

K# 6541

2,600.00



Agreement

Between

MAY COMPANY

D/B/A Filene's

and

**United Food and
Commercial Workers'**

Union Local 1445

**Chartered by the
UFCW-AFL-CIO**

Effective: February 4, 2001

Expiration: February 5, 2006

This is your Union Contract describing wages, benefits and working conditions, including seniority rights.

You are entitled to union representation, upon your request, at any meeting with management or security that could lead to any form of reprimand to yourself.

If you feel your rights, and/or privileges as provided herein, are being denied in any way, please contact your Steward, Your Business Agent or the Union Office.

Paul Dufault, President
Richard Charette, Secretary-Treasurer

**UNITED FOOD AND COMMERCIAL WORKERS
INTERNATIONAL UNION
LOCAL 1445
725 SOUTH STREET
BOSTON, MASSACHUSETTS.02131
(617) 327-6000**

**Please notify the Local Union Office of any
Name and/or Address Changes to insure
that you continue to receive important
union mailings.**



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ARTICLE I

AGREEMENT

This Collective Bargaining Agreement between William Filene's Sons Company, a division of The May Department Store Company, hereinafter referred to as the "Company", and the United Food and Commercial Workers Union, Local 1445, AFL-CIO, its successors or assigns, hereinafter referred to as the "Union", shall become effective on the date of its execution and shall continue in full force and effect until February 5, 2006, and thereafter from year to year unless notice of requested modifications or termination is given by either of the parties hereto by notice in writing to the other party mailed or delivered at least sixty (60) days prior to February 5, 2006 or February 1 of any subsequent year. Each party agrees that if such notice is given, negotiations shall be started within thirty (30) days and that the parties shall make every reasonable effort to reach an agreement before the expiration of the contract. Should no renewal agreement be consummated by February 5, 2006 or February 1 of any year thereafter, the terms of the agreement shall be extended until ninety (90) days have expired from the date on which notice was given as herein above set forth when by joint agreement of both parties the unresolved issues may be referred to arbitration. Notwithstanding the terms of this contract, its expiration date, or any extensions thereof, Article XX (I) shall be construed as a separate contract which shall continue in effect until such time as the May Department Stores Company Employees Retirement and Profit Sharing and Savings Plan may be terminated or modified in accordance with the Provisions of said Plan.

ARTICLE II

RECOGNITION

A. The Company recognizes the Union as the sole collective bargaining agent with respect to rates of pay, wages, hours of employment, or other terms, tenure or conditions of employment for all employees coming under the jurisdiction of the Union; as hereinafter provided, in the Boston store and the May Company doing business as Filene's Sons Company branch stores in Belmont, Braintree, Burlington, Chestnut Hill, Hyannis, Natick, Peabody, Wellesley and Worcester, Massachusetts and Warwick, Rhode Island. This agreement is limited to and embraces only such matters as are specifically set forth herein except as the parties in writing may add to or modify this agreement.

The Company and the Union agree not to discriminate against any individual, with respect to hiring, compensation, and other terms and conditions of employment because of an individual's race, color, religion, sex, national origin, age, sexual orientation or disability as provided by law, nor will they limit, segregate or classify employees in any way to deprive any individual employment opportunities because of race, color, religion, sex, national origin, age, sexual orientation or disability as provided by law.

B. The Company agrees that they will not exercise or countenance any discrimination, interference, restraint, or coercion by the Company, or any of their agents, servants, or employees against any employee because of membership in the Union or because of any lawful activities in behalf of the Union.

ARTICLE III

JURISDICTION

A. The Union shall have jurisdiction over all employees ninety (90) days on the Company's regular payroll with the following exceptions:

1. Members of the following Unions:

Carpenters' District Council of Boston and vicinity

Brotherhood of Painters, Decorators, and Paper Hangers District Council 35

International Brotherhood of Fireman, Oilers, Local No. 3

Boston Joint Board, UNITE when employed in the occupation in connection with which the company recognizes these Unions as collective bargaining agents.

2. Officers of the Company, the Management Board and Executives, Executive Trainees for the first six (6) months of their employment, ten (10) Merchandise Clericals as designated by the Company, assistants and secretaries. A new incumbent shall have the same status with respect to eligibility for Union membership as the employee whom he or she replaces.

3. All employees in the following classifications: Demonstrators, except Hosiery salespersons, manufacturers' Representatives whose salaries are paid either in whole or in part by persons or corporations other than the Company, Protection Department; Special employees, except as provided in Subsection (4); employees on Christmas seasonal payroll (employees hired between October 15th through the first Monday following the January Inventory); summer hires; other seasonal employees hired for

(90) days or less, Personnel Division, College Cooperative Students, except in cases where employment continues beyond the-regular Cooperative Student period, Payroll Clerks, A.M.C. Statistical Clerk, Architects' Staff, Copywriters, Advertising Agents, Electrical Auxiliary Machine Operators.

4. There shall be a ninety (90) day limit on the continued use of special employees, except in straight commission departments and replacement of regular employees on disability or leave of absence. Except as above provided when a job shall have been covered by one or more special employees for a total of ninety (90) days within a period of one hundred and twenty (120) working days, thereafter such job shall be filled with payroll status.

B. Regular part-time employees under the jurisdiction of the Union shall be guaranteed a minimum of four (4) hours daily and twelve (12) hours weekly, unless mutually agreed upon between the Company and the employee, to a maximum of 29.9 hours per week.

C. Article XX of this agreement shall not be applicable to part-time employees regularly scheduled to work less than fifteen (15) hours per week. With exception of Life Insurance which shall not be applicable to part-time employees regularly scheduled to work less than twenty (20) hours per week.

D. All employees, except those exempted in Section A above, shall be required as a condition of employment to join the Union after ninety (90) calendar days on the regular payroll of the Company, and to maintain such membership in good financial standing in accordance with the provisions relating to membership dues and initiation fees in the Constitution and Bylaws of the Union during the life of the contract.

E. An employee who has been in an excluded classifications or position and is permanently transferred into one within the jurisdiction of the Union shall be required to resume his/her Union membership at once if he/she has previously held such membership, and, if he/she has not formerly been a member of the Union, shall be required to join the Union within ninety (90) calendar days after such permanent transfer. An employee permanently transferred from a position under the jurisdiction of the Union to an excluded position will become ineligible for membership in the Union on the satisfactory completion of the trial period, if any, but in any case not later than one (1) month after the transfer. Time spent over one year in the excluded classification will not be applied to bargaining unit seniority.

F. An employee shall be deemed to be on probation during the first ninety (90) calendar days of employment on the regular payroll, during which time he/she may be discharged within the sole discretion of the Company. The probationary period may be extended by mutual agreement of the Company, and the Union.

G. The Union agrees to indemnify the Company and save the Company harmless from any claims made against the Company by employees or any other party which may result directly or indirectly from the execution of this agreement from inclusion in the contract of any provisions which may be invalid under the Labor Management Relations Act of 1947, as amended, or as a result of any action taken by the Company at the request of the Union.

ARTICLE IV

CHECKOFF

The Company agrees to deduct weekly from the earned wages of employees under the jurisdiction of the Union who individually authorize such deductions in writing on a form acceptable to the Company, initiation fees and dues, and once each calendar year a deduction for a political contribution, as provided under the Bylaws of the Union and to remit same by check to the president of the Union each week.

ARTICLE V

COMPANY-RIGHTS

It shall be the exclusive right and responsibility of the Company, subject to and in conformity with the provision of the agreement, to operate the business under the established policies and rules: to open new departments, stock new lines of merchandise, hire trained specialists to staff such departments if not otherwise available, or to discontinue departments or lines of merchandise; to hire, maintain order and efficiency, transfer, promote and demote, to lay off, suspend or otherwise discipline, or to discharge for reasonable cause, provided, however that an aggrieved employee shall have the right of appeal through the grievance procedure any such matter not specifically excluded therein.

It shall be, within the Company's sole discretion to revise, eliminate, consolidate, or add job classifications; temporarily to transfer employees from selling to non-selling duties and vice-versa; to add non-selling or selling duties to an established job classification on a permanent or temporary basis, without additional compensation and without a reduction in compensation, provided that the added duties fall in the same or lower grade, except that where less than all of the employees in a job classification are affected by such an addition, the change, shall be applied to those employees with the least seniority. It is understood that this exposition of management rights is not all inclusive and it is agreed that it shall not be deemed to exclude other prerogatives generally recognized as the functions of management which are herein specifically enumerated.

In consideration of this agreement, the Union agrees to cooperate with the Company in maintaining and improving the skill, ability and production of its members as employees and in eliminating waste and abuse of privilege.

The Union further agrees that full consideration shall be given to the necessity for efficient operation of the business.

ARTICLE VI

WORKING SCHEDULES

A. The Company shall determine store open hours. Any changes in store open hours other than those necessitated by Federal or State order shall be discussed with the Union before announcement of such change is made.

The Company agrees that notices of all full time and part time openings covered by the collective bargaining agreement will be posted in the store in which the opening occurs. Employees will have an opportunity to be considered for such openings. Job posting will be a minimum of five (5) working days. The Company shall provide copies of such postings to the appropriate stewards in each facility.

B. The regular schedule of hours for full time status employees working 38 hours shall be five (5) days with no day totaling more than eight (8) hours.

C. Permanent changes in regular working schedules for classifications of less than one (1) hour and for individuals may be made, at the discretion of the Company upon written notice of two (2) weeks to the Union, except that such notice may be waived by mutual agreement of the Company, the Union and the majority of the employees affected. The Company shall have sole right to make temporary changes in schedules to conform with changes in store open hours.

D. For figuring wage deductions for tardiness or absence, the smallest unit shall be six (6) minutes of any day.

E. All employees scheduled for more than six hours may have at least one-half ($\frac{1}{2}$) hour for lunch and such lunch or other meal time shall be unpaid and not included in the schedule of working hours.

F. The Company agrees that schedules shall be so arranged that the day's work is continuous, except for regular meal periods, not to exceed one (1) hour each, and for voluntary extra-duty assignments of employees in departments or classifications other than their own. Such voluntary extra-

duty assignments may either precede or follow the employee's regular schedule for periods not to exceed four (4) hours a day.

G. RELIEFS

Daily reliefs for employees on a work schedule of more than four and one-half (4 ½) hours shall be regularly scheduled as part of the working hours in employment classifications requiring very close application to operating equipment or necessitating actual station coverage. The only exception to this will be Telephone Operators who receive two reliefs, one of twenty (20) minutes and one of thirty (30) minutes. Other employees working on a regular daily schedule of more than four and one-half (4 ½) hours shall, on request to the department head, be granted a daily relief period of twenty (20) minutes, to be arranged by the department head at a time when it will interfere least with operating or service requirements.

In departments, workrooms, or sections where there is no supervisor in attendance, a daily relief period of twenty (20) minutes shall be regularly scheduled for every employee whose regular daily schedule exceeds four and one-half (4 ½) hours.

H. PAID HOLIDAYS

New Years Day

* President's Day (except Warwick)

or another holiday to be designated by the Company

Memorial Day

Independence Day

Labor Day

Columbus Day

Veterans Day

Thanksgiving Day

**Christmas Day

V.J. Day (Warwick only)

* A day off in lieu of this holiday may be scheduled by the Company for each eligible employee within the period including the two (2) calendar weeks before and the four (4) calendar weeks after the holiday.

** A day off in lieu of this holiday may be scheduled by the Company for each eligible employee within the month of January.

Two (2) Personal Days

To be taken during the contract year at a time mutually agreeable between the employee and his or her immediate supervisor. Employees will be permitted to utilize a personal day with management approval for emergencies, illnesses of family members or when weather conditions prevent the employees from reporting to work. Management approval will not be unreasonably denied.

Newly hired employees are eligible for two personal days after completing six months of employment. An employee discharged for theft or complicity in theft shall not be entitled to pay in lieu of unused Personal Days.

I. HOLIDAYS & DAYS OFF

1. During the workweeks which include the eleven (11) holidays, all employees except as are hereinafter provided for in subsections (2) and (3), who have been employed continuously on the regular payroll of the Company for sixty (60) calendar days preceding such holiday workweek and who work the regularly scheduled workdays immediately preceding and immediately following the holiday, unless the Company within its discretion waive such requirement for either of such workdays, shall be paid for such unworked holidays at his or her base rates. The Company shall have the right to change scheduled days off for any employees during said eleven (11) holiday workweeks, during the period between Thanksgiving and Christmas and in any week including a holiday or half holiday on which a store is open. In any other week containing a holiday or other regularly scheduled day of closing, the closed day shall be the only day off. Holiday pay for employees on a regular full time schedule, except as hereinafter provided in subsection (2) below, shall be the basic daily wage that the individual employee would be paid if working his or her regular daily schedule.

Except for President's Day, Christmas Day, and the two Personal Holidays, employees on a regular weekly schedule of less than five (5) days, other than as provided in subsection (2) below, shall receive holiday pay for the hours regularly scheduled to be worked by any such employee on the day of the holiday. For the holidays of President's Day, Christmas Day and the two Personal Holidays, whether they may be scheduled workdays or not, and when a holiday occurs on a day that is not a regularly scheduled workday, the employee's holiday pay will be computed by dividing the regularly scheduled hours in his/her workweek by the regularly scheduled number of days in such week.

2. Subject to the same qualifying and eligibility provisions set forth in Section (1), straight commission employees and men's shoes salespersons on the salary plus plan, shall be paid for such unworked holidays on the basis of average weekly earnings prorated daily, as determined annually for the preceding twelve (12) month fiscal period of the Company for the purpose of establishing the vacation rate.

Such an employee who has qualified to receive holiday pay and is required by the Company to work on his/her scheduled day off during any one of the said eleven (11) holiday workweeks shall be paid for the time worked in accordance with the provisions of Schedule (C).

3. Any employee otherwise qualified to receive holiday pay who takes his or her contractual vacation during a week in which any of the paid holidays as above defined falls, shall receive either a compensatory day off, to be assigned during the vacation period, or straight time pay for such holiday.

4. There shall be no day off on the days of the taking of semi-annual inventories and any employee regularly schedule to have such a day off shall instead be assigned another day off during the same week. The Company may also make changes in employees' scheduled days off during weeks in which the inventory is taken.

5. Departmental working schedules shall be determined by the Company and, except in emergency or on days of store closing, shall be posted by 3:00 P.M. on Friday for the following workweek. Available days off shall be selected based upon seniority by classification within such supervisory areas as may be established by the Company.

6. Temporary changes in days off may be made when mutually agreeable between the employee and his or her immediate supervisor no later than the Friday previous to the week of the change. Temporary changes in days off and work schedules may be made unilaterally by the Company between Thanksgiving and Christmas, during holiday weeks and the two (2) weeks of semi-annual inventories and with notice in the preceding workweek. Once each calendar quarter the Company may temporarily change an employee's day off and work schedule for one week. This latter provision shall apply to employees in sales and stock positions.

7. The Company shall establish a three (3) week rotation schedule which will remain constant throughout the year.

It will not apply to employees who are currently not on a Sunday Schedule (Schedules A, B and C) commission employees, stock employees and employees in the Boston Store.

- a.) In two of the three weeks, the Associate's day off will be the same day of the week;
- b.) Associates will be scheduled one out of three Sundays;
- c.) Associates will be scheduled one out of three Saturday nights;
- d.) Associates will be scheduled two out of three Saturdays;

- e.) Associates will have a three-day weekend one out of every three weeks, except during the week of the Spring Biggest Sale of the Season, the November One-Day Sale and one other weekend in December.

Section 7. is not subject to sections 4, 5, 6 and section M, except to conform with store open hours.

J. STOCKTAKING

For the taking of the semi-annual inventory, every regular shall be expected to work beyond his or her regular schedule. On such semi-annual stocktaking days the Company may arrange special schedules to meet service requirements. All hours worked by an employee over the number of hours in the regular full time schedule will be paid for at the rate of time and one-half (1 ½). An inventory allowance of \$5.00 shall be paid in addition to the compensation of any employee if he or she is assigned to work after 6:00 P. M. on semi-annual inventory as above set forth. Inventory night may be the second, regularly scheduled night in the workweek and all employees are required to work until completion of inventory.

K. CLASSES

Such voluntary classes or courses of instruction before or after store hours as are offered by the Company's Training Department in preparation for promotions, shall not be considered as working hours nor included in the working schedule.

L. SALES ASSOCIATES

Sales Associate's duties will include the cleaning of tops of all glass and outside of showcases (in their own departments) including mirrors and the moving of racks and totes and the picking up of supplies.

M. TEMPORARY SCHEDULES

With the exception of employees classified as merchandise Clerks, there shall be no temporary change of schedules, either full time or part time, without the assent of the Union, except in cases of emergency, during holiday workweeks, during the period from Thanksgiving to Christmas, to conform with store or department open hours, and as otherwise provided in this agreement and in Article VI, Section C, I, and J.

In the event of any temporary change in store open hours involving an earlier night closing, the starting time for second shift employees on the full time schedule shall be changed by the Company as they deem necessary to provide for a full work schedule for such nights of earlier store closing.

N. JURY DUTY

An employee called for and accepted for jury duty, including Grand Jury duty, shall be granted leave of absence from work without loss of seniority for the time so spent. Upon submission of appropriate court document or endorsed check received for jury duty service the employer shall pay the difference to the employee for each day or hours of jury duty which occurs on the employee's regularly scheduled workday between the straight time wages up to his/her regular schedule of weekly hours that would normally be paid by the employer and that received from such jury duty service, provided, however, the employee shall work at such times during the day when he/she is not required to perform jury duty service.

The Company will comply with the applicable Juror Compensation Laws. Employees who are required to perform jury duty may be required to work a maximum of five (5) days including both company and jury requirements unless it is mutually agreeable between the employee and the supervisor to work the sixth (6th) day.

Commission employees will receive the difference between their vacation average and jury duty pay.

O. AVAILABILITY LISTS

1. Extra hours in a classification on other than a permanent basis will be offered to employees in their classifications in a supervisor's area in Boston and Branch Stores as follows:
 - A. An availability list will be posted by the first of the preceding month, and by the fifteenth of the preceding month, employees must declare in writing their availability for hours over their normal schedule.
 - B. Such extra hours will not change an employee's classification.
 - C. Employees shall be chosen from the availability list by seniority on a rotating basis if present at work for work performed on that day.
 - D. The employee must take the entire schedule that provides the extra hours.
 - E. If an employee is unavailable when asked in turn, that employee's name will be dropped from the list for the remainder of that month and for the succeeding month, unless previously excused.
 - F. If no employee in a supervisors area is available for such extra hours, the extra hours will be offered by seniority on a store-wide basis.

2. Sunday work will be offered as follows:
 - A. An availability list will be posted by the first of the preceding month, and by the fifteenth of the preceding month, employees may declare themselves available for Sunday work in their classifications.
 - B. Interested employees must sign for at least one (1) Sunday each month, except that for the months of June, July and August, they must sign up for two (2) Sundays for each month, and the Company will provide work opportunity for that number of Sundays each month. For seniority purposes, all employees will be merged by classification. Preferential work assignments (hours and departments) will be made as the Company determines the need, by seniority on a rotating basis, of those names on the list, if such hours and departments are available.
 - C. If an employee is unavailable when asked in turn, that employee's name will be dropped from the list for the remainder of that month and for the succeeding month, unless previously excused.

ARTICLE VII

OVERTIME

- A. All full time employees, except straight commission salespersons, shall be eligible for overtime compensation on a daily basis at the rate of time and one-half (1 ½) in cash for time worked in excess of eight (8) hours in a day. Such overtime compensation shall not be paid for any period less than six (6) minutes, but if overtime work runs to six (6) minutes or more, compensation shall be paid in six (6) minute units.
- B. Except in cases of emergency, no employee shall be required to work overtime unless notified on the preceding business day.
- C. The hourly overtime rate shall be computed on the basis of the average weekly schedule.
- D. A part time employee may be scheduled to work full time for a period of a week or more at the employee's regular hourly rate and such additional time shall be on a voluntary basis.
- E. Part time employees who are required to work beyond their regular daily schedule on a day-to-day basis shall be paid straight time for such work up to eight (8) hours.

- F. Overtime compensation at the rate of time and one half (1 ½) for work performed in excess of eight (8) hours shall be paid to straight commission employees assigned to non-selling duties, with the exception of inventory which will be paid at straight time, such compensation to be on the basis of average hourly earnings of the employee's department; computed annually on the prior twelve (12) months departmental average ending the last Saturday of each fiscal year.
- G. An employee who is required to work either on a holiday when not regularly scheduled to work on such day, or on a scheduled day off at times other than permitted under Article VI, Section C, I and J, shall be compensated at the rate of time and one-half (1 ½) for the time so worked in addition to holiday pay, if any overtime at premium time will not be paid until the sixth (6) day worked of any regular workweek, and the fifth (5) day worked in a paid holiday week.
- H. An employee who volunteers and is scheduled to work on Sunday, when not regularly scheduled to work on such day, shall be guaranteed four (4) hours pay at the rate of time and one-half (1 ½) unless he or she has worked the six (6) days immediately preceding, in which event he or she shall be given a day off within the next six (6) days when necessary to comply with State law. Employees hired who accept a schedule which includes Sunday hours will be required to adhere to this schedule.
- I. In case of an emergency closing, employees will not be paid if the Company has arranged for public notification by radio or telephone of such closing before the start of their schedule for the day. Provided, however, employees who are in transit to work who missed the public notification of emergency closing and sign in at their location, will be paid for their full scheduled shift.
- J. The Company may require sales employees to work two (2) nights which shall be any schedule going beyond 7:30 p.m. and which may include one (1) Saturday night every four (4) weeks. This limitation to one (1) Saturday night every four (4) weeks applies to all full-time sales associates. All employees may be required to work two (2) nights per week during the period between Thanksgiving Day and Christmas and during the weeks in which semiannual inventory is taken, inventory night may be the second regularly scheduled night in the workweek. Employees hired after February 6, 1994, or a full time employee on a three week cycle may be required to work one (1) Saturday night every three (3) weeks. On a night that the store hours are extended beyond 10:00 p.m., the Company, where feasible, shall not schedule full-time employees who work the closing shift to open the store the following morning.

ARTICLE VIII

FUNERAL LEAVE

In the event of a death in the immediate family of a regular associate, he or she shall be allowed five (5) consecutive calendar days absence from work beginning with the day after the date of death, to attend the funeral without loss of regular straight time pay for the straight time hours he or she would normally be scheduled to work. Immediate family shall mean parent, child, spouse, brother, sister, mother-in-law or father-in-law or any other permanent resident of the household. If the death falls within an associate's vacation week, the associate will be allowed that same five (5) calendar days in the following week on the same conditions with the same pay. Such associate will be given one (1) day off without loss of pay to attend the funeral of a family member, including brother-in-law or sister-in-law, son-in-law or daughter-in-law, aunt or uncle (if sister or brother of associate's parent), nieces and nephews, grandparents or step-parents, other than the immediate family, in accordance with the Company's past practice. If the death falls within an associate's vacation week, the associate will be allowed the same one (1) calendar day in the following week on the same conditions and with the same pay.

ARTICLE IX

WAGES

A. RATE ADJUSTMENTS

All regular full time and part time associates with over five (5) years of service on February 4, 2001 shall receive an increase of forty-five (45) cents per hour on that date. All regular full time and part time associates with over one (1) year of service of February 4, 2001 shall receive an increase of forty (40) cents per hour on that date.

All regular full time and part time associates with over five (5) years of service on February 3, 2002 shall receive an increase of fifty (50) cents per hour on that date. All regular full time and part time associates with over one (1) year of service on February 3, 2002 shall receive an increase of forty-five (45) cents per hour on that date.

All regular full time and part time associates with over five (5) years of service on February 2, 2003 shall receive an increase of fifty (50) cents per hour on that date. All regular full time and part time associates with over one (1) year of service on February 2, 2003 shall receive an increase of forty-five (45) cents per hour on that date.

All regular full time and part time associates with over five (5) years of service on February 1, 2004 shall receive an increase of fifty (50) cents per hour on that date. All regular full time and part time associates with over one (1) year of service on February 1, 2004 shall receive an increase of forty-five (45) cents per hour on that date.

All regular full time and part time associates with over five (5) years of service on February 6, 2005 shall receive an increase of fifty-five (55) cents per hour on that date. All regular full time and part time associates with over one(1) year of service on February 6, 2005 shall receive an increase of fifty (50) cents per hour on that date.

Anyone with less than one (1) year of service on any of the above dates shall receive the following increases:

HIRED BETWEEN FEBRUARY 1 ST AND JULY 31 ST	HIRED BETWEEN AUGUST 1 ST AND JANUARY 31 ST
25¢ after 90 days	25¢ after 90 days
15¢ on the following February	20¢ on the following August
20¢ on the following August	

Employees who sell children's shoes shall receive a 3% commission in addition to their hourly rate. If children's shoes are physically moved into a commission area, commission employees shall receive their regular commission for any sales.

B. The Company shall have the sole discretion to hire new employees at a rate within or above the rate ranges based upon experience as determined by the Company to be appropriate without effect on the wage rates of other employees, provided, however, that each new employee shall receive an automatic increase of twenty-five (25) cents per hour after ninety (90) days on the regular payroll.

C. COMMISSION RATES

1. A straight commission plan is one which pays an employee a stated percentage of the net amount of sales made or services performed by the employee.
2. Commissions shall be paid to employees in the departments and at the rates provided in Paragraph 5 and 6 of this Section.
3. Straight commission employees shall be paid a weekly salary against commission earnings in an

amount not exceeding 70% of their respective average weekly earnings as adjusted on May 1 of each year, computed on the basis of the average weekly earnings for the twelve (12) month period ending the previous December 31 and prorated daily for the current normal workweek.

All employees who currently have weekly, monthly or quarterly wipeouts shall continue with such wipeouts. All employees hired after February 2, 1997 shall have a twice a year seasonal wipeout.

4. Unidentified credits and debits will be charged, against the house key in all commission departments. Any remaining such credits and debits will be apportioned on an equal basis among the salespersons in the department. At no time will credits be reduced to less than zero. Any returns after 90 days cannot be charged back to the sales employee.

5. WOMEN'S SHOES BOSTON AND BRANCHES ·

Straight commission of 9 ½ % on all net sales for full time and part time associates.

Should these employees sell non-commission merchandise, they shall be paid at the rate of 3%.

6. MEN'S CLOTHING AND MEN'S SHOES:

MEN'S CLOTHING Departments in Boston, South Shore, Warwick, Natick, Chestnut Hill, Burlington and

North Shore 7.15%

MEN'S SHOES

- a) Upstairs Boston 9.15%.
- b) 1. The company shall establish Men's Shoes commission in all branch stores except Hyannis.
Branch stores 9%
- 2. In those stores where there is not a sufficient volume, there shall be a base rate plus three percent (3%).
- 3. Men's shoes in Hyannis shall continue under current practice.
- c) 1. Should these employees sell non-commission merchandise, they shall be paid at the rate of 3%.

- d) 1 Annual Incentive Bonus, based on the following schedule, will be paid each April: The formula for the straight commission bonus in the commission schedule will increase by .025%, to a maximum of 1% over the base rate for every 10% of net sales over the average of the following areas for the following commission employees on the payroll February 4, 2001:
- Men's Clothing Boston and Branches full time
 - Men's Clothing Boston and Branches part time
 - Men's Shoes (Boston only)

The average annual net sales for each area will be totaled as soon as the data is available after the close of business of the fiscal year. These totals will be the base for calculating the progressive bonus schedule for the following year.

Part time commission employees on the payroll February 4, 2001 will participate in the bonus schedule as follows:

Part time employees will develop their own base figures for the purpose of calculating the progressive bonus schedule. An average net sales per hour for part time employees will be developed by taking the annual sum of all their sales and dividing this by the total annual hours worked by part timers. The average sales per hour developed in Step 2 will be multiplied by 1904 (comparable annual hours of full time sales employees) This will establish their annual base sales for purposes of the bonus schedule. The individual will have his/her annual sales divided by the number of hours worked to develop his/her individual sales per hour. This will then be multiplied by 1904 hours (comparable full time salesperson annual hours). This annual net sales figure will be applied against the bonus schedule and the persons will receive a pro-rata share of the earned bonus [i.e., if the bonus on the schedule is \$500.00 and the hours worked by the individual is 952, (½ the annual full time equivalent) he/she will receive 50% of the bonus of \$250.00].

2) LUMP SUM PAYMENT

All full time straight commission men's clothing employees on the payroll February 4, 2001 shall receive a lump sum payment in each of the years of the contract payable semi-annually as follows:

	FEBRUARY	AUGUST
2001	\$250.00	\$250.00
2002	\$250.00	\$250.00
2003	\$250.00	\$250.00
2004	\$250.00	\$250.00
2005	\$250.00	\$250.00

Such payment shall be one half (½) for part time employees on the payroll February 4, 2001.

3) Draw versus commission Associates hired prior to 2/4/01 shall receive the following bonus payable in September of each year of the contract:

2001-2002-2003-2004-2005

5 Years of Service

Full time	Part time (15 Hours)
\$200	\$100

10 Years of Service

Full time	Part time (15 Hours)
\$350	\$175

15 Years of Service

Full time	Part time (15 Hours)
\$450	\$225

20 Years of Service

Full time	Part time (15 Hours)
\$550	\$275

D. PERMANENT CHANGES IN STATUS

1. PROMOTION

In the case of promotion, the employee's rate shall be increased to not less than the minimum of the new job grade.

2. TRANSFERS

No change of rate shall result from a transfer within the same grade, or to an excluded job classification having the same rate range; the transferred employee carries with him or her service accumulated toward the next salary advance. Employees may apply for transfers to any branch store or to the main store and selections for transfers shall be made at the discretion of the Company. The Company may temporarily transfer employees for assignments to any of their stores by job seniority without loss of pay provided that any difference in public transportation costs and additional travel time required will be paid for by the Company and provided that the employee's seniority shall continue during the period of the transfer.

3. DEMOTION

The rate of a demoted employee shall be determined by current rates of like-service employees currently holding the same position and if above maximum of the new range, it shall be decreased to the new maximum. If the rate is within the new range, it shall not be decreased. If there is a job vacancy which the employee is considered by the Company to be qualified to fill, but which would result in a reduction to the lower wage of more than 10%, the reduction to the lower wage shall be deferred for the number of weeks that the employee has years of service on the payroll.

E. TEMPORARY TRANSFERS

1. Temporary transfers of over one (1) hour to a higher grade will be paid at the applicable rate of the higher rated job for the number of hours worked in the new classification. There will be no increased payments for such work less than one (1) hour.

1(a) An employee transferred to sell in a straight commission department for the full scheduled shift shall receive the commission rate for the department, but no other compensation. An employee on straight commission transferred to sell in a noncommission department shall receive his/her own commission rate.

1(b) In the case of temporary transfers for vacation relief not to exceed two (2) weeks in each scheduled vacation period, there shall be no change in rate except for heavier duties.

2. OTHER TRANSFERS

A temporary transfer shall not cause a rate change. Time spent on such temporary placement shall count as time spent on the permanent assignment. Any rate change which would be granted to the employee, had he/she been retained on his/her permanent assignment, shall be effective, on the date it would have otherwise become effective.

3. The above rules shall be applied in the cases indicated and in similar situations which arise, so as to give due consideration both to the employees rights and to his/her duty to accept such temporary or emergency assignments as the Company considers necessary to meet operating conditions as they arise.

F. Employees who are assigned to the 11:00 P.M. to 7:00 A.M. schedule at the Boston Store shall receive a third shift differential of fifty (50) cents per hour.

G. SERVICE BONUS:

Lump sum shall be paid as follows on the first payroll of each December:

Employees with ten (10) years of service as of December 1

	<u>Full Time</u>	<u>Part Time</u> (19 hrs per/week)
2001	\$200.00	\$100.00
2002	\$200.00	\$100.00
2003	\$200.00	\$100.00
2004	\$200.00	\$100.00
2005	\$200.00	\$100.00

Employees with five (5) years of service as of December 1

	<u>Full Time</u>	<u>Part Time</u> (19 hrs per/week)
2001	\$100.00	\$50.00
2002	\$100.00	\$50.00
2003	\$100.00	\$50.00
2004	\$100.00	\$50.00
2005	\$100.00	\$50.00

E. DIRECT DEPOSIT

Regular employees with six (6) months of service may opt to have their paycheck deposited to a financial institution of their choice.

BIG TICKET

A. The newly established Big Ticket commission areas and their commission rates are as follows:

Area Rugs	7%
Mattresses	6.5%
Furniture	6.5%
Electronics	6.5%

B. There will be identified adjacent areas that will have an intersell rate of 3%.

C. Employees hired after 2/6/94 may be required by the Company to work schedules with Sunday included. Pay for Sunday shall be commissions against draw.

D. The Company may require employees to work two (2) nights.

E. All unidentified sales and returns shall be pro-rated among those employees working within the particular departments. At no time will credits be reduced below zero.

F. All vendor provided "spiffs" will be paid to the appropriate employees.

G. Draws shall be determined as they are currently in other commission areas and adjusted each year effective May 1st.

H. There shall be a quarterly wipeout for all employees working in these areas. All employees hired after 2/2/97 shall have a twice a year seasonal wipeout.

I. Any returns after 90 days cannot be charged back to the sales employee.

ARTICLE X

PROMOTIONS, TRANSFERS & LAYOFFS

In consideration of promotion or transfer, store seniority by job classification within a supervisor's area in Filene's Boston Store and branch stores shall be the determining factor where ability and fitness are considered by the Company to be substantially equal. Consideration for promotional transfer shall be given first, to employees in the immediate department, next, to those in the supervisor's area; next, to those in the same store; and lastly to those in other stores of the Company. For a period of thirty (30) days associates promoted or transferred pursuant to this Article shall be in a trial period during which either the Company or associate may effectuate a return of the associate to the associate's previous job.

APPLICATION OF SENIORITY

1. Regular employees shall have their benefit date as their seniority date for purpose of layoff or recall.
2. Separate shift seniority lists for each work group established by the Company, i.e., sales, stock, etc., shall be maintained for full time employees, part time day employees and part time evening employees. The second shift shall include any employee whose regular work schedule starts on or after 4:30 P.M.
3. Weekly work schedules will be selected on the above seniority basis by those employees who are assigned within a department manager/supervisors work group.
4. If a layoff becomes necessary, the junior employee/employees within the work group, by classification affected (F.T. or P.T.) and shift that is being reduced, shall be laid off. Recalls will be made in the reverse order of layoff. All associates have recall rights after layoff for a period of time only equal to their length of employment, not to exceed one year. An employee will be terminated if he/she fails to report within one (1) week of recall. The termination date will be the date of recall.
5. In the event of a layoff due to a discontinuance of a department or reduction of force, the Company shall endeavor to arrange a transfer to another job classification for which the employee may be considered to be qualified. Otherwise the employee will be transferred to the job of the least senior employee in the store, on which job he/she has prior satisfactory experience and the displaced employee shall be laid off so that there will be no bumping. If there is a job vacancy which the employee is considered to be qualified to fill, but which would result in a reduction in weekly wage of more than 10%, the employee shall have the option of taking the separation allowance or the transfer to the lower rated job. If such transfer is made, the reduction to the lower wage shall be deferred for the number of

weeks that the employee has years of service on the regular payroll.

6. Company benefits will not accrue during layoff status, except as listed below:

A. LIFE INSURANCE will cease on the day following the layoff but there will be a thirty-one (31) day period of grace in which the employee may convert all or part of this insurance. If the employee returns to work within one (1) year after the date of the layoff, his or her life insurance will be reinstated as of the date of his or return to work.

B. SICK PAY will terminate on the first day of the layoff.

C. HEALTH INSURANCE may be continued for a period equal to the number of weeks of an employee's employment not to exceed thirty-nine weeks, provided that the employee pays the full premium each month in advance, after which the Insurance Carrier will be notified to contact the laid off employee directly for continuance of coverage.

D. VACATIONS

If a vacation with pay is due an employee on the date of layoff, he or she will be given his or her vacation entitlement on the date of layoff.

7. At each store the Union may designate one employee as Chief Shop Steward. Such employee will be the last to be laid off in his/her work group and classification, provided that he/she is qualified to perform the required work.

8. If the layoff extends beyond one (1) year without recall to the same job or a comparable (same pay and hours) job, the employee will be terminated and separation allowance, if due, will be paid.

ARTICLE XI

SEPARATION ALLOWANCE

In the event of termination of employment due either to lack of work or job elimination, an employee, subject to the exceptions hereinafter provided, shall be entitled to a separation allowance based on his or her length of continuous service on the regular payroll and on his or her basic weekly salary, in accordance with the following schedule:

Service:	Separation Allowance
1 year	1 week
2 years	2 weeks

and thereafter an additional week's wages for each added year of service. An employee shall not be entitled to separation allowance who:

1. is discharged for just cause;
2. has no break in employment with William Filene's Sons Company or a sub contractor of William Filene's Sons Company;
3. as discharged as a result of suspension or expulsion from the Union under the procedure provided in Article III, Section D of this agreement;
4. resigns voluntarily, without action by the Company. If the same employee is entitled to both dismissal wage and vacation pay, he or she shall receive both.

ARTICLE XII

USE OF COMPANY RECORDS

The Company agrees to furnish the Union, or its duly constituted representatives or attorneys, opportunity to inspect and to take copies of such records as are required for the proper investigation of grievances under this agreement.

In addition the Company shall provide to the Union, on a timely basis, a list of new hires, changes and terminations and twice a year, on February 1 and September 1 a seniority list by location.

ARTICLE XIII

VACATIONS

All regular employees who have completed six (6) months of service shall be entitled to pro rata vacation benefits until the next May 1.

All regular employees who have completed two (2) full years of service shall be entitled to two (2)

weeks' vacation with pay between May 1 and the following April 30.

All regular employees who have completed five (5) years of service shall be entitled to three (3) weeks' vacation with pay between May 1 and the following April 30.

All regular employees who have completed ten (10) years of service shall be entitled to four (4) weeks' vacation with pay between May 1 and the following April 30.

All regular employees who have completed twenty-five (25) years of service shall be entitled to five (5) weeks' vacation with pay between May 1 and the following April 30.

For straight commission employees, the average weekly earnings figure of each employee, as computed annually to be effective on May 1 and prorated daily for the number of days in the current normal workweek shall be the vacation base pay.

For all other employees, respective pay of one (1) week shall be their respective basic weekly wage. All vacations with pay shall be taken during periods designated by the Company and shall be subject to the following limitations for continuous absence; If an employee is absent sixty (60) days or more consecutively, one (1) day for the first sixty (60) days of consecutive absence and one (1) additional day for each subsequent thirty (30) days of absence will be deducted from the next vacation due, except that if such absence was due to illness or was the result of an injury incurred in the line of duty where contributory negligence is not a factor, no vacation credits will be withheld.

Unless an exception is made by the vice president of Personnel, vacations shall begin on Mondays and be taken in one unbroken period. As far as possible, vacations shall be arranged that it will not be necessary to fill the place of any employee who is out. Vacation, therefore, shall not be grouped into one (1) month, but spread over the entire vacation period.

A list of available vacation weeks will be posted by the Company, together with the number of employees in a supervisor's area who may take vacations in each available vacation week, each April 1, and shall be determined separately for full time and part time employees by total store service, on the shift, within the classification (job grade in the Distribution Centers). An employee shall have the right by seniority to select his or her vacation period from the available weeks. Exclusive of the week of Thanksgiving through the week of Christmas, the company may block out up to two (2) inventory weeks plus two (2) other weeks and provide that no employee may take more than two (2) weeks vacation between July 1 and Labor Day, in a department/supervisors area during which time that associate may not sign up for a vacation. Employee selections shall be fixed by May 1, after which dates any employee who has not selected a vacation period may select a period only from those vacation periods then

available. Departmental employees will retain their vacation preference if an employee is transferred into the department after the vacations have been established for the vacation period.

Employees absent due to illness or industrial accident who fail to return during the vacation period must schedule owed vacation time within three months of their return to work. Pay cannot be taken in lieu of time off.

The Company will endeavor to maximize available vacation weeks during prime vacation time, except during business emergencies. When employees have left the location because of resignation or dismissal and have then returned, the date of re-employment shall be considered the date of employment for the purpose of calculating vacations, unless they have been reinstated with credit for former service.

Employees hired before February 6, 1994 shall have their full vacation vested on May 1, of each year. Employees hired after February 6, 1994 shall accrue one-twelfth (1/12) of their annual vacation entitlement on May 1, and one-twelfth (1/12) of their annual vacation entitlement on the first day of each successive month of that vacation year.

ARTICLE XIV

LEAVE OF ABSENCE

- A. The Company may grant leaves of absence at their discretion to employees with two or more years of service without loss of rating on the part of the employee on return to work, except that where an employee has been on leave of absence for over twelve (12) weeks, the Company may assign the employee to any job classification within the store which pays the same wage rate.
- B. The Company to provide for four (4) weeks leave of absence without pay for child care after an employee completes her maternity leave.
- C. Upon request of the Union, the Company agrees to grant leaves of absence without pay, but with full seniority rights, up to one (1) year at a time for not more than four (4) union officials.
- D. The Company shall continue their present policies with respect to granting leaves of absence for military service.
- E. While on unpaid leave of absence, benefits such as employee discount and paid holidays are suspended.

F. The Company shall permit one steward per location to attend without loss of pay, one annual stewards seminar conducted by the Union.

ARTICLE XV

DISCOUNTS

The Company agrees to maintain the cash discount policy in effect on the date of the signing of this agreement on items of merchandise and service on which employees were entitled to a discount on that date, as follows:

A. BASIC DISCOUNT

Basic discount is available to all active employees and their eligible dependents. The basic discount is 25% throughout the store except for the following departments:

Candy Department	15%
Sale Diamonds in Fine Jewelry	10%
Filene's Gift Wrap	No discount
Gift Bonds	No discount
Restaurant	No discount
Purchase of less than \$1.00	No discount
Alterations	No discount
Fine Jewelry	15%
Cosmetics	15%
Fashion Home	15%
Area Rugs	15%
Mattresses	15%
Furniture	15%
Electronics	5%

B. The Company further agrees to establish proper competitive discounts on merchandise or service not now carried but which may be carried in the future.

C. Employee discount will be provided to all retirees consistent with The May Department Stores Employees Retirement Plan.

The Union recognizes that this is a privilege which is to be guarded and protected from abuse, and agrees to cooperate with the Company in such action as may be necessary to the attainment of this end.

ARTICLE XVI

GRIEVANCE INVESTIGATION

Activities of Business Agents on the premises of the Company shall be confined to store open hours, except for such after hour meetings or conferences as maybe approved by the vice president of Personnel. Business Agents may confer with the Labor Relations Manager at any time to secure information essential to cases which they are investigating, but they shall secure the permission of the Department Heads before talking with employees on their jobs, which permission shall not be unduly withheld. When they are investigating grievances, the settlement of which involves only equitable interpretation of a provision of the contract, or any existing rule or practice, they shall be recognized as empowered, under the direction of the Chief Business Agent, to reach an understanding and settlement with the Company's official representative.

Other union representatives who receive complaints for adjustments may transact such official business with the respective Department Heads as may be considered necessary during store hours, under the same conditions as in the preceding Paragraph.

It is understood and agreed that no deduction of wages shall be made by the Company for time so taken by such union representatives from their regular store duties for such conference with representatives of the Company.

Representatives of the Union employed on a straight commission basis on the active payroll shall be compensated by the Company at their respective vacation rate for time taken during store hours for conferences with representatives of the Company.

ARTICLE XVII

CONTRIBUTIONS

All requests for store-wide contributions of funds shall be voluntary. Such requests for contributions from Union members shall be referred to the Union for approval.

ARTICLE XVIII

PUBLICITY & ANNOUNCEMENTS

The union shall be permitted to use for announcement of a noncontroversial nature such bulletin boards as are now in use, including the exclusive use of a bulletin board in the employees' restaurant, and such other boards as may be approved by the Company.

ARTICLE XIX

UNIFORMS

The Company agrees to furnish and keep in condition the major garments (i.e., coat, trousers, dress or smock) of all uniforms or special apparel prescribed and required as standard for a department or job classification.

Accessories such as shirts, ties, gloves, shoes and stockings, the wearing of which is required to conform to a uniform or other prescribed dress will not be furnished by the Company, except in the case of an article which is not recognized as a necessity of ordinary dress or which would not be otherwise worn by the individual and which, therefore, would present an additional expense.

When uniforms are worn not by requirement but by permission of the Company on the employees' request, such obligation on the part of the Company shall not apply.

Nothing in this provision shall be construed as applying to the dress rules which specify colors, types of dress, etc., in season, to be worn by employees whose duties bring them in contact with customers.

The Company agrees to make available foul weather gear to those receiving employees who are required to unload trucks unprotected to the elements.

ARTICLE XX

INSURANCE

A. WORKER'S COMPENSATION PAY MAKE-UP (MASSACHUSETTS ONLY)

The Company shall compensate any regular employee injured in performance of store duty, wherein

contributory negligence or disobedience of rules or orders is not established as a factor in such injury or resulting disability, for the full amount of the employee's financial loss, if any, between his or her net weekly straight time take-home salary and the amount of Worker's Compensation Insurance for the period of disability only if such period of disability extends beyond four months. In such case, an employee will be eligible for such pay make-up only for the fifth and sixth and seventh month of continued disability. The Company will consider on its merits a case of permanent disability, partial or total, extending more than seven (7) months.

**B. TEMPORARY DISABILITY INSURANCE
(RHODE ISLAND)**

The Company agrees to pay up to \$5.00 weekly to full time Warwick employees, prorated for part time employees, to defray part of the cost of the Rhode Island T.D.I. Plan. This payment is in lieu of the Company's disability insurance program in effect in its other stores. The Company agrees to pay two-thirds up to the same maximums and conditions found in Section C below, not covered by T.D.I. The waiting period for illness pay shall be eliminated for all eligible employees who are confined in a hospital or have outpatient surgery.

**C. SICK PAY
(MASSACHUSETTS ONLY)**

After six (6) months employment, regular employees who are absent from work because of non-occupational injuries or illness, shall receive two-thirds of their basic hourly rate up to a maximum of \$12.50 per hour up to \$500.00 weekly. Benefits shall be paid after a one (1) day absence for employees on the regular payroll for more than five (5) years, after two (2) days of continuance absence for employees on the regular payroll for more than one (1) year and after three (3) days continuous absence for employees who have been on the regular payroll for under one (1) year. Employees on the regular payroll for more than ten (10) years shall have no waiting period.

In cases where the Company deems it appropriate, proof of illness may be required. In either case, such payments will not exceed twenty weeks (20) total in any rolling twelve (12) month period. Effective February 4, 2002, for employees with five (5) years of service, such payments will not exceed twenty-six (26) weeks total in any rolling twelve (12) month period. This benefit shall be provided for all regular employees whose regular work schedule is fifteen (15) or more hours per week. The waiting period for illness pay will be eliminated for all eligible employees who are confined to a hospital or who have outpatient surgery. Employees requesting to leave work due to illness before the end of their scheduled workday will be paid only for all hours worked prior to leaving if they have not worked one half of their scheduled hours for the day. If they have worked over half of their scheduled hours, they will be paid for

their full schedule for the day.

D. LIFE INSURANCE

1. SPECIAL PENSION GROUP LIFE

Employees who are members of the May Department Stores Company Employees Retirement Plan are eligible for and automatically enrolled in the Special Pension Group Life Plan at no cost to the employee. If the employee dies while employed but before his/her normal retirement date and is not married or is ineligible for the pre-retirement surviving spouses benefit, his/her beneficiary will receive a payment equal to the employee's yearly pay for the calendar year before the employee's death. If the employee is a vested member of the May Employees Retirement Plan who is married, has seven (7) or more years of regular service and has not reached his/her normal retirement date at the time of death, his/her spouse is automatically covered for benefits after the employee's death under the pre-retirement surviving spouses benefit provision of the plan.

2. CONTRIBUTORY LIFE INSURANCE (THE MAY DEPARTMENT STORES COMPANY GROUP LIFE INSURANCE PLAN)

All regular employees who work (are scheduled to work) at least twenty (20) hours per week are eligible to join the plan.

Employees, must enroll within the thirty-one (31) days of date of eligibility, which is either employment date or date of first eligibility (schedule change).

Employees can elect an amount of contributory life insurance coverage equal to one or two times the amount of his/her pre-tax annual earnings during the most recent calendar year, rounded to the next highest hundred (\$100).

Coverage ends upon termination with the company or when scheduled hours drop below twenty (20) hours per week. Coverage carries through the last calendar day of the month in which the employee terminates or drops below twenty (20) scheduled hours per week, provided that the employee makes his/her regular payroll deduction.

E. HEALTH INSURANCE

Effective February 4, 2001, all regular associates on the payroll six (6) months who wish to join the Company's health program and who work a schedule of thirty (30) hours or more a week will contribute

a weekly amount per attached schedule. If the Company determines that substantial changes in benefits are required, it shall meet with the Union to discuss available options prior to the implementation of any changes.

For eligible part time associates (15 to 29.9 hours), the Company's contribution will be one half of its contribution for full time associates.

Full time associates' contribution shall be 50% of the total premium.

The Company's contribution for part time employees will continue to be one half of its contribution for full time employees. This shall apply to Massachusetts and Rhode Island employees.

EMPLOYEES HIRED AFTER FEBRUARY 4, 1991

Employees hired after February 4, 1991 must work a schedule of twenty (20) hours to be eligible for health insurance coverage.

Employees hired after February 4, 1991 shall be eligible for participation without Company contribution as of the first of the month following sixty (60) days of employment. The Company contribution shall take effect in accordance with the terms of the Agreement.

A new part time insurance program was introduced in 1994. Part-timers enrolled before February 6, 1994 may remain in that program or join the new plan in the election transfer period. Part-timers hired after February 6, 1994 shall only be eligible for the new plan. The Associate's current contribution for the plan is \$59.14 a month for individual coverage and \$136.27 for family coverage. The equal sharing of contribution rate shall be applicable for all future rates.

F. HMO OPTION

Eligible associates may have the option to participate in any company-approved HMO (Health Maintenance Organization). The Company's monthly contribution will be equivalent to its contribution for health insurance premiums

G. HEALTH ENROLLMENT

1) Associates may enroll in the health insurance program at the following times: within thirty-one (31) days of initial employment, thirty-one (31) days of first eligibility, thirty-one (31) days of first anniversary, change of family status or during the open enrollment period.

2) Children shall be covered until nineteen (19) years of age or twenty-two (22) years of age if they are full time students.

H. The Company shall abide by applicable Federal and State statutes with regard to health insurance continuation and family leave.

I. PENSION PLAN

The parties agree that the provisions of the Profit Sharing and Savings Plan (PSSP) of the May Department Stores Company and The May Department Stores Company Employees Retirement Plan, in effect May 1, 1988, as supplemented, restated and amended, and as the same may in the future be supplemented or amended in accordance with their provisions, are as of February 1, 1988, included in and made part of the agreement.

1. PENSION PLAN (THE MAY DEPARTMENT STORES COMPANY EMPLOYEES RETIREMENT PLAN)

An employee is eligible to join the plan if he/she is at least twenty-one (21) years old and has worked for at least one (1) year in which he/she was paid for one thousand (1,000) or more hours.

If the 1,000 hours requirement is met in the first year of employment, the employee becomes a member of the plan on the first day of the following January, April, July or October.

If the 1,000 hour requirement is not met in the first year of employment, the employee will become a member on the January 1 which follows the first calendar year in which they are paid for 1,000 hours.

Only years in which the employee is paid for 1,000 hours count as credited service used in the pension formula to calculate plan benefits.

An associate will qualify for lifetime discount as a retiree of The May Department Stores Company at age 55, with ten (10) years of service.

Service with Federated Department Stores, Inc. will be credited for vesting under the May Pension Plan. Service and earnings from January 1, 1984 will be used in calculating pension.

2. PSSP (PROFIT SHARING AND SAVINGS PLAN OF THE MAY DEPARTMENT STORES COMPANY)

Every participant in The May Department Stores Company Employees Retirement Plan can join the Profit Sharing and Savings Plan.

Vesting: Once you are a member of the plan, years of plan membership count toward vesting (i.e., no minimum hours worked requirement).

Notwithstanding the terms of this agreement or any other agreement between the Company and the Union of any amendment, supplement or modification thereof, and notwithstanding the termination date of this agreement or of any future agreements between the parties, it is agreed that until such time as PSSP or the Employees Retirement Plan may be terminated in accordance with its provisions, the Company shall be under no obligation, legal or contractual, to bargain or negotiate with the union on any supplement or amendment of PSSP or the Employees Retirement Plan, or any other pension, retirement or profit sharing plan. Notwithstanding any other contractual or legal provisions, it is agreed that all questions arising in the administration, interpretation and application of PSSP or the Employees Retirement Plan shall be determined exclusively by the PSSP or the Employees Retirement Plan Administration Committee or the Company, as the case may be, in accordance with the provisions of PSSP or the Employees Retirement Plan and the regulations and procedures established thereunder and all such determinations shall be final and binding on all persons. No disputes or disagreements with respect to or arising in any way under the provisions of PSSP or the Employees Retirement Plan shall be subject to the grievance procedures set forth in Article XXIV of this agreement or the arbitration procedure set forth in Article XXIV of this agreement.

ARTICLE XXI

CONTRACTUAL OBLIGATION

The Company shall not engage in any lockout, and the Union and the employees shall not authorize, condone or engage in any strike, slowdown, picketing, cessation of work or other interference with the business during the life of the agreement by reason of any dispute or disagreement, (1) between the two parties signatory hereto; (2) between either of the parties signatory hereto and a third party; or (3) between individuals, corporations, or unions not signatory to this agreement.

In order to safeguard the Union from responsibility under the Labor Management Relation Act of 1947 as amended, for violation of this clause by irresponsible employees, it is agreed that where this clause has been breached such breach shall be just cause for the Company to discipline the employee or

employees involved, provided, however, that the Union shall not be liable for damages resulting from such violation unless the Union has authorized the violation or condoned it by failing to notify in writing the Company, other unions and employees, that such violation is an unauthorized breach of contract and that picket lines should not be recognized, as well as to use all reasonable means by personal contact and otherwise to stop an impending or actual breach of this provision.

ARTICLE XXII

VALIDITY

If any provision of this agreement or the application of such provision to any person or circumstances shall be held invalid, the remainder of this agreement or the application of such provision to other persons or circumstances shall not be affected hereby.

ARTICLE XXIII

GRIEVANCE PROCEDURE

- A. With reference to this agreement a grievance is defined as any dispute between parties or between the Company and employees under the jurisdiction of the Union as to any matter involving the interpretation or application of this agreement.
- B. Changes in general business practice, the opening and closing, transferring or leasing of departments, the stocking of new lines of merchandise and other matters of similar nature not relating primarily and directly to the day-to-day working conditions of employees and the relations with supervisors, the selection of employees for promotion to positions outside the jurisdiction of the union and all matters involving Company rights as set forth in Article V, shall not be subject to grievance procedure and shall not be arbitrable.
- C. In the event of a disagreement between the parties as to whether a grievance is arbitrable, the matter at issue shall be referred to an impartial arbitrator, as provided in Article XXIV, Section A, for final decision to the fact of arbitrability before consideration of the merits of the grievance.
- D. Subject to the provisions of Section A to C inclusive of this Article, the following procedure shall be observed in the settlement of grievances and it shall be the right of the aggrieved employee, on request to be present in all steps of the procedure.
- E. The employee who is the grievant shall present the grievance in writing, sign it and process it in

Step 1 below within five (5) business days after the incident giving rise to the alleged grievance.

1. The aggrieved employee and/or the Business Agent shall attempt to adjust the matter at issue with the immediate supervisor.
2. If the parties are unable to adjust the matter satisfactorily, the grievance shall be submitted in writing by the Union to the Labor Relations Manager within two (2) working days after its presentation in Step 1 within five (5) days thereafter the Chief Business Agent and/or the Business Agent of the respective division of the aggrieved employee, representing the Union, shall attempt to adjust the matter at issue with the Labor Relations Manager, representing the Company.
3. Failing satisfactory settlement between the parties within seven (7) days after its presentation in Step 2, the matter shall be referred to the Vice President of Personnel and the Chief Business Agent of the Union.
4. Grievances dealing with suspensions or terminations shall move directly to Step 2.

ARTICLE XXIV

ARBITRATION

A. If all the previous efforts have failed to adjust the grievance, provided, however, that the question at issue is not in conflict with any other provision of this agreement, upon written request of either party, mailed or delivered within seven (7) business days after the completion of the presentation of the grievance in Step 3, the matter shall be referred to an impartial arbiter to be selected by the Company and the Union in accordance with the following procedure:

B. If the Company and the Union are unable to agree upon the selection of an impartial arbiter within seven (7) business days after receipt by either party of such written request by the other party, the matter at issue shall be referred for adjudication to an arbitrator to be selected under the rules and procedure of the American Arbitration Association, whose authority shall be final and binding on the parties. The cost of such arbitration proceeding shall be divided equally between the Company and the Union, except that the party requesting any postponement shall pay the costs, if any, charged by the arbitrator for such postponement.

ARTICLE XXV

CREDIT SERVICES

Credit services includes collections, clerical, microfiche, bill adjustments, customer service, instant credit, authorizations, profit and loss recovery and bankruptcy.

- 1A. With the exception of collections, the regular schedule of hours for full time status associates working thirty-eight (38) hours shall be five (5) days with no day totaling more than eight (8) hours.
- B. Five (5) day schedules for collections shall consist of Monday through Friday, 7.6 hours each day. These schedules may include two (2) nights. Overtime shall be paid after eight (8) hours in a day and for weekly hours in excess of forty (40) hours.
- C. Four (4) day schedules for collections shall consist of four (4) 9.5 hour days. Because of the length of the day it can mean four (4) evenings. Overtime shall be paid daily for all hours over 10 and for weekly hours in excess of forty (40).
- D. Four and a half (4 ½) day schedules for collections shall consist of two (2) 7.5 hour days two (2) 9.5 hour days and a half (½) four (4) hours Friday or Saturday. Overtime shall be paid daily for all hours over eight (8) on the early days, for all hours over ten (10) on the late days and for all hours over forty (40) in a week.
- 2A. Relief breaks for credit services shall be up to forty-five (45) minute unpaid meal break and one thirty (30) minute paid break.
- B. Collectors on a four (4) day schedule shall receive one (1) forty (40) minute paid break and up to one (1) hour unpaid meal break.
3. There shall be no blocking out of vacation weeks for the collection department. The remainder of credit services will be subject to store language in Article XIII.
4. Associates in collections have the option of changing their day off during the week in which the cycle ends.

The collections department shall have the option of taking the day after Thanksgiving and/or the day before Christmas as an unpaid day or to utilize one of their personal days for those days. There will be a one (1) week written notification required by the Company for the above option. Christmas will not be a floating holiday for collections and bill adjustments.

Permanent schedules may be changed with one week's written notice.

IN WITNESS WHEREOF the parties hereto have executed this agreement by their duly authorized agents on the 8th day of March, 2001.

The contract was effective

FILENE'S

a Division of The May Department Stores Company

BY: Edward G. Smith, Jr.

LOCAL 1445 UNITED FOOD AND COMMERCIAL WORKER'S UNION

BY: Paul R. [Signature]

LETTER OF UNDERSTANDING

The following is an agreement concerning the method of calculating the annual benefit rate for commission employees and a plan for assessing staff levels in commission areas.

1. ANNUAL BENEFIT RATE CALCULATION (based on calendar year data)

The benefit rate will be calculated by adding the employees' draw paid, commission paid, new account incentive paid, any applicable service bonus paid, and mattress promotional money (does not include any amounts which are paid at the benefit rate)

divided by

productive hours (does not include hours paid at benefit rate) and excludes as compensation for before store opening and after store closing time an additional 40 hours per year for employees scheduled 30 hours or more per week and 20 hours per year for employees scheduled less than 30 hours per week.

2. Staffing - The Company will review the staffing levels in all commission areas and will meet with a committee appointed by the Union by March 1, 2001 to discuss steps it has and/or will take to insure appropriate staffing level changes in such areas.

FILENE'S
a Division of The May Department Stores Company

BY: Edward G. Sontag

LOCAL 1445 UNITED FOOD AND COMMERCIAL WORKER'S UNION

BY: Carl R. Dufault