

Date: November 3, 2009

To: All Permanent Employees represented by the CEP Locals 87M and 591-G
All Permanent Management Salary Plan (MSP) Employees

From: Brian Daly

Re: 2009 Voluntary Separation Program (VSP)

Effective today, the Star is launching a Voluntary Separation Program (VSP) for eligible staff. This memo summarizes the key provisions of the plan. Further details will be provided in the VSP information package which is being distributed to all eligible staff over the next 24 hours. A copy of the information package is also available on Starweb at <http://starweb/vsp>.

All permanent Toronto Star employees represented by the CEP and all MSP staff at or reporting into One Yonge, are eligible to apply for the VSP program. This includes Toronto Star staff as well as employees represented by the CEP in Group IT and Torstar Syndication Services (TSS). Unionized and MSP staff at VPC who are part of Torstar Printing Group are not eligible to participate.

Any eligible employees who wish to participate in this program may apply to be considered. As in the past management reserves the right to determine who will be approved for departure under the terms of this program, based on operational requirements. Applications must be submitted by November 30, 2009.

Key Provisions

The 2009 VSP provides three weeks of severance for each year of service, up to a maximum of 85 weeks of severance. Employees may elect to receive severance as a lump sum payment, or in the form of salary continuance, or as a combination of both. If an employee elects salary continuance, health, dental and life insurance benefits, and pension service accrual, will continue for the severance period up to a maximum of 85 weeks.

Retiring employees who are in unionized job classifications that may subsequently be contracted out may be eligible for an additional pension supplement, depending on their age and service. In all cases, the VSP program provides severance in excess of the severance that applies under the collective agreement in contracting out circumstances. Any entitlements beyond those found in the collective agreement are provided on a without prejudice or precedent basis.

VSP Information Sources

Further details on severance and related provisions are provided in the VSP information package and on the VSP site on Starweb. In addition, a series of open, drop-in VSP Information Sessions have been scheduled. These sessions, open to all Star employees, will provide an overview of the VSP program as well as an opportunity to ask questions. Seven information sessions have been scheduled, lasting approximately one hour each:

- Thursday November 5 at 9:00 am, 11:00 am and 4:00 pm
- Friday November 6 at 9:00 am and 2:00 pm
- Monday, November 9 at 10:00 am and 4:00 pm

Employees interested in considering the VSP can request an individualized statement outlining severance and pension details associated with the VSP. Requests should be sent via email to vsp@thestar.ca. Estimates will generally be available within four business days from receipt of request. To meet the VSP deadline, pension and severance estimates should be requested no later than Monday, November 23.

We have also established a VSP website on the StarWeb HR page at <http://starweb/vsp>. All program documentation, including the terms and conditions of the plan, are available on this site. Ongoing updates and answers to frequently asked questions will be added to the website during the course of the VSP application period.

HR will also be providing a series of financial planning and job market readiness workshops, conducted by NexCareer, a career transition firm. Employees are welcome to attend with their spouse or another family member. Details of these workshops are included in the VSP information package; pre registration is required.

Key Dates

We appreciate that many employees will need some time to carefully consider the various VSP options that are available to them. As such, we have provided a window of four weeks for employees to consider whether to apply for the VSP, during which time employees are encouraged to take advantage of the decision support services available.

Final applications must be received by November 30, and are irrevocable once submitted, with the exception that employees who have been advised that their job classification is under active consideration for contracting out will be able to withdraw (revoke) their VSP application if their job classification is not ultimately contracted out.

Management reserves the full right to accept or decline individual applications for operational reasons. We anticipate being able to reply to all applicants with a final decision by December 4, 2009.

The company reserves the right to select VSP departure dates, considering both business requirements and employee preferences. If a final decision is made to contract out certain areas of work, VSP departure dates in those areas will be determined by the company on the basis of the contracting out schedule.

To summarize, key dates are as follows:

- Tuesday, November 3: VSP program launch
- Monday, November 30: Final application deadline
- Friday, December 4: Company responds to individual applications

For further information, or to request a personalized statement, please contact HR at vsp@thestar.ca or call the VSP information line at 416-869-4354. For an overview of the VSP, please refer to the VSP website or attend one of the upcoming information sessions.

We encourage you to carefully consider the VSP program and to fully utilize the various support services provided by the company.

Brian Daly
VP Human Resources