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NATIONAL AGREEMENT

BETWEEN

CLOTHING MANUFACTURERS ASSOCIATION OF  
THE UNITED STATES OF AMERICA

And

UNITE, AFL-CIO, CLC

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DATED AS OF MAY 1, 2004 - Feb 26<sup>th</sup> 2007

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William Lee  
Executive Vice President

Mark Fleischman  
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Secretary-Treasurer

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**CLOTHING MANUFACTURERS ASSOCIATION OF  
THE UNITED STATES OF AMERICA, Inc.**  
730 Broadway, New York, NY 10003

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**CLOTHING MANUFACTURERS ASSOCIATION OF  
THE UNITED STATES OF AMERICA, Inc.**

**Members of the Negotiating Team:**

Homi B. Patel, Chairman  
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**UNITE, AFL-CIO, CLC**

**Members of the Negotiating Team:**

Bruce Raynor, President  
Harold Bock  
Gary Bonadonna  
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John Gillis  
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Lynn Talbott

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**AGREEMENT** dated as of May 1, 2004 between the **CLOTHING MANUFACTURERS ASSOCIATION OF THE UNITED STATES OF AMERICA**, on behalf of itself and each of its members, hereinafter referred to as the "Association" (a member of the "Association" being hereinafter referred to as the "Employer"), and the **UNITE, AFL-CIO, CLC**, on behalf of its joint boards and/or local unions, hereinafter collectively referred to as the "Union."

**WHEREAS** the members of the Association and the Union are parties to collective bargaining agreements dated as of April 28, 2001 and the parties have requested modification of certain of the provisions of the said agreements, and

**WHEREAS** the parties have reached agreement, and

**WHEREAS** the parties desire that the provisions hereinafter set forth in the instant Agreement shall be incorporated in all new agreements to be entered into between the Union and members of the Association and/or market associations of members of the Association by appropriate provision in such agreements, each of which new agreements is hereinafter referred to as the "Agreement".

**NOW, THEREFORE** in consideration of the mutual covenants, promises and agreements herein contained, the parties hereto agree as follows:

I

**COVERAGE:**

The term "Employee" as used in each of the agreements to be executed by and between each market association, if any, and/or individual Employer and each Joint Board or local union shall include all production and maintenance employees of each individual Employer with such additions and deletions as shall be mutually agreed to between the individual Employer and each Joint Board and/or local union, providing however, that the term "Employee" shall not include Executives, Supervisors, Administrative, Professional, confidential or payroll employees or Guards as defined by the National Labor Relations Act, as amended.

II

**UNION RECOGNITION:**

A. The Employer recognizes the Union as the exclusive collective bargaining agent for his employees with reference to wages, hours and working conditions.

B. The Employer shall recognize and deal with such representatives of the

employees as the Union may elect or appoint and shall permit such representatives elected or appointed by the Union to visit his plant at any time during working hours in accordance with existing rules.

C. The Employer agrees to make available to the Union such payroll and production records as the Union may reasonably require as the collective bargaining agent and/or contracting party hereunder.

### III

#### TRIAL PERIOD:

The term "trial period" for new employees as used in each of the agreements to be executed by and between each market association, if any, and/or individual Employer and each joint board or local union shall continue to be defined as provided in their most recent agreements. No trial period, however, may exceed six (6) weeks.

### IV

#### UNION SECURITY:

In the manner and to the extent permitted by law, membership in the Union on completion of the trial period of each new employee or on and after the thirtieth day following the actual effective date of this Agreement, whichever is later, shall be required as a condition of employment of each employee; in the event that the trial period is less than thirty (30) days, membership of new employees shall not be required until thirty (30) days after the date of hire; all employees who are now members or hereafter become members of the Union shall, as a condition of continued employment, remain members during the term of this Agreement to the extent permitted by law.

The provisions of this paragraph shall not apply in any State where such provision is contrary to the law thereof.

### V

#### WAGES:

##### A. Wage Increases:

##### 1. Time Rate Employees:

- (a) Effective September 27, 2004, the Employer shall grant a wage increase of twenty-five cents (\$.25) per hour to all time rate employees.



- (b) Each employee in active employment on October 1, 2004 and who is actively employed on September 30, 2005, and who has worked a minimum of 1,000 hours, shall receive a bonus of \$500.00 payable on October 21, 2005. If such an employee shall not have worked 1,000 hours during that period, the employee shall receive a bonus of \$10.00 per week for each week worked between October 1, 2004 and September 30, 2005, payable on October 21, 2005.

Employees hired after October 1, 2004, who are actively employed on September 30, 2005 shall receive a bonus of \$10.00 per week for each week worked between the date of hire and September 30, 2005, payable on October 21, 2005.

The parties agree that this bonus payment is in lieu of a base rate wage increase for the twelve month period ending September 30, 2006.

- (c) Effective October 2, 2006, the Employer shall grant a wage increase of twenty cents (\$.20) per hour to all time rate employees.

## 2. Piece Rate Employees:

- (a) Effective September 27, 2004, the Employer shall incorporate into all existing piece rates a wage increase of twenty-five cents (\$.25) per hour.
- (b) Each employee in active employment on October 1, 2004 and who is actively employed on September 30, 2005, and who has worked a minimum of 1,000 hours, shall receive a bonus of \$500.00 payable on October 21, 2005. If such an employee shall not have worked 1,000 hours during that period, the employee shall receive a bonus of \$10.00 per week for each week worked between October 1, 2004 and September 30, 2005, payable on October 21, 2005.

Employees hired after October 1, 2004, who are actively employed on September 30, 2005 shall receive a bonus of \$10.00 per week for each week worked between the date of hire and September 30, 2005, payable on October 21, 2005.

The parties agree that this bonus payment is in lieu of a base rate wage increase for the twelve month period ending September 30, 2006.

- (c) Effective October 2, 2006 the Employer shall incorporate into all existing piece rates a wage increase of twenty cents (\$.20) per hour.

3. In the event an employee is regularly and formally scheduled to work more or less than forty (40) hours per week, or more or less than thirty-six (36) hours per week in the case of cutters in those markets where cutters uniformly have a regular work week of thirty-six (36) hours per week, the payments in paragraphs 1 (a) and (c) and 2 above shall be adjusted pro rata.

#### 4. Tariff Bonus

- (a) In the event that the Employer shall receive a rebate or tariff reduction for duties paid on imported woolen or worsted fabrics by December 1, 2004, each bargaining unit active employee on the payroll on both December 1, 2003 and December 1, 2004, and each retiree or early retiree who has retired since December 1, 2003 who was an active employee on December 1, 2003, will receive a bonus of \$100.00. This bonus is to be paid no later than December 15, 2004.
- (b) In the event that the Employer shall receive a rebate or tariff reduction for duties paid on imported woolen or worsted fabrics by December 1, 2005, each bargaining unit active employee on the payroll on both December 1, 2004 and December 1, 2005, and each retiree or early retiree who has retired since December 1, 2004 who was an active employee on December 1, 2004, will receive a bonus of \$100.00. This bonus is to be paid no later than December 15, 2005.
- (c) Should the present rebate and refund program be extended beyond 2005, and in the event that the Employer shall receive a rebate or tariff reduction for duties paid on imported woolen or worsted fabrics by December 1, 2006, each bargaining unit active employee on the payroll on both December 1, 2005 and December 1, 2006, and each retiree or early retiree who has retired since December 1, 2005 who was an active employee on December 1, 2005, will receive a bonus of \$100.00. This bonus is to be paid no later than December 15, 2006.
- (d) All of the bonuses hereinabove set forth are to be paid in the form of a separate check, and only applicable Social Security and Medicare payroll taxes are to be withheld. If for any reason, not under control of a company, the refund due will not be received prior to December 1, of the applicable year, the Employer will pay the bonus thirty (30)

days after receipt of such refund. It is understood that employers that do not receive a duty refund will not be obligated for this bonus.

- (e) No fringes will be payable on the above benefits, which will not be defined as included in the phrase "gross wages" for the purpose of any insurance or pension contribution.

B. Wages shall be paid in accordance with the schedule of wage rates except that such schedule may be modified as expressly provided in this Agreement. In the event that an Employer has not heretofore incorporated a cost of living bonus into the piece rates he shall continue to have the right to do so.

C. In the event that any of the operations of the Employer are changed or new operations are added, piece rates for such operations shall be mutually agreed upon between the Union and the Employer and shall become effective as of the time that such operation is changed or new operation begun. The new piece rates shall maintain the average earnings of the employees prevailing at the time that the operation is changed or new operation begun. It is understood that the phrase "maintain the average earnings of the employees" refers to maintaining the average earnings of the section, and not to individual employees within the section.

D. If an employee is temporarily transferred from one job or operation to another at the request of the Employer, he shall, while working on the job or operation to which he has been transferred, be paid his average earnings prevailing at the time of the transfer. The conditions to apply upon permanent transfer shall be mutually agreed upon by the Employer and the Union at the time of such transfer.

E. Minimum Guarantee: No employee shall receive less than 25 cents per hour above the then applicable federal or state minimum wage rate (whichever is higher) upon the completion of the employee's trial period. This provision shall not supersede or be substituted for locally negotiated higher time or piece rate minimums heretofore existing.

F. Various special arrangements have been negotiated with respect to the dates upon which wage increases became effective, the dates concerning the vacation periods and pay, holiday pay, and call in pay for those members of the Clothing Manufacturers Association of the USA who are "Tailors-To-The-Trade". Because of the varying practical considerations as they apply to the Tailors-To-The-Trade, it is agreed that these issues shall be reserved for adjustment by the individual firms and the Locals and/or Joint Boards concerned, by mutual agreement.

## VI

### HOURS OF WORK:

#### A. Regular Work Week:

The regular hours of work for all employees shall be eight (8) hours in any one day, from Monday to Friday inclusive. The time when work shall begin and end each day shall be agreed upon by the Employer and the Union.

#### B. Overtime:

Time and one-half shall be paid for all work outside the regular daily hours. No work shall be performed on a Saturday except by mutual agreement of the parties. Time and one-half shall be paid for all work performed on Saturday irrespective of the number of hours worked during the week. No work shall be performed on a designated holiday except by mutual agreement of the parties and, if agreed upon, at double time. Overtime pay for work on a designated holiday shall be in addition to holiday pay to which the employee is entitled pursuant to the paragraph dealing with holidays.

#### C. Notice of Overtime:

The Employer agrees to give reasonable notice to the employees and the appropriate union shop committee representative when overtime is to be worked.

D. Where operating engineers, firemen, oilers or watchmen are required to work on holidays or Saturdays which fall during their regular work week, the question of the rate of pay for work performed on such holidays or Saturdays by such employees is referred for negotiation to each market association, if any, and/or individual Employer and each joint board or local union.

E. It is the intent of this Article VI that where it has been the actual past practice to pay overtime after a work week of forty (40) hours such practice shall continue.

#### F. Overtime:

Recognizing the importance for companies to make timely shipments to customers to maintain the security of the industry, the Union agrees that upon request by a company it will work at the local level to address the company's overtime needs.

## VII

### VACATIONS:

#### A. Vacation Period:

It is mutually agreed that there shall be the following vacation periods for employees entitled to vacation pay as hereinafter provided.

1. The Summer Vacation Period shall be two consecutive weeks beginning with the last full week in the month of July in each year unless the Individual Employer and the Joint Board and/or Local Union mutually agree upon some other two consecutive weeks during the summer months.

2. The Christmas Vacation Period which shall be the week in which Christmas Day falls in each year.

3. Fourth Week of Vacation: Any employee with 20 years, or more, of employment with an Employer or predecessor employers is entitled to a fourth (4th) week of paid vacation to be taken during the ensuing twelve (12) month period following the date that the employee reaches 20 or more years of employment. The schedule of vacations by section shall be fixed by mutual agreement with the Union in accordance with the needs of production. Individual employees may bid for an available week in order of section seniority or such other rotational system as mutually agreed to with the Union. If mutually agreed to with the Union at the local level, an employee may elect to work during the employee's week of vacation at straight time in addition to vacation pay. The amount of time off and pay shall be the same as the preceding Winter vacation.

4. In the event that a paid holiday falls within the vacation period, employees entitled to holiday pay shall be entitled to such holiday pay in addition to vacation pay hereinafter provided.

#### B. Eligibility and Pay for Employees Employed Prior to October 1, 1985:

##### 1. For the Summer Vacation Period

- (a) All employees who have been on the payroll of the Employer for at least six (6) months prior to the commencement of the Summer Vacation period and, except as hereinafter provided, who are on such payroll at the commencement of the Summer Vacation Period are eligible for a paid vacation.

- (b) The amount of each employee's vacation pay for the Summer Vacation Period shall be determined in the manner set forth in this subparagraph. If the employee has been on the payroll of the Employer:
- (i) Six (6) months but less than nine (9) months, he shall receive one-half of one week's pay,
  - (ii) Nine (9) months but less than one (1) year, he shall receive three-fourths of one week's pay,
  - (iii) One year or more, he shall receive two (2) week's pay.
- (c)
- (i) **First Week:** In the case of hourly and weekly employees, one week's pay shall be the employee's current regular weekly rate. In the case of piecework employees, one week's pay shall be forty (40) times the individual employee's straight time average hourly earnings for the four (4) consecutive busiest weeks of the current vacation year beginning June 1st in the previous calendar year and ending May 31st in the current vacation year including the full amount of the wage increase paid on September 27, 2004 and October 6, 2006, as applicable. If an employee did not work in each of said four (4) weeks, his vacation pay shall be forty (40) times his straight time average hourly earnings for the four (4) busiest consecutive weeks of the vacation year in which he did work all four (4) weeks including the full amount of the wage increase paid on September 27, 2004 and October 6, 2006, as applicable.
  - (ii) **Second Week:** An eligible employee who has worked not less than 1000 hours in the 12 months beginning June 1st in the previous calendar year and ending May 31st in the current vacation year shall receive for his second week's vacation pay the same amount as the employee's vacation pay for the first week.

For eligible employees who worked less than 1000 hours during the entire aforesaid twelve (12) months period, the second week's vacation pay shall be two

and one-half per cent (2-1/2%) of the employee's straight time earnings in the twelve (12) months beginning June 1st in the previous calendar year and ending May 31st in the current vacation year.

2. For the Christmas Vacation Period

- (a) All employees who have been on the payroll of the Employer one year or more prior to December 1st and, except as hereinafter provided, who are on such payroll at the commencement of the Christmas Vacation Period are eligible for a paid Christmas vacation.
- (b) The amount of each employee's vacation pay for the Christmas Vacation Period shall be determined in the manner set forth in this subparagraph:
  - (i) an employee who has worked not less than 1000 hours in the entire aforesaid twelve (12) months period,
    - (a) if an hourly or weekly employee, he shall receive his current rate less three-quarters of the wage increase paid on September 27, 2004 and October 6, 2006, as applicable.
    - (b) if a piece work employee, he shall receive forty (40) times his straight time average hourly earnings for the four (4) consecutive busiest weeks of the current vacation year, beginning December 1st in the previous calendar year and ending November 30th in the current vacation year, which average hourly earnings shall be adjusted by three-quarters of the wage increase paid on September 27, 2004 and October 6, 2006, as applicable.
  - (ii) an employee who worked less than 1000 hours in the entire aforesaid twelve (12) months period shall receive two and one-half per cent (2-1/2%) of his straight time earnings in the twelve (12) months beginning December 1st in the previous calendar

year and ending November 30th in the current vacation year.

**C. Eligibility for Employees Employed After October 1, 1985:**

Each employee hired by the Employer on or after October 1, 1985 shall receive vacations with pay in accordance with the following requirements:

- (i) On completion of 1 year of service, 1 week vacation at the next ensuing regularly scheduled vacation period (either winter or summer, whichever comes first).
- (ii) On completion of 2 years of service, 2 weeks of summer vacation except that an employee who first becomes eligible for 2 weeks of vacation prior to the winter vacation shall receive one week of winter vacation and one week of summer vacation.
- (iii) On completion of 3 years of service, 2 weeks of summer vacation and one week of winter vacation.

Time off and pay for each week's vacation shall be determined by the applicable provisions of the existing agreement with respect to the employee's working time during the year.

**D. General Conditions:**

1. An employee otherwise eligible for a paid vacation shall not be deemed ineligible because of the fact that he is temporarily laid off or ill at the commencement of the vacation period. The Impartial Chairman is expressly empowered to determine in accordance with the arbitration procedure provided in this Agreement whether an employee, discharged prior to the commencement of a vacation period but otherwise eligible for a paid vacation, shall be entitled to vacation pay.

2. An employee who has been in the employ of the Employer a sufficient length of time to have earned a paid vacation as herein set forth but whose employment has been terminated because of termination of business or the closing of a plant, shall be entitled to vacation pay pro-rated as of the date of termination of employment.



3. Vacation pay as hereinabove provided shall be paid on the pay day immediately preceding the applicable vacation period.

4. Where an employee has been permanently and formally scheduled to work less than the regular work week for his operation the eligibility and vacation pay schedule for such employee shall be adjusted pro-rata. The 1000 hours requirement contained in paragraph B above shall be similarly pro-rated.

5. Retired and Permanently Disabled Employees:

Employees who, during any vacation year, retire under the terms of the Amalgamated Pension Plan or receive Federal Old Age Social Security Retirement Benefits, or become totally and permanently disabled so as to become eligible for and subsequently receive disability insurance benefits pursuant to the Social Security Act, as amended, shall receive pro-rata vacation pay for the vacation year, measured from the commencement of the preceding vacation periods, summer, Christmas, and, where applicable, the fourth week, to the date last worked. The vacation pay herein provided shall be paid upon presentation to the Employer of the Certificate of Eligibility issued by the Amalgamated Insurance Fund or the Certificate of Award issued by the Social Security Administration, as appropriate.

6. It is agreed and understood that for Tailors-To-The-Trade the Christmas Vacation Period shall be either Christmas Week (as provided in Article VII A (2) or New Year's Week as mutually agreed by and between the Tailors-To-The-Trade and the Union.

7. Anything to the contrary notwithstanding contained in this Article VII, the Union shall have the right to present to the Employer the question of vacation pay for the Christmas vacation period on behalf of an employee who does not qualify for same because he was employed after December 1st but prior to Christmas Day during the previous calendar year. If agreement between the Union and the Employer is not reached the Impartial Chairman is expressly empowered to settle said matter.

8. For the purposes of Sections B and C, employees who have completed a probationary period with an employer in contractual relations with the Union and who have been unemployed because of layoff or plant closing and are re-employed in the same local market within one year of loss of employment shall receive credit for each year of employment with the prior employer.

VIII

HOLIDAYS:

A.

1. Subject to Paragraph F, all employees shall be entitled to the following eleven (11) holidays with pay:

New Year's Day	Thanksgiving Day
M. L. King, Jr. Birthday	Friday after Thanksgiving Day
Washington's Birthday	Last Weekday Prior to the Commencement of Christmas Vacation
Memorial Day	Christmas Day
July 4 <sup>th</sup> - Independence Day	Labor Day
Good Friday or Washington's Birthday	

2. A Joint Board and Company may by mutual agreement substitute a floating holiday for any of the fixed holidays so long as the total number of paid holidays remains the same. Existing holiday substitutions shall not be changed except by mutual agreement.

3. All such holidays shall be paid for irrespective of the day of the week on which the holiday falls.

Should any of the above holidays fall on Sunday, the day celebrated as such shall be considered the holiday.

B. In the case of hourly and weekly employees, the pay for each holiday shall be one-fifth (1/5) of the employee's current regular weekly rate. In the case of piece workers the employee's pay for each holiday shall be eight (8) times the employee's straight time average hourly earnings as such earnings were computed for the purpose of determining the first week's vacation pay for the Summer Vacation Period immediately preceding such holiday.

C. Notwithstanding the provisions of this paragraph, it is understood that holiday pay shall not be paid any employees if the Employer's factory is shut down in all his manufacturing departments for five (5) consecutive weeks as follows:

1. The entire two (2) weeks immediately preceding the week in which such paid holiday occurs; and

2. The entire week during which such paid holiday occurs; and
3. The entire two (2) weeks immediately following the week in which such paid holiday occurs.

D. Any worker who is absent without reasonable excuse on the work day before or the work day after a holiday shall not be entitled to holiday pay.

E. **Tandem or Consecutive Holidays:** The "day before and after" rule shall apply to all holidays with the exception that should separate holidays fall either simultaneously or successively, an employee absent (without reasonable cause as heretofore defined) either the day before or the day after shall lose only one of the holidays. In the event an employee is absent (without reasonable cause as heretofore defined) both the day before and the day after, the employee shall lose holiday pay for all intervening holidays.

F. **Trial Period, Intervening Holidays:** If a holiday falls within the initial trial period, the employee shall receive his holiday pay on the first full pay period following the successful completion of the trial period. If the employee does not complete the initial trial period for any reason no holiday pay is payable. This paragraph shall not apply to employees who have completed their initial trial period with any employer in contractual relations with the Union.

## IX

### EQUAL DIVISION OF WORK:

During any slack season or whenever there is insufficient work, the available work shall be divided, insofar as is practicable, equally among all regular employees of the Employer in order that continuity of employment may be maintained unless the Employer and the Union shall mutually agree upon a layoff and the conditions applicable thereto.

It is understood that this clause has been mutually interpreted to provide for seniority of the employee as the basis for layoff and this interpretation has been reflected in local agreements.

X

**PAYMENT OF WAGES AND CHECKOFF:**

A. The Employer agrees that he shall pay his employees on a prescribed day in each week.

B. The Employer shall deduct from the wages of his employees upon written authorization of the employees, union dues, initiation fees and assessments. The amounts deducted pursuant to such authorization shall be transmitted at intervals to the properly designated official of the Union, together with a list of names of the employees from whom the deductions were made on forms to be provided by the Union. Sums deducted by the Employer as union dues, initiation fees or assessments shall be kept separate and apart from the general funds of the Employer and shall be deemed trust funds. The aforesaid intervals are to be fixed by each market association, if any, and/or individual Employer and each joint board or local union.

XI

**INSURANCE:**

A. The Employer agrees to contribute sums of money equal to a stated percentage of his payroll to the UNITE National Health Fund, as provided in Exhibit 1 annexed hereto, the terms and provisions of said Exhibit 1 being specifically incorporated hereby by reference.

B. The Employer agrees to contribute to a pension plan as set forth in Exhibit 2.

C. The Employer agrees to provide checkoff of voluntary contributions for any employee who elects participation in the "National Plus" program as now maintained by the Union under the Textile Fund Program.

D. Utilization of employer contributions for insurance benefits (for life, health and/or disability benefits) on a local basis shall be subject to local review and negotiations between the employer and the local union or joint board. The time limit set for negotiations of this issue shall be 180 days. If the Union and the employer do not reach mutual agreement on this issue, no such alternative plans will be implemented. This issue shall not be subject to arbitration under paragraph 5 of the Local Issues Letter, annexed hereto as Exhibit 4.

## XII

### MACHINE DOWN TIME AND WAITING TIME:

An employee paid on a piece rate basis who is required to wait for work due to machine breakdown beyond his control shall be compensated at the rate of the employee's average hourly earnings for all such waiting time in excess of fifteen minutes (15) minutes per day. An employee paid on a piece rate basis who is required to wait for work due to cause beyond his control other than for machine breakdown shall be compensated at the rate of the employee's average hourly earnings for all such waiting time in excess of thirty (30) minutes per day. However, in no event will the combined unpaid machine down time and waiting time exceed thirty (30) minutes per day. Any employee who finds it necessary to wait for work shall, on each such separate occasion, notify his immediate supervisor both at the beginning and end of such waiting period. Payment for waiting time shall cover only such time as follows such notification. The Employer may transfer such employees to another machine or job during waiting time. When transferred to another machine during machine down time, on the same job, the employee will be paid piece rate earnings. In addition to the grievance and arbitration procedure set forth in Paragraph A of Article XXI of this Agreement any dispute or question as to the interpretation of this Article may be referred to the national office of the Association and the Union.

## XIII

### REPORTING PAY:

Employees who report for work at their regular starting time, or at such other hour designated by the Employer, shall be paid their established time or piece rate earnings for all work performed between the hour they report for work and the hour that they are dismissed, but in no event shall they be paid less than six (6) hours, or four (4) hours on Saturday. This clause shall not apply in the event of power failure, fire or other cause over which the Employer has no control. In the case of the first five (5) hours of call in pay, failure of other employees to report for work shall be considered cause over which the Employer has no control only if an emergency arises which it could not foresee and it had taken adequate steps to train and provide relief workers. Excessive absenteeism shall relieve the Employer of the obligation to pay the sixth hour of call in pay.

## XIV

### BEREAVEMENT PAY:

- A. An employee who has been on the payroll of the Employer for six (6) months or

more shall be granted bereavement pay in the event of a death in the immediate family of the employee.

B. The immediate family is defined as father, mother, grandfather, grandmother, sister, brother, spouse, children, grandchildren, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law and daughter-in-law.

C. Bereavement pay shall be based on the employee's daily time or piece rate earnings as established for the purpose of holiday pay.

D. Bereavement pay shall be paid for the day before, the day of and the day following the funeral, when these days fall on days the employee would otherwise have worked. In the event that the death occurs outside the United States and notice thereof does not reach the employee until after the funeral, Bereavement Pay shall be paid for the three (3) days following receipt of notice provided that such days are days on which the employee would otherwise have worked.

E. No bereavement pay will be granted unless the employee notifies the Employer and requests leave. At his discretion, the Employer may require evidence of death and kinship.

## XV

### CIVIL RIGHTS:

1. The Employer and the Union shall not discriminate nor perpetuate the effects of past discrimination, if any, against any employee or applicants for employment on account of race, color, religion, creed, sex, or national origin. This clause shall be interpreted broadly to be co-extensive with all federal, state or local anti-discrimination laws and, where available, judicial interpretations thereof.

2. Representatives of the Employer and the Union shall meet to review compliance with this provision and to mutually agree upon such steps as are necessary to achieve compliance. If, upon failure to so mutually agree, either party invokes the arbitration procedures of this Agreement to resolve the dispute, the Impartial Chairman shall fashion his award to grant any and all relief appropriate to effectuate this Article.

## XVI

### UNION LABEL:

The Employer agrees to affix copies of the label of UNITE to men's and boys' clothing including, without limitation, single pants manufactured by the Employer or by registered Union contractors in behalf of the Employer, all as provided in Exhibit 3

annexed hereto, the terms and provisions of said Exhibit 3 being specifically incorporated herein by reference. In addition thereto, the Employer agrees that the size ticket placed on each garment shall contain a legend to the effect that the same is manufactured by UNITE Union labor. The exact wording to be affixed on the size ticket shall be set by mutual agreement between the Clothing Manufacturers Association of the USA and the International Union.

#### XVII

##### MILITARY SERVICE:

In the event that an employee enlists or is conscripted into the Armed Forces of the United States of America or is called into service as a member of the National Guard or Army, Navy, Air Force or Marine Corps Reserves, he shall, upon his discharge from service, be reinstated with all his rights and privileges enjoyed by him at the time he entered service, provided that he shall request such reinstatement within the period fixed by law and provided that the Employer shall have the right to discharge any person whom he hired by reason of the entry into military service of the person to be reinstated.

#### XVIII

##### OTHER FACTORIES AND CONTRACTORS: OUTSOURCING

###### Part One: Other Factories and Contractors:

A. During the term of this Agreement the Employer agrees that he shall not, without the consent of the Union, remove or cause to be removed his present plant or plants from the city or cities in which such plant or plants are located.

B. During the term of this Agreement the Employer may with the consent of the Union manufacture garments or cause them to be manufactured for his own business use in a factory other than his present factory or factories provided his factory or factories have and continue to have full employment and provided further that such other factory or factories are under contract with the Union.

C. The Employer further agrees that he shall send work only to such union contractors designated by agreement of the parties herein.

D. It is agreed that imports other than corduroy clothing not made in Union shops, are within the scope of Article XVIII. The Employer shall notify the Union of its intentions as to such corduroy clothing, and the quantities involved and shall make

available to the Union all pertinent documentation involved in such transaction. In the event corduroy clothing becomes an important production item in shops under contract with the Union, this exception to Article XVIII shall be subject to renegotiation upon reasonable notice from the Union, then existing commitments shall not be interfered with.

**Part Two: Outsourcing:**

**A. Permissible Outsourcing**

During the term of this Agreement and subject to all of the conditions contained herein the Employer shall be permitted to outsource no more than 22% of its current contract year's production each year during the term of this Agreement. The remaining percentage of each year's production is to be manufactured in its facilities covered by this agreement. Outward processing production (known as "807" or "807 A" production) will be defined as outsourced products. Further, outsourcing will not excuse the participating firm from making needed investment in its domestic facilities and equipment. Any Employer who outsources hereby commits to invest in improved physical plant, equipment and EDI systems in its own facilities. These "outsourcing" provisions do not apply to production sourced to domestic facilities within the United States. Such production is governed by the "Other Factories and Contractors" provisions contained in Part One of this Article XVIII.

For the purpose of this Article, "current contract year" shall mean the period between October 1 and September 30.

**B. Notification**

The Employers must give the Union advance notification of its planned outsourcing. Said notification shall include:

1. The number and types of units the Employer plans to outsource;
2. The reasons why the outsourcing is planned; and
3. Name and location of the source.

The Union shall have the opportunity to find a suitable alternative source within one week of said notice.

**C. Guarantees**

If, during the term of this agreement, an Employer outsources more than an experimental level of production it shall, for each contract year during which it



outsources, guarantee that its current full time employees work at least 1470 hours, in addition to vacations and holidays during said contract year. An experimental level of production is defined as the greater of 1000 units or 2% of the domestic production in the preceding contract year to a maximum of 3000 units.

For the purpose of this Agreement, a suit or overcoat/topcoat should count as 1 unit a coat as 2/3 of a unit; a pair of pants as 1/3 of a unit and a vest as 1/6th of a unit.

Such hours as are not worked (1) at the option of the employee or because the employee is not available for employment, (2) because of power failure, fire or other cause over which the firm has no control as defined in the Reporting Pay provision of the Collective Bargaining Agreement (but not including short time for lack of sales), and (3) hours otherwise compensated for pursuant to the firm's Collective Bargaining Agreement with the Union, shall be counted toward fulfilling the guarantees.

For each unit outsourced pursuant to this Agreement, the Employer shall pay (i) \$1.00 per unit for all units outsourced per unit for all units outsourced below 10%; (ii) \$1.50 per unit for all units outsourced between 10% and 15%; and (iii) \$1.75 per unit for all units outsourced in excess of 15%, divided among all of the employees of the Employer on the payroll as of the beginning and the end of the contract year, as a holiday bonus, not later than December 15 following the end of each contract year for which the employer is required to make such payments pursuant to the outsourcing agreement. This payment, if the employee so elects, may be made by the Employer to the National Plus 401(k) program which will make such arrangements as are necessary to receive said payments.

An Employer electing to participate in an outsourcing program shall so notify the Joint Board Manager and the Union's International President with respect to the planned outsourcing by certified mail, RRR. The Union's one-week period to find a suitable alternative to the outsourcing shall begin to run upon earliest receipt of that notice. All reports and information required by the National Agreement with respect to the outsourcing program shall be made to the Joint Board Manager and to the Union's International President.

#### D. Shipping

The Firm shall receive and ship all units subject to this Article only in facilities under contract with the Union.

#### E. Records

The Union shall be provided such records as are required to monitor compliance with the terms of this Article, in addition to all other rights with respect to inspection of records guaranteed to it under the Collective Bargaining Agreement. The

information shall be kept confidential. Any breach of such confidentiality shall terminate the right of the Union to examine such records upon the decision of an arbitrator that the Union did indeed breach the confidentiality agreement.

#### F. Continuation of Contracting

Unless the Employer brings work that had been performed by its existing contractors into its facilities covered by this agreement, it shall during any contract year in which it outsources production continue to supply work to contractors at such levels as supplied in the previous year. Contractors shall include all contractors of shoulder pads, coat fronts, sponging and examining, to the extent now contracted. The measure of damages payable to the Union for failure to supply the amount of work required by the preceding sentence shall be that applied to other violations of this Article.

#### G. Damages

Claims that any Employer is in violation of this Article shall be resolved through the grievance and arbitration provisions of this Agreement. If the Arbitrator finds that the Employer has violated this Article by outsourcing in excess of the limits set forth herein, the Arbitrator shall impose damages equal to one and one-half times the unit labor cost of these outsourced units in excess of the limit. Said damages shall be paid to the Joint Board that is party to an Agreement with the Employer for distribution to the affected employees.

#### STANDARDS:

It is agreed that all Employers will comply with the following work standards in any outsourcing:

##### Wages:

Companies will only do business with partners, contractors or other sources who provide wages and benefits that comply with any applicable law and provide a living wage defined as a specified market-basket of consumer goods priced in local currency and adjusted for inflation in the country from which the product is being sourced.

##### Working Hours:

Companies will only do business with partners, contractors or other sources outside the United States that comply with all applicable laws and will not utilize a source who requires more than a 48 hour work week and does not provide at least

one day off in each seven days.

**Forced or Compulsory Labor:**

In the manufacture of its products, companies will not work with business partners that use forced or other compulsory labor, including labor that is required as a means of political coercion or as punishment for holding or for peacefully expressing political views. Companies will not purchase materials that were produced by forced, prison or other compulsory labor and will terminate business relationships with any sources found to utilize such labor.

**Child Labor:**

Companies will not work with business partners that use child labor. The term "child" generally refers to a person who is less than 14 years of age, or younger than age for completing compulsory education if that age is higher than 14. In countries where the law defines "child" to include individuals who are older than 14, Companies will apply that definition.

**Freedom of Association:**

Companies will use business partners that share a commitment to the right of Employees to establish and join organizations of their own choosing, and abide by international standards as specified by the 110 regarding freedom of association.

Companies will assure that no employee is penalized because of his or her exercise of this right. Companies recognize and respect the right of all employees to organize and bargain collectively, and to strike.

**Discrimination:**

Companies will not use business partners who discriminate on the basis of personal characteristics rather than people's ability to do the job. They will not utilize partners who use corporal punishment or other forms of mental or physical coercion.

**Safe and Healthy Work Environment:**

Companies will have business partners that provide employees a safe and healthy workplace and that do not expose workers to hazardous conditions.

**Continued Violators:**

If the Union determines that countries or companies have repeatedly violated the foregoing work standards or are pervasive violators of human rights, it shall notify

the Employer and give it 60 days to remedy the violations. If the Union chooses it may take the alleged violations to binding expedited arbitration. If the Union proves its case, the company shall cease to contract with that country or company.

**Monitoring:**

Employers and UNITE shall periodically monitor the compliance of their contractors/suppliers with the above standards and reports of this monitoring will be made available to the other party.

**Part Three**

It is agreed that a Joint Board, with the approval of the National Office, may agree to amend the outsourcing provisions of this Agreement as they apply to a particular Employer. Any practice previously adopted on a local level, that relates to outsourcing, shall be continued by the parties and shall be reduced to writing as an amendment to this Agreement.

**XIX**

**HOME WORK:**

None of the Employer's work may be performed in the homes of the employees.

**XX**

**DISCHARGES:**

No employee covered by this Agreement shall be discharged without just cause. The Union shall present all complaints of discharge without just cause to the Employer within seven (7) days after the discharge. If the complaint cannot be adjusted by mutual consent, it shall forthwith be submitted to the Impartial Chairman designated in each local or market agreement for determination pursuant to the procedure provided. The Impartial Chairman shall issue his decision and award within seven (7) days from the conclusion of the hearing and the discharge in dispute. If the Impartial Chairman finds that the employee was discharged without just cause, he shall order reinstatement and may require the payment of back pay in such amount as in his judgment the circumstances warrant. This paragraph shall not apply to an employee during his trial period.

## XXI

### GRIEVANCE AND ARBITRATION PROCEDURE:

A. Any complaint, grievance or dispute arising under, out of or relating directly or indirectly to the provisions of an agreement between each market association, if any, and/or individual Employer and each joint board or local union, or the interpretation or performance thereof, shall in the first instance be taken up for adjustment by a representative of the Union and a representative of the Employer. Any and all matters in dispute, including a dispute concerning the interpretation or application of the arbitration provision, which have not been adjusted pursuant to the procedure therein provided, shall be referred for arbitration and final determination to the Impartial Chairman therein designated. The details of the grievance and arbitration procedure thus provided are expressly reserved to each of said market associations, if any, and/or individual Employer and each joint board or local union for negotiation and joint agreement.

B. The President of the CMA/USA and the President of UNITE, or their successors, by mutual Agreement, may require that any or all matters in dispute arising out of or relating to the provisions of this Agreement (including a dispute concerning the interpretation or application of this arbitration provision) be referred for final and binding arbitration to the Impartial Chairman, unless the matter has been adjusted pursuant to a local grievance and arbitration procedure.

C. The parties designate Dr. Phillip Ross as the Impartial Chairman. In the event of the inability of the said Dr. Phillip Ross, Roger Maher shall serve as Impartial Chairman during the unavailability of Dr. Ross.

D. Except as expressly provided otherwise in this Agreement, with respect to any dispute subject to arbitration or any claim, demand, or act arising under the Agreement which is subject to arbitration, the procedure established in this Agreement for the adjustment thereof shall be the exclusive means for its determination. No proceeding or action in a court of law or equity or administrative tribunal shall be initiated with respect thereto other than to compel arbitration or to enforce, modify or vacate an award. This paragraph shall constitute a complete defense to or ground for a stay of an action instituted contrary hereto.

## XXII

### STOPPAGES AND LOCKOUTS:

The Employer and the Union agree that there shall be no stoppages or lockouts during the term of this Agreement.

### XXIII

#### OTHER CONDITIONS OF EMPLOYMENT:

1. All conditions of employment not negotiated nationally and not expressly provided for herein are reserved to each of said market associations, if any, and/or individual Employer and each joint board or local union for negotiation and joint agreement, subject to the terms of the Local Issues letter.

2. The terms, provisions and items which were the subject matter of and settled by the 1998 negotiations will be uniformly adopted by all Joint Boards, Local Unions and Employers without change.

### XXIV

#### MORE FAVORABLE PRACTICES:

Any custom or practice existing in the plant of an Employer at the time of the execution of this Agreement more favorable to the employees than the provisions hereof shall be continued as heretofore. It is understood that this clause is to be mutually interpreted to provide that prior contrary past practices do not prevail over subsequently negotiated contract provisions, such as Paragraph D of Article XXVI.

### XXV

#### SUCCESSORS:

In the event the Employer merges or consolidates with, or its business is acquired by another person, firm or corporation, the Employer shall remain bound by all of the terms and provisions of this Agreement for the full term hereof.

### XXVI

#### INTRODUCTION OF TECHNOLOGICAL CHANGES, ETC.:

A. The Union has long cooperated with Employers in the introduction of new machinery, changes in manufacturing techniques, and technological improvements in clothing plants. This policy has been established by mutual agreement, generally on a market level, between the Employer and the Union. Underlying such agreement has been the recognition of these basic conditions: (a) wages of the affected workers were not to be reduced, and (b) workers were not to be thrown out of employment. Such policy is reaffirmed and shall continue to be dependent, preferably by mutual agreement, on a market level.

B. If, however, in the event that the introduction of any such new machinery, changes in manufacturing techniques and technological improvements would not, in the opinion of either party be consistent with the maintenance of the aforesaid basic conditions, then the Association and UNITE shall each appoint a committee which jointly shall study and seek to resolve the problems attendant upon such change.

C. Subject to the foregoing basic conditions (a) and (b) of paragraph A above, the scope of the general arbitration clause shall remain in full force and effect and applicable to all covered by this Agreement.

D. To provide for reasonably comparable implementation of the basic conditions set forth in Article XXVI, including the definition of technological change, the Employer and the Union shall utilize the following guidelines in the absence of mutually satisfactory guidelines heretofore established on a market or local union level. Where an Employer contemplates such a technological change, the Employer shall give prior notice to the joint board or local union. Rates for such newly introduced or changed machinery shall be established by mutual agreement. While employed on the newly introduced or changed machinery, a worker shall be paid wages earned plus the difference, if any, between the expected earnings under the newly established rate and his prior earnings. Workers in the affected operation shall not be thrown out of employment. Instead, if a job is available on a substantially equivalent operation, with the opportunity for substantially equivalent earnings, a worker may be transferred to such job and, during a period of retraining equal to the normal training period for similarly experienced workers, shall be guaranteed his former average hourly earnings. If such a job is not available, the worker shall have the option of (a) accepting another job with a guarantee, during a period of retraining equal to the normal training period for similarly experienced workers, of his former average hourly earnings, or (b) severance pay in such amounts as shall be mutually agreed to by the Employer and the joint board or local union. A worker electing to take a job which is not on a substantially equivalent operation with the opportunity for substantially equivalent earnings may subsequently elect to take severance pay, in which event such severance pay shall be reduced by any make-up pay paid pursuant to the normal training program applied. In the event the worker elects to take severance pay, such worker shall retain for one year his seniority and recall rights to his former job or section.

## XXVII

### SEPARABILITY:

Should any part or provision of this Agreement be rendered or declared illegal by reason of any existing or subsequently enacted legislation or by any decree of a court of competent jurisdiction or by the decision of any authorized government agency, such invalidation of such part or provision shall not invalidate the remainder

thereof. In such event, the parties agree to negotiate substitute provisions.

#### XXVIII

##### **SAFETY AND HEALTH STUDY COMMITTEE:**

Whereas eliminating occupational safety and health hazards for employees in the men's and boys' tailored clothing industry is to the mutual benefit of the Association and the Union, the parties to this Agreement shall form and maintain a joint Labor-Management Safety and Health Study Committee.

The Committee shall be composed of equal numbers of representatives selected by the Association and by the Union.

The Committee shall hold meetings as often as necessary for the purpose of developing the means and structure to undertake joint safety and health studies to analyze occupational hazards in the industry and to suggest appropriate measures for control of such hazards.

A Safety and Health Study Committee will be established in each plant. It will meet regularly at dates, times, and places to be determined by local management after consultation with the Union. The employees shall be paid their established time rate or piece rate average by the Employer while attending such meetings.

#### XXIX

##### **JURY DUTY:**

An employee called for involuntary trial jury duty will be paid the difference between the pay received for such jury duty and his straight time average weekly earnings (calculated for the eight (8) weeks immediately preceding such jury duty) for the period of such jury duty. The employee shall present a receipt for the amount of jury duty pay received. An employee who receives a notice to serve as a juror must notify his Employer not later than the next work day. If the Employer deems it necessary to have the employee excused from jury duty, the Union and the employee agree to cooperate in seeking to have the employee excused.

#### XXX

##### **VOLUNTARY CHECKOFF OF POLITICAL CONTRIBUTIONS:**

The Employer agrees to deduct from the wages of its employees who are Union members and who voluntarily authorize such contributions on forms provided for that purpose, contributions to the UNITE Political Action Committee. The



amounts deducted pursuant to said voluntary authorizations shall be transmitted to the Treasurer of UNITE-PAC at monthly intervals. These transmittals shall be accompanied by a list of the names of those employees for whom such deductions have been made and the amount deducted for each such employee.

The Union shall reimburse the Employer for any expenses incurred due to this provision.

#### XXXI

#### LEAVES OF ABSENCE:

Leaves of absence shall be granted for justifiable personal reasons. The Employer may limit the number of leaves for personal reasons granted at any given time to avoid an unreasonable effect on the Employer's ability to operate. Such leaves may be limited to an initial period of two (2) weeks with extensions granted by mutual agreement.

All other leaves of absence for reasons, including but not limited to, illness, injury, pregnancy or Union purposes, shall be granted for such periods and under such circumstances as have been heretofore granted in each market or local area.

#### XXXII

#### FEDERAL FUNDS:

The Union shall cooperate with the CMA and its members to facilitate the availability of federal funds for training programs.

#### XXXIII

#### CHILD CARE:

##### A. Parental leave:

An employee may receive six (6) weeks of unpaid parental leave (not including leave granted pursuant to the leave of absence clause) within any two (2) year period to attend to the employee's seriously ill or new born child.

##### B. Child Care Facilities:

The Employer and the Union shall establish local committees to study the availability of child care facilities.

XXXIV

**"S.U.B." PROGRAM:**

Should the employees of an Employer agree to purchase additional insurance coverage provided by the Amalgamated Life Insurance Company, or Supplemental Medical Insurance coverage provided by the Amalgamated Life and Health Insurance Company, the Employer shall check off the employees' cost of the program, upon presentation of proper authorization, and pay the same over to the insurance company as required by the contract between the employees and the insurance company, as applicable.

XXXV

**NATIONAL HEALTH INSURANCE:**

The inflationary spiral affecting health care costs in the United States has caused the parties concern over the continued viability of their insurance program. Therefore, the parties agree that it would benefit the insurance program and the employees who are covered by this Agreement if an appropriate National Health Insurance Program is enacted. It is further agreed that the National Clothing Industry Labor-Management Committee shall meet to determine the best way to mount a joint campaign in support of the establishment of an appropriate National Health Insurance Program and to implement such a campaign.

XXXVI

**ORGANIZATIONAL HIRING:**

The Employer agrees that it will hire employees who have been discharged from other employers during an organizing campaign conducted by the Union. The Employer is not required by this Section to hire an employee who is not qualified to perform the job that is being applied for.

The Employer is not required to employ such applicants if it does not have jobs available. Any employee hired under this Section is subject to the Employer's regular probationary period for new employees.

The Employer is not required to unlawfully give preference to employees applying under this Section.

The Union will hold the Employer harmless for any liability, including but not limited to attorney's fees, imposed by enforcement of this clause.

## XXXVII

### **MORE FAVORABLE CONDITIONS**

If the Union enters into any agreement with any manufacturer of mens' and/or boys' tailored clothing which has previously resigned from the CMA and which provides any term or condition more favorable to that employer than any term or condition contained in this agreement, then upon written notice given by the Clothing Manufacturers Association of the United States of America, Inc., such terms or conditions shall automatically be extended to the Employer members of the Clothing Manufacturers Association of the United States of America, Inc., who are parties to and covered by this Agreement. Such Employer members of the Clothing Manufacturers Association of the United States of America, Inc. shall have the right to make such terms or conditions retroactive to the effective date of such terms or conditions in the agreement containing such more favorable terms or conditions.

**TERM OF AGREEMENT**

This Agreement shall be effective May 1, 2004 and shall remain in full force and effect until midnight, April 27, 2007. It shall be automatically renewed from year to year thereafter unless on or before February 26, 2007 or February 26th of any year thereafter, notice in writing by certified mail is given by either the Association or UNITE to the other of its desire to propose changes in this Agreement or of intention to terminate the same, in either of which events this Agreement shall terminate upon the ensuing April 27th.

**IN WITNESS WHEREOF** the parties hereto have caused their signatures to be affixed effective the day and year hereinabove first written.

**CLOTHING MANUFACTURERS ASSOCIATION OF  
THE UNITED STATES OF AMERICA, Inc.** on behalf of  
itself and each of its members

By: \_\_\_\_\_  
Homi B. Patel, President

**UNITE, AFL-CIO, CLC**  
on behalf of itself and its joint boards and local unions

By: \_\_\_\_\_  
Bruce Raynor, President

EXHIBIT 1

**UNITE NATIONAL HEALTH FUND  
TAILORED CLOTHING DIVISION**

**SUPPLEMENTAL AGREEMENT** dated as of May 1, 2004 between

---

(herein called the "Employer") and

---

of UNITE (herein called the "Union") and the UNITE National Health Fund (herein called "The Fund") (The Supplemental Agreement).

**WITNESSETH:**

**WHEREAS**, the Employer and the Union have executed a Collective Bargaining Agreement (herein called the "Collective Bargaining Agreement") which is now in full force and effect; and

**WHEREAS**, the Employer has agreed to contribute sums of money equal to a stated percentage of its payroll to a fund or funds to be used to provide life, medical care, hospitalization, accident and health insurance, and other insurance benefits and health care services to employees employed in the men's and boy's clothing industry, including medical care and hospitalization for the families of such employees, and an educational assistance program for eligible children of such employees, and to execute a supplemental agreement in the form of this Supplemental Agreement providing funds for certain of the above described benefits; and

**WHEREAS**, the Employer has heretofore entered into one or more prior supplemental agreements with the Union for the purpose of providing funds for certain of the above described benefits, similar to the benefits contemplated by certain provisions of the within Supplemental Agreement; and

**WHEREAS**, it is the intention that this Supplemental Agreement shall supersede all prior supplemental agreements from and after May 1, 2004;

**NOW, THEREFORE**, in consideration of the premises the Union and the Employer agree that the Collective Bargaining Agreement shall be supplemented as follows:

1. Definitions:

- a. The term "Bargaining Unit Employees" as used in this Supplemental Agreement means all of the members of the bargaining unit covered by the Collective Bargaining Agreement between the Employer and the Union, including employees during their trial period.
- b. The term "gross wages" as used in this Supplemental Agreement means all of the wages of the bargaining unit employees (as defined in subparagraph (A) hereof) including cost of living bonuses, (including the October 2005 negotiated bonus) and vacation, holiday and bereavement pay, but excluding employer contributions, if any, to any savings or similar plan for the benefit of the employer's employees.

2. This Supplemental Agreement shall supersede all prior supplemental agreements from and after May 1, 2004; provided, however, that all sums of money paid or payable by the Employer under any prior supplemental agreement to the Fund designated in one or more Agreements and Declarations of Trust which accompanied, and were made part of, said prior supplemental agreements (insofar as any part of such sums of money so paid by the Employers to said Fund have not been expended or applied by the Fund in accordance with the provisions of said prior supplemental agreements and prior Agreements and Declarations of Trust) shall be applied by the Fund to the purposes set forth and provided for in said prior supplemental agreements and Agreements and Declarations of Trust, and subject to the provisions therein contained.

a. (1) Commencing on the pay day for the week of May 3, 2004, and weekly thereafter, the Employer shall pay to the Fund designated under an Agreement and Declaration of Trust, as most recently amended as of May 31, 2000, the terms and provisions of which Agreement and Declaration of Trust as amended, are herein specifically incorporated by reference, 16.8% of the gross wages payable for each pay period to all the employees of the Employer together with \$16.67 per week per employee for each employee who performed any work during a week for which he is entitled to receive pay, all of which shall be credited to the Social Insurance Fund.

a. (2) Commencing on the pay day for the week of May 2, 2005, and weekly thereafter, the Employer shall pay to the Fund designated under an Agreement and Declaration of Trust, as most recently amended as of May 31, 2000, the terms and provisions of which Agreement and Declaration of Trust as amended, are herein specifically incorporated by reference, 17.8% of the gross wages payable for each pay period to all the employees of the Employer together with \$16.67 per week per employee for each employee who performed any work during a week for which he is entitled to receive pay, all of which shall be credited to the Social Insurance Fund.

a. (3) Commencing on the pay day for the week of May 1, 2006, and weekly thereafter, the Employer shall pay to the Fund designated under an Agreement and Declaration of Trust, as most recently amended as of May 31, 2000, the terms and provisions of which Agreement and Declaration of Trust as amended, are herein specifically incorporated by reference, 19.8% of the gross wages payable for each pay period to all the employees of the Employer together with \$16.67 per week per employee for each employee who performed any work during a week for which he is entitled to receive pay all of which shall be credited to the Social Insurance Fund

a. (4) In addition to the above, commencing on the pay day for the week of September 27, 2004, there is an employee co-pay of \$6.00 per week for single coverage, \$10.00 per week for single coverage plus children and \$35.00 per week for family coverage including spouses (an eligible spouse is defined as the spouse of a covered participant whose earned or unearned income is less than \$400.00 per month). The Employer agrees to withhold the co-pay through payroll deduction and remit said co-pay to the Fund on a monthly basis for those bargaining unit employees otherwise eligible for coverage. The Employer further agrees that the employee co-payments shall be made to a 125 Plan. Should the Employer not have its own 125 Plan, the Employer shall participate in a Fund established 125 Plan.

b. All of the foregoing sums shall be administered and expended by the Fund pursuant to the provisions of the said Agreement and Declaration of Trust, as most recently amended, for the purpose of providing life, accident and health insurance, and such other forms of group insurance for medical care and hospitalization, and to provide health care services, or to provide for the reimbursement of the costs thereof, as the Fund may reasonably determine, to bargaining unit employees and the bargaining unit employees employed by other

employers, all of whom are members of the group embraced within the general plan in the men's and boy's clothing industry, and also to provide medical care, health care services, or to provide for reimbursement of the costs thereof and hospitalization for the families of such bargaining unit employees, and educational assistance for the eligible children of such, bargaining unit employees.

3. The Employer shall furnish to the Fund, upon request, such information and reports as they may require in the performance of their duties under any of the Agreements and Declarations of Trust. The Fund, or any authorized agent or representative of the Fund, shall have the right at all reasonable times during business hours to enter upon the premises of the Employer and to examine and copy such of the books, records, papers and reports of the Employer as may be necessary to permit the Fund to determine whether the Employer is fully complying with the provisions of paragraph 3 hereof.
4. No employee or member of his family shall have the option to receive instead of the benefits provided for by any of the Agreements and Declarations of Trust any part of the contributions of the Employer. No employee or member of his family shall have the right to assign any benefits to which he may be or become entitled under any of the Agreements and Declarations of Trust or to receive a cash consideration in lieu of such benefits either upon termination of the trust therein created, or through severance of employment or otherwise.
5. a. This Supplemental Agreement and the Collective Bargaining Agreement and the Agreement and Declaration of Trust shall be construed as a single document, and all of the provisions of the Collective Bargaining Agreement relating to the administration and enforcement thereof shall apply to the administration and enforcement of this Supplemental Agreement, provided, however, that any controversy, claim, complaint, grievance or dispute between the parties hereto arising out of or relating to the provisions of this Supplemental Agreement or the interpretation, breach, repudiation, application or performance thereof, shall be referred by the Union, the Fund or the Employer for arbitration and determination as hereinafter provided:
  - (i) Dr. Philip Ross, is designated as the Arbitrator under this Supplemental Agreement. In the event of the unavailability of the said Dr. Philip Ross, Roger Maher shall serve as Arbitrator.



- (ii) The powers of the Arbitrator and the procedures for arbitration hereunder shall be as hereinafter provided. The decision, order, direction, award or action of the Arbitrator shall be final, conclusive, binding and enforceable in a court of competent jurisdiction.

In addition to the powers which the Arbitrator may possess pursuant to the within Supplemental Agreement or by operation of law, in the event of any breach or threatened breach of this Supplemental Agreement, the Arbitrator, after a hearing, may issue an award providing for a mandatory direction or prohibition.

The Arbitrator also shall have the authority, in such case as he shall deem proper, to order the Employer to pay all insurance and related claims to the extent of the schedule of benefits established from time to time by the Fund, which arise during any period of suspension or cancellation of insurance coverage caused by non-payment by the Employer of the required contributions to the Fund, and which claims remain unpaid because of said non-payment.

The Arbitrator shall also have the authority, in such case as he shall deem proper, to include in his award against the Employer the reasonable costs of collection, including, but not limited to, the Arbitrator's fees, legal fees, interest, liquidated damages, auditing and accounting costs; providing, however, that no costs of collection shall be awarded against the Employer unless the said award shall also find that the Employer has failed to perform and comply with the terms and provisions of this Supplemental Agreement.

The parties consent that any papers, notices or processes, including subpoenas, necessary or appropriate to initiate or continue an arbitration hereunder to enforce, confirm, vacate or modify an award, may be served by certified mail directed to the last known address of the Employer, the Union and the Fund.

The Union or the Employer or the Fund may call such arbitration hearing by giving five (5) days notice by certified mail or two (2) days notice by telegram to the other parties. The Arbitrator, however, if he deems it appropriate, may call a hearing on shorter notice. The parties consent that arbitration hearings shall be heard at such place as the Arbitrator may designate.

The parties agree that the oath of the Arbitrator is waived and consent that he may proceed with the hearing on this submission. In the event a party to arbitration should default in appearing before the Arbitrator, the Arbitrator is hereby empowered to take the proof of the party or parties appearing and render an award thereon.

The Employer's pertinent books, vouchers, papers and records shall be available for examination by duly authorized representatives of the Arbitrator to determine whether there is full compliance with the terms of this Supplemental Agreement.

In the event that the Union receives written notice from the Fund or its designated agent that the Employer has failed to pay in full any sum due the Fund under paragraph 3 hereof and that such failure has continued for five (5) days, the Union may direct its members to discontinue work in the plant of the Employer and to discontinue work upon clothing being manufactured for the Employer by contractors until all sums due from the Employer under paragraph 3 hereof have been paid in full. The remedy provided for in this sub-paragraph shall be in addition to all other remedies available to the Union and the Fund, and may be exercised by the Union, anything in the Collective Bargaining Agreement to the contrary notwithstanding. Payment by the Employer under protest shall be without prejudice to his right to contest the correctness of the Funds' demand.

The Fund, in its own name, may also institute or intervene in any proceeding at law, in equity, or in bankruptcy for the purpose of effectuating the collection on any sums due to them from the Employer under the provisions of paragraph 3 hereof.

In the event that legislation is enacted by the Federal Government levying a tax or other exaction upon the Employer for the purpose of establishing a federally administered system of life, health, accident, medical care or hospitalization insurance under which the employees of the Employer are insured, the Employer shall be credited against the sums payable under paragraph 3 hereof for each pay period, with the amount of such tax or exaction, payable by him for such pay period, provided that the amount of such credit shall in no event exceed the amount required to be paid at that time to provide benefits.

The Health Insurance for the Aged Act (known as Medicare) as enacted on July 30, 1965 is not legislation within the scope of this paragraph, and the Employer is not entitled to any credit against the sums payable under paragraph 3 hereof for any

payments made to support the programs and/or benefits provided for in the said Act.

6. The provisions of this Supplemental Agreement shall remain in full force and effect for the full term of the Collective Bargaining Agreement and of any extensions or renewals thereof, but shall terminate and come to an end with the Collective Bargaining Agreement or any extension or renewal thereof, or prior thereto by an instrument in writing executed by the Clothing Manufacturers Association of the United States or America and the Union and approved by the Board of Directors of the Clothing Manufacturers Association of the United States of America and the General Executive Board of the Union. Notwithstanding the foregoing, and if the Clothing Manufacturers Association shall enter into a new national collective bargaining agreement during the term of this Agreement and said Agreement changes the rate and/or allocation of Employer contributions under paragraph 3 hereof, the Employer expressly agrees to contribute at the rate called for in the said national agreement as of the effective date thereof.
7. The primary purpose of this Supplemental Agreement being to provide a practical plan for life, accident and health insurance, and health care services and other insurance benefits for employees and their families, it is understood that the form of the plan, and of this Supplemental Agreement and of the Agreement and Declaration of Trust, shall not give rise to a literal or formal interpretation or construction. Such interpretation or construction shall be placed on this Supplemental Agreement, and the Agreement and Declaration of Trust, as will assist in the functioning of the plan, for the benefit of employees and their families, regardless of form.
8. In no event will the Employer be entitled to the return of any part of any contribution made hereunder.
9. Regardless of the date on which the within Supplemental Agreement shall be executed, the within Supplemental Agreement shall be effective as of May 1, 2004, with the same force and effect as if it had been actually executed on that date.
10. Neither the execution of this Supplemental Agreement nor any provision herein contained, or contained in any other agreement affecting the same, shall be

deemed to release the Employer from any contribution or contributions provided for in any prior supplemental agreement or agreements, and which have become due and payable to the Fund referred to in any such supplemental agreement or agreements, and not yet paid to such Fund.

**IN WITNESS WHEREOF**, the parties hereto have caused this Supplemental Agreement to be executed by their duly authorized representatives as of the day and year first above written.

EMPLOYER:

\_\_\_\_\_

By: \_\_\_\_\_  
Title

\_\_\_\_\_ of  
UNITE

By: \_\_\_\_\_  
Title

ADDRESS OF EMPLOYER:

\_\_\_\_\_  
\_\_\_\_\_

UNITE NATIONAL HEALTH FUND BY  
UNITE FUND ADMINISTRATORS, INC.

By: \_\_\_\_\_  
Title

EXHIBIT 2

UNITE NATIONAL RETIREMENT FUND

SUPPLEMENTAL AGREEMENT DATED AS OF \_\_\_\_\_  
BETWEEN \_\_\_\_\_ (HEREIN CALLED THE "EMPLOYER") AND THE  
\_\_\_\_\_ JOINT BOARD OF UNITE (HEREIN CALLED THE  
"UNION") AND THE UNITE NATIONAL RETIREMENT FUND (HEREIN CALLED "THE  
FUND") (THE SUPPLEMENTAL AGREEMENT)

WITNESSETH:

WHEREAS, the Employer and the Union have executed a Collective Bargaining Agreement (herein called the "Collective Bargaining Agreement") which is now in full force and effect, and

WHEREAS, as part of the consideration for the execution, renewal or extension of the Collective Bargaining Agreement by the Union, the Employer agreed to contribute sums of money equal to a stated rate per hours worked by covered employees to a fund or funds to be used to provide pensions or other retirement benefits to employees and to execute a supplemental agreement in the form of this Supplemental Agreement providing such contributions and the applications thereof,

NOW THEREFORE, in consideration of the premises the Union and the Employer agree that the Collective Bargaining Agreement shall be supplemented as follows:

1. Definitions:

(A) The term "bargaining unit employees" as used in this Supplemental Agreement means all of the members of the bargaining unit covered by the Collective Bargaining Agreement between the Employer and the Union.

(B) The term "hours" as used in this Supplemental Agreement means all of the hours of the bargaining unit employees (as defined in sub-paragraph (A) hereof) including holiday and vacation hours.

2.A(i) Commencing on the pay day of the week of \_\_\_\_\_ and \_\_\_\_\_ monthly thereafter, through and including \_\_\_\_\_, the Employer shall pay to the Fund designated under an Agreement and Declaration of Trust as most recently amended as of May 31, 2000 the terms and provisions of which Agreement and Declaration of Trust as amended, are herein specifically incorporated by reference, \_\_\_\_\_ cents (\$\_\_\_\_\_) per hour worked including holiday and vacation hours.

(ii) Commencing on the pay day of the week of \_\_\_\_\_ and \_\_\_\_\_ monthly thereafter, through and including \_\_\_\_\_, the Employer shall pay to the Fund designated

under an Agreement and Declaration of Trust as most recently amended as of May 31, 2000 the terms and provisions of which Agreement and Declaration of Trust as amended, are herein specifically incorporated by reference, \_\_\_\_ cents (\$.\_\_\_\_) per hour worked including holiday and vacation hours.

3. The Employer shall furnish to the Fund, upon request, such information and reports as the Fund may require in the performance of its duties under any of the Agreements and Declarations of Trust. The Fund, or any authorized agent or representative of the Fund, shall have the right at all reasonable times during business hours to enter upon the premises of the Employer and to examine and copy such of the books, records, papers and reports of the Employer as may be necessary to permit the Fund to determine whether the Employer is fully complying with the provisions of paragraph 2 hereof.

4. No employee shall have the option to receive instead of the benefits provided for by any of the Agreements and Declarations of Trust any part of the contribution of the Employer. No employee shall have the right to assign any benefits to which he may be or become entitled under any of the Agreements and Declarations of Trust or to receive a cash consideration in lieu of such benefits either upon termination of the trust therein created, or through severance of employment or otherwise.

5. A. This Supplemental Agreement and the Collective Bargaining Agreement and the Agreement and Declaration of Trust shall be construed as a single document, and all of the provisions of the Collective Bargaining Agreement relating to the administration and enforcement thereof shall apply to the administration and enforcement of this Supplemental Agreement, provided however that any controversy, claim, complaint, grievance or dispute arising out of or relating to the provisions of this Supplemental Agreement or the interpretation, breach, repudiation, application or performance thereof, shall be referred by the Union, the Fund or the Employer for arbitration and determination as hereinafter provided:

(1) Dr. Philip Ross, is designated as the Arbitrator under this Supplemental Agreement. In the event of the unavailability of the said Dr. Philip Ross, Roger Maher shall serve as Arbitrator.

(2) The powers of the Arbitrator and the procedures for Arbitration hereunder shall be as hereinafter provided. The decision, order, direction, award or action of the Arbitrator shall be final, conclusive, binding and enforceable in a court of competent jurisdiction.

In addition to the powers which the Arbitrator may possess pursuant to the within Supplemental Agreement or by operation of law, in the event of any breach or threatened breach of this Supplemental Agreement, the Arbitrator, after a hearing, may issue an award providing for a mandatory direction or prohibition.

The parties consent that any papers, notices or processes, including subpoenas, necessary or appropriate to initiate or continue an arbitration hereunder or to enforce, confirm, vacate or modify an award, may be served by certified mail directed to the last known address of the Employer, the Union and the Fund.

The Union or the Employer or the Fund may call such arbitration hearing by giving five (5) days notice by certified mail or two (2) days notice by telegram to the other parties. The Arbitrator, however, if he deems it appropriate, may call a hearing on shorter notice. The parties consent that arbitration hearings shall be heard at such place as the Arbitrator may designate.

The parties agree that the oath of the Arbitrator is waived and consent that he may proceed with the hearing on this submission. In the event a party to arbitration should default in appearing before the Arbitrator, the Arbitrator is hereby empowered to take the proof of the party or parties appearing and render an award thereon.

The Employer's pertinent books, vouchers, papers and records shall be available for examination by duly authorized representatives of the Arbitrator to determine whether there is full compliance with the terms of this Supplemental Agreement.

The Arbitrator shall also have the authority in such case as he shall deem proper to include in his award against the Employer the reasonable costs of collection, including, but not limited to, the Arbitrator's fees, legal fees, interest, liquidated damages, auditing and accounting costs; providing, however, that no costs of collection shall be awarded against the Employer unless the said award shall also find that the Employer has failed to perform and comply with the terms and provisions of this Supplemental Agreement.

B. The Fund, in its own name, may institute or intervene in any proceeding at law, in equity, in bankruptcy or arbitration proceedings for the purpose of effectuating the collection of any sums due to them from the Employer under the provisions of paragraph 2.

6. The provisions of this Supplemental Agreement shall remain in full force and effect for the full term of the Collective Bargaining Agreement and of any extensions or renewals thereof, but shall terminate and come to an end with the Collective Bargaining Agreement or any extension or renewal thereof, or prior thereto by an instrument in writing executed by (a) a majority of the Employer Trustees of the Fund provided for in the Agreement and Declaration of Trust and (b) UNITE.

7. The primary purpose of this Supplemental Agreement and the said Agreement and Declaration of Trust being to provide a practical plan for the benefits upon their retirement, it is understood that the form of the plan, and of this Supplemental Agreement and of the Agreement and Declaration of Trust, shall not give rise to a literal or formal interpretation or construction. Such interpretation or construction shall be placed on this Supplemental Agreement, and the Agreement and Declaration of Trust, as will assist in the functioning of the plan, for the benefit of employees, regardless of form.

8. In no event will the Employer be entitled to the return of any part of any contribution made hereunder.

9. Regardless of the date on which the within Supplemental Agreement shall be executed, the within Supplemental Agreement shall be effective as of \_\_\_\_\_, with the same force and effect as if it had been actually executed on that date.

### EXHIBIT 3

**LICENSE AGREEMENT** made as of the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_,  
between \_\_\_\_\_ of UNITE, AFL-CIO, CLC  
(herein called the "Licensor") and /or the international union of UNITE, AFL-CIO,  
CLC, (herein called "UNITE") and the EMPLOYER (herein called the "Licensee").

**WHEREAS**, UNITE, a labor organization, has designed, adopted copyrighted and registered and is now the owner of labels for the identification of men's and boys' clothing which is the product of the labor of its members, a facsimile of which is as follows:



The foregoing labels are herein referred to severally as the "suit label", "garment label" and the "trouser label" and collectively as the "labels"; and

**WHEREAS**, UNITE has authorized the Licensor, if any, to enter into this License Agreement; and

**WHEREAS**, the Licensee, a manufacturer of men's and/or boys' clothing, is in contractual relations with the Licensor and/or UNITE under a collective bargaining agreement in which the Licensee has agreed to affix copies of the labels to men's and boys' clothing manufactured by the Licensee to identify such clothing as the product of members of UNITE and to meet the demand of the consuming public.

**NOW, THEREFORE**, the Licensor and/or UNITE and the Licensee agrees as follows:

1. The Licensor and/or UNITE grants the Licensee a non-exclusive and non-assignable license to affix copies of the labels supplied by UNITE to Men's and boys' clothing manufactured by the Licensee only for its own use or the use of any other manufacturer licensed by the Licensor, UNITE or any of its affiliates; or, for the Licensee by contractors registered by the Licensee pursuant to the provisions of the said collective bargaining Agreement. The License shall not extend to any garments manufactured by the Licensee or by its registered contractors for any other manufacturer not licensed by the Licensor, UNITE or any of its affiliates.



the aforesaid collective bargaining agreement or the terms of this License Agreement. However, the right of the Licensee to use the label shall not be terminated until an opportunity is given to the Licensee to appear and be heard before the General Officers of UNITE.

9. In addition to the Label herein provided for, each garment sold by the Licensee bearing a size ticket shall have imprinted on the said size ticket a legend to the effect that the same is manufactured by UNITE labor, or a facsimile of the union label. The exact copy to be printed on the size ticket shall be set by mutual agreement between the Clothing Manufacturers Association of the USA and the International Union. The text shall be the copyright of the CMA and the Union and may be used only so long as the Licensee shall have the right to use the labels pursuant to Paragraph 7 above.
10. In the event of the termination of this License Agreement, the Licensee shall forthwith deliver to UNITE all copies of labels then in the Licensee's possession or control, and forthwith cease and desist from using size tickets bearing the legend provided for in Paragraph 8 above.
11. The exclusive right to institute legal proceedings for any unauthorized use of the labels shall remain in UNITE, but UNITE shall not be liable to the Licensee for any failure to institute such proceedings.

**IN WITNESS WHEREOF**, the parties have hereunto set their hands and seals as of the day and year first above written.

\_\_\_\_\_ of  
UNITE

Licensor

By \_\_\_\_\_

Licensee

By \_\_\_\_\_

Approved:

UNITE

By: /s/ Bruce Raynor  
President

May 17, 2004

Homi B. Patel, President  
Clothing Manufacturers Association  
of the United States of America  
730 Broadway - 9th Floor  
New York, NY 10003

Dear Mr. Patel:

The purpose of this letter is to delineate the Union's understanding of the issues and procedures to be followed in handling "local issues."

1. The term "local issues," subject to the procedures of Paragraphs 4 and 5 of this letter shall not include any item included by either party in the national negotiations leading to the agreement of May 1, 2004, unless that issue is listed in Paragraph 3 below.

Notwithstanding any of the foregoing, in the event any employer or union affiliate in the ninety days following execution of the National Agreement, wishes to propose changes in contract language, contract interpretation or method of contract provision implementation they may do so in writing. In such event, the employer and the union shall discuss in good faith the proposed modifications, provided however, that failure to agree shall not be subject to arbitration nor lead to a waiver of the no strike/no lockout provisions of the agreement, and provided further that no proposed modification may be implemented without the mutual consent of both parties.

2. The Union and the Employer will furnish the other with a list of its "local issues" as soon as practicable. It is understood, however, that either party may add additional "local issues" during the negotiations.

3. "Local issues" shall include but are not limited to:

a. Non-discriminatory seniority provisions complying with Title VII requirements and meeting, to the extent legally permissible, existing local procedures.

b. Utilization of employer contributions for local benefit programs.

c. Time work and piece work minima for those classifications set forth in Schedule A to the collective bargaining agreement dated June 1, 1971 or otherwise provided by local and/or market agreements but not including a general piece work minimum.

Homi B. Patel, President  
May 17, 2004  
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d. Additions to (but not including office clerical employees unless heretofore included in joint board or local market agreements) or eliminations from the unit definition contained in Article I of the National Agreement.


4. Negotiations on local issues will begin as soon as possible after the conclusion of national bargaining.

5. Local issues shall be resolved by local bargaining within ninety (90) days, unless such period is extended by mutual agreement. Local issues not resolved within such period shall be submitted to arbitration under the procedures set forth in the appropriate local collective bargaining agreement. The arbitration of such issues shall be determined on the substantive merits of the issue without regard to the existing terms of the collective bargaining agreement.

6. It is specifically agreed that the term of the Collective Bargaining Agreement shall be provided by the settlement reached during national bargaining, even though local negotiations have yet to be concluded.

Very truly yours,

UNITE, AFL-CIO, CLC

  
Bruce Raynor, President

ACCEPTED:

CLOTHING MANUFACTURERS ASSOCIATION  
OF THE U.S.A., INC.

  
Homi B. Patel, President