

COLLECTIVE AGREEMENT

**FREE DAILY NEWS GROUP INC. and
514767 NB LTD. O/A METRO TORONTO**
(the “Company”)

- and -

**COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION OF CANADA,
LOCAL 87-M, SOUTHERN ONTARIO NEWSMEDIA GUILD**
(the “Union”)

ARTICLE 1 – RECOGNITION

- 1.1 The Company recognizes the Union as the exclusive bargaining agent for all employees of the Company in the City of Toronto save and except for supervisor, those above the rank of supervisor, and interns.
- 1.2 The Company acknowledges that, in general, the assignment of the work performed by employees in the bargaining unit should be assigned or re-assigned to other bargaining unit employees; however, the Union acknowledges and agrees that the Company can continue to assign and re-assign work that is also performed by members of the bargaining unit to non-bargaining unit employees or others in accordance with the Company's practices as at July 26, 2006. This includes, but is not limited to, non-bargaining unit individuals performing bargaining unit work during peak periods, for vacation, disability or sick leave coverage or otherwise to meet operations needs.

References to Gender

- 1.3 In this Collective Agreement it is presumed that gender references to male or female employees apply equally to the other sex.

ARTICLE 2 - JURISDICTION AND RELATIONSHIP

Management Rights

- 2.1 The Union recognizes and acknowledges that the management of the Company and the direction of the work force is at the sole discretion of the Company. Without restricting the generality of the foregoing, the Union acknowledges that it is the exclusive responsibility of the Company to:
 - (a) maintain order, discipline and efficiency;
 - (b) hire, assign work or duties, promote, demote, classify, transfer, lay-off and recall employees;
 - (c) discipline or discharge employees who have successfully completed their probationary period for just cause;
 - (d) release employees without just cause during the probationary period;
 - (e) make, enforce and alter, from time to time, reasonable rules and regulations to be observed by the employees provided such rules and regulations do not conflict with the provisions of this collective agreement;
 - (f) determine the nature and kind of business conducted by the Company, equipment to be used, the methods and techniques of work, the content of jobs, the scheduling of jobs, the scheduling of employees to be employed,

the extension, limitation, curtailment or cessation of operations or any part thereof including the closing of any facility, or part thereof and to determine and exercise all other functions and prerogatives; and,

- (g) establish and administer reasonable tests for the purpose of assisting the Company and determining an employee's qualifications.
- 2.2 The Company agrees that it will not exercise its functions in a manner inconsistent with the express provisions of the Agreement which shall serve as the only limitations upon such functions provided the Company exercises its rights in a manner that is not arbitrary, discriminatory and in bad faith.
- 2.3 In the event that a new job classification is created or in the event of a significant change in the duties and responsibilities of a position, the Company and the Union will discuss and attempt to agree upon the proper classification and salary scale for the position. Failing agreement, the matter may be referred to arbitration for a final and binding determination.
- 2.4 The Union recognizes that the Company shall have the exclusive right to assign work and to determine from time to time and at any time, the person or classification to which its work shall be assigned. The assignment of work to a particular person or classification shall not limit the right of the Company to re-assign such work to another person or classification.

ARTICLE 3 - UNION DUES

- 3.1 All employees in the bargaining unit who were members of the Union on February 8, 2007 or who join thereafter, shall join the Union and as a condition of continued employment, be required to maintain their membership in good standing in the Union in accordance with its constitution and by-laws for the duration of the Agreement.
- 3.2 The union agrees that it will admit to membership and retain in membership any employee in the bargaining unit, subject to the Constitution of the Communications, Energy and Paperworkers Union of Canada and the by-laws of the CEP, Local 87-M, Southern Ontario Newsmedia Guild.

Dues Check Off

- 3.3 As a condition of their continued employment, all employees and all future employees shall be required to execute and deliver to the Company a written authorization for deduction of their regular monthly Union dues or the equivalent thereof.

Payment of Regular Dues

- 3.4 The Company agrees to deduct from the semi-monthly earnings of each employee covered by the Collective Agreement, an amount equal to the regular Union dues (as specified in writing by the Union and calculated in accordance with the terms below) and to remit the total of such deductions by cheque to the Treasurer of the Union before the end of the month following the month in which deductions are made. The Company shall, when remitting dues, give the names of the employees from whose pay deductions have been made. The amount of dues to be deducted may be amended by the Union providing the Company thirty (30) days written notice, as permitted by the CEP's constitution and by-laws.
- 3.5 In consideration for the Company making deductions in accordance with this Article, the Union shall indemnify and save harmless the Company, including agents and persons acting on its behalf, from any liability, claims or actions made against it for any reason relating to the deduction of union dues.

Special Assessments

- 3.6 The Company agrees to deduct special assessments as required by CEP, Local 87-M, Southern Ontario Newsmedia Guild and to remit the total of individual deductions by cheque to the Treasurer of the Union before the end of the month following the month in which the deductions are made. As with the remittance of regular union dues provided for in clause 3.4, the Company shall when remitting such assessments provide the names of the employees from whose pay deductions have been made.

ARTICLE 4 – REPRESENTATION & MEETINGS

- 4.1 The Company acknowledges the right of the Union to elect or appoint up to a total of 4 stewards, which may include a Unit Chair/Steward. The Union will notify the Company in writing who the Stewards are, and of any changes.
- 4.2 In order to facilitate the investigation and handling of grievances, a Steward shall be permitted to leave the Steward's work station during working hours provided that:
- (a) the Steward has obtained the prior consent of the Steward's immediate supervisor (which consent shall not be unreasonably withheld);
 - (b) the time is devoted to the prompt handling of grievances; and,
 - (c) the handling of grievances does not interfere with the efficient operation of the business.
- 4.3 The Company and the Union recognize that meetings between representatives of the respective parties to this Collective Agreement are necessary in order to

maintain a proper working relationship between the parties. It is recognized that meetings normally fall into three categories as follows:

- a) Grievance meetings as described in Article 16.
 - b) Union-management meetings for the purpose of discussing matters of mutual concern, excluding grievances, may be held upon mutual agreement at the request of either party provided there is a substantive agenda to discuss. The meeting shall be between the Associate Publisher/Publisher and any other representative of the Company designated by him or her, and up to two employees representatives appointed or elected by the Union. The CEP Local President and/or the CEP National or Local Representative of the Union may also attend such meetings.
 - c) The Union may appoint/elect a Bargaining Committee not to exceed 4 employees from the bargaining unit for the purpose of negotiating renewal to the collective agreement. The Company shall not be required to recognize the Union Negotiation Committee until after notice of desire to bargain has been provided and the Union has notified the Company, in writing, of the names of the members of the Union Negotiation Committee. The Company shall allow Union Negotiation Committee members unpaid leaves of absences from work for the purpose of attending bargaining meetings. The Company shall not be required to continue to recognize the Union Negotiation Committee following the date of ratification of any renewal collective agreement.
 - d) For the purposes of meetings specified in (a) (b), or (c) above, the Company shall arrange for permission to attend for the employees concerned.
 - e) The Company agrees that the Union may have a ballot box in the workplace when holding a vote for the bargaining unit.
- 4.4 Any notice or copy of correspondence required to be given to the Union shall be deemed delivered if it is emailed, delivered, faxed or mailed to Unit Chair/Steward.

ARTICLE 5 – PROBATION PERIOD, DISCIPLINE & DISCHARGE

Probationary Period

- 5.1 New employees shall be on probation until they have worked six (6) months. The probationary period may be extended by mutual agreement. Upon completion of the probationary period the employee shall be granted seniority with credit from the original start date. In the case of a part-time employee, the length of the probationary period shall be determined by an equivalent number of shifts.

Probationary Dismissal

- 5.2 A probationary employee may be dismissed at any time during the probationary period if the employee is not satisfactory, a determination that is within the sole discretion of the Company. The Company's decision to dismiss the employee shall not be arbitrary, discriminatory or made in bad faith.

Just Cause

- 5.3 No employee who has completed his probationary period may be disciplined or dismissed except for just cause. An employee who at the time of dismissal has not completed the probationary period, shall not have, or be deemed to have, this right.

Discipline

- 5.4 An employee shall be provided with a copy of any written warning, reprimand, suspension or disciplinary action that is issued to the employee and put on the employee's file within 7 calendar days of the discipline being issued.

Personnel File

- 5.5 The personnel files maintained by the Company are the property of the Company. Every employee shall have the right to inspect any disciplinary records or formal evaluations contained in his personnel file, once a year or when an employee has filed a grievance. In either case, in order to inspect the disciplinary records or formal evaluations, the employee must provide a written request to the Department Head that sets out the grounds under which the request is being made. Upon submitting a proper request, an employee shall have access to the file in the presence of management. If there are factual errors in the file, which are agreed to be errors by management, the error shall be corrected.

Sunset Clause

- 5.6 It is agreed that written letters of warning and reprimand shall be removed or deemed to be removed from an employee's personnel file 12 months from the date of issue. Record of suspension (s) shall be removed or deemed to be removed 30 months from the date of issue.

In the application of the above language, the time limit provisions will not apply should further discipline be imposed within the above referred time periods. For added clarity, the discipline file will remain fully active in this instance for all progressive discipline purposes. The foregoing will have no effect on the Company's right to rely on past conduct beyond the Company's disciplinary rules.

ARTICLE 6 – HOURS OF WORK

Days Off

- 6.1 The normal work week for full-time employees shall consist of up to thirty-seven and a half (37.5) hours per week exclusive of unpaid meal periods, with two consecutive days off but this shall not be a guarantee or limit on the hours worked.
- 6.2 The Company shall normally schedule employees for two consecutive days off, one of which must be on a Saturday, in each work week except for overtime shifts.
- 6.3 Except as provided elsewhere in this Agreement, all time required and authorized by the Company in excess of forty-two (42) hours in each weekly work period shall be considered overtime and shall be paid at the rate of time and one-half of the regular straight time hourly rate. For the sake of clarity, all hours worked in excess of thirty-seven and a half (37.5) and up to forty-two (42) hours shall be paid at the employee's regular straight time hourly rate. Overtime shall be paid for hours worked in excess of 10 hours in a day at time and one-half the employee's regular straight time hourly rate.
- 6.4 For the purpose of calculating overtime, an employee's hourly rate shall be calculated as follows:
- $$\text{Annual Salary} \div 52 \div 37.5$$
- 6.5 To be eligible for overtime payment, overtime hours must have been scheduled and authorized by the employee's supervisor prior to the performing of the work.
- 6.6 Subject to conditions set out hereinafter, employees may elect to be compensated for authorized overtime (hours in excess of 42 in a week or ten hours in a day) either in cash or lieu time. Subject to the Company's approval, lieu time must be taken within three months of the work week in which the overtime is earned, unless the employee and the Company agree to a longer time period, in which case the time period must end within 12 months of that work week. If the lieu time is not used at the conclusion of either period (i.e. 3 months or 12 months, if agreed) it will be paid out to the employee at the rate earned.
- 6.7 The assignment of overtime will be on a voluntary basis except when the Company is unable by this procedure to fill the overtime assignment with qualified employees. Employees will co-operate so as to make themselves available. The Company may require employees to work overtime. The Company will endeavour to provide as much notice as possible of overtime requirements.
- 6.8 An employee who is required to work on a shift in excess of his normal number of weekly shifts shall receive overtime premium for all work performed on that day with a minimum payment of three (3) hours of overtime premium.

Notice of Change in Regular Schedule

- 6.9 (a) The Company will post work schedules of days and/or hours for employees at least two weeks in advance of the week for which they apply.
- (b) Work schedules may be changed subject to the requirements of operations and affected employees will be advised in advance of the change as early as reasonably possible. If an employee is required to work on what otherwise would have been a scheduled day off, three working days notice of such change shall be provided to the employee, except in the case of emergency or unforeseen circumstances. If such notice is not provided, and it is not a case of emergency or unforeseen circumstances, the employee shall be paid an additional two hours straight time in addition to the employee's regular wages for work, unless the change has been made by mutual consent of the employee and the Company.
- 6.10(a) Where an employee's start time is changed for less than a full week's schedule, the Company will provide as much advance notice as possible but no less than notice on the employee's shift prior to the changed start time, except in the case of emergency or unforeseen circumstances in which case the notice may be less. This provision shall not apply if the employee is called to work early for overtime.
- (b) Where an employee's shift time is changed for a period of more than one week, but is not a permanent change, the Company shall provide as much advance notice as possible but no less than five days notice, except in the case of emergency or unforeseen circumstances in which case the notice may be less than one week.
- (c) Where an employee is not given notice in accordance with 6.10(a) and 6.10(b), and it is not emergency or unforeseen circumstances, the employee shall be paid an additional one (1) hour's pay at straight time in addition to the employee's regular wages for the work, unless the change has been made by mutual consent of the employee and the Company.
- (d) The Company will provide a twelve (12) hour interval following the completion of an employee's scheduled shift before the start of his or her next scheduled shift, unless waived by an employee. This period of time does not apply if overtime is worked.
- 6.11 For Advertising Salespersons, the Employment Standards Act, 2000 shall apply with respect to hours of work and overtime and Article 6 shall not apply.

ARTICLE 7 – HIRING, PROMOTION, AND TRANSFER

- 7.1 The Company will post notice of all permanent vacant positions within the bargaining unit for a period of six (6) calendar days and agrees to consider an application from any bargaining unit employee desiring to apply to the vacant position. The Company retains the right not to fill any vacant position.
- 7.2 Employees entitled to apply for any vacant position must make application to the Department Head or designate no later than the sixth (6th) calendar day. Employees who have completed their probationary period may apply. The Company need not consider any applicant to a posting who has, within the prior twelve (12) month period, successfully applied for a vacant position.
- 7.3 The Company is under no obligation to interview any candidate who does not meet the minimum standards or qualifications of the position.
- 7.4 The successful applicant shall be chosen on the basis of experience, ability, educational qualifications, training and reliability. If the experience, ability, educational qualifications, training and reliability of the two leading candidates for the position are relatively equal, seniority will determine the successful candidate.
- 7.5 The successful applicant will be hired on a trial basis for a period of three months (the "trial period"). If during the trial period,
- (a) the Company determines that the successful applicant does not have the experience, ability, educational qualifications, training or reliability to perform the vacant position; or,
 - (b) the successful applicant elects not to complete the trial period;
- the successful applicant will be, on a without prejudice basis, returned to his prior position.
- 7.6 If no employee who has applied is determined to have the necessary experience, ability, educational qualifications, training and reliability, the Company may select a candidate from outside the bargaining unit. For clarity, nothing in this Agreement restricts the Company's right to review applications and conduct interviews with candidates from both inside and outside the bargaining unit simultaneously.
- 7.7 This Article does not apply to temporary job assignments.

ARTICLE 8 – WAGES

- 8.1 With the exception of Advertising Salespeople (which are Advertising Account Managers and Inside Sales Staff), employees hired after the date of ratification shall be paid in accordance with the salary schedule in Appendix A.
- 8.2 All wages set out in Appendix A shall be minimum annual salaries only.

- 8.3 The Company shall determine the compensation for each Advertising Salesperson. Compensation includes the split between base salary (if any) and commission (if any), the base salary amount (if any), the structure of the commission plan, benefits and vacation.
- 8.4 The Company and the Union acknowledge that Advertising Salespersons are “salesperson” as that term is understood by the Employment Standards Act, 2000.
- 8.5 Subject to the Advertising Compensation Consultation Committee letter, the Company may change the compensation plan of any Advertising Salesperson.
- 8.6 Advertising Salespersons hired after the date of ratification will have an annual base salary of \$35,000, which is subject to the general wages increases provided for herein.

ARTICLE 9 – PART-TIME EMPLOYEES, TEMPORARY EMPLOYEES, FREELANCERS AND THIRD PARTY PROVIDERS

Part-time Employees

- 9.1 A part-time employee is one who is hired to work twenty-eight (28) hours or less per week.
- 9.2 Part-time employees are not covered by Articles 10 (Leaves of Absence, except as provided by law), 11 (Recognized Holidays), and 12 (Vacations). Vacation entitlement and public holiday pay shall be governed by the provisions of the Employment Standards Act, 2000.
- 9.3 For the purposes of determining a part-time employee’s wages, the weekly wage of the classification shall be divided by 37.5 and then multiplied by the number of hours worked by the part-time employee in a week.
- 9.4 Upon written request by the Union, the Company and Union will meet no more than once a year to review the use of part-time employees. At the discretion of the Company, part-time employees may be offered permanent full-time positions.

Temporary Employees

- 9.5 Temporary employees shall not accrue service or seniority for the purposes of this Collective Agreement. Temporary employees are not covered by Articles 5 (Probationary Period, Discharge and Discipline), 10 (Leaves of Absences), 11 (Recognized Holidays), 12 (Vacations), 13 (Service and Seniority), 14 (Layoff) and 15 (Severance).
- 9.6 Temporary employees may be hired on a part-time or full-time basis. Wages for a part-time temporary employee shall be calculated in the same manner as Article 9.3
- 9.7 Temporary employees may be terminated in accordance with their contract and Employment Standards. Such termination is not grievable.

- 9.8 A temporary employee is an employee hired for a specified purpose, including special projects designated by the Company, vacation coverage, and leaves of absence coverage.
- 9.9 A temporary employee may be hired for a special project for up to 12 months, or longer, if mutually agreed between the Union and the Company.
- 9.10 The Company shall notify the Union in writing of the hiring of a temporary employee and the expected duration of and reason for the position.
- 9.11 Temporary positions for leaves of absences may be for up to 24 months.
- 9.12 Part-time employees who are qualified and have the skill, ability and aptitude for a full-time temporary position, shall be offered the position on a temporary basis prior to hiring outside the collective agreement.

Freelance and Third Party Providers

- 9.13 The Company shall continue its practice of publishing content and utilizing services submitted by, whether solicited or not, freelancers or third party providers. There is no restriction on the nature or frequency with which the Company can utilize services or solicit or publish content submitted by freelancers or third party providers.
- 9.14 Third party providers are individuals, partnerships, corporations, joint ventures or other enterprises with whom the Company enters into a contract-based, fee for service, arrangement whereby the third party provider provides any kind of service to the Company including, without limitation, editorial content, sales promotion, production services, printing services or any other service related to the operation of the Company.

ARTICLE 10 – LEAVES OF ABSENCE

Pregnancy/Parental/Emergency Leave

- 10.1 The Company shall grant pregnancy, parental and emergency leave in accordance with the terms and conditions of the Employment Standards Act, 2000. Benefits will remain in place during any leave.
- 10.2 Employees on pregnancy, parental or emergency leave continue to accrue paid vacation in accordance with the collective agreement. Paid vacation accrued during pregnancy or parental leave can be taken at the end of the leave.
- 10.3 The Company will provide up to three (3) days paternity leave with pay upon request of the employee, within seven (7) calendar days of the date of birth or adoption.

Union Leaves

- 10.4 An employee may request a leave of absence without pay for the purposes of Union business of no longer than 5 working days. An employee requesting such leave must provide 5 working days notice. No more than two (2) employees at a time shall request such leave. Approval of such leaves shall be subject to operational requirements of the Company. The Company shall maintain the compensation of the employee on leave and the Union shall reimburse the Company for the full amount.
- 10.5 An employee may request a leave of absence for up to (12) twelve months without pay or benefits in order to work in an official full-time capacity for the Union. No more than one employee shall request a leave in order to work in an official full-time capacity for the Union at a time. During the period of the leave, an employee shall continue to accrue seniority, but shall not be credited for service. An employee wishing to take such a leave must give the Company a minimum of two (2) months notice in writing of the leave, or of an election which may lead to the need for such a leave. If operational concerns require it, up to two weeks more notice after such election may be required. Such leave shall not exceed twelve months in length unless agreed between the Company and the Union.

Bereavement Leave

- 10.6 A permanent employee will be granted the following bereavement leave with pay:
- a) Up to 5 working days in the event of the death of a mother, father, spouse (including common law or same sex spouse), child or step-child;
 - b) Up to 3 working days in the event of the death of a brother, sister, mother-in-law or father-in-law, step-parent and grandchild;
 - c) Up to 1 working day in the event of the death of a grandparent or grandparent-in-law, brother-in-law or sister-in-law, son-in-law or daughter-in-law.
- 10.7 The days granted as per 10.6 shall be between the day of death and the day of the funeral service inclusive.
- 10.8 Employees shall not receive any additional day(s) leave because the death or funeral occurred on a statutory holiday, or during her vacation, or during any leave of absence without pay.
- 10.9 Upon request, an employee may be provided with additional day(s) off, subject to approval of the Associate Publisher/Publisher. Such additional days may be taken as vacation time, lieu time or unpaid.

Personal Leaves

- 10.10 Employees may request a personal leave of up to twelve (12) months without pay and benefits, except as provided in Article 10.12. An employee requesting such a leave must provide two (2) months notice in writing. Approval of such leaves of absence shall be subject to operational requirements of the Company. If denied, the Company agrees to provide a brief written explanation, if requested.
- 10.11 Leaves for personal reasons may include leaves for educational or professional reasons, however if for such reasons they may not be in competition with the Company.
- 10.12 Any employee requesting a personal leave shall take all unused vacation and accumulated overtime for the first part of the leave. While utilizing unused vacation or accumulated overtime, the employee shall continue to have benefit coverage. Upon utilization of all unused vacation or accumulated overtime time, the leave shall be unpaid. All unpaid portions of the leave shall be without pay and benefits.
- 10.13 The Company shall use its best efforts to return the employee to the same or a comparable job on return from such leave. If such job is not available, the employee will be paid the regular salary for the position to which she is returned.
- 10.14 The Parties agree that the Company may hire temporary employees for the duration of any leave granted under Article 10.
- 10.15 There shall be no loss of seniority or benefits as accrued to the beginning of union leaves or personal leaves. Employees shall not accrue service or seniority while on a personal leave. Time off for such leaves will not be counted as time worked for the purpose of vacation pay or time, and it will be pro-rated accordingly.

Jury and Witness Duty

- 10.16 A permanent employee who has completed her probation period called to jury duty or subpoenaed as a witness (except in proceedings between the parties) will be reimbursed the difference between the jury pay or witness fee and the employee's regular salary, not to exceed seven and a half (7.5) hours per day, for a maximum of twenty business days.
- 10.17 In order to be reimbursed as per Clause 10.16, the employee must present the document issued by the court for jury duty or the subpoena issued to her Department Head prior to the date of the leave.
- 10.18 When an employee is excused from jury duty or witness duty for one-half (1/2) day or more, she must return to the workplace and complete her regular shift, unless otherwise agreed to by the Company.

ARTICLE 11 – RECOGNIZED HOLIDAYS

11.1 Employees who have passed their probationary period are provided with the following public holidays:

- New Year’s Day;
- Good Friday;
- Victoria Day;
- Canada Day;
- Labour Day;
- Thanksgiving Day;
- Christmas Day; and,
- Boxing Day.

In addition, the Company provides the August Civic Holiday as a public holiday.

11.2 The Company will provide two additional days (“Floating Days”) to employees that employees may take off with pay within the calendar year. Such paid days off are subject to approval of the Department Head and operational needs. For clarity, such Floating Days may not be carried over and are not paid out if not taken within the calendar year.

11.3 On non-publishing days, as determined by the Company, employees not required to work may elect to use a vacation day, lieu day or Floating Day (if any of such days are available to the employee), otherwise non-publishing days shall be a day off without pay.

11.4 Employees required to work on a non-publishing day will be paid their regular wages for the hours worked on the day. Non-publishing days falling on any other day than those listed above shall not be treated as Recognized Holidays.

11.5 For Advertising Salespersons, the Employment Standards Act, 2000 shall apply with respect to public holidays and Article 11 shall not apply.

ARTICLE 12 – VACATIONS

12.1 Employees will accrue paid vacation in accordance with the following schedule:

Length of Service	Accrual Rate
less than one year	1¼ day for each month worked
one year to six years	Three weeks
seven years to fourteen years	four weeks
15+ years	five weeks

- 12.2 The Company's vacation year is January 1 to December 31.
- 12.3 Probationary employees are not permitted to take vacation.
- 12.4 Employees can request vacation by submitting a vacation request form to their Department head. Vacation requests submitted in accordance with the timeframe set by the Company shall be considered based on seniority. Vacation requests submitted beyond the timeframe shall be considered on a first come/first serve basis.
- 12.5 All vacation scheduling is subject to the approval of the Department Head and is subject to the operational requirements of the Company.
- 12.6 Employees must take their vacation in the vacation year. If, at the request of the Company, an employee is unable to take his vacation in any year by December 31, he shall take any such remaining vacation by March 31st of the following year. If vacation is not taken by that time, such remaining vacation shall be paid out in cash to the employee. Except as provided in this clause, vacation cannot be carried over to any subsequent year and shall not be paid out.
- 12.7 Upon termination of employment, for any reason, employees will receive a payment in lieu of paid vacation that is equal to the balance of vacation pay owed to them at the date of termination. If the employee is in a deficit, an amount equivalent to the deficit will be deducted from their final pay cheque.
- 12.8 For permanent full-time employees, one week of vacation is equal to 5 working days.
- 12.9 For Advertising Salespersons, the Employment Standards Act, 2000 shall apply with respect to vacations and Article 12 shall not apply.

ARTICLE 13 – SENIORITY AND SERVICE

Seniority Defined

- 13.1 Seniority means length of continuous service. Full-time employees shall accrue seniority from date of hire. Seniority for part-time employees shall be based on hours and shall be listed on a separate seniority list.
- 13.2 Temporary employees shall not accumulate seniority.
- 13.3 When two or more employees commence work in the same seniority group on the same day, the procedure for establishing their relative seniority shall be based upon the employee number. The employee with the lower employee number shall have the greater seniority.

Continuous Service Broken

- 13.4 Continuity of service shall be considered broken, seniority lost, and employment terminated when an employee:
- 1) resigns, retires or is discharged or, in the case of an employee who has completed her probationary period, is discharged for just cause; or,
 - 2) is laid off by the Company for a period exceeding one (1) year; or,
 - 3) fails to report for work after the end of an authorized leave of absence unless a satisfactory explanation is given; or,
 - 4) fails to notify the Company of her intention to return to work within three (3) days after notification of recall as provided for in Article 14 from layoff or fails to report to work within two (2) weeks of recall from layoff; or,
 - 5) is absent without contact with the Company for three (3) consecutive shifts, unless a satisfactory explanation is given; or,
 - 6) is absent due to illness or injury for a period of more than twenty-four (24) months subject to the Company's having met its obligations pursuant to the *Human Rights Code*.
- 13.5 It shall be the responsibility of an employee to keep the Company advised, in writing, of her current address. The Company shall be deemed to have given an individual on layoff notice of recall by sending notice of recall by registered mail or courier to the last address supplied by the employee.

Combination of Part and Full Time Service

- 13.6 Part-time employees who become full-time employees shall be credited for part-time service by having a seniority calendar date established based on actual hours worked. Full-time employees who become part-time employees shall be credited on the basis of 1950 hours per year of service.

Seniority Lists

- 13.7 The Company agrees to maintain seniority lists for regularly employed full-time employees and separate lists for regularly employed part-time employees. The lists will show the date from which seniority accumulates for each employee. An updated copy of the listings will be provided to the Union upon request, but no more than once per year.

ARTICLE 14 – LAYOFF

- 14.1 When it is determined by the Company that a reduction in the workforce is necessary the Company shall provide five days notice of layoff to the Union and

the employees affected. The Company can, in its sole discretion, provide pay in lieu of notice.

- 14.2 Layoffs of any employee(s) within any classification shall be determined based upon reverse seniority provided the remaining employees have sufficient experience, ability, educational qualifications, training and reliability to perform the work.
- 14.3 Within the notice period mentioned above, the Company shall consider requests for voluntary resignations from other employees in the work classification groups impacted by the layoff. If approved, employees who have volunteered to leave instead of the less senior employee shall be paid severance pay in accordance with the provisions of the collective agreement. Any employees requesting a voluntary resignation must agree to the terms and conditions of the voluntary resignation.
- 14.4 An employee affected by layoff may bump the most junior employee in an equivalent or lower classification provided the position is held by a more junior employee and provided he or she has experience, ability, educational qualifications, training and reliability to perform the job. Any employee wishing to bump must do so within 5 days of receiving their notice of layoff.
- 14.5 The person so displaced may exercise a similar right to bump in accordance with Article 14.4 within one week of being bumped.
- 14.6 An employee who bumps will assume the new rate of the position in the equivalent or lower classification.
- 14.7 Recall of laid off employees to available vacancies in their previously held classifications shall prevail over Article 7 (Hiring, Promotion & Transfer). Affected employees shall be offered reinstatement to employment in the classification held prior to layoff on the basis of seniority, in reverse order of their layoff, provided they have the experience, ability, educational qualifications, training and reliability to perform the available work. Notification of recall shall be by letter addressed to his or her last known address on the Company's records with a copy sent to the Union. The recall rights will not extend for a period longer than twelve (12) months.
- 14.8 During layoff, seniority shall not be broken but shall not accrue, subject to the time limits specified under Article 14.4.
- 14.9 Full-time employees may bump part-time employees subject to the restrictions and provisions set out in Article 14.4 above. Part-time employees may not bump full-time employees.
- 14.10 Any period of employment for which severance pay has actually been paid, shall not be counted as service in calculating the amount of severance pay which may again become due after reinstatement to employment or in the calculation of eligibility for any other benefits based on length of service.

- 14.11 The Company agrees that employees laid off on recall shall be eligible to apply for any posting as per Article 7.

ARTICLE 15 – SEVERANCE

- 15.1 Upon dismissal pursuant to Article 14 (Layoff), an employee shall receive severance pay in a lump sum equal to one week's pay for every six (6) months of continuous service or major fraction thereof with the Company, but not in excess of twenty-six (26) weeks' pay.
- 15.2 Employees who accept notice of layoff or bumping and volunteer to accept layoff under Article 14 shall receive severance pay under this Agreement.
- 15.3 Part-time employees will have their weekly pay rate determined for the purposes of this Article by an average of weekly earnings over the previous twelve months of employment in the bargaining unit.
- 15.4 If an employee is recalled after the payment of severance pay, and before the expiry of the number of weeks so paid for, the balance of severance pay shall be refunded to the Company.

Advertising Salespeople

- 15.5 Notwithstanding all of the provisions of this Article 15, the rights of Advertising Salespeople upon termination from employment shall be determined in accordance with the terms and conditions agreed between the Company and the Advertising Salesperson. If the Advertising Salesperson and the Company do not agree to terms regarding termination, the provisions of this Article 15 shall apply.
- 15.6 Each Advertising Salesperson's weekly pay shall be determined by averaging their weekly pay over the past 12 months from the date notice of layoff is provided.

ARTICLE 16 – GRIEVANCE & ARBITRATION PROCEDURE

- 16.1 A "grievance" means a difference arising from the interpretation, administration, application or claimed violation of any terms of this agreement. Should a grievance arise between the Company and the Union or its members the matter shall be handled as a grievance under the following procedure.

Grievance Procedure

- 16.2 In the case of an employee grievance or group of identical employee grievances, the following procedure shall be observed:

STEP 1

An employee, accompanied by an Union representative, if desired, shall within ten (10) working days of when the circumstances giving rise to the grievance were known or should reasonably have been known to the grievor, raise the matter orally

with their Department Head or his designate, as appropriate. If a satisfactory settlement is not reached within five (5) working days the grievance may proceed to Step 2.

STEP 2

If a satisfactory settlement is not reached at Step 1 then the grievance must be presented in writing, within five (5) working days of the completion of Step 1, to the Associate Publisher or his or her designate, who will convene a grievance meeting to discuss the matter within ten (10) working days of the presentation of the grievance. Union representation shall consist of the grievor and a Union Steward. The Step 2 reply shall be given in writing within ten (10) working days of the grievance meeting.

- 16.3 A management or policy grievance may be initiated at Step 2.
- 16.4 It is agreed that the time limits and all of the requirements of the grievance and arbitration procedure are mandatory. In the event of failure to act within the time limits, or to follow the required procedure of the grievance procedure the grievance shall be deemed to have been abandoned. Any time limit or procedure in this Collective Agreement may be extended or abridged by the mutual agreement of the parties in writing.
- 16.5 Where no reply is given to a complaint or a grievance under the grievance procedure within the time limits specified, the Union or the Company, as the case may be, shall be entitled to submit the complaint or the grievance to the next step in the grievance procedure, or to arbitration procedure.
- 16.6 Whenever any time limit is established in this Article such time limit shall be deemed to be exclusive of Saturdays, Sundays and recognized holidays.

Arbitration Procedure

- 16.7 The arbitration procedure may be invoked only at the written request of either party hereto and provided this request is submitted within twenty (20) days from the date of receipt of the final answer in the grievance procedure.
- 16.8 The party requesting arbitration will submit to the other party the names of single arbitrators and the other party will reply, either accepting one of the proposed arbitrators or submitting a list of single arbitrators, within ten (10) days of receipt of the moving party's list, or within such time as agreed to by the parties.
- 16.9 Each party will jointly share the expense of the arbitrator.
- 16.10 The arbitrator shall not have the power to alter or change any of the provisions, nor to give any decision inconsistent with the terms or provisions of this Agreement.

ARTICLE 17 HEALTH & SAFETY

Health and Safety Committee

- 17.1 The Company shall make all reasonable efforts to maintain a healthy and safe workplace. The union may appoint two (2) representatives to the Metro Health and Safety committee.
- 17.2 A worker representative on the Committee will receive his or her regular salary plus applicable shift differential for time lost from scheduled work for attending meetings of the Health and Safety Committee.

ARTICLE 18 – HARASSMENT AND DISCRIMINATION

- 18.1 The Company and Union agree to abide by the Ontario Human Rights Code. The Company will maintain a No Harassment and Discrimination policy.

ARTICLE 19 – NO STRIKE NO LOCKOUT

- 19.1 During the term of the collective agreement, the union shall not call or authorize any strike action and the Company shall not call or authorize any lockout of employees.

ARTICLE 20 – TERM

20.1 This Agreement shall become effective (except as provided herein) on March 6, 2007. This Agreement shall terminate on March 5, 2010. It shall be binding upon the successors and assigns of both parties.

Communications, Energy and Paperworkers
Union of Canada, Local 87-M, Southern
Ontario Newsmedia Guild

Free Daily News Group Inc. and
514767 NB Ltd. O/A/ Metro Toronto

John Doe
John Doe
John Doe
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APPENDIX A

1. General Wage Increase

- 2.5% increase upon ratification, retroactive to March 6, 2007.

Effective March 6, 2008 a 2% general wage increase shall be applied to all employee's base salaries. The GWI shall also apply to the pay schedule below.

Effective March 6, 2009 a 2% general wage increase shall be applied to all employee's base salaries. The GWI shall also apply to the pay schedule below.

2. New Hires

MINIMUM PAY SCALES	ENTRY START RATE	Step 1	Step 2
Receptionist	\$ 32,000.00		
Finance Assistant (Credit & Collection, Accounts Receivable, Accounts Payable)	\$ 33,000.00		
Finance Assistant (Payroll)	\$ 40,000.00		
Finance Assistant (Accounting)	\$ 42,000.00		
Graphic Designer	\$ 40,000.00	\$41,200.00	
Ad Builders	\$ 35,000.00		
Graphic Co-ordinator Circulation Co-ordinator	\$ 40,000.00		
Page Sender	\$ 38,380.00		
Layout	\$ 40,000.00		
Ad Taker	\$ 32,000.00		
Online Specialist	\$ 40,000.00		
IT Technician	\$ 33,000.00		

Sales Assistant (National and Retail)	\$ 34,000.00		
Marketing & Research Assistant	\$ 30,000.00		
Copy Editor	\$ 40,000.00	\$43,000.00	\$47,000.00
Photo Editor	\$ 40,000.00		
Assistant Photo Editor/Copy Editor	\$ 40,000.00		
Reporter/Photographer	\$ 35,000.00	\$38,000.00	

Wage Progression for Selected Positions

For the positions of Graphic Designer, Copy Editor and Reporter/Photographer, the Company shall, at its discretion, determine when an employee will move to any next step on the wage progression which will be dependent on the employee's skills, experience and performance rating.



LETTER OUTSIDE THE COLLECTIVE AGREEMENT

September 27, 2007

Len Deiter
National Representative
CEP, SONG Local 87-M
5915 Airport Rd. Suite 510
Mississauga, ON
L4V 1T1

Re: Re: Advertising Compensation Consultation Committee (ACCC)

The parties have agreed to establish an Advertising Compensation Consultation Committee (ACCC), which committee will consist of the following:

- (i) Two (2) members of management; and
- (ii) Three (3) members of the bargaining unit.

ACCC will meet at least three (3) times per year to discuss any issues or concerns raised by the Company or the Union with respect to an advertising salesperson compensation plan or plans. ACCC will meet annually in September to conduct:

- (i) a comprehensive review of the then current sales compensation plan or plans in place for advertising salespeople; and/or
- (ii) to review any proposed changes to any sales compensation plan or plans being contemplated by the Company.

In the event the Company is contemplating a change or changes to any sales compensation plan or plans, and such change has not been discussed at an ACCC meeting, the Company shall provide the Union with not less than thirty (30) days notice of the proposed change or changes.

In the event of any change to any sales compensation plan or plans, the Company:

- (i) will consider a number of factors which may include: economic factors; market indicators and trends; historical data; account activity and changes; territories and categories; changes to markets (new or existing); new business development; industry trends; and/or corporate objectives/strategy. In the event a change is being contemplated, the Company will provide such data to the change to the Union and to impacted Advertising Salespersons;
- (ii) will meet with the Union and impacted employees for the purpose of obtaining input with respect to structure of the compensation plan;

- (iii) will provide any changes to the compensation plan to all employees and to the Union. In advising of the changes, the Company will also provide the rationale for the change to the plan; and,
- (iv) will provide an impacted employee with not less than four (4) weeks notice of the change to the impacted employee's compensation plan.

Yours truly,



Irene Patterson
Associate Publisher



Metro Toronto
1 Concord Gate - Suite 703 Toronto, On, M3C 3N6
Phone : (416) 486-4900 Fax : (416) 482-8097

September 26, 2007

Len Deiter
National Representative
CEP, SONG Local 87-M
5915 Airport Rd, Suite 570
Mississauga, ON
L4V 1T1

**Letter of Understanding
Re. Employer Right to Contract Out**

This letter will confirm that the parties agreed in bargaining that the Company has the right to contract out work performed by the bargaining unit and that nothing in the Collective Agreement restricts such right.

FREE DAILY NEWS GROUP INC. AND 514767 LTD
o/a METRO TORONTO

A handwritten signature in blue ink, appearing to read "Irene Patterson", written over a horizontal line.

Irene Patterson

CEP, SONG, Local 87-M

A handwritten signature in blue ink, appearing to read "Len Deiter", written over a horizontal line.

Len Deiter

B E T W E E N

METRO TORONTO

(the "Company")

- and -

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

(the "Union")

Re: Letter of Understanding on Discussions Regarding the Potential for a Retirement Savings Program

Through the course of discussions in the 2007 bargaining, issues relating to the possibility of a retirement savings program were raised. The Parties agreed that during the life of the collective agreement representatives of the Union and the Company would meet to discuss the feasibility of introducing a group registered retirement savings plan (the "plan") for Metro employees in the future. The Parties have agreed that both the Company and the Union will identify who will participate in these discussions and a general time frame for the discussions, which shall not commence earlier than January 2008. The participants in the discussion shall consist of no more than 3 representatives of management and 3 representatives of the Union.

The Parties further agree that there shall be no obligation on the Company to implement a plan, unless the Union and the Company have agreed to a plan and its implementation.

For the Company



Irene Patterson

For the Union



Len Deiter