MINNEAPOLIS/ST. PAUL

AGREEMENT

Between

MACY’S INC.

and

INTERNATIONAL UNION OF OPERATING ENGINEERS

LOCAL NO. 70, AFL-CIO

August 25, 2019 - August 29, 2022
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THIS AGREEMENT, made and entered into this 25th day of August, 2019 by and between Macy's Inc., hereinafter variously referred to as "Employer," "Company," or "Management," through the medium of its undersigned duly authorized representative, and INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL NO. 70, acting under charter of the AFL-CIO, granting jurisdiction over persons operating or assisting in operating and maintaining steam boilers, engines, pumps, turbines, pressure vessels, dynamos, compressors, refrigeration and air conditioning machinery, and equipment, hereinafter referred to as the "Union," through the medium of its undersigned duly authorized representatives,

WITNESSETH:

WHEREAS, the parties hereto, through process of collective bargaining, have agreed as to wages, hours of employment, and certain other conditions of employment, and to the exclusion of all other claims and demands for the duration hereof;

NOW, THEREFORE, in consideration of the mutual covenants herein contained to be duly kept and performed, the parties hereto do hereby mutually agree as follows:

ARTICLE 1 - RECOGNITION

It having been determined that a unit appropriate for the purposes of collective bargaining consists of all employees classified in Article 13 hereof, and it having been determined that a majority of the employees in said unit of employment have selected and designated the Union as their representative for the purpose of collective bargaining with respect to rates of pay, hours of employment, and other conditions of employment; the Employer, in accordance with the requirements of the National Labor Relations Act, recognizes the Union as the sole and exclusive representative of employees in said collective bargaining unit.
ARTICLE 2 - UNION SHOP

All employees coming under the jurisdiction of this Collective Bargaining Agreement shall become members of the Union after thirty (30) days of actual employment and shall remain members of the Union as a condition of employment.

Upon written notice by the Union to the Employer that an employee is not in good standing in the Union because of nonpayment of initiation fee and/or dues it shall be sufficient notice for Employer to suspend the employee from employment until further disposition of the matter has been agreed to.

ARTICLE 3 - NO STRIKE OR LOCKOUT

During the terms of this Agreement the Union agrees on behalf of itself and each of its members that there shall be no authorized strike of any kind and there shall be no boycott, picketing, work stoppage, slowdown, or any other type of organized interference, coercive or otherwise, with the Employer's business.

In the event any violation of the previous paragraph occurs which is unauthorized by the Union, the Employer agrees that there shall be no liability on the part of the International or Local Union or any of their officers or agents, provided that in the event of such unauthorized action the Union first meets the following conditions:

1. The Union shall promptly order its members to return to work, notwithstanding the existence of a picket line, if requested to do so by the Employer.

2. The Union shall not question the unqualified right of the Employer to discipline or discharge employees engaging in, participating in, or encouraging such action. It is understood that such action on the part of the Employer shall be
final and binding upon the Union and its members, and shall in no case be construed as a violation by the Employer of any provision of this Agreement. However, an issue of fact as to whether or not any particular employee has engaged in, participated in, or encouraged any such violation shall be subject to arbitration. There shall be no lockout by the Employer.

ARTICLE 4 - Management Rights

Management of the Employer’s operation and the direction of its working force including the right to establish the location of the business, to establish new jobs abolish or change existing jobs, increase or decrease the number of jobs, change materials or equipment, shutdown or discontinue its operations in whole or in part, shall be vested solely and exclusively with the Employer. Subject to the provisions of this Agreement, the Employer shall have the exclusive right to schedule and assign work to be performed and the right to hire or rehire employees, promote, recall employees who are laid off, demote, suspend, or discharge for proper cause, transfer or layoff employees, it being understood, however, the Employer shall not discipline or discharge an employee except for proper cause or otherwise improperly discriminate against an employee. The Employer shall have the right to establish, maintain and enforce reasonable rules, policies and regulations to assure orderly operation of the business.

ARTICLE 5 - GRIEVANCE AND ARBITRATION

1. All grievances shall be determined as provided in this Article. A grievance shall be defined as any controversy arising over the interpretation of or the adherence to the terms and provisions of this Agreement. The following steps shall be utilized in resolving grievances.

- Step 1 - informal. Within in seven (7) calendar days of the incident giving rise to grievance, the employee will discuss the grievance with his
or her immediate supervisor or designee. The Supervisor or designee has seven (7) calendar days to provide a response.

- **Step 2** - If the grievance is not resolved at the time of the Step 1 discussion, it shall be submitted in writing to the Labor Strategies Team within seven (7) calendar days of the receipt of the Step 1 response. A Step 2 meeting via Skype or other video conference, with the union and a representative for the company shall be held within fourteen (14) calendar days of the receipt of the written grievance. Within fourteen (14) calendar days of the Step 2 meeting, the employer shall provide a written response to the Union and the employee.

- **Step 3** - In the event that the grievance cannot be settled in Step 2, it may be appealed to the Director of Labor Strategies or designee within seven (7) calendar days of the receipt of the written Step 2 response. A Step 3 meeting via SKYPE or other video conference, including the employee, the union and Director of Labor Strategies or designee shall be held within twenty-one (21) calendar days of the receipt of appeal to Step 3. Within thirty (30) days of the Step 3 meeting, the Labor Strategies Director will provide a written response to the union and the employee.

- **Step 4** - In the event that the grievance cannot be settled at Step 3, the union will have the option to request mediation. If the matter is resolved through Mediation, whereas the Union and the Employer have agreed upon a resolution, the agreement will be final and binding. If the matter is not settled through mediation, the Union has preserved its right to file arbitration, provided, however that no dispute shall be submitted to Arbitration by either parties more than sixty (60) days of the occurrence of the events giving rise to the dispute, OR from the response received at the 3rd Step, whichever is the latter. The time limitations provided herein may be extended by mutual agreement of the Employer and the Union.

2. The arbitration Board shall consist of three persons, one to be selected by the Employer, one to be selected by the Union, and the third, who shall act as Arbitrator, to be selected by the representative of the Employer and the representative of the Union. In the event the representatives of the Employer and the Union fail to agree upon the selection of the Arbitrator within three working days of their first meeting on the matter, the Federal Mediation and Conciliation Service or other neutral agency agreed upon by the parties may be requested by either party to submit a list of seven (7) persons from which the Arbitrator shall be selected by mutual agreement of the Employer and Union representatives. In the event of a failure to agree
on any one of the names submitted, the Union and the Employer shall alternately strike off the names as being unacceptable and shall choose the one remaining.

3. All fees and expenses of the Arbitrator shall be shared equally by the Union and the Employer.

**ARTICLE 6 - SENIORITY**

Where qualifications are equal, bargaining unit seniority shall govern all employees hereunder in case of choice of shifts if there is no rotation of shifts, and in case of promotion, demotion, and retention in case of reduction in force.

In the event there is a position opening within a store covered by this agreement, employees shall have the opportunity to bid for the position based on the provision of this Seniority Article.

With the signing of this agreement, any employee transferred into this bargaining unit who is not covered by an Operating Engineer Contract with the Company, shall have the date of transfer as their union seniority date. Any employee transferring into the union will carry their company seniority date for benefit purposes only.

**ARTICLE 7 - RESIGNATION AND LAYOFF**

1. Engineers electing to resign shall be required to give the Employer six (6) days' notice and shall continue in the Employer's service during the six-day period with the exception that the employee may leave earlier when competent replacements can be made.
2. In the event of a reduction in workforce, the Employer, is required to provide a minimum of four (4) weeks’ notice to the affected employee.
3. In the event of a reduction in workforce, the Employer agrees to provide the employee with the Company severance package applicable at that time.
4. In the event that an employee is laid off due to a reduction in the workforce, he or she will retain recall to work rights for one (1) year. Management and union will discuss timing of the severance payment as it relates to the recall list at the point of layoff.

**ARTICLE 8 - SUPERVISION**

The Employer shall not require the engineers to perform duties over which the Union has no jurisdiction.

It is mutually agreed that the engineers shall care for and maintain the equipment in their charge in the best possible condition and exercise due and proper care of the equipment they operated so as to obtain the best possible economies.

**ARTICLE 9 - VISITATIONS**

The authorized representatives of the Union are hereby granted the right to enter the Employer's premises when on Union business and the Employer or his agent shall give such representatives passes whenever the Union deems such visits necessary. This shall not be applied in an unreasonable manner.

**ARTICLE 10 - LEAVES OF ABSENCE**

All employees necessarily absent from work for a period not exceeding six (6) months, on account of an injury or sickness shall retain full employment rights over their former positions and be reinstated by the Employer upon the employee's request. The Employer may require certification by the physician as to the employee's ability to resume his former duties. The company agrees to abide with
applicable Federal and State Statues with regard to medical or family leave (FMLA).

ARTICLE 11 - DUES DEDUCTION

The Employer agrees to deduct monthly Union dues from the wages of employees covered by this agreement. Such deductions shall be made only for employees who voluntarily provide the Employer with a written authorization agreeing that such deductions may be made.

Deductions shall be made by the Employer during the first pay period of each calendar month and transmitted to the Union together with a list of the names of the employees and deductions made.

The Union agrees to refund promptly any dues found to have been improperly deducted and transmitted to the union.

ARTICLE 12 - SAVINGS CLAUSE

Should any part of this Agreement or any provision herein contained be rendered invalid be reason of any existing or subsequently enacted legislation, or act of any authorized agency of government or by any decree of a court of competent jurisdiction, such invalidation of such part or portion of this Agreement shall not invalidate the remaining portions thereof, and the shall remain in full force and effect.

ARTICLE 13 - PAID TIME OFF, HOLIDAY PAY, AND HEALTH AND WELFARE BENEFITS

Conditions of employment in the category of cost items not provided for herein, namely paid time off, holiday pay, and health or welfare benefits, shall conform
to the policy of the Employer and shall be maintained during the life of this Agreement. In the event such conditions of employment are improved by reason of policy of the Employer, such improvements shall automatically be applied to employees covered by this Agreement.

I) The paragraph above means that, for the duration of this Agreement, Bargaining Unit employees shall be entitled to participate in the benefits programs listed in Section 1 below, to the same extent and upon the same terms and conditions as are applicable to similarly situated employees of other Macy’s Inc., North Region retail facilities. The Company may at any time during the term of this Agreement unilaterally amend, modify, discontinue or terminate these benefit plans or implement new benefits or benefit plans and related provisions provided those same changes are made for other similarly situated employees in other Macy’s Inc., North Central Region retail facilities. Such programs and policies shall be deemed to be incorporated into this Agreement by reference.

Notwithstanding the above provision it is understood that should the Company decide to terminate and not replace Macy’s 401(k) Retirement Investment Plan, the Company’s Medical Insurance Plans or the Company’s Dental Plans, the Company agrees to meet and discuss with the Union the impact of any such termination decision upon Bargaining Unit employees.

Section 1

1. Macy’s 401(k) Retirement Investment Plan
2. Macy’s Inc. Cash Account Pension Plan or MAY Department Stores Company Retirement Plan - not currently an active benefit; however frozen benefits for employees eligible before 1/1/2012 may exist. Annual pay credits or accruals ceased 12/31/13
3. Associate Discount
4. Paid Time Off Program, effective 1/30/11 which combined vacation and personal holidays.
5. National Holidays
   a. New Year’s Day
   b. Memorial Day
   c. July 4th
   d. Labor Day
   e. Thanksgiving Day
f. Christmas Day
6. Bereavement Pay
7. Jury Duty Pay / Court Appearance Leave
8. Unpaid Leaves of Absence Policy
9. Short Term Disability Plan
10. Long Term Disability Plan
11. Dental Plan
12. Optional Life Insurance Plan
13. Accidental Death and Dismemberment (AD&D)
14. Health Care Flexible Spending Account (HCFSA)
15. Heath and Savings Account (HAS) for associates enrolled in a My Choice medical option
16. Limited Health Case FSA (LFSA)
17. Dependent Care Flexible Spending Account (DCFSA) for FT associates only
18. Business Travel Accident Insurance
19. Group Legal (if covered as of 6/30/07)
20. Dependent Life
21. My Choice Medical Options including Live Healthy Initiative / Smoker Surcharge
22. Severance benefits
23. Emergency Closing Policy
24. Enhanced Benefit Options (Critical Illness/Accident/Auto and Home)

In the event the Company intends to amend, modify, discontinue or terminate any such plan or policy, the Company will notify the Union of such action and provide the Union with an opportunity to discuss such action provided the discussion is held no later than 10 calendar days after notice to the Union.

Section 2

If and when the Company is required, by government law or regulation, to modify or discontinue benefits listed in Section 1 of this Article or to provide any benefits not listed in that section, or if government law or regulation affects the financial advantages of a benefit listed in Section 1 to either the employees or the Company, any actions taken by the Company in response to any of the foregoing situations will apply to Bargaining Unit employees to the same extent and upon the same terms and conditions as are applicable to similarly situated employees of other Macy’s Inc., North Central Region retail facilities.
ARTICLE 14 - CLASSIFICATIONS

Engineers shall be classified as follows:
CLASS III - WATCH OPERATING ENGINEERS, whose duties shall be to take charge of a watch and perform the duties required on the job during the watch, and he shall work under the direction of an engineer of a higher classification. [This classification is not utilized when boiler equipment is leased to an outside service].

CLASS IV - MAINTENANCE ENGINEERS, are those engineers who are engaged mainly in servicing and repairing and maintaining equipment falling under the jurisdiction of the Operating Engineers, and who do not stand a watch, but when properly licensed are eligible for the position of Junior or Watch Operating Engineer falling under the jurisdiction of the Foreman - Engineer.

FOREMAN - ENGINEER will direct and schedule all employees covered by an Operating Engineer Agreement. He shall also perform any and all duties as agreed to. It is also agreed to that the Employer shall pay a wage differential of 10% above the contract rate.

ARTICLE 15 - HOURS, OVERTIME, AND WAGES

Eight (8) hours shall constitute a regular workday. Forty (40) hours shall constitute a regular workweek. The hours worked per day and days worked per week shall be consecutive, but shall include a ½ hour unpaid lunch break as described in section 8 below.

1. The overtime rate of time and one-half the basic hourly rate shall be paid for all time worked in excess of eight (8) hours in any one day or forty (40) hours per week.
Any employee who becomes a member of this bargaining unit after 8/28/19 shall be paid for all time worked in excess of forty (40) hours in a week the overtime rate of time and one-half the basic hourly rate.

2. Engineers shall not be required to suspend work during regular working hours to absorb overtime.

3. Engineers called back to work after regular working hours shall be paid one and one-half (1-1/2) time their regular hourly basic rate, but in no case shall an engineer receive less that the equivalent of four (4) hours' pay at the regular hourly basic rate.

4. Hours worked on Sunday shall be paid at one and one-half (1-1/2) times the regular hourly rate commencing midnight Saturday through midnight Sunday. Split shifts shall receive one and one-half (1-1/2) times the regularly hourly rate for all hours worked on Sunday. If an employee is required to work on his regular day off he shall be paid time and one-half time for the time worked on that day.

5. Overtime excluding scheduled Sundays will be equitably divided within each classification and building.

6. All employees working an eight (8) hour day are entitled to one-half (1/2) hour unpaid lunch.

7. Employees shall be reimbursed up to a maximum of one-hundred dollars ($100) shoe allowance, per calendar year for the purchase of approved safety footwear. Employee shall be required to submit corresponding proof of purchase for payment of shoe allowance.

8. The company shall reimburse employee for Boiler License Renewal fees.
WAGES

The minimum rate of pay for the following classifications of employees is hereby established and shall maintain throughout the life of the Agreement.

<table>
<thead>
<tr>
<th>Classification</th>
<th>8/25/19*</th>
<th>8/30/20*</th>
<th>8/29/21*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreman</td>
<td>$40.30</td>
<td>$41.31</td>
<td>$42.24</td>
</tr>
<tr>
<td>Oper/Maint. Engineers</td>
<td>$36.64</td>
<td>$37.56</td>
<td>$38.40</td>
</tr>
</tbody>
</table>

Foreman are paid 10% above the Operator rate.

*An employee who receives an annual review score of unsatisfactory/Below Expectations (BE) will not receive their annual increase until such point that they improve their performance to a satisfactory level.

In the event operation of plant equipment or plant itself is materially changed, or reduced, the matter of wages and classifications shall be subject to renegotiations by petition of either party to the order.

ARTICLE 16 - SAFETY

It is mutually agreed that the employer shall provide the necessary safety equipment and/or protective clothing necessary to perform engineer's work in a safe, efficient manner.

It is further agreed that the parties shall institute a safety committee during the term of this agreement, to ensure the workplace is free from preventable health and safety hazards. Members of this committee shall be selected by the respective parties, and shall meet at times agreeable to the parties.

Uniforms

Company shall provide five (5) new uniforms per year for each Local 70 member.
**Fleet Administration Program**

Distribution and removal of the use of company vehicles will be at the sole discretion of the employer. Eligible employee must follow Macy’s Vehicle Administration Program. The company agrees to notify, meet and confer with the union on any changes to the policy.

**ARTICLE 17 - TRAINING REIMBURSEMENT**

The cost of any required educational class will be paid by the Employer. The Employee’s time for these classes will be paid at the rate established by the Labor Agreement.

Any employees who, in order to improve performance, takes courses which have a direct relationship to their work, upon submission of evidence of successful completion of such courses, be refunded the cost of training. An employee desiring to take advantage of the training program must have the course work approved, previous to enrollment by the Area Manager.

The Union and the Company will work together to encourage on-site training opportunities.

**ARTICLE 18 - DURATION OF AGREEMENT**

The terms and provisions of this Contract shall become effective as of August 25, 2019 unless otherwise specifically provided for herein, and shall continue in full force and effect until August 28, 2022, and from year to year thereafter unless terminated as follows:

Either party may terminate this Agreement or request amendments thereto on August 25, 2019 or on the 31st day of August of any year thereafter by giving to the other party sixty (60) days’ written notice prior to August 28, 2022, or
August 31st of any year thereafter in which termination or amendments are requested.

IN WITNESS WHEREOF, the parties thereto have caused their names to subscribed by their duly authorized representatives the day and year first above written.

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL NO. 70, AFL-CIO

Dave Monsour, Business Manager

Michael Dowdle, President

Linda Powers, Recording Secretary

Drew Brodeen, Business Representative

CHANELL BRACEY-DAVIS
VP, Labor Strategies

ROSE ASHMORE
Director, Labor Strategies & Negotiations

ANASTASIA ADAMS
Manager, Labor Strategies & Negotiations

Gerald Pearson, Steward

MACY'S Inc.

1/28/2020

1/27/2020

1/28/2020