

AGREEMENT

STATE BANK OF INDIA

and

LOCAL 2110

UNITED AUTO WORKERS

November 1, 2001 - October 31, 2002

WHEREAS, the National Labor Relations Board on _____, in Case No. 2-RC-_____, certified the Union as the exclusive representative for the purposes of collective bargaining of all full-time and regular part-time employees employed by the Bank at its 460 Park Avenue, New York, New York facility including tellers, clerks, clerk-typists, messengers, bookkeepers, receptionists, keypunch operators and secretaries, (except confidential secretaries), but, excluding all officers, managerial and professional employees, confidential employees, ~~(including those who act in a confidential capacity to persons who formulate, determine and effectuate labor policies and those who work in the Personnel Department)~~, ^{Set} India-based temporary and other temporary employees, maintenance employees, guards and supervisors as defined in the Act; **[Add NLRB certification for other 2 units]**

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

ARTICLE I

RECOGNITION

1. The Bank hereby recognizes the Union as the exclusive bargaining representative for all employees in said units for the purpose of collective bargaining with respect to rates of pay, wages, hours of work and other conditions of employment. Except as the context of this Agreement otherwise requires with the term, "employees" shall be deemed to refer to employees within the above mentioned bargaining units.

ARTICLE II

UNION SECURITY

Section 1. Employees, as a condition of employment, shall become and remain members of the Union on the 31st day following the beginning of their employment, or the effective date of this Agreement, whichever is later.

Section 2. An employee who tenders an initiation fee (if it is required of members) and the periodic dues uniformly required by the Union as a condition of retaining membership shall be deemed to meet the membership requirements of this Section 2. An employee may resign his or her membership in the Union by delivering or mailing in writing, on any anniversary date of this Agreement,* notice of revocation of membership addressed to: Local 2110, United Auto Workers, [Address]. The Union shall notify the bank of any such resignation. **[Conform to Local 2110 check off card]**

Section 3. Subject to the Grievance Procedure provision of this Agreement, an employee who has failed to maintain membership in good standing as required by this Article shall, within twenty (20) calendar days following receipt of a written demand from the Union requesting his/her discharge, be discharged, if the required dues and initiation fees have not been tendered.

Section 4. The Union shall indemnify and save the Bank harmless against any and all claims, demands, suits, and other forms of liability that may arise out of or by reason of

* (As for this purpose the period between October 20 and October 31, both inclusive).

action taken or not taken by the Bank, for the purpose of complying with provisions of this Article.

ARTICLE III

CHECK-OFF

1. The Bank agrees during the term of this Agreement to a voluntary check-off of the regular Union dues and the Union initiation fee generally applicable to all Union members in accordance with Section 8(a)(3) of the National Labor Relations Act from each employee who submits a written authorization form to the Bank. Such authorization form may provide that it shall remain in effect until revoked by the employee, but shall be irrevocable for a period of one (1) year from the effective date of this Agreement, or from the date appearing on the form, whichever occurs sooner, and shall be renewed, unless revoked, for yearly periods coincident with the anniversary date therein specified. Beginning with the pay period in which the employee completes thirty (30) days of employment after confirmation, the Bank, pursuant to such form, will remit to the Union such regular dues and initiation fee, as fixed by the Union. The Bank will make such deductions until the date of the expiration of this Agreement or until it receives valid written notice from the Employee that said authorization has been revoked, whichever occurs first.

2. The check-off authorization may be revoked by written notice from the employee by certified mail, return receipt requested, to both the Union and the Bank, provided such notice is mailed not earlier than sixty (60) days prior to the revocation date and not later than seven (7) days prior to the date on which the revocation is to be effective. A revocation will be deemed invalid and the authorization will continue as herein provided unless the revocation conforms with the provisions of this Agreement.

3. The Bank shall remit to the Union all deductions for dues and initiation fees made from the wages of employees by the 14th day after the payday for such payroll period in which the deductions were made, together with a list of all employees from whom dues and/or initiation fees have been deducted.

4. It is specifically agreed that the Bank assumes no obligation, financial or otherwise, arising out of the provisions of this Article and the Union hereby agrees that it will indemnify and hold the Bank harmless from any and all claims, actions, awards, arbitrations, suits, attachments, or proceedings arising from any action taken by the Bank hereunder. Once the funds are remitted to the Union, their disposition thereafter shall be the sole and exclusive obligation and responsibility of the Union.

5. In the event the Union amends the initiation fee and/or dues schedule, the Bank agrees to make the revised deduction from the employee's pay upon thirty (30) days written notice from the Union, provided that the employees have signed appropriate authorization cards.

ARTICLE IV

MANAGEMENT RIGHTS, RESPONSIBILITIES
AND FUNCTIONS

1. Except as they may be hereinafter restricted by the specific terms of this Agreement, the rights and prerogatives of the Bank to manage its business, operations and affairs and to establish terms and conditions of employment shall be unimpaired. The Bank's not exercising rights hereby reserved to it, or its exercising them in a particular way, shall not be deemed a waiver of said rights or its rights to exercise them in some other way not in conflict with the explicit terms of this Agreement.

2. Included in the Bank's rights to manage its business, but not limited thereto and without in any way limiting the generality of Section 1 of this Article, is the right, in its sole discretion, to hire, direct and schedule employees, to determine the qualifications and number of employees assigned to particular departments, jobs and classifications, to assign, reassign and transfer employees to and between departments, jobs and classifications, to select employees for training, upgrading and promotion, to hire part-time employees, to discontinue, reorganize, change or combine departments, jobs and classifications regardless of whether or not the same causes a reduction in the number of employees, to introduce new or improved or automated methods at the Bank's facilities and to contract out work regardless of whether or not in each case the same causes a reduction in the number of employees, to determine the starting and quitting times, hours of work, and overtime required, to establish and promulgate work rules and rules of conduct for employees and to require their observance, and in all respects to carry out, in addition, the ordinary and customary functions of management.

ARTICLE V

PROBATIONARY PERIOD

1. All new employees shall be considered probationary employees for the first ninety (90) calendar days from the date of employment, with the express understanding that the Bank may request an additional thirty (30) days in the case of individual employees, which request the Union will not unreasonably deny.

2. Probationary employees may be discharged and disciplined at the sole discretion of the Bank without recourse to the grievance procedure.

3. A probationary employee shall, upon successful completion of his or her probationary period, become a regular employee as of the original date of last hire with the Bank.

4. A probationary employee's seniority shall commence after the completion of his/her probationary period, as defined in Section 1 and shall be retroactive to the date of his/her initial hire.

ARTICLE VI

HOURS OF WORK - OVERTIME

1. The normal workweek shall be five (5) consecutive days per week, from Monday to Friday, inclusive, consisting each day of seven (7) hours of work and an unpaid lunch period. The seven (7) hours of work in a workday shall include one (1) paid rest period per employee of fifteen (15) minutes that the Bank shall schedule.

2. The normal working hours are 9:00 a.m. to 5:00 p.m. The Bank may schedule hours of specific employees to start before or after 9:00 a.m. based on operational requirements. Employees may request alternative schedules up to twice per year, and such requests shall not be unreasonably denied.

3. Employees shall receive their regular straight-time rates of pay for all hours worked in excess of thirty-five (35) and up to forty (40) in a workweek and one and one-half times their regular straight-time rates of pay for all hours worked in excess of forty (40) in a workweek. For the purpose of this section, a paid holiday only shall count as seven (7) hours worked. For purposes of this section, time worked by an employee in excess of seven (7) hours in a workday that is 10 minutes or less shall not count in computing overtime at straight time rates. There shall be no daily overtime paid at straight-time or premium rates for time worked by an employee in excess of seven (7) hours in a workday.

4. The Bank will determine when and by whom overtime shall be worked, taking into consideration the needs of the operation, the department in which the overtime work is necessary and the skills and experience of the employees available to perform the work.

5. Overtime shall be worked as assigned, unless an employee has a justifiable excuse, in which event, the least senior employee (or less senior employees if more than one employee is involved) in the affected classification shall perform the overtime.

6. If hours worked are compensable at more than the straight-time rate under more than one provision of this Agreement, they shall be compensated for at the higher rate, but in no event at more than one rate.

ARTICLE VII

HOLIDAYS

1. During the term of this Agreement, the Bank shall continue to provide the same paid holidays as the banking community in New York City and to celebrate them on the same workdays as the banking community.

2. Each regular employee who is eligible (as defined below) shall receive holiday pay for each workday on which the Bank celebrates a holiday in an amount equal to one-fifth (1/5) of the employee's regular, straight-time weekly salary.

3. To be eligible for holiday pay, an employee must work his/her last scheduled workday, in full, before the holiday and his/her first scheduled workday, in full, after the holiday, and the holiday, if scheduled to work, unless the employee's absence is attributable to a paid sick day or other paid absence (such as vacation, jury duty, funeral leave and the like), or unless the employee's absence is specifically excused by the Bank in advance. An employee on lay-off or leave of absence, to be eligible for holiday pay, must work at least one (1) workday in the workweek in which the holiday falls, and work the first day the employee is scheduled to work following the holiday.

4. Employees who work on a holiday will receive their regular straight-time rates of pay for all hours worked on the holiday, in addition to holiday pay, if they are eligible therefor.

ARTICLE VIII

VACATIONS

1. Eligible employees shall be granted vacations with pay during each calendar year in accordance with the following schedule:

(a)	<u>First Year of Employment If Starting Date Is</u>	<u>Vacation in the Current Year</u>
	Prior to March 1	2 weeks (after completion of 6 months continuous service)
	March 1 through May 31	1 Week (after completion of 6 months continuous service)
	June 1 or later	None (2 weeks the next year, after completion of 6 months continuous service)
(b)	2 nd year of employment	2 weeks (after completion of 6 month continuous service)
(c)	3 rd through 9 th year of employment	3 weeks (commencing with the calendar year in which the 2 nd anniversary of continuous service occurs)
(d)	10 th year and thereafter	4 weeks commencing with the calendar year in which the 9 th anniversary of continuous service occurs

2. An employee who is eligible for a vacation and who during a calendar year has been on layoff or authorized leave of absence for more than thirty (30) consecutive calendar days shall receive a paid vacation that calendar year on a pro rata basis only.

3. Vacation pay shall be on the basis of the employee's base salary immediately preceding the employee's vacation and shall be paid to the employee at the time the employee takes his/her vacation, except that if an employee, who qualifies for vacation under section 1 (b) , (c) or (d) takes his or her vacation prior to July 1st of a calendar year, vacation shall be paid to such employee on July 1 of that year. In the event that a holiday for which an employee is eligible to receive holiday pay shall occur during the employee's vacation, the employee shall be entitled to receive an additional day's pay in lieu thereof, provided the employee reports back to work from his/her vacation on the employee's first scheduled workday following the vacation.

4. To the extent any Federal Reserve Bank, the Federal Deposit Insurance Corporation, or the New York State Banking Department has required or recommended or does require or recommend that the Bank require employees to be absent from their assigned duties for a period of at least ten (10) consecutive calendar business days each year, the Bank may require employees to take at least ten (10) consecutive vacation days each year, except that employees not eligible for at least ten (10) days of vacation in such year are not covered by such requirement. The Bank shall schedule vacations throughout the calendar year, except the last two (2) weeks of March and December, and shall attempt to do so in a way that accommodates the wishes of employees subject to the operating needs of the Bank.

5. An employee may carry over earned vacation for a maximum of two (2) years following the year in which earned. The maximum carryover, however, shall not exceed six (6) weeks. An employee will not be compensated for vacation time exceeding the maximum carry over except when specifically requested by the Bank to forego vacation time or when specifically permitted by the Bank to do so for personal reasons acceptable to the Bank in its sole discretion.

6. Employees who are discharged and not reinstated or who resign prior to June 30 shall not be entitled to prorated vacation pay for time worked during the twelve (12) months preceding that June 30. An employee who retires at normal retirement age prior to June 30 shall receive prorated vacation pay for time worked during the twelve (12) months preceding that June 30.

7. A regular part-time employee who regularly works twenty (20) or more hours in a workweek shall receive a paid vacation in accordance with Section 1 of this Article on a pro rata basis.

ARTICLE IX

SICK LEAVE

1. The Bank shall continue to provide each regular (post-probationary) full-time employee with up to ten (10) sick days with pay each calendar year at the employee's regular straight time rate of pay for up to seven (7) hours each day. Upon successful completion of an employee's probationary period the employee shall be entitled to three (3) sick days for his/her bona fide sickness occurring thereafter and shall be entitled to one (1) additional sick day for each month of service thereafter up to a maximum of ten (10) days in that calendar year. In each subsequent year such an employee shall earn one (1) sick day for each month of service up to a maximum of ten (10) days in each year.

2. To be eligible for sick pay, an employee must be absent from the employee's normally scheduled workday due to the employee's personal illness or accident and must notify his/her supervisor of such illness or accident by the start of each workday that the employee is absent, unless an excuse satisfactory to the Bank is presented for the employee's inability to give such notification. In addition, an employee who has been on sick leave for three (3) or more consecutive workdays may be required to submit a medical certificate.

3. Each employee may elect on a one time basis (i) to be paid in January of each year at his regular straight time rate of pay for any sick days earned in the previous year but not used; or (ii) to accumulate sick days up to a maximum of ninety (90) days. If an employee retires at age 65 or older he/she can cash out any unused accumulated sick pay at time of retirement. Unused accumulated sick pay will also be paid on behalf of any employee who dies while in the service of the Bank. Each current employee shall exercise his/her irrevocable option

within 30 calendar days from the date of this Agreement. New hires will exercise their option within 30 days after the completion of their probationary period. Unused sick days shall not be part of any termination allowance in the event of discharge, resignation, or permanent lay-off.

ARTICLE X

WAGES

1. As of November 1, 2001, the minimum weekly wage rates for full-time employees in the following job classifications shall be \$250 per week.

Messenger
Chauffeur/Messenger
Clerk, Clerk-Typist,
Teller, Receptionist,
Telex/Swift Operator
Secretary
Investigator,
L/C Negotiator,
Systems Operator

As of July 1, 2002, the minimum salary for full-time employees in the above job classifications shall be \$300 per week.

2. When an employee becomes a regular employee, that is, completes his or her probationary period, the employee shall receive an increase in salary of \$10 per week.

3. (a) All full-time employees, who have completed their probationary periods as of November 1, 2001, shall receive an increase in salary equal to five (5) dollars per week, effective November 1, 2001.

(b) All full-time employees, who have completed their probationary periods as of July 1, 2002, shall receive an increase in salary equal to thirty dollars (\$30) per week, effective July 1, 2002.

(c) Regular part-time employees, if any, shall receive the above increases on a pro rata basis, subject to the same eligibility requirements as full-time employees.

4. (a) As set forth in Sections 1 and 5 of this Article X: Employees who hold the position of Secretary on or after July 1, 1996 shall be paid a weekly special wage allowance of five dollars (\$5.00). Employees who hold the position of Systems Operator on or after July 1, 1996 shall be paid a weekly special wage allowance of fifteen dollars (\$15.00). Employees who hold the position of Investigator or Letter of Credit Negotiator on or after July 1, 1996 shall be paid a weekly special wage allowance of fifteen dollars (\$15.00). The Bank shall pay no other special wage allowances.

(b) Under this Agreement, a weekly special wage allowance is defined as the minimum amount above the minimum weekly wage rate of a clerk level employee that a higher level employee must receive. Such special wage allowance is thus a part of the minimum rate of pay of such higher level employees.

(c) Notwithstanding any other provision of this Agreement, no special wage allowance will be paid to any employee assigned, transferred or promoted to a new position on or after January 1, 1998. Employees who are currently receiving a special wage allowance will continue to do so, whether or not they are reassigned or transferred to a different position.

5. Nothing in this Agreement shall prevent the Bank from hiring an employee at a rate that is in excess of the minimum rate for the classification to which the employee is assigned. Nothing shall prevent the Bank, in its sole discretion, from increasing the weekly salary of an employee in excess of the requirements of this Agreement, and such an increase may not give rise to a grievance by the Union or another employee seeking an increase beyond what this Agreement requires.

6. The Bank may award, at its sole discretion, weekly increases in salary to employees based on their performance.

7. There shall be no maximum salary for employees. Those employees who did not receive a full \$25 per week increase on July 1, 2001, as a result of the maximum salary caps, previously in effect, shall have their salaries raised to reflect the full \$25 per week increase effective November 1, 2001 and will receive a lump sum payment to compensate them for the difference in salary between July 1, 2001 and October 31, 2001.

8. In the event that Bank combines classifications or establishes a new classification, it shall meet and discuss appropriate pay rates with the Union. In no event shall the Bank propose a rate lower than what is contractually agreed to.

ARTICLE XI

SHIFT DIFFERENTIAL

1. The Bank shall pay a differential of seven (\$7.00) dollars each day to a full-time employee who regularly works a scheduled workday that begins on or after 12:00 noon. ✓

2. For an employee entitled to shift differential, the Bank shall include the differential in the employee's holiday, vacation and sick pay and in the employee's regular rate of pay for purposes of computing overtime pay. ✓

ARTICLE XII

FUNERAL LEAVE

1. In case of death in the employee's immediate family, a regular (post-probationary) full-time employee shall be granted leave of absence during his/her scheduled hours of work for the purpose of making necessary funeral arrangements and attending the funeral. For time lost by such an employee in making such necessary funeral arrangements and attending the funeral during such leave of absence, the employee shall receive seven (7) hours pay at the employee's regular straight-time rate of pay for any of the employee's normally scheduled workdays, up to a maximum of five (5) such days, that fall during the period from the date of death to the date of the funeral, both inclusive.

In the case of such a death in a foreign country, where time does not permit the employee the ability to travel home to attend the funeral, the employee shall be granted up to two (2) working days off with pay that may fall following the date of death, or in the alternative, the employee shall be granted up to five working days off with pay if the employee travels home to the foreign country within one (1) month following the date of death.

2. For the purpose of this Article, immediate family shall mean the employee's father, mother, spouse, children, brother and sister, and parents-in-law (i.e., mother-in-law and father-in-law). ✓

3. A regular part-time employee (who works at least 20 hours per week on a regular basis) shall receive this benefit on the basis of time lost from his/her scheduled hours of work in accordance with the conditions of Section 1 hereof.

ARTICLE XIII

MARRIAGE LEAVE

1. An employee who has completed his or her probationary period with the Bank shall be entitled to up to five (5) days off from work with pay at the employee's regular straight-time rate of pay for up to seven (7) hours each day, in the event of the employee's marriage provided the employee intends to continue his/her employment with the Bank after the marriage. ✓

2. The marriage leave provided in Section 1 shall be taken at the time of the marriage. The Bank may require the employee to submit proof of the marriage and may limit the marriage leave provided for in this Article to one marriage leave for an employee while an employee of the Bank, regardless whether such marriage is the employee's first marriage. ✓

ARTICLE XIV

JURY DUTY PAY

1. When a regular (post-probationary) employee is required (not volunteers) to serve on jury duty, the Bank shall pay the employee the difference between the amount received for such jury duty and the amount the employee would have received at the employee's regular straight-time rate of pay for the employee's normally scheduled hours of work on the day(s) missed because of jury duty, not exceeding seven (7) hours. Such supplemental pay for jury duty shall be limited to twenty (20) days in any one contract year.

2. As soon as the employee receives notice that he or she must serve jury duty, the employee must notify his or her immediate supervisor.

3. In order to receive jury duty pay, an employee will be required to return to work on days he/she reports but does not serve on jury duty and to return to work on those days the employee is relieved from jury duty at a time that will permit the employee a minimum of three (3) hours work.

4. An employee serving on jury duty must present his/her claim to the Bank by submitting a statement from the Clerk of the Court which sets forth the date(s) and pay received for such jury duty and the times at which the employee is released each day.

ARTICLE XV

PERSONAL LEAVE

1. The Bank shall continue to provide each regular (post-probationary) full-time employee with up to two (2) personal days with pay each calendar year at the employee's regular straight-time rate of pay for up to seven (7) hours each day. During such an employee's first year of employment, the employee shall receive one (1) such personal day if hired after April 1, in accordance with the Bank's current policy.

2. Employees with 10 or more years of service will receive a total of three (3) personal days with pay each calendar year at the employee's regular straight-time rate of pay for up to seven (7) hours each day. ✓

3. A personal day may be taken any time during the calendar year subject to the Bank's prior approval and based on the Bank's operating needs. Personal days may not be accumulated from year to year and no pay shall be given for personal days not taken.

ARTICLE XVI

SAVINGS PLAN

1. The Bank agrees to continue a savings plan that will be qualified by the Internal Revenue Service under Internal Revenue Code Sections 401(a) and 401(k). The plan has become effective January 1, 1988 and all regular full-time employees who have at least one year of continuous employment with the Bank are eligible to participate in the savings plan if they so desire commencing from April 1, July 1, October 1 and January 1.

2. For every dollar (\$1.00) that an employee contributes to the savings plan, the Bank will, at year end, contribute fifty cents (\$.50), up to a maximum of four percent (4%) of the employee's straight-time annual salary. The Bank's contributions will vest one hundred percent (100%) to the employee after the employee completes five (5) years of continuous employment with the Bank.

3. Changes in an employee's rate of contribution will be effective only at the beginning of a calendar quarter provided that the employee gives the Bank advance notice in writing at least twenty (20) days before the start of the calendar quarter.

4. The Bank agrees that it will amend the savings plan to provide for employee loans and withdrawals as permitted under applicable law. ✓

ARTICLE XVII

LEAVE OF ABSENCE

1. The Bank will permit a regular (i.e., post probationary, full-time) employee to take a leave of absence without pay for up to six (6) months for reasons of the employee's own illness or accident or for reason of the employee's pregnancy.

2. The Bank will permit a regular employee to take a leave of absence without pay for up to three (3) months for compelling personal reasons, subject to the Bank's permission and to the operating needs of the Bank. The Bank shall have sole discretion to determine whether the employee has demonstrated compelling personal reasons for the requested leave. An employee may use his/her accrued personal and vacation time preceding any authorized leave of absence without pay.

3. An employee's seniority shall accumulate during an authorized leave of absence.

4. Employees do not accrue sick leave or vacation and are not entitled to any paid leave benefits while on unpaid leaves of absence.

5. The Bank shall comply with the federal Family and Medical Leave Act of 1993 ("FMLA"). Employees who are eligible for FMLA leave are not required to utilize paid sick leave and vacation before being granted leave of absence without pay. To the extent that any provisions of this agreement conflict with the provisions of the FMLA, the FMLA shall govern.



ARTICLE XVIII

SENIORITY

1. An employee shall have seniority in the classification to which the employee at the time is permanently assigned and such seniority shall be measured by the continuous length of service an employee has with the Bank since the date of last hire. Such classifications now are as follows: teller, clerk, clerk-typist, receptionist, systems operator, telex operator, secretary, and messenger. There shall be one consolidated seniority list for employees working at the Bank's facilities covered by this Agreement. ✓

2. When a permanent vacancy occurs in a classification and the Bank in its discretion decides to fill the vacancy permanently by promoting an employee to it from a classification with a lower minimum job rate, rather than by hiring from the outside or by transferring an employee in an equal-rated classification, the Bank shall select the employee for the vacancy based on the ability, fitness and other qualifications of qualified employees in the lower-rated classification and when these are approximately equal in two or more employees, the Bank shall select the employee with the greatest length of service with the Bank. Qualified employees will have a preference in filling such vacancies over outside applicants. The Bank's decision as to ability, fitness and other qualifications of qualified employees shall be final and binding except that it may be challenged only on the basis that it is arbitrary and capricious. Such challenge may be raised under the grievance procedure.

An employee so promoted shall retain his or her former rate of pay for a trial period of not more than thirty (30) days. If the employee is then permanently assigned, the employee shall receive the increase provided for in paragraph 5 of the Article entitled, wages,

retroactively to the day the employee began performing the promoted job. If an employee selected for promotion fails the trial period, the employee shall be returned to his or her former classification prior to promotion.

Vacancies within the bargaining unit shall be posted for a minimum of five (5) days. The posting shall include title, grade level, salary, and a short description of the duties and qualifications required. The Bank shall post notices of vacancies in supervisory positions for informational purposes only. Such postings shall not give employees any preferential right to promotion to a supervisory position.

3. Whenever it becomes necessary to reduce the force in a classification, probationary employees, if any, in the affected classification shall first be laid off. Thereafter employees in the affected classification shall be laid off according to their seniority, beginning with the junior employee.

4. An employee who is laid off in one classification may bump an employee in a lower-rated classification provided (i) the laid-off employee has worked in the other classification at some time for a period in excess of sixty (60) days, (ii) the laid-off employee's ability, fitness and other qualifications to do the job of the bumped employee is greater than or at least equal to that of the bumped employee, and (iii) the laid-off employee has more service with the Bank than the bumped employee. An employee exercising this right to bump shall then receive the wage for the job classification he or she occupies after bumping. The bumped employee shall not have the right to bump, if said employee has less than five (5) years' Bank seniority. However, an employee having more than five (5), years' Bank seniority shall have the right to bump, subject to the provisions of this Article.

5. In event of recall, the Bank shall recall employees in reverse of the order in which they were laid off, subject to the employee's fitness, ability, and other qualifications to perform the available job. The Bank's decision as to the ability, fitness and other qualifications of employees shall be final and binding, except that it can be challenged only on the basis that it is arbitrary and capricious and such challenge may be raised under the grievance procedure.

6. An employee shall lose all seniority rights and all other rights under this Agreement if he or she:

- (a) Quits;
- (b) Is discharged and is not reinstated;
- (c) Fails to report for work within three (3) days after recall from layoff received, which will be sent return receipt requested, to the last address the employee supplied to the Bank;
- (d) Fails to return to work when due after a leave of absence except in the event of a bona fide medical emergency or other extraordinary circumstances beyond the employee's control and provided that (i) the Bank is notified of the delay in the employee's return as soon as is reasonably possible, but in no event more than five (5) working days after the occurrence causing the delay; and (ii) the employee provides the Bank promptly with medical or other documentation of the reason for the delay. ✓
- (e) Is absent for more than three (3) consecutive working days without notification to the Bank;
- (f) Is laid off for twelve (12) months or for a period equal to his seniority, whichever is shorter.

7. Nothing in this Agreement shall require the Bank to fill all vacancies that occur or to have employees in all classifications or shall forbid it to combine classifications, departments or jobs, or to establish new ones.

8. The job classifications enumerated in Section 1 of this Article are set forth in this Agreement solely for implementation of the promotion and layoff provisions of this Article and are not in any way indicative of job boundaries. The Bank shall continue to have the right, in its sole discretion, to transfer, assign or reassign an employee on a permanent or temporary basis to a different classification, job or department in implementation of its management rights, provided the employee does not thereby suffer a loss in his or her rate of pay.

9. Supervisory and non-unit employees of the Bank may continue to perform work normally performed by bargaining unit employees so long as their doing so does not directly cause the layoff of a unit employee. The Bank does not intend to have supervisory and non-unit employees perform bargaining unit work as a device to erode the bargaining unit.

ARTICLE XIX

NO DISCRIMINATION

Section 1. Neither the Bank nor the Union shall discriminate against any employee with respect to tenure of employment or terms of employment because of the employee's race, color, religion, national origin, marital status, status as a disabled veteran or Vietnam Era veteran, physical or mental handicap, age, sex or sexual orientation, within the meaning of applicable law, or membership or lack of membership in the Union.

Section 2. Should a grievance alleging a violation of Section 1 hereof proceed to arbitration, the Arbitrator shall apply applicable law in rendering his award.

ARTICLE XX

HEALTH AND LIFE INSURANCE

1. The Bank shall continue to provide each regular full-time employee with individual coverage under the Bank's current health insurance plan (Aetna-U.S. Healthcare) at no cost to the employee. Such an employee may elect dependent or family coverage under the plan which also shall be at no cost to the employee. The Bank's ~~obligation to~~ ^{shall} pay the full cost of family coverage ~~only shall continue provided the monthly premium therefor does not exceed~~ ^{to a maximum of} \$771.62 ^{per month} during the life of this Agreement. In the event family coverage premiums exceed these limits, the employee shall pay the excess in order to keep family coverage. If the monthly premium for family coverage is increased by the insurance company for the period ending October 31, 2002, the Bank will bear the entire cost of any such increase until October 31, 2002.

2. The Bank will reimburse employees for the amount of any prescription drug co-payments in excess of \$5.00, beginning Nov. 1, 2001. ✓

3. The Bank shall continue to provide each regular full-time employee with coverage under the Bank's current group term life insurance policy at no cost to the employee.

4. Employees who pass their probationary period and become regular full-time employees are eligible to participate in the aforesaid benefits on the first admission dates of the underlying plans subsequent to the expiration of their probationary period.

5. The Bank's obligation hereunder is to make available the aforementioned benefits, under the conditions described above, and eligible employees take said benefits subject to all the terms, conditions and obligations set forth in the plan or contracts providing the aforementioned protections. The Bank shall not provide coverage under such plans or contracts

for employees who have quit, been discharged, are on strike or permanently laid off, except as required by applicable law. However, for an employee on an authorized personal leave of absence or temporary layoff, the Bank shall provide coverage for thirty (30) days after the employee takes the leave or is laid off. For an employee on authorized disability leave, the Bank shall provide such coverage for the duration of the leave, up to a total of six (6) months.

ARTICLE XXI

UNION ACTIVITY BULLETIN BOARDS

1. The Bank shall provide a bulletin board at each of the locations covered by this Agreement which shall be used for the sole purpose of posting proper official Union notices, such as notices of Union meetings, social events, elections and other Union business. Such bulletin board shall be placed in a non-public area of the Bank, be conspicuous and readily accessible to employees.

2. A Union representative shall be permitted to enter the premises of the Bank during non-public banking hours for the purposes of processing grievances pursuant to the provisions of the grievance procedure. The Union representative shall first contact the Bank's Manager of Personnel and Administration to arrange for a meeting and on his or her arrival at the Bank the Union representative shall not interfere with the working time of employees. The Union representative may spend a reasonable amount of time discussing the pending grievance with the grievant and Shop Steward in a non-public area that the Bank shall designate.

ARTICLE XXII

SHOP STEWARD

1. The Union may designate in writing to the Bank one ~~Shop Steward~~ ^{Unit Chair (Steward)} and one ~~(Alternative Steward)~~ ^{Joint Council Delegate} The Alternative Steward may only act in the absence of the Shop Steward. The Bank will recognize no other shop stewards.

2. The authority of the Shop Steward shall be limited to investigating and processing grievances, which the Steward may do only during non-public banking hours of the Bank, but during such non-public banking hours the Steward shall have reasonable freedom to investigate and process grievances pursuant to the express provisions and limitations of the Grievance Procedure. The Steward and Alternate shall have no authority to take any action which interferes with the normal business of the Bank or the working time of employees.

3. The Shop Steward and Alternate Steward shall have super-seniority in his/her classification for the purposes of lay-off and recall only.

4. The Union can conduct periodic membership meetings on Bank premises during unpaid lunch hours on reasonable advance notice to the Bank. The Bank agrees to cooperate in arranging employee lunch hours to permit employees to attend meetings, subject to operational requirements. The Bank at its discretion may agree to meetings at other times. ✓

ARTICLE XXIII

DISCHARGE AND DISCIPLINE

1. The Bank shall have the right to discharge, suspend or discipline any regular employee (i.e., one who has completed the probationary period) for cause.
2. The Bank will notify the Union in writing of any discharge or suspension within three (3) working days after the discharge or suspension. If the Union desires to contest the discharge or suspension, it shall give written notice thereof to the Bank within ten (10) working days from the date of its receipt of the Bank's notice of the discipline. In such event, the dispute shall be submitted and determined under the grievance and arbitration procedures set forth in this Agreement, however, commencing at Step 2 of the Grievance Procedure.
3. In the event the Union submits such a grievance hereunder to arbitration, the Arbitrator shall not have power or authority to reverse the decision of the Bank unless the Bank fails to establish that it had cause for the discharge or discipline.

ARTICLE XXIV

GRIEVANCE PROCEDURE

Section 1.

A grievance is any dispute involving the interpretation or application of a provision of this Agreement. Grievances shall not be presented or processed during the Bank's public banking hours. ✓

Except as otherwise stated in this section, any grievance shall be adjusted as follows: First Step All Grievances shall be first discussed orally by the persons most closely involved, including the affected employee, the employee's immediate supervisor and Shop Steward, within three (3) workdays after the reason for the grievance has occurred or within three (3) workdays after the employee has knowledge of the facts giving rise to the grievance or should have had such knowledge.

Second Step If the grievance is not resolved in the First Step, a grievance by either an employee or the Union (for itself or an employee) must be filed, in writing, with the Bank within five (5) workdays after the grievance was presented pursuant to the First Step. The written grievance shall state the specific facts on which it is based and identify the specific provision(s) of this Agreement alleged to have been violated. Within five (5) working days of the receipt of the written grievance the Bank's Manager of Personnel and Administration, or his/her designee, shall give the answer in writing to the Shop Steward. Third Step If the grievance has not been satisfactorily adjusted in the Second Step, and the Union wishes to pursue the grievance, then within ten (10) workdays of the Second Step grievance consultation, the Union's representative and Bank's Deputy Chief Manager, or his/her designee, will consult with

each other in an effort to adjust it. If the grievance is not settled satisfactorily within five (5) workdays of this meeting and the reason for the grievance arose during the term of this Agreement, then the Union may submit the grievance to arbitration provided it notifies the Bank in writing of its decision to do so within thirty workdays after the meeting between the Union's representative and the Bank's Deputy Chief Manager, or his/her designee. The written notice shall state the specific grievance and issue to be arbitrated and the contractual provision(s) involved. For the purposes of calculating the above thirty (30) day time period, the formal grievance procedure shall be deemed completed as of the date the Union received the Bank's written answer.

Section 2.

Selection of an Arbitrator

Any matter submitted to arbitration shall be heard and determined in New York, New York by a single impartial arbitrator pursuant to the Labor Arbitration Rules of the American Arbitration Association ("AAA"). An arbitrator shall hear only one Grievance at a time.

The Arbitrator's Authority

The Arbitrator's authority shall be strictly limited to applying and interpreting the explicit terms and conditions this Agreement expressly sets forth. The arbitrator shall not have authority or jurisdiction: (1) to add to, subtract from, modify, or disregard any provision of this Agreement; (2) to establish or determine any new wage rate, job classification or job differential; (3) to deal with any grievance unless it involves a specific instance of action or failure to act with respect to an employee or group of employees and the reason for it arose during the term of this

Agreement; or (4) to deal with any matter reserved to the Bank in the Management Rights Clause of this Agreement.

In no event shall any retroactive pay award extend beyond sixty (60) calendar days prior to the date the written appeal was presented in Step 2 of the formal grievance procedure. Any retroactive pay accorded shall be computed at the employee's basic wage rate and shall be reduced or offset by all income received during the period of the employee's unemployment, including but not limited to, interim earned income, unemployment compensation, termination pay or disability or pension benefits. The decision of the arbitrator on any matter submitted and decided in accordance herewith shall be in writing and shall, if properly made, be final and binding on the parties thereto as to the particular case submitted, subject to law.

The Arbitrator's Compensation and Expenses

The compensation and expenses of the arbitrator and the general administrative expenses of the arbitration shall be borne equally by the Bank and the Union. Each party shall be responsible for payment for time consumed by and the expenses of its representatives and witnesses.

ARTICLE XXV

NO STRIKES AND LOCKOUTS

1. The Union, its representatives and the employees covered by this Agreement agree, individually and collectively, that during the term of this Agreement or any extension thereof, none of them will call, authorize, encourage (by action or inaction) or engage in any slow-down, strike, sympathy strike, work stoppage, work interruption, sick-out, picketing, boycott, honoring the picket lines of others at the Bank's facility, or other activity which in any way interferes or tends to interfere with the operations of the Bank.

In the event of such activity, the Union agrees that it will take all reasonable steps within its power to end it.

2. The Bank agrees that it will not lock out any of its employees during the term of this Agreement and any extension thereof.

3. The parties recognize the right of the Bank to take disciplinary action, including discharge, against any employees who participate in a violation of Section 1 hereof.

ARTICLE XXVI

CHRISTMAS BONUS

So long as the Bank's 460 Park Avenue facility performs in an economically constructive manner, i.e., as long as the 460 Park Avenue facility makes a profit, the Bank shall pay at or near Christmas of each calendar year to each employee at the Bank's facilities covered by this Agreement then on the payroll and having one or more full years of service with the Bank a bonus of two (2) weeks' salary at the employee's regular straight-time rate of pay, provided the employee intends to continue his/her employment with the Bank into the next calendar year. Regular employees who do not have one year of service at the time will receive the Christmas Bonus, if paid, on a pro rata basis.

ARTICLE XXVII

GENERAL TERMS

1. The Bank shall make loans available to employees with two (2) or more full years of service with the Bank limited to the purchase of an automobile in an amount not to exceed eight (8) months' salary, payable to the Bank in thirty-six (36) monthly installments at the prime rate of interest.

The Bank may require different terms of repayment and/or interest rate in the event the employee leaves the Bank's employment before the loan is paid.

2. Regular part-time employees who regularly work less than twenty (20) hours a week shall not receive the benefits this Agreement provides. Regular part-time employees who regularly work twenty (20) hours or more a week shall receive on a pro-rata basis only those specific benefits expressly granted to such employees in other provisions of this Agreement.

3. With respect to the use of polygraph tests, the Bank will honor whatever valid restrictions on such use as may be enacted by the New York State Legislature applicable to banks.

4. A temporary employee is one who is hired on a temporary basis and is so informed at the time of hire. Temporary employees may be hired to replace an employee on leave of absence, while the Bank is conducting an active search for permanent employee, or to meet work requirements of a temporary nature. A temporary employee automatically shall become a regular employee after the completion of six (6) months of continuous temporary employment or the return of the employee being replaced, whichever is later, if not sooner

converted by the Bank from temporary employment to regular employment. In either event, the time spent as a temporary employee shall be credited towards the probationary period.

5. Full time employees with one (1) or more years of continuous service with the Bank shall be eligible for the Bank's Tuition Reimbursement Program. Under this program, the Bank will reimburse the employee for successful completion of Bank-related courses or other courses at an accredited institution up to a maximum of one thousand-five hundred (\$1,500.00) dollars for any one employee in a calendar year. The Bank will make reimbursement after the employee shows receipt(s) for payment of the tuition and evidence of successful completion of the course(s). Employees may not take courses during times they are scheduled to work and must work a full day on the days they are scheduled to take courses.

In addition, employees who participate in the Tuition Reimbursement Program must remain in the Bank's employment for at least one (1) year following successful completion of a course(s) for which the Bank reimburses. Failure to do so will render the tuition reimbursement a debt due and owing from the employee to the Bank.

6. Dishonesty, including but not limited to, falsification of Bank records and false statements or willful omissions in a job application, resume or in the application process is one example of misconduct that shall result in immediate discharge.

ARTICLE XXVIII

SEVERANCE PAY

In the event of a layoff of a full-time employee, the Bank shall pay such affected employee one (1) week's straight-time pay for each full year of service with the Bank, up to a maximum of eight (8) weeks' pay.

ARTICLE XXIX

SAVINGS CLAUSE

1. If any provision of this Agreement should be held or adjudged illegal or in violation of any present or future law by a competent tribunal, such adjudication shall not invalidate any other portion or provision of this Agreement nor relieve either party thereto from their liabilities and obligations under this Agreement, but the same shall continue in full force and effect. In the event that any part of this Agreement is held illegal as above-mentioned, the parties agree promptly to meet in order to agree upon a proper and legal substitute therefor.

ARTICLE XXX

DURATION

This contract shall remain in full force and effect from 12:01 a.m., November 1, 2001 until midnight on October 31, 2002.

Local 2110, ~~UAW~~

STATE BANK OF INDIA

By _____
President

By _____
President and Chief Executive Officer
and Country Manager, USA

International Union, UAW

By _____
Regional Director

Date of Execution: November 1, 2001

DUES AUTHORIZATION

To: State Bank of India
(Name of facility)

[substitute Local 2210 Form]

Date: _____

Signature _____

Print Name _____

November 1, 2001

To: Maida Rosenstein
President
Technical, Office and Professional Union
Local 2110 - UAW-AFLCIO
113 University Place - 5th Floor
New York, New York 10003

Dear Ms. Rosenstein:

This letter confirms the parties' agreement that the Bank will offer all bargaining unit employees a one-time special early retirement program. The details of the program are as follows:

1. Eligible Employees: All employees who have 15 years or more of service or whose age plus years of service equals 65 or more will be eligible.
2. Benefits: Employees who elect to participate in the special program will receive:
 - (a) three (3) weeks pay for every complete year of service; and
 - (b) continuation of medical, dental and vision care insurance for the employee and family for a period of 18 months under COBRA at the Bank's expense. At the employee's option the cash value of 18 months of premium payments at the rates applicable on the date of retirement will be paid in a lump sum in lieu of coverage at the Bank's expense.
3. Waiver Required: Employees receiving payments under this special retirement program must execute a waiver of all claims against the Bank as condition of receiving payments.

- 4 Timing of Program: The program will be offered for a minimum of three (3) months, beginning during the contract term at a time selected at the Bank's discretion. ✓

Sincerely,

Agreed to by:

UAW Representative