

COLLECTIVE AGREEMENT
between

**SUORAMAINONNAN JA KAUPUNKILEHTIEN
ERILLISJAKELUN YHDISTYS RY (*ASSOCIATION FOR THE SEPARATE DELIVERY OF
DIRECT MAIL AND CITY MAGAZINES*)**

AND

**SUOMEN MAINOSJAKAJIEN
ETUJÄRJESTÖ RY (*INTEREST GROUP FOR FINNISH ADVERT DELIVERERS*)**

ON THE SEPARATE DELIVERY OF UNADDRESSED MAIL

2016 – 2018

Valid 1 July 2016 – 30 Sep. 2018

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PURPOSE OF COLLECTIVE AGREEMENT

The parties have agreed that the purpose of the collective agreement is as follows:

According to the Employment Contracts Act, a collective agreement is any agreement between associations on the terms and conditions that the company must comply with regarding labor agreements and working conditions.

The basic starting points of collective action are the success of companies, the developing working conditions of personnel, and industrial peace.

In their collective action, the associations shall promote objectives that are essential and important for employers and employees, according to which companies:

- Are able to profitably engage in activities by serving customers, which is a requirement for competitive employment conditions and employment security,
- Co-operate to develop a motivating remuneration and compensation system.

GOOD NEGOTIATING PRACTICE

- The negotiating parties are equal.
- The goal is to achieve a consensus.
- Co-operation is based on mutual respect between the parties and with awareness of the different interests of the parties.
- Matters to be negotiated shall be communicated in a timely manner and accurately.
- Negotiating practices are based on transparency, honesty and familiarization with facts.
- Negotiations shall be conducted without undue delay.
- To avoid misinterpretations, results of negotiations shall be recorded carefully and clearly.
- If no agreement is reached in a negotiation regarding the interpretation of the collective agreement, the positions of the parties, including arguments, shall be recorded in a common memo.

COLLECTIVE AGREEMENT

The collective agreement has been concluded between Suoramainonnan ja kaupunkilehtien erillisjakelun yhdistys ry and Mainosjakajien Etujärjestö ry and the collective agreement lays out the terms and conditions of employment to be complied with in delivery work.

1. Scope of application of agreement

This agreement shall be applied to the employment of employees performing delivery in companies that are members of the employer association mentioned above.

Employees performing delivery means both part-time deliverers as well as deliverers who do delivery work as their main job.

2. Validity and termination of agreement

This collective agreement enters into force on 1 July 2016 and is valid until 30 September 2018, after which it is valid for an indefinite period in such a way that the agreement can be terminated with a three (3) month notice. The term of notice is counted beginning from the end of the calendar month during which the agreement is terminated.

The provisions of this collective agreement are valid until a new collective agreement has entered into force. When either party has notified the other party in writing that negotiations have ended between the parties, the provisions of this collective agreement shall remain in force, except for the industrial peace obligation, until a new collective agreement has entered into force. If the agreement is terminated the terminating party shall provide the counterparty proposed changes no later than 30 days before the end of the agreement period.

3. Binding nature of the agreement

The parties to the collective agreement undertake to refrain from concluding parallel agreements in the scope of application of this collective agreement.

In so far as is not otherwise agreed in this Agreement, matters shall depend on current legislation.

4. Delivery work

The work of delivering unaddressed mail consists of the sorting and delivery of products, and the processing of products related to these work phases, and confirmation that the delivery has been completed. The material to be delivered is delivered by the employer to the home address of the deliverer or other jointly agreed address.

4.1. Normal delivery day

There are usually 1-3 delivery days in a week in which delivery can be performed. The delivery day of a weekend is primarily Saturday. With the consent of the employer, a deliverer may perform weekend delivery on Sunday if he or she so wishes, however with the same compensation criteria as Saturday.

4.2. Additional delivery

Additional delivery is an extra delivery day for a week. Employees may refuse additional delivery if they so wish.

4.3. Flexible delivery time

A deliverer may deliver heavy special items or product samples over a period of several days according to the instructions of the employer.

4.4. Delivery confirmation

If the employer so requires, the employee shall confirm that his or her delivery has been completed according to the instructions of the employer.

4.5. Calculation of number of households

If the employer so requires, the employee shall conduct a calculation of households in his or her district or districts. The calculation of households refers to the number of households located in the delivery district and the recording of various barriers to delivery in the manner required by the employer. Compensation for calculation of households shall be paid in according to Section 1.5 of the fee annex.

5. District classification

The purpose of district classification is to harmonize and clarify the criteria for compensation in companies covered by the agreement. District classification annex (Annex 2).

5.1. Development of district classification

The contracting parties recognize that the classification will be further developed during the agreement period.

6. Hiring and probationary period

A deliverer who will be at least 14 years of age during the year when an employment contract is concluded may be hired. Guardian approval is required to conclude an employment contract for employees under the age of 15.

The employment contract shall be in writing. The employment contract shall clearly indicate the delivery dates valid when the employment contract is concluded, the compensation of the delivery district for the first product, sorting and delivery compensation for subsequent products, extra pay for folding and other remuneration, and the district classification.

The probationary period shall be agreed in the employment contract. The maximum duration of the probationary period is one (1) month. During the probationary period either party may terminate the agreement without regard to the term of notice.

7. Duration of employment and termination of employment

Unless the employer and employee have, upon request of the employee, or for a justified reason, agreed on a fixed-term employment contract, employment is valid for an indefinite period.

Employment that is valid for an indefinite period can be terminated by either party after the term of notice has expired. Unless agreed otherwise by the employer and employee, the applicable term of notice is determined in accordance with the Employment Contracts Act.

Employees are entitled to an employment certificate/letter of reference after the employment has ended.

8. Working hours

According to paragraph 3 of subsection 1 of Section 2 of the Working Hours Act, the Working Hours Act does not apply to work performed by an employee at home or otherwise in conditions where it cannot be considered a duty of the employer to monitor arrangement of the time spent

on said work.

Based on the provision above, the parties recognize that the separate delivery of unaddressed mail is the kind of work described above; therefore the Working Hours Act is not applied to it.

9. Work guidance and supervision

The employer shall provide employees with sufficient guidance to perform the work. The guidance shall include at least the following:

9.1. Guidance booklet that indicates at least the following:

- Instructions for performing delivery work
- Instructions for safety at work and occupational safety and health
- Description of district classes

9.2. Explanation/guidance of delivery area

9.3. Instructions for sorting products

9.4. Instructions for performing confirmation of delivery

9.5. Delivery cover letter showing the following:

- District number
- Deliver products and amounts
- District class
- Delivery date
- Delivery confirmation channel and the confirmation ID of the district is delivery confirmation is used in the company

10. Compensation

10.1. Performance-based fee

Employees are paid a performance-based fee. The fee is compensation for sorting and delivery of products, for processing of products related to these work phases, and for confirmation that delivery has been performed. The fee takes into consideration that the material to be delivered is delivered by the employer to the deliverer's home address or other jointly agreed address.

10.2. Composition of fee

The fee is based on the total volume and weight of material to be delivered, and classification of the delivery area.

10.3. Amount of fee

Fees are specified in Fee annex (Annex 1)

10.4. Payment of fee

Compensation is paid once a month afterwards no later than the 20th day of the following calendar month. If the payment day is Saturday, Sunday or a public holiday, the compensation shall be paid on the previous bank day.

If the employee has given authorization for it, the employer withholds the membership dues of Suomen Mainosjakajien Etujärjestö ry from the employee's salary and remits it to Suomen Mainosjakajien Etujärjestö ry.

When the employment relationship ends, the fee shall be paid on the normal wage payment day following the end of the employment.

10.5. Weekday public holiday on a delivery day

If a normal delivery day is a weekday public holiday, and the delivery day is not changed to the day before or after the delivery date, the fee paid for that delivery instance shall be increased 100%. Changing the delivery day requires that the products to be delivered be shipped/provided in such a way that the share of delivery can be delivered during the given period of time. Notification shall be made to the employee of any change of delivery date at least two (2) weeks in advance.

10.6. Local agreement on the size of fees

If the regional or local competitive situation so requires, or makes it possible, the size of the unit fees mentioned in the Fee Annex (Annex 1) can be agreed to be otherwise locally in companies that are members of Suoramainonnan ja kaupunkilehtien erillisjakelun yhdistys ry. In this case the negotiating parties are the employer and the shop steward.

In order for local agreement to enter into force, the parties must approve this agreement.

10.7. Other criteria for compensation

The currently valid terms and conditions of employment of any deliverer may not be undermined in connection with the signing of this agreement.

10.8. Drawing up and adopting a system for measuring and calculating minimum hourly rate

Appendix 4 provides for the drawing up and adoption of a system for measuring and calculating the hourly rate.

10. Reimbursement for expenses

- a) As specified by the employer, a kilometer allowance is paid for the use of one's own vehicle in some delivery districts. The minimum amount of kilometer allowance with one's own automobile is 27 cents per kilometer.
- b) The employer shall pay for the costs of confirmation of delivery that is obligated by the employer. If, however, confirmation is required to be done in a manner that results in costs to the employee, the employer shall pay reasonable costs of confirmation to the employee.

11. Occupational health and safety and aids and safety equipment

The employer shall provide employees with the necessary safety equipment at no charge. An example of this kind of safety equipment is a safety vest, for instance.

If necessary, the employer shall provide employees with aids to facilitate delivery work. Examples of these kinds of aids include a delivery bag, delivery cart, bicycle bag and box. The employer specifies what kinds of aids are appropriate to use in a delivery district, taking into account the provisions of legislation on safety at work.

12. Annual Holiday

An employee's right to annual holiday is determined in accordance with the Annual Holidays Act.

13. Holiday Pay

Employees shall be paid Holiday Pay that is equal to 9.0% of the amount of salary paid to him or her, or 11.5% if the employment has lasted for at least one year without interruption by the end of the holiday credit year before the holiday period. However, holiday pay is calculated separately for each calendar month and is paid in connection with payment of salary unless it is agreed otherwise at the company level. If and when legislation changes, provisions on the amount of holiday pay shall be applied.

14. Sick Leave

An employee who is absent due to sickness shall personally notify his or her supervisor as soon as possible. If required by the employer, the employee shall verify the reason for the absence with a certificate from a doctor.

In other respects, the provision of Section 11 of Chapter 2 of the Employment Contracts Act shall apply.

15. Unpaid Leave

If the employee so requests, the employer shall, to the extent possible, try to grant employees unpaid leave for a justified reason. Examples of these kinds of reason may be a holiday trip, camp school or college exam week. Unpaid leaves shall be agreed with the employer at least two weeks before the leave.

16. Industrial Peace Obligation

While this collective agreement is in force, a person who is bound by this agreement shall not take industrial action regarding the validity or proper content of the agreement, settle a dispute that has arisen from a claim based on the agreement, change a currently valid agreement, or reach a new agreement.

Additionally, an association that is bound by this agreement is obligated to monitor that the employers and employees who are subordinate to it, and to whom the agreement applies, do not violate the aforementioned industrial peace obligation or provisions of the agreement. This obligation that is applicable to associations also means that an association shall not support or aid a prohibited industrial action or otherwise contribute to such actions and instead is obligated to try to stop them.

17. Shop Steward

The Parties agree on shop stewards in Annex 3 of this agreement.

18. Communication

In connection with hiring a new deliverer, the employer is obligated provide the deliverer with a brochure of Suomen Mainosjakajien Etujärjestö ry.

In the event a newsletter for personnel is issued in the workplace, Suomen Mainosjakajien Etujärjestö ry has the right to use it to publish notices related to its activities or send bulletins to employees, to a reasonable extent, with delivery cover letters sent to employees.

The employer is responsible for copying and delivering bulletins to employees.

19. Disclosure of information

Suoramainonnan ja kaupunkilehtien erillisjakelun yhdistys ry shall provide statistical information related to employment to Suomen Mainosjakajien Etujärjestö ry in accordance with a separate agreement.

20. Work Groups

The contracting parties shall form work groups in order to develop safety at work, occupational safety and health and other matters related to employment:

- a) Work group for extra pay for weight
- b) Work group for safety at work and occupational safety and health
- c) Work group for minimum hourly rate and method for calculating and determining it.
The actions and schedule of the work group shall be agreed with a separate annex.
- d) Work group for list and package delivery performed in addition to unaddressed mail.

21. Settlement of Disputes

The contracting parties shall seek to resolve their disputes primarily in mutual negotiations. Negotiations shall be conducted without undue delay.

If a question related to terms and conditions of employment is not settled between an employee and supervisor, the matter shall be handled between the shop steward and employer. If even this does not produce results at the workplace, the case can be referred, at the initiative of the employer or employee side, to be settled between the associations. Minutes of all negotiations shall always be drawn up and signed by the parties.

Disputes arising from matters related to the collective agreement that the contracting parties cannot resolve can be referred to be heard by the Labour Court.

FEE ANNEX (Annex 1)

1. Size of fee

The fee is determined on the basis of the total volume and weight of material to be delivered and the quality of the delivery area.

1.1 District classification and minimum fees in accordance with it for first product beginning 1 July 2016

The minimum fee of Class 1A is not increased until the minimum fee of Class 1B has risen five per cent higher than the minimum fee of Class 1A.

The minimum fees for the first product starting on 1 July 2016 are as follows per district class:

District Class	Starting 1 July 2016
Class 1A	2.10 cents
Class 1B	2.12 cents
Class 2	2.22 cents
Class 3	2.52 cents
Class 4	2.92 cents
Class 5	3.33 cents
Class 6	4.03 cents

1.2 Fee for sorting and delivering extra product

- Minimum fee for extra product is 0.444 cents/piece, starting 1 July 2016, which consists of 0.295 cents/piece for sorting and 0.149 cents/piece for delivery.
- The minimum extra pay for heavy extra products starting on 1 July 2016.

Weight of product g	Extra pay cents/piece
121-150	+ 0.15 cents
151-200	+ 0.30 cents
201-250	+ 0.45 cents
251-300	+ 0.60 cents
301-350	+ 1.50 cents
351-400	+ 2.50 cents
401-500	+ 3.00 cents

501-600	+ 3.50 cents
601-700	+ 4.00 cents

1.3 Pay for Folding

- The minimum extra pay for unfolded products is 0.27 cents/piece, starting on 1 July 2016.

1.4 Minimum hourly rate in accordance with minimum hourly rate system

- The minimum fee is agreed no later than 2 months after the measuring and calculation system is completed.

1.5 Fee for counting number of households

A separate fee is paid to employees for counting the number of households; it shall be equivalent to the delivery fee of the counted households for district class 1A.

2. Different application of minimum fees for district classes and extra products

The previous fee payment practice can be applied to employment relationships that have been entered before 1 Jan. 2012 and in which the currently valid fee structure differs from the fee structure according to the fee annex in the following manner:

- In employment relationships in which the fee paid for an extra product is higher than 0.55 cents per piece but the fee for the first product is lower than the present, the total fee shall, however, be at least as high as the total fee according to the collective agreement.
- In employment relationships in which the agreed fixed fee per door regardless of the number of products, the fee shall be at least as high as the computational total fee according to the collective agreement for that district.

DISTRICT CLASSIFICATION ANNEX (Annex 2)

1A. Class

- a) Districts where it is particularly easy to deliver
 - Large groups and rows of mail boxes where it is easy to deliver
- b) Some other factor that makes delivery easy that changes the classification to this group.

1B. Class

- a) Blocks of flats with lift/elevator
 - No door buzzers
 - No door phones
 - Entry (doors open, with key or code)
- b) Densely built urban area of detached houses
 - Mailboxes in rows
- c) Other factor that makes delivery easier or more difficult that changes the classification to this group

2. Class

- a) Blocks of flats without a lift/elevator
 - Low stairways, high number of flats
- b) Densely built urban area of detached houses
 - Mailboxes on side of street
- d) Other factor that makes delivery easier or more difficult that changes the classification to this group

3. Class

- a) Densely built urban area of detached houses
 - Mailboxes in the yard area
 - Boxes of flats without flats, high stairways, low number of flats
- b) Loosely-built urban area of detached houses
- c) Sparsely populated district of detached houses
 - Rows of mailboxes
- e) Other factor that makes delivery easier or more difficult that changes the classification to this group

4. Class

- a) Sparsely populated district of detached houses
 - No rows of mailboxes
- b) Blocks of flats
 - Deliverer can enter only with door buzzer or door phone
- c) Other factor that makes delivery easier or more difficult that changes the classification to this group

5. Class

- a) Blocks of flats in city centers
 - Entry only with door buzzers
 - Door phone, no keys in district
 - Small number of households to be delivered to
- b) Very sparsely populated district of detached houses
 - No rows of mailboxes
 - Very long distances
- c) Other factor that makes delivery easier or more difficult that changes the classification to this group

6. Class

- a) City center districts that are clearly time-consuming
 - Very slow to deliver
 - Entry with door buzzers only
 - Door phone, no keys in district
 - Small number of households to be delivered to
- b) Sparsely-populated districts that are clearly time-consuming
 - Very slow to deliver
 - No rows of mailboxes
 - Very long distances
- c) Other factor that makes delivery easier or more difficult that changes the classification to this group

A delivery district must be geographically clear and one which can be divided in a consistent manner. The structural confusion and fragmentation of an area is considered to be an other factor that makes delivery work difficult. Some districts cannot be classified as above; instead the class can be 1/3 or 3/5, i.e. a two-class combination. The contracting parties reserve the possibility to further develop a classification during the agreement period.

SHOP STEWARD AGREEMENT (Annex 3)

Suoramainonnan ja kaupunkilehtien erillisjakelun yhdistys ry and Suomen Mainosjakajien Etujärjestö ry have agreed on the following regarding shop stewards:

Scope of Application of Agreement

This agreement shall be applied in member companies of Suoramainonnan ja kaupunkilehtien erillisjakelun yhdistys ry that are engaged in separate delivery of un-addressed mail and which have at least ten employees covered by this collective agreement.

Purpose of Agreement

The purpose of the function of a shop steward is to contribute to ensuring the compliance with agreements concluded between associations, the appropriate and timely handling of disputes and other issues arising between an employer and the deliverers whom he or she represents, and the promotion of industrial peace in the manner required by the collective bargaining system.

Shop Steward

In order to be eligible to be selected as selected as shop steward and deputy shop steward, a person must be employed in a member company of Suoramainonnan ja kaupunkilehtien erillisjakelun yhdistys ry and be a member of Suomen Mainosjakajien Etujärjestön ry. A shop steward enjoys special protection against dismissal under the law. A shop steward shall be an employee of the workplace which he or she represents, and has become familiar with the prevailing conditions in the work in question. He or she may not be a superior who decides on working conditions of deliverers or working conditions of the workplace.

The shop steward may also act as the shop steward of more than one member company ("Group Shop Steward") if Suomen Mainosjakajien Etujärjestö ry and the relevant member companies of Suoramainonnan ja kaupunkilehtien Erillisjakelun yhdistys ry in the same group separately so agree. The provisions of this agreement shall apply to a group shop steward as appropriate.

Duties of a shop steward

In his or her function, a shop steward represents deliverers who are covered by the scope of application of the collective agreement concluded between Suoramainonnan ja kaupunkilehtien erillisjakelun yhdistys ry and Suomen Mainosjakajien Etujärjestö ry.

The main duty of a shop steward is to represent the employee association that is a signatory of the collective agreement in matters related to the application of the collective agreement and labor law, and in questions concerning relationships between employers covered by the scope of application of the agreement and the deliverers employed by them, and in questions related to the development of working conditions. Another duty of the shop steward is to convey information between the employer and secondly between the association and deliverers and to take responsibility for duties related to arranging the activities of the employee organization if necessary.

Selection and term of shop steward

The shop steward and deputy shop steward are selected by an election of Suomen Mainosjakajien Etujärjestö ry for a term according to the collective agreement.

A written notice of the selected shop steward and deputy shop steward must be made to the employer. A written notice must also be given to the employer when the deputy shop steward is substituting for the actual shop steward.

Information to be provided to the shop steward

If confusion or disagreement arises regarding the fee of a deliverer or the application of legislation and agreements related to an employment, the shop steward must be given the information needed to clarify the matter.

The shop steward has the right to receive information on the labor force and income levels at regular intervals. The application of this section may be agreed on separately.

Performing the duty of a shop steward, compensation and expenses

The employer that employs the shop steward shall pay compensation for the time which the shop steward uses to perform the duties under this agreement either in negotiations with representatives of the employer or while otherwise acting in agreed duties outside of work duties. The compensation to be paid to the shop steward for performing these duties is 72.00 €/day. A shop steward shall be paid compensation for performing the duties under this agreement depending on the size of the company:

Number of deliverers	Days/month compensated
11-100	1/2
101-500	1
501-1000	2
1000-	3

The employer that employs the shop steward shall pay compensation for any other reasonable expenses incurred in the performance of duties under this agreement, such as necessary travel expenses incurred in performing duties. The shop steward shall try, to the extent possible, to primarily perform the duties under this agreement by using telecommunications equipment.

Premises

The employer shall provide an appropriate place for the shop steward to store the supplies necessary for the duties under this agreement. The shop steward has the right to use the company's normal existing office supplies.

Training of shop steward

The contracting parties consider it desirable that the shop steward is provided with an opportunity to participate in training that adds to his or her expertise in performing duties. Participation in the training and its expenses shall be agreed through local agreement between the shop steward and the employer.

Deputy shop steward

When a deputy shop steward has been selected for the shop steward, the provisions of this agreement shall be applied to him or her only if he or she performs the duties referred to in this agreement in accordance with a written notice pursuant to Section 4.

Validity of the agreement

This agreement shall enter into force on 1 July 2016 and is valid until further notice for each agreement period. The agreement can be terminated with a 30 days' notice, ending at the same as the collective agreement.

Helsinki 28 June, 2016.

AGREEMENT ON DRAWING UP AND ADOPTING A SYSTEM FOR MEASURING AND CALCULATING THE HOURLY RATE OF THE SEPARATE DELIVERY SECTOR (Annex 4)

INTRODUCTION

In previous collective agreements between Suoramainonnan ja Kaupunkilehtien Erillisjakelun yhdistys and Suomen Mainosjakajien Etujärjestö, the following have been negotiated and agreed on regarding fee level: minimum fee per piece and raises to them that have corresponded to general rises in fees. During the second collective agreement period, a compensation system was developed that included a district classification. The classification of districts improved the comparability of fees from districts that are different in terms of difficulty, including with regard to the time required for delivery. District classification has guided the creation of delivery districts with clear classes, and the agreed fee levels and their raises have been found to have developed and been beneficial to the fee payment criteria of the separate delivery sector.

Due to regional differences, diversity of delivery areas, and infill development and new mailbox grouping, there is a need to further refine district classification and thereby possibly create new district classes.

In the process of further developing district classification, standard time measurements have already been started around the country in different connections; their aim is to more precisely clarify any internal variation of district classes.

The parties have agreed on the nature of the work and the above facts, and due to the challenges related to the hourly rate system are developing a so-called standard time measuring system.

PURPOSE OF AGREEMENT

The collective agreement between Suoramainonnan ja Kaupunkilehtien Erillisjakelun yhdistys and Suomen Mainosjakajien Etujärjestö provides for the creation of a system for measuring and calculating an hourly rate.

This annex provides for a work group between Suoramainonnan ja Kaupunkilehtien Erillisjakelun yhdistys and Suomen Mainosjakajien Etujärjestö charged with drawing up a system for measuring and calculating hourly rates.

FORMATION OF WORK GROUP

Both parties shall select two members for the work group. The work group shall be led by a representative of the employer. The work group shall be established and it shall begin its operations no later than three months after the signing of the collective agreement.

TASK OF THE WORK GROUP

The working group is responsible for forming a system for measuring and calculating hourly rates by 31 October, 2017.

The parties shall separately agree on adopting a system for measuring and calculating hourly rates.

Helsinki 28 June, 2016.