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Working Agreement

**ATLANTIC APPAREL
CONTRACTORS' ASSOCIATION, INC.**

with

**PENNSYLVANIA, OHIO AND SOUTH JERSEY
JOINT BOARD, UNITE,
AFL-CIO, CLC**

**Union of Needletrades, Industrial and
Textile Employees, AFL-CIO, CLC**

Effective:

June 1, 2001 until May 31, 2004

34 pages

Agreement

between

**ATLANTIC APPAREL CONTRACTORS'
ASSOCIATION, INC.**

and

**PENNSYLVANIA, OHIO AND SOUTH JERSEY
JOINT BOARD UNITE!
AFL-CIO, CLC**

**UNION OF NEEDLETRADES, INDUSTRIAL
AND TEXTILE EMPLOYEES
AFL-CIO, CLC**

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AGREEMENT of understanding effective the 1st day of June, 2001, between the ATLANTIC APPAREL CONTRACTORS ASSOCIATION, INC., with offices located at 107 East Main Street, Suite 202, Bath, Pennsylvania 18014, hereinafter designated as the "Association," and the PENNSYLVANIA, OHIO AND SOUTH JERSEY JOINT BOARD UNITE, AFL-CIO, CLC, hereinafter designated as the "Union."

WITNESSETH:

WHEREAS, the Association represents that it consists of members who are engaged principally as contractors in the manufacture of blouses, blousesettes, waists (not part of an ensemble), gilets, vestees and tunic blouses, knitwear, sportswear, and other similar products; and

WHEREAS, the workers employed by the members of the Association have duly designated the Union as their exclusive bargaining representative for the purpose of collective bargaining with respect to rates of pay, wages, hours, and other conditions of employment; and

WHEREAS, the parties desire to cooperate in establishing conditions which will tend to secure a living wage, improved working conditions and fair competition insofar as labor cost is concerned, and to provide methods for a fair and peaceful adjustment of all disputes that may arise between the parties;

NOW, THEREFORE, in consideration of the mutual promises and obligations herein assumed and contained, and other good and valuable considerations, the parties agree as follows:

ARTICLE FIRST: DEFINITIONS

For the purpose of this Agreement:

1. "Employer" means a member of the Association.
2. "Manufacturer" means one who produces all or part of its garments in its inside shop and from its own material and, when needed, uses contractors for its surplus production.
3. "Jobber" means one who does not produce garments on its premises or in its inside shop but who has them manufactured for it by contractors, and who may or may not employ cutters and/or samplemakers.
4. "Contractor" means one who manufactures garments from cut or uncut materials for a manufacturer or jobber. A contractor also means one that is engaged exclusively in the business of cutting material for garments.
5. "Non-Union Contractor" means one who is not in contractual relations with the International or any of its affiliates.
6. "Inside Shop" means one that is owned, conducted and controlled by a jobber or manufacturer in which it produces its own garments from its own materials.
7. "Union Shop" means one whose owner is bound under a collective agreement with the International or any of its affiliates and complies with its terms.
8. "Workers" means workers in the bargaining unit covered by this Agreement as defined in ARTICLE THIRD, as well as those who may hereafter be included therein.
9. "International" means the Union of Needletrades, Industrial and Textile Employees.

**ARTICLE SECOND: UNION RESPONSIBILITY FOR
ADMINISTERING AND ENFORCING AGREEMENT**

The Union shall be the proper party to administer, enforce and obtain compliance with the provisions of this Agreement on behalf of itself and all bargaining unit workers who are employed by the Employer. The sole persons authorized or having the power to bind the Union legally with respect to matters arising out of this Agreement, or arising out of the relations between the Association, Employers, and the Union, or to subject the Union to any liability whatever by reason of any act or omissions, are the respective Directors, District Managers, and the respective designated business agents servicing the shop (or such substitute or additional persons as the Union may hereafter formally designate by written notice to the Employer). The Union shall not be responsible for the acts or omissions of any other persons, including members and employees of the Union. The Union, in entering into or administering this Agreement, is not an agent of or acting on behalf of the International.

ARTICLE THIRD: BARGAINING UNIT AND RECOGNITION

1. The bargaining unit consists of all workers in the crafts set forth in ARTICLE SEVENTEENTH employed by the members of the Atlantic Apparel Contractors' Association under collective bargaining agreements with the Union.

2. It is agreed that the Union represents the overwhelming majority of workers employed by members of the Association and that the Union shall be the sole and exclusive bargaining agent for all workers in the aforesaid bargaining unit. The Employer further agrees that neither it nor any of its members, their officers, agents, or other representatives shall, directly or indirectly, discourage membership in the Union or in any of the Locals of the International.

ARTICLE FOURTH: UNION MEMBERSHIP

1. Good standing membership in the International shall be a condition of employment with an Employer for all bargaining unit workers who have such membership on the date of execution of this Agreement; it shall also be a condition of employment with an Employer for all other bargaining unit workers on and after the thirtieth (30th) day following the execution or effective date of this agreement, or on or after the thirtieth (30th) day following the beginning of their employment, whichever is the later.

2. "Good standing membership in the International," for purposes of this ARTICLE, means such membership in the International through membership in a local union, or in any other affiliate of the International.

ARTICLE FIFTH: MUTUAL OBLIGATIONS

1. The Association by this Agreement contracts for and in behalf of itself and all of its members.

The Union by this agreement contracts for and in behalf of itself and all workers now employed or hereafter to be employed in the bargaining unit by members of the Association, directly or indirectly.

2. The Association obligates itself and its members to observe all the provisions of this Agreement in good faith.

The Union obligates itself and its members that all such provisions will be observed in good faith and that workers in the bargaining unit will perform their work conscientiously, faithfully and efficiently under the terms of this Agreement.

ARTICLE SIXTH: EMPLOYER'S OBLIGATION

In order to protect and preserve the rights of employees of each Employer who manufacturers all or part of a jobber's or manufacturer's garments, or who manufacturers all or part of a jobber's or manufacturer's garments of an Employer's successor, assign, purchasers or transferee as part of the integrated process:

1. All of the terms and provisions of this Agreement shall be binding upon each Employer and upon its successors and assigns.

2. The Employer selling or transferring its business or its shop or shops to another shall nevertheless continue to be liable for the complete performance of the terms and provisions of this Agreement by the purchaser or transferee until the purchaser or transferee expressly, in writing, assumes such performance and agrees to be fully bound by the terms and provisions of this Agreement.

ARTICLE SEVENTH: EMPLOYERS' CONTINUING OBLIGATIONS

1. Each member of the Association at the time of execution of this Agreement, and such members' successors and assigns, and the persons, firms and corporations becoming members thereof subsequent to the execution of this Agreement, shall be and each shall continue to remain personally and individually liable under this Agreement for and during the term hereof, irrespective of whether the said members shall cease to be members of the Association prior to the date of expiration of this Agreement, and such liability shall be deemed to have survived the termination of such membership and shall continue for and during the term hereof. The Impartial Chairman shall have the right to determine whether any firm is a successor or an assign of an Employer.

Furthermore, an Employer who ceases to be a member of the Association shall deal with the Union individually and shall not be entitled to representation by the Association in adjustment of disputes hereunder or otherwise. Accordingly, the Union shall have the right to require such Employer to post with the Union a bond with surety in an amount determined by the Union, which shall be reasonably computed, to secure the full payment of such Employer's proportionate share of the Impartial Chairman's compensation and the full performance of its other obligations under this Agreement.

2. In order to protect and preserve the rights of employees, of each Employer who manufacturers all or part of a jobber's or manufacturer's garments, or who manufacturers all or part of a jobber's or manufacturer's garments of an Employer's successor, assign, purchaser or transferee as part of the integrated process the Employer shall not enter into partnership or consolidate or merge with or become the successor or assign of another person, firm or concern in the industry unless the new firm assumes all accrued obligations to the Union, to the benefit funds hereinafter named, and to the workers of the constituent concern. Upon the formation of such a partnership, or upon such consolidation or merger, such new firm shall give preference in employment to the workers of the absorbed concern over all other workers except those then employed by the firm that continues in business.

ARTICLE EIGHTH: SUBSIDIARY, AUXILIARY AND AFFILIATED FIRMS

1. Subsidiary, auxiliary and affiliated firms or corporations of an Employer shall, for the purpose of this Agreement, be deemed to be members of the Association and bound by all the terms of this Agreement. In addition, each Employer shall be liable for any violation of this Agreement by its subsidiary, auxiliary or affiliate.

2. The impartial Chairman shall have the right to determine whether any firm or corporation is a subsidiary, auxiliary or affiliate of an Employer, and shall be guided by proof of facts tending to establish any direct or indirect connection or interest between them, or tending to establish a plan, scheme or device by an Employer to avoid or evade the provisions of this Agreement by or through such subsidiary, auxiliary or affiliate, directly or indirectly.

ARTICLE NINTH: ASSOCIATION LIST

The Association shall immediately submit to the Union a full list of its members, together with the names of the officers of such members as are corporations and of the individual members of such as are co-partners, and shall notify the Union of all changes in and additions to the list of members as they may occur, as well as all cases of resignations, suspensions and expulsions from the Association.

ARTICLE TENTH:

OBLIGATION TO MAINTAIN AND DEAL ONLY WITH UNION SHOPS

In order to protect and preserve the rights of employees of each Employer who manufacturers all or part of a jobber's or manufacturer's garments as part of the integrated process, the Association agrees that each of its members will maintain a Union shop and will deal only with such jobbers or manufacturers who are in contractual relations with the Union or with the International or an affiliate thereof.

ARTICLE ELEVENTH:

STRUCK WORK - CROSSING PICKET LINES

To the extent that each Employer's manufacturing work involves the integrated process of production of a jobber's or manufacturer's garments, the Employer and its jobber and manufacturers have a close unity of interest with each other and in any labor dispute, and to such extent, the Employer and its jobber and manufacturers are not neutrals with respect to each other but are jointly engaged in an integrated production effort. Accordingly, the parties agree, as follows:

1. The Employer shall not perform any work for or receive any garments for manufacture from any jobber or manufacturer engaged in the apparel and clothing industry against whom a strike has been declared or against whom a labor dispute is pending until such strike or labor dispute in each case has been fully settled, and in no event shall it request or require any of its workers to perform work on any garments received from or destined directly or indirectly for such firm. Performance of such work shall not be deemed in the regular course of the workers' employment and the workers need not perform such work, and their refusal to do so shall not be deemed a breach of this Agreement.

2. To the extent permitted by law, it shall not be considered a breach of this Agreement on the part of the Union or on the part of any individual worker or workers if they refuse to cross any picket line recognized by the International or any affiliate thereof or to enter upon such picketed premises of an Employer, either of his or their own volition or by direction of the International or an affiliate thereof. Such refusal shall not be cause for discharge or discipline.

ARTICLE TWELFTH:

CONTRACTOR DESIGNATION - INTEGRATED PRODUCTION

The International and its affiliates have a bona fide interest in labor conditions existing in all shops manufacturing garments in an integrated production effort and a close unity of interest exists among the workers manufacturing garments without regard to where they are employed. Each Employer and the jobbers or manufacturers for whom it manufactures garments or performs work or

with whom it otherwise deals are closely allied and have a close unity of interest with each other in the manufacture of such garments or the performance of such work or in such other dealings.

For the purpose of stabilizing the conditions of employment; to protect the employment and work opportunities, job security and standards of all the workers in all of the crafts covered by this Agreement; to assure the elimination of substandard wages, long hours of work, irregularity of employment, inequality of treatment, and other inferior standards; to secure equal conditions and standards of labor to and among all the workers in the industry, whether they work in inside shops or in the shops of contractors; and to achieve greater stability of employment through equitable distribution of work among such workers; and enforcing the provisions of this Agreement, the Association and the Employer each agrees:

1. An Employer shall not, directly or indirectly, deal with or manufacture any garments for any person, firm or corporation which is not in contractual relations with the International or an affiliate thereof.

2. Each Employer shall, immediately upon the signing of this Agreement, notify the Union of the names of each and every jobber or manufacturer with whom it is dealing and for whom it is working and shall notify the Union of any changes as they occur.

3. The Union shall furnish the Association periodically with a list of Union shops manufacturing garments and with a list of firms against which strikes are pending.

4. An Employer shall not send any unfinished garments to any jobber or manufacturer.

5. No Employer shall have work performed outside of its own shop or shops unless a provision permitting it to do so is executed by such Employer, the Association and the Union allowing it to do so and setting forth the terms and conditions of such an arrangement.

ARTICLE THIRTEENTH: HOURS - OVERTIME

1. The regular work week shall be thirty-five (35) hours divided equally among the five (5) days Monday through Friday. All work outside of the daily regular hours or on Saturday, by either a piece worker or a week worker, shall be overtime work except as otherwise provided in this Paragraph. All overtime shall be paid at the rate of time and one-half. There shall be no more than one (1) shift a day unless notice is given to the Union in which proposed specific hours are set forth and permission is granted, which approval shall not be unreasonably withheld.

2. Overtime shall be voluntary and may be performed only upon Union approval. The Employer agrees, to the extent possible, to give employees reasonable advance notice of overtime work. However, no overtime work shall be performed on Sunday.

3. Workers who work over seven (7) hours in one day are to be paid at the rate of time and one-half for such work, except it shall be a violation of the concept and meaning of the Agreement should a worker voluntarily and without proof of just cause absent himself from available work some time during the week in which such overtime is worked. Just cause shall include but not be limited to hospitalization, death in immediate family, injury of child or spouse, etc.

4. Whenever a worker has voluntarily lost work during the period from Monday to Friday, that worker shall be permitted to voluntarily make up the lost time by performing work on Saturday. In this event only, the worker shall be paid straight time for the hours of work performed on Saturday.

5. (a) The first occasion of a worker absenting himself from work voluntarily and without proof of just cause during the week in which overtime is worked, the Employer shall pay overtime on a daily basis.

(b) The second or subsequent occasion of a worker absenting himself from work voluntarily and without proof of just cause during the week in which overtime is worked, the Employer shall be entitled to pay overtime after 35 hours of work in that week.

(c) The burden of proof of just cause is the responsibility of the worker. However, if the worker is able to submit proof of just cause that is mutually satisfactory to the Union and the Employer, the worker shall then be paid the overtime on a daily basis.

6. (a) Employees who request starting times other than the regularly scheduled starting and finishing times of the factory with the approval of the Employer, may, only with the consent of the Union given in writing, work a full seven (7) hours from the starting time before becoming eligible for daily overtime.

(b) Note: The usual policy of the Union is to require time and one-half for all hours after the shop quitting time and for all hours worked before the shop starting time. Administratively, it is easier to enforce and police an agreement if this is done. The above paragraph, however, permits the manager of a district to use decent reasonable judgment on this question depending on the facts and circumstances of each case. In some areas where help is very difficult to get, occasionally mothers are available to work at odd times and the Employer and the workers are such that they can be "trusted," and you will want to agree that a worker under those circumstances will have to work 7 hours before getting overtime, even though the 7 hours takes her past the normal quitting time in her shop.

ARTICLE FOURTEENTH: WAGE INCREASES

1. **Time Workers.** Effective June 4, 2001, all time workers shall receive an increase of three (3%) percent over their respective wages on May 31, 2001. Effective June 3, 2002, they shall receive an additional increase of three (3%) percent over their respective wages existing on May 31, 2002. Effective June 2, 2003, all time workers shall receive an increase of three (3%) percent over their respective wages on May 31, 2003. The parties will meet to negotiate separate and additional increases for shipping, receiving and warehouse centers.

2. **Piece Workers.** Effective June 4, 2001, all piece workers shall receive an increase of three (3%) percent on the aggregate total of their respective weekly earnings, not merely on their basic piece rate earnings. This means a new add-on of seven hundred twenty-two (722%) percent. Effective June 3, 2002, they shall receive an additional increase of three (3%) percent on the aggregate total of their basic piece rate earnings. (The then existing seven hundred twenty-two (722%) percent shall be increased to seven hundred forty-four (744%) percent.) Effective June 2, 2003, all piece workers shall receive an increase of three (3%) percent on the aggregate total of their basic piece rate earnings. (The then-existing seven hundred forty-four (744%) percent shall be increased to seven hundred sixty-six (766%) percent.)

3. **Knitwear.** For those of the members of the Atlantic Apparel Contractors' Association, Inc. that belong to the Knitwear Division, the percentage add-on June 4, 2001 will be six hundred thirty-two (632%) percent. Effective June 3, 2002, the percentage add-on will be six hundred fifty-one (651%) percent. Effective June 2, 2003, the percentage add-on will be six hundred ninety (690%) percent.

ARTICLE FIFTEENTH: CHANGES IN COST OF LIVING

1. If the parties to the Sportswear Major Market Agreement implement a cost of living increase during the term of this Agreement, the Employer shall pay the increase hereinafter provided. The Sportswear Major Market Agreement provides that if the U. S. Consumer Price Index for the period May 1, 2001, as reported in June, 2001, through April 30, 2003, as reported in May, 2003, increases more than nine (9%) percent, there shall be an additional wage increase of up to one (1%) percent, effective June 2, 2003, for all time and piece workers, and in the minimums scales in the agreement. Further, should the U.S. Consumer Price Increase for Urban Wage Earners and Clerical Workers, U.S. Cities Average, all cities, all items, for the eighteen (18) month period of June, 2001 through December, 2002, printed and released in the months of June, 2001 and December, 2002, increase eight and one-half (8.5%) percent, the regular hourly wages of all piece and time workers shall be increased by two (2%) percent. An hourly increase of three (3%) percent shall be paid for a Consumer Price Index increase of nine (9%) percent. An hourly increase of four (4%) percent shall be paid for a Consumer Price Index increase of nine and one-half (9.5%) percent. An hourly increase of four and one-half (4.5%) percent shall be paid for a Consumer Price Index increase of ten (10%) percent or more. The total cost of living increase payable under this provision shall not exceed four and one-half (4.5%) percent.

2. Wage increases due hereunder shall be effective January 1, 2003.

ARTICLE SIXTEENTH: HOLIDAYS

1. All time workers and piece workers shall be paid for the following legal holidays:

- | | |
|-----------------------|---------------------------------|
| Washington's Birthday | Friday following Thanksgiving * |
| Good Friday | Christmas Day * |
| Memorial Day | New Year's Day |
| Independence Day | Individual's Birthday |
| Labor Day | One Personal Day |
| Thanksgiving Day | Bonus Holiday Pay |

* On an individual shop basis, an Employer may, with the consent of its employees and the approval of the Union, substitute additional personal days in lieu of the day after Thanksgiving and Christmas. The day after Thanksgiving and Christmas shall remain a scheduled day off. In such event, the Employer shall notify the Union through the Association of its intention to seek the employees' approval to such substitutions at least 30 days prior to the day after Thanksgiving and/or Christmas. The substitution will be a guaranteed paid holiday and not subject to the 180-day eligibility rules for personal days in Paragraph 4 of this Article. All other rules relating to the taking of personal days shall apply.

2. Each Employer shall be responsible for and guarantees the payment of full holiday pay for each of the said holidays to all bargaining unit time and piece workers employed by it, regardless of whether such holidays fall on a working or non-working day of the week or in any non-working week. Holiday pay shall be computed at seven (7) times the worker's average hourly earnings. Those holidays which may fall during a designated vacation period shall be paid at each worker's individual average.

If a member of the Association requests and if the workers agree, the Union will allow the shop to work one-half (1/2) day on Good Friday. Any such half day shall not exceed three and one-half (3-1/2) hours, and shall be paid for at the rate of time and one-half in addition to the holiday pay. An employee may elect to work on her birthday, and shall be paid for hours worked at the regular rate plus the holiday pay.

3. New employees will be eligible to receive the individual's birthday commencing on the one hundred eighty-first (181st) calendar day of employment.

4. **Personal Day.** Commencing on the one hundred eighty-first (181st) calendar day of employment, any employee who wishes to take a personal day off must notify the Employer at least one week in advance. No more than one employee may absent herself or himself from any section without permission of the Employer.

A personal day must be mutually agreed upon between the employee and the Employer. The personal day shall not be added to another holiday or to vacation unless agreed to by the Employer.

In the event of a dispute between the employees, seniority will prevail.

5. **Holiday Pay Eligibility.**

(a) A new worker must work thirty (30) working days before being eligible for holiday pay.

(b) Except as herein provided, workers will not receive holiday pay if they voluntarily absent themselves the calendar working day before or the first scheduled working day after the holiday when work is available, provided that such scheduled working day is within five (5) days after the holiday.

(c) A worker laid off shall, upon being recalled to work, be entitled to holiday pay for all the holidays which occurred during the first forty-three (43) days of the layoff, provided the worker has worked at least one (1) day within a period that encompasses twenty-one (21) days before and twenty-one (21) days after the holiday. The term layoff includes unemployment due to lack of work, illness, or a bona fide leave of absence.

6. An Employer may close his shop on the religious holidays Easter Monday, Yom Kippur, and/or Day of the Ascension, provided the Employer first informs the Association and the Association then immediately informs the Union's District Manager. In such circumstances, the Employer may schedule work for the Saturday following the holiday, and if the workers wish to make up their lost time they may do so, but such work will be paid for at straight time.

7. Each Employer shall pay to each worker eligible for the fourth week vacation pay (the worker must have been employed in the same shop from October 1st of the preceding year through September 30th of the current year) a bonus of one-half of one percent (.5%) of the wages earned by the employee in the preceding calendar year. The bonuses shall be paid no later than December 24 of each year.

ARTICLE SEVENTEENTH: MINIMUM WAGE SCALES

1. Workers in the crafts below shall be employed on a week work basis and shall receive not less than the following guaranteed minimum wage for a 35 hour week:

| a. Craft | Effective <u>6/4/01</u> | Effective <u>6/3/02</u> | Effective <u>6/2/03</u> |
|---|----------------------------|----------------------------|----------------------------|
| Cutters | 12.00 | 12.20 | 12.40 |
| Spreaders | 10.30 | 10.50 | 10.70 |
| Operators, Pressers | 7.25 | 7.45 | 7.65 |
| *Head Shippers | 8.80 | 9.00 | 9.20 |
| **Sample Hand | 9.20 | 9.40 | 9.60 |
| Floor Workers, Cleaners, Assorters | 6.90 | 7.10 | 7.30 |
| Shipping, Receiving Warehouse and Distribution Workers | 7.25 | 7.45 | 7.65 |

*This rate for shippers and receivers shall apply to those Union members who have full responsibility and authority in their respective departments—for example, shippers who route goods, check freight rates and delivery schedules, etc. Determination of these individuals shall be mutually agreed upon by the District Manager and the Employer or his Association. This determination shall be done on an individual basis. Workers not classified as head shippers, etc., shall receive floor rate.

**This minimum is for true sample hands. The true sample hand is an operator who works directly with a designer in a sample room.

b. If the negotiated increase for time workers will yield a higher amount than the minimum, the worker must receive the higher amount.

c. Workers in a time work shop shall receive not less than the following guaranteed minimum wage for a 35 hour week:

| | Effective <u>6/4/01</u> | Effective <u>6/3/02</u> | Effective <u>6/2/03</u> |
|------------------|----------------------------|----------------------------|----------------------------|
| Time work shops: | 8.60 | 8.80 | 9.00 |

2. Minimum pay for time workers performing work normally performed on piece work shall be higher than the craft minimum paid to piece workers in the craft.

Operators & Pressers Time Work Minimum:

| | Effective <u>6/4/01</u> | Effective <u>6/3/02</u> | Effective <u>6/2/03</u> |
|-----------------|----------------------------|----------------------------|----------------------------|
| After 8 weeks | 6.90 | 7.10 | 7.30 |
| After 3 months | 7.25 | 7.45 | 7.65 |
| After 6 months | 7.70 | 7.90 | 8.10 |
| After 9 months | 8.05 | 8.25 | 8.45 |
| After 12 months | 8.45 | 8.65 | 8.85 |

3. Newly hired inexperienced workers shall be paid wages in accordance with the following schedule:

| | Effective <u>6/4/01</u> | Effective <u>6/3/02</u> | Effective <u>6/2/03</u> |
|---|----------------------------|----------------------------|----------------------------|
| Craft | | | |
| Operators & Pressers: | | | |
| 140 hours | 6.15 | 6.35 | 6.55 |
| 8 weeks | 6.40 | 6.80 | 7.00 |
| 12 weeks | 6.75 | 6.95 | 7.15 |
| 16 weeks | 6.95 | 7.15 | 7.35 |
| 20 weeks | 7.05 | 7.25 | 7.45 |
| 26 weeks | 7.25 | 7.45 | 7.65 |
| Floor Cleaners, Assorters and Miscellaneous: | | | |
| 140 hours | 6.10 | 6.30 | 6.50 |
| 8 weeks | 6.35 | 6.55 | 6.75 |
| 12 weeks | 6.70 | 6.90 | 7.10 |
| 16 weeks | 6.90 | 7.10 | 7.30 |

New Cutters:

| | | | |
|-----------|-------|-------|-------|
| 140 hours | 8.60 | 8.80 | 9.00 |
| 2 months | 9.00 | 9.20 | 9.40 |
| 6 months | 9.40 | 9.60 | 9.80 |
| 9 months | 9.80 | 10.00 | 10.20 |
| 12 months | 10.30 | 10.50 | 10.70 |
| 15 months | 10.90 | 11.10 | 11.30 |
| 18 months | 11.20 | 11.40 | 11.60 |
| 21 months | 11.60 | 11.80 | 12.00 |
| 24 months | 12.00 | 12.20 | 12.40 |

New Spreaders:

| | | | |
|-----------|-------|-------|-------|
| 140 hours | 8.05 | 8.25 | 8.45 |
| 3 months | 8.50 | 8.70 | 8.90 |
| 6 months | 8.80 | 9.00 | 9.20 |
| 9 months | 9.20 | 9.40 | 9.60 |
| 12 months | 9.60 | 9.80 | 10.00 |
| 15 months | 9.80 | 10.00 | 10.20 |
| 18 months | 10.30 | 10.50 | 10.70 |

4. **Piece Rates.** With respect to operators and all other piece workers, the piece rates for each separate operation or section shall be set so that the actual straight time earnings of the workers on the operation or section average not less than thirty-three and one-half (33-1/2%) percent above the applicable minimum herein-above set forth. In computing said average, workers with less than one (1) year's experience in the industry, or sixteen (16) weeks on the specific operation or section, or declared "special," shall be excluded.

5.(a) **Special Workers.** If an Employer believes a worker's make-up is excessive, the Employer shall have the obligation to submit a validation of the piece rates applied to the operations being done by the worker. The Union shall have the right to check that validation and, if necessary, assign qualified engineers to evaluate the piece rates. Upon agreement by both parties (engineers), the worker shall be declared substandard and shall be paid at not less than the following rates:

| Effective | Effective | Effective |
|---------------|---------------|---------------|
| <u>6/4/01</u> | <u>6/3/02</u> | <u>6/2/03</u> |
| 6.25 | 6.45 | 6.65 |

(b) Disagreement between the parties shall be subject to arbitration by the Impartial Chairman.

ARTICLE EIGHTEENTH: CHANGE IN LEGAL MINIMUM

Whenever the federal legal minimum wage is increased, minimum wages in Paragraph 1(a) of Article Seventeenth under this Agreement shall be increased so that each will be at least fifteen (15%) percent higher than such legal minimum wage.

ARTICLE NINETEENTH: PIECE RATES

Workers shall be required to work on garments without interruption unless the piece rates have not been set within two (2) days. Thereafter, refusal to work shall not be a violation of ARTICLE THIRTY-SEVENTH. When piece rates are finally settled, such rates shall be retroactive to the inception of the work.

ARTICLE TWENTIETH: CHECK-OFF

1. Subject to the requirements of law concerning authorization and assignment by the workers individually, the Employer shall deduct membership dues (which shall be deemed to include periodic fixed dues, initiation fees and assessments) or, to the extent permitted by law, service charges, from the earnings of its workers monthly and transmit the same to the appropriate Local Union within forty-eight (48) hours thereafter.
2. The Employer agrees to honor check-off authorizations for political contributions to the Pennsylvania, Ohio and South Jersey Joint Board UNITE! Federal PAC and the Pennsylvania, Ohio and South Jersey Joint Board UNITE! PAC from workers who are members of the Union.
3. Sums deducted by the Employer under the provisions of Paragraphs 1 and 2 of this ARTICLE TWENTIETH shall be kept separate and apart from general funds of the Employer, and shall be held in trust by the Employer for the benefit of the Union or the UNITE Campaign Committee and AFL-CIO COPE, as the case may be.
4. Where, under Section 19 of the National Labor Relations Act, an employee may not be required to join or financially support the Union, he or she shall, as a condition of employment, pay the sums required to be paid under Paragraph 1 of this ARTICLE TWENTIETH: Check-Off, to one of the following non-religious, non-labor charitable funds: American Red Cross, United Way, American Cancer Association, or American Heart Association.

ARTICLE TWENTY-FIRST: EMPLOYERS' RESPONSIBILITIES FOR PAYMENTS TO WORKERS

1. Each Employer shall be responsible to the workers attached to its shop for the payment of their wages, earnings, overtime and holiday pay.
2. Where it shall be established that there has been an underpayment made by an Employer to its workers of their wages and earnings, overtime pay and holiday pay, the amount of such underpayment shall be paid by the Employer to the Union on behalf of the workers so underpaid.
3. To safeguard the labor standards and to provide for the full payment of the amounts due to workers who manufacture garments for a jobber or manufacturer:
 - (a) Each Employer shall be paid by its jobber or manufacturer an amount at least sufficient to enable it to provide its workers with the wages, earnings, overtime and holiday pay provided in this Agreement.
 - (b) No part of the amount so paid by the jobber or manufacturer to the Employer shall be used by it for payment for overhead and services. To insure against such diversion of monies intended for such workers, the Employer shall be entitled to receive from its jobber or manufacturer, in addition to the foregoing amount, a reasonable amount to cover its overhead and/or services which shall be separately agreed upon between them or their representatives.

ARTICLE TWENTY-SECOND: SHOP STANDARDS

1. The Employer shall not reduce wages or settled piece rates.
2. All wages, earnings, overtime and holiday pay shall be paid in cash or by check on the day they were customarily paid, but no later than the Friday following the week in which they were earned.
3. The Employer shall not charge a worker for any damage to materials, unless caused willfully.
4. All homework is prohibited. The Employer shall not permit any work to be done or performed on garments or parts thereof in tenement houses, basements, or in any unsanitary or unsafe building.

5. The Employer shall comply with all the standards of health, safety and sanitation, including local fire department regulations. The Employer shall be exclusively responsible for health, safety and sanitation conditions in its shops. Neither the Union nor its agents or representatives shall be liable for any job-related injury, illness or death.

(a) The Employer will provide drinking fountains. Toilets and washrooms, work and rest areas, and lunchrooms will be kept in a clean, sanitary condition, and will be well-lighted and heated.

(b) The Union and the Employer shall designate representatives to a Joint Committee on health, safety and sanitation, comprised of an equal number of Employer and Union representatives. The Committee shall meet at least monthly to take up and investigate health, safety and sanitation problems and to make recommendations for the correction of unsafe or harmful conditions and practices, and to make recommendations for rules and procedures to prevent accidents and disease and for the promotion of the health, safety and sanitation of the workers.

(c) A worker may refuse to perform work which he or she reasonably believes would pose a serious threat of injury or illness.

(d) Employees shall have the opportunity, on an annual basis, to attend, during non-work time, a health and safety training seminar.

6. No contracting or subcontracting within a shop shall be permitted.

7. There shall be no dual system of work in the same branch of work in any shop.

8. The Employer shall not make any time contract with a worker or group of workers.

9. The Employer shall supply necessary machines, tools and thread to its workers.

10. The Employer shall not discriminate against any worker or applicant for employment because of race, creed, religion, color, national or ethnic origin, citizenship, immigration status, sex, age or marital status, except as required by law. The Employer, however, shall not employ children or adolescents where such employment is prohibited by an applicable federal or state law or regulation.

11. No owner or officer of the Employer, supervisory employee, or any other person outside of the bargaining unit shall perform any work of any craft covered by this Agreement. However, they may be allowed to work on sample units.

12. The Employer shall not use private employment agencies or any other method of obtaining workers which results in the payment of a fee by workers for obtaining employment.

ARTICLE TWENTY-THIRD: TRIAL PERIOD

1. Newly hired experienced workers shall be deemed during their first four (4) weeks of employment, and newly hired inexperienced workers shall be deemed during their first eight (8) weeks of employment, to be engaged for a trial period. Thereafter, they shall be deemed regular employees. During the trial period, or any extension thereof, workers shall be entitled to the full protection of this Agreement, except against discharge.

2. The trial period may be extended upon agreement between the Employer and the Union. The Union will not unreasonably withhold its consent.

3. The Employer shall notify the Union monthly in writing of all new employees hired and of all employees terminated.

ARTICLE TWENTY-FOURTH: DIVISION OF WORK

1. At all times work shall be distributed among the workers within their operation or section on an equal and equitable basis, except for special workers. In the event there is a need for a permanent reduction in the work force due to the permanent loss and/or reduction in the amount of work, workers shall be laid off based on inverse order of seniority within their craft providing the remaining workers have the ability to perform the remaining work.

2. No member of the Employer or supervisory employee or designer or any other person outside the bargaining unit shall perform any work in any job covered by this Agreement.

3. If a worker has been laid off and any member of the Employer or supervisory employee or designer or any person outside the bargaining unit does his work, the Employer shall reimburse the worker so laid off for his loss of earnings and shall immediately reemploy him.

4. All trial workers shall be laid off before any other employee is laid off.

ARTICLE TWENTY-FIFTH: ASSIGNMENT TO OTHER WORK

1. Workers who are requested to perform work other than their regular work while their regular work is available shall receive for such other work average hourly earnings during their last four (4) weeks of full employment on their regular work or their earnings in the new work, whichever is greater.

2. Workers who are requested to perform work other than their regular work while their regular work is unavailable shall receive for such other work the established piece or time rate therefor or a mutually agreed-on guaranteed rate, but in no event less than the applicable craft minimum wage for such work provided in this Agreement.

It is agreed that the Employer can train operators to perform three operations of a similar nature which will be comparable in earning potential. An additional operation (fourth) shall become part of an operator's regular work when it has been demonstrated that she can earn as much as on her regular job. The list of operations shall be posted on a bulletin board and a list supplied to the chairperson.

EXAMPLE:

In order to pay the weekly minimums, the Employer must show that the operator has reasonable qualifications for the second or third operation. For example, the Employer cannot take a collar maker and assign her to zippers for one week and claim that zippers is her second job. Nor may the Employer assign a collar maker to zippers for one week, then return her to collar making, and then, months later, assign her to zippers again and claim that zippers is her second or third job. That would not show proper qualifications for the second or third job.

If an Employer wants to establish the qualifications of an employee on a second or third operation, it should keep records of her training time, if any, and hours or experience on the second or third operation. This will enable the Employer itself to know whether the employee has had adequate training or experience to be qualified for the second or third operation. If an operator is qualified for a second or third operation, the Employer may pay her on a weekly average. If the Employer takes an operator off her regular operation while her work is in the plant, the operator must be paid average earnings. If an operator is moved to a different job on which she has not qualified as a second or third operation, she must be paid her average.

Wages earned on regular work must be kept account of separately from earnings on other work. If an employee earns above the minimum on regular work and is transferred to a fourth operation, she will be guaranteed no less than craft

minimum wage for the time spent on the fourth operation; or, she may refuse the fourth operation and go home.

ARTICLE TWENTY-SIXTH: CALL-IN PAY - REPORTING TO SHOP

Workers shall not be required unreasonably to remain in the shop during the day when there is no work for them. All workers who are required to report for work without having been advised by the end of the previous day not to report shall be supplied with at least one-half day's continuous work, or be paid therefor. However, if the lack of work is due to an Act of God or other event beyond the control of the Employer, the worker need only be paid one hour's pay. Time workers shall be paid based on their hourly earnings, and piece workers shall be paid based on their average earnings over the four-week period immediately preceding the event.

ARTICLE TWENTY-SEVENTH: DISCHARGES

No worker shall be discharged without good and sufficient cause. Should there be any dispute regarding a discharge, including compensation for loss of earnings during the period of discharge, such matter shall be settled between the representatives of the Union and the Association or in accordance with the arbitration procedure hereinafter provided.

**ARTICLE TWENTY-EIGHTH:
LEAVE OF ABSENCE - VACATION - JURY DUTY PAY**

1. Upon written request of the worker, the Employer shall grant reasonable leaves of absence in writing to workers for a justifiable cause. Such workers shall not lose any job rights and shall be entitled to their regular job prior to such absence.
2. In addition to any other leave of absence, the Employer shall grant, upon written request of the Union, up to six (6) months leave of absence, without pay, the following leaves: (i) to male and female workers for birth or adoption of a child (hereinafter called "Parenting Leave"), (ii) to any worker for any family - based purpose grounded on insuring the maintenance, well-being or welfare of the family (hereinafter "Family Leave"), the term "Family Leave" shall include spouse, children (natural, adopted or step), parents, parents-in-law, siblings or other dependents. The Employer may hire a provisional worker for a period not to exceed six (6) months to take the place of any employee who is on Parenting or Family Leave. Upon date of hire, the Employer shall give the Union and the provisional worker notice of the worker's provisional status. During such period, the provisional worker shall be entitled to all of the rights of regular workers under this Agreement. The Employer may retain a provisional worker as long as such action does not displace the worker on Parenting or Family Leave or any other regular worker. A worker on Parenting or Family Leave shall be entitled to return to work on his or her regular job prior to such absence if available, or an equivalent job, with no loss of pay, and shall not lose any rights and privileges under this Agreement.
3. Each Employer will close its plants, for vacation purposes, during the following periods:
 - From Sunday, July 1, 2001 through Saturday, July 14, 2001
 - From Monday, December 24, 2001 through Tuesday, January 1, 2002
 - From Sunday, June 30, 2002 through Saturday, July 13, 2002
 - From Wednesday, December 25, 2002 through Wednesday, January 1, 2003
 - From Sunday, June 29, 2003 through Saturday, July 12, 2003
 - From Thursday, December 25, 2003 through Saturday, January 3, 2004

4. In addition, the parties agree that during a subsequent renewal of the collective bargaining agreement the dates for vacation shutdowns shall be:

From Sunday, July 4, 2004 through Saturday, July 17, 2004

From Friday, December 24, 2004 through Saturday, January 1, 2005

and similar dates in subsequent years as the parties shall agree to.

5. With regard to the summer vacation shutdown in any year, individual members of the Association may, with the consent of the Association and the Union, close their plants for vacation purposes at times other than as specified in Paragraphs 2 and 3 above, provided:

(a) The shutdown shall be for two consecutive calendar weeks commencing on a Sunday and ending on a Saturday; and

(b) The two consecutive calendar weeks shall commence not sooner than June 23 nor end later than July 23 in any year.

(c) The individual Association member shall seek and obtain consent of the Association and Union no later than February 1 of any year and shall notify all employees of the changed dates no later than February 15.

(d) In any case where the individual Association member obtains Association and Union consent for a change of dates and fails to notify all employees by February 15, then no disciplinary action shall be taken against any individual worker who desires to take his vacation during the time specified in Paragraphs 2 and 3 above and has made vacation plans for those days.

6. In order to be eligible for the fourth week's vacation benefit, a worker must be employed in an Association shop under this Agreement for at least one (1) year prior to September 30, and be in employment status as of September 30. The amount of this benefit shall be two (2%) percent of the worker's earnings from October 1 to September 30 of the year in which the benefit is paid. However, if a worker is not in employment status as of September 30 by virtue of retirement, layoff or plant closure, the worker will nevertheless receive a pro-rata benefit—i.e., two (2%) percent of their earnings from October 1 to September 30 of the year in which the benefit is paid. If a worker changes Association employers without reasonable cause prior to September 30, the worker will not receive the fourth week's vacation benefit.

7. An employee shall be granted paid time off for jury duty that occurs on scheduled work days. For a time worker such pay shall be the difference between jury pay and his regular rate for up to five (5) working days per contract year. For a piece worker such pay shall be the difference between jury pay and his average hourly earnings for up to five (5) working days per contract year.

ARTICLE TWENTY-NINTH: EFFICIENCY - TECHNOLOGICAL CHANGES - NEW MACHINERY

1. The Employer shall operate its shop at all times in an efficient and well-ordered manner; machinery and equipment shall be maintained in good working condition; the premises shall be kept clean, properly lighted, and well ventilated and adequate working room shall be provided for the workers so as to enable the workers to devote their full time exclusively to the work of their craft and maximize earning opportunities.

2. The Employer agrees to maintain its shop at the level of efficiency that meets the requirements of the above provisions, and the workers agree to perform their work conscientiously and efficiently.

3. It is in the interest of both labor and management to promote and facilitate the introduction of new technology. New technology, machinery or production techniques

(hereafter collectively "new technology") may be introduced upon consent of the Union, which consent shall not be unreasonably withheld. The Employer shall make every effort to train workers affected by the introduction of new technology in the use of such technology. If all affected employees are not assigned to work on the new technology, the Employer shall also make every effort to retrain and assign to other available positions any employees displaced by new technology. Employees permanently laid off due to the introduction of new technology shall receive severance pay equal to one (1) week's average earnings for each year or major part thereof of service with the Employer. Employees who operate or work with new technology shall be covered by this Agreement.

ARTICLE THIRTIETH: TIME CLOCKS - MAINTENANCE OF RECORDS - EXAMINATION - FALSIFICATION - ACCESS TO SHOP

1. Each Employer shall install and maintain a time clock on its premises, and each worker covered by this Agreement shall punch his or her time card before starting work and at the completion of work, and before and after lunch.
2. Representatives and employees of the Union, including engineers and accountants, shall have access to the shop of the Employer during working hours to take up complaints, take up Union business, or to determine compliance with the terms of this Agreement.
3. On request of the Union, each Employer shall immediately submit to the Union for examination such books and records as the Union deems pertinent in order to ascertain whether the provisions of this Agreement are being fully complied with. Such examination may be made through an accountant or any other designated representative of the Union. A refusal to submit such books and records for examination shall be deemed a violation of this Agreement for which the Impartial Chairman may, in addition to other remedies, award liquidated damages.
4. Should an Employer refuse to produce books and records which representatives of the Union believe should be produced or which are directed by the Impartial Chairman to be produced, such refusal shall be deemed an admission of the violation of the agreement charged against it by the Union, and the Employer shall be liable for the damages and other relief requested by the Union in its complaint. In such event, the Union shall also have a right to strike the Employer, notwithstanding any provision to the contrary in this Agreement.
5. Should it appear from an examination of books and records of an Employer that the books and records have been falsified to conceal dealings with non-Union or non-designated contractors or cutting contractors, or non-Union or non-contributing jobbers in violation of this Agreement, or "struck" shops, or to conceal other violations of this Agreement, this Agreement shall have been violated and the Impartial Chairman may, in addition to other remedies, award liquidated damages.
6. The Employer shall maintain a full and complete set of books and records in accordance with regularly accepted accounting practices. Such books and records shall include, but shall not be limited to the following: the number of garments manufactured, weekly wages and earnings paid to all of the workers employed by it on its premises or in its inside shop, the number of overtime hours worked by each worker each week, the names and addresses of all its contractors, the amount paid to each contractor and the date of each such payment, all contractors' bills, all shipping and receiving records, all bank statements and cancelled checks for all of its bank accounts, and records of all taxes paid.

ARTICLE THIRTY-FIRST: ACCESSORIES

Whenever the Union notifies the Association that any of its members who are involved in the integrated process of production cause to be manufactured belts, covered buttons, buckles, neckwear, artificial flowers, bonnaz embroideries, hemstitching, or pleating and tucking on garments by, or purchase such articles from a firm that is not in contractual relations with the International or an affiliate thereof (provided that there are Union firms which produce such accessories), or against whom the said International had declared or sanctioned a strike, the Association will immediately order its member to cease further dealings with such firm and the member of the Association shall cease further dealings after receiving such notice, until such strike is settled and/or until such firm enters into a collective agreement with the International or an affiliate thereof.

ARTICLE THIRTY-SECOND: UNION LABEL

Each Employer shall affix the UNITE Union Label to all garments manufactured in its shop in accordance with the rules, regulations and procedures promulgated by the International, which, together with any amendments thereof, shall be deemed incorporated in this Agreement with the same force and effect as if fully set forth herein. All such labels shall be purchased by the jobber or manufacturer from the Union.

ARTICLE THIRTY-THIRD: MOVING SHOPS

1. An Employer may move its factory, cutting department, or other operations if it first obtains the written permission of the Union. The Union may give such permission if, in its opinion, reasonably exercised, the new shop or factory meets the following criteria:

(a) It is just as accessible to the workers employed in the old shop as was the old location.

(b) If in an urban community, the public carrier fare between the new shop and the old shop is no more than the regular single fare established by the local transit authority.

(c) The labor standards and other conditions of employment are no less favorable to the workers than those which prevail at the old location.

2. If the new location does not meet the above criteria, the Union may nevertheless give written permission if, in its opinion, reasonably exercised, there are extenuating circumstances that justify relocation.

ARTICLE THIRTY-FOURTH: LIQUIDATED DAMAGES

Should the Employer intentionally or deliberately violate any provision of this Agreement where it is difficult or impossible to ascertain the specific amount of damages suffered by the workers or the Union, then the Employer may be liable to the Union for liquidated damages in an amount sufficiently high:

(a) To offset any advantage gained by the Employer through such transaction, giving due regard to the amount involved, and upon which any amount paid under (c) hereof shall be credited on account;

(b) To pay the costs of any investigations made in connection therewith, including the expenses of business agents, clerks, accountants and counsel fees;

(c) To remunerate all the workers in the crafts covered by this Agreement who have sustained damages by reason of the above violations;

(d) To remunerate the Union for the harm suffered by it as an institution.

In the event of the inability of the Association and the Union to agree upon the amount of damages, the same shall be determined by the Impartial Chairman.

Recognizing the difficulty of ascertaining the amounts payable under subdivisions (a), (b) and (d) of this Paragraph, the sum determined to be payable shall for all purposes be deemed liquidated damages.

All damages hereunder shall be paid to the Union and shall become its sole and exclusive property and part of its general funds, except for such portions thereof expressly stated to be for remuneration to the workers who have sustained damages by reason of the above violations.

In addition to being required to pay the amounts herein specified, an Employer found twice to have violated the provisions of this Agreement shall automatically lose all rights and privileges under this Agreement to the extent of giving the Union the right to take such action as it may deem necessary, including the right to strike against such Employer.

ARTICLE THIRTY-FIFTH: NEW APPLICATIONS FOR MEMBERSHIP IN ASSOCIATION

1.(a) Before admitting a new member to membership in the Association, which membership includes contract coverage with the Union, the Association shall inform the Union in writing of the application for membership, including in the case of a corporation the names and resident addresses of the officers, directors and major shareholders of the corporation. In the case of unincorporated businesses, the Association shall supply the names and resident addresses of the owners who have an interest in the business.

(b) If a strike or dispute exists at the time of application for said membership involving the applicant and the Union or the International or any affiliate thereof, the Union shall inform the Association in writing within ten (10) working days after the receipt of said notice of application. In such event, the Association shall not admit such applicant to membership until the Union informs the Association that the strike or dispute is settled.

2. After an applicant is admitted to membership in the Association, this Agreement shall supersede any individual agreement it may have with the International or any affiliate thereof or with the Union, but in no event shall this requirement operate to lower wages or standards presently in force in the applicant's shop.

ARTICLE THIRTY-SIXTH: BENEFIT FUNDS

1.(a) The term "Benefit Funds" is the collective designation of the Eastern States Health and Welfare Fund, and the ILGWU National Retirement Fund (hereinafter "Retirement Fund").

(b) An Employer shall have no obligation to make any payments to the Union for and on behalf of the Benefit Funds for garments manufactured by it for members of the National Association of Blouse Manufacturers, or of the New York Skirt and Sportswear Association, or for other jobbers and manufacturers who are in contractual relations with the Union, or if, with the consent of the Union, it manufactures any garments or items for a jobber or manufacturer who is bound by a collective or independent agreement with another affiliate of the International under which the jobber or manufacturer is required to pay specified amounts to the collectively bargained benefit funds established under that agreement. In no event shall amounts paid by contributing jobbers or manufacturers pursuant to this Paragraph 1(b) be applied to amounts due for work done for non-contributing jobbers or manufacturers pursuant to Paragraph 1(c) below.

(c) An Employer who manufactures garments or items for any jobber, manufacturer, person, firm or corporation which is not in contractual relations with the

Union or with another affiliate of the International, or against which another affiliate of the International, or against which the International or any affiliate thereof has declared a strike, or who is not otherwise required, under a collective agreement with the International or another affiliate thereof to make payments to a collectively bargained health and welfare fund and to the other benefit funds named herein, shall pay monthly to the Union for and on behalf of the benefit funds to be allocated in accordance with the following schedules:

| | <u>6/1/01</u> |
|----------------------|---------------|
| Health & Welfare | 17.94% * |
| F.I.C.A. | .40 |
| Retirement | 6.00 ** |
| Prom. | 1.06 |
| Total | 25.4% |
| On Statement: | |
| Health & Welfare | 13.455% * |
| F.I.C.A. | .30 |
| Retirement | 4.5 ** |
| Prom. | .795 |
| Total | 19.05% |

* There shall be no increase in said contributions to the Eastern States Health and Welfare Fund during the term of this Agreement; but in the event, at eligibility standards and benefit levels as of June 1, 2001, the reserves of said Fund as reported by the Fund's accountants during the course of this Agreement, should fall below Two Hundred Million (\$200,000,000.00) Dollars, then the Union shall have the immediate right to request bargaining to negotiate additional contributions to be paid to said Fund, taking into consideration the needs of the Fund to maintain benefit levels and the ability to pay of the Association's members. If the parties are unable to agree, the dispute shall be referred to the Impartial Chairman for resolution.

** Of the six (6%) percent (or four and one-half (4.5%) percent on statement), three and eight-tenths (3.8%) percent (or two and eighty-five one-hundredths (2.85%) percent on statement) shall be contributed toward the funding of the enhanced pension benefit known as NRF-2000, and two and two-tenths (2.2%) percent (or one and sixty-five one-hundredths (1.65%) percent on statement) shall be contributed toward the funding of the frozen basic pension plan.

(d) All payments, except as indicated above, shall be made directly to the Union towards the Eastern States Health and Welfare Fund, ILGWU National Retirement Fund, and the appropriate Industry Trust Fund.

(e) In addition to the contributions set forth above, each Employer shall pay weekly to the Atlantic Benefit Fund a sum equivalent to 2.35% of its total gross weekly payroll or 1.8% on statement for the purpose of providing fourth week vacation benefits in accordance with the rules and regulations of said Fund. Payment by an Employer, or by a jobber or manufacturer to the Atlantic Benefit Fund on an Employer's behalf, shall relieve the Employer of the obligations set forth in this Paragraph.

(f) The rate of contributions towards the Eastern States Health and Welfare Fund shall be subject to reopening at the request of the Union in the event there is an adjudication requiring the withholding of earned income tax on payments made to workers from the Fund.

(g) The Employer shall pay monthly to the Union the monies set forth in Paragraph 1(c) of this ARTICLE for all bargaining unit employees (whether

Union or non-Union workers, and whether regular or trial period workers) employed in any of its shops. All payments shall be due by the 15th day of the following month. The Employer shall provide to the Union for the ILGWU National Retirement Fund monthly, within thirty (30) days after the end of each month, a report containing the names of all bargaining unit employees, number of hours for which paid, and gross wages (including holiday pay) paid.

(h) When paid on payroll, the percentage shall be on total gross payroll (before deduction of federal, state or local taxes).

(i) When paid on statement, it shall include the entire amount received by, or due to an Employer for labor, overhead and services, regardless of the period for which payment is received or due, on garments or items manufactured by it for a jobber or manufacturer.

2. No worker shall be required to make any contribution whatsoever to the benefit funds.

3. None of the payments made hereunder by the Employer shall constitute or be deemed wages due to the workers.

4. (a) The Employer shall remit with its monthly payments a statement setting forth the names and addresses of each jobber, manufacturer, person, firm or corporation referred to in Paragraph 1(c) of this ARTICLE and the gross amounts received by it from each of them and the dates thereof.

(b) Should the Employer fail to remit such reports or payments to the Union by the 15th day of each month for the calendar month immediately preceding it, it shall be deemed in non-compliance with this Agreement after the Union has given the Association ten (10) days' written notice of the Employer's default and the report or payment from such member has not been received by the Union within such ten (10) days. The Union shall also have the right to proceed against such member directly before the Impartial Chairman, (a) for an award directing it to remit its reports, and (b) for an award for the amounts due. In exceptional cases, the Association may, within ten (10) days after the date of the Union's notice to it of its member's default, apply to the Impartial Chairman for a hearing, and if the Impartial Chairman finds there are justifiable reasons therefor he may order such hearing, but the hearing must be held and the Impartial Chairman's decision must be rendered within the aforementioned ten (10) days.

5. Each Employer shall supply, furnish and make available to the Union at all times for examination any and all records or other information which the Union deems necessary.

6. The sums paid to the Union on behalf of and allocated by it to the various funds shall be subject to a reasonable collection fee.

7. The requirement that payments be made on the basis of a specified percentage of the gross weekly payroll and a lesser percentage on the total gross amount received by an Employer is merely a measuring rod which determines the extent and the amount of the obligation of such Employers, and has no relation to eligibility of workers for benefits from the benefit funds.

8. The said Health and Welfare Fund shall continue to be maintained and administered by its Board of Trustees in accordance with the by-laws or rules and regulations adopted by the Board of Trustees for that purpose. The Employer shall have no legal or equitable right, title, claim or interest in or to said Fund or the administration thereof. No individual worker shall have any legal or equitable right, title or interest in or claim against his or any other employer's payments towards the Health and Welfare Fund, or against said Fund, except as may be provided by the by-laws or rules and regulations of said Fund.

9. The said Retirement Fund shall be administered in accordance with its by-laws or rules and regulations by a Board of Trustees. The Board of Trustees shall be composed of Union representatives and an equal number of representatives of employer contributors to that Fund. In the event that the Board of Trustees shall be deadlocked on any issue or matter arising in connection with the Fund, the same shall be decided by a neutral person as set forth in the by-laws or rules and regulations of the Fund, and his decision shall be final and binding. The parties hereto hereby ratify, confirm and approve the composition and membership of the Board of Trustees as now or hereafter constituted.

10. Each Board of Trustees mentioned in Paragraphs 8 and 9 above shall adopt and promulgate such by-laws or rules and regulations to effectuate the purpose of its Fund as it may deem necessary and desirable, including the detailed basis upon which payments from the Fund will be made, and shall have the power to modify the same from time to time without notice, whenever it may deem it necessary or desirable to do so. The parties hereto agree to be bound thereby and they are hereby incorporated in and made part of this Agreement.

11.(a) The Board of Trustees or other body administering any of the benefit funds, except the ILGWU National Retirement Fund, is hereby authorized and empowered in its sole discretion and upon such basis as it deems desirable, to transfer or mingle the assets of or to merge said Fund with any other fund or funds now existing or hereafter established and provided for in a collective agreement with the International or an affiliate thereof. In the event of such mingling, transfer, or merger, the amounts hereinabove provided to be allocated towards the respective funds shall thereafter be paid over to the fund or funds with which there has been such mingling, transfer or merger.

(b) The Board of Trustees of the ILGWU National Retirement Fund is hereby authorized and empowered in its sole discretion and upon such basis as it deems desirable to transfer or mingle the assets of said Fund or to merge said Fund with any other retirement fund or funds.

12. None of the monies paid into the Retirement Fund shall be used for any purpose other than to provide for pensions or annuities on retirement or death of workers and to pay the operating and administrative expense thereof, except as allowed in Paragraph 11(b). The monies of the other benefit funds shall be kept separate and apart from all other monies except as allowed in Paragraph 11(a).

13. Only the assets of each benefit fund shall be available for the payment of the benefits provided by that benefit fund and only to the extent that such benefit fund is financially able to make such payments.

14. The Employer shall have no legal or equitable right, title, claim or interest in or to said Funds. No individual worker shall have any legal or equitable right, title or interest in, or claim against his or any other employer's payments towards said Funds or against said Funds, except as may be provided by the by-laws or rules and regulations of said Funds.

15. An annual audit of each Fund shall be made by accountants designated by its Board of Trustees. A statement of the results of such audit shall be made available for inspection by interested persons at the principal office of the Fund and at such other places as may be designated by its Board of Trustees.

16. In the event benefit fund contributions are collected on behalf of a health and welfare fund other than the Health and Welfare Fund listed in Paragraph 1(a), the person who collected the contributions shall remit the contributions to the proper health and welfare fund.

17. The parties hereto, on behalf of themselves and their members, hereby acknowledge that there has been heretofore established the Retirement Fund and Health Service Plan, each of which constitutes an irrevocable trust.

18. The parties hereto ratify, confirm and approve the composition and the membership of each Board of Trustees as now constituted, and the composition and membership of each Board of Trustees as hereafter constituted under said by-laws and rules and regulations of each of the aforesaid Funds.

19. The aforementioned enumerated powers and duties of the Board of Trustees of each of the aforesaid Funds shall not be considered in any way whatsoever as a limitation on the powers and duties of the Board of Trustees of each of the aforesaid Funds to do any and all other things that may be necessary or incidental to the proper operation, administration and maintenance of the aforesaid Funds and to fully effectuate their purposes.

20. An applicant for benefits from any of the aforesaid Funds shall be deemed to be bound by all of the rules and regulations of the Funds existing at the time of his or her application and he or she shall have no interest, legal or equitable, vested or contingent, in any rules or regulations which may have been in effect prior to the filing of his or her application. No rights shall accrue in any event unless and until the worker's application for benefits has been approved, in which case the rights of such worker shall be limited to those specifically awarded by each of the aforesaid Funds.

21. The Union or the Board of Trustees of a Fund, or both of them, shall be proper parties in interest to enforce collection of payments due from the Employer towards said Funds. In the event any amount due from the Employer under this ARTICLE remains unpaid for thirty (30) days after becoming due, such amount shall automatically bear interest thereafter at the rate of nine (9%) percent per annum. Should the matter be submitted to arbitration and the Impartial Chairman find against the Employer, the Impartial Chairman may order and direct the Employer to pay the cost of investigation together with reasonable attorney's fees and other expenses incurred in connection with the matter. In addition, the Impartial Chairman may grant such other relief as he deems appropriate under the circumstances, including but not limited to liquidated damages to the Fund or the Union, as the case may be, under ARTICLE THIRTY-FOURTH, the liquidated damages provision of this Agreement.

22. The Union or the appropriate Board or Boards of Trustees shall have the right to enforce this ARTICLE, including the provisions pertaining to delinquent contributions, by proceeding through arbitration or by instituting appropriate action before a court or governmental agency, or by pursuing any other remedies provided by law or this Agreement.

23. In addition to the regular Employer contributions to the Union relating to the Eastern States Health and Welfare Fund ("Fund") required in Article Thirty-sixth, Paragraph 1 (c) of this Agreement, additional employer contributions to the Fund for Cafeteria plan benefits, either three (3%) percent of the payroll or two and one-quarter (2.25%) percent on statement, which the Employer shall pay monthly to the Union. Such additional Employer contributions due under this Paragraph shall be used to provide either the cost of employee co-pay (\$23.00 per month) for hospital, medical/surgical and major medical benefits (hereinafter "Co-pay Benefit"), or cash welfare benefits to the employees of the Employer. The payments due the Union shall be accompanied by a report, in a form prescribed by the Fund, and shall be due on or before the 15th day of each month.

Pursuant to the rules of the Fund, eligible employees, as defined below, may elect to receive the Co-pay Benefit or the cash welfare benefit.

Those employees who elect to receive the cash welfare benefit shall receive annually a payment of three (3%) percent of their eligible earnings, as defined below.

An eligible employee shall be those employees who are eligible to receive, under the Rules and Regulations of the Fund, hospital, medical/surgical and major medical benefits provided by the Fund.

Eligible earnings are those earnings earned by an employee during a month in which the employee was an eligible employee.

ARTICLE THIRTY-SEVENTH: NO STRIKE - NO LOCKOUT

1. There shall be no strike, stoppage or lockout during the term of this Agreement, but work shall proceed in operation pending the determination of any complaint, dispute or grievance as hereinafter provided. This provision, however, shall not apply in cases where wages, earnings, overtime or holiday pay are not paid to workers on their due date, or where a joint decision of the Directors of the Northeast, Western Pennsylvania and Ohio Department and the Eastern Pennsylvania Region and the Association, respectively, or their deputies, or a decision of the Impartial Chairman has not been complied with within twenty-four (24) hours after rendition, or where an Employer is deemed to be in non-compliance under the express terms of Paragraph 4 of ARTICLE THIRTIETH of this Agreement.

2. Should the workers of any shop or factory cause a stoppage of work or shop strike, for reasons other than those aforementioned, written notice shall be given by the Association to the Union.

The sole obligation of the Union shall be, within twenty-four (24) hours after receipt of said notice, to post on the Employer's front door, or another place designated by the Employer, a declaration that such action is unauthorized and that its striking members are to terminate such action and return to work immediately notwithstanding the existence of any picket line.

Upon written notification by the Employer to the Union that the action referred to in the preceding paragraph has not brought about a termination of the strike or stoppage, the Union shall send by first class mail to each of its members reported by the Employer to the Union to be engaged or participating in such strike or work stoppage, addressed to him or her at his or her last known address (which address shall be furnished by the Employer), the following notice signed by the Union, which notice may also be posted by the Employer within the shop or factory affected thereby:

Date: _____

"To all members of Local _____, UNITE

You are advised that a work stoppage is in progress at _____. This action is unauthorized by the Union.

You are directed to immediately return to your respective jobs and to cease any action which may affect production. The matter in dispute will be processed as provided in your Union Contract."

Good faith compliance by the Union with the foregoing provisions shall be deemed full compliance with its obligation hereunder, and the Union shall have no further obligation to the Employer under this ARTICLE THIRTY-SEVENTH or any other provision of this Agreement.

No employee shall be deemed to have abandoned his or her employment until after the expiration of the twenty-four (24) hour period following written notification by the Association to the Union of said strike or stoppage. Upon failure of any employees to return to work after said twenty-four (24) hour period, the Employer may, at its

option, consider that such employees have abandoned their employment; but should the Employer re-employ such employees, it shall treat all such employees alike and shall not discriminate against or among them.

3. Notwithstanding the foregoing, the Association recognizes the right of workers covered by this Agreement to stop work for any Employer and its contractors during the continuation of any labor dispute with, or strike or stoppage (not in violation of contract) declared by the International or any affiliate thereof at any shop of any firm which is directly or indirectly affiliated with the Employer. The Impartial Chairman shall have the right to determine whether any such firm is affiliated with the Employer. In determining whether such affiliation exists, the Impartial Chairman shall be guided by the proof of the facts tending to establish any mutuality or reciprocity of interests including whether such Employer has a substantial financial interest in such other firm.

4. Should any Employer cause a lockout in its shop or factory, notice thereof shall be given by the Union to the Association. The Association obligates itself, within twenty-four (24) hours after the receipt of such notice, to terminate the lockout and to cause its member to re-employ the workers, and until the expiration of such time, it shall not be deemed that the Employer has forfeited its rights under this Agreement. In the event of a substantial violation of this ARTICLE on the part of the Association, the Union shall have the option to terminate this Agreement. The existence or non-existence of such substantial violation shall be determined by the Impartial Chairman on all of the facts and circumstances.

ARTICLE THIRTY-EIGHTH: ARBITRATION AND ADJUSTMENT OF DISPUTES

1. All complaints, disputes, claims or grievances between the Union and the Association, or between the Union and an Employer or any of its subsidiary, auxiliary and affiliated firms or its or their successors and assigns, or between a worker and his or her Employer, that directly or indirectly arise under, out of, or in connection with, or in any manner relate to or involve questions of interpretation or application of any ARTICLE of this Agreement or any of the acts, conduct or relations between them, including, without limitation, any claim against an Employer arising out of any alleged dissolution or termination of its business prior to the expiration of this Agreement, or any claim against its successors or assigns arising out of any alleged merger with or purchase by them of the business of the Employer prior to the expiration of this Agreement, shall be adjusted as follows:

(a) A written complaint shall be submitted by the Union to the Association, or by the Association to the Union, depending upon who is aggrieved.

(b) The Union and the Association or their deputies shall, in the first instance, jointly investigate such complaint and attempt an adjustment. Decisions reached by the Union and the Association shall be binding upon all the parties involved.

(c) If they fail to dispose of the complaint within five (5) working days, it may be submitted to arbitration by the Impartial Chairman.

(d) Five (5) days' written notice of the date, time and place of hearing before the Impartial Chairman shall be given by ordinary mail to the complainant and respondent through the Union and the Association. Any statutory provision for longer notice or notice by registered or certified mail or by personal service is hereby expressly waived.

(e) If the complainant or respondent fails to appear before the Impartial Chairman after it has been given such notice through the Association or the Union, as the case may be, the Impartial Chairman is hereby authorized to render an award or decision upon the testimony of the party appearing.

(f) If any issue should arise as to the validity of any ARTICLE of this Agreement, or the arbitrability, substantive or procedural, of any written complaint, the Impartial Chairman shall have the exclusive jurisdiction to determine such issue.

2. The decisions reached by the Union and Association or their deputies, and the decisions or awards of the Impartial Chairman, in addition to granting such other relief as they may deem proper, may contain provisions ordering or restraining acts and conduct of the parties in the matter before them.

3. (a) A decision by the Union and Association representatives, or their deputies, and a decision or award of the Impartial Chairman shall be final and binding upon the parties.

(b) Each decision and award shall be complied with within twenty-four (24) hours after it is rendered, excluding Saturdays, Sundays and holidays.

(c) In addition, the decision or award of the Impartial Chairman shall be enforceable by appropriate proceedings at law or in equity.

4. (a) If a decision or award has not been complied with within twenty-four (24) hours after it was made or rendered, the Union or the Association shall have the right, but shall not be required, to file a non-compliance complaint directly with the Impartial Chairman, instead of proceeding under Paragraph 3(c) above. If such a complaint is filed, the Impartial Chairman is hereby authorized to accept it, to give notice of its contents and of the date, time and place of hearing in the same manner as in an original complaint.

(b) If the non-compliance complaint is based upon a decision by the Union and the Association or their deputies, the Impartial Chairman shall take all relevant testimony offered for or against the original complaint.

(c) The Impartial Chairman's decision or award on the non-compliance complaint shall be final and binding upon the parties.

(d) If the Impartial Chairman's decision is not complied with within twenty-four (24) hours after it is rendered, the parties shall be entitled to proceed as set forth in Paragraph 3(c) above.

5. If an Employer resigns or is suspended or expelled from the Association, any complaint, dispute, claim or grievance that the Union or any worker may then or thereafter have against such Employer, or that the Employer may then or thereafter have against the Union or any worker, shall be subject to the following procedures:

(a) The complaint shall be submitted in writing to the Impartial Chairman by the Union on behalf of itself, or any worker, or by the Employer, depending upon who is aggrieved.

(b) The Impartial Chairman shall give at least five (5) days' notice by certified mail to the Employer at its last known address, or to an owner or officer of the Employer at its last known address, and to the Union by regular mail. Such notice shall include the date, time and place of hearing and a copy of the complaint submitted to the Impartial Chairman. Any statutory provision for longer notice or notice by registered or certified mail or by personal service is hereby expressly waived.

6. In disputes involving benefit fund delinquencies submitted to the Impartial Chairman, the following procedure shall be utilized:

Following the receipt of a local dispute involving benefit fund delinquencies, the Impartial Chairman shall notify the Employer through the Association of the following:

(a) That a complaint has been received from the Union alleging a failure to make contributions to the Benefit Funds in accordance with Section 14 of the Agreement;

(b) That the Employer, through the Association, has ten (10) days to inform the Impartial Chairman of its intention to contest the Union's claim or the amount of the claim;

(c) If no response is received by the Impartial Chairman within ten (10) days, an award will be issued in the amount of the claim submitted by the Union.

7. This Agreement shall be the basis upon which decisions shall be rendered. Each case shall be considered on its own merits. No decision shall be used as a precedent for any other case.

8. Subpoenas issued in an arbitration for the production of any Employer's books, records and documents shall be deemed to have been issued in a proper case.

9. The taking of the oath by the arbitrator is hereby expressly waived.

10. Decisions reached by the Union and the Association and the Impartial Chairman's decision shall have the effect of an award, and any decision or award of the Impartial Chairman may be confirmed and enforced by the entry of a judgment in any court of competent jurisdiction.

11. The initial paper, notice or process in any application to a court to confirm and enforce an award of the Impartial Chairman, including process conferring jurisdiction upon the court of the parties involved, shall be made by certified mail and regular mail. In all cases such mail shall be directed to the address of the headquarters of the Union or to the address of the residence of an owner or officer or the place of business of the respondent in such proceeding.

12. The procedure herein established for the adjustment of disputes shall be the exclusive means for the determination of all the aforesaid complaints, disputes, claims or grievances whatsoever, expressly including discharge of workers, unauthorized strikes, stoppages, lockouts, and any and all claims, demands or acts arising therefrom. Neither party shall institute any proceeding in a court of law or equity, state or federal, or before an administrative tribunal, other than to confirm and enforce an Impartial Chairman's decision or award or to compel the production of an Employer's books, records and documents for examination by the Impartial Chairman or his accountants. This provision shall be a complete and bona fide defense to any action or proceeding instituted contrary to the terms hereof.

13. All grievances and disputes hereunder shall be heard and decided by the Impartial Chairman.

14.(a) Marshall L. Rosenberg or Robert E. Light shall be the Impartial Chairman.

(b) Should the Impartial Chairman herein named resign, refuse to act, or be incapable of acting, or should the office become vacant for any reason, then the parties to this Agreement shall within five (5) days after the occurrence of such vacancy designate another Impartial Chairman. If the parties fail to agree, then the matter should be submitted to the person then currently occupying the position of Impartial Chairman under the collective bargaining agreement between the Greater Blouse, Sportswear and Undergarment Association, Inc. and Local 23-25, UNITE and Local 10, UNITE, for resolution in accordance with the Arbitration Procedure in this Agreement. A successor Impartial Chairman shall have all the rights and powers of the Impartial Chairman. The successor Impartial Chairman shall be a Pennsylvanian who shall sit in Pennsylvania.

15. Each Employer, each worker represented by the Union assents to the appointment of the Impartial Chairman and his successor and to the selection of a successor under this Agreement.

16. Any complaint, dispute, claim or grievance hereunder which the Union or a worker or the Association or an Employer may have, may be instituted and processed

only by the Union or the Association, as the case may be, in the manner herein provided. A worker or an Employer shall not have the right individually to institute or process any action or proceeding with reference to such matter, or to institute or compel arbitration.

**ARTICLE THIRTY-NINTH:
NO WAIVER OR MODIFICATION OF PROVISIONS**

1. The failure of either party to this Agreement to enforce performance of any provisions herein contained shall not be deemed a waiver or abandonment of any of the rights or remedies provided hereunder for violation of the Agreement or any provisions thereof; nor shall it constitute a waiver or abandonment of any right or remedy hereunder provided for a subsequent violation of any provision of this Agreement.

2. No Employer and no worker or group of workers may modify or waive any provisions of this Agreement.

ARTICLE FORTIETH: PROVISIONAL REPLACEMENT WORKERS

1. Upon consent of the Union, the Employer may hire a provisional replacement worker, on notice to such worker, for a period not to exceed ninety (90) days, to take the place of a sample maker or a worker employed in or about the cutting room (excluding cutters, markers and graders) who is absent due to disability or leave of absence. During such period provisional replacement workers shall be entitled to all of the rights of regular workers under this Agreement.

2. Upon return to work, the absent worker shall be entitled to his or her regular job prior to such absence and shall not lose any rights and privileges under this Agreement.

ARTICLE FORTY-FIRST: RECALL AFTER LAYOFF

Workers laid off shall be recalled to work before any new workers are hired on their respective operations.

ARTICLE FORTY-SECOND: STUDENT WORKERS

1. Students who are at high school or college full time will be permitted to work in the factories during vacation and they will be asked to observe all of the reasonable rules and regulations of the Union relationship. The Union will not enforce the clause which requires such workers to join the Union, and the Employer will be exempt from contributing to the Eastern States Health and Welfare Fund on the wages earned by such exempt casual workers who are full time students. Should these students become regular workers either by virtue of the fact that they are no longer full time students, then the Employer shall make payments to the Northeast Department Health and Welfare Fund, Severance, Retirement, Drug, retroactive to the date they first took employment as students with the Employer. This exemption shall apply to students during their normal vacation periods.

2. Student workers may be trained on Saturdays at straight-time wages so long as such training does not take work away from regular workers. If it is found that the Employer's training of students has deprived a regular worker of Saturday work, the Employer shall pay overtime to a worker selected by the Union to correct this violation.

ARTICLE FORTY-THIRD: BEREAVEMENT PAY

Commencing on the 31st calendar day of employment, a worker of a covered craft shall be entitled to time off and reimbursement for any loss of earnings for three (3) consecutive work days, consisting of the day before, the day of, and the day after the

funeral, of a spouse, child, parent, brother or sister, current in-laws (i.e., mother-in-law, father-in-law, sister-in-law, and brother-in-law); and one (1) day for the day of the funeral upon the death of a grandparent or grandchild. This benefit is conceived of as a wage replacement, and therefore no days will be paid that fall on a weekend (Saturday or Sunday), or during a period when the employee is laid off, or on a holiday for which the worker is eligible to be paid.

The worker shall be paid at the worker's regular rate; all piece workers shall be paid at the worker's average hourly earnings.

**ARTICLE FORTY-FOURTH:
INDEMNIFICATION OF IMPARTIAL CHAIRMAN**

The Association and the Union shall jointly hold harmless and indemnify the Impartial Chairman from any and all suits, causes of action or claims made against him on account of the good faith exercise of his powers in the course of resolving grievances and disputes, including any suits, claims or cause of action based upon the decision of the Impartial Chairman. In the event of any suit, claim or cause of action, the Association and the Union shall equally reimburse the Impartial Chairman for all costs and reasonable attorney's fees incurred in defending the same.

ARTICLE FORTY-FIFTH: RESPECT AND DIGNITY

In order to maintain an atmosphere conducive to industrial harmony and the maximum rights for all persons as human beings, the parties agree to deal with each other and with all employees with the maximum possible respect and dignity.

**ARTICLE FORTY-SIXTH:
CONFORMITY TO LAW-SAVING CLAUSE**

1. The interpretation and enforcement of this Agreement shall be governed by federal law and the laws of the State of Pennsylvania not inconsistent therewith.

2. If any provision of this Agreement or the enforcement or performance of such provision is or shall at any time be determined to be contrary to law by or enjoined by a court or administrative agency, then such provision shall not be applicable or enforced or performed except to the extent permitted by law. The Union and the Association shall thereupon negotiate a substitute provision. If they are unable to agree, the Impartial Chairman shall determine such substitute provision which shall be deemed incorporated into this Agreement.

3. If any provision of this Agreement or its application to any Employer, person or circumstance is so held invalid or enjoined, the remainder of this Agreement, or the application of such provision to other Employers, persons or circumstances shall not be affected thereby.

ARTICLE FORTY-SEVENTH: TERM

1. This Agreement shall go into effect June 1, 2001, and shall continue in effect until May 31, 2004.

2. If either the Union or the Association wishes to change, modify or add to this Agreement when the Agreement expires, it shall so notify the other in writing at least sixty (60) days before the expiration date. The parties shall meet to consider such changes, modifications or additions within ten (10) days of receipt of such notice. If no such notice is given as above provided, this Agreement shall automatically continue in effect for another year. The foregoing provision for notice of changes, modifications or additions shall apply with respect to the extended term of one (1) year and to any succeeding extended term.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be signed by their respective officers the day and year first above written.

ATLANTIC APPAREL CONTRACTORS ASSOCIATION, INC.

By Arnold Delin

Arnold Delin, Executive Director

By Joseph Dell'Alba

Joseph Dell'Alba, President

**PENNSYLVANIA, OHIO AND SOUTH JERSEY JOINT BOARD
UNITE, AFL-CIO, CLC:**

By Gail Meyer

Gail E. Meyer, Associate Manager and UNITE Vice President

By David Melman

David Melman, Joint Board Manager and UNITE Vice President

Summary Terms of Agreement between the Atlantic Apparel Association and the Pennsylvania, Ohio and South Jersey Joint Board, UNITE.

Whereas the Atlantic Apparel Association and the Pennsylvania, Ohio and South Jersey Joint Board, UNITE are bound by a collective bargaining agreement that expires May 31, 2004; and

Whereas the parties wish to enter into a new agreement for the period June 1, 2004 through May 31, 2007;

Now, therefore the parties agree as follows:

1. All terms of the 6/1/01 - 5/31/04 Agreement shall remain unchanged other than necessary date corrections except as indicated in this Summary Terms of Agreement.

2. Benefit Funds

The Employer contribution to the Benefit Funds shall increase 2% effective 6/1/04, 2% effective 6/1/05, and 1.5% effective 6/1/06 for a total of 5 1/2%.

| | previous | 6/1/04 | 6/1/05 | 6/1/06 |
|------------------|----------|--------|--------|--------|
| Health & Welfare | 17.94% * | 19.41% | 21.41% | 22.91% |
| F.I.C.A. | .40 | .40% | .40% | .40% |
| Retirement | 6.00 ** | 6.00% | 6.00% | 6.00% |
| Prom. | 1.06 | 1.59% | 1.59% | 1.59% |
| Total | 25.4% | 27.4% | 29.4% | 30.9% |

- Effective July 1, 2004, the Health and Welfare contributions from Association Employers shall be to Pennsylvania, Ohio & South Jersey Joint Board Health & Welfare Fund.

3. Wage Increases

| | 6/7/04 | 6/6/05 | 6/5/06 |
|----------------------|----------|----------|----------|
| Increase in Wages | 2% | 1% | 2% |
| Increase in Minimums | 15 cents | 15 cents | 15 cents |
| Percentage Add-on | 781% | 789% | 805% |


No existing time work employee shall be paid less than a newly hired employee in the same facility.

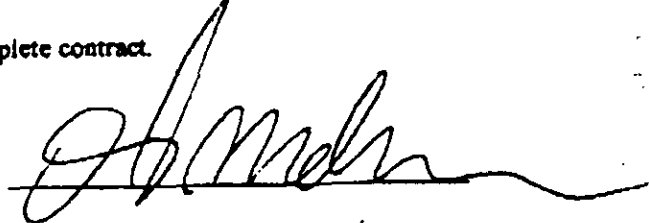
4. Bereavement: Increase number of days to 3 for Grandchildren

5. The term of the Agreement shall be June 1, 2004 through May 31, 2007.

6. This Summary Terms of Agreement is subject to Union ratification in order for it to go into effect.

7. The parties shall incorporate these changes into a new complete contract.


 For the Atlantic Apparel Association


 For the PA, OH & S. Jersey J.B., UNITE