurance, benefits will continue at your current level of coverage for the duration of your CFRA/FMLA leave. You must make arrangements to pay your premiums while you are on an unpaid leave. You have a minimum 30-day grace period in which to make premium payments. If payment is not made on time, your Group health insurance may be canceled. If this is the case, we will notify you in writing at least 15 days before the date your health coverage will lapse. The Bee may also pay your share of the premiums during FMLA leave and recover these payments from you upon your return to work.

□ SALARY/PERFORMANCE REVIEW

If you are on a medical leave longer than 12 weeks within a 12-month period, your salary and performance review dates will change. The dates will be adjusted forward in the amount of time that you are off over two months
Rev 7/1/08

☐ **401(k) MONEY SHELTER PLAN AND CREDIT UNION LOANS**

If you are currently paying for 401(k) and/or Credit Union loans, please make arrangements to pay your loans. Contact Human Resources to make check payments for the 401(k) loan.
You can also defer making your 401k loan payments by completing the attached 401k "Loan Payment Suspension" form. Contact the Credit Union directly at 916 321-1780 for Credit Union loan payment arrangements.

☐ **FLEXIBLE SPENDING ACCOUNTS**

If you are currently contributing to a Health Care Reimbursement or Dependent Care Assistance account, please review your options carefully by referring to the Flexible Spending Account Summary Plan Description. Once you authorize before-tax FSA contributions, IRS rules prohibit changes in those contributions during the Plan Year unless you have an eligible change in status event, which includes a leave of absence under the Family and Medical Leave Act of 1993. Please refer to the plan description for additional details.

☐ **Gym Membership and Parking**

If you are currently paying for the gym, please make arrangements to cancel your dues until you are released to return to the gym.
Please remember to cancel your parking if you are not going to have deductions made from your disability pay. The Bee cannot hold your spot more than a month without payroll deductions.