MEMORANDUM OF AGREEMENT

The State Bank of India (the "Bank") and Local 2110, UAW agree to terms of a Collective Bargaining Agreement which will include the following changes to the terms and conditions contained in the last agreement between the Bank and District 6. These provisions will be incorporated in a complete Collective Bargaining Agreement between the Bank and Local 2110.
State Bank of India and Local 2110, UAW

Art. I  Recognition of Union

Unit descriptions in accordance with NLRB certifications for three units

Art. II  Union Security Clause

1. Section 1 — Delete last sentence (termination of union shop agreement upon contract expiration)

2. Section 2 — Substitute "Local 2110" for District 6; conform to Local 2110 check off card

Art. III  Check off — No Change

Art. IV  Management Rights

*Par. 1. Remove "expressly"

Art. V  Probationary Period — No Change
Art. VI  **Hours of Work — Overtime**

1. (New Paragraph) The normal working hours are 9:00 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. Employee may request alternative schedules up to twice per year, and such requests shall not be unreasonably denied.

2. (New Paragraph) 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.

Art. VII  **Holidays — No Change**

Art. VIII  **Vacations**

**Par. 1.** Change to provide:

(b) 2nd year of employment 2 weeks (after completion of 6 month continuous service)
(c) 3rd through 9th year of employment 3 weeks (commencing with the calendar year in which the 2nd anniversary of continuous service occurs.)
(d) 10th year and thereafter change "10th Anniversary to 9th Anniversary"
Art. IX  Sick Leave

1. Employees may elect on one time basis (i) cash out unused sick leave of preceding years in January of each year or (ii) to accumulate up to ninety (90) days. If 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 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.

Art. X  Wages

1. Increase of $5 per week for all employees effective Nov. 1, 2001

2. Increase of $30 per week for all employees, effective July 1, 2002

3. Caps on maximum salary removed, with retroactive effect to July 1, 2001

4. Minimum salary increased to $250 per week effective November 1, 2001 and $300 per week effective July 1, 2002

New Par  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.

Art. XI  Shift Differential

1. Increase shift differential to $7.00 per day

"
Art. XII  Funeral Leave

1. Extend to parents-in-law (i.e., mother-in-law and father-in-law) of employee. (J-2200)

Art. XIII  Marriage Leave

1. Marriage Leave applicable to any employees who have completed their probationary period.

Art. XIV  Jury Duty Pay - No Change

Art. XV  Personal Leave

Par. 2. Employees with 10 or more years of service will receive three (3) personal days per year.

Art. XVI  Savings Plan

Par. 2. Charge three (3) percent to four (4) percent, effective January 1, 2002.

- Amend plan to provide for employee loans and withdrawals as permitted under applicable law.

Art. XVII  Leave of Absence
Par. 5. (FMLA) – Substitute for second sentence: "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."

Art. XVIII  Seniority

Par. 1 — Amend to provide for a single consolidated seniority list for employees at all branches.

Par. 2. — 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.

Qualified employees will have a preference in filling such vacancies over outside applicants.

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.

Par. 6 (d) — Change to read as follows:

"... 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.

Leave application forms will be changed to delete current language regarding failure to return from leave.

Art. XIX  No Discrimination - No Change
Art. XX  Health and Life Insurance

Par 1. Increase cap on Bank obligation to pay monthly premium for family coverage to $771.62, providing that if the premium is increased by the insurance company for the period ending October 31, 2002, the Bank will bear the entire cost of any such increase for that period.


Art. XXI  Union Activity Bulletin Boards

Par 1. A Bulletin Board to be provided in each branch.

Art. XXII  Shop Steward

Add new language – 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.

Art. XXIII  Discipline and Discharge

Par 2  Bank to notify Union within three (3) working days after discharge or suspension. Union has ten (10) working days to contest Bank’s action.
Art. XXIV  Grievance Procedure

1.  *Delete "express" from first sentence.

   *Second Step - Delete "and the reasons for the grievance arose during the term of this Agreement"

   Arbitrator's Authority - Delete "In disciplinary cases, the arbitrator shall not have authority to mitigate or modify discipline imposed"

Art. XXV  No Strikes and Lockouts

Par 1  - Change "business" to "operations"

*Par 3 - End sentence after "Section 1 hereof"

Art. XXVI  Christmas Bonus

-Bonus paid to employees at all branches if 460 Park Avenue branch is profitable.

Art. XXVII  General Terms

Par. 4  - 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.

Par. 5  - Tuition Reimbursement increased to $1,500 per employee per year for Bank-related courses or other courses at an accredited institution.
Art. XXVIII  Severance Pay

1. Increase maximum to eight (8) weeks pay.

Art. XXIX  Savings Clause – No Change

Art. XXX  Duration


Other

The Bank will offer a special early retirement program as follows:

1. Employees who have 15 years or more of service or whose age plus years of service equals 65 or more will be eligible.

2. Employees who elect to participate will receive:

   (a) three (3) weeks pay for every complete year of service.

   (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. Employee will execute a waiver of all claims against the Bank.

4. 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.
*No bargaining history to be used in interpretation of these clauses including the union's proposal with respect to past practices.

Agreed to this 1st day of November 2001, subject to ratification.

For

STATE BANK OF INDIA

[Signature]

[Date]: 11/01/2001

VICE PRESIDENT (Pty. & Admin.)
NEW YORK

LOCAL 2110, UAW

[Signature]

[Date]: 11/01/2001

[Signature]

[Date]: 11/11/2001

[Signature]