

**MEMORANDUM OF AGREEMENT
BETWEEN
MACY'S INC
AND
UNITED FOOD AND COMMERCIAL WORKERS, LOCAL 400**

APRIL 30, 2021

This Memorandum of Agreement ("MOA") is by and between Macy's Inc. ("Macy's") and the United Food and Commercial Workers Local 400 (the "Union"), hereby collectively referred to as the "Parties." As result of good faith negotiations, the Parties have reached a tentative agreement on certain changes to the Collective Bargaining Agreement ("CBA") expiring April 30, 2021 between the Parties. This MOA contains changes to the CBA agreed upon by the Parties. Unless changed by this, the provisions of the CBA shall remain as is.

1. Article 5 – Hours of Work

Section 5.3 and 5.5(c) shall be modified as follows:

5.3 Without in any way limiting the Company rights under Article 1, it is agreed that the Company shall have the sole right to determine the hours and days on which its stores and facilities shall be open or in operation; provided, however, that no full-time associate shall be required to work more than three (3) nights in any work week. Where a full-time associate is scheduled to work a Sunday shift, he/she will not be scheduled for more than two (2) nights in that week. For purposes of ~~Article 5, Section 5.4~~ **this section**, night means scheduled on or after ~~7:00~~ **7:30pm** Monday through Saturday ~~[7:30pm in the Wheaton Plaza store]~~. No full-time associate will be required to work a scheduled split-shift without his/her consent.

5.5 (c) If due to weather, disaster, edict by government authorities, etc., a store or facility does not open for business at all, full-time and part-time associates who are eligible for Paid Time Off (PTO) may use an available Paid Time Off PTO day, or they may choose not to use an available Paid Time Off PTO day for that day. If a store or facility is open during a weather or disaster emergency as determined by the Company, attendance for associates will not be negatively impacted if they are unable to report to work or arrive late or leave early with management approval. They may choose to use an available PTO day if they speak to their supervisor before their scheduled shift, or they may choose not to use an available PTO day.

2. Article 6 – Wages

Section 6.1 shall be modified as follows:

6.1 Wages will be paid in accordance with the Company's performance-based wage system such as commission/draw, hourly wage rate, base plus commission or specialized pay plans.

Following an increase in the maximum rates by \$.55, effective for the **May 1, 2021** annual wage increases, associates who are not over the new maximum rate of pay for their pay grade:

- Meets Expectations rating: not less than **\$.25** per hour
- High Meets Expectations rating: not less than **\$.30** per hour
- Exceeds Expectations rating: not less than **\$.35** per hour

Effective for the **May 1, 2022** annual wage increases, associates who are not over the maximum rate of pay for their pay grade:

- Meets Expectations rating: not less than **\$.30** per hour
- High Meets Expectations rating: not less than **\$.35** per hour
- Exceeds Expectations rating: not less than **\$.40** per hour

Following an increase of the maximum rates by \$0.55, effective for the **May 1, 2023** annual wage increases, associates who are not over the new maximum rate of pay for their pay grade:

- Meets Expectations rating: not less than **\$.30** per hour
- High Meets Expectations rating: not less than **\$.35** per hour
- Exceeds Expectations rating: not less than **\$.40** per hour

In the event the Company decides to not participate in an annual performance review program in the years 2022 or 2023, the Company will provide all hourly colleagues an increase equivalent to the HME rating, as outlined above.

3. Article 8 – Working Conditions

Section 8.1 shall be modified as follows:

- 8.1 The Company shall provide ~~associates~~ **and maintain sanitary, with reasonably safe and comfortable healthful** working conditions **for associates** that are in full compliance with all applicable legal requirements. **In the event the Union notifies the Company that it believes an unsafe and/or hazardous condition exists, the Company will investigate without delay; and if such condition exists, the Company will promptly remedy it.**

4. Article 9 – Probationary Period and Termination

Section 9.4 shall be modified as follows:

- 9.4 The Company shall provide each associate permanently laid off, one (1) week's notice, or at the option of the Company, one (1) week's pay. In addition, associates who are permanently laid-off shall receive severance pay of one (1) full week's pay for every completed year of service as of their anniversary date of employment.

An associate is considered 'permanently' laid off if he/she is told his/her services are no longer required or he/she will not be scheduled for two (2) months or if, in fact, he/she is not scheduled for two (2) months.

In the event of a store closing or subcontracting, the Company will make every reasonable effort to place associates in available positions giving due consideration to seniority, status, hourly rate, ability and qualifications. Associates who are not placed and are laid-off as a result of the associate's position being subcontracted or the closing of a store or location which results in the discontinuance of its operations, shall receive in addition to one (1) week's notice or pay in lieu thereof, severance pay of one (1) full week's pay for every completed year of service as of their anniversary date of employment. Severance is not payable to any associate who is laid-off as a result of that associate's refusal to accept an offer of employment in that location, or another location within a reasonable

commuting distance, which includes maintaining the associate's employment status and hourly rate of pay.

In the event an associate is permanently laid-off and paid severance according to the provisions above, the associate will not be entitled to recall rights under Article 4.3 of this agreement.

5. Article 10 – Vacation/Paid Time Off

Section 10.1 shall be modified as follows:

10.1 Regular Associates on a base schedule of twelve (12) or more hours per week are eligible for paid vacation/paid time off based upon continuous length of service as of February 1. For purposes of paid time off benefits, continuous length of service is defined as continuous service on a base schedule of twelve (12) or more hours per week. **Effective fiscal February 2023, Associates who have been paid an average of at least fifteen (15) hours per week in the previous calendar year will be eligible for paid vacation/paid time off.**

6. Article 11 – Holidays

Section 11.1, 11.2 and 11.3 shall be modified as follows:

11.1 The Company agrees to observe the following holidays:

- New Year's Day
- **Martin Luther King Jr Day**
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

11.2 Associates on a base schedule of twelve (12) or more hours per week, with six (6) consecutive months of service prior to the holiday, shall be paid their base hourly rate for store closed holidays. **Effective fiscal February 2022, Associates who have been paid an average of at least fifteen (15) hours per week in the previous calendar year will be eligible.** Holiday pay for store closed holidays is calculated based on an associate's average hours paid divided by their average days paid in the prior calendar year multiplied by the associate's base hourly rate of pay. Base hourly rate for Draw vs Commission Associates is their benefit rate.

11.3 ~~Effective fiscal February, 2013 and fiscal February, 2014,~~ Associates on a base schedule of twelve (12) or more hours per week will be eligible to receive Paid Time Off days for use as Holiday Pay (if one (1) year of service or more), Sick Pay or for personal use. **Effective fiscal February 2023, Associates will be eligible as outlined in Article 10.1 above.**

Unused paid time off days shall not be paid on January 31st nor carried over and are not payable upon termination of employment.

Paid Time Off days may be used by an associate for any purpose, including when electing holiday off (if Associate has one or more years of service) and used for waiting period for sick pay benefits, and may be selected at any time after being awarded. Associates should, whenever possible, provide advance notice to the Company, and the Company retains the right to limit the use of paid time off days based upon business and coverage needs. ~~The Company shall make every reasonable effort, consistent with operating requirements, to allow an associate who so desires to utilize a floating holiday on Martin Luther King's birthday.~~ For each paid time off day taken, eligible associates will be paid their regular rate for their regularly weekly base scheduled hours divided by five (5). For Draw vs Commission Associates, the regular rate is the Benefit Rate.

7. Article 13 – Benefits

Section 13.5 (b) shall be modified as follows:

13.5 (b) Full-time associates (averaging thirty (30) paid hours or more per week) are eligible to participate in the company sponsored healthcare plans, including wellness programs, under the same terms and conditions as the majority of associates of Macy's Inc. Company contributions will reflect the following ~~plan cost of~~ **percentages for Bronze level of** each tier (~~single Employee only, double Employee plus Spouse, Employee plus Child(ren) and Employee plus Family~~) for ~~the~~ 2021-2022 **plan year and the 2022-2023 plan year**; subsequent years will align to the Company plan cost of each tier. Full-time associates who elect to participate in the Dental Plans will contribute 100% of the gross premium rate.

<u>Carrier</u>	<u>Company %</u>
Aetna	No less than 65%
Anthem	No less than 70%
Cigna	No less than 70%
Kaiser	No less than 70%
UHC	No less than 65%

8. New Article – Pandemic and Other Emergencies

I. During **COVID-19**, Macy's will implement a series of safety measures to ensure the safety of both colleagues and customers and will at all times comply with CDC guidelines which may continue to change. In the event there is a change of CDC guidance that alters anything below the Company will meet with the Union and discuss such changes. These measures will include, but not limited to:

1. Macy's will provide masks for each colleague on duty who does not have their own mask. The expectation is that the colleagues are responsible to care for the company issued masks. In the event the mask gets damage during the colleagues working shift, the colleague will be able to exchange the damaged mask for a replacement.
2. Distribution of gloves and/or aprons for select colleagues based on the nature of work (i.e. colleagues who are processing multiple goods or interaction with customers at high-traffic registers).
3. Increased and expanded cleaning protocols which will be the responsibility of all colleagues to some extent.
4. Installations of plexiglass sneeze guards at cash wrap areas.
5. Social distancing indicators will be added as part of store signage.

6. Aligned to our current company practice, colleagues can excuse themselves to leave the floor and wash their hands at any time for a reasonable amount of time; the colleague should notify their People Leader in advance to ensure there is adequate coverage to support customer needs.
7. All colleagues will be allowed to wipe down and sanitize any equipment that the colleague is being required to use. The Company will provide hand sanitizer at every register, building entrance, lounge, breakroom, or display area for colleague and/or customer use.
8. Housekeeping and store leadership teams will ensure all cleaning products and sanitizers are replenished throughout the day. Housekeeping will maintain their typical daily cleaning operations which include disinfecting.
9. The Company will provide the colleagues with the safety protocols via My Insite prior to returning to their respective store with 1:1 People Leader reinforcement, signage will be posted at all colleague and customer entrances outlining the established safety protocols and practices as per the CDC and Local Government.
10. Our in-house Plumbers/Steamfitters will continue to perform necessary maintenance to HVAC systems inclusive of review and changing of filters as needed.
11. Macy's will comply with Maryland and Washington, DC government guidance regarding customers wearing masks when visiting the store. The Company will have visual signage and placards that encourage personal protection equipment (PPE). Macy's will comply with all additional government and CDC guidelines as required. This policy requiring masks will be jointly reviewed by the Company and the Union on an ongoing basis to determine the need for the length of such policy however the final decision is the Company.
12. In the event a colleague is uncomfortable with servicing a customer who is not wearing a mask, as per our established practice, the colleague should contact the appropriate People Leader for customer assistance such colleague will not be disciplined for contacting the appropriate People Leader to service the customer.

Wellness Checks

Colleagues must complete wellness checks before each shift.

- Macy's Colleagues must take their temperature at home. If the temperature is 100.4°F or higher or if the employee is experiencing flu-like symptoms or otherwise feeling unwell, the Colleague may not work their shift and the company will comply with Articles 5.5 (a) and 5.6 (a) under the respective collective bargaining agreements. The Colleague may use paid time off or in certain locations, available sick/safe time and may reach out to Colleague Support for assistance.
- When colleagues arrive to work, the designated People Leader will ask a series of questions — known as Wellness Checks — to ensure the safety of everyone in the store (this information is personal and will not be recorded).
 - Did you take your temperature before you left for work today?
 - Was your temperature below 100.4°F/38°C?
 - Are you free from all of the following symptoms: new or worsening cough, shortness of breath, sore throat, new loss of taste or smell, chills, muscle pain, headache, or runny nose?

- Can you confirm that you have NOT had close and prolonged contact with a person who was lab-confirmed to have COVID-19 to your best knowledge? (The CDC defines close contact as being within 6 feet of someone with a confirmed case of COVID-19 for a prolonged period of time, 10 minutes or more, within the last 14 days)
 - If the colleague answers “yes” to all three questions, they should immediately wash or sanitize their hands, ensure they have a face mask on, and proceed to their work area. If the colleague answers no to any one of the three questions, they should be sent home and should be paid for the time it took to conduct the wellness check. If a colleague is sent home due to the outcome of the wellness check, the colleague will not use an attendance credit.
- The questionnaire portion of the wellness check will be completed while the colleague is “on the clock”.

Other Safety Measures

During the period of an emergency, catastrophe, or severe economic crisis which affects the Company's operation as to result in extraordinary decrease of gross sales affecting the employment of the majority of the employees, the Company and the Union agree to meet and effects bargain the impact of the emergency, catastrophe or severe economic crisis. No act or event within the Company's control shall be considered an emergency or catastrophe. A labor dispute to which the Company is not a party, and in which the Company has no control, or the adoption of any law or regulation, which is the cause of an extraordinary decrease in gross sales shall be considered an emergency.

- In order to address the current COVID-19 pandemic, or in order to address any future pandemic emergency where the City, State, or Federal Government deems it a pandemic, issues a stay at home order, or recommends a stay at home order the agreed to conditions will apply as follows:
 - A. If an employee has contracted COVID 19 illness and is required to quarantine as per the State, Local Government or CDC or any future pandemic emergency that requires quarantine they shall be entitled to pay at their paid time off rate of pay x their weekly scheduled hours for the week(s) they are required to quarantine, up to two weeks of the quarantine period. Quarantine periods will adhere to CDC, State, or Local Government requirements.
 - B. In the event that the employee has not fully recovered, after the two week period, during COVID-19 pandemic or any future pandemic the employee may apply for a Leave of Absence, utilize any sick pay, or earned PTO time that they are entitled to under the collective bargaining agreement.
 - C. In the event the employee has to care for a family member who is required to quarantine, during COVID-19 pandemic or any future pandemic, the employee can apply for a Leave of Absence.
 - D. The employee is required to immediately notify the Company of the need for leave for either A, B or C above through their supervisor.
 - E. Any employee who is required to quarantine as per the State, Local Government or CDC or on a Leave of Absence, during COVID-19 pandemic or any future pandemic emergencies, the Company's Reliability and/or Attendance policies will be suspended for the duration of that time.

- F. For employees who are quarantined, during COVID-19 pandemic or future pandemic emergencies, medical benefits eligibility requirements and PTO eligibility requirements will be reviewed to support continued eligibility for impacted employees.
- G. During the current COVID-19 pandemic or any future pandemic emergency the Company agrees to meet and confer with the Union on safety, cleaning, or any other discussion item to address the emergency on an as needed basis.

9. Article 23 – Duration

Section 23.1 shall be modified as follows:

23.1 This Agreement shall become effective as of May 1, ~~2021~~¹⁴⁸ (effective date), with the exception of those provisions indicated otherwise, and shall continue in full force and effect until April ~~30~~²⁷, ~~2024~~²⁰, and shall continue in effect from year to year thereafter, unless either party serves written notice on the other which is actually received more than sixty (60) days prior to April ~~30~~²⁷, ~~2024~~²⁰ or April ~~30~~²⁷ of any year thereafter of a desire to terminate or change the Agreement. In the event either party serves such notice, the parties shall immediately commence negotiations, and pending termination of the negotiations or expiration of the Agreement whichever is later, the terms and conditions of the Agreement shall continue, provided that either party may, in its own discretion, by seven (7) days written notice, unilaterally terminate said negotiations whenever it so desires after the expiration date of the Agreement.

10. Update and renew all side letters.

Agreed upon this ____ day of April, 2021

UFCW LOCAL 400

MACY'S INC.

By: _____

By: _____

Date: _____

Date: _____