

BARGAINING PROPOSALS

There always is a temptation in the competitive news business to try to save money by sacrificing quality. For Dow Jones & Co., whose success depends on the quality of its people, such an approach would be disastrous. Dow Jones needs to maintain and improve its quality by continuing to attract and retain quality people. That requires maintaining and improving the quality of pay, benefits and jobs.

These proposals therefore are divided into three categories: pay, benefits and working conditions. In each category, there are primary proposals, which are the core items most members care most about, and there are additional proposals. There also is an addendum composed of updates to the contract recently made for employees of Factiva, a Dow Jones affiliate based at Dow Jones headquarters in South Brunswick, which is soon to be incorporated fully into Dow Jones. Below, we summarize our proposals and then outline them in detail.

1. PAY

Summary: Under the previous contract, which was the first after the Sept. 11 attacks, Dow Jones employees were asked to make exceptional sacrifices, including a one-year wage freeze. Employees were assured that the sacrifices would be temporary, not the start of a new management approach. So in the new contract, employees expect to return to more-significant raises that reflect Dow Jones's recovery and keep salary increases well ahead of inflation. We propose a raise of 8% in 2007, 7.5% in '08 and 7% in '09. We also propose adjustments in items such as scales, minimums and premium pay to reflect the higher pay.

There are several aspects of the contract that need to be updated, including those involving ad sales commissions, travel reimbursements and shift differentials. And Dow Jones today more often is asking employees to perform extra duties, and is paying extra sums for that work. Those payments need to rise along with the compensatory raises, and they should be counted as part of base pay for compensation purposes. Dow Jones also needs a consistent approach to merit pay, and it should explain merit pay decisions, in writing if requested, to individual employees. To compensate employees for salary payments and other payments that are made late, interest should be paid.

2. BENEFITS

Summary: As with the pay restrictions, Dow Jones employees were asked to accept severe benefit cost increases in the past contract. The higher prices forced some people to abandon benefits they wanted to receive and to accept lesser benefits. For many employees, benefits are as important as, or even more important than, pay. Dow Jones employees have told us that they can not accept further cutbacks and price increases for their benefits, and now want to see a return to improvements. That means a rollback in the crushing price increases they were obliged to accept in the previous contract. It also means increased company contributions to retirement plans. It means that the company should pay for employees to pursue a wider range of educational programs. Dow Jones, for example, doesn't currently reimburse the cost of studying for a certificate in financial analysis.

The workplace has changed enormously since many Dow Jones benefits were designed, and many employees now are part of double-income households. Dow Jones needs to do a better job of encouraging and supporting working parents, by modernizing provisions for maternity/paternity leave, child care and part-time employees. Both male and female employees should be entitled to at least four months paid leave – and up to an additional two years unpaid leave – for the birth or adoption of a child. Once that leave is completed, employees should have the option of working half-time for up to a year. Child-care services of at least the quality currently being offered in South Brunswick should be extended to all employees. Part-timers, often working less than full time due to child-care needs, should have access to the same range of benefits as full-time employees.

3. WORKING CONDITIONS

Summary: Outsourcing has not been kind to Dow Jones. In addition to disrupting the workplace and forcing the layoff of many employees, outsourcing contracts have cheapened the services Dow Jones provides and damaged quality. Our experiences to date, with the likes of EDS and ADP, have ranged from poor to disastrous. In many cases, Dow Jones employees foresaw the problems, but their warnings were not heeded. To protect quality and try to avoid more errors in the future, we are asking that any future outsourcing arrangement be made only if they have been approved in advance by IAPE.

Because of the deep changes now under way at Dow Jones, some other provisions need to be updated. Retraining allowances need to be improved. Because job units are being rearranged and eliminated, seniority rules regarding layoffs need to be broadened to cover the entire job location, not just the narrower work units that are in flux now. Choice of shifts should be based on seniority. Because of cutbacks, some employees are being asked to perform work well outside their normal duties, in some cases preventing them from effectively performing their jobs. They should not be required to do this work unless they wish to. If they agree to perform duties at levels above their normal jobs, they should be paid in line with the normal compensation for that work. If they agree to perform duties that are otherwise outside their normal jobs, they should receive premium pay to compensate them. Managers should be educated regularly about these rules, so that they don't ignore these provisions.

With Dow Jones encouraging employees to write books, it must not try to tell them what they can write in their spare time, or try to regulate their choice of agents or publishers, or force them to share their income or advances. Any change to Dow Jones's book policy should be negotiated in advance with IAPE.

Employees should not be expected to adhere to outdated dress codes, as is, amazingly, still the case in some places. Any dress rules beyond that "employees will dress appropriately for their individual job duties and business schedules" will not be imposed or enforced without prior agreement with IAPE.

PROVISIONS TO INCORPORATE CHANGES MADE AT FACTIVA

Summary: At Factiva, IAPE and management agreed on a contract that added an additional vacation week for all employees. It added the day after Thanksgiving as a holiday and added two extra "personal days." It eliminated limits on sick days and eliminated the banking of sick days for future years, changing to a simple system in which employees take sick days as needed, without limits. Factiva also eliminated the outdated cap on raises for certain higher-paid employees. These provisions were not the subject of contentious negotiation, or, in most cases, of any negotiation at all. Most were the results of proposals from management itself, or were readily accepted by management as needed updates, to make the company run better. They now are in force at Factiva and the Dow Jones contract needs to be updated to reflect them.

Here are the details of our proposals:

1. PAY

Primary Proposal:

Compensatory wage increases that will surpass inflation:

8% (2007), 7.5% ('08) and 7% ('09)

Additional Proposals:

Scales:

Scales will increase, year-by-year, by 100% of the compensatory increase. Employees will receive the larger of the either the scales increase or compensatory increase.

Minimum increase:

Each full time employee will receive an increase of at least \$35 a week.

Premium pay:

Raise the minimum to five hours (at time and a half) for working on a regularly scheduled day off or pre-approved vacation day/personal day or company-recognized holiday. After five hours actually worked, the minimum payment is eight hours plus "actual" time after eight hours.

Delayed payments:

In the event that salary payments or other payments to employees are delayed and are not paid on the date that they take effect, the company will pay employees interest on any such late payments, at rates to be negotiated with IAPE.

Sales Commissions:

All current sales incentive/sales commission plans shall be incorporated by reference into the contract and shall not be changed without the Union's agreement.

All sales commissions and incentives shall be paid at least monthly and be based on revenue generated.

All sales-commission rates and incentives will be consistent and uniform among sales reps within a given sales area (i.e. all classified earn the same commission rates, all real estate earn the same rates, etc.)

The company will maintain a consistent ratio of Advertising Coordinators and sales reps with at least one Advertising Coordinator for every three sales reps in a given office.

All sales incentive/commission plans shall include a pool to be paid to Advertising Coordinators.

Travel reimbursement:

All reimbursement for business-related travel by Dow Jones sales representatives shall be consistent and uniform, with each employee offered the same reimbursement options (e.g. reimbursement for the actual cost of cabs, trains, rental cars, etc., or reimbursement for the use of an employee's personal vehicle at the prevailing rate set by the IRS.)

Differential and stand-by pay:

Both shift differential and stand-by pay shall be paid as an additional percentage of an individual employee's regular salary.

A 15% premium will be paid if your shift begins between midnight and 5 a.m., or if 50% of your shift falls between those hours, with a minimum of \$80 a week. A 10% premium will be paid if your shift begins between 5 p.m. and midnight or 50% of your shift falls between those hours, with a minimum payment of \$70 a week.

"Stand-by" pay shall be paid at a rate of 15%, with a minimum of \$150 dollars a week or \$30 dollars a day. Weekend stand-by pay shall be paid at the rate of 20% for weekends and weeks in which a company-recognized holiday is observed, with a minimum of \$40 for a weekend day or a holiday and \$185 for a holiday week.

Disability payments:

Shift differential is to be counted as a segment of the salary that is paid an employee who is out on disability.

Extra payments:

All payments for “additional work” or “special articles” (duties not included in the regular job description, such as weekly columns for the Weekend Journal) shall be added to an employee’s base pay for purposes of calculating compensatory wage increases. The payments themselves will increase at the same rate as the compensatory increase.

Merit Pay:

The company shall provide written guidelines to be followed in requesting or awarding “merit” pay increases and shall provide a written explanation, upon the request of any IAPE-represented employee, for the denial of a request for a “merit” increase or for the decision about the amount of any award.

2. BENEFITS

Primary Proposals:

Health Care:

With respect to all forms of health, dental and vision insurance coverage, IAPE proposes a general return to the financial terms in effect in 2003. We are prepared to explain this proposal in detail as the negotiations progress. For example, we propose elimination of employee premiums and roll-back of individual and family deductibles, percentage payments, out-of-pocket limits and prescription-drug charges to the 2003 levels.

In addition, we propose:

Fuller coverage for glasses/frames/contact lenses, and addition of such coverage in plans where it doesn’t exist.

Fuller coverage of physical exams for spouses and dependents.

Additional Proposals:

401(k)/Money Purchase Retirement Plan:

Money Purchase company contribution of 8%. 401(k), non-elective Dow Jones contribution of 5% and a company matching contribution of up to 3% of eligible compensation.

Education Reimbursement

Reimbursement should be extended to preparation for relevant certificate awards, such as the CFA.

Maternity/Paternity Leave:

Reflecting the evolving workplace environment, we propose improving the maternity/paternity benefit to include the following. Where applicable, this would come in addition to existing benefits, rather than in place of them.

- (a) Maternity leave of at least four months with pay and at least an additional two years without pay shall be granted upon request (although the employee would have the option of taking less time if she chose). No employee shall be required to take a leave of absence, nor shall an employee's job duties or working conditions be altered without her consent, on account of pregnancy; nor shall there be any penalty for pregnancy. A pregnant employee, upon her request, shall be permitted to transfer from a job or working conditions that the employee believes may be hazardous to herself or the fetus during pregnancy without reduction in pay or impairment of benefits. The beginning and end of leave shall be at the discretion of the employee. An employee returning from unpaid leave shall be reinstated in her job at the salary she would have received had her employment with the Employer been continuous. An employee returning from leave, paid or unpaid, shall be reinstated in her job with full credit toward severance pay accrual, experience rating, and reinstated in her job with full credit toward severance pay accrual, experience rating, and other length

of service benefits. An employee, at the expiration of maternity leave, electing not to return to work shall receive severance pay in accordance with the schedule in Article VIII.

- (b) Paternity leave of at least four months with pay and at least an additional two years without pay shall be granted upon request (although the employee would have the option of taking less time if he chose). The beginning and end of leave shall be at the discretion of the employee. An employee returning from unpaid leave shall be reinstated in his job at the salary he would have received had his employment with the Employer been continuous. An employee returning from leave, paid or unpaid, shall be reinstated in his job with full credit toward severance pay accrual, experience rating, and other length of service benefits. An employee, at the expiration of paternity leave, electing not to return to work shall receive severance pay in accordance with the schedule in Article VIII.
- (c) The provisions of this Section 5 of Article XV apply equally to natural and adoptive parents.
- (d) The employee shall be permitted to have his or her work time reduced by up to at least 50 percent, in a manner and for a period determined by the employee, for a period up to at least one year, after the addition of a child to the employee's household or upon return from maternity or paternity leave, paid or unpaid.

Child care:

Dow Jones will provide all employees with child care access that will match services now being offered at the South Brunswick campus (for example, joining the Bright Horizon's "Network Access Program" that would help provide non-South Brunswick located employees priority to use other Bright Horizons daycare centers.)

Part Timers:

Regular part-timers and employees working part-time after child-care leave would be placed on an equal footing with one another. They would

have access to the same benefits as full-time employees. These benefits would include:

- Access to health coverage for family members using pre-tax dollars.
- Dental insurance.
- Company physical fitness plan.
- Emergency back-up child care.
- Med\$pend program.
- Matching gifts program.
- Volunteer support.
- Paid sick days/bereavement leave.
- Provide equal vacation time, available after the same amounts of service, to full and part-timers (with the understanding that each vacation week for part-timers is equivalent to their average work weeks).
- Include prescription drugs in the PPO coverage for regular part-time employees.
- Group life insurance.
- Company-paid disability benefits.

(Please note that insurance and disability benefits are based on pay. Thus, those benefits are automatically lower for an employee who works part-time than for someone working full-time.)

3. WORKING CONDITIONS

Primary Proposals:

Outsourcing:

The shift toward outsourcing is disrupting the lives of Dow Jones employees and interfering with the efficient operation of the company. Experiences to date have not gone well. We propose this change:

ARTICLE VI -- Job Security

(Insert as a new Section C, with current Section C becoming D, and the remaining sections re-lettered accordingly.)

C. Notwithstanding any other provision of this contract:

1. Work performed within the bargaining unit covered by this contract shall not be removed from the unit by way of assigning, contracting, subcontracting or outsourcing the work to any employee, contractor, individual or entity outside of the unit.

2. In the event the Company elects to add new work that is similar to work performed by unit employees, it shall be given only to members of the bargaining unit.

3. For purposes of this Section C of Article VI , "work" means:

(a) The kind of work either normally or presently performed within the unit, and

(b) Any kind of work, including new work, similar in skill, or performing similar functions, as the kind of work either normally or presently performed in said unit, whether by presently or normally used processes or equipment or by new or modified processes or equipment.

4. The use of any freelancers, temporary employees or outside contractors for periods of more than three months is prohibited unless approved in advance by IAPE.

Seniority protection:

Amend Article VI Section F to provide that the employee with the least seniority in the affected job classification at his or her location shall be the first dismissed.

Additional Proposals:

Re-training allowances:

\$5,000 for straight economic/reduction-in-force layoffs.

\$15,000 for automation/new technology.

The employee can elect to take up to 50% of the retraining allowance in cash.

Shift selection:

Employees will have the right to choose their shifts based on seniority.

Working outside classifications:

Nothing in the following supersedes the requirement that employees be properly classified, as the current contract language requires.

Add the following sentence at the end of the first paragraph of Article III; Section A:

“An employee shall not be required to use his or her position for any purpose other than performing the duties of the employee's position.”

In Article III, Section A, second paragraph, replace the final two sentences dealing with higher classification pay with the following language:

“An employee who works in a higher classification shall receive at least the minimum in that classification or in the higher classification next higher than the employee's regular salary, whichever is higher, and not less than 15 percent above the employee's regular salary.”

Add the following two sentences in the appropriate places: “An employee who performs duties outside those set forth in his or her job description will be paid premium pay at an amount to be negotiated with IAPE.” And “To ensure proper observation of contract provisions, Dow Jones managers will receive regular education concerning the provisions of this contract, so that employees working in jobs above their classifications are given additional pay and are promoted to the higher classification in an expeditious fashion, and so that employees otherwise working outside their classifications receive premium pay.”

Book Deals:

Changes in the current policy on book leave and/or book deals will be subject to prior negotiation with the union.

Under no circumstances shall a Dow Jones book policy restrict an employee from writing a book on the employee's own time or prohibit an

employee from selecting literary representation of his or her choosing and a publisher of his or her choosing. The book policy will not require an employee to share his advance or his income from the book with Dow Jones.

Dress Code:

Dow Jones will not impose or enforce any dress code beyond “employees will dress appropriately for their individual job duties and business schedules,” without prior agreement with IAPE.

Classification Issues:

IAPE may wish to raise certain classification issues, and if so we will bring them up during the course of bargaining.

We reserve the right to move classification issues from the Classification Committee to the bargaining table.

ADDENDUM TO IAPE PROPOSALS

Adjustments to Dow Jones Contract, to Make it Consistent with Recent Changes at Factiva

Vacations:

Increase earned vacation weeks by one across the board. New hires will receive three weeks, three years service will earn four weeks, six years will earn five weeks and those with 15 years service will receive six weeks.

One week of unused vacation time can be carried over from one calendar year to the next, at the employee’s discretion.

Lift the current dollar limits on vacation “buy-backs.”

Holidays:

The day after Thanksgiving will be added to the existing list of holidays recognized by Dow Jones. One similar holiday will be added to the holiday schedule for Canadian employees.

Personal days:

Two additional “personal days” will be added to the current four floaters now provided in the contract. Amend the Canadian provisions to bring them in line with the US provisions.

Sick days:

The current system of six sick days per employee per year (with the right to carry over four unused sick days into the next year) will be replaced with a system where sick days are neither counted nor banked.

The Company may require medical documentation upon a “reasonable belief” of abuse, (a contention that the Union has every right to challenge through the grievance procedure.)

Elimination of salary cap:

Removal of the current contract language that imposes a cap on the compensatory raises of certain employees.

END