

MEMORANDUM OF AGREEMENT

BETWEEN

TORONTO STAR NEWSPAPERS LTD.

(the “Company” or the “Employer”)

- and -

**COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION OF CANADA,
LOCAL 87-M SOUTHERN ONTARIO NEWSMEDIA GUILD**

(the “Union”)

WHEREAS:

1. The parties have engaged in discussions and negotiations with respect to the renewal of the collective agreement between the parties.
2. In such discussions and negotiations, the Company and the Union have reached agreement on the terms of the collective agreement and other issues as outlined below.

THEREFORE the parties agree as follows:

1. Upon ratification by the bargaining unit, the renewal collective agreement between the parties is amended as set out in Schedule A.
2. The ratification vote shall be conducted not later than May 15, 2013.
3. The Union and each member of the bargaining team agree to unanimously recommend ratification of this Memorandum of Agreement to the membership.
4. The within terms and conditions become effective upon ratification by the bargaining unit.
5. The parties agree that the within terms and conditions shall be kept entirely confidential and shall not be disclosed by either party or any member of the bargaining unit team except, in the case of the Union, at the ratification vote meeting.

DATED at Toronto this 10th day of May, 2013.

For the Company:

For the Union:

Errors and Omissions excepted.

SCHEDULE 'A'

I. Collective Agreement

Except as set out below, the terms of the January 1, 2008 to December 31, 2012 collective agreement are renewed.

II. Amendments

1. ARTICLE 9 – GENERAL WAGE PROVISIONS & SALARIES

Lump Sum Payment

Year 1 – The Company will make a lump sum payment in an amount equivalent to one percent (1%) of an employee's hourly rate base pay for a one year period to each employee in the Bargaining Unit on January 1, 2013. This is a one-time payment that is subject to statutory deductions. There will be no General Wage Increase in Year 1.

General Wage Increase ("GWI")

Year 2 – 1.5% effective January 1, 2014

Year 3 – 1.75% effective January 1, 2015

Year 4 – 2.0% effective January 1, 2016

2. ARTICLE 15 - RETIREMENT

A. Toronto Star Pension Plan – Base Year Update

(a) Base Year Update

In the event that, during the term of the renewal collective agreement, the conditions set out below are met (the "triggering event"), the base year of the pension plan will be updated from 2005 to 2006, effective December 31 in the year in which the triggering event occurs.

(b) Triggering Event

A two hundred (200) basis point increase in the Star Rate (defined below) that occurs after the date of ratification and that is sustained for three (3) consecutive months during the term of the renewal collective agreement.

(c) Definitions

Star Rate

The monthly Star Rate is defined as the liability weighted average of the rates used to calculate the lump sum payments for members below age 55 and the annuity purchase rates for members above age 55. The monthly

rates used for the lump sum payments and the annuity purchase rates will be based on the same rate that would have been used if a funding valuation had been performed as of that month. The liability weights assigned to the members below and above age 55 will be based on the last filed funding valuation. The Star Rate will be calculated by the Plan's actuary. The Star Rate will be provided to the Union on a monthly basis within fourteen (14) days after the end of the previous month. The Star Rate will be provided starting after the first full month after the ratification of the renewal collective agreement.

Clarity Note: The monthly rates used for lump sum payments (Commutated Values) are in accordance with the Standards of Practice for Pension Commuted Values published by the Canadian Institute of Actuaries effective April 1, 2009 and revised effective February 1, 2011. The monthly annuity purchase rates correspond to an approximation of the annuity purchase rates following the application of the relevant guidance on assumptions for solvency and hypothetical windup valuations issued by the Canadian Institute of Actuaries' Committee on Pension Plan Financial Reporting. These monthly rates used in the funding valuation are in accordance with the requirements of the Pension Benefits Act (Ontario) and Regulations thereto. The monthly lump sum and annuity purchase rates used for the calculation of the Star Rate will be based on the standards (as set out herein) as at May 1, 2013 regardless of any change to such standards during the term of the renewal collective agreement. The liability weights assigned for members below and above age 55 are based on the entire Toronto Star Pension Plan including inactives such as retirees, beneficiaries and terminated vested members.

B. Retirement Plan For Employees Hired After January 25, 2008

The Employer proposes the following process to evaluate the retirement plan for employees hired after January 25, 2008:

1. During the term of the collective agreement, the parties agree to evaluate the existing group RRSP described in Article 1505.
2. The evaluation will include a thorough assessment of the following alternatives to the existing plan:
 - a) A registered defined contribution pension plan;
 - b) A single-employer target benefit pension plan; and,
 - c) A multi-employer target benefit pension plan, including but not limited to, the Multi Sector Pension Plan and the CEP Multi Employer Pension Plan.
3. Nothing in paragraph two (2) means that the option of retaining the existing group RRSP, either in its current form or with plan design changes, cannot be assessed.
4. The Union will invite three (3) members who are currently members of the group RRSP to participate in these discussions.

5. The parties will meet within one (1) month of ratification to begin the evaluation, at which time the parties will agree on a meeting schedule. The meeting schedule will include a first meeting that is held within two (2) months following ratification and a minimum of four (4) additional meetings within the first six (6) months following ratification.
6. If, at the end of these meetings, the parties have not reached a mutually agreeable alternative to the existing group RRSP, both parties will report their respective positions in writing (either separately or jointly) to the Publisher, who will review the issue.
7. Nothing in this agreement restricts either party from seeking outside expert opinion. On agreement of both parties, such experts may attend the parties' meetings.
8. If the parties agree on a preferred plan design, they will collaborate during the remaining term of the renewal collective agreement to refine that design in anticipation of the collective agreement's expiry and the parties will discuss the effective date of the implementation of such new plan. If the costs of such new plan are material, the Employer reserves the right to defer discussion of the implementation of such plan to the next round of collective bargaining.
9. On the expiry of the renewal collective agreement, retirement plan design for employees hired after January 25, 2008, may form part of the bargaining agenda of either party.

3. FAMILY EMERGENCY LEAVE

See attached Letter of Understanding inside the Collective Agreement.

4. RADIO ROOM

The Radio Room will be staffed with students who are paid a base hourly rate of \$17 per hour. All other terms and conditions of employment will be those required by the *Employment Standards Act, 2000*.

General Wage Increases will not be applied to the Radio Room wage rate during the currency of the collective agreement. Radio Room employees are not eligible for lump sum payments under Article 9 during the currency of the collective agreement.

The supplemental agreement regarding the Radio Room will remain as currently situated in the collective agreement.

See attached amended Supplemental Agreement.

5. ARTICLE 27 – DURATION & RENEWAL (TERM)

4 years: January 1, 2013 to December 31, 2016.

Letter of Understanding Inside the Collective Agreement

May 10, 2013

Mr. Gary Ellis
CEP 87-M
Southern Ontario Newsmedia Guild
5915 Airport Rd., Suite 510
Mississauga, ON L4V 1T1

Dear Gary:

Re: Family Emergency Leave

This letter will confirm the understanding reached by the parties during collective bargaining concerning the protocol that the Company will follow when considering an employee's request for a leave of absence due to a family emergency.

Application & Conditions

1. The entitlement to a family emergency leave is restricted to requests regarding the family members listed in Article 1006 (Bereavement Leave).
2. A family emergency leave must be a minimum of four (4) weeks and shall be no more than eight (8) weeks. An employee may make a special request for an extension of up to four (4) weeks.
3. An employee's request for an emergency leave will be granted at the Company's discretion and subject to the Company's operational needs. Limits may be placed, at the Company's discretion, on the number of employees in any one department able to take a family emergency leave during any period of time. Permission will not be unreasonably withheld.
4. The Company may require employees taking a family emergency leave to provide medical, or other reasonable, evidence of the need for such a leave.
5. An employee who has been advanced pay under this letter and who has not completed the repayment of that money before ceasing employment (for whatever reason) will still be required to repay the full amount owing to the Company. The employee will sign a direction and authorization to such effect upon the commencement, and as a condition, of such leave.

Protocol for Requesting and Granting Leave

6. Upon application in writing from the employee to the Department Head, a leave of absence to attend to a family emergency may be granted at the discretion of the Company for good and sufficient cause. The Department Head will respond to the employee's request within two (2) business days.

7. If a leave of absence is granted, prior to receiving any payment under paragraphs 8 or 9 below:
 - a. An employee must exhaust all available paid time off in the following order:
 - i. Unused vacation carried over from the prior year under Article 1206;
 - ii. “Banked” vacation accumulated under Article 1207; and,
 - iii. Overtime compensation that the employee requested as time off under Article 709 (A).
 - b. An employee may use vacation for the current year under Article 1201.
8. An employee who has exhausted all available paid time off as described under paragraph 7(a), and who requires additional time off, will apply for the compassionate care benefits available under Employment Insurance (EI). Where an employee is approved for EI compassionate care benefits:
 - i. The Company shall advance payment equal to sixty percent (60%) of base pay during the two (2) week EI waiting period;
 - ii. The Company will subsequently advance payment equal to the difference between the payments received from EI and sixty percent (60%) of the employee’s base straight-time pay for a maximum of six (6) weeks, subject to continued government legislation and approval; and,
 - iii. Upon the employee’s return to work, the employee’s total compensation, including incentive pay, premium pay, commission, and merit pay, will be reduced by forty percent (40%) until the amounts advanced under (i) and (ii) have been fully repaid.
9. An employee who has exhausted all other available paid time off, as described in paragraph 7(a) and EI benefits under paragraph 8, (or who has not qualified to receive EI benefits), and who requires additional time off, may make special application to the Executive Director of Labour Relations for a partial salary advance on compassionate grounds. If approved, the employee will be advanced payment equal to sixty percent (60%) of the employee’s base straight-time pay. Upon the employee’s return to work, the employee’s total compensation, including incentive pay, premium pay, commission, and merit pay, will be reduced by forty percent (40%) until the partial salary advance has been fully repaid.
10. Nothing described in the above, precludes the Company from granting additional time off, with or without pay, for compassionate reasons.

Yours truly,

Alan K. Bower
Executive Director, Labour Relations
Toronto Star Newspapers Ltd.

**Supplemental Agreement to the Main Agreement
(and forming part of the main Agreement)**

Between:

Toronto Star Newspapers Limited

And:

CEP, Local 87-M, Southern Ontario Newsmedia Guild

Dated this 10th day of May, 2013.

Re: Radio Room

The Radio Room in the Editorial Department will be staffed with student employees who are paid a base hourly rate of \$17 per hour.

General wage increases will not be applied to the Radio Room base hourly rate during the currency of the collective agreement. Radio Room employees are not eligible for lump sum payments during the currency of the collective agreement.

The terms and conditions of employment for employees in the Radio Room will be in accordance with the *Employment Standards Act, 2000*, except as provided for below.

The application of the main collective agreement will be limited to the following articles for employees in the Radio Room:

Preamble	Article 1106 – Religious Holidays
Article 1 – Exclusions	Article 21 – Health and Safety
Article 2 – Jurisdiction & Relationship	Article 22 – Editorial Issues
Article 3 – Union Membership & Dues Check-Off	Article 23 – Miscellaneous
Article 4 – Information	Article 26 – Discipline, Grievance, Dispute Resolution, & the Arbitration Process
Article 5 – Representation & Meetings	Article 27 – Duration & Renewal
Articles 605, 606, 607, 609, 610, 611, 612, and 615 – Probation Period, Discipline & Discharge	

Applications for Radio Room shifts will be considered from Editorial Assistants and/or other junior newsroom staff seeking opportunities for advancement. Management will use temporary fill-ins on the city clerks' desk to facilitate the participation of Editorial Assistants on an occasional shift basis. Hours worked by junior staff in the Radio Room will be paid at their current rate.

Students and/or junior staff in the Radio Room can file police blotter-type stories and other Radio Room-type files, with the appropriate credit, as would any full-time journalist. Radio room students are not available for use as journalists outside the Radio Room.

The collective agreement is amended to the extent necessary to give effect to the foregoing terms and conditions of this Supplemental Agreement.

This agreement replaces the Radio Room Supplemental Agreement dated January 25, 2008.